Insurance. Investments.

Oddo BHF German Conference

Carsten Werle, Head of IR
Frankfurt, 20 February 2019

Agenda

A team of entrepreneurs who see performance as a question of honour

Christian Hinsch, 63
Industrial Lines

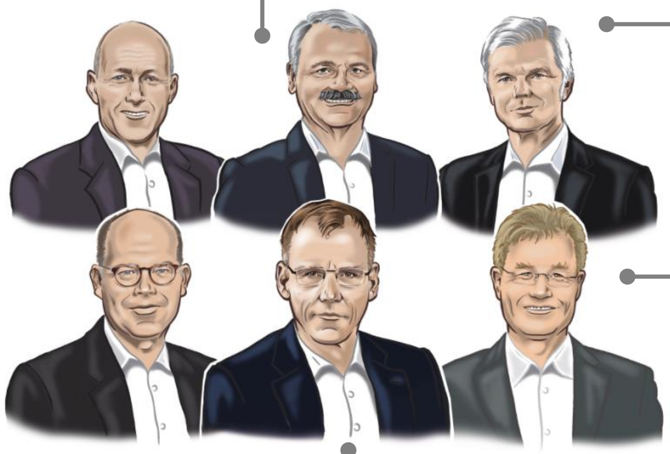
built up a leading global industrial lines franchise by successfully integrating Gerling

Sven Fokkema, 50
Retail International

turned Talanx's Polish acquisitions into successful ventures with his international experience

Immo Querner, 56
CFO

well-recognised Gerling crisis-proven expert in finance and risk management



Ulrich Wallin, 64
Reinsurance

turned Hannover Re into the most profitable leading global reinsurer

Jan Wicke, 50
Retail Germany, IT

proven cost manager driving transformation programme KuRS

Torsten Leue, 52
CEO

developed Retail International into the profitable growth engine of the Group

170 years of common experience in financial sectors

Note: Jean-Jacques Henchoz to succeed Ulrich Wallin as of 05/2019

Key messages

- We **strengthen**: entrepreneurial culture, B2B focus and portfolio diversification
- We **develop**: enhanced capital management, focused divisional strategies and digital transformation
- We **commit** to …
  - an increased **RoE** of ≥ 800bps above risk-free
  - annual **EPS** growth ≥ 5% on average
  - 35% to 45% **payout of IFRS earnings** with DPS at least stable y/y

Note: Targets are relevant as of FY2019. EPS growth CAGR until 2022 (base level: original Group net income Outlook of ~EUR 850m for 2018). The risk-free rate is defined as the 5-year rolling average of the 10-year German Bund yield. Targets are subject to large losses staying within their respective annual large-loss budgets as well as no major turmoil on currency and/or capital markets

Strengthen and develop – Turning our roots into a foundation for future success

Strengthen

1. Entrepreneurial culture
2. B2B focus
3. Diversified portfolio

Traditionally different

Develop

1. Enhanced capital management
2. Focused divisional strategies
3. Digital transformation

talanx.

Strengthen

We approach the VUCA world from a position of strength

Volatility Uncertainty Complexity Ambiguity

VUCA

- War for talent
- Wave of consolidation
- Low-interest rate environment
- Digital platforms
- Autonomous driving
- Hybrid customers
- Alternative capital
- Consumer behaviour
- Consumer protection
- Long soft cycles
- Regulation
- Disruption by start-ups

Our answer: reinforcing our strengths

1. Entrepreneurial culture
2. B2B focus
3. Diversified portfolio

talanx.

1 Strengthen – Entrepreneurial culture

Our entrepreneurial culture as basis for continued growth and cost leadership

Clear responsibilities – with transparency and consequence

Decentralised business structure

Innovation power

International best-practice sharing and digital mindset

Entrepreneurial culture

In 3½ out of 4 divisions (compared to peers)

Cost leadership

Strong profitable growth

> 6x higher business growth than peers

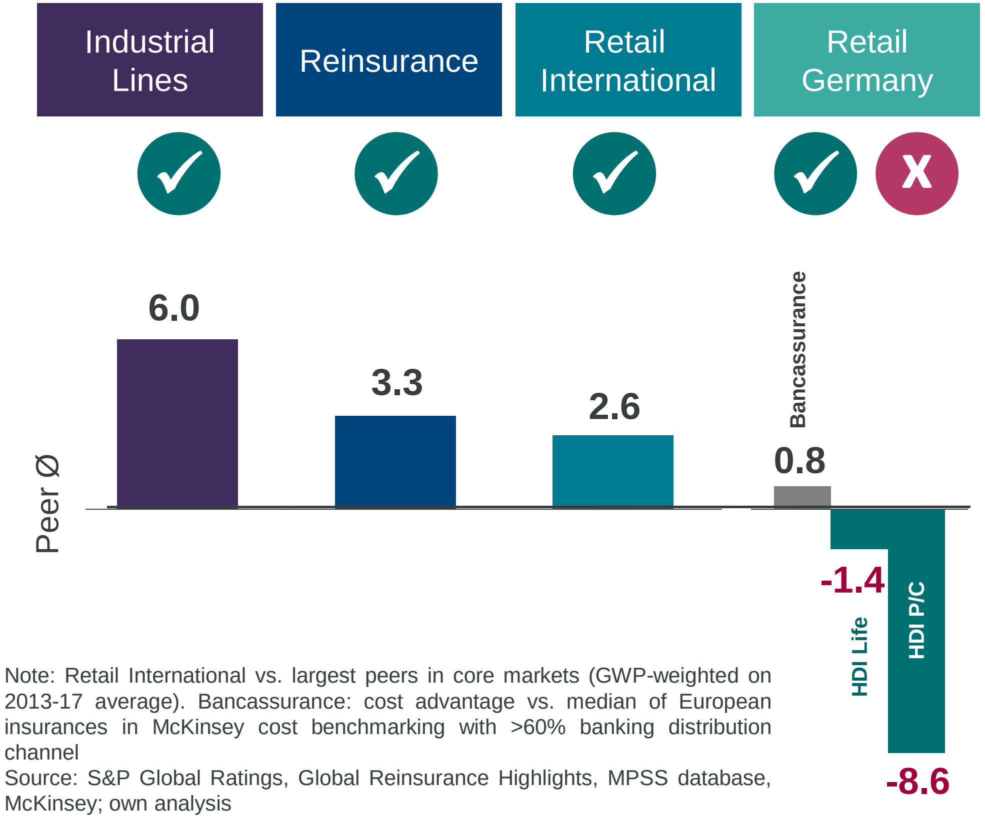
Note: Business growth defined as GWP CAGR for 2013-2017. Talanx Peer group consists of Allianz, AXA, Generali, Mapfre, Munich Re, Swiss Re, VIG and Zurich (throughout this document if not stated differently)

1 Strengthen – Entrepreneurial culture

Entrepreneurial culture – Basis for cost leadership and profitable growth …

Cost leadership in 3½ out of 4 divisions

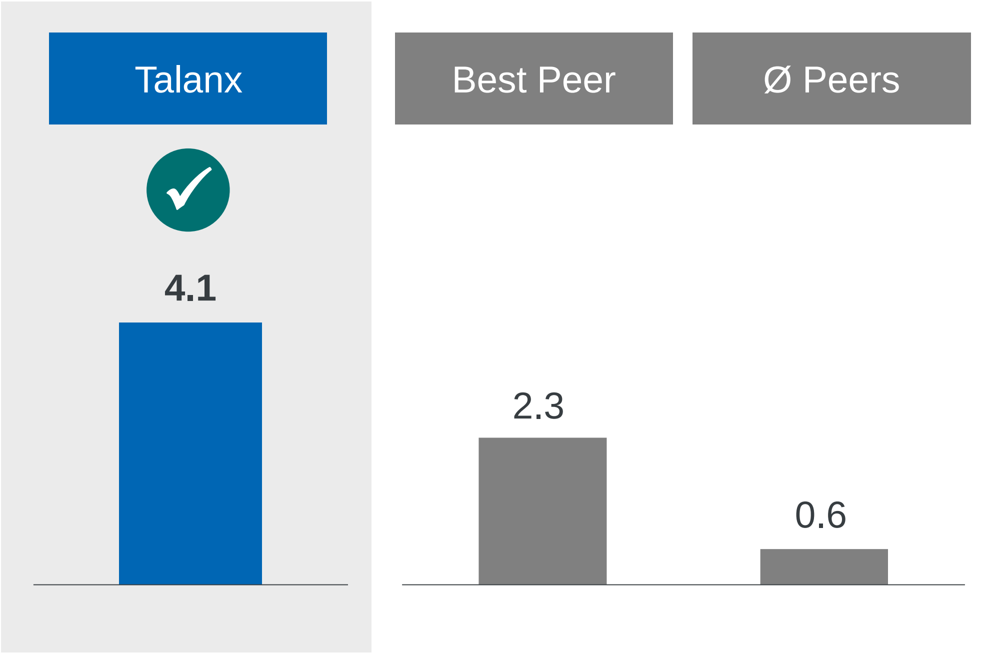
Cost ratio advantage (net) of divisions compared to peer Ø (2013 – 17) (in %-pt)



Note: Retail International vs. largest peers in core markets (GWP-weighted on 2013-17 average). Bancassurance: cost advantage vs. median of European insurances in McKinsey cost benchmarking with >60% banking distribution channel
Source: S&P Global Ratings, Global Reinsurance Highlights, MPSS database, McKinsey; own analysis

> 6x higher business growth than peers

GWP CAGR 2013 – 17 (in %)

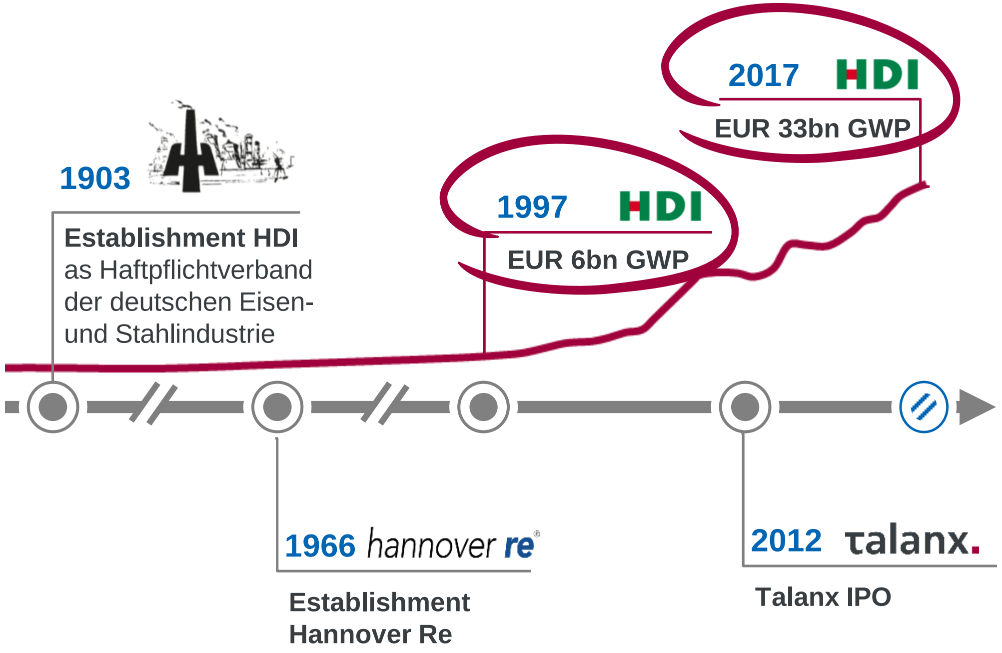


Note: Peer average GWP-weighted. Own calculations based on Annual Reports

1 Strengthen – Entrepreneurial culture

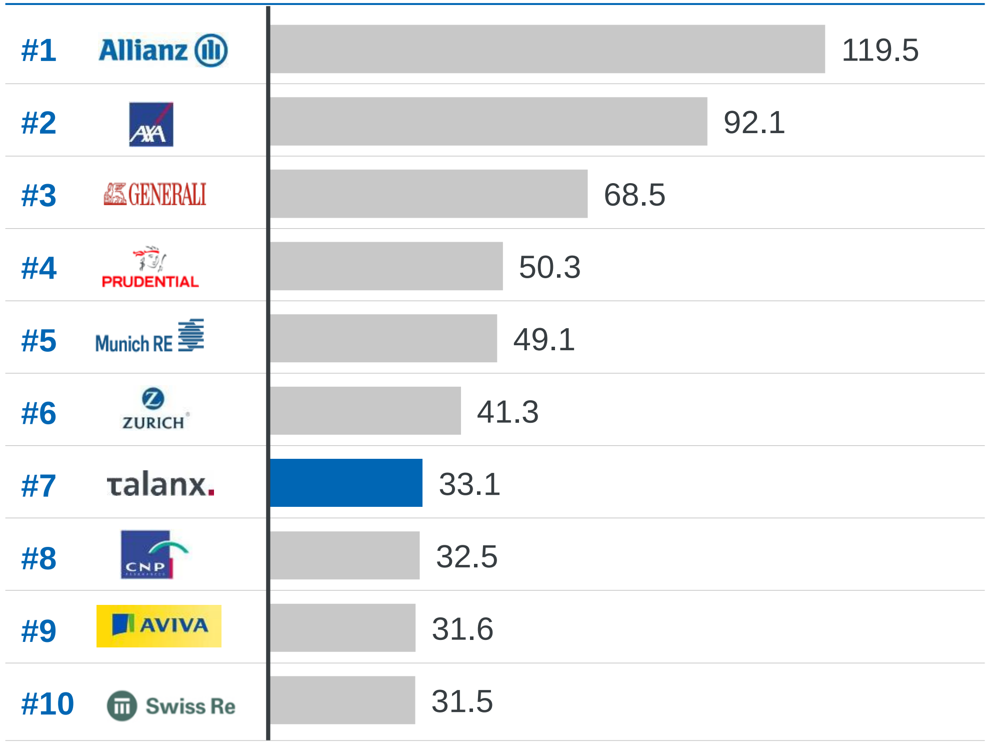
… leading to #7 market position in Europe

115 years of successful HDI/Talanx history



Talanx ranked at #7 in Top 10 European insurers

GWP 2017, in EURbn



Note: Prudential data based on earned GWP

2 Strengthen – B2B focus

Our unique B2B customer focus positions us well

Leading partner of 90% of DAX members

Industrial clients

RWE, Siemens, Lufthansa, BASF, Daimler, Volkswagen

Mid-market

Finktec, Plauen Stahl Technologie, Delius, Holz Ruser, Grafe, Brauns Heitmann, ITT, Schierle

Leading provider in Germany

B2B Focus – >80% of GWP in B2B business

Leading position in Germany and selected CEE (Poland, Hungary)

Bancassurance

Postbank, Sparkasse, Targobank, citibank, Magyar Posta, getin holding

Reinsurance

hannover re, e+s rück

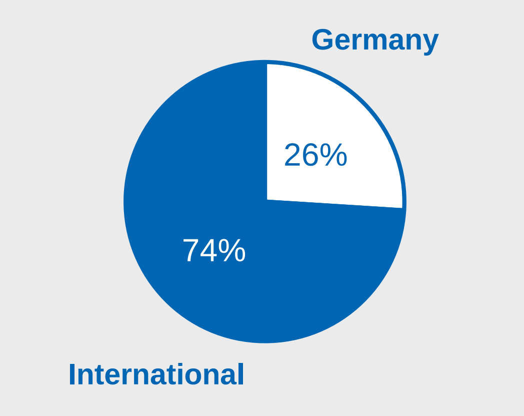
~5.000 insurance clients

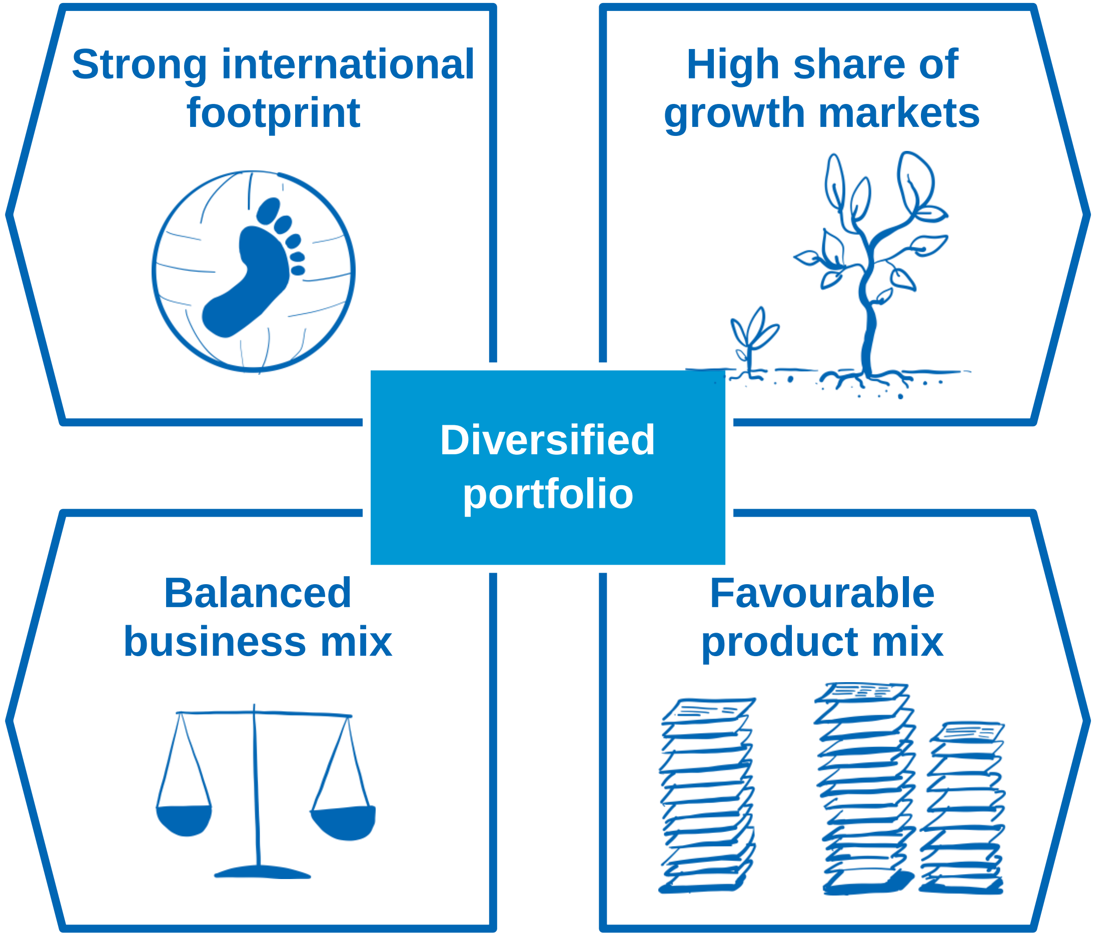
Leading reinsurer

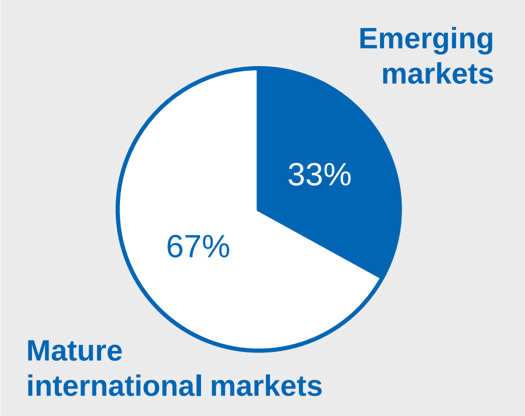
#4 player by size - #1 by RoE among main competitors

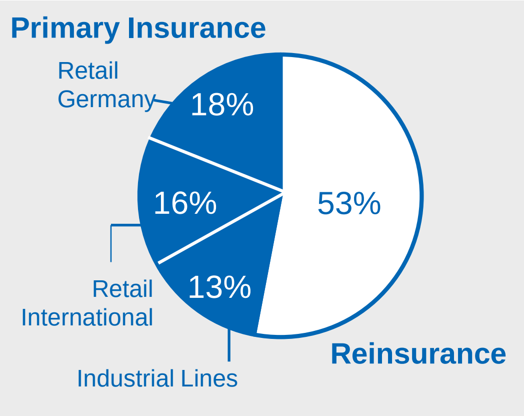
3 Strengthen – Diversified portfolio

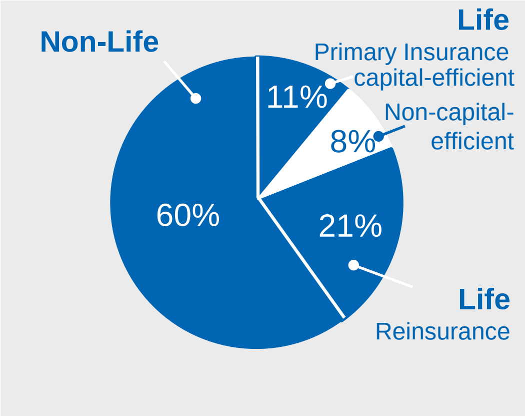
Our diversified portfolio as basis for proven earnings resilience











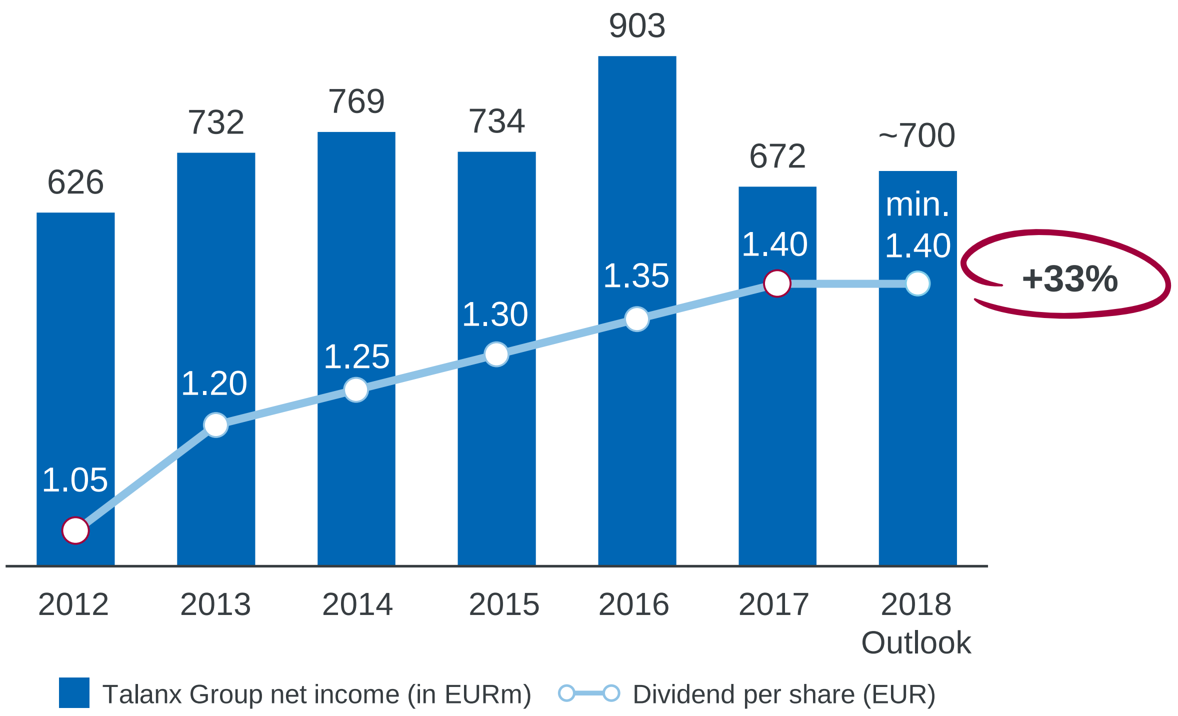
Note: All figures refer to GWP 2017 of Talanx Group; growth market split refers to international portfolio only

Strengthen

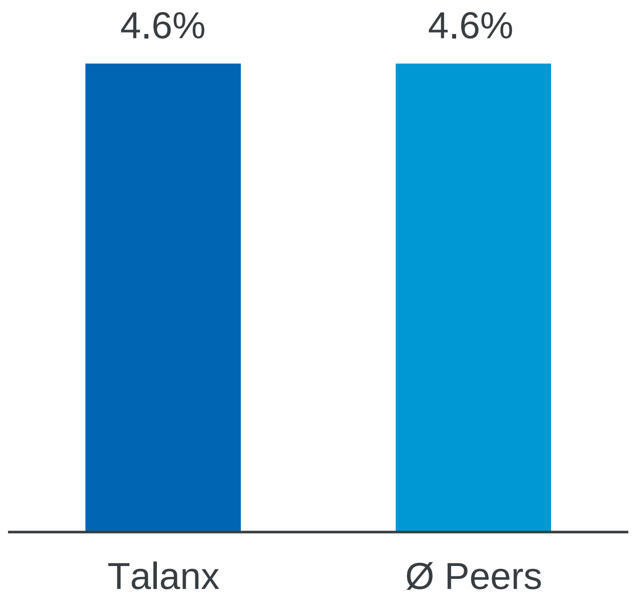
Outcome – Proven earnings resilience backing our sustainable payout policy

Sustainable earnings and payout policy

Talanx IFRS net income and dividend (per share)



Dividend yield in line with peers



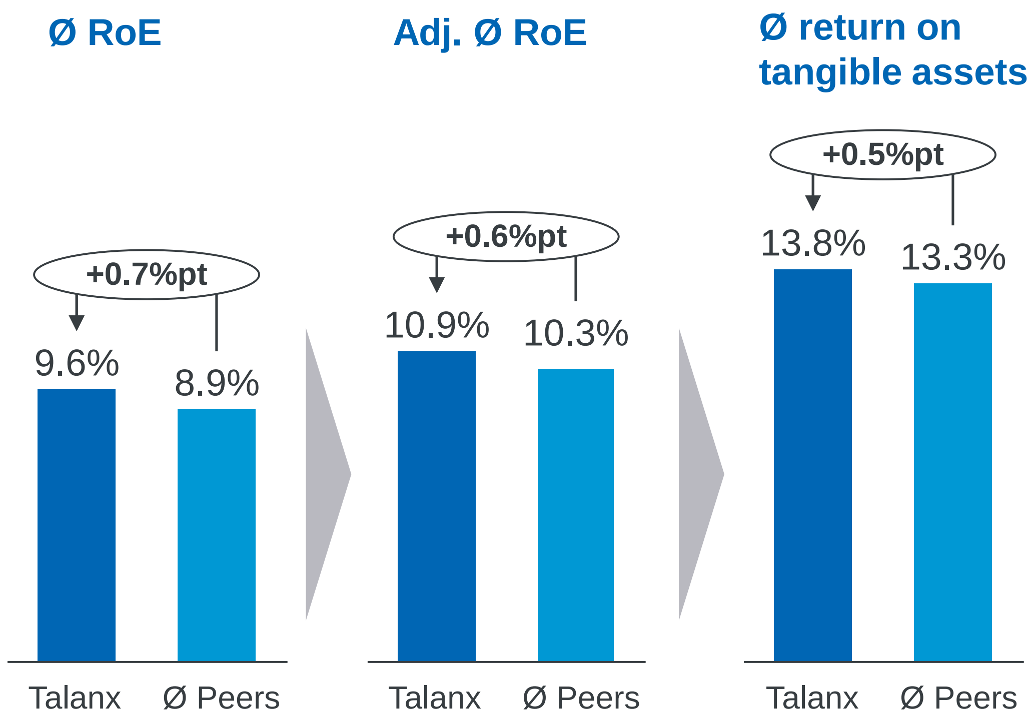
Note: Net income of Talanx after minorities, after tax based on restated figures as shown in annual reports 2012–2017; numbers for 2018 according to Talanx Group Outlook; all numbers according to IFRS

Note: For time period 2012–2017. Source: FactSet

Strengthen

Outcome – In the past, Talanx with strong track record and favourable risk-return profile…

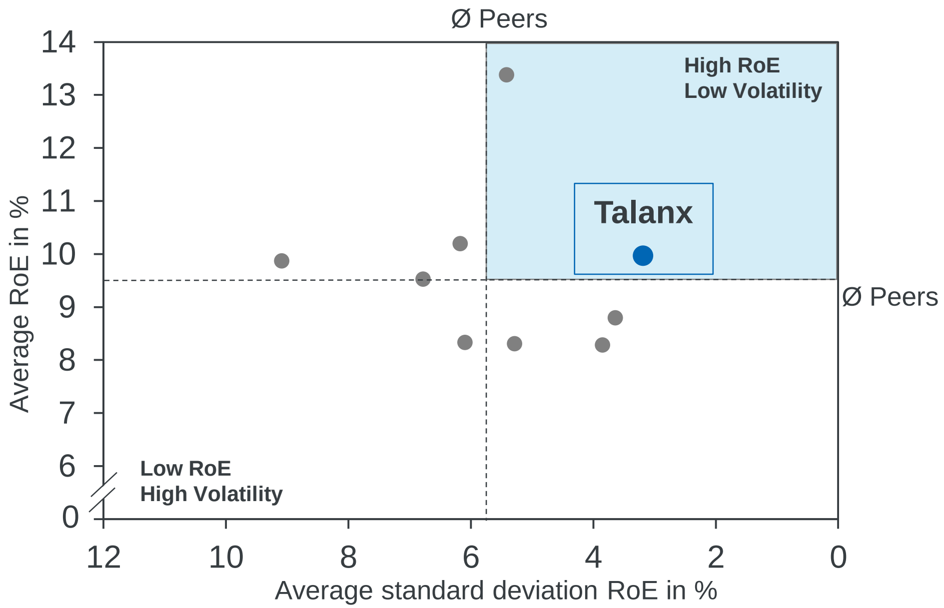
RoE above peer average



Note: All figures 2012-2017.
Adj. average RoE: own calculation based on the ratio of net income (excl. minorities) and average shareholders' equity excluding average unrealised gains & losses based on available peer data. Average return on tangible asset: own calculation based on the ratio of net income (excl. minorities) and average shareholder's equity excluding average goodwill and average other intangible assets
Peer group: Allianz, Munich Re, AXA, Zürich, Generali, Mapfre, VIG, Swiss Re
Source: Financial reports of peers, FactSet and own calculations

Favourable risk-return profile

Average Return on Equity compared to peers (2001-2017)



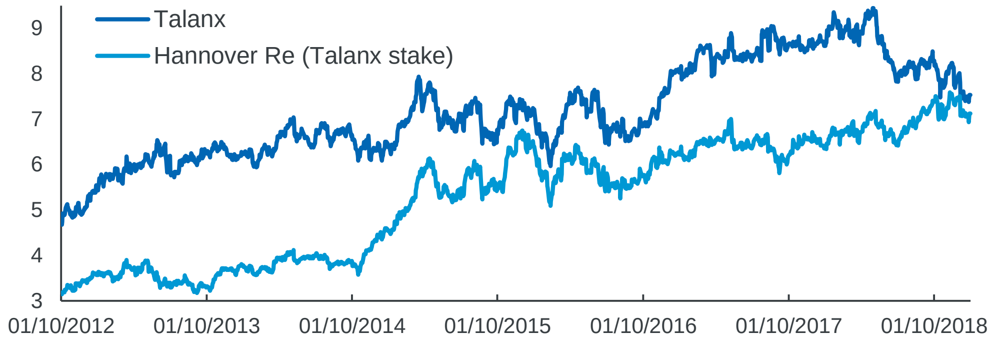
Note: Own calculations. RoE based on the ratio of net income (excl. minorities) and average shareholders' equity
Source: RoE 2001-2010 KPMG; 2011-2017 annual reports

Develop

…however, cautious valuation of Talanx ex Hannover Re

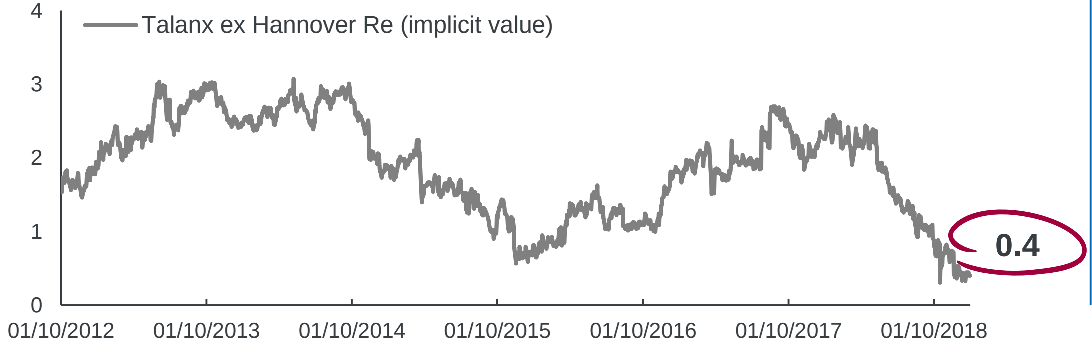
Market cap development

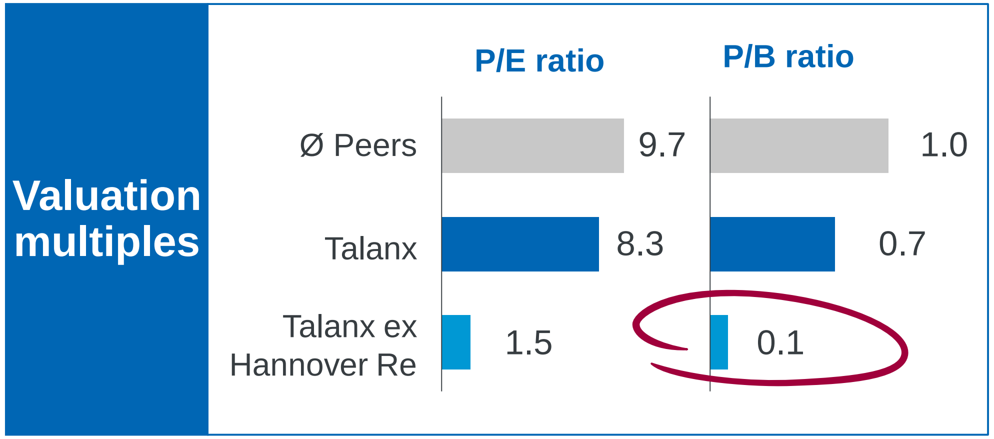
EURbn



Implicit market cap Talanx ex Hannover Re stake

EURbn





Note: Multiples as of 31 December 2018 and based on sell-side estimates as collected by Talanx. The P/E ratio refers to the 2019E median for EPS, the P/B ratio refers to the 2018E shareholders' equity

Develop

Talanx's ambition – Three areas to develop

Strengthen

1 Entrepreneurial culture

2 B2B focus

3 Diversified portfolio

Develop

1 Enhanced capital management

2 Focused divisional strategies

3 Digital transformation

Traditionally different

Develop

Talanx's ambition 2022

Group

1 Enhanced capital management

2 Focused divisional strategies

Industrial Lines	Retail International	Retail Germany	Reinsurance
Clean-up Fire and growth in Specialty	Top 5 in core markets	Delivery on KuRS targets and growth in SME	Reinsurance focus

3 Digital transformation

1 Develop – Enhanced capital management

Our Capital Management Strategy

Enhanced Capital Management

How to spend it

- Sustainable dividend growth
- Stringent capital allocation to support profitable organic growth
- Disciplined M&A approach

How to get it

- Reduce local excess capital
- Increase cash upstream
- Bundling reinsurance at Group level

Mid-term ambition

1	Attractive dividend payout ratio with DPS y/y at least stable	35-45%
2	Stringent capital manager	RoE ≥ CoE
3	Upstream of excess capital	~350m
4	Increase remittance ratio	50-60%

Note: Target dividend coverage ratio (available cash fund divided by target dividend level) is ~1.5-2 times actual dividend

1 Develop – Enhanced capital management

How to spend it – Allocate capital to support profitable organic growth

Return on Equity / GWP

Note: Bubble size: attributed equity capital 2017 in m EUR; figures in bubbles refer to change in attributed equity excl. minorities (2017 vs. 2012)

Consequent and efficient capital allocation in high RoE business…

… supports strong and profitable growth

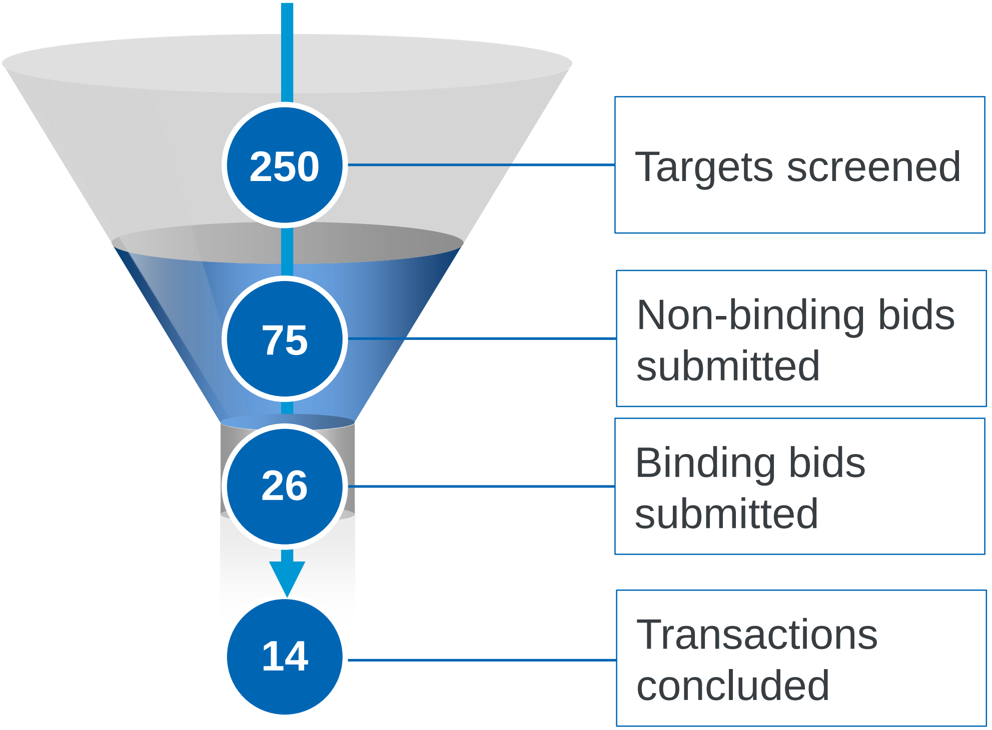
1 Develop – Enhanced capital management

How to spend it – Disciplined M&A approach

Our M&A criteria

- Focus on non-life
- Group RoE-enhancing
- EPS-accretive

Disciplined M&A activity (since 2011)



Note: "EPS-accretive" refers to an increase of Talanx's earnings per share

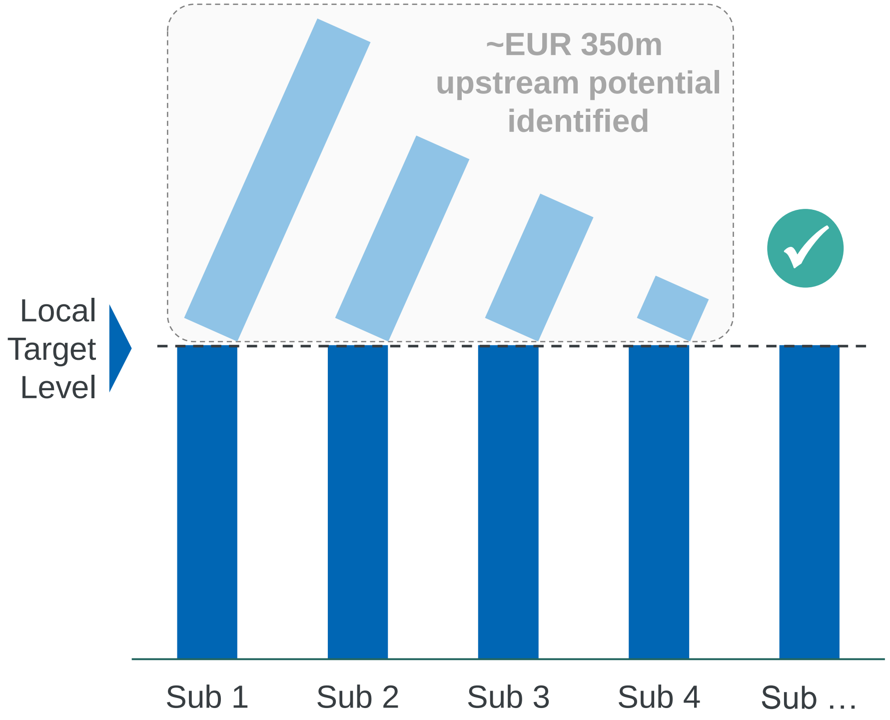
1 Develop – Enhanced capital management

How to get it – Reduce local excess capital and increase cash upstream

Reduce local excess capital

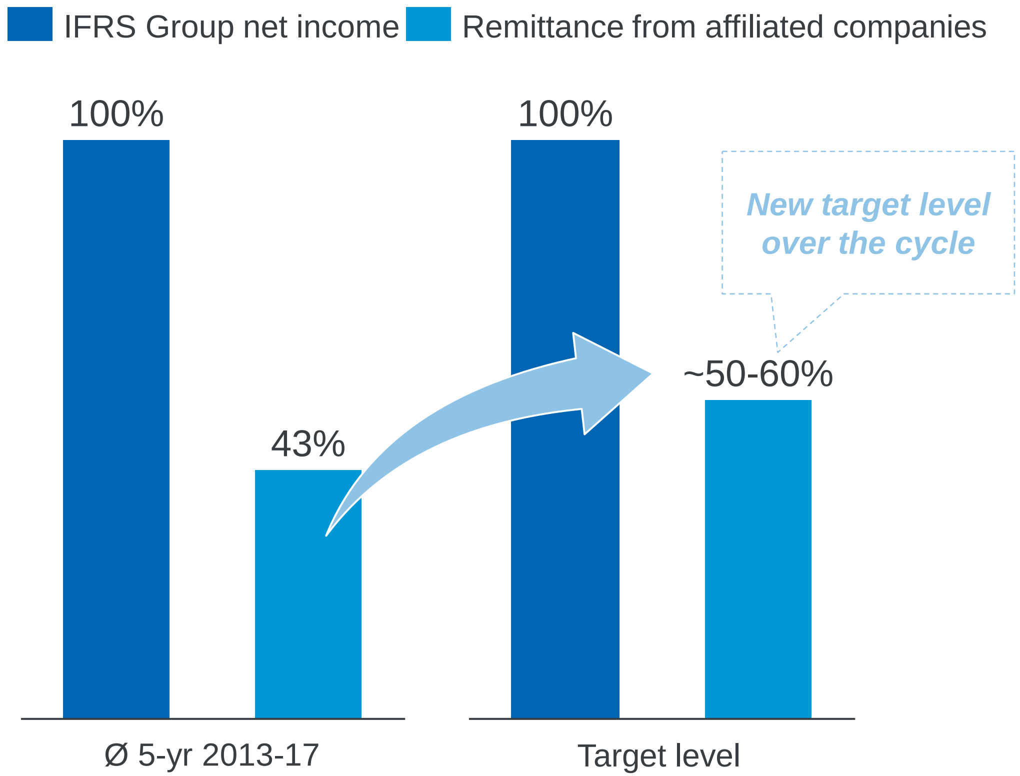
Solvency ratio (%)

Illustrative



Increase cash upstream to Talanx Group

Ø 5-yr remittance ratio (2013-17)



1 Develop – Enhanced capital management

How to get it – Bundling reinsurance at Group level to leverage diversification

Bundling reinsurance at Group level

Illustrative

Reinsurance market

Retrocession

Holding
(Reinsurance licence)

Industrial Lines

Retail Germany

Retail International

Impact

+EUR 50m net income steady state p.a

talanx.

2 Develop – Focused divisional strategies

Industrial Lines

Stock take

Leading

- Customer focus and claims management
- International Programmes
- Cost leadership

Lagging

- Profitability in Fire business – Balanced Book not sufficient
- Untapped growth potential in foreign markets and in Specialty

Focus and mid-term ambition

Focus

- Bring CoR in Fire to well below 100% until 2020 ("20/20/20")
- Continue profitable foreign growth
- Growth initiative in Specialty
- Drive digital transformation

RoE Ambition 8-10%

2 Develop – Focused divisional strategies

Retail International

Stock take

Leading

- Entrepreneurial culture and digital leadership
- Strong track record in M&A
- Cost leadership

Lagging

- Top 5 position not yet achieved in all core markets
- Dependency on Poland, Brazil and Italy results

Focus and mid-term ambition

Focus

- Focus on top 5 positions in 5 core markets
- Disciplined organic and inorganic growth with focus on profitability
- Leveraging digital leadership

RoE ambition 10-11%

2 Develop – Focused divisional strategies

Retail Germany

Stock take

Leading

- Leading player in Bancassurance
- Experienced employee benefits player
- Strong B2B position for P/C SME

Lagging

- Cost level (HDI P/C and Life)
- Legacy IT systems

Focus and mid-term ambition

Focus

- Delivery on KuRS targets until 2021
- Growth initiative in SME
- Drive digital transformation

RoE ambition 7-8%

2 Develop – Focused divisional strategies

Reinsurance

Stock take

Leading	▪ Cost leadership ▪ Top profitability ▪ Consistent underwriting approach ▪ Efficient tailor-made solutions
Lagging	▪ Profitability of US mortality business

Focus and mid-term ambition

Focus

- Focus on reinsurance
- Maintain competitive (cost) advantage
- Solution-oriented innovative reinsurer
- Drive digital transformation

RoE ambition ≥ 10%

Note: RoE target of ≥900bps + risk-free

3 Develop – Digital transformation

Digitalisation@Talanx – Clear focus to extend our digital value proposition

Our footprint

B2B
(80%)

B2C
(20%)

Key success factors

Prevention & services beyond protection

Data skills & IT-system readiness

"One-click journey"

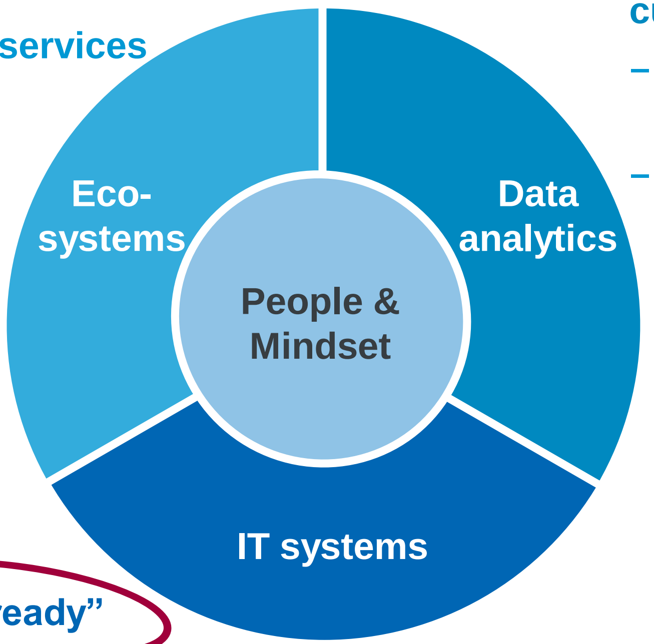
Our focussed approach

"Get bundled"

Talanx focus
- Commercial services (e.g. Cyber)
- Mobility

"Get skills"

Data as "new currency"
- Artificial Intelligence
- Behavioural Economics



"Get ready"

Legacy management

Digital and efficient processes

Note: Commercial services and mobility represent ~50% of insurer-relevant ecosystems (McKinsey)

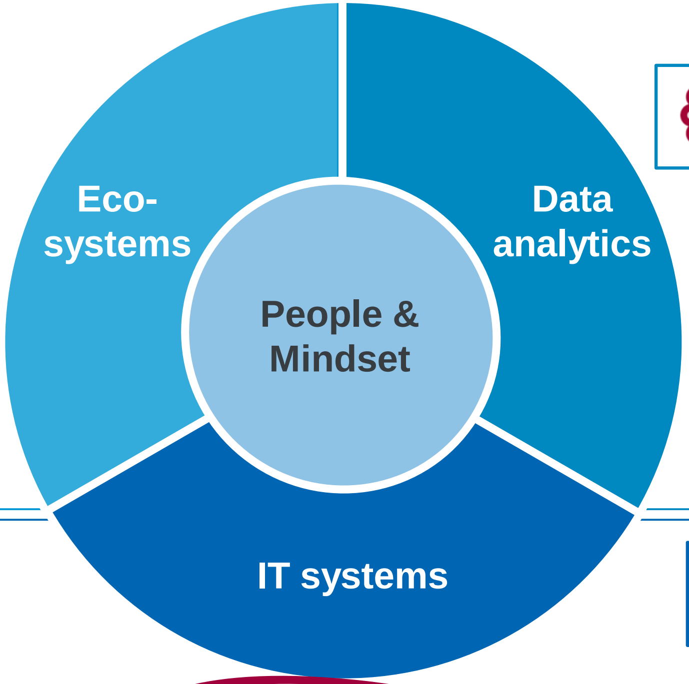
3 Develop – Digital transformation

Digitalisation@Talanx – Divisions drive digitalisation as top management priority

Selected examples for digitalisation in divisions

"Get bundled"

Postbank
Mercedes me
TARGOBANK
HDI SME Digital
citibank
Sparkasse
Santander Auto



"Get skills"

Artificial Intelligence

warta. big data
hr ReFlex Underwriting automation
UW Workbench
TORAS

Behavioral Economics

Agente 360

"Get ready"

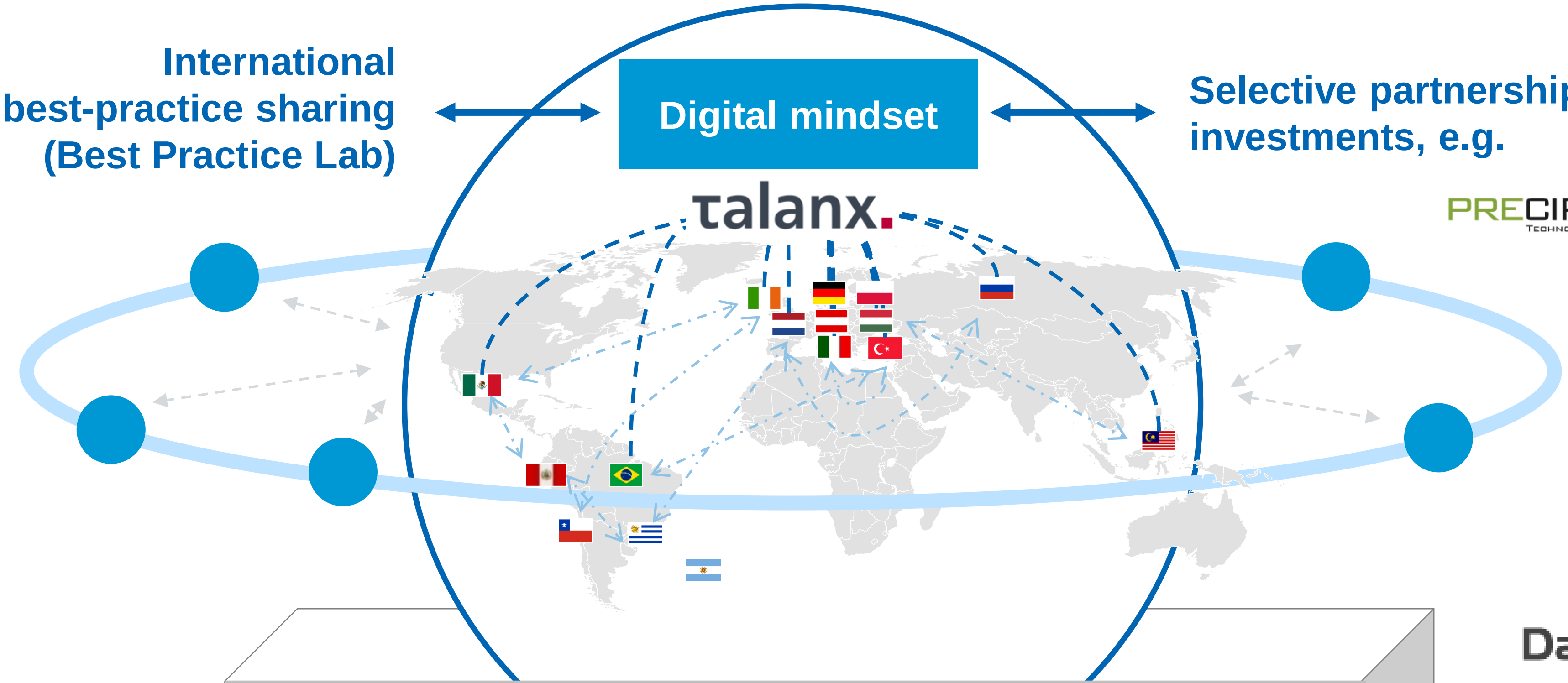
warta. digital
HDI Robotics
one.BIZ
Quadriga
Cyber+ Smart
VOYAGER 4life

Further details in divisional presentations

3 Develop – Digital transformation

Digitalisation@Talanx – Group fosters digital mindset leveraging our entrepreneurial culture

International best-practice sharing (Best Practice Lab)



Selective partnerships and investments, e.g.

PRECIRE Technologies
ExB
vocatus:
xbAV
elinvar
FinLeap Reshaping Finance
DataRobot

Established entrepreneurial culture

- Simple divisional structure with clear responsibility and accountability
- Relative performance counts
- Pull culture with high degree of peer collaboration

Mid-term ambition – Raising the target level for Group profitability

Targets

Return on equity
UP!

High level of profitability

≥ 800bp above risk-free rate

EPS growth
NEW!

Profitable growth

≥ 5% on average p.a.

Dividend payout ratio
Sustainable & attractive payout

35% - 45% of IFRS earnings

DPS at least stable y/y

Constraints

Strong capitalisation
Solvency II target ratio 150 - 200%

Market risk limitation (low beta)
Market risk ≤ 50% of Solvency Capital Requirement

High level of diversification
targeted 2/3 of Primary Insurance premiums from outside Germany

Note: Targets are relevant as of FY2019. EPS CAGR until 2022 (base level: original Group net income Outlook of ~EUR 850m for 2018). The risk-free rate is defined as the 5-year rolling average of the 10-year German Bund yield. Targets are subject to large losses staying within their respective annual large-loss budgets as well as no major turmoil on currency and/or capital markets

Agenda

1 Enhanced capital management

Our Capital Management Strategy

Enhanced Capital Management

How to spend it

- Stringent capital allocation to support profitable organic growth
- Sustainable dividend growth
- Disciplined M&A approach

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Mid-term ambition

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Note: Target dividend coverage ratio (available cash fund divided by target dividend level) is ~1.5-2 times actual dividend

1 Enhanced capital management

How to spend it – Stringent capital allocation to support profitable organic growth

Capital steering matrix & KPIs

RoE = IFRS net income / IFRS Ø equity

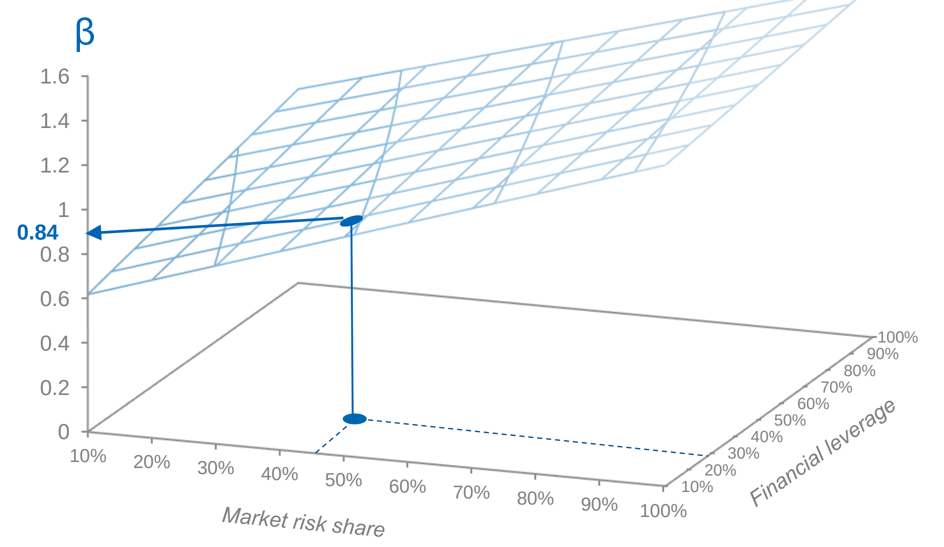
	RoE hurdle rate		Cost of Equity
Group	800bps above risk-free according to Group strategy	≥	According to market-risk exposure, reflected in Group beta *CoE =* *rf + β x ERP + frictional cost*
	Σ Divisions ≥ Group		Σ Divisions ≥ Group
Divisions	Divisional target RoE	≥	Depending on divisional risk exposure, reflected via adjusted Group Beta *CoE =* *rf + $\beta_{adj.}$ x ERP + frictional cost*

Note: RoE based on IFRS 4. Cost of Equity benchmark 7.2% - 7.6% confirmed e.g by PWC (Cost of Equity Insurance Companies, Germany 2018), AonBenfield ("The Aon Benfield Aggregate", 12/2016) and most recent Swiss Re Sigma (4/2018)

Beta drivers

RoE (6M 2018)	≥	Minimum hurdle rate	≥	CoE
10.0%		rf_G+ 800 bps ≈ 8.8%		7.2%

Illustrative



Note: Calculation for FY2018

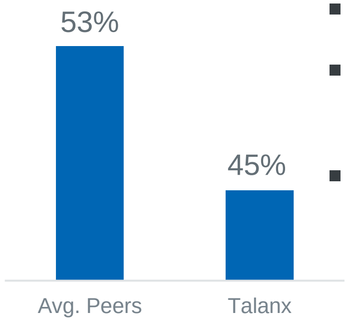
1 Enhanced capital management

Beta-blockers to prevent abnormal ("risk off") heart rhythms/attacks

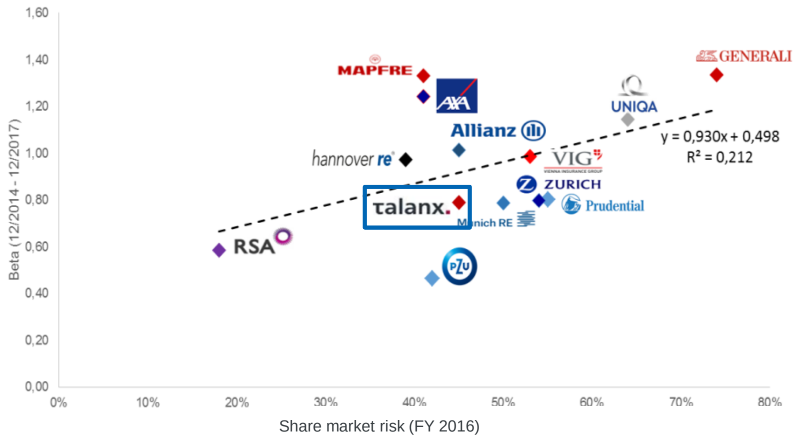
DEEP DIVE BETA

Prudent market risk

Market risk share



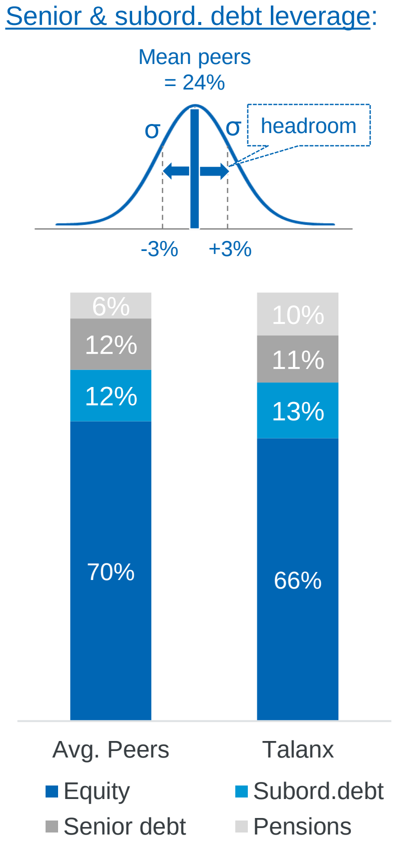
- Market risk share ≤ 50%
- Significantly below core peers
- Resulting in a considerably low beta



Source: Bloomberg, own calculation

Moderate leverage

Leverage position



- Continuously moderate leverage
- Roughly in line with peers, leverage corridor gives additional headroom of EUR 1bn

- Significant leverage leeway of EUR 4bn (50/50 hybrid and senior debt capacity)
- Potential to support capital optimisation at divisional and/or subsidiary level

Source: Company reports, own calculation, figures as of 30 June 2018

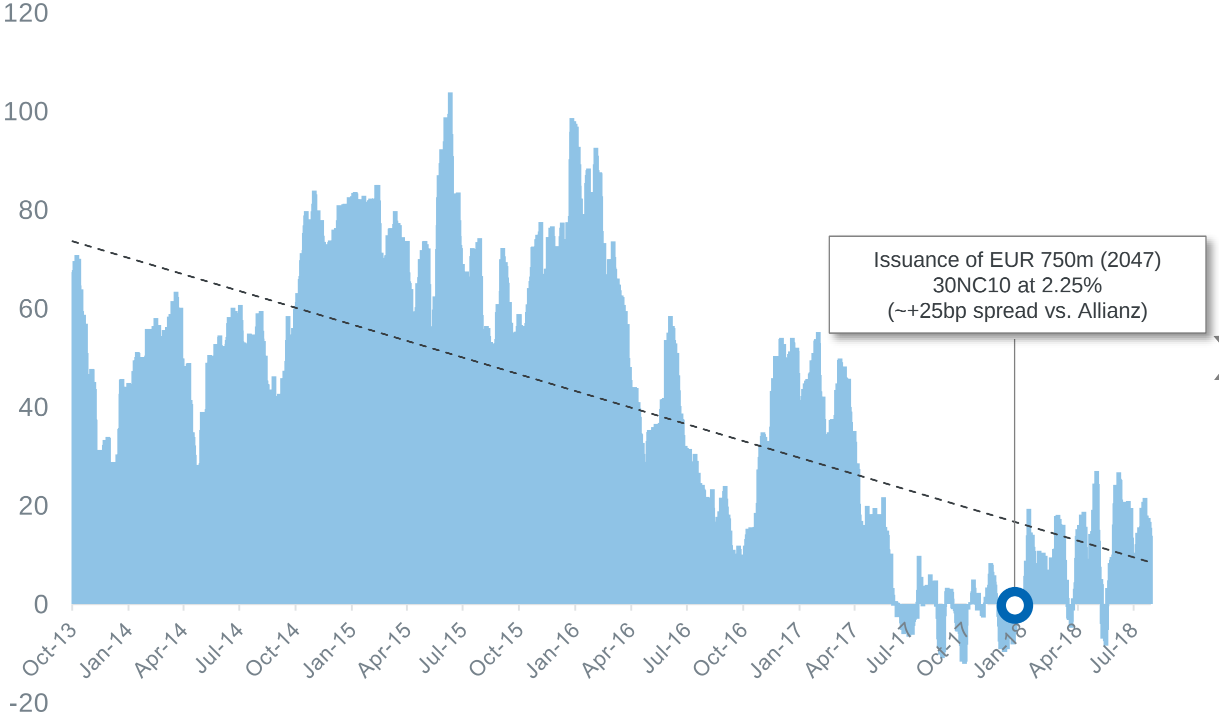
1 Enhanced capital management

Ongoing trend of narrowing spreads supported by Talanx's conservative low-beta profile

DEEP DIVE BETA

Credit spread development

Trading spread in bps between Talanx EUR 500m (2042) 30NC10 8.37% and peers



1	Low market risk reflected in constantly declining spreads (relative position)
2	Efficient timing of capital management actions
3	Narrowing spreads result in reduced future funding and/or refinancing cost

Note: Credit spreads are calculated as spreads over the 6M swap curve. Seniority: Lower Tier 2.
Equally weighted peer group consists of Allianz (2022, 5.625%), AXA (2023, 5.125%), Generali (2022, 10.125%), Munich Re (2022, 6.25%) and Zurich (2023, 4.25%)

1 Enhanced capital management

How to spend it – Aspirational steering with RoE ambition ≥ CoE

Cost of Equity calculation

	Risk-free (FX exposure weighted)	+ Group beta 5yrsØ	x Adjustment factor	x Market-risk premium	+ Frictional cost	= CoE
Group	1.9%	0.84	1.00	4.0%	2.0%	**7.2%**
Industrial Lines	0.9%		1.07			**~6.5%**
Retail Germany	0.8%		2.48			**~11%**
Retail Intern.	3.8%		1.26			**~10%**
Reinsurance	1.2%		0.66			**~5.5%**

Consistent and more ambitious target setting

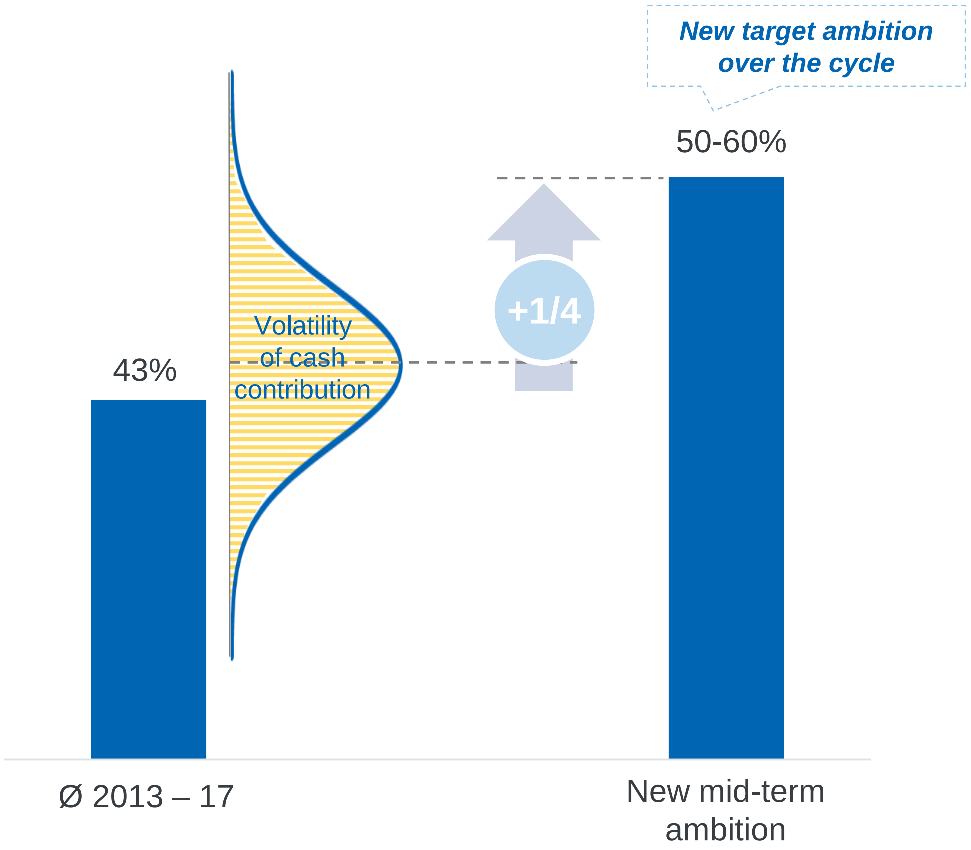
CMD 2017 ambition	Ambition	Comments
750bp + risk free$_G$	**≥800bp + risk free$_G$**	Talanx ≤ sum-of-the-parts creating value!
8%	***8-10%***	"20/20/20", Speciality etc.
6-7%	***7-8%***	"Tapering" guarantee burden; shifting Life to P/C; more capital-efficient and biometric business
9%	***10-11%***	FX mix & goodwill allocation; growth & capital management
n/a	***≥ 10%***	In line with Hannover Re's minimum RoE target

Note: The adjustment factor is determined by two factors: the capital adequacy ratio of the division relative to the Group and the divisional share of market risk relative to the Group. An equal position as the overall Group would result in a figure of "1.00". A higher share of capital market risks than the overall Group and lower divisional capital adequacy ratios than the overall Group would result in adjustment factors above 1. All numbers relate to a Shareholder Net Asset (SNA) view. All calculations for FY2018

1 Enhanced capital management

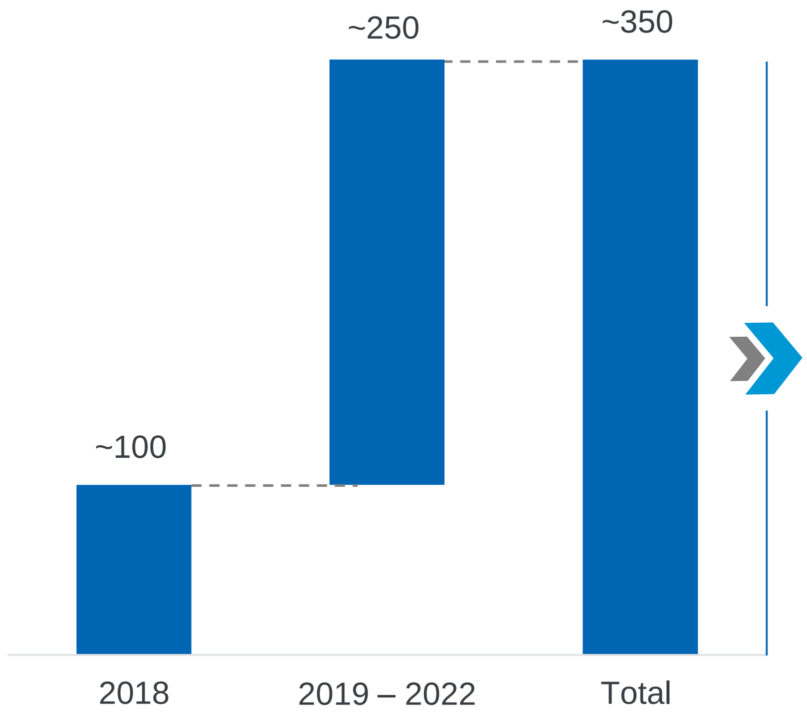
How to get it – Increase cash upstream and reduce local excess capital

Ø Remittance ratio



Mid-term capital upstream potential

Excess capital after local constraints (in EURm):



~1x dividend p.a.

Strengthen cash pool to support payout ratio

Note: Local constraints reflect e.g. local supervisor, withholding tax

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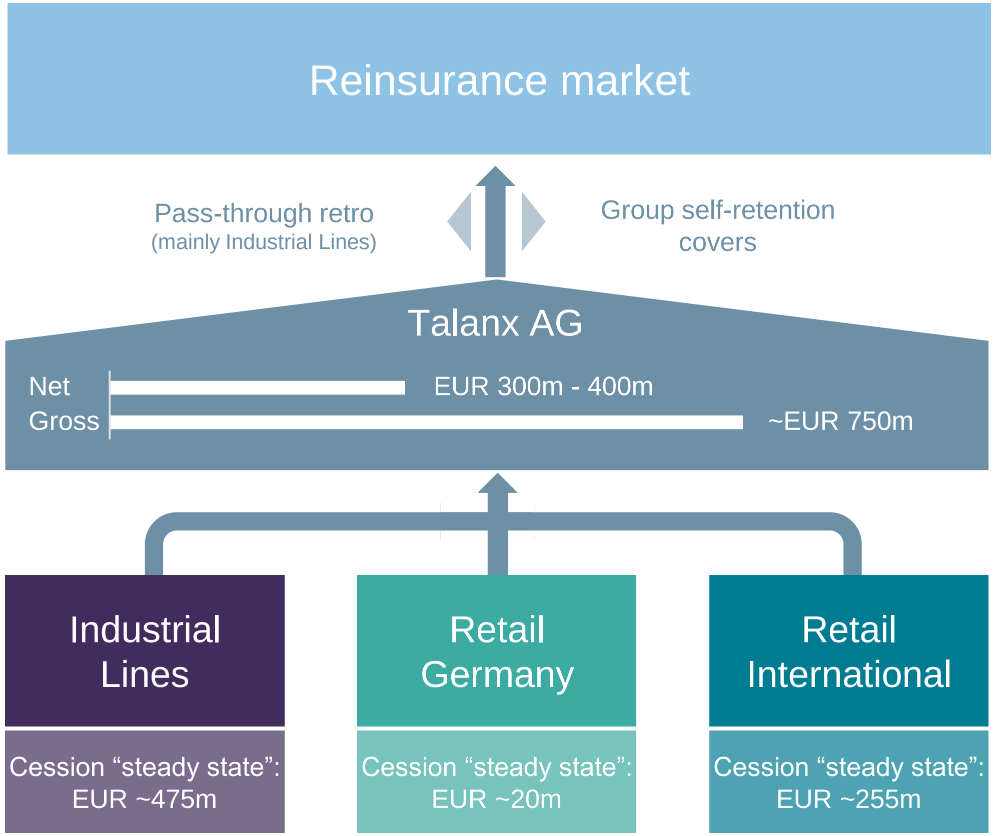
1 Enhanced capital management

How to get it – Bundling reinsurance at Group level

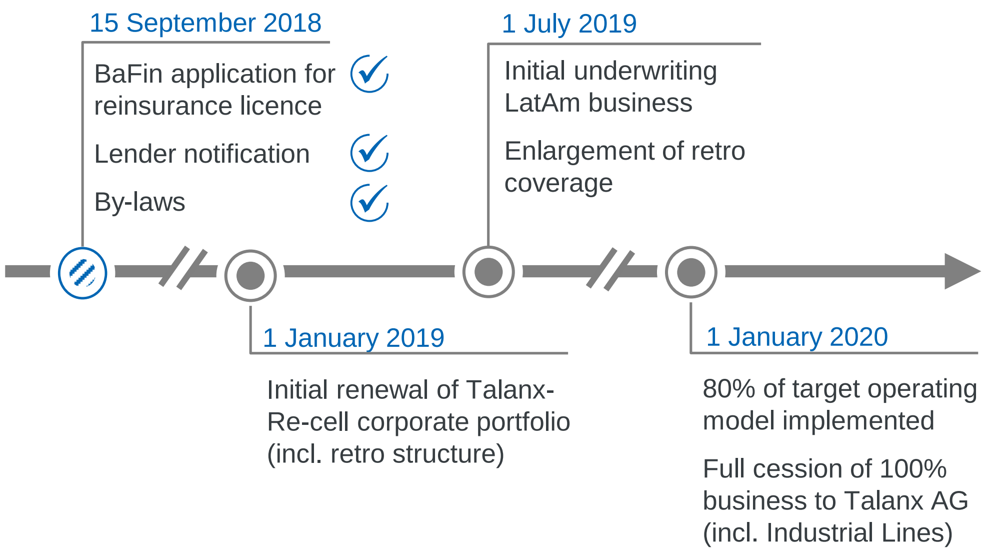
January 2019: Talanx AG issuer credit ratings up to "A+" at S&P and to "a+" at A.M.Best; underwriting commenced as planned in January

New reinsurance structure



Stringent implementation

- Talanx AG will become exclusive reinsurer for all treaty cessions in P/C segments. Talanx AG to act as the risk carrier and pooling vehicle
- Increased cash generation and liquidity flow at Group level
- Optionality for capital relief transactions



1 Enhanced capital management

How to get it – Bundling reinsurance at Group level

January 2019: Talanx AG issuer credit ratings up to “A+“ at S&P and to “a+“ at A.M.Best; underwriting commenced as planned in January

Key value driver/benefits

Technical profits

- Increased retention by gearing Talanx AG’s idle solo funds and use of Group diversification
- Target solo SII-CAR of >300% acc. to standard model and only marginal SCR Group impact

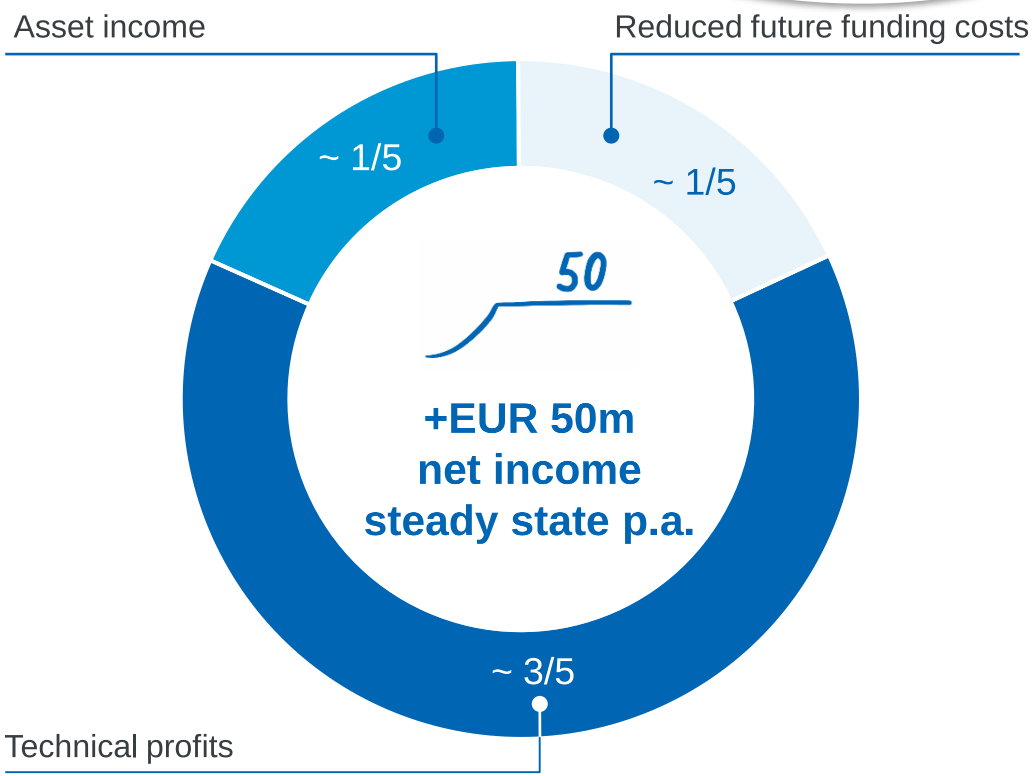
Asset income

- Enlarged assets under management (AuM) and related income due to increased Group retention
- +Δ AuM steady state EUR ~0.65bn

Rating increase

- Credit rating improvement for Talanx AG expected (currently A- vs. A+ of operating carriers) resulting in reduced future funding costs

Mid-term ambition



Note: Initially very low marginal tax burden due to (potentially written-off) tax losses carried forward, subject to normal loss frequency, unchanged reinsurance structures and no disruptions on currency, capital or reinsurance markets

2 Asset Management

Strong AM lines of defence and stringent sustainability strategy

Ensuring low beta & protection of shareholders' equity

Talanx Asset Management (TAM)

- Central risk management of ~99% of Group's assets
- Group-wide limit and threshold system, derived from TERM (Talanx Enterprise Risk Model)

I Credit Risk Metric

- Daily measuring & monitoring
- Reflecting credit quality, duration and diversification
- Limits & thresholds for divisions and single issuers

II Market Risk Metric

- Weekly measuring and monitoring
- Limits and thresholds for divisions and single issuers

Intro of Murex MX.3: integrated front-to-back solution

Pre-deal check: limit compliance for all trades

Post-deal monitor: ongoing limit compliance

SCR approximation within TERM

Basis for value-at-risk computation and limit controlling

ESG strategy and approach

ESG Sustainability Strategy

Human rights & labour standards

Environmental protection
Phasing-out of thermal coal

Anti-corruption

Responsible Investment committee

Talanx's investment guidelines

ESG screening conducted by SUSTAINALYTICS

Application filed for UN Principles for Responsible Investment

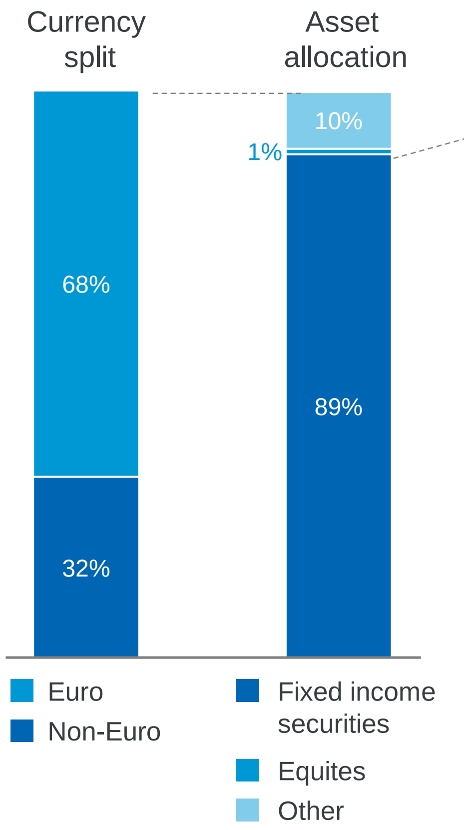
Signatory of: PRI Principles for Responsible Investment

2 Asset Management

Investment strategy unchanged – Striving for close asset-liability matching

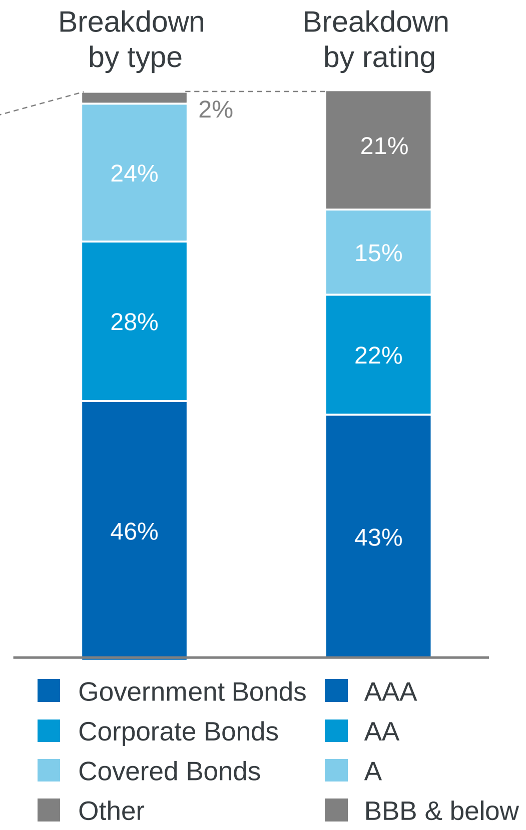
Investment portfolio

as of 30 Sep 2018: EUR 111.5bn

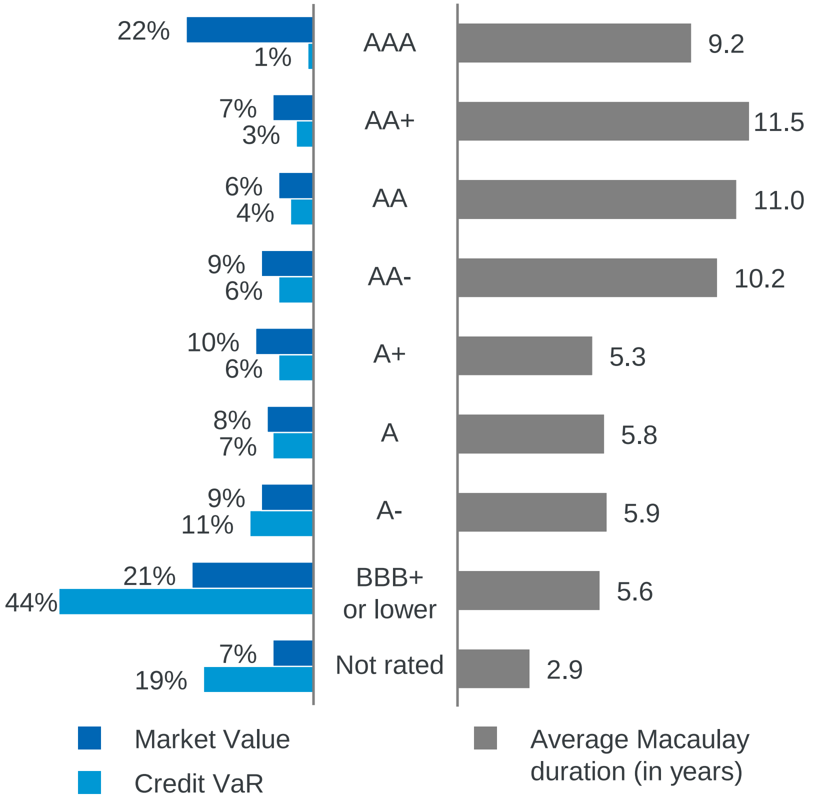


Fixed income portfolio

as of 30 Sep 2018: EUR 99.7bn



Credit VaR & Macaulay duration

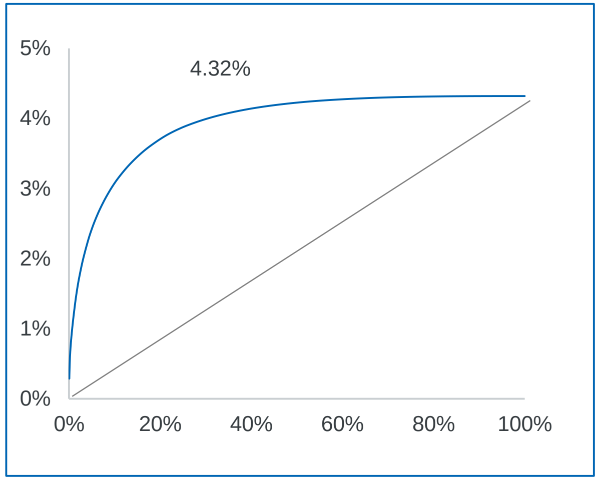


Note: Positions without external ratings (esp. funds and equity investments) shown as not rated. Credit VaR metric particularly depends on maturity and specific loss default assumptions

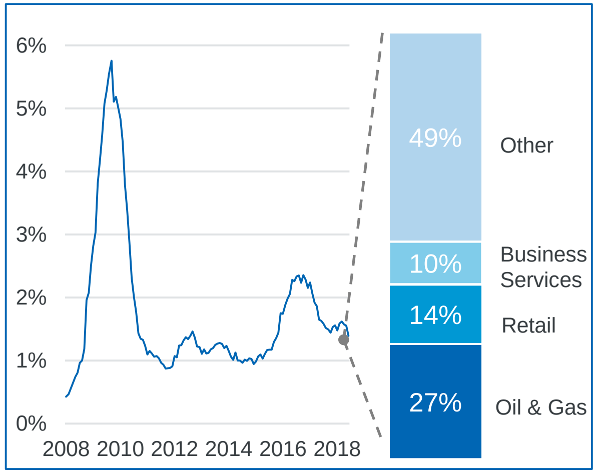
2 Asset Management

At the end of QE – (Corporate and sovereign) spread risks may be the top challenge

CVaR by share of issuers

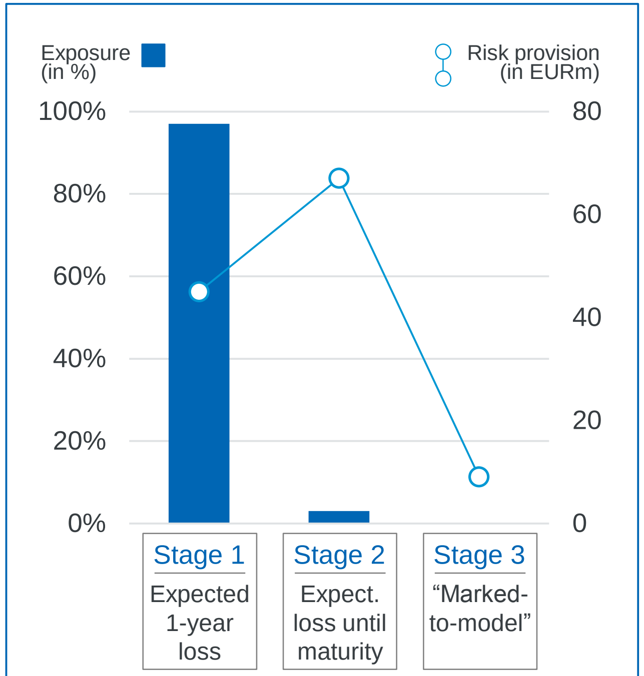


Corporate default rate & distribution



IFRS 9

Expected credit loss model simulation



	Stage 1	Stage 2	Stage 3	
Exposure	97%	3%	0%	
ECL loss allowance	45m	67m	9m	∑ **121m**
ECL quota	5bp	2.27%	65.42%	Ø **0.12%**

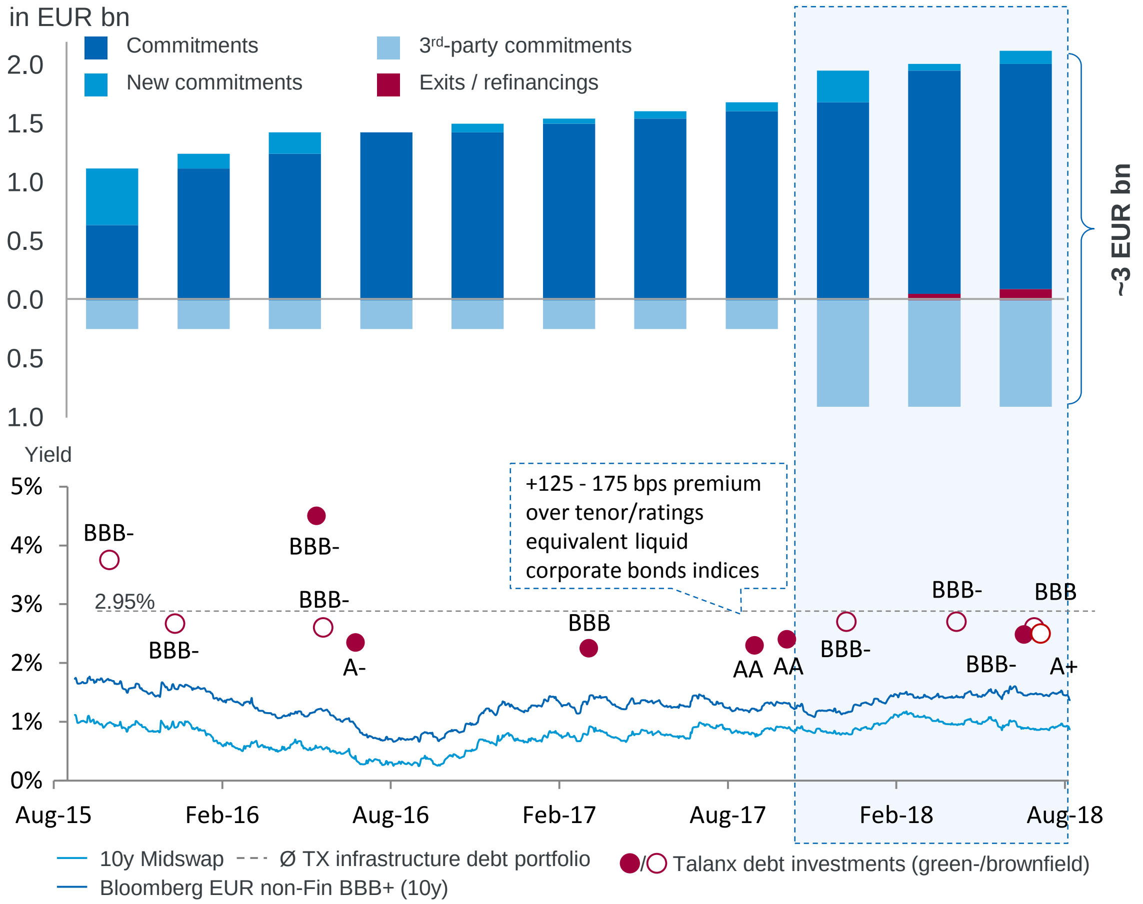
No material defaults in assets managed by Talanx Asset Management

e.g. Steinhoff, Carillion & Toys"R"Us

2 Asset Management

Infrastructure pays off

Expansion of infrastructure investments



1	€1.9bn of direct infrastructure investment commitments, with 10-yr weighted average life @ BBB+ Ø rating
2	EUR 0.9bn of 3rd-party participation generating subsequent fee income
3	Long-term limit: 5% of invested assets

Latest innovative transaction in niche sector

- Ulm regional rail passenger franchise
- 1st structured solution of a German passenger rail concession (total EUR 90m) by institutional investors
- Funding rolling stock for operator via long-dated lease structure
- Significant growth expected given further liberalisation due to the 4th EU rail package

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2 Asset Management

Talanx Asset Management – Drive digitalisation as top management priority

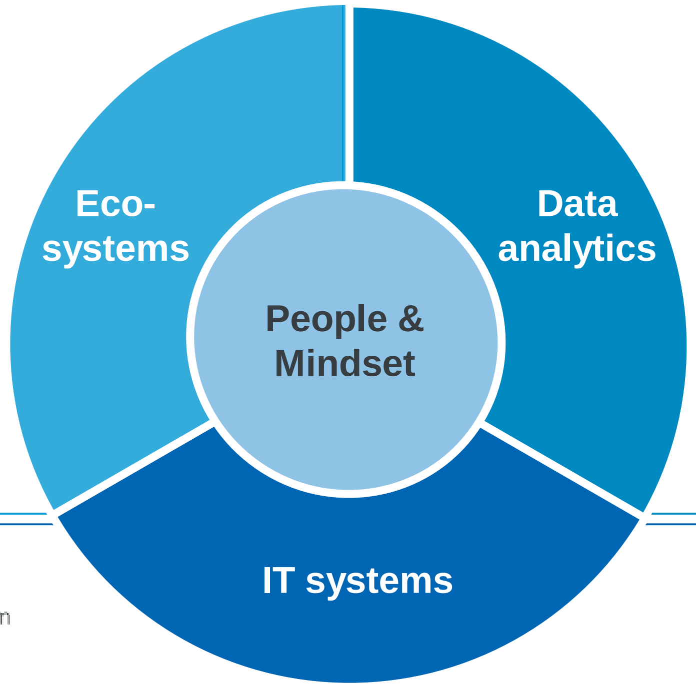
Selected examples for digitalisation in TAM

"Get bundled"

elinvar

enables wealth and asset managers to grow customer base and AuM to increase efficiency, e.g.:

M.M.WARBURG & CO BANK
DONNER & REUSCHEL PRIVATBANK SEIT 1798
FÜRSTLICH CASTELL'SCHE BANK



"Get skills"

Portfolio Management Digitalisation

Interactive client reporting

Strategic allocation tool

Digital workflows & data transformation

MUREX™

Risk Technology Awards 2018 Winner
Murex ERM system of the year

State of the art integrated technical platform

"Get ready"

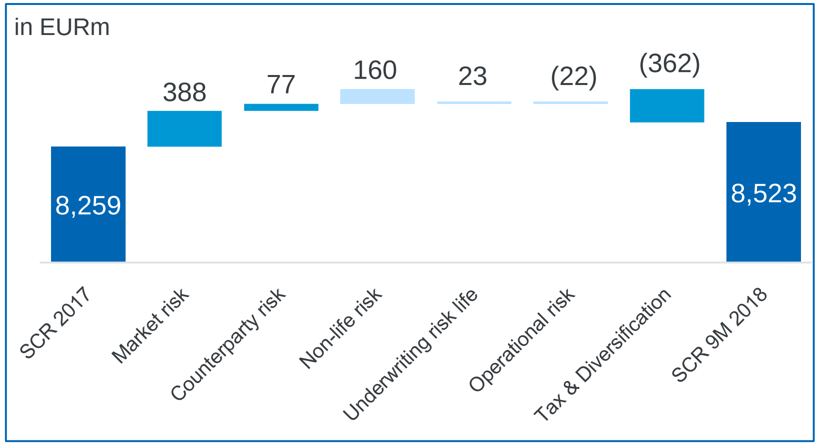
BI Real Estate System SAP

3 Excursion – Solvency II Update

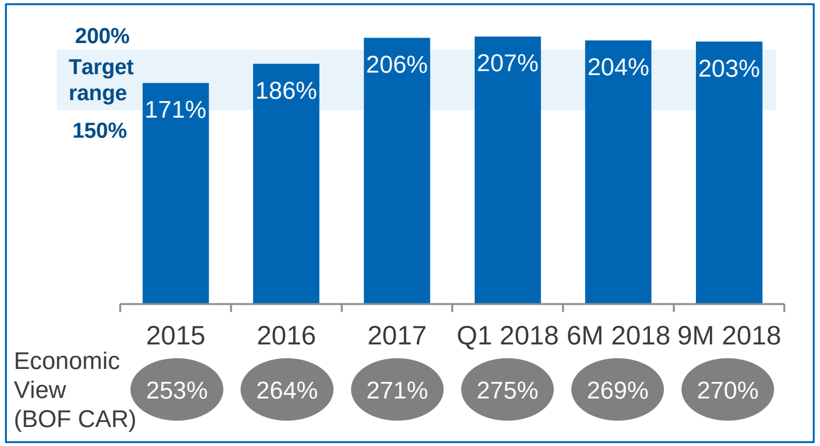
Development of Group capitalisation

Solid capitalisation (Regulatory view)

Solvency Capital Required

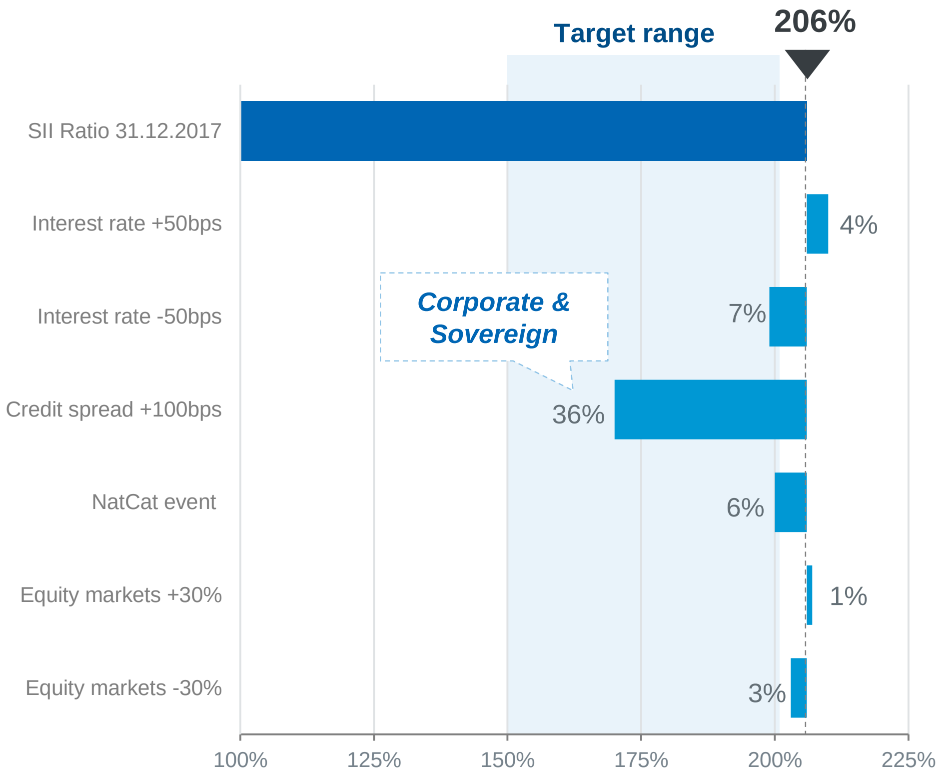


Solvency Capital Ratio



Note: Regulatory view without transitional

Limited stress impact



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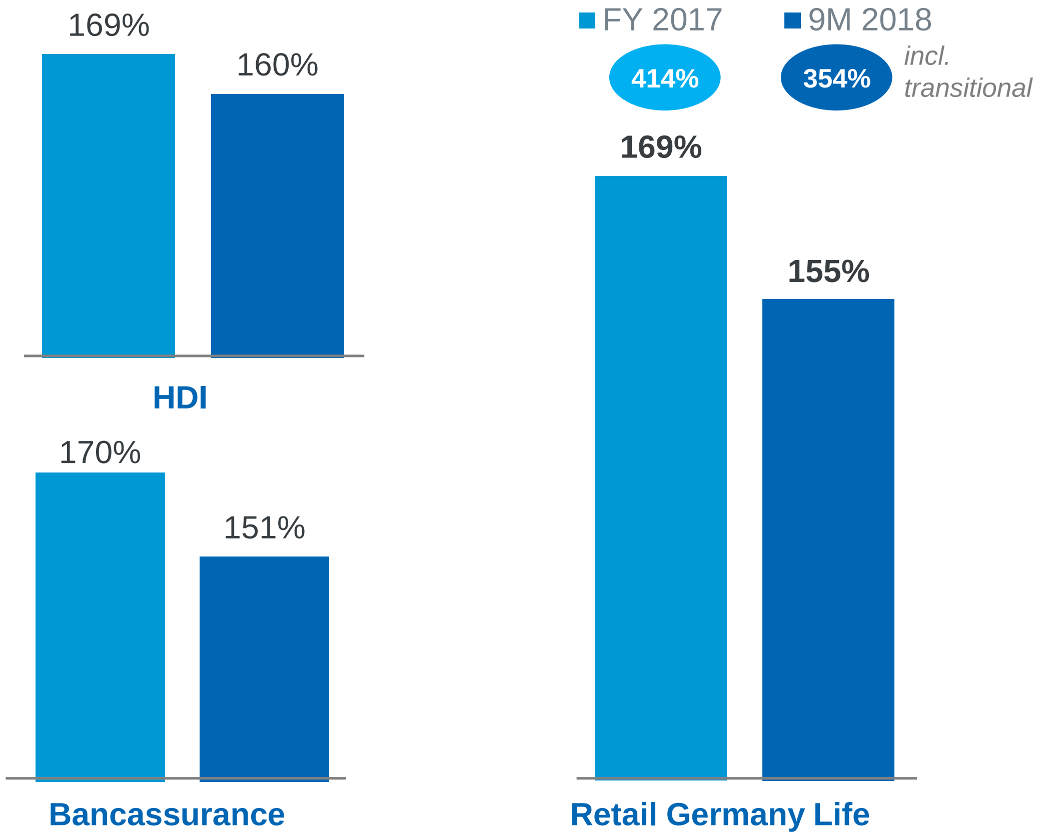
3 Excursion – Solvency II Update

Retail Germany Life: Robust capitalisation despite strong credit spread increase

Solvency ratios: Retail Germany Life



1	Average increase in credit spreads by ~40% in 9M 2018 hampers Retail Germany Life's CARs
2	Robust capitalisation despite recent credit spread widening

Note: Numbers show weighted average of single CARs; if not otherwise stated all figures are based on regulatory view without transitional

3 Excursion – Solvency II Update

Future model change may well result in 10%-point SII ratio improvement

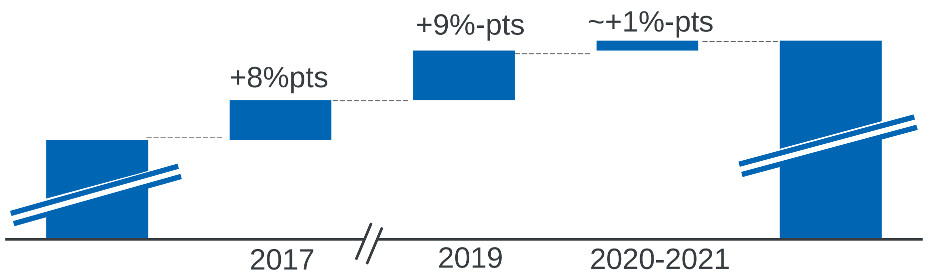
Internal Model changes & outlook

Outlook

	2017		2018E		2019E	
	SCR	Own Funds	SCR	Own Funds	SCR	Own Funds
OpRisk (Hannover Re)	-2.7%	+1%				
OpRisk (Primary Group)					↓	↗
Asset correlation coverage et al.			↑	→		
Pensions	-1.2%	0%				
Dynamic & static volatility adj. (P/C)			→	↗	↓	↘
Counterparty default			↗	→		
RITA					→	→
Nucleus					→	→
Aggregate	**-3.9%**	**1%**	↘	↗	↓	↘
Combined CAR impact	**+10.5%pts**		↘		↑	

1	Strong **increase in SII ratio** (+10%pts) due to successful model updates in 2017 with subsequent phasing of positive impact
2	Further **reduction in market risk share by approx. 1%pt** due to relative increase in SCR OpRisk

Expected impact from OpRisk improvements on SII



Baseline: SCR = EUR 8.3bn; EOF = EUR 17.0bn

Note: Risk modelling planned to be changed to tail VAR approach

3 Excursion – Solvency II Update

Preliminary results in line with 2017 home-specified stress test

EIOPA STRESS TEST 2018 SUBMISSION

EIOPA stress scenarios			SII ratio (HDI Group) w/o transitional Basis: 206%	SII ratio (HDI Group) incl. transitional Basis: 253%
1 **Yield curve down**	Market shocks	▪ Swap rates 10y EUR -80bp ▪ Government bonds: -10-35bp ▪ Corporate bonds & MBS -20 to -70bp ▪ Equities -16% ▪ UFR 2.04%	~130 %	~170%
	Insurance shocks	▪ 15% Longevity shock		
2 **Yield curve up**	Market shocks	▪ Swap rates 10y EUR +80bp ▪ Government bonds: +110-190bp ▪ Corporate bonds & MBS +190-325bp ▪ Equities -40%	~120 %	~170%
	Insurance shocks	▪ 20% Lapse shock ▪ 2% claims inflation ▪ 0.24% general inflation		
3 **NatCat**		▪ In one of 17 years ▪ **Simultaneous** occurrence of: ▪ Four **European windstorms** ▪ Two **CEE floods** ▪ Two **earthquake** scenarios (in Italy & Monaco)	~190%	~240%

Preliminary! Subject to final regulatory validation

1 Groupwide calculation of three combined stress scenarios on a best effort basis

2 Stress results in line with 2017 "home-specified" stress test
- European credit crisis (Italian euro exit): ~120%
- Global Pandemic: >150%
- Earthquake New Madrid (USA): ~140%

3 Above regulatory required limit in yield curve stress scenarios even without transitional

Note: SII solvency ratios for all three stress scenarios without transitional

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3 Excursion – Solvency II Update

Preparing for IFRS 9 & 17 – Two steps forward, one step back: project on track

Top issues IFRS 9 &17

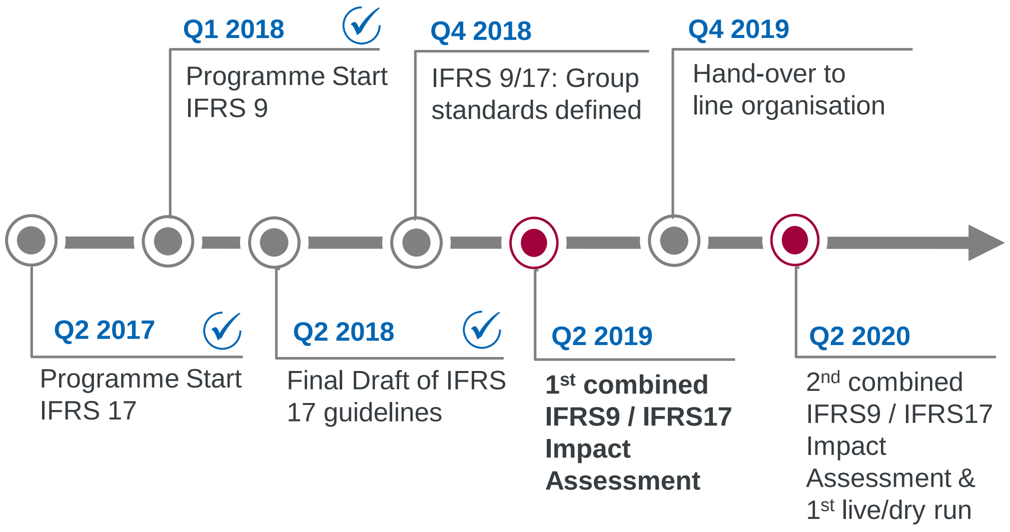
IFRS 9 IFRS 17

Data management / IT capabilities	▪ Murex MX.3 roll-out
Higher P&L volatility	▪ The "new normal" ▪ Interaction between FVPL and Premium Allocation Approach (PAA) critical ▪ ECL driven acceleration ▪ KPI overhaul
New processes & interfaces	▪ New controls to be implemented ▪ Intensive exchange between IFRS 17 and IFRS 9 (joint impact assessments)
Stochastic calculations for life (incl. CSM)	▪ Comprehensive fast-close ▪ SII features can (partially) be re-used ▪ Volatility adjuster/illiquid spread consistent bottom-up interest rate curve
Implementation in various IT (source) systems	▪ PAA default choice for primary non-life ▪ Dynamic specification and IT implementation ▪ German back-office implementing well established accounting engine SAP IA
Determination of Risk Adjustment (RA) Approach	▪ Solo entity RA target ▪ Inter-company-neutral consolidation of RAs ▪ Disclosure of implicit Group confidence level
Reinsurance assets & related mismatches	▪ Particular the net position of cedents ▪ Improvement by standard setter needed
Handling reserving buffer (non-life)	▪ Reduced discretionary top-side adjustments ▪ Reserving in interim reporting considering risk budgets remains unaffected

3 Excursion – Solvency II Update

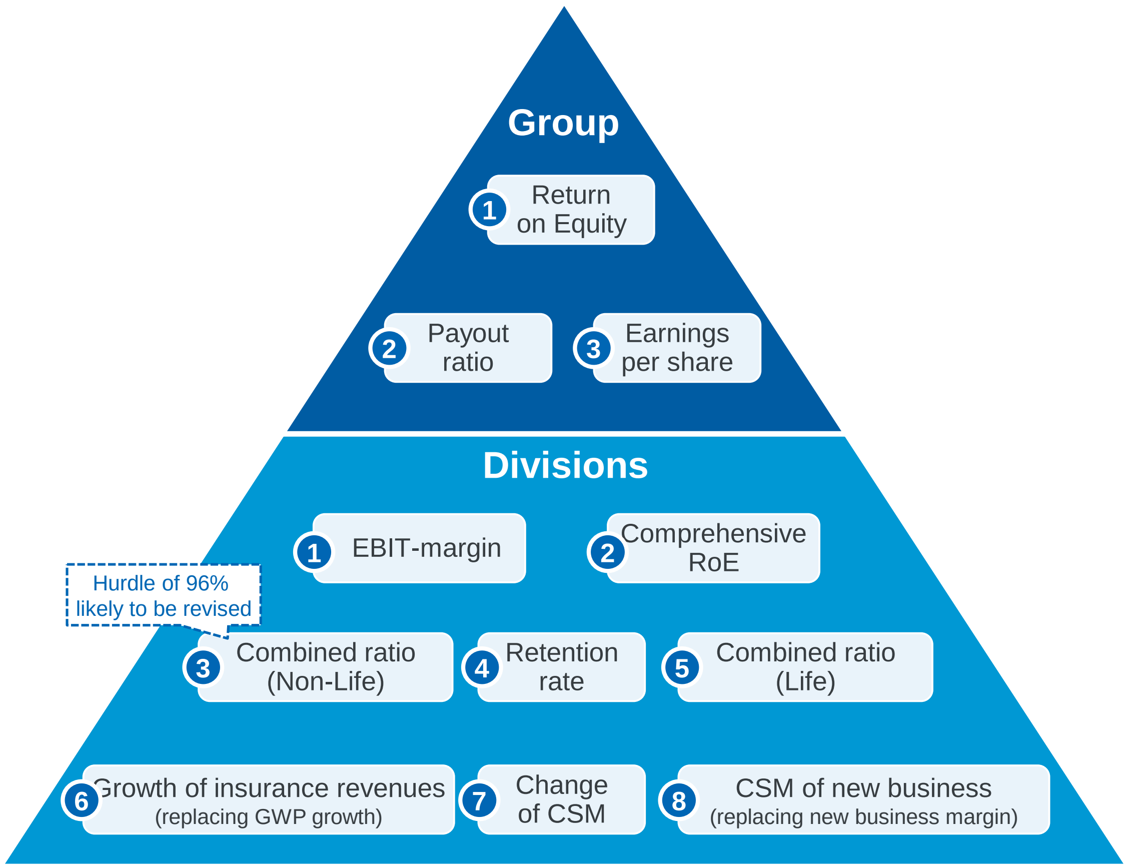
Advanced implementation

Clear IFRS 9 &17 programme roadmap



1	Project fully on track and already passing from design to implementation
2	Not in favour of any delay in the IFRS 17 application (e.g. due to late endorsement)…,but quick-fix of top flaws, such as outward reinsurance

New KPI framework considering IFRS 9 & 17 “go live”



Note: Comprehensive RoE = (Net income + ΔOCI + ΔCSM) / (Ø Equity + CSM)

Summary

Key messages

- **Stringent and capitalistic performance management** to support profitable organic growth
- Initiatives to **stream up** EUR 350m of **local excess capital and to increase the remittance ratio**
- **Bundling reinsurance at Group level** providing an upside of roughly EUR 50m in net income in the steady state
- Clear commitment to **maintain the defensive low-beta investment profile**
- Considerate use of model changes **suggests mid-term SII-upside**

Agenda

All segments except Industrial Lines contribute to significantly higher operating result

- EBIT (+33%) and Group net income (+10%) well above their respective 9M 2017 levels
- Significant improvement in three out of four divisions - only Industrial Lines burdened by large losses and by frequency losses
- Industrial Lines‘ "20/20/20" initiative ahead of plan
- Group net income Outlook of ~EUR 700m for FY2018 with the targeted dividend payout at least equal to last year’s EUR 1.40 per share
- Group net income Outlook for 2019 at ~EUR 900m significantly up despite the continuous headwind from investment returns in the euro-zone

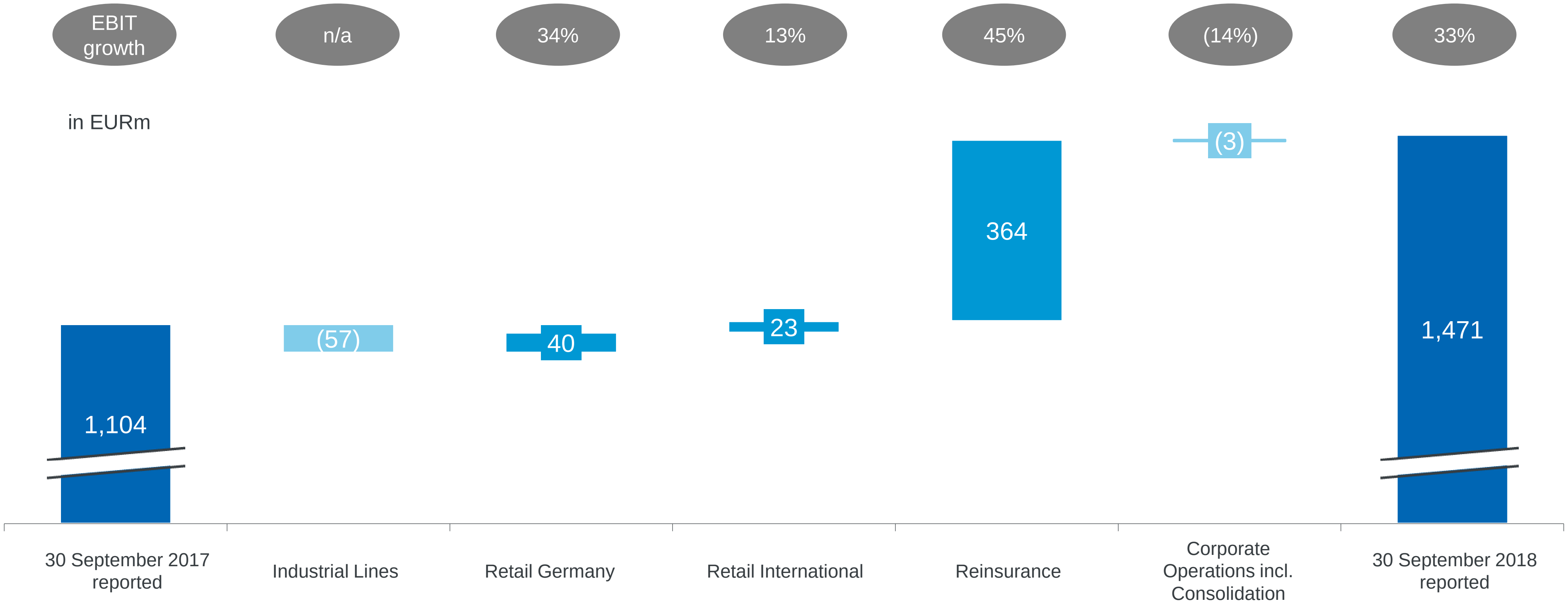
9M 2018 results – Key financials

EURm	9M 2018	9M 2017	Delta
Gross written premium (GWP)	**27,091**	**25,239**	**+7%**
Net premium earned	21,841	20,285	+8%
Net underwriting result	(1,423)	(2,120)	+33%
t/o P/C	163	(384)	n/a
t/o Life	(1,585)	(1,736)	+9%
Net investment income	2,900	3,311	(12%)
Other income / expenses	(6)	(87)	+93%
Operating result (EBIT)	**1,471**	**1,104**	**+33%**
Financing interests	(128)	(111)	(15%)
Taxes on income	(401)	(191)	(110%)
Net income before minorities	942	802	+17%
Non-controlling interests	(454)	(358)	(27%)
Net income after minorities	488	444	+10%
Combined ratio	98.6%	103.1%	(4.5%)pts
Tax ratio	29.8%	19.2%	+10.6%pts
Return on equity	7.5%	6.7%	+0.8%pts
Return on investment	3.3%	3.9%	(0.6%)pts

Comments

- Despite currency headwind, strong growth momentum continues. Currency-adjusted, GWP up by 11%
- Group combined ratio materially improved; also supported by positive base effect from 2017 (“HIM”)
- All segments with decline in extraordinary investment result
- EBIT decline in Industrial Lines significantly overcompensated by higher EBIT in all other divisions
- Impacted by higher tax rate and higher share of minorities
- Higher tax rate, mainly from US tax reform and from the previous year‘s tax benefits on the equity disposal gains in Reinsurance

9M 2018 – Divisional contribution to change in Group EBIT



Reinsurance main driver for EBIT improvement – all divisions except Industrial Lines improved

Q3 2018 results – Key financials

EURm	Q3 2018	Q3 2017	Delta
Gross written premium (GWP)	**8,331**	**7,686**	**+8%**
Net premium earned	7,406	6,835	+8%
Net underwriting result	(675)	(1,180)	(43%)
t/o P/C	(110)	(616)	+82%
t/o Life	(565)	(565)	+0%
Net investment income	893	1,226	(27) %
Other income / expenses	41	(67)	n/a
Operating result (EBIT)	**259**	**(21)**	**n/a**
Financing interests	(44)	(37)	(19%)
Taxes on income	(44)	76	n/a
Net income before minorities	171	18	>100%
Non-controlling interests	(120)	(37)	(>100%)
Net income after minorities	51	(19)	n/a
Combined ratio	102.1%	114.4%	(12.3%)pts
Tax ratio	20.4%	(129.1%)	n/a
Return on equity	2.4%	(0.9%)	+3.3%pts
Return on investment	3.0%	4.4%	(1.4%)pts

Comments

- Top-line growth up in Q3 despite currency headwind. Currency-adjusted, GWP up by 11%
- Lower realisation of capital gains, in particular in Retail Germany and in Reinsurance (base effect from equity disposal gains in Reinsurance in Q3 2017)
- Negative EBIT in Industrial Lines significantly overcompensated by positive EBIT in all other divisions
- Significantly above Q3 2017
- Q3 2018 burdened by Industrial Lines; Q3 2017 “HIM”
- Higher taxes namely in Retail Germany and in Reinsurance due to one-off effects in 2017

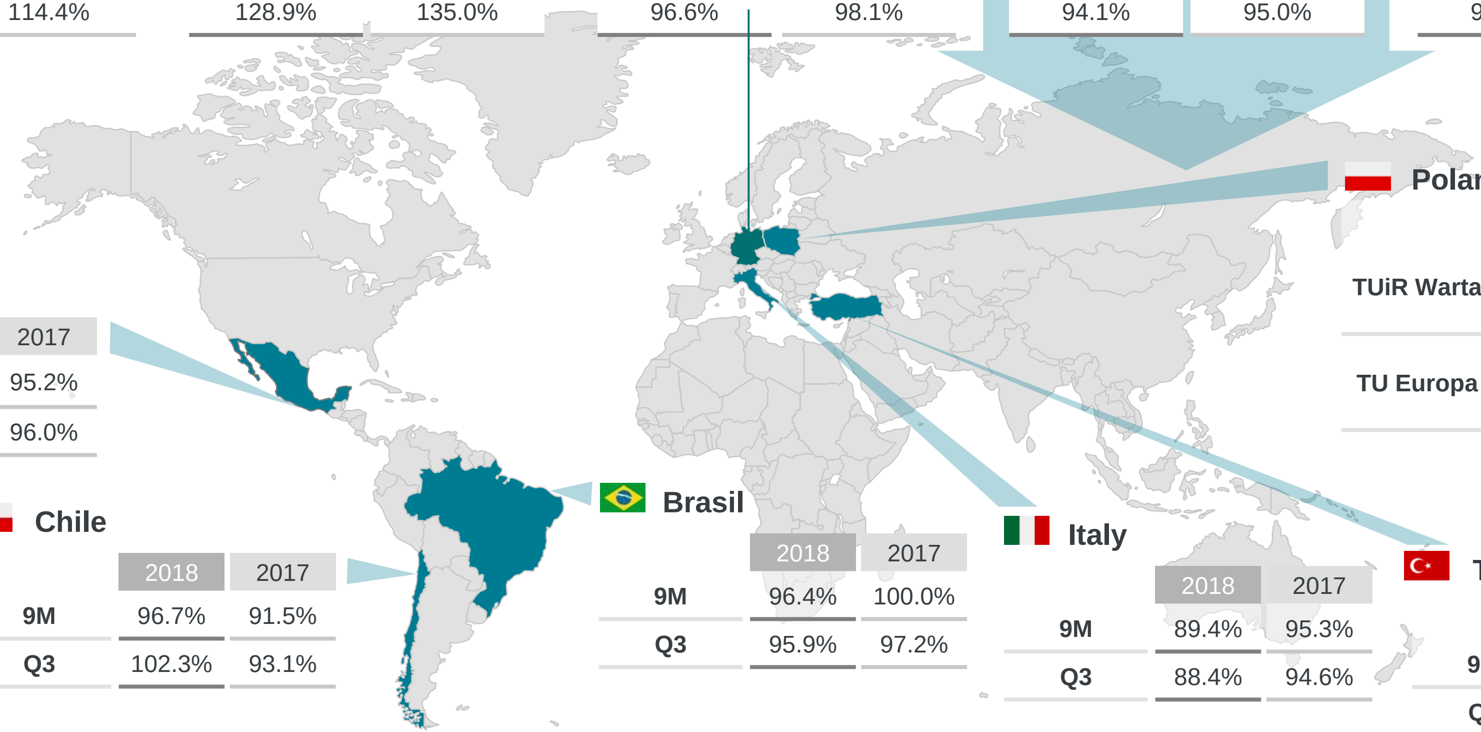
Large losses[1] in 9M 2018 (in EURm)

Net losses Talanx Group in EURm, 9M 2018 (9M 2017)	Industrial Lines	Retail Germany	Retail International	∑ Primary Insurance	+	Reinsurance	=	Talanx Group
Winter Storm *Friederike*	15.5	11.6	0.1	31.7		32.1		63.8
Earthquake Papua New Guinea	9.1			9.1		13.0		22.1
Cyclone *Mekunu*, Oman	4.1			4.1		9.4		13.4
Typhoon *Prapiroon*, Japan						54.2		54.2
Wildfire California						8.6		8.6
Typhoon *Jebi*, Japan	0.8			0.8		103.3		104.2
Typhoon *Mangkhut/Guam*, Philippines/China	8.5			8.5		5.2		13.8
Hurricane *Florence*, USA	15.6			15.6		39.6		55.2
Typhoon *Trami*						22.2		22.2
Storm *Wilma*, Germany	7.3			7.3				7.3
Sum NatCat	**61.0** (214.4)	**11.6** (8.8)	**0.1** (3.4)	**77.2** (226.6)		**287.6** (818.0)		**364.8** (1,044.6)
Fire/Property	199.1			199.1		53.7		252.8
Credit						23.3		23.3
Other	6.7			6.7				6.7
Sum other large losses	**205.9** (100.7)	**0.0** (0.0)	**0.0** (0.0)	**205.9** (100.7)		**77.0** (76.3)		**282.9** (176.9)
Total large losses	**266.8** (315.1)	**11.6** (8.8)	**0.1** (3.4)	**283.0** (327.3)		**364.6** (894.3)		**647.6** (1,221.5)
Impact on CoR	14.0%pts (17.9%pts)	1.1%pts (0.8%pts)	0.0%pts (0.1%pts)	5.2%pts (6.4%pts)		4.5%pts (13.2%pts)		4.8%pts (10.3%pts)
Pro-rata large loss budget	195	18.0	6.0	225		629		854
Impact on CoR - pro-rata large loss budget	10.2%pts (11.1%pts)	1.7%pts (1.4%pts)	0.2%pts (0.1%pts)	4.2%pts (4.2%pts)		7.9%pts (9.2%pts)		6.4%pts (7.1%pts)
FY large loss budget	260	24.0	8.0	300		825		1,125

1 Definition "large loss": in excess of EUR 10m gross in either Primary Insurance or Reinsurance
Note: additional 9M 2018 Primary Insurance large losses (net) in Corporate Operations: EUR 4.5m; since FY2016 reporting onwards, the table includes large losses from Industrial Liability line, booked in the respective FY

Combined Ratios

	Talanx-Group 2018	Talanx-Group 2017	Industrial Lines 2018	Industrial Lines 2017	Retail Germany P/C 2018	Retail Germany P/C 2017	Retail International 2018	Retail International 2017	Reinsurance P/C 2018	Reinsurance P/C 2017
9M	98.6%	103.1%	111.7%	110.1%	98.2%	100.3%	94.4%	95.9%	96.8%	104.3%
Q3	102.1%	114.4%	128.9%	135.0%	96.6%	98.1%	94.1%	95.0%	98.8%	118.2%



Mexico

	2018	2017
9M	95.1%	95.2%
Q3	95.9%	96.0%

Chile

	2018	2017
9M	96.7%	91.5%
Q3	102.3%	93.1%

Brasil

	2018	2017
9M	96.4%	100.0%
Q3	95.9%	97.2%

Italy

	2018	2017
9M	89.4%	95.3%
Q3	88.4%	94.6%

Poland

		2018	2017
TUiR Warta	9M	93.3%	95.5%
	Q3	90.5%	94.3%
TU Europa	9M	86.0%	84.8%
	Q3	84.5%	84.8%

Turkey

	2018	2017
9M	103.6%	102.5%
Q3	104.5%	103.6%

Note: Turkey numbers are excluding Liberty Sigorta

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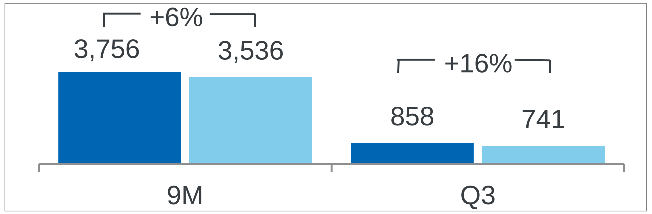
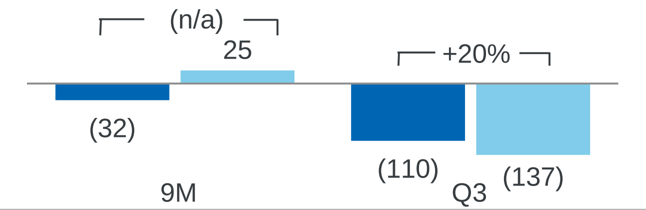
Segments – Industrial Lines

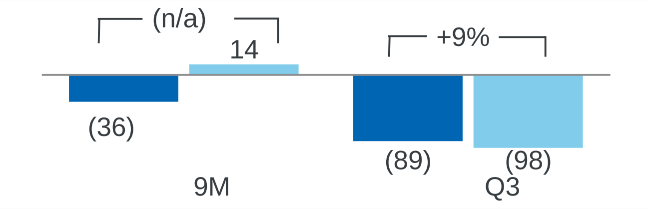
GWP



Operating result (EBIT)



Net income



Retention rate in %

	9M		Q3	
	57.8	54.4	54.1	54.8

Combined ratio in %

	9M		Q3	
	111.7	110.1	128.9	135.0

RoE in %

	9M		Q3	
	(2.1)	0.9	(15.5)	(18.1)

- 9M 2018 GWP up by 6.2% (currency-adj.: +8.9%)
- Growth largely driven by Liability and Transport lines
- Increase in retention rate also resulting from lower reinstatement premiums when compared to the previous year

- 9M 2018 combined ratio burdened by large losses mainly from Property/Fire as well as from higher frequency claims. Positive run-off result of EUR 18m after 9M 2018 (9M 2017: EUR 44m)
- Cost ratio improved by 1.0%pt y/y to 21.1%
- Investment result down due to pressure on investment returns and lower extraordinaries
- Disposal gain of EUR 37m in other income for sale of office buildings in Q3 2018

- Tax rate lower due to the pre-tax loss in the German business, partly compensated by the negative one-off tax effect (single-digit million euro impact) from the US tax reform mainly in Q1 2018
- "20/20/20" initiative is ahead of initial plan, targeted to bring the divisional CoR to ~100% in 2019 – more than 70% of target locked in

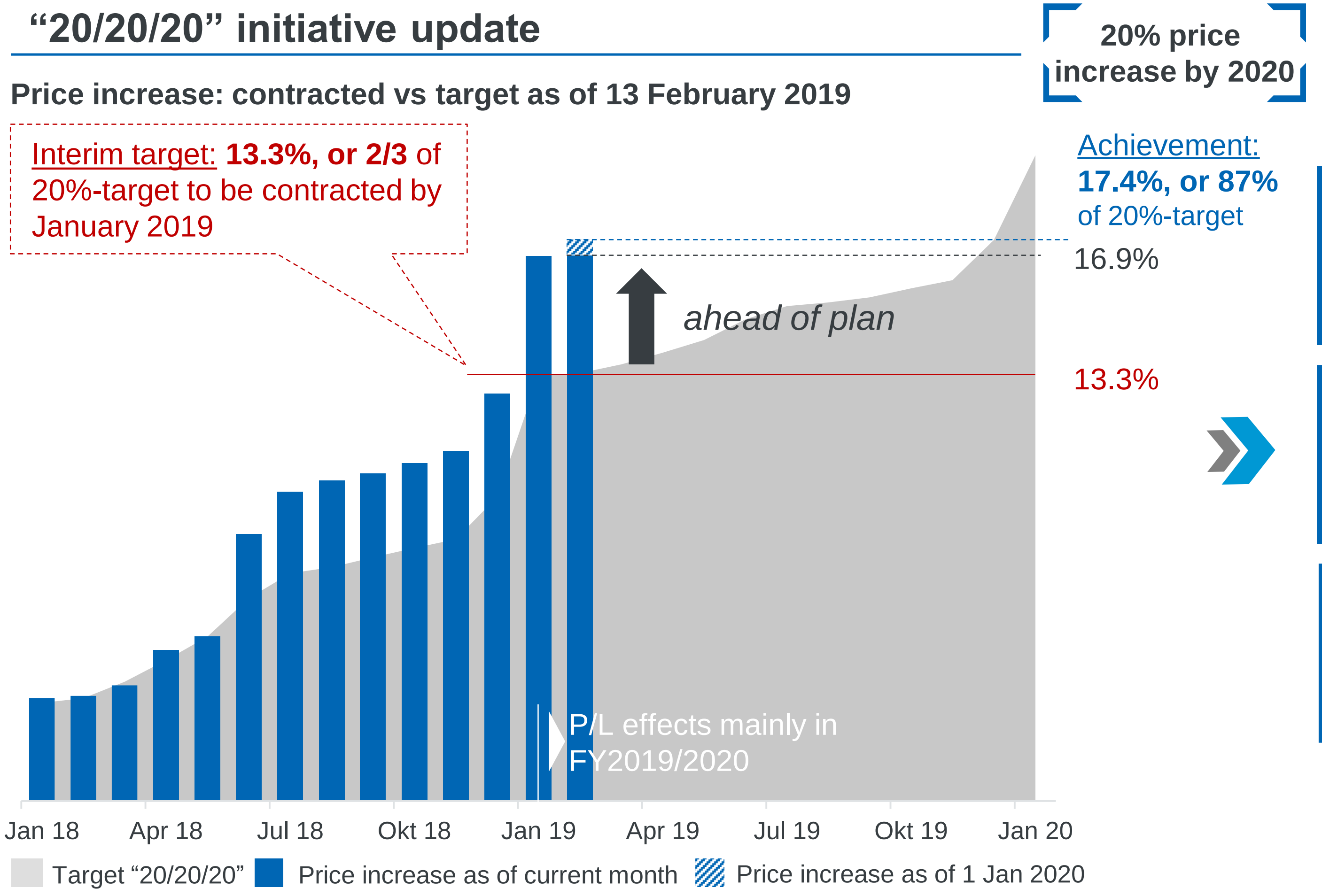
EURm, IFRS **2018** **2017**

Dissatisfying combined ratio burdened by large losses and by higher frequency claims in Property business

"20/20/20" initiative ahead of plan – Almost 90% of target locked in

"20/20/20" initiative update

Price increase: contracted vs target as of 13 February 2019



87% of target locked in (17.4%pts. of 20%)

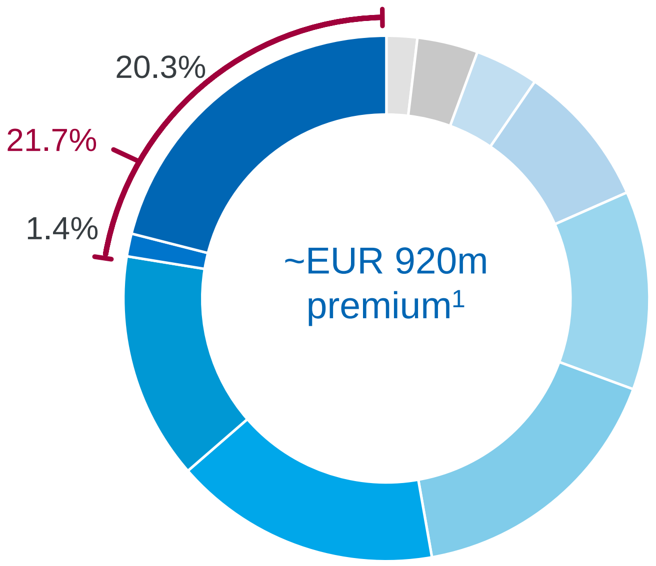
Main P/L effects as of 2019

Premium base so far broadly stable

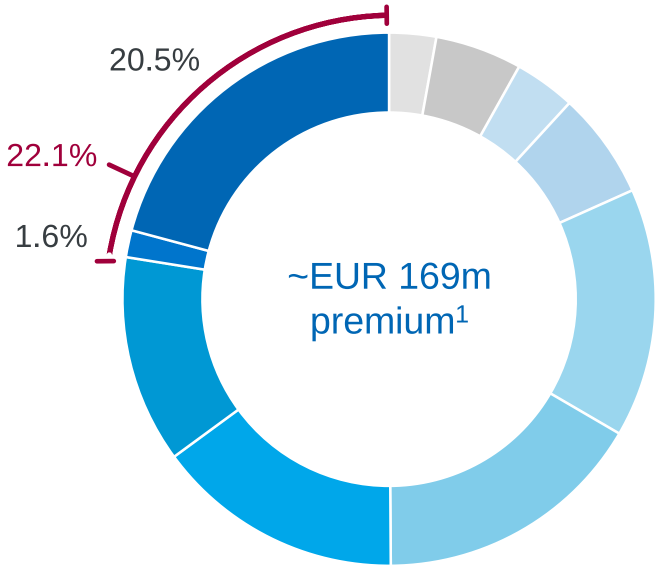
Note: 20% price increase in 2020 derives from 15% premium increase + 5% premium-equivalent measures. Refers to renewed business only

“20/20/20” initiative - Risk classes point towards unchanged risk profile

Portfolio prior to restructuring



Dropped business



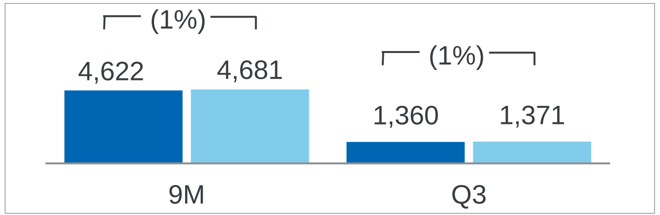
Risk classes

Low 1 2 3 4 5 6 7 8 9 10 **High**

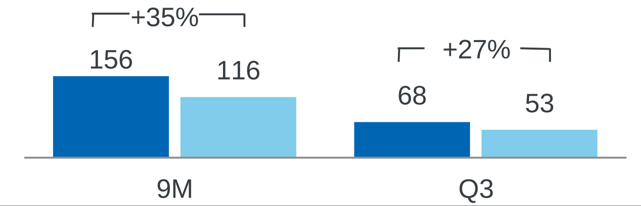
1 Defined as GWP excluding fronting and internal cessions, all numbers as of 13 February 2019

Segments – Retail Germany Division

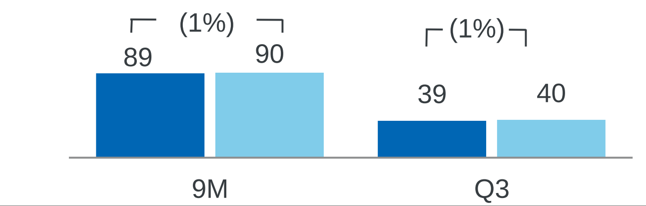
GWP



Operating result (EBIT)



Net income



Retention rate in %

	9M		Q3	
	93.7	95.2	93.6	95.1

Combined ratio in %

	9M		Q3	
	98.2	100.3	96.6	98.1

RoE in %

	9M		Q3	
	4.8	4.8	6.4	6.3

- Top-line slightly down as moderate GWP decline in Life could not be fully compensated by growth in the P/C segment
- Net underwriting result improved y/y in both segments, P/C and Life

- KuRS costs affected the Division in total by EUR 38m in 9M 2018 (6M 2017: EUR 37m). The impact on EBIT was EUR 30m (9M 2017: EUR 28m)
- 9M 2018 EBIT significantly up, driven by P/C as well as by Life. Higher EBIT in P/C due to profitable growth, economies of scale and a higher run-off result. Life segment benefited also from positive base effects, i.e. last year‘s policyholder participation in the 2017 tax benefits

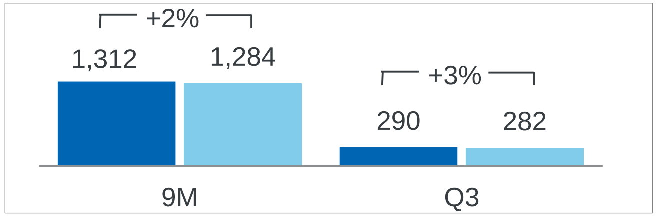
- Significantly higher tax rate (37.8% vs. 9M 2017: 13.2%) due to the before mentioned base effect as well as from higher-taxed investment gains in alternative assets
- The higher tax rate eats up the significant increase in EBIT in 9M 2018. As a result, net income for the first 9 months 2018 is broadly unchanged

EURm, IFRS ■ **2018** ■ **2017**

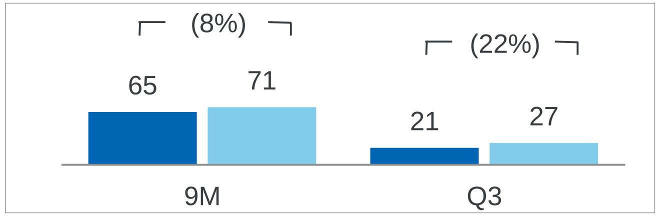
9M EBIT significantly up, driven by P/C as well as by Life – KuRS remains ahead of plan

Segments – Retail Germany P/C

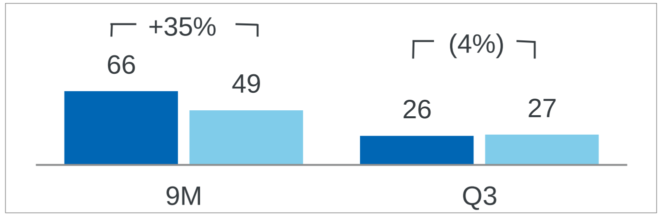
GWP



Investment income



Operating result (EBIT)



Retention rate in %

	2018	2017
9M	94.5	94.9
Q3	94.9	95.3

Combined ratio in %

	2018	2017
9M	98.2	100.3
Q3	96.6	98.1

EBIT margin in %

	2018	2017
9M	6.1	4.6
Q3	7.0	7.5

- 9M 2018 GWP up by 2.2% y/y, mainly driven by business with SMEs/self-employed professionals and growth in overall Motor business
- Top-line growth even improved momentum in Q3 2018 (+2.8% y/y)

- KuRS continues to run ahead of plan. 9M 2018 combined ratio well below originally planned ~100%, supported by profitable growth, economies of scale and a higher run-off result
- Combined ratio impacted by EUR 27m costs for KuRS programme (9M 2017: EUR 26m). Adjusting for these, the combined ratio would have declined to 95.6% (9M 2017: 97.8%)

- 9M 2018 investment result slightly down. The higher ordinary investment result could not fully compensate for the mid-single digit euro million decline in the extraordinary investment result
- Despite somewhat higher KuRS costs, EBIT is significantly up

EURm, IFRS ■ **2018** ■ **2017**

Top-line growth and improved combined ratio main drivers for EBIT growth – KuRS ahead of plan

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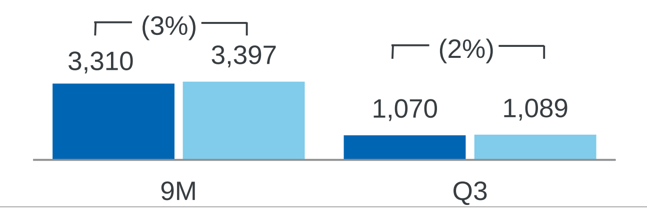
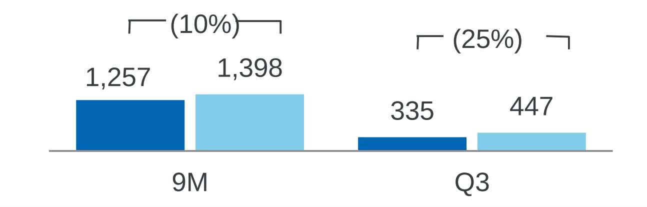
Segments – Retail Germany Life

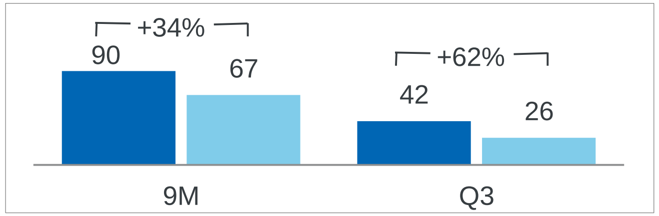
GWP



Investment income



Operating result (EBIT)



Retention rate in %

	2018	2017
9M	93.3	95.3
Q3	93.1	95.0

RoI in %

	2018	2017
9M	3.6	4.1
Q3	2.8	3.9

EBIT margin in %

	2018	2017
9M	3.7	2.7
Q3	5.3	3.4

- Only moderate decline in Life GWP (9M 2018: -2.6% y/y), while pace of decline slowing down (Q3 2018: -1.7% y/y)
- Phase-out of non-capital-efficient Life products, the expiry of Life insurance contracts and a lower lifestyle-protection business main drivers for top-line development

- 9M 2018 investment result down, due to lower extraordinary gains following lower ZZR allocation; ordinary investment result just slightly down
- ZZR allocation – according to HGB – of EUR 189m significantly below the previous year‘s level (9M 2017: EUR: 598m) due to the new ZZR regime. Total ZZR stock at close to EUR 3.3bn
- Change in ZZR allocation policy P&L neutral (ZZR projection at slightly above EUR 3.3bn for year-end

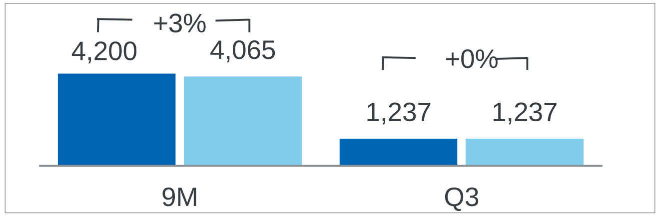
- Costs for KuRS broadly unchanged y/y at EUR 9m in 9M 2018 (9M 2017: EUR 9m); however, virtually irrelevant for the EBIT (due to policyholder participation in Life)
- 9M 2018 EBIT markedly up. The previous year‘s 9M EBIT burdened by policyholder participation in tax benefits

EURm, IFRS ■ **2018** ■ **2017**

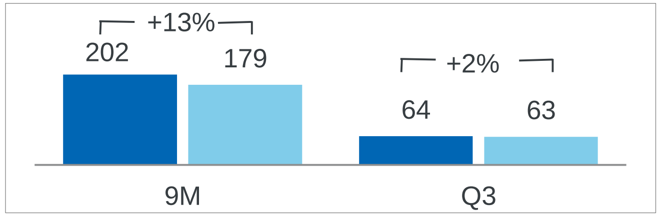
Lower ZZR contribution in 9M 2018 – EBIT significantly improved

Segments – Retail International

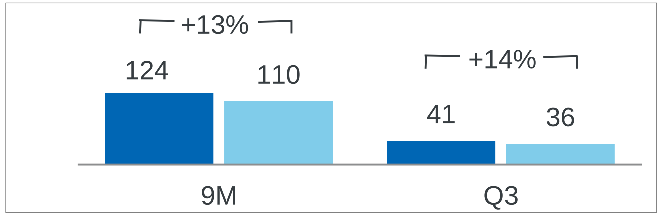
GWP



Operating result (EBIT)



Net income



Retention rate in %

	9M		Q3	
	92.3	91.4	93.6	92.6

Combined ratio in %

	9M		Q3	
	94.4	95.9	94.1	95.0

RoE in %

	9M		Q3	
	8.2	7.1	8.2	6.8

- 9M 2018 GWP up by 3.3% y/y (curr.-adj.: +9.1%). Significant currency headwind in particular in Brazil and in Turkey
- Top-line in P/C up by 2.1% (curr.-adj.: +10.2%), mainly driven by Poland and Mexico. All core markets except Chile grew top-line on a local currency basis
- GWP in Life up (+5.9% y/y; curr.-adj: +6.8%)

- 9M 2018 combined ratio improved by 1.5%pts y/y to 94.4%. Cost ratio down by 0.9%pt y/y, driven by cost optimisation and scale effects, namely in Poland and Brazil as well as lower commission for MTPL in Turkey. Loss ratio improved by 0.6%pts
- Despite currency headwinds and a lower investment result, EBIT grew by 12.8% y/y (curr.-adj.: +17.2%). Higher profit contribution mainly from Poland (Warta) and Italy

- Net income in the first nine months up by 12.7% y/y, mainly due to the improved underwriting result and despite the decline in investment result
- 9M RoE (annualised) increasing by 1.1%pts to 8.2%

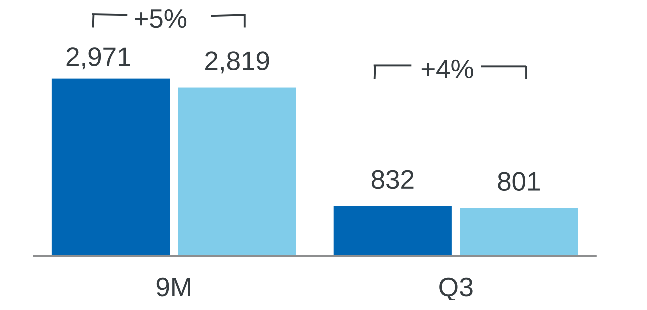
EURm, IFRS ■ **2018** ■ **2017**

Note: Due to industrial action, the 9M 2018 reporting for HDI Chile has been carried out on the basis of the figures for the first 8 months 2018 only

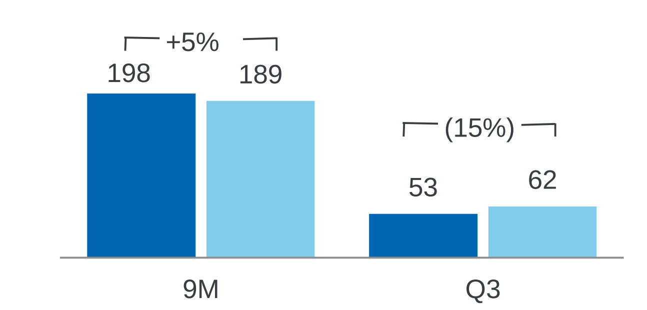
EBIT and net income significantly up, mirroring the further improvement in combined ratio

9M 2018 Additional Information – Retail International Europe: Key financials

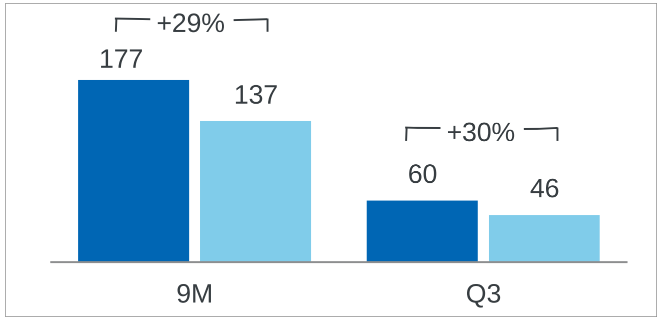
GWP



Investment income

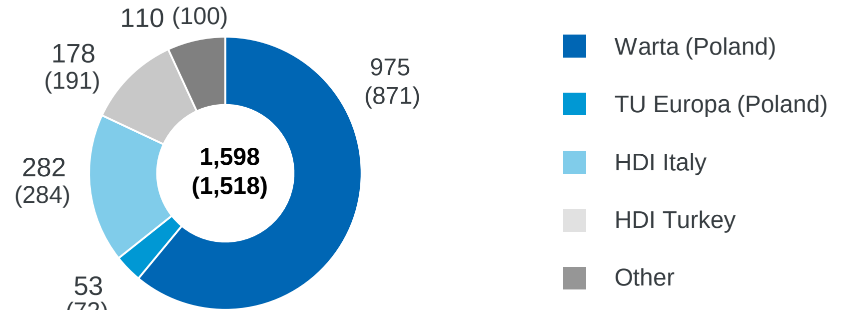


Operating result (EBIT)



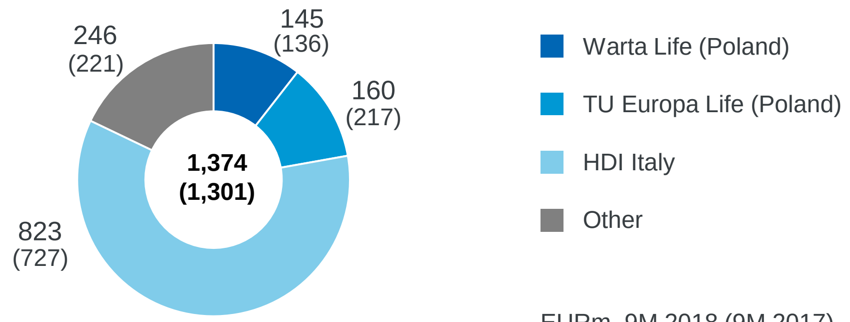
EURm, IFRS ■ **2018** ■ **2017**

GWP split by carriers (P/C)



EURm, 9M 2018 (9M 2017)

GWP split by carriers (Life)

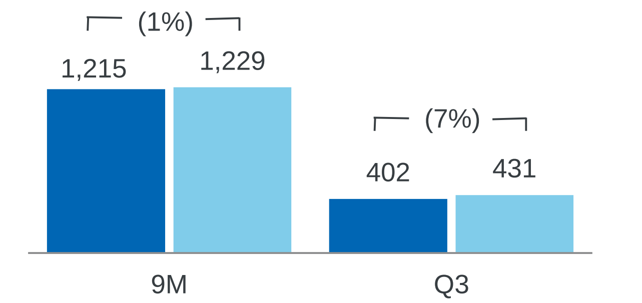


EURm, 9M 2018 (9M 2017)

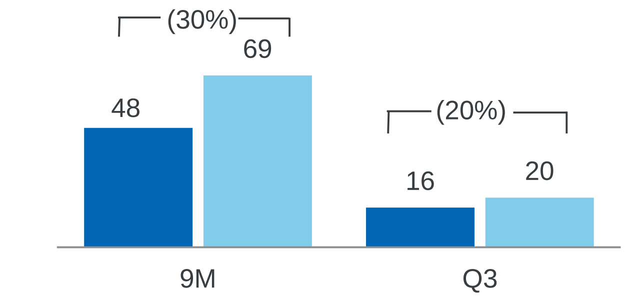
Top-line up by 5% - EBIT improvement driven by Poland and Italy

9M 2018 Additional Information – Retail International LatAm: Key financials

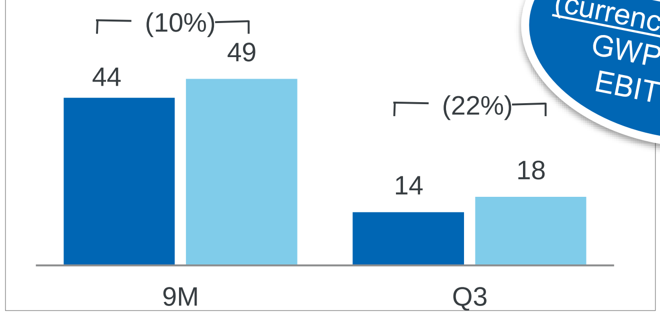
GWP



Investment income



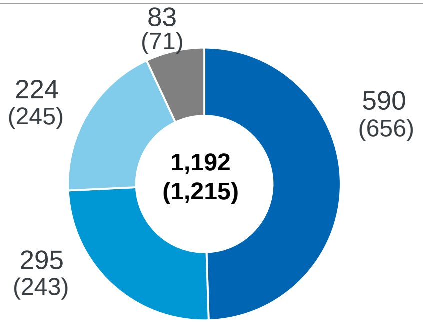
Operating result (EBIT)



9M 2018 (currency adjusted)
GWP: +13%
EBIT: +5%

EURm, IFRS **2018** **2017**

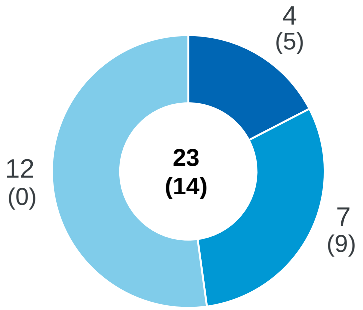
GWP split by carriers (P/C)



HDI Brazil
HDI Mexico
HDI Chile
Other

EURm, 9M 2018 (9M 2017)

GWP split by carriers (Life)



HDI Argentina
HDI Chile Life
HDI Colombia Life

EURm, 9M 2018 (9M 2017)

Currency effects and decline in interest rates burdening EBIT in LatAm – EBIT up 6% in local currencies

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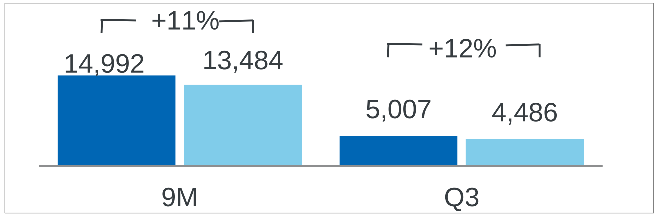
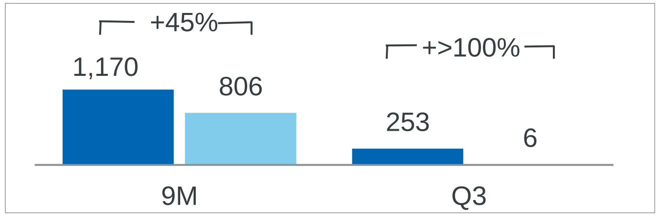
Segments – Reinsurance Division

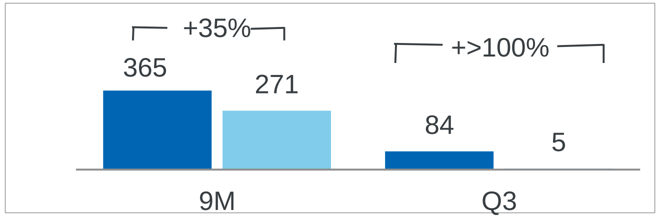
GWP



Operating result (EBIT)



Net income



Retention rate in %

	2018	2017
9M	90.8	90.1
Q3	89.7	89.7

Combined ratio in %

	2018	2017
9M	96.8	104.3
Q3	98.8	118.2

RoE in %

	2018	2017
9M	12.0	8.7
Q3	8.5	0.4

- 9M 2018 GWP growth of +11.2% y/y (curr.-adj.: +16.5%), growth driven by strong demand for reinsurance
- Net premium is up by +10.7% on a reported basis and grew by +15.9% on a currency-adjusted basis

- 9M 2018 EBIT up by 45.3% y/y, supported by above-target investment income
- Ordinary investment income increased by +4.6%
- Assets under management up by 4.8% ytd

- 9M 2018 net income up by +35.0%
- Tax ratio above long-term average due to one-time charges in deferred taxes in L/H Reinsurance from change in business set-up linked to the US tax reform in Q1 2018
- Return on equity for 9M 2018 at 12.0% (9M 2017: 8.7%), well above target

EURm, IFRS **2018** **2017**

RoE well above target, despite impact from recaptures in L/H Reinsurance – Guidance for 2018 reconfirmed

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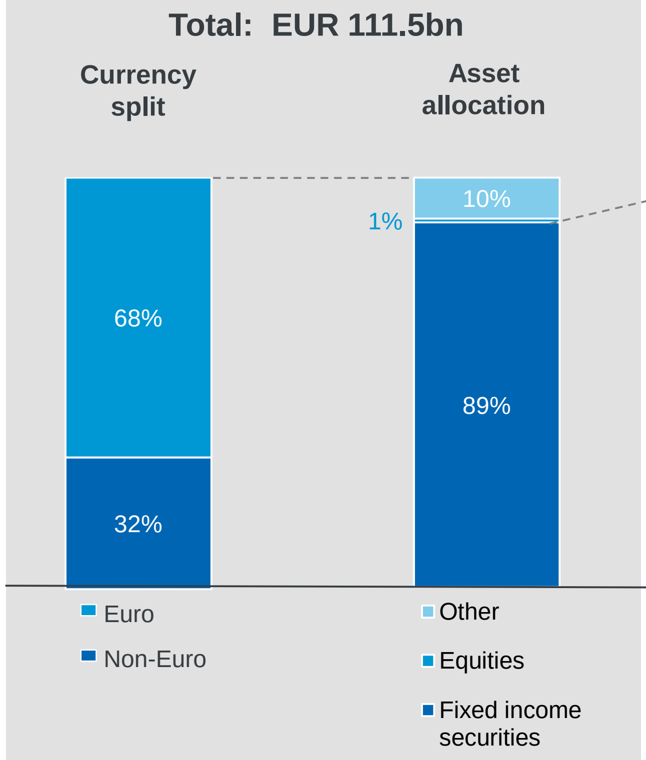
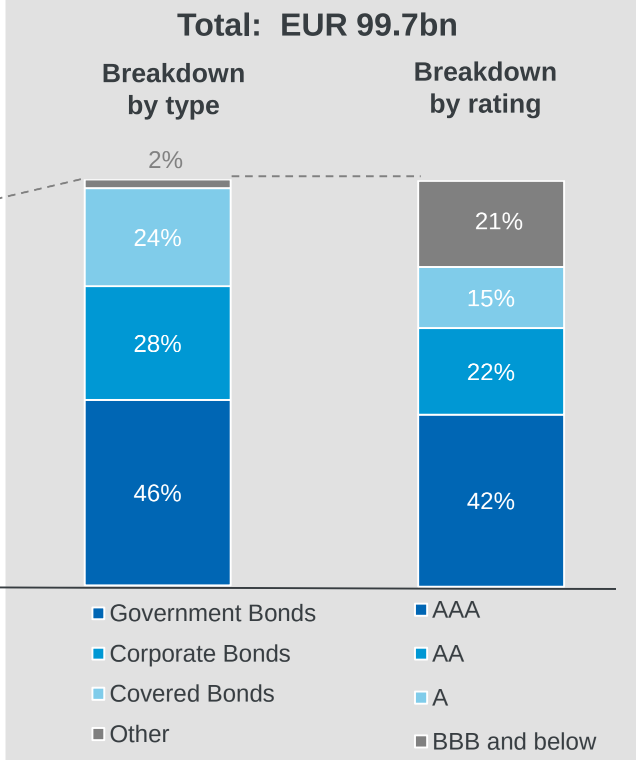
9M 2018 Additional Information – Breakdown of investment portfolio

Investment portfolio as of 30 Sep 2018



Fixed-income-portfolio split



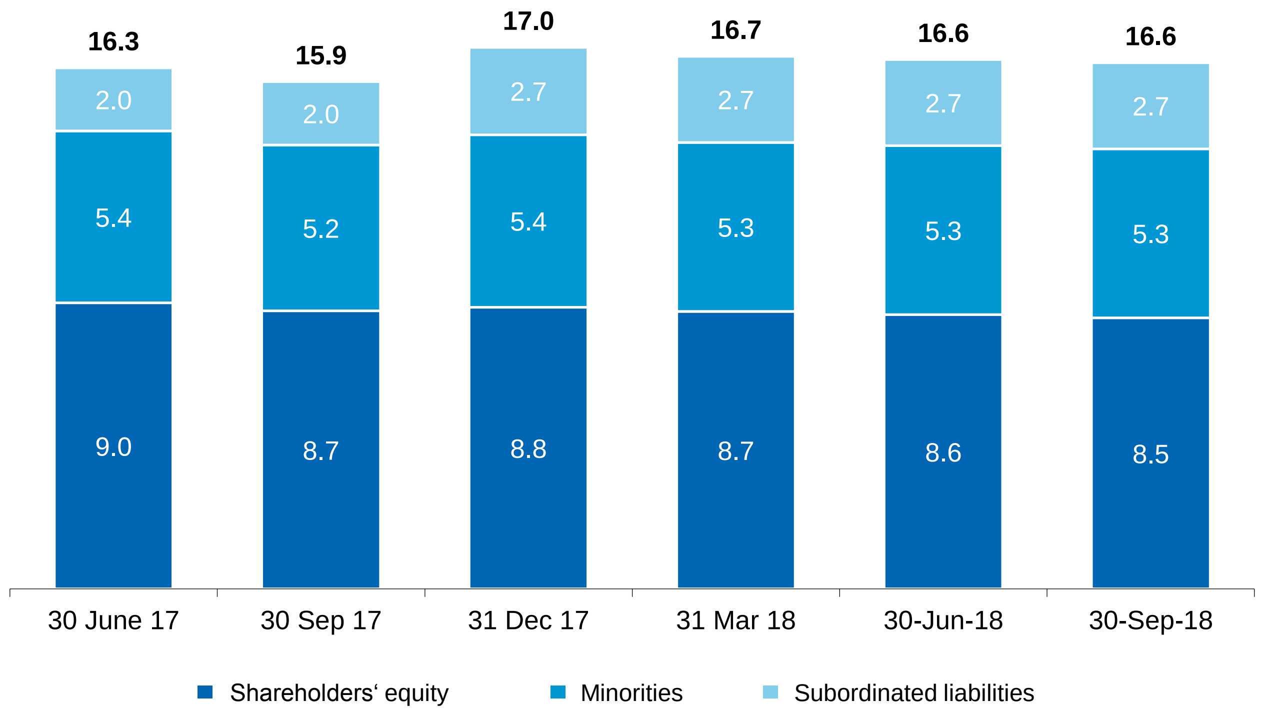
Comments

- Investments under own management of EUR 111.5bn up vs. FY2017 (EUR 107.9bn), including ~EUR75m from initial consolidation of HDI Colombia and Liberty Sigorta (Turkey)
- Investment portfolio remains dominated by fixed-income securities: portfolio share of 89% broadly unchanged (FY2017: 90%)
- Share of fixed-income portfolio invested in “A” or higher-rated bonds is up to 79% (FY 2017: 76%)
- 19% of “investments under own management” are held in USD (FY 2017: 18%); 32% overall in non-euro currencies (FY2017: 32%)

Investment strategy unchanged – portfolio remains dominated by strongly rated fixed-income securities

Equity and capitalisation – Our equity base

Capital breakdown (EUR bn)



Note: figures restated on the base of IAS 8

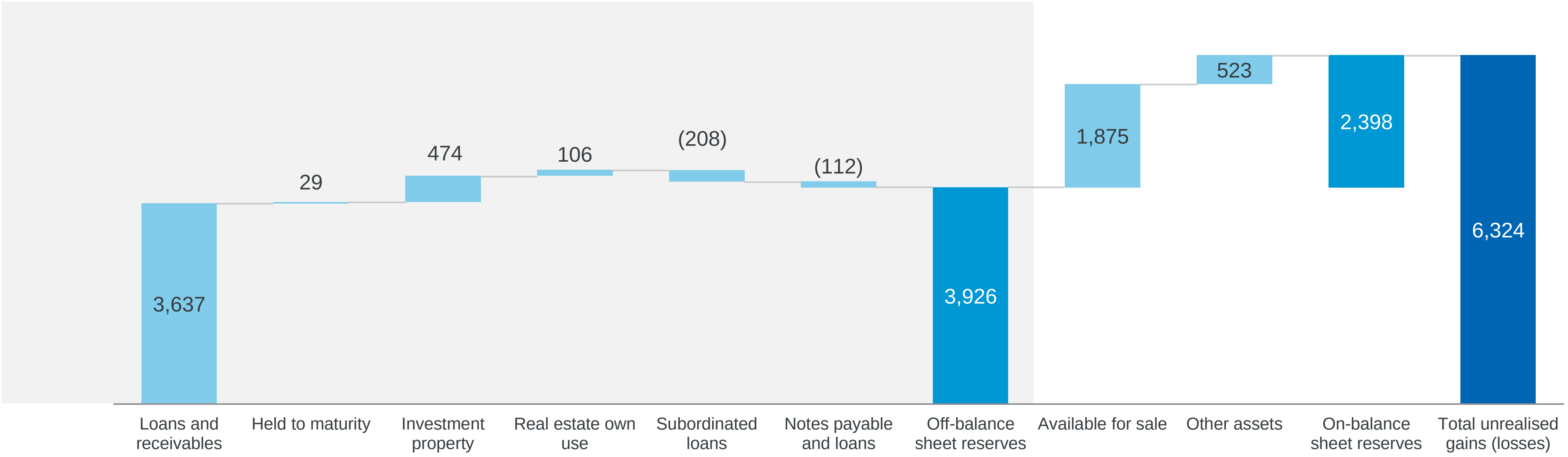
Comments

- Shareholders' equity down vs. 6M 2018 due to a decline in OCI, resulting from increase in bond yields and higher spreads in some markets
- At the end of 9M 2018, book value per share was EUR 33.78 (6M 2018: EUR 33.99), NAV (excl. goodwill) per share was EUR 29.57 (EUR 29.79)
- Off-balance sheet reserves amounted to ~EUR 3.9bn, or EUR 1.35 per share (shareholder share only)
- 9M 2018 RoE (annualised) stands at 7.5% - 2018 RoE Outlook of ~8.0%

Shareholders' equity at EUR 8,540m, or EUR 33.78 per share

Equity and capitalisation – Unrealised gains

Unrealised gains and losses (off- and on-balance sheet) as of 30 September 2018 (EURm)



	Loans and receivables	Held to maturity	Investment property	Real estate own use	Subordinated loans	Notes payable and loans	Off-balance sheet reserves	Available for sale	Other assets	On-balance sheet reserves	Total unrealised gains (losses)
31 Dec 17	4,260	39	433	124	(382)	(144)	4,330	3,515	526	4,042	8,372

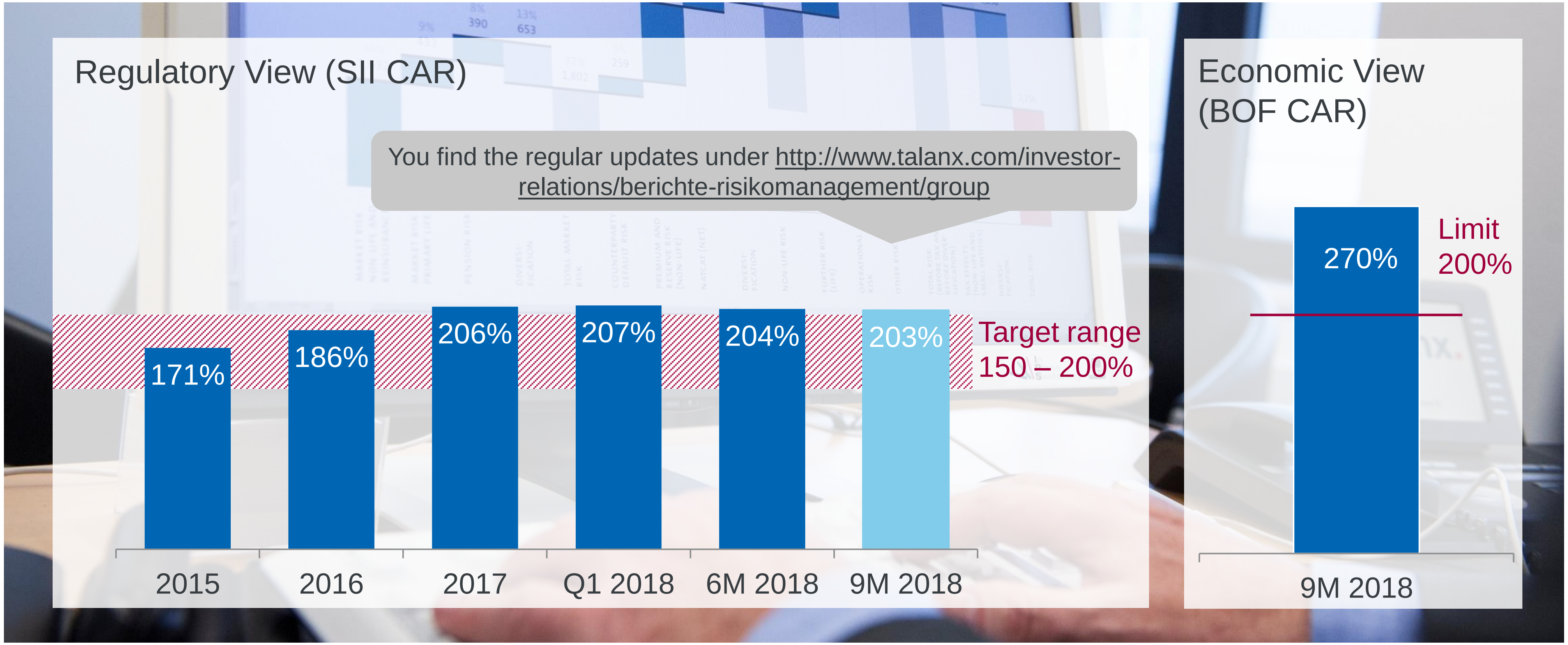
Δ market value vs. book value

Note: Shareholder contribution estimated based on historical profit sharing pattern

Off-balance sheet reserves of ~ EUR 3.9bn – EUR 341m (EUR 1.35 per share) attributable to shareholders (net of policyholders, taxes & minorities)

Risk management – Solvency II capital

Development of Solvency II capitalisation



Note: Solvency II ratio relates to HDI Group as the regulated entity.The chart does not contain the effect of transitional measures. Solvency II ratio including transitional measures for 9M 2018 was 245% (FY2017 253%)

Outlook 2018 for Talanx Group

Unaudited preliminary figures FY2018, published 7 Feb 2019
- EUR **34.9bn GWP** (+5.5% y/y)
- EUR **2.0bn EBIT** (+12% y/y)
- EUR **703m Group net income** (+4.9% y/y)

Gross written premium	>5%
Return on investment	≥3.0%
Group net income	~700 EURm
Return on equity	~8.0%
Dividend payout ratio	EUR 1.40 min. DPS for FY2018

Note: The 2018 Outlook is based on a large loss burden for Q4 2018 in the Primary Insurance that will not significantly exceed a quarterly budget. All targets are subject to no large losses exceeding the large loss budget, no turbulences on capital markets and no material currency fluctuations

Outlook 2019 for Talanx Group

Gross written premium	~4%
Return on investment	~2.7%
Group net income	~900 EURm
Return on equity	~9.5%
Dividend payout	35-45% DPS at least stable y/y

Note: The 2019 Outlook is based on a large loss budget of EUR 315m (2018: EUR 300m) in Primary Insurance, of which EUR 278m in Industrial Lines. The large loss budget in Reinsurance stands at EUR 875m (2018: EUR 825m). All targets are subject to no large losses exceeding the large loss budget, no turbulences on capital markets and no material currency fluctuations

Financial Calendar and IR contacts

- 18 March 2019
  Annual Report 2018
- 9 May 2019
  Annual General Meeting
- 9 May 2019
  Quarterly Statement as at 31 March 2019
- 20 November 2019
  Capital Markets Day in Frankfurt

From left to right: Carsten Fricke (*Equity & Debt IR*), Shirley-Lee Inafa (*Roadshows & Conferences, IR Webpage),* Carsten Werle (*Head of IR),* Anna Färber (*Team Assistent),* *Marcus* Sander (*Equity & Debt IR),* Alexander Zessel (*Ratings*), Hannes Meyburg (*Ratings);* not on the picture: Nicole Tadje & Wiebke Großheim (*maternity leave)*

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Guideline on Alternative Performance Measures - For further information on the calculation and definition of specific Alternative Performance Measures please refer to the Annual Report 2017 Chapter “Enterprise management”, pp. 25 and the following, the “Glossary and definition of key figures” on page 290 as well as our homepage http://www.talanx.com/investor-relations/ueberblick/midterm-targets/definitions_apm.aspx