



**tal anx.**  
Insurance. Investments.

# Investor Presentation Munich

Dr Immo Querner, CFO  
23/24 September 2019

# Agenda

I CMD: Group Strategy

II CMD: Group Financials

III 6M 2019 results

## 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  $\geq 800$ bps above risk-free
  - annual **EPS** growth  $\geq 5\%$  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

### Develop

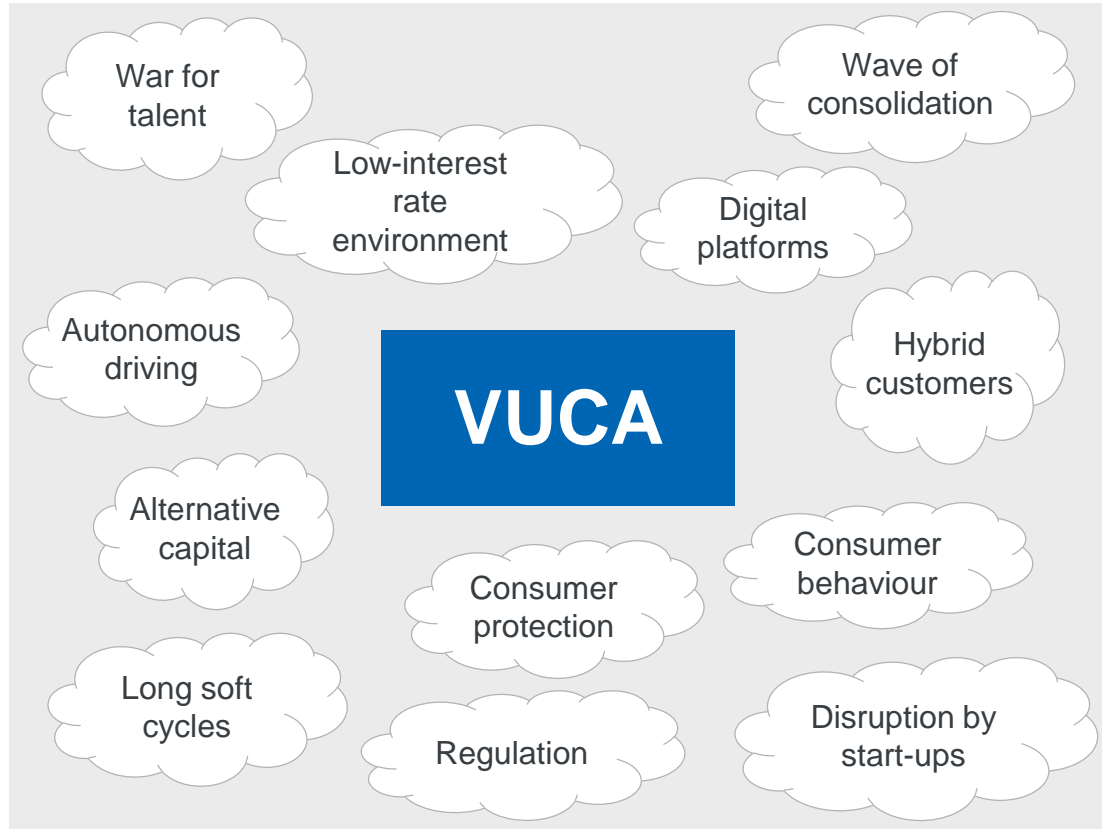
- 1 Enhanced capital management
- 2 Focused divisional strategies
- 3 Digital transformation

**Traditionally different**

Strengthen

We approach the VUCA world from a position of strength

**V**olatility **U**ncertainty **C**omplexity **A**mbiguity



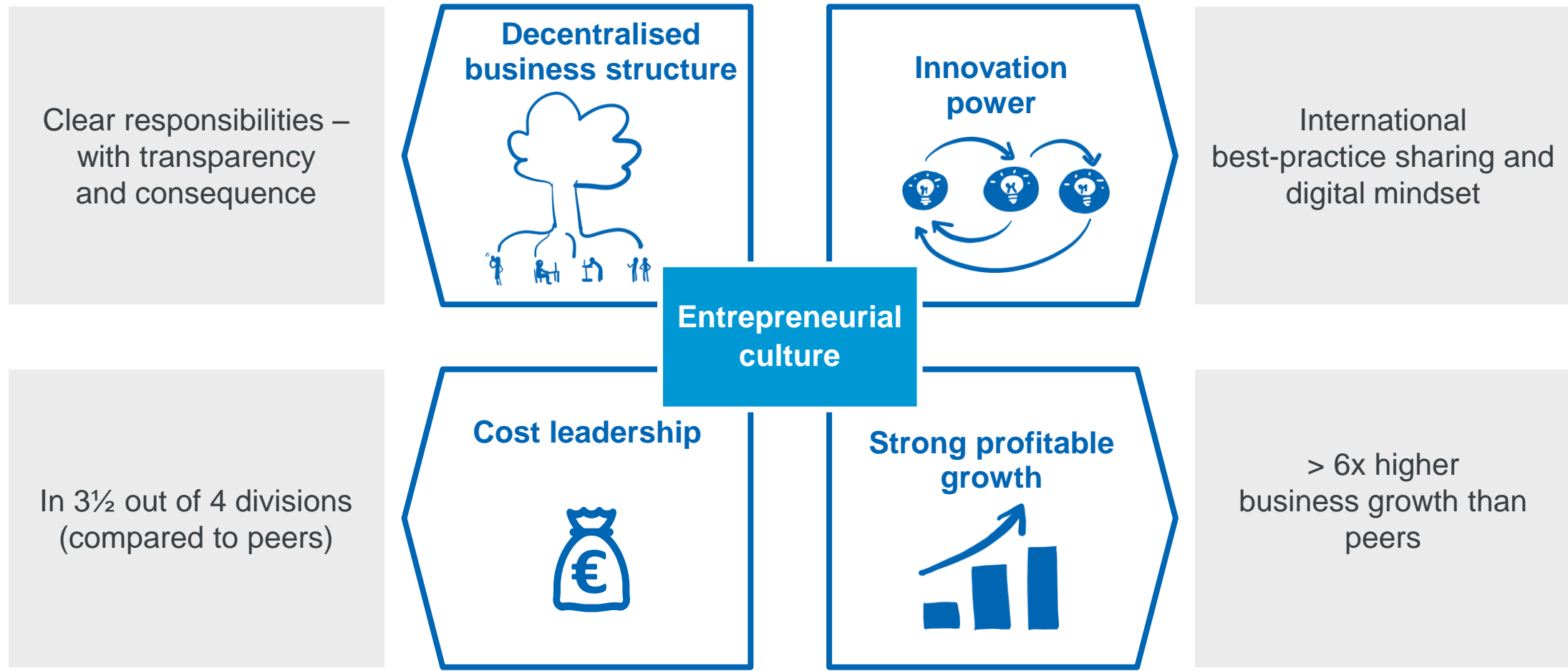
**Our answer: reinforcing our strengths**



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

1 Strengthen – Entrepreneurial culture

# Our entrepreneurial culture as basis for continued growth and cost leadership



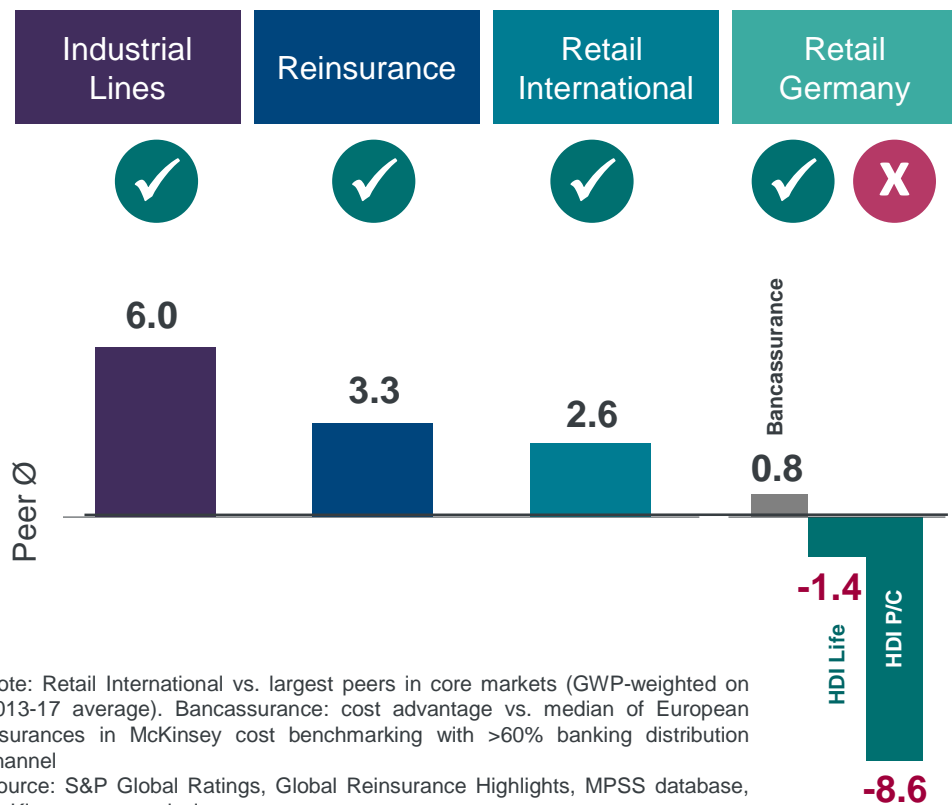
Note: Business growth defined as GWP CAGR for 2013-2017. Talanx Peer group consists of Allianz, AXA, Generali, Mapfre, Munich Re, Swiss Re, VIG and Zurich (throughout this document if not stated differently)

1 Strengthen – Entrepreneurial culture

# Entrepreneurial culture – Basis for cost leadership and profitable growth ...

## Cost leadership in 3½ out of 4 divisions

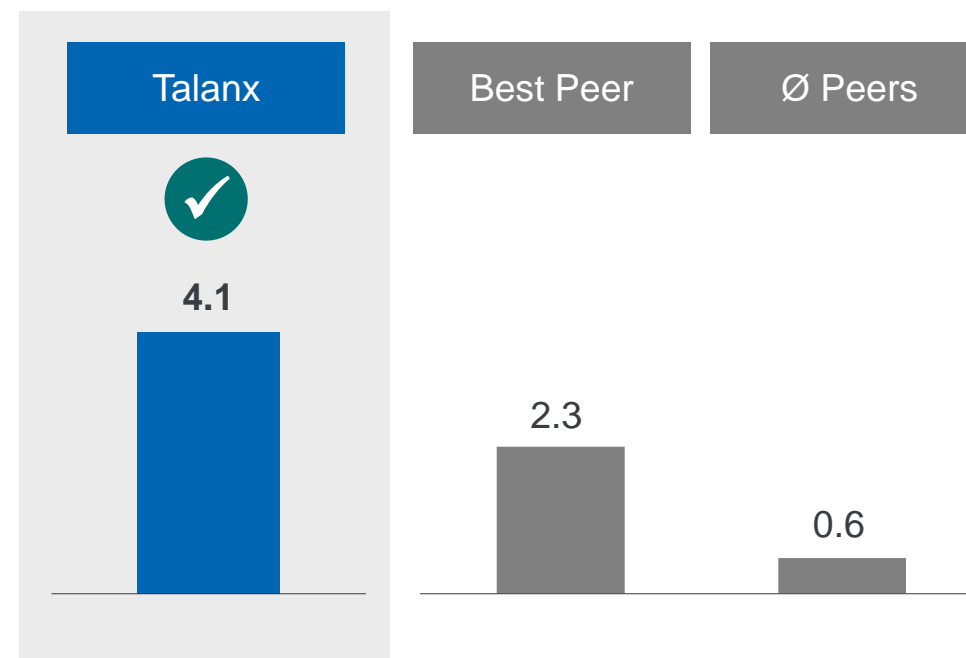
Cost ratio advantage (net) of divisions compared to peer Ø (2013 – 17) (in %-pt)



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

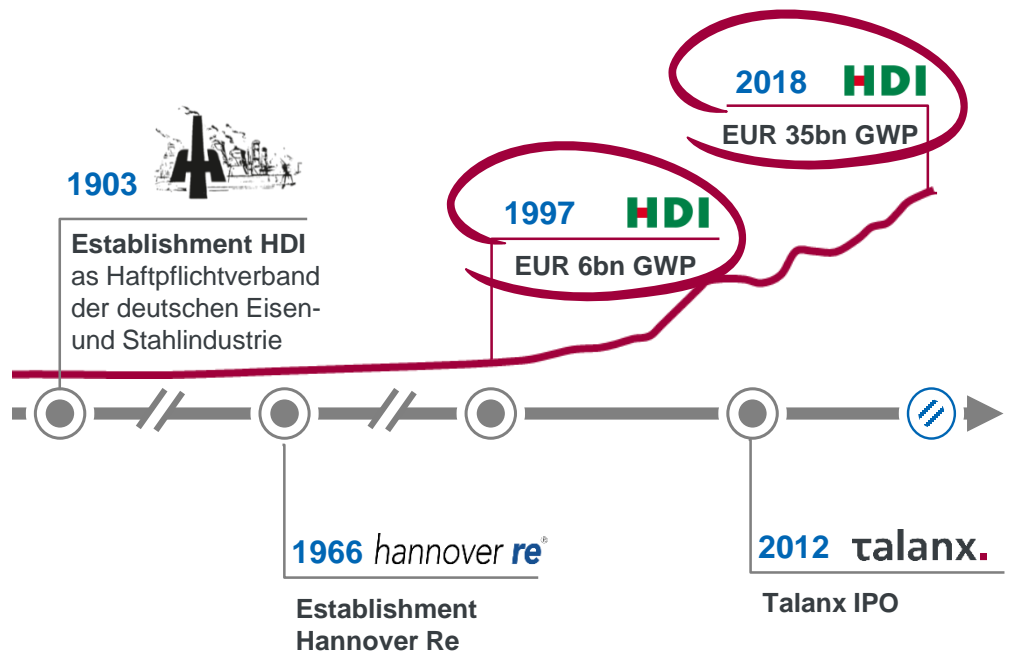
GWP CAGR 2013 – 17 (in %)



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 2018, in EURbn

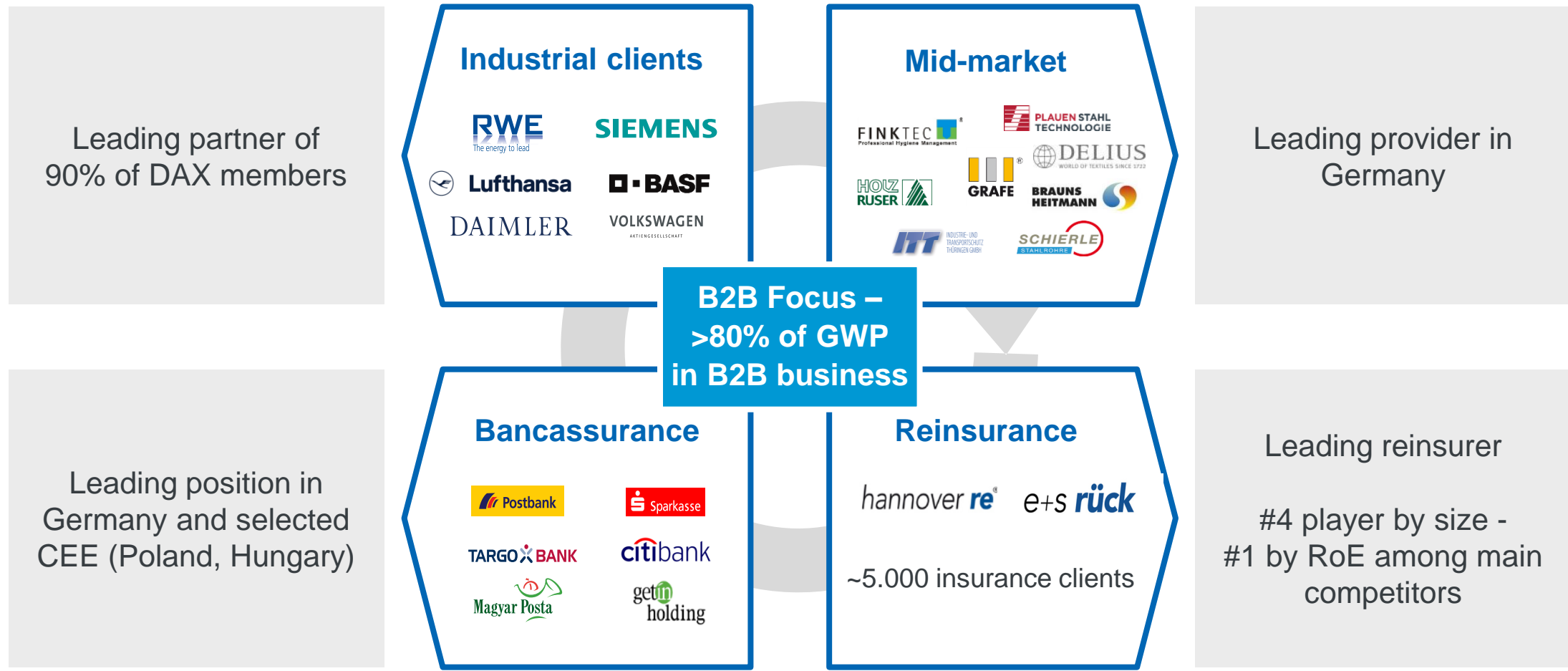
#1		96.3
#2	Allianz	77.8
#3		66.7
#4		53.2
#5	Munich RE	49.1
#6		46.0
#7	<b>talanx.</b>	<b>34.9</b>
#8		32.4
#9		32.3
#10		31.8

Note: Prudential data based on earned GWP



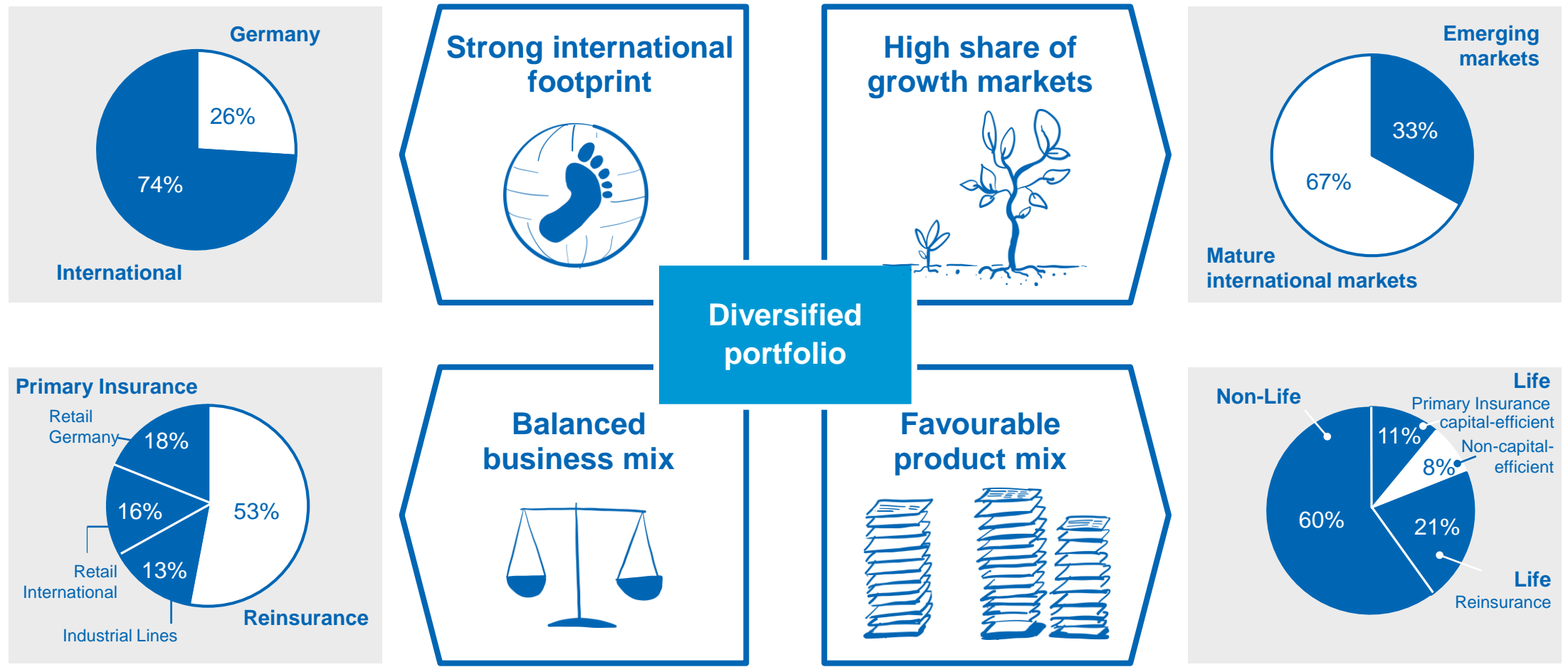
2 Strengthen – B2B focus

Our unique B2B customer focus positions us well



3 Strengthen – Diversified portfolio

# Our diversified portfolio as basis for proven earnings resilience



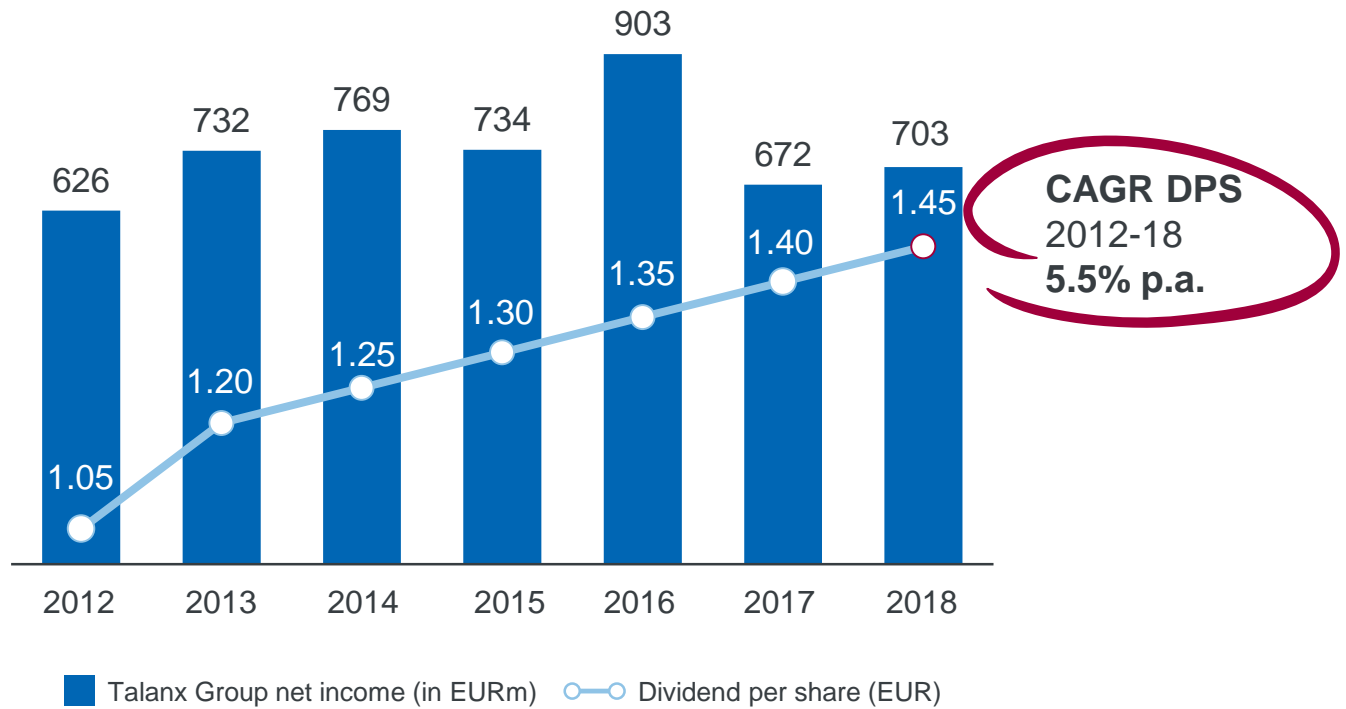
Note: All figures refer to GWP 2017 of Talanx Group; growth market split refers to international portfolio only

Strengthen

# Outcome – Proven earnings resilience backing our sustainable payout policy

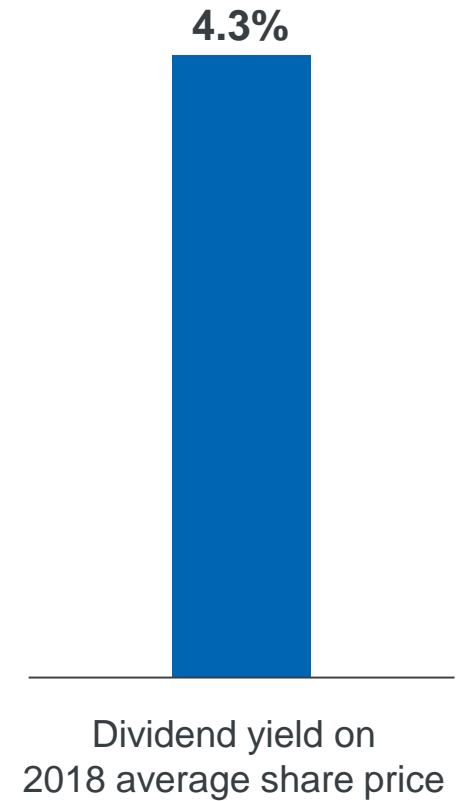
## Sustainable earnings and payout policy

Talanx IFRS net income and dividend (per share)



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

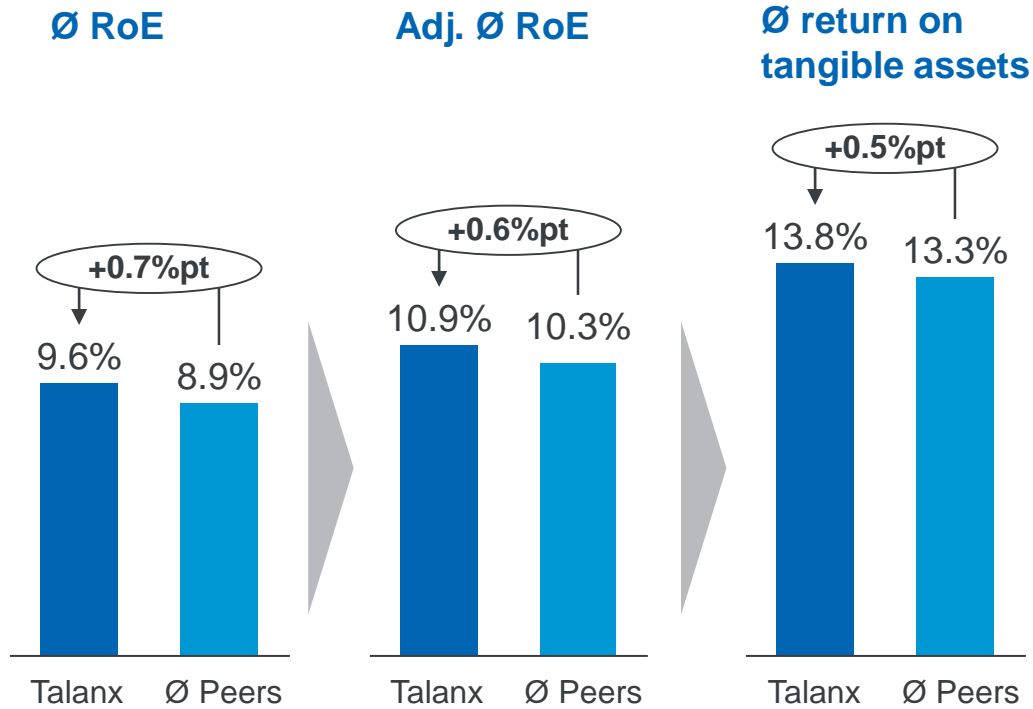
## Dividend yield



Strengthen

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

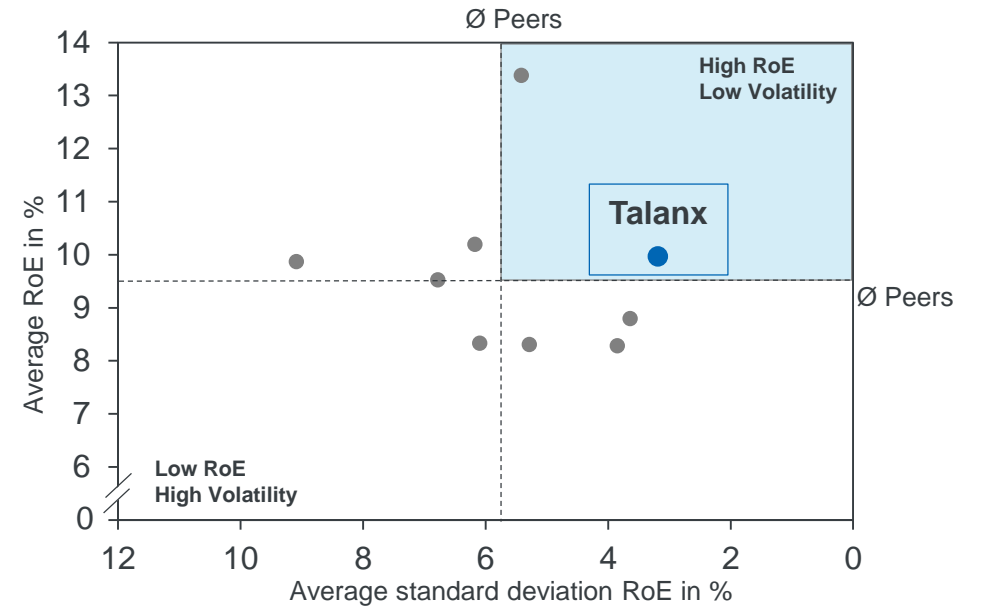
### RoE above peer average



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)

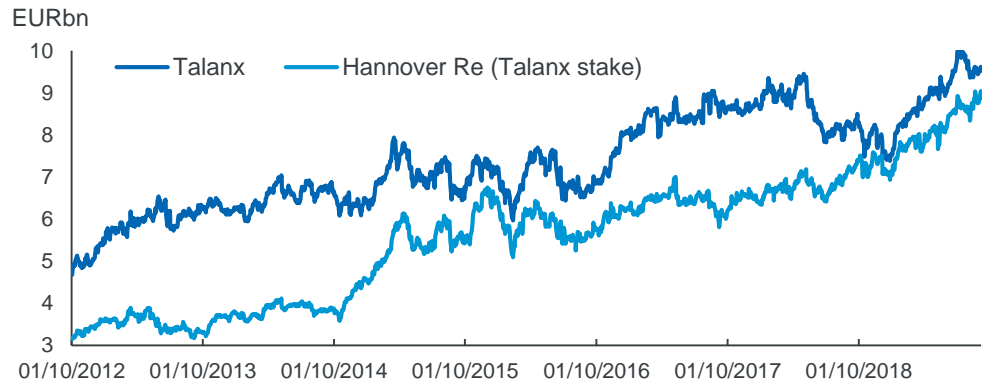


Note: Own calculations. RoE based on the ratio of net income (excl. minorities) and average shareholders' equity  
 Source: RoE 2001-2010 KPMG; 2011-2017 annual reports

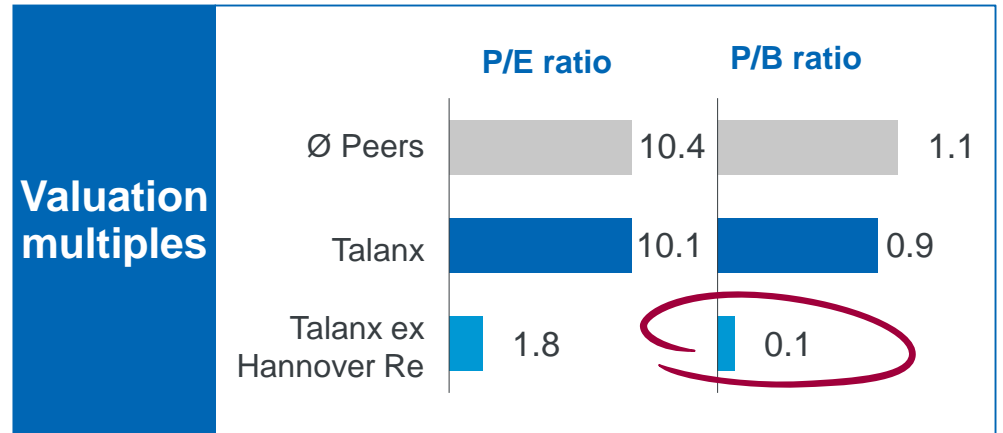
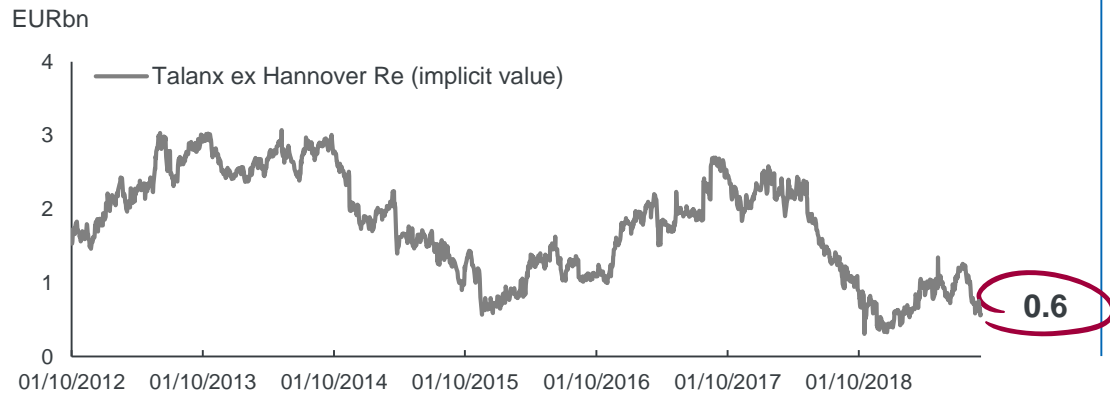
Develop

...however, cautious valuation of Talanx ex Hannover Re

### Market cap development



### Implicit market cap Talanx ex Hannover Re stake



Note: Multiples as of 9 September 2019 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 2019E shareholders' equity

# Develop Talanx's ambition – Three areas to develop

## Strengthen

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



Traditionally different

## Develop

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

# Develop Talanx's ambition 2022



# 1 Develop – Enhanced capital management

## Our Capital Management Strategy

### Enhanced Capital Management

<p>How to spend it</p>	<ul style="list-style-type: none"> <li>▪ Sustainable dividend growth</li> <li>▪ Stringent capital allocation to support profitable organic growth</li> <li>▪ Disciplined M&amp;A approach</li> </ul>
<p>How to get it</p>	<ul style="list-style-type: none"> <li>▪ Reduce local excess capital</li> <li>▪ Increase cash upstream</li> <li>▪ Bundling reinsurance at Group level</li> </ul>



### Mid-term ambition

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

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



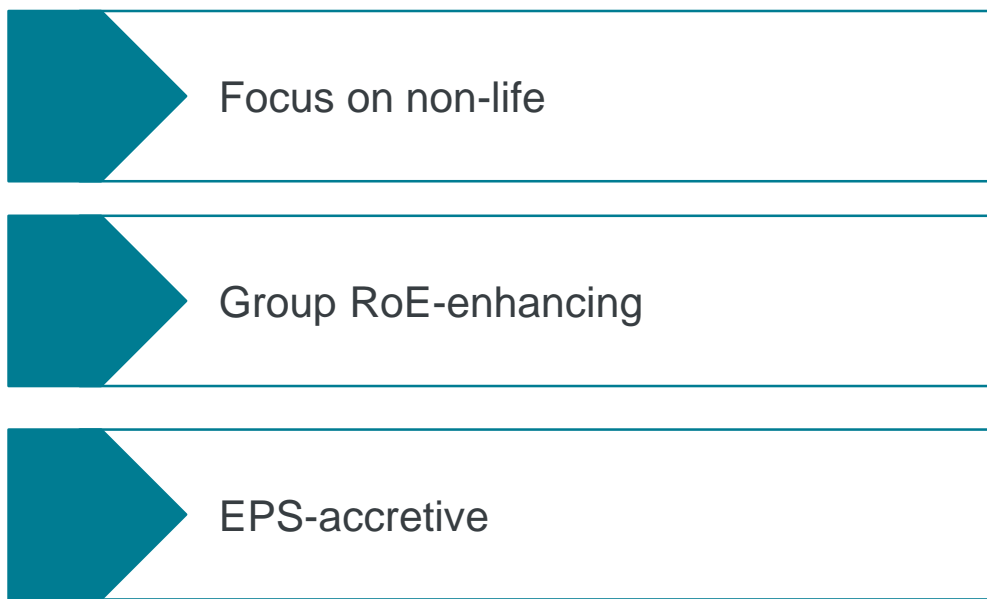
Consequent and efficient capital allocation in high RoE business...

... supports strong and profitable growth

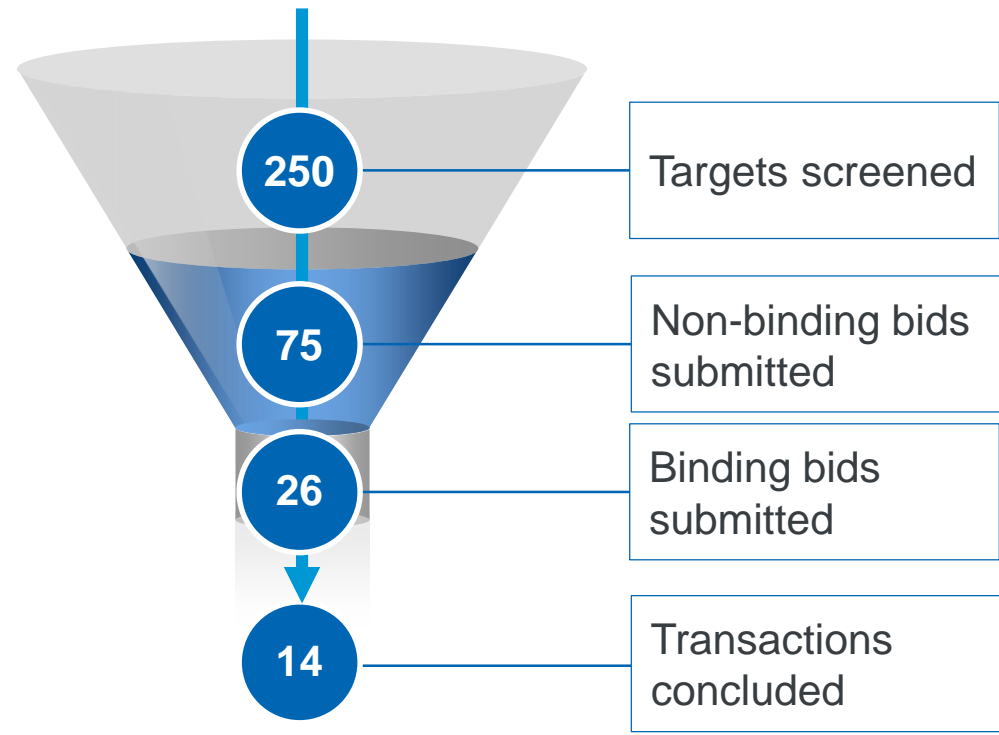
Note: Bubble size: attributed equity capital 2017 in m EUR; figures in bubbles refer to change in attributed equity excl. minorities (2017 vs. 2012)

# 1 Develop – Enhanced capital management How to spend it – Disciplined M&A approach

## Our M&A criteria



## Disciplined M&A activity (since 2011)



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

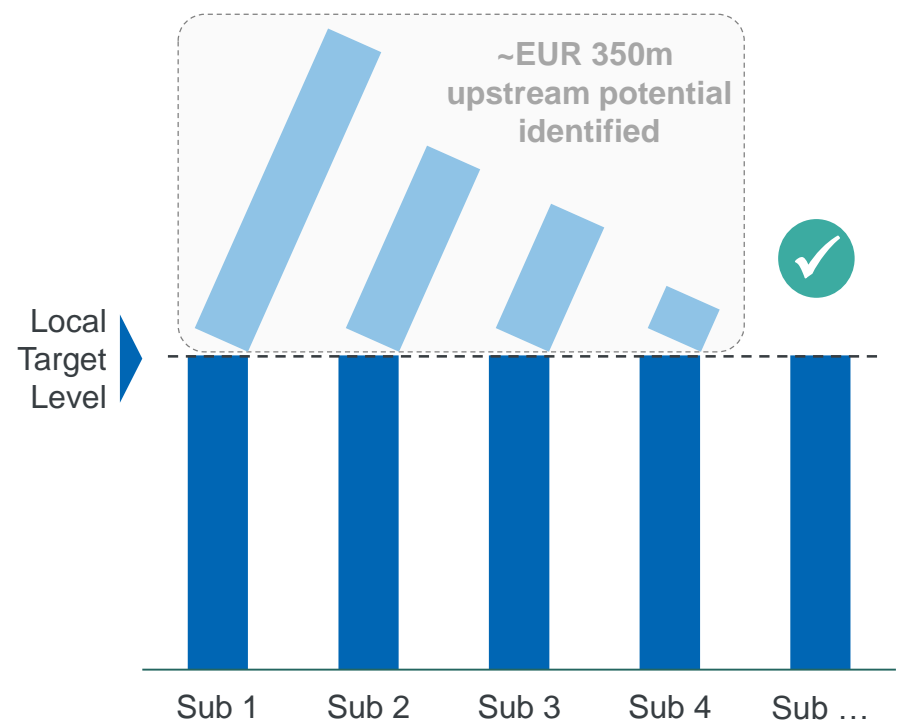
1 Develop – Enhanced capital management

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

Reduce local excess capital

Solvency ratio (%)

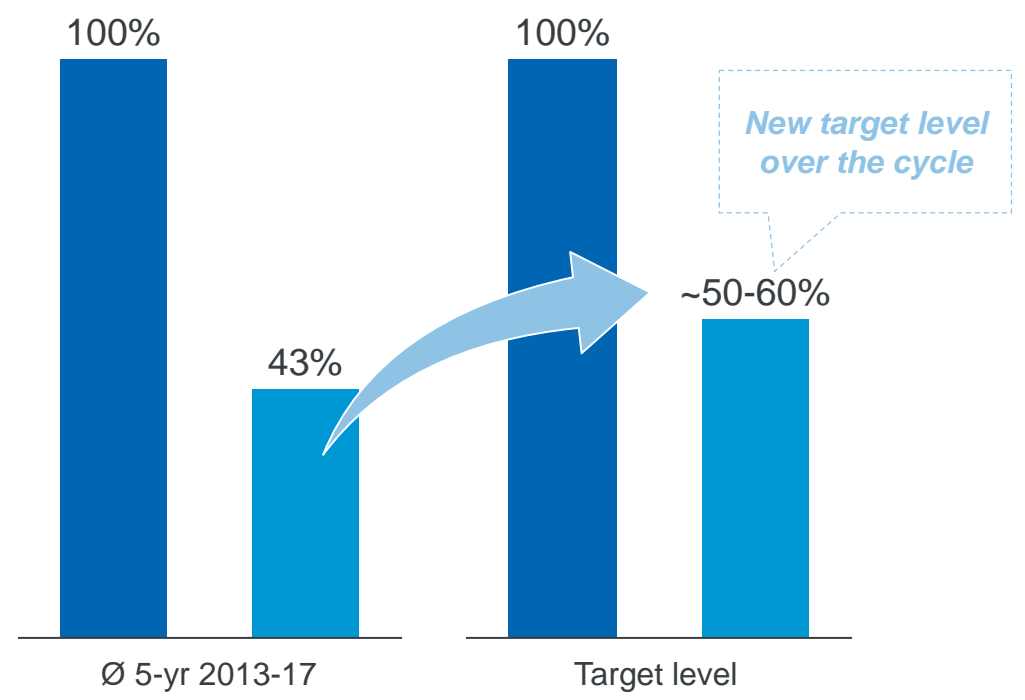
Illustrative



Increase cash upstream to Talanx Group

Ø 5-yr remittance ratio (2013-17)

IFRS Group net income Remittance from affiliated companies

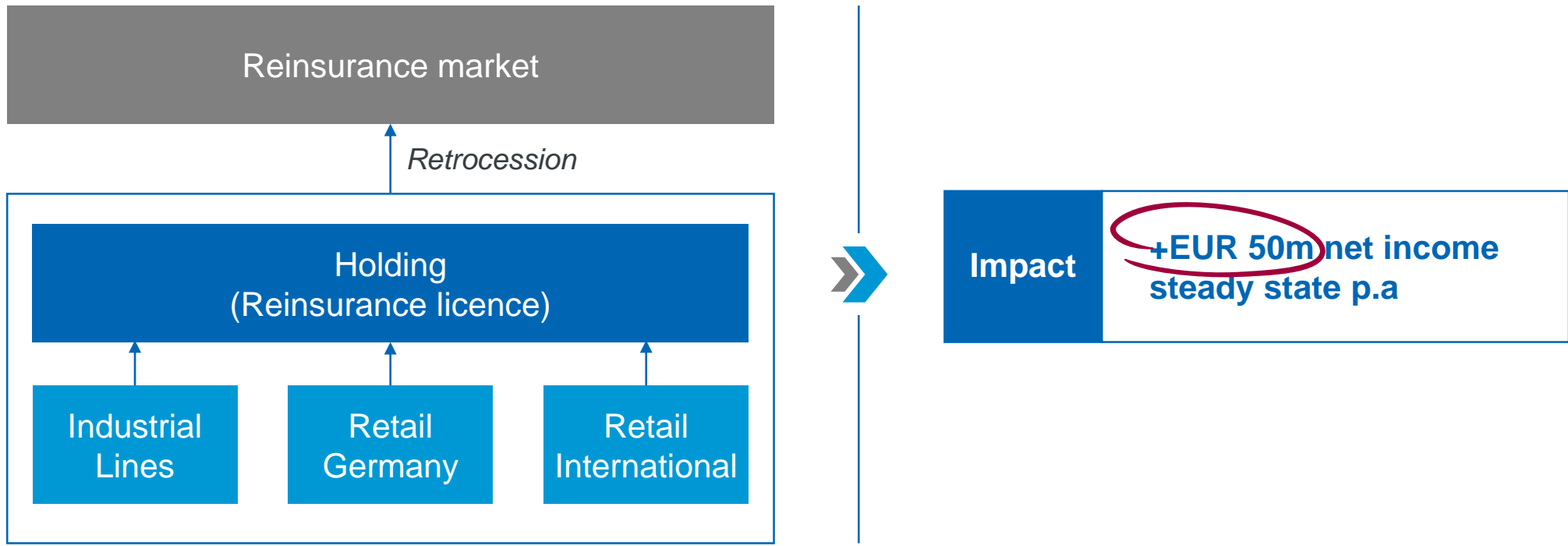


1 Develop – Enhanced capital management

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

## Bundling reinsurance at Group level

Illustrative



## 2 Develop – Focused divisional strategies Industrial Lines

### Stock take

<b>Leading</b>	<ul style="list-style-type: none"> <li>▪ Customer focus and claims management</li> <li>▪ International Programmes</li> <li>▪ Cost leadership</li> </ul>
<b>Lagging</b>	<ul style="list-style-type: none"> <li>▪ Profitability in Fire business – Balanced Book not sufficient</li> <li>▪ Untapped growth potential in foreign markets and in Specialty</li> </ul>



### Focus and mid-term ambition

<b>Focus</b>	<ul style="list-style-type: none"> <li>▪ Bring CoR in Fire to well below 100% until 2020 (“20/20/20”)</li> <li>▪ Continue profitable foreign growth</li> <li>▪ Growth initiative in Specialty</li> <li>▪ Drive digital transformation</li> </ul>
	<p style="text-align: center;">RoE Ambition <span style="float: right; background-color: #0056b3; color: white; border-radius: 50%; padding: 5px 15px;">8-10%</span></p>

## 2 Develop – Focused divisional strategies Retail International

### Stock take


<b>Leading</b>	<ul style="list-style-type: none"><li>▪ Entrepreneurial culture and digital leadership</li><li>▪ Strong track record in M&amp;A</li><li>▪ Cost leadership</li></ul>
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<b>Lagging</b>	<ul style="list-style-type: none"><li>▪ Top 5 position not yet achieved in all core markets</li><li>▪ Dependency on Poland, Brazil and Italy results</li></ul>
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### Focus and mid-term ambition

<b>Focus</b>	<ul style="list-style-type: none"><li>▪ Focus on top 5 positions in 5 core markets</li><li>▪ Disciplined organic and inorganic growth with focus on profitability</li><li>▪ Leveraging digital leadership</li></ul>
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	RoE ambition	<b>10-11%</b>
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## 2 Develop – Focused divisional strategies Retail Germany

### Stock take


<b>Leading</b>	<ul style="list-style-type: none"><li>▪ Leading player in Bancassurance</li><li>▪ Experienced employee benefits player</li><li>▪ Strong B2B position for P/C SME</li></ul>
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<b>Lagging</b>	<ul style="list-style-type: none"><li>▪ Cost level (HDI P/C and Life)</li><li>▪ Legacy IT systems</li></ul>
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### Focus and mid-term ambition

<b>Focus</b>	<ul style="list-style-type: none"><li>▪ Delivery on KuRS targets until 2021</li><li>▪ Growth initiative in SME</li><li>▪ Drive digital transformation</li></ul>
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	RoE ambition	<b>7-8%</b>
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## 2 Develop – Focused divisional strategies Reinsurance

### Stock take


<b>Leading</b>	<ul style="list-style-type: none"><li>▪ Cost leadership</li><li>▪ Top profitability</li><li>▪ Consistent underwriting approach</li><li>▪ Efficient tailor-made solutions</li></ul>
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<b>Lagging</b>	<ul style="list-style-type: none"><li>▪ Profitability of US mortality business</li></ul>
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### Focus and mid-term ambition

<b>Focus</b>	<ul style="list-style-type: none"><li>▪ Focus on reinsurance</li><li>▪ Maintain competitive (cost) advantage</li><li>▪ Solution-oriented innovative reinsurer</li><li>▪ Drive digital transformation</li></ul>
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	<b>RoE ambition</b> <span style="border: 1px solid blue; border-radius: 50%; padding: 5px;">≥ 10%</span>
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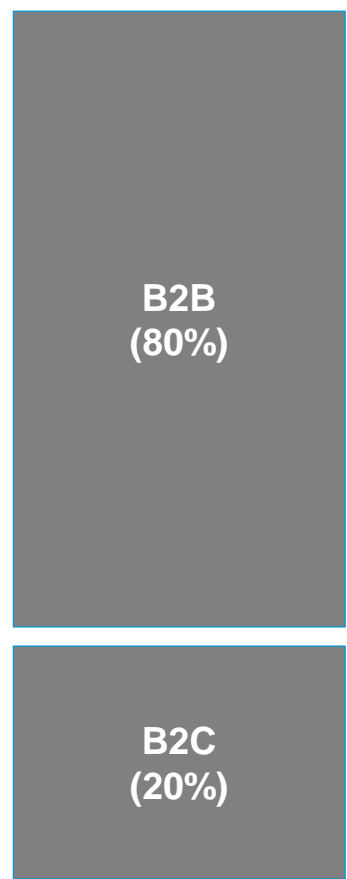
Note: RoE target of ≥900bps + risk-free



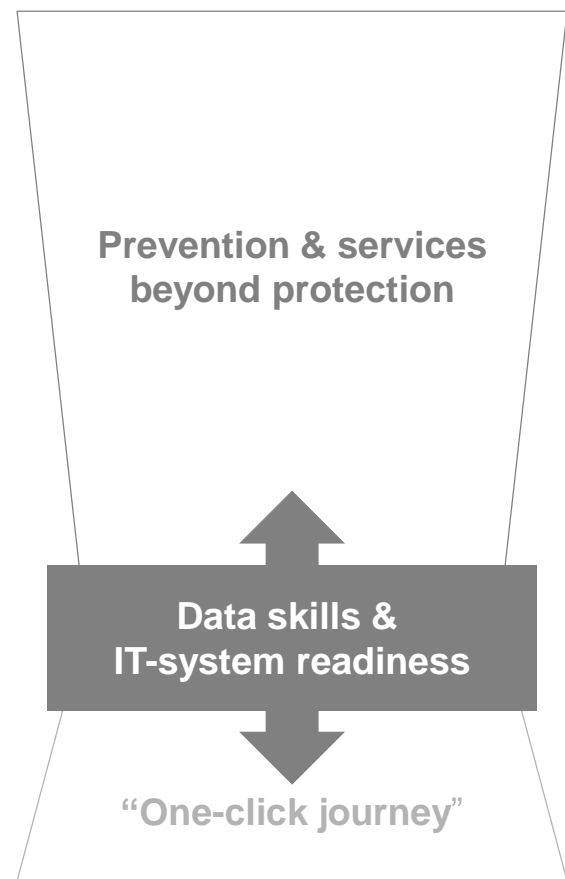
### 3 Develop – Digital transformation

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

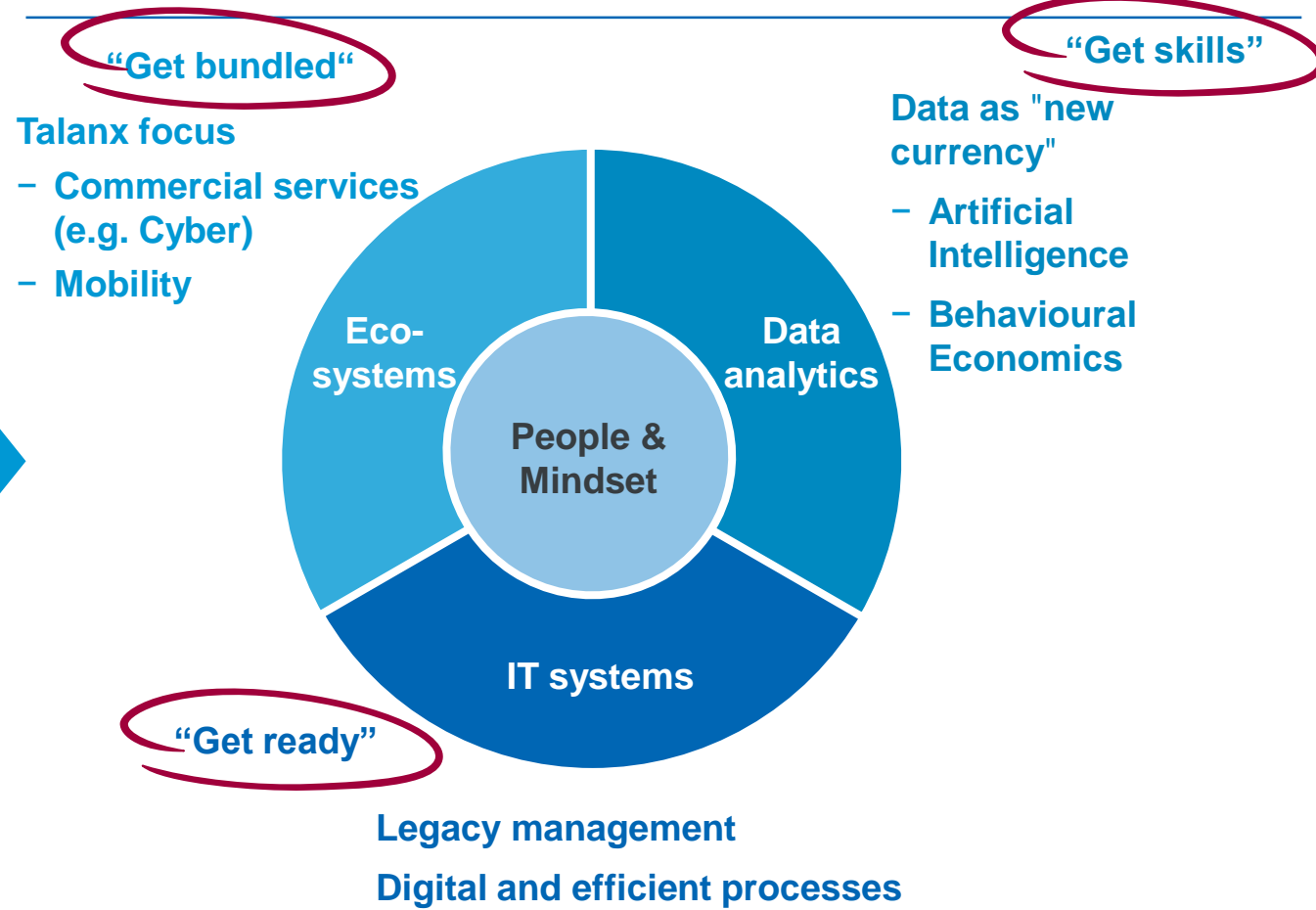
### Our footprint



### Key success factors



### Our focussed approach

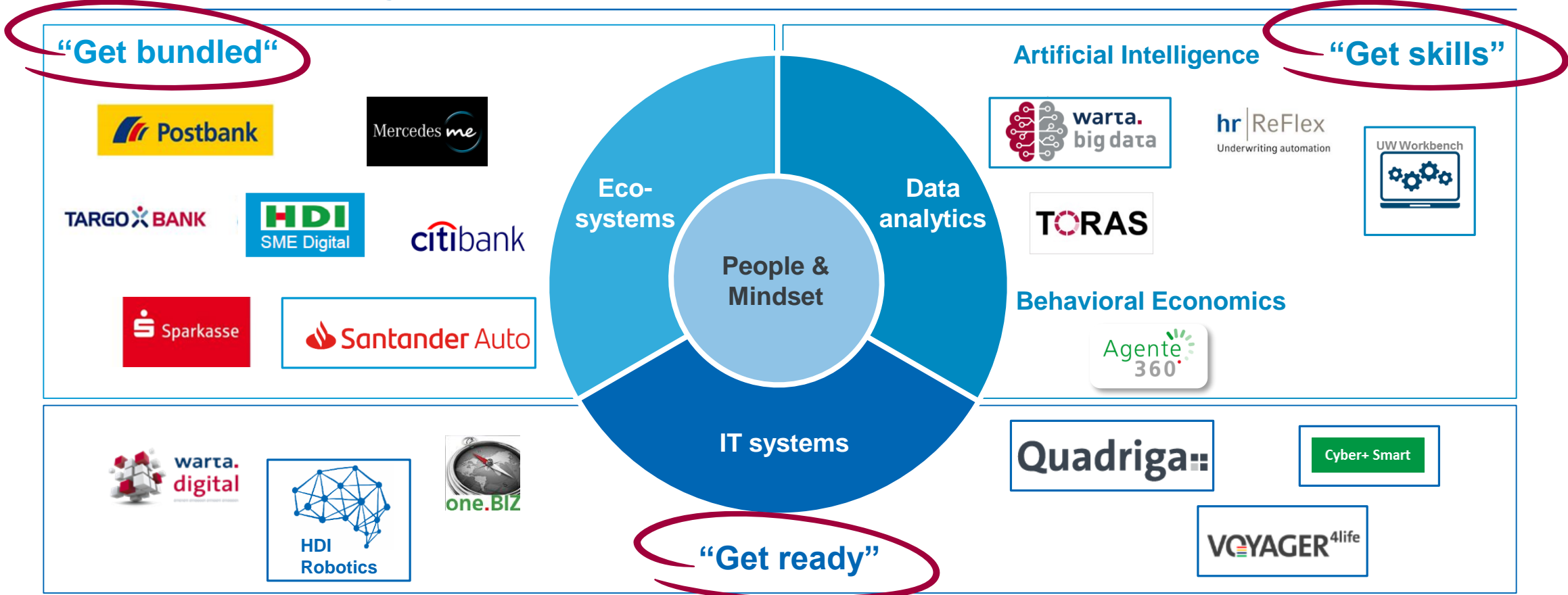


Note: Commercial services and mobility represent ~50% of insurer-relevant ecosystems (McKinsey)

3 Develop – Digital transformation

Digitalisation@Talanx – Divisions drive digitalisation as top management priority

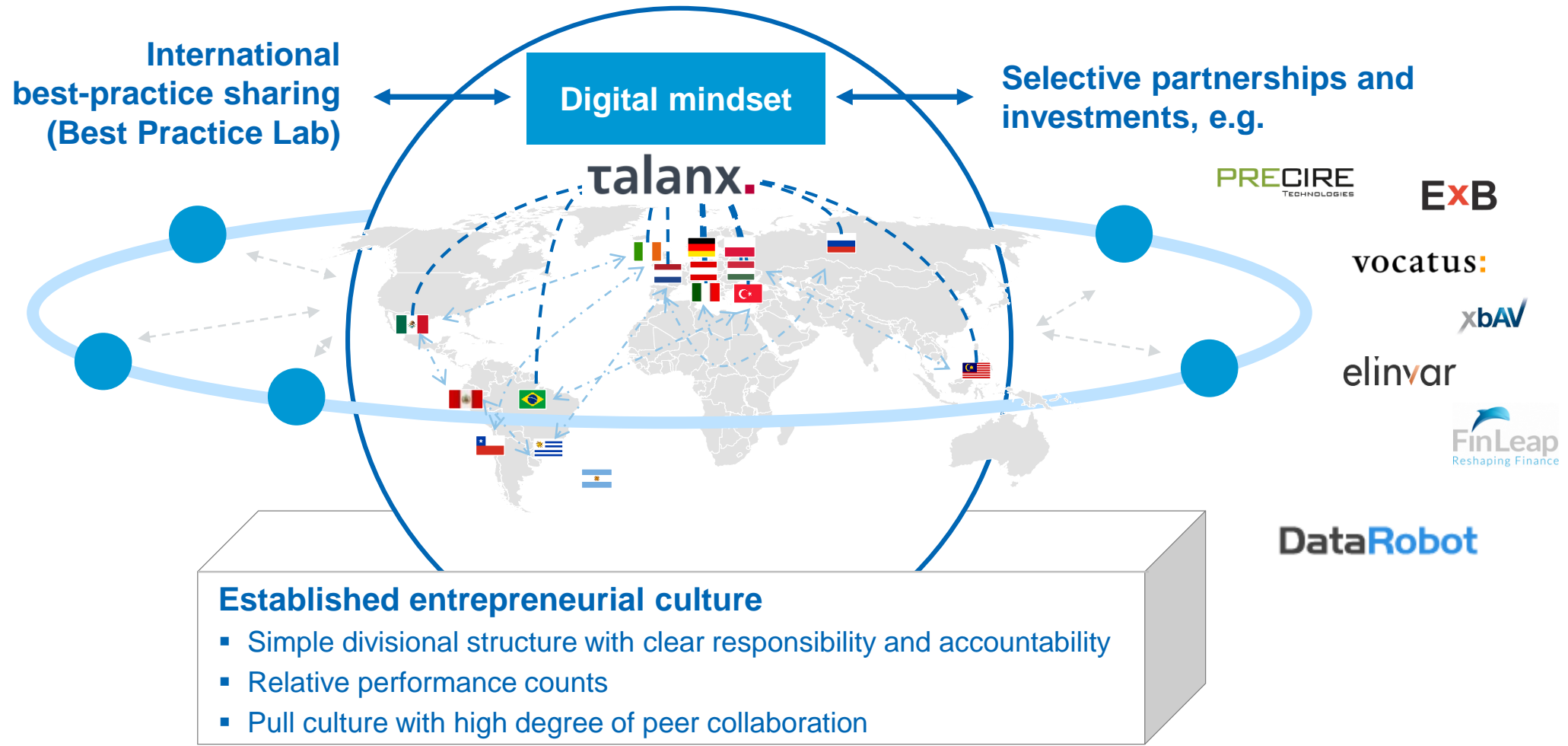
Selected examples for digitalisation in divisions






Further details in divisional presentations

3 Develop – Digital transformation

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



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

Targets	<h3>Return on equity</h3>  <p>High level of profitability</p> <p><b>≥ 800bp</b> above risk-free rate</p> <p><b>UP!</b></p>	<h3>EPS growth</h3>  <p>Profitable growth</p> <p><b>≥ 5%</b> on average p.a.</p> <p><b>NEW!</b></p>	<h3>Dividend payout ratio</h3>  <p>Sustainable &amp; attractive payout</p> <p><b>35% - 45%</b> of IFRS earnings</p> <p>DPS at least stable y/y</p>
	<h3>Strong capitalisation</h3> <p>Solvency II target ratio 150 - 200%</p>	<h3>Market risk limitation (low beta)</h3> <p>Market risk ≤ 50% of Solvency Capital Requirement</p>	<h3>High level of diversification</h3> <p>targeted 2/3 of Primary Insurance premiums from outside Germany</p>
	<h3>Constraints</h3>		

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

I CMD: Group Strategy

II CMD: Group Financials

III 6M 2019 results

# 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

**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 Enhanced capital management

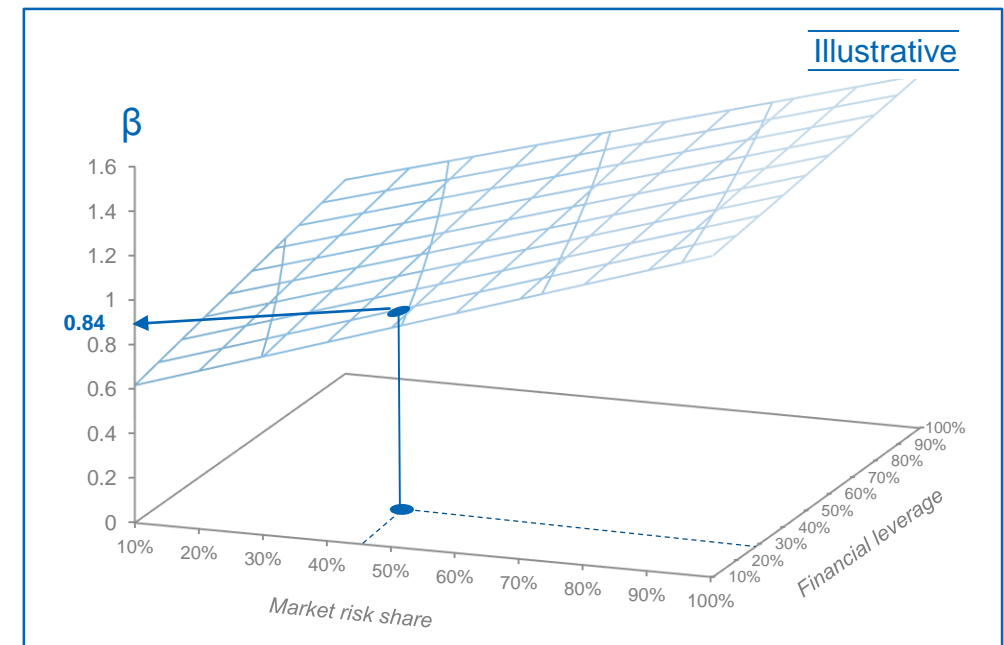
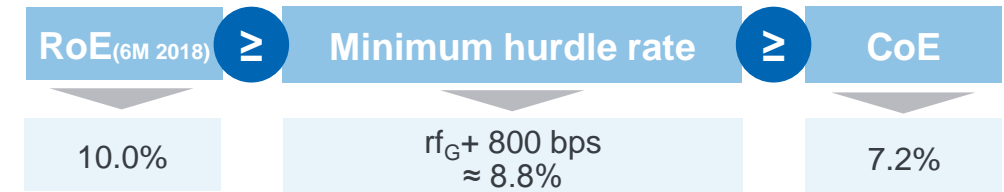
# How to spend it – Stringent capital allocation to support profitable organic growth

## Capital steering matrix & KPIs

$RoE = \frac{IFRS \text{ net income}}{IFRS \emptyset \text{ equity}}$	RoE hurdle rate	Cost of Equity
<b>Group</b>	800bps above risk-free according to Group strategy	According to market-risk exposure, reflected in Group beta  $CoE = rf + \beta \times ERP + \text{frictional cost}$
	$\Sigma \text{ Divisions} \geq \text{Group}$	$\Sigma \text{ Divisions} \geq \text{Group}$
<b>Divisions</b>	Divisional target RoE	Depending on divisional risk exposure, reflected via adjusted Group Beta  $CoE = rf + \beta_{adj.} \times ERP + \text{frictional cost}$

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



Note: Calculation for FY 2018

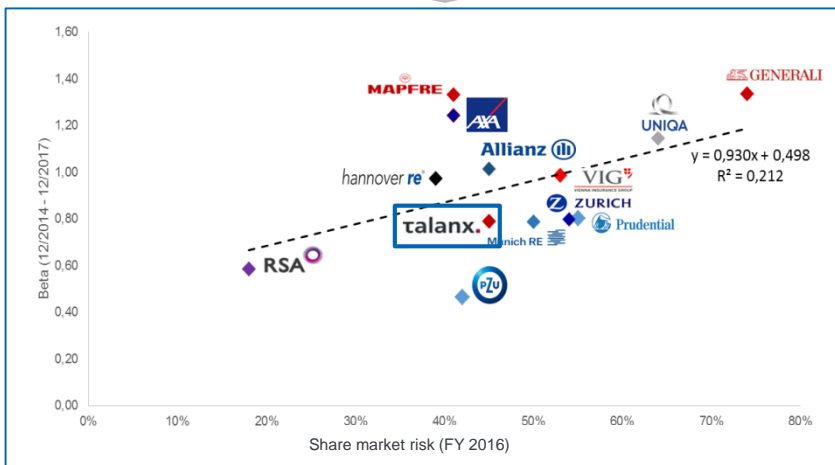
1 Enhanced capital management

# Beta-blockers to prevent abnormal (“risk off”) heart rhythms/attacks



## Prudent market risk

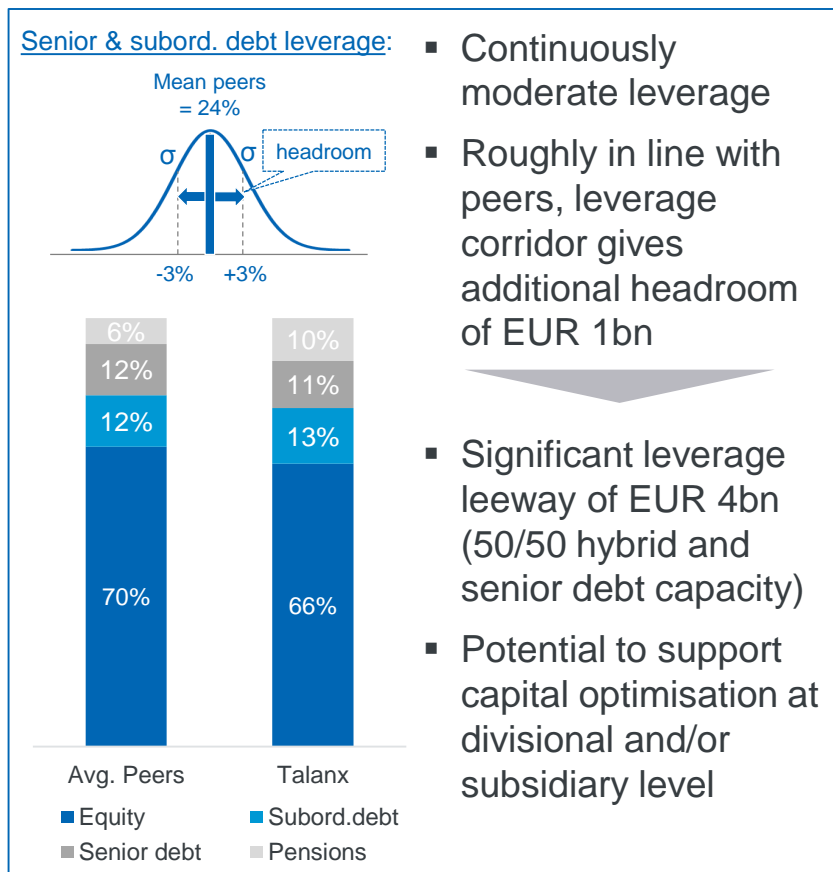
**Market risk share**



Source: Bloomberg, own calculation

## Moderate leverage

**Leverage position**



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



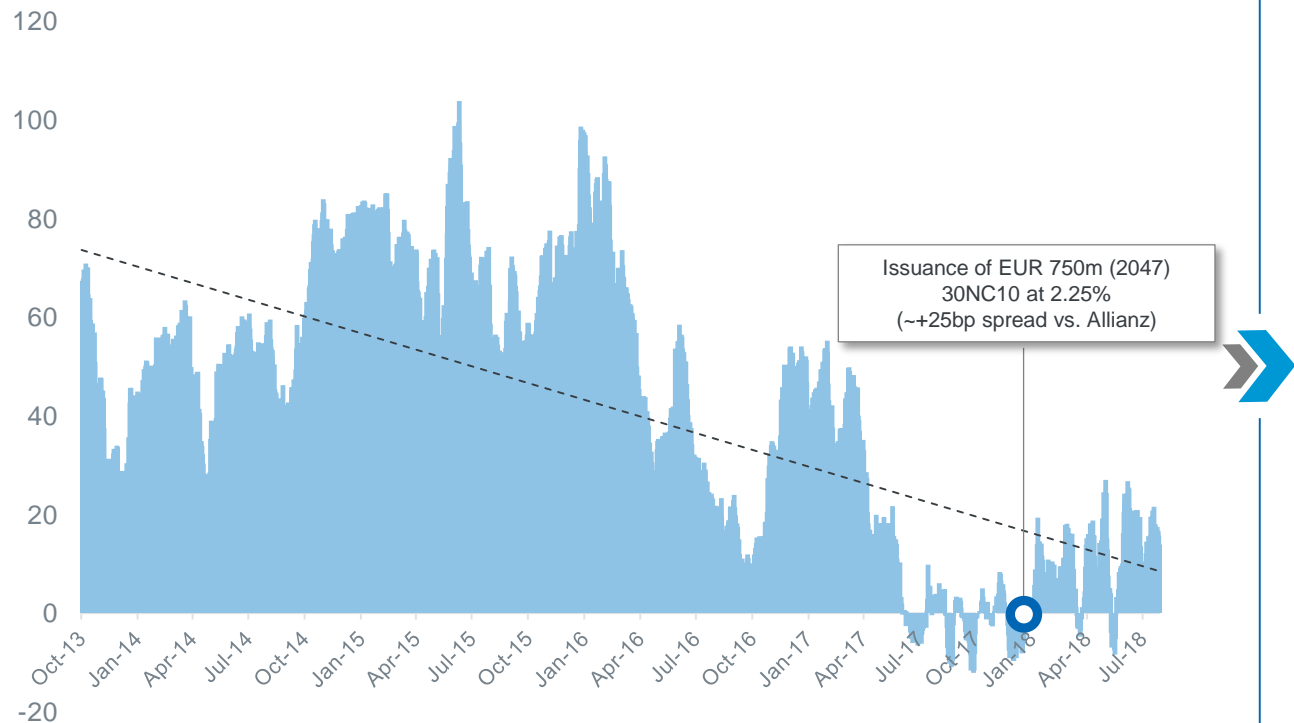
1 Enhanced capital management

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



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	×	Adjustment factor	×	Market-risk premium	+	Frictional cost	=	CoE
<b>Group</b>	1.9%				1.00						7.2%
<b>Industrial Lines</b>	0.9%		0.84		1.07		4.0%		2.0%		~6.5%
<b>Retail Germany</b>	0.8%			2.48		~11%					
<b>Retail Intern.</b>	3.8%			1.26		~10%					
<b>Reinsurance</b>	1.2%			0.66		~5.5%					

Consistent and more ambitious target setting

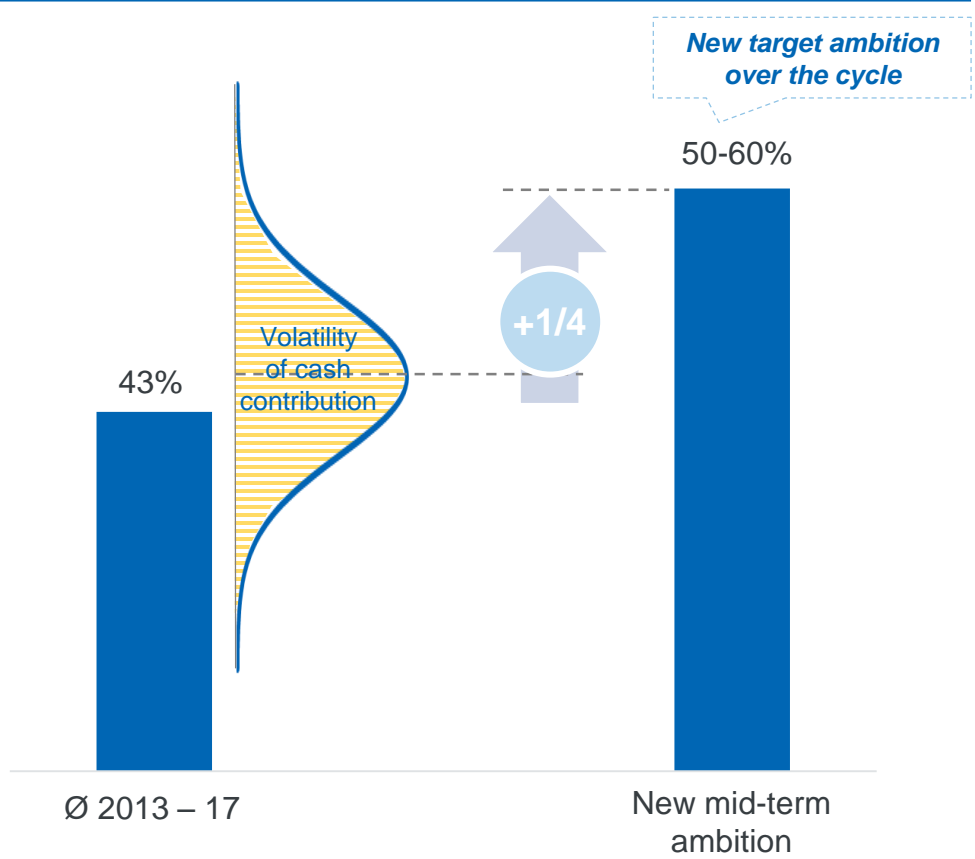
CMD 2017 ambition	Ambition	Comments
750bp + risk free <sub>G</sub>	≥ 800bp + risk free <sub>G</sub>	Talanx ≤ sum-of-the-parts creating value!
8%	8-10%	“20/20/20”, Speciality etc.
6-7%	7-8%	“Tapering” guarantee burden; shifting Life to P/C; more capital- efficient and biometric business
9%	10-11%	FX mix & 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 FY 2018

1 Enhanced capital management

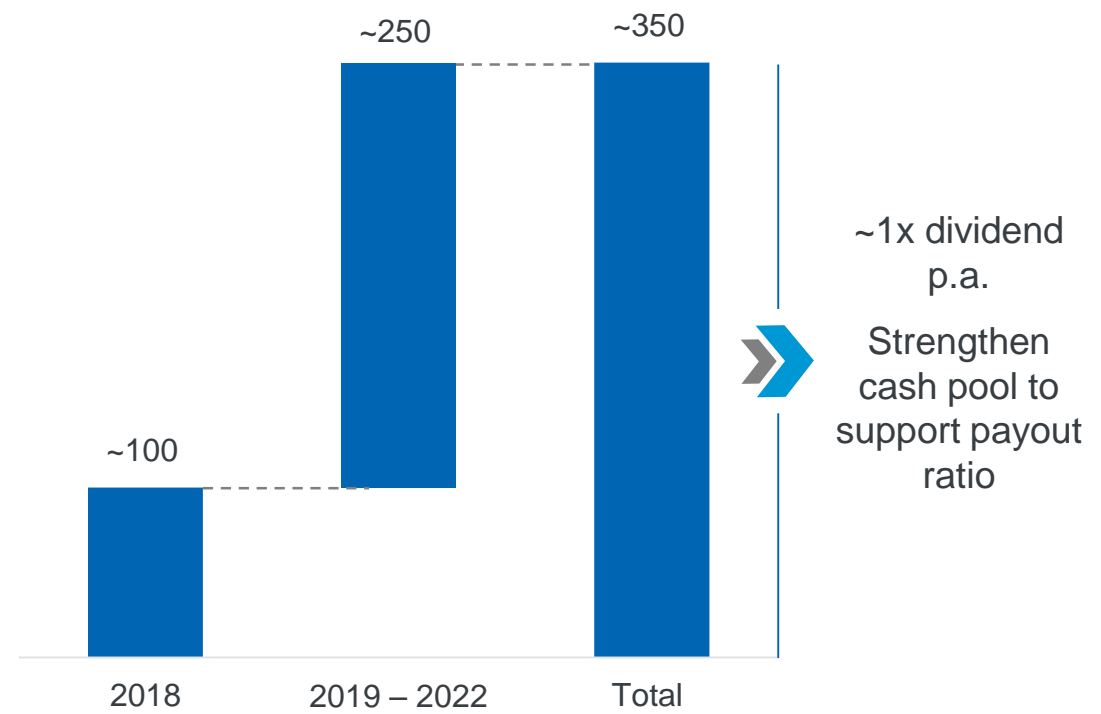
How to get it – Increase cash upstream and reduce local excess capital

Ø Remittance ratio



Mid-term capital upstream potential

Excess capital after local constraints (in EURm):



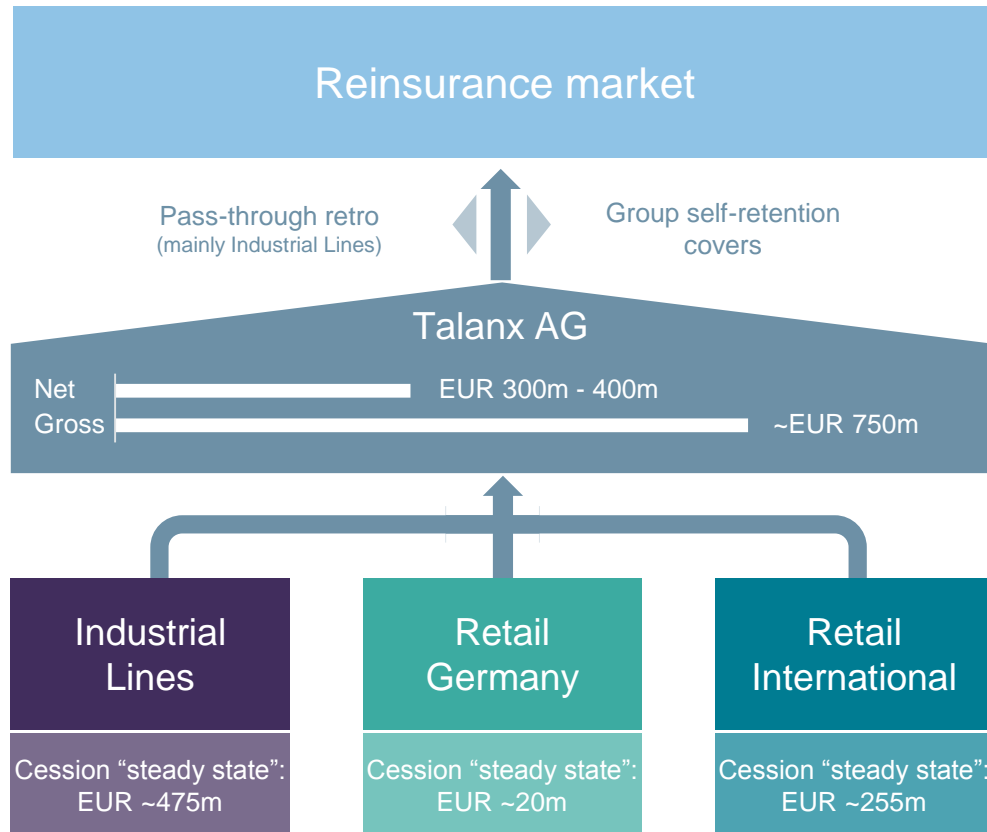
Note: Local constraints reflect e.g. local supervisor, withholding tax

# 1 Enhanced capital management

## How to get it – Bundling reinsurance at Group level

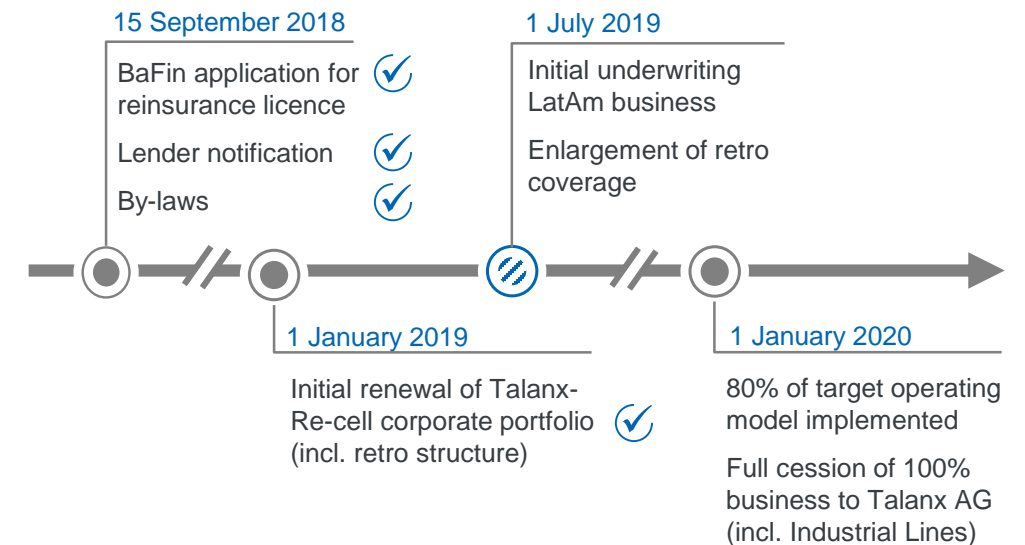
January 2019: Talanx AG issuer credit ratings up to "A+" at S&P and to "a+" at A.M.Best; underwriting commenced as planned in January

### 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

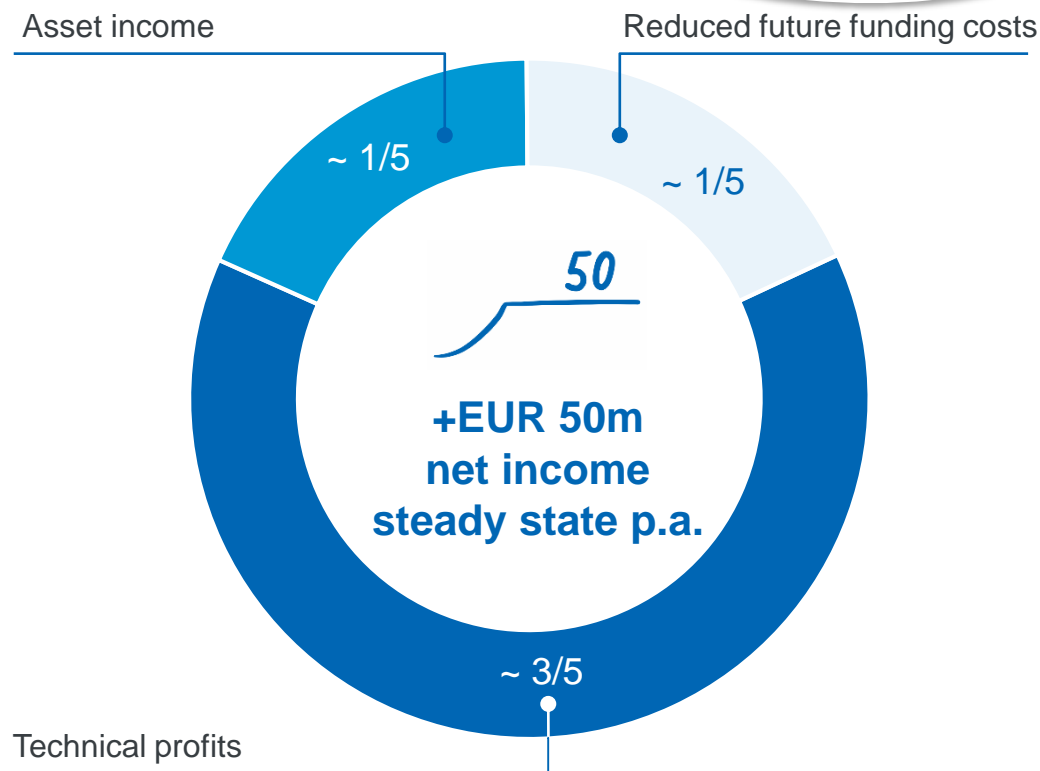
January 2019: Talanx AG issuer credit ratings up to "A+" at S&P and to "a+" at A.M.Best; underwriting commenced as planned in January

## Key value driver/benefits

<p><b>Technical profits</b></p> 	<ul style="list-style-type: none"> <li>Increased retention by gearing Talanx AG's idle solo funds and use of Group diversification</li> <li>Target solo SII-CAR of &gt;300% acc. to standard model and only marginal SCR Group impact</li> </ul>
<p><b>Asset income</b></p> 	<ul style="list-style-type: none"> <li>Enlarged assets under management (AuM) and related income due to increased Group retention</li> <li>+Δ AuM steady state EUR ~0.65bn</li> </ul>
<p><b>Rating increase</b></p> 	<ul style="list-style-type: none"> <li>Credit rating improvement for Talanx AG expected (currently A- vs. A+ of operating carriers) resulting in reduced future funding costs</li> </ul>



## Mid-term ambition

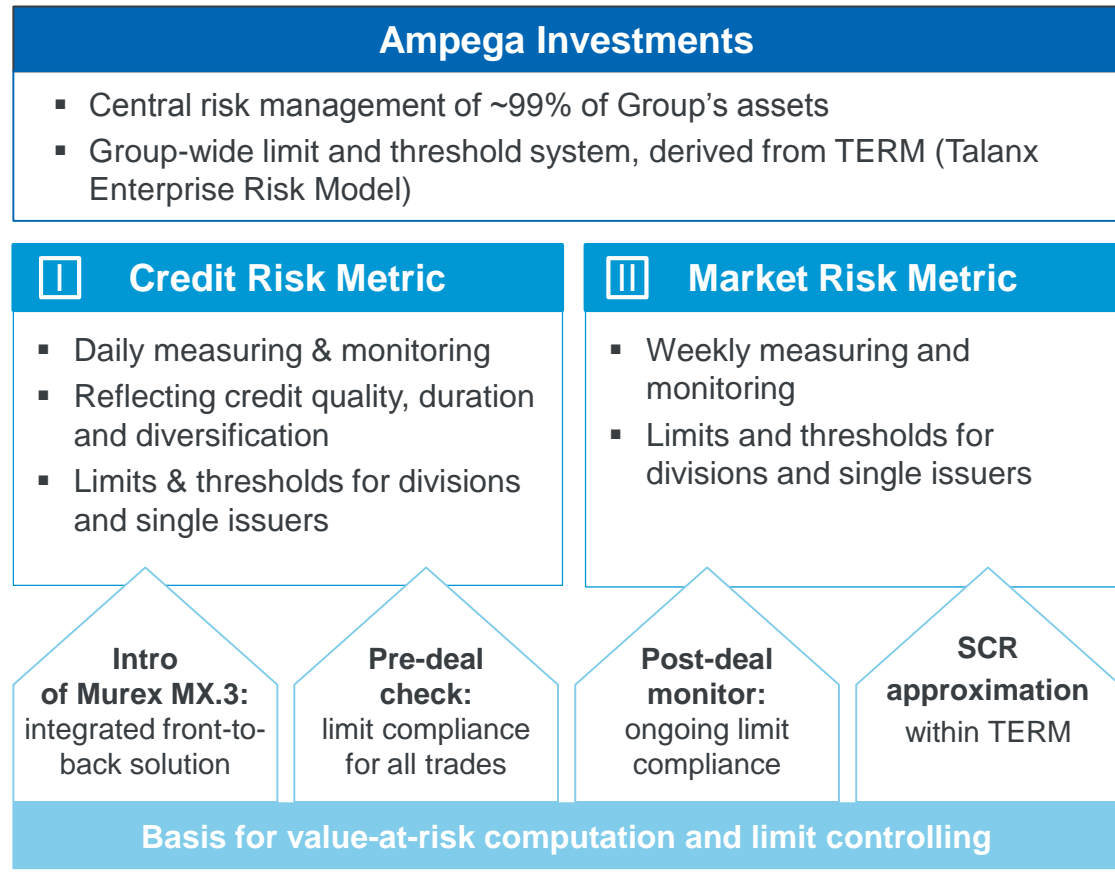


Note: Initially very low marginal tax burden due to (potentially written-off) tax losses carried forward, subject to normal loss frequency, unchanged reinsurance structures and no disruptions on currency, capital or reinsurance markets

2 Asset Management

# Strong AM lines of defence and stringent sustainability strategy

## Ensuring low beta & protection of shareholders' equity



## ESG strategy and approach

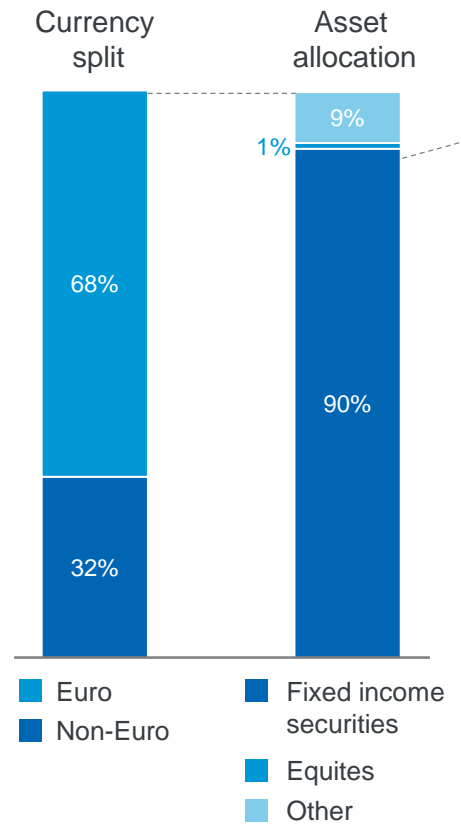


2 Asset Management

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

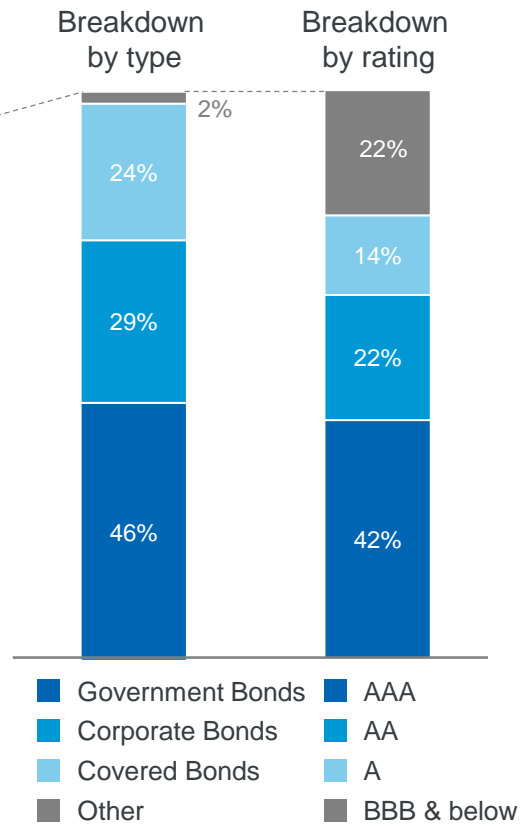
## Investment portfolio

as of 30 Jun 2019: EUR 118.7bn

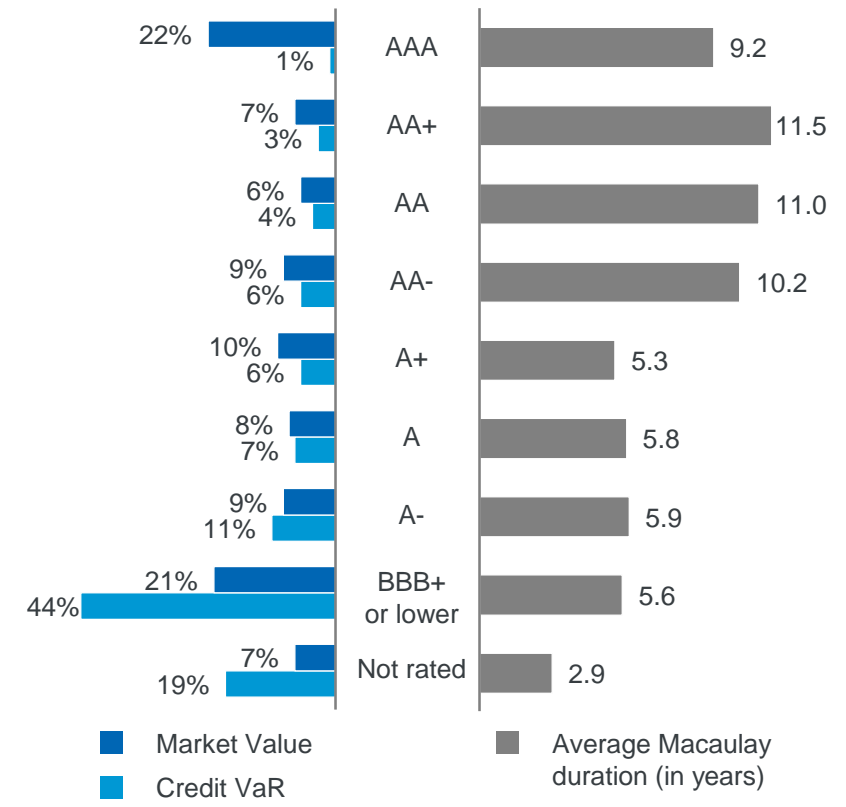


## Fixed income portfolio

as of 30 Jun 2019: EUR 106.8bn



## Credit VaR & Macaulay duration

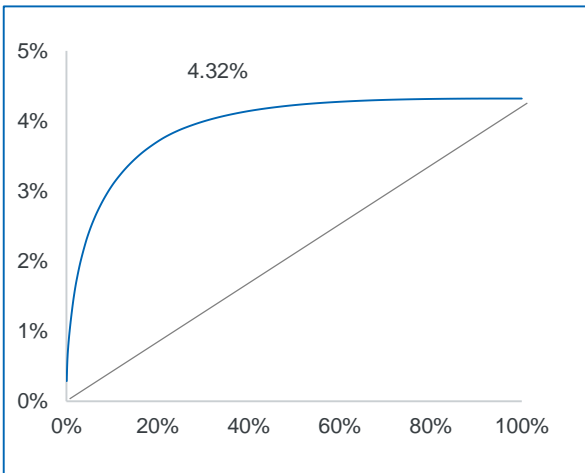


Note: Positions without external ratings (esp. funds and equity investments) shown as not rated. Credit VaR metric particularly depends on maturity and specific loss default assumptions

## 2 Asset Management

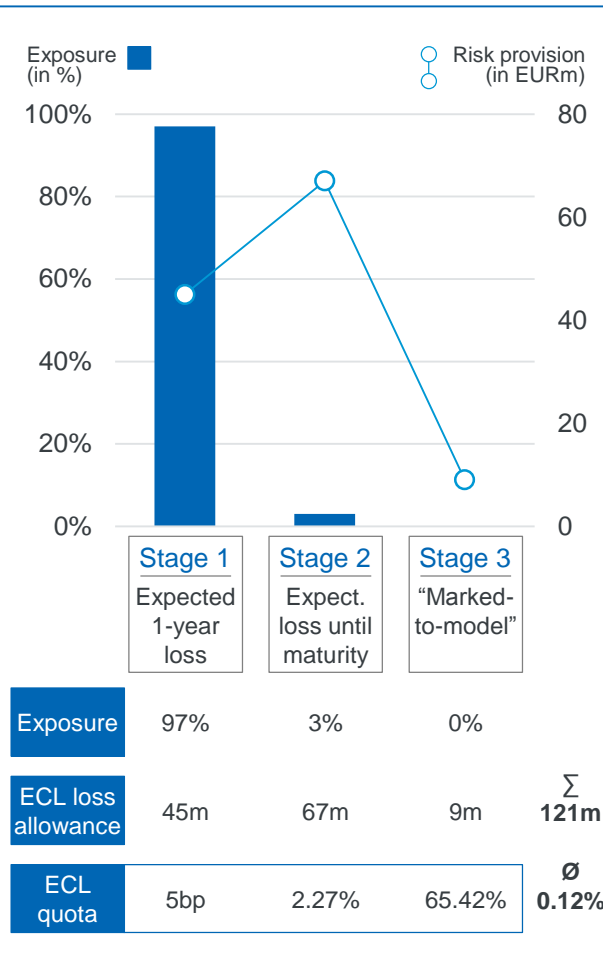
At the end of QE – (Corporate and sovereign) spread risks may be the top challenge

### CVaR by share of issuers

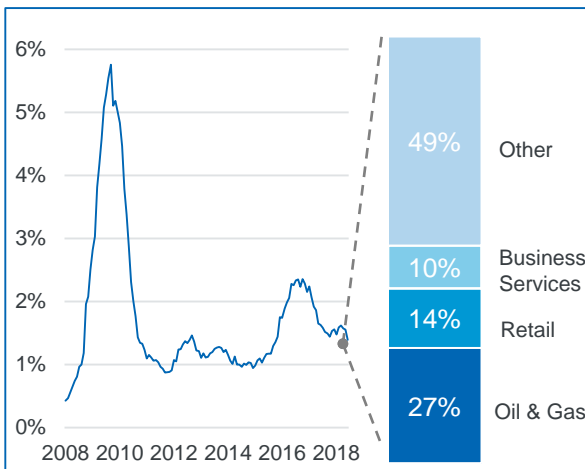


### IFRS 9

### Expected credit loss model simulation



### Corporate default rate & distribution



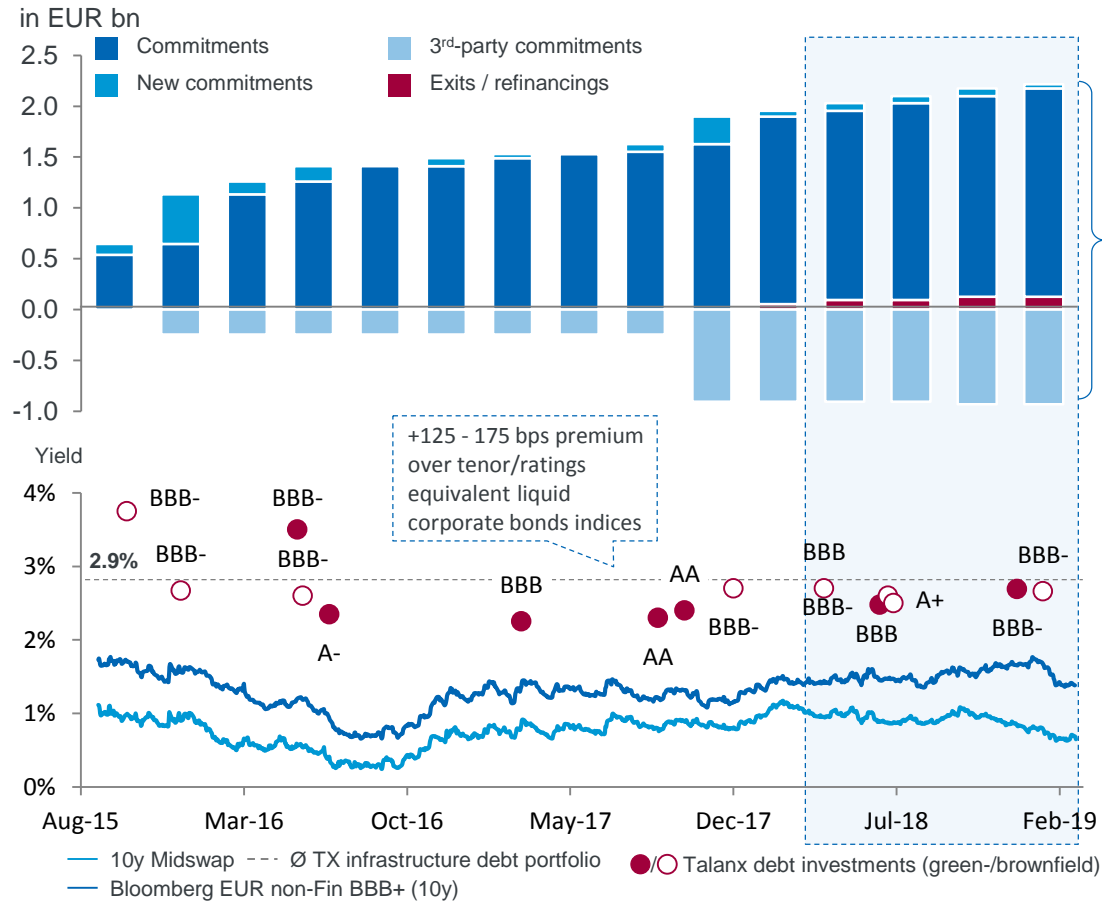
No material defaults in assets managed by Ampega Investments e.g. Steinhoff, Carillion & Toys"R"Us



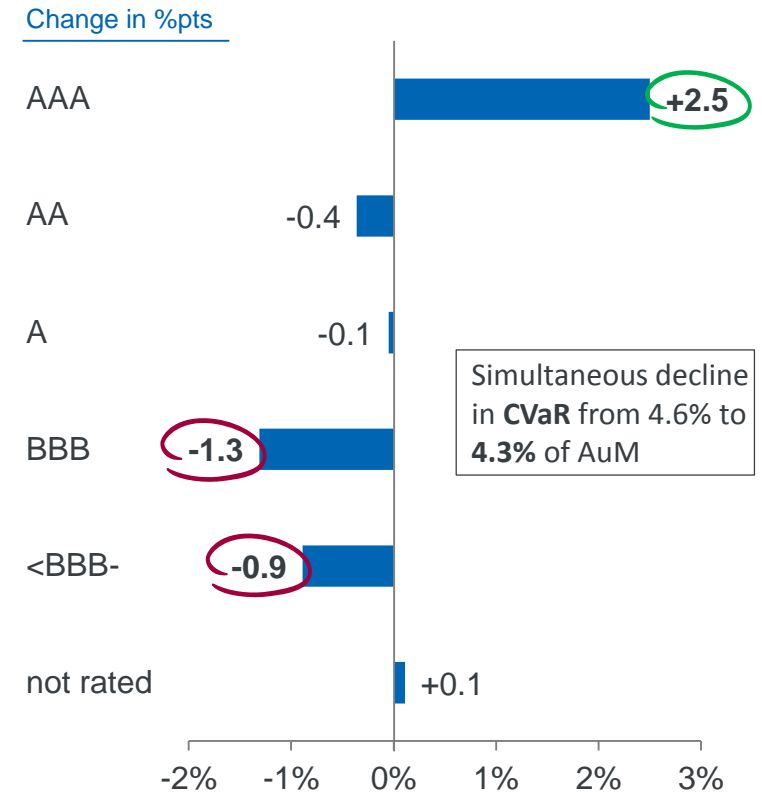
## 2 Asset Management

# Infrastructure Investments – Investing while improving the overall risk profile

### Building up our infrastructure portfolio....



### ...while de-risking the investment portfolio

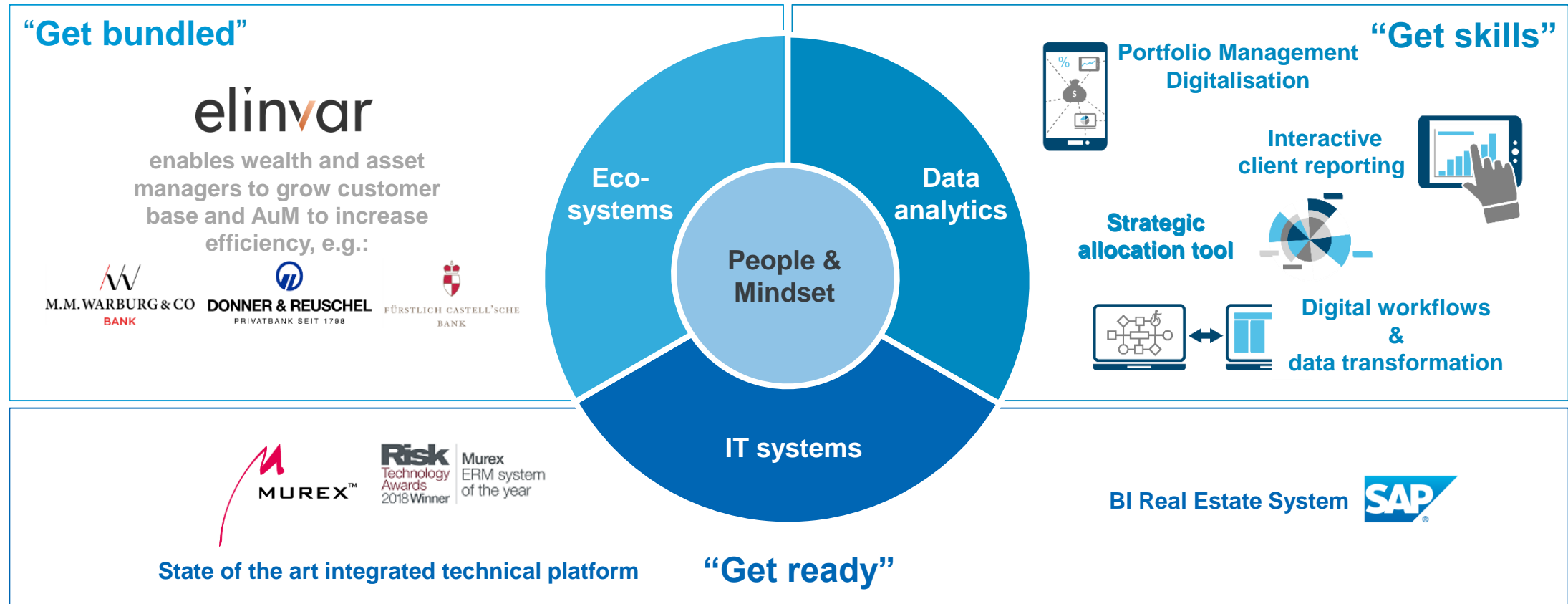


Note: Rating changes reflect fixed-income portfolio only. Changes FY 2018 vs. FY 2017

2 Asset Management

# Talanx Asset Management – Drive digitalisation as top management priority

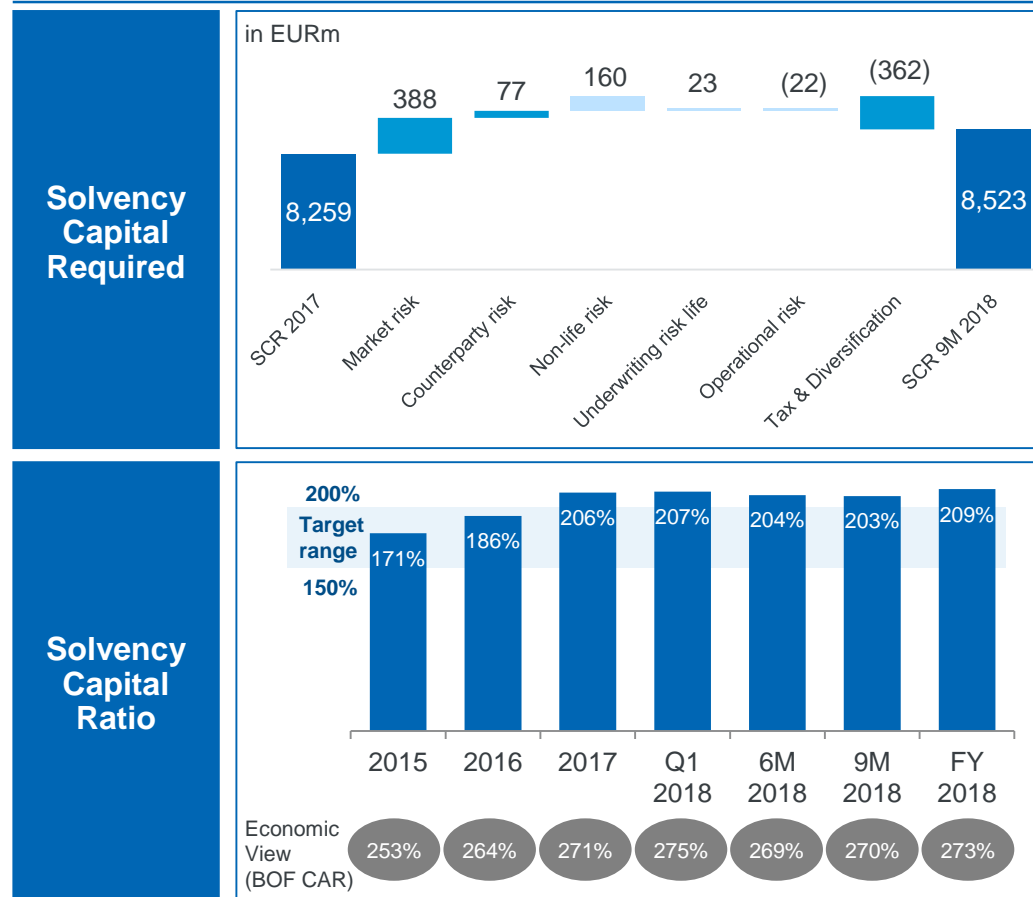
## Selected examples for digitalisation in Ampega investments



### 3 Excursion – Solvency II Update

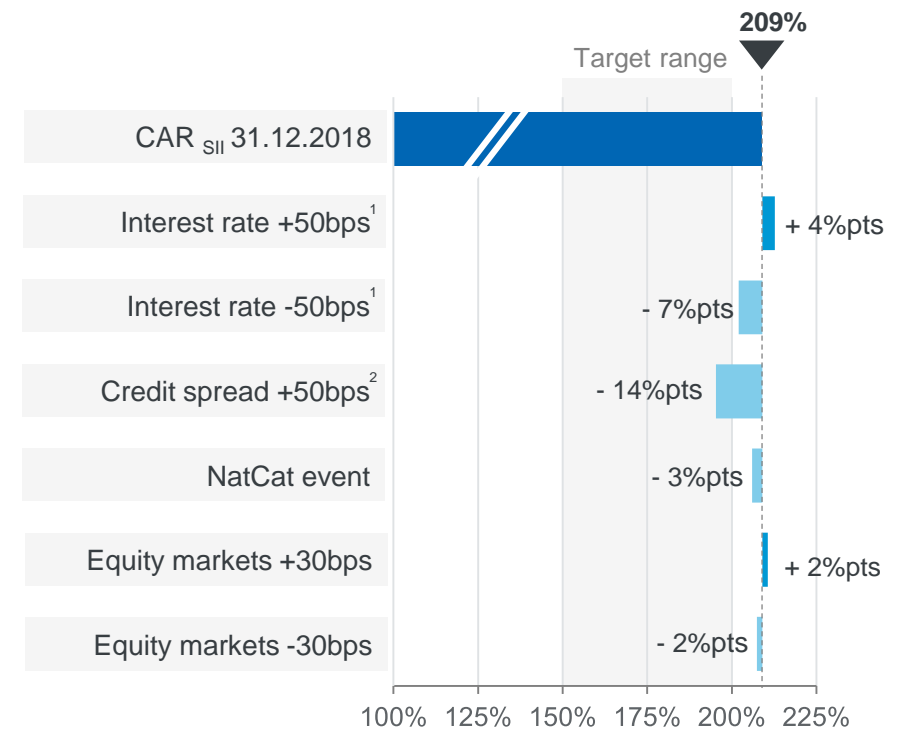
## Development of Group capitalisation

### Solid capitalisation (Regulatory view)



Note: Regulatory view without transitional

### Limited stress impact



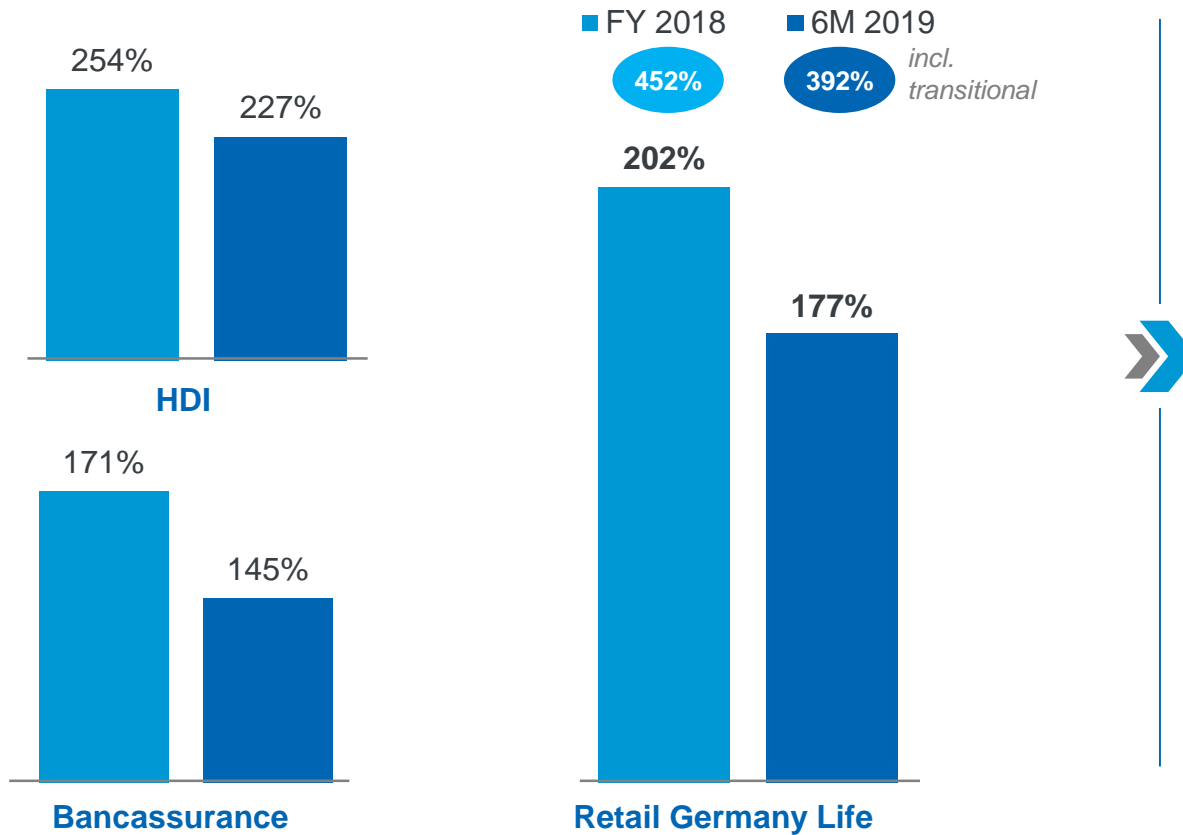
1 Interest rate stresses based on non-parallel shifts of the interest rate curve based on EIOPA approach

2 The credit spreads are calculated as spreads over the swap curve (credit spread stresses include simultaneous stress on government bonds)

3 Excursion – Solvency II Update

# Retail Germany Life: Robust capitalisation despite further decline in interest rates

## Solvency ratios: Retail Germany Life



- 1 Retail Germany Life CARs in 6M 2019 affected by decrease in interest rates
- 2 Capital position remains robust

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

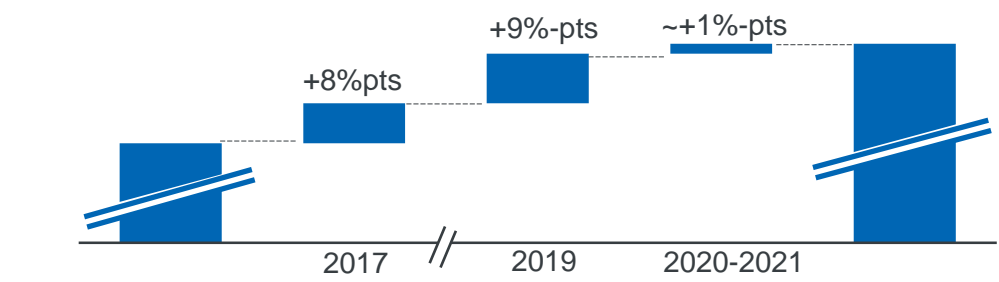
## Internal Model changes & outlook

	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					→	→
<b>Aggregate</b>	<b>-3.9%</b>	<b>1%</b>	↘	↗	↓	↘
<b>Combined CAR impact</b>	<b>+10.5%pts</b>		↘		↑	

Outlook

- 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

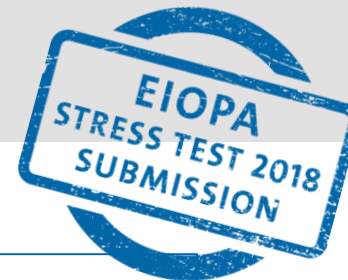


Baseline: SCR = EUR 8.3bn; EOF = EUR 17.0bn

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 scenarios			SII ratio (HDI Group)	
			w/o transitional Basis: 206%	incl. transitional Basis: 253%
1 Yield curve down	Market shocks	<ul style="list-style-type: none"> <li>Swap rates 10y EUR -80bp</li> <li>Government bonds: -10-35bp</li> <li>Corporate bonds &amp; MBS -20 to -70bp</li> <li>Equities -16%</li> <li>UFR 2.04%</li> </ul>	<div style="border: 1px solid green; padding: 2px; display: inline-block;">Preliminary! Subject to final regulatory validation</div> ~130%	~170%
	Insurance shocks	<ul style="list-style-type: none"> <li>15% Longevity shock</li> </ul>		
2 Yield curve up	Market shocks	<ul style="list-style-type: none"> <li>Swap rates 10y EUR +80bp</li> <li>Government bonds: +110-190bp</li> <li>Corporate bonds &amp; MBS +190-325bp</li> <li>Equities -40%</li> </ul>	~120%	~170%
	Insurance shocks	<ul style="list-style-type: none"> <li>20% Lapse shock</li> <li>2% claims inflation</li> <li>0.24% general inflation</li> </ul>		
3 NatCat	<ul style="list-style-type: none"> <li>In one of 17 years</li> <li><b>Simultaneous</b> occurrence of:                             <ul style="list-style-type: none"> <li>Four <b>European windstorms</b></li> <li>Two <b>CEE floods</b></li> <li>Two <b>earthquake</b> scenarios (in Italy &amp; Monaco)</li> </ul> </li> </ul>		~190%	~240%



- 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

3 Excursion – Solvency II Update

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

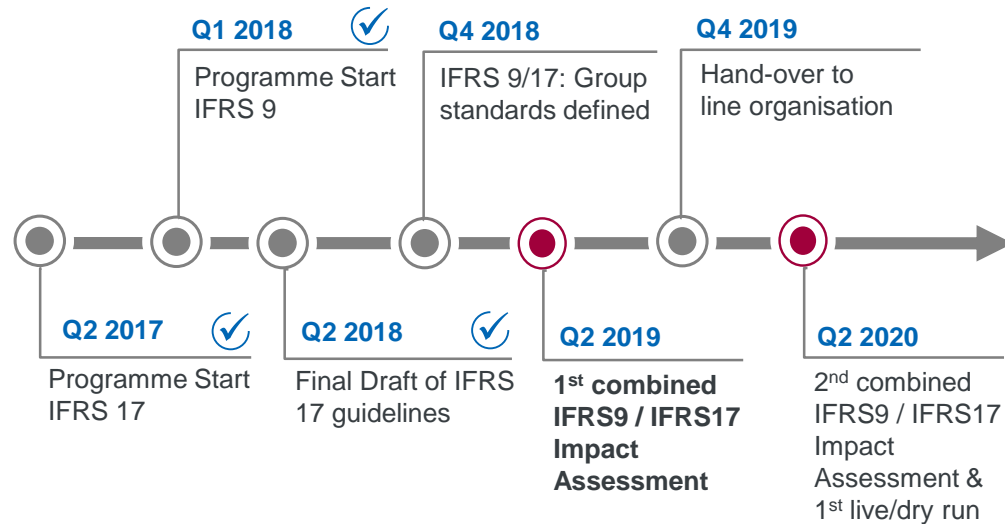
## Top issues IFRS 9 & 17

IFRS 9 IFRS 17

<b>Data management / IT capabilities</b>	<ul style="list-style-type: none"> <li>Murex MX.3 roll-out</li> </ul>	<b>Implementation in various IT (source) systems</b>	<ul style="list-style-type: none"> <li>PAA default choice for primary non-life</li> <li>Dynamic specification and IT implementation</li> <li>German back-office implementing well established accounting engine SAP IA</li> </ul>
<b>Higher P&amp;L volatility</b>	<ul style="list-style-type: none"> <li>The “new normal”</li> <li>Interaction between FVPL and Premium Allocation Approach (PAA) critical</li> <li>ECL driven acceleration</li> <li>KPI overhaul</li> </ul>	<b>Determination of Risk Adjustment (RA) Approach</b>	<ul style="list-style-type: none"> <li>Solo entity RA target</li> <li>Inter-company-neutral consolidation of RAs</li> <li>Disclosure of implicit Group confidence level</li> </ul>
<b>New processes &amp; interfaces</b>	<ul style="list-style-type: none"> <li>New controls to be implemented</li> <li>Intensive exchange between IFRS 17 and IFRS 9 (joint impact assessments)</li> </ul>	<b>Reinsurance assets &amp; related mismatches</b>	<ul style="list-style-type: none"> <li>Particular the net position of cedents</li> <li>Improvement by standard setter needed</li> </ul>
<b>Stochastic calculations for life (incl. CSM)</b>	<ul style="list-style-type: none"> <li>Comprehensive fast-close</li> <li>SII features can (partially) be re-used</li> <li>Volatility adjuster/illiquid spread consistent bottom-up interest rate curve</li> </ul>	<b>Handling reserving buffer (non-life)</b>	<ul style="list-style-type: none"> <li>Reduced discretionary top-side adjustments</li> <li>Reserving in interim reporting considering risk budgets remains unaffected</li> </ul>

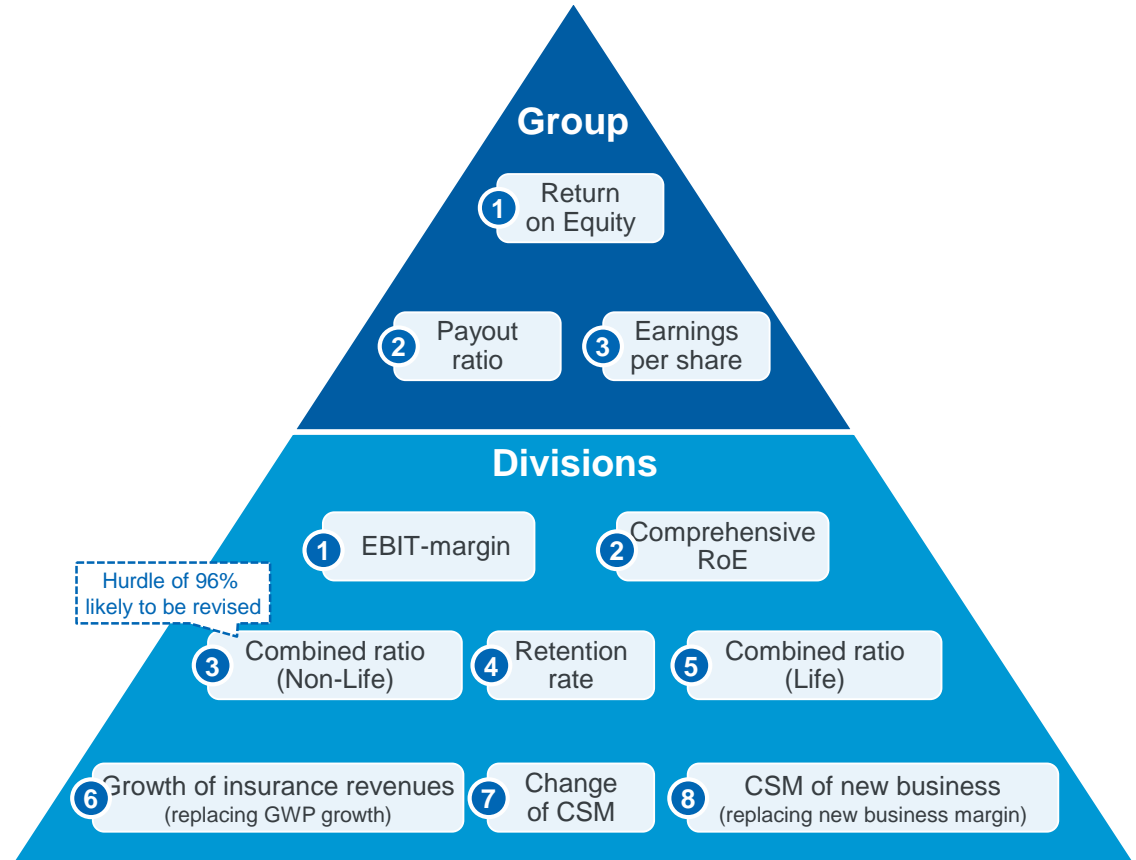
### 3 Excursion – Solvency II Update Advanced implementation

#### 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) / (∅ Equity + CSM)



## 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

I CMD: Group Strategy

II CMD: Group Financials

III 6M 2019 results

## Good 6M 2019 results

Strong GWP growth of 11.2% y/y (curr.-adj. +10.1%) – all segments contributing

Both retail divisions drive EBIT improvement – Positive one-off in L/H Reinsurance

“20/20/20” above original target – Industrial Lines 2019 CR outlook of ~100% unchanged

6M 2019 Group net income of EUR 477m (+9.4% y/y) – Group RoE at 10.4%

FY 2019 Group net income outlook raised to “more than EUR 900m”

# 6M 2019 results – Key financials

## Further profitable growth

EURm	6M 2019	6M 2018	Delta	Comments
<b>Gross written premiums (GWP)</b>	<b>20,864</b>	<b>18,760</b>	<b>+11%</b>	▶ Strong growth momentum continues. GWP +10% curr.-adj.
Net premiums earned	15,917	14,435	+10%	
Net underwriting result	(708)	(748)	+5%	
t/o P/C	226	272	(17%)	
t/o Life	(934)	(1,021)	+9%	
Net investment income	1,986	2,007	(1%)	▶ Decrease of extraordinary investment result (ZZR-driven)
Other income / expenses	(34)	(47)	+28%	▶ Both retail divisions continue to drive EBIT increase. EUR 100m capital gain from Viridium in L/H Reinsurance
<b>Operating result (EBIT)</b>	<b>1,244</b>	<b>1,212</b>	<b>+3%</b>	
Financing interests	(94)	(84)	(12%)	▶ EBIT improvement and lower tax ratio result in 9% bottom-line increase
Taxes on income	(293)	(357)	+18%	
Net income before minorities	858	771	+11%	
Non-controlling interests	(380)	(334)	(14%)	
<b>Net income after minorities</b>	<b>477</b>	<b>437</b>	<b>+9%</b>	
Combined ratio	97.5%	96.7%	+0.8%pts	▶ Well above the (800 bps + risk-free rate) minimum target
Tax ratio	25.4%	31.6%	(6.2%)pts	
Return on equity	10.4%	10.0%	+0.4%pts	
Return on investment	3.3%	3.5%	(0.2%)pts	

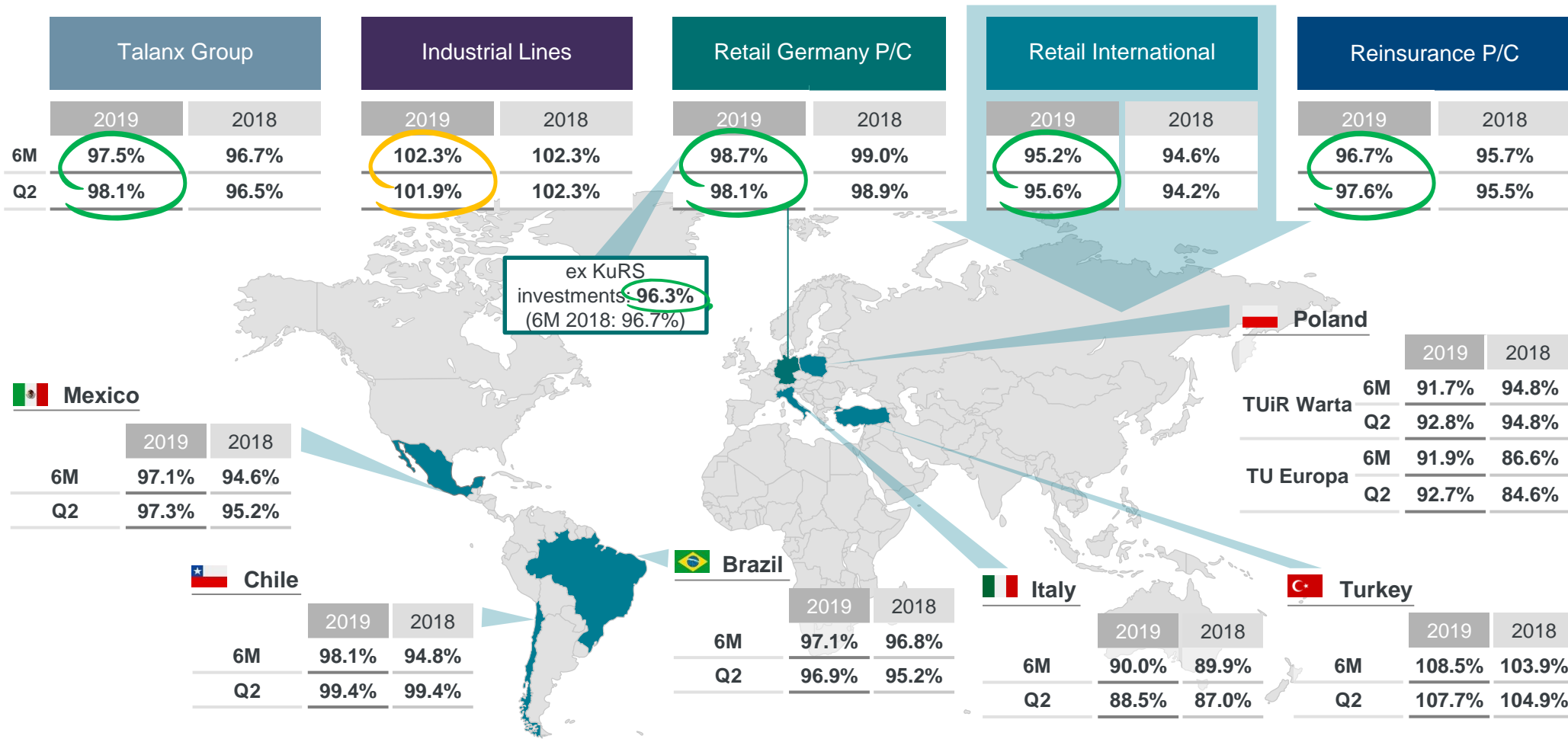
Note: The minimum RoE target (of 800 bps + 5-year average of 10-year Bund yields) is expected to be 8.3% for FY 2019

## Large loss budget underutilised, primary business with slight overshoot

<b>Net losses Talanx Group</b> in EURm, 6M 2019 (6M 2018)	<b>Industrial Lines</b>	<b>Retail Germany</b>	<b>Retail International</b>	<b>∑ Primary Insurance</b>	<b>+ Reinsurance</b>	<b>= Talanx Group</b>
Flood <i>Santo Andre</i> , Brazil [Mar.]	31.5		0.5	32.0		32.0
Storm <i>Eberhard</i> , Central Europe [Mar.]	4.7	7.4	2.7	14.8	16.6	31.4
Flood <i>Queensland</i> , Australia [Jan.-Feb.]	4.4			4.4	25.9	30.3
Hailstorm <i>Jörn</i> , Central Europe [Jun.]	7.5	12.8		20.3		20.3
Flood "Middle West", USA [Mar.-Apr.]	13.0			13.0		13.0
Earthquake <i>Chile</i> , South America [Jan.]			0.6	0.6	10.5	11.1
<b>Sum NatCat</b>	<b>61.1 (24.0)</b>	<b>20.2 (11.9)</b>	<b>3.8 (0.1)</b>	<b>85.1 (40.4)</b>	<b>53.0 (42.4)</b>	<b>138.1 (82.8)</b>
Fire/Property	70.2			70.2	55.9	126.2
Aviation	1.9			1.9	24.7	26.6
Marine	10.0			10.0	6.8	16.8
<b>Sum other large losses</b>	<b>82.1 (107.2)</b>	<b>0.0 (0.0)</b>	<b>0.0 (0.0)</b>	<b>82.1 (107.2)</b>	<b>87.5 (50.9)</b>	<b>169.6 (158.1)</b>
<b>Total large losses</b>	<b>143.2 (131.2)</b>	<b>20.2 (11.9)</b>	<b>3.8 (0.1)</b>	<b>167.2 (147.7)</b>	<b>140.6 (93.3)</b>	<b>307.8 (241.0)</b>
Pro-rata large loss budget	138.8	12.0	4.0	157.3	369.5	526.8
FY large loss budget	277.6	24.0	8.0	314.6	875.0	1,189.6
Impact on CR: materialised large losses	10.5%pts (10.6%pts)	2.8%pts (1.7%pts)	0.2%pts (0.0%pts)	4.4%pts (4.1%pts)	2.4%pts (1.8%pts)	3.2%pts (2.8%pts)
Impact on CR: large loss budget	10.2%pts (10.5%pts)	1.7%pts (1.7%pts)	0.2%pts (0.2%pts)	4.1%pts (4.2%pts)	6.2%pts (6.8%pts)	5.4%pts (5.7%pts)

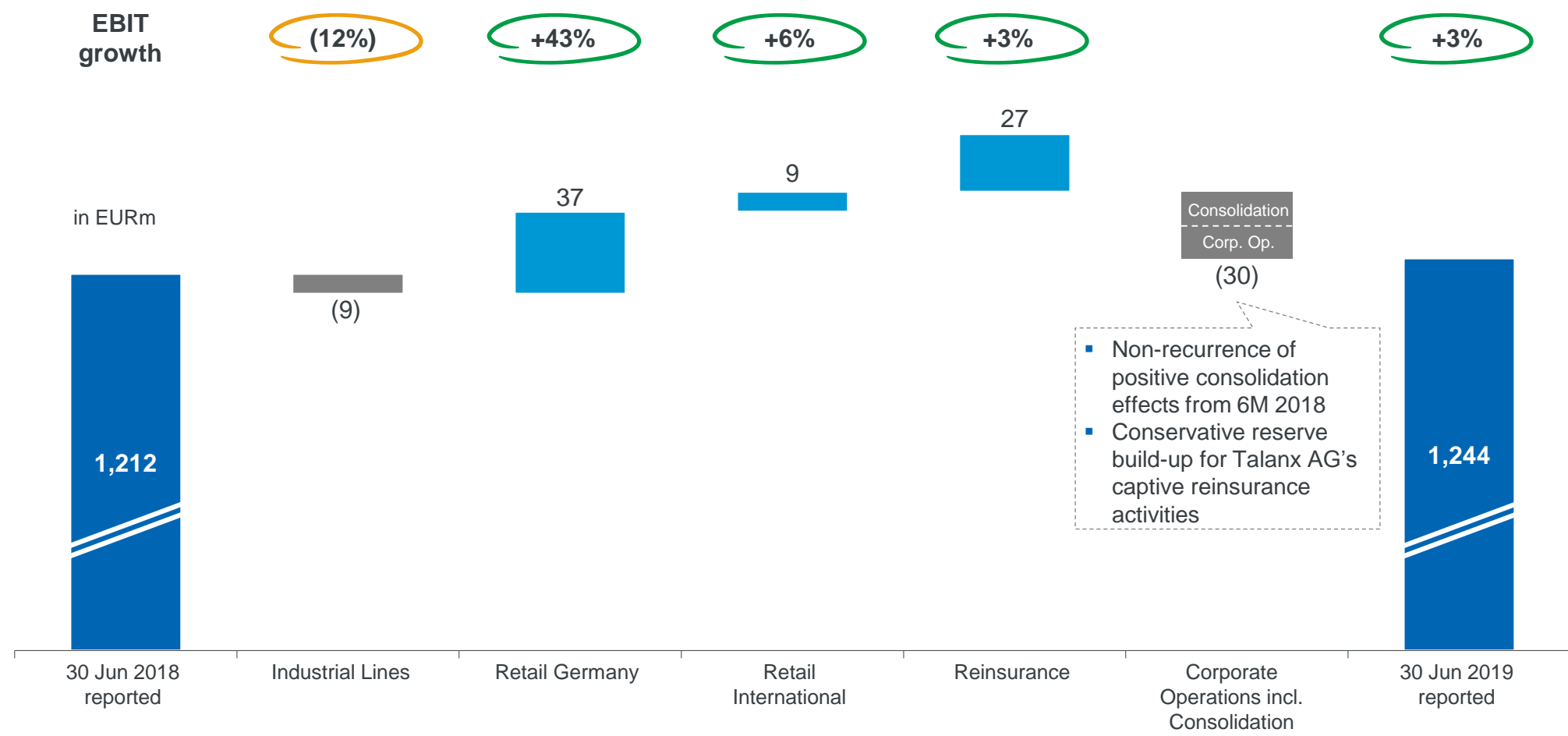
Note: Definition "large loss": in excess of EUR 10m gross in either Primary Insurance or Reinsurance. No additional 6M 2019 Primary Insurance large losses (net) in Corporate Operations

# Combined Ratios



Note: Visual highlights only core markets plus Italy for Retail International. Turkey 6M 2019 EBIT of EUR 4m (+264% y/y)

# 6M 2019 – Both retail divisions and Viridium effect drive EBIT improvement

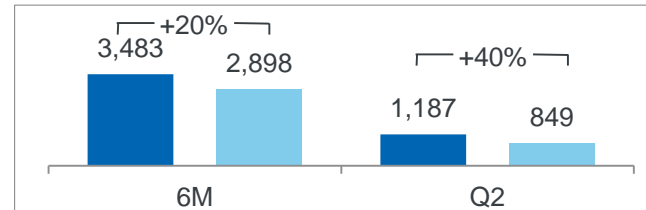


Note: Numbers may not add up due to rounding.

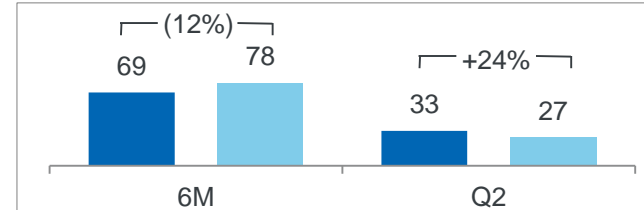
# Segments – Industrial Lines

EURm, IFRS ■ 2019 ■ 2018

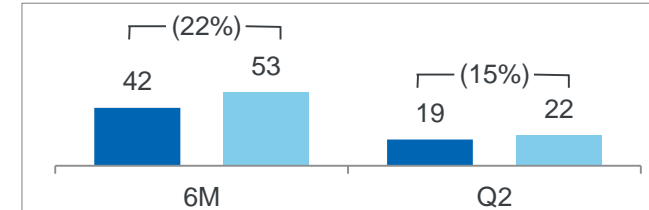
## Gross written premiums (GWP)



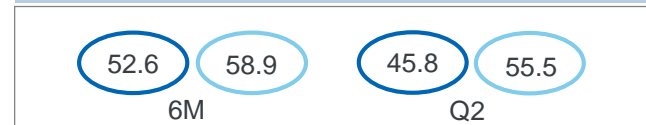
## Operating result (EBIT)



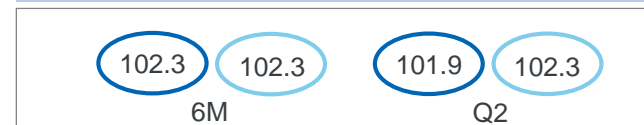
## Net income



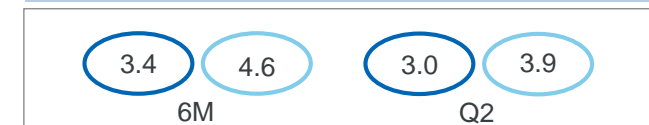
## Retention rate in %



## Combined ratio in %



## RoE in %



- 6M 2019 GWP up 20.2% (currency-adj.: +18.7%); adjusted for Specialty transfer effect (EUR 457m in 6M 2019 and EUR 246m in Q2 2019, both before growth), GWP was up 4.4% in 6M 2019, and up 10.9% in Q2 2019 y/y
- Increase in NPE smaller (+10.7%) given the initially high cession of Specialty business to Hannover Re
- As a consequence, divisional self-retention of 52.6% down vs. 6M 2018 (58.9%); also some dampening effect from reinstatement premiums paid in Q1 2019

- Large losses of EUR 143m after 6M 2019, slightly above budget (EUR 139m) and prior-year level of EUR 131m. Positive run-off result in 6M 2019 of EUR 32m, thereof EUR 26m in Q2 2019 (6M 2018: EUR 43m; Q2 2018: Eur 73m)
- Q2 combined ratio of 101.9% includes 0.8%pt for above-budgeted large losses
- Combined ratio of Fire business was 109% in 6M 2019, materially down from ~120% in 6M 2018 and ~140% in FY 2018
- From Jan 2019, other result includes recognition of administrative costs for Specialty business formerly booked in Reinsurance (EUR 10m in 6M 2019)

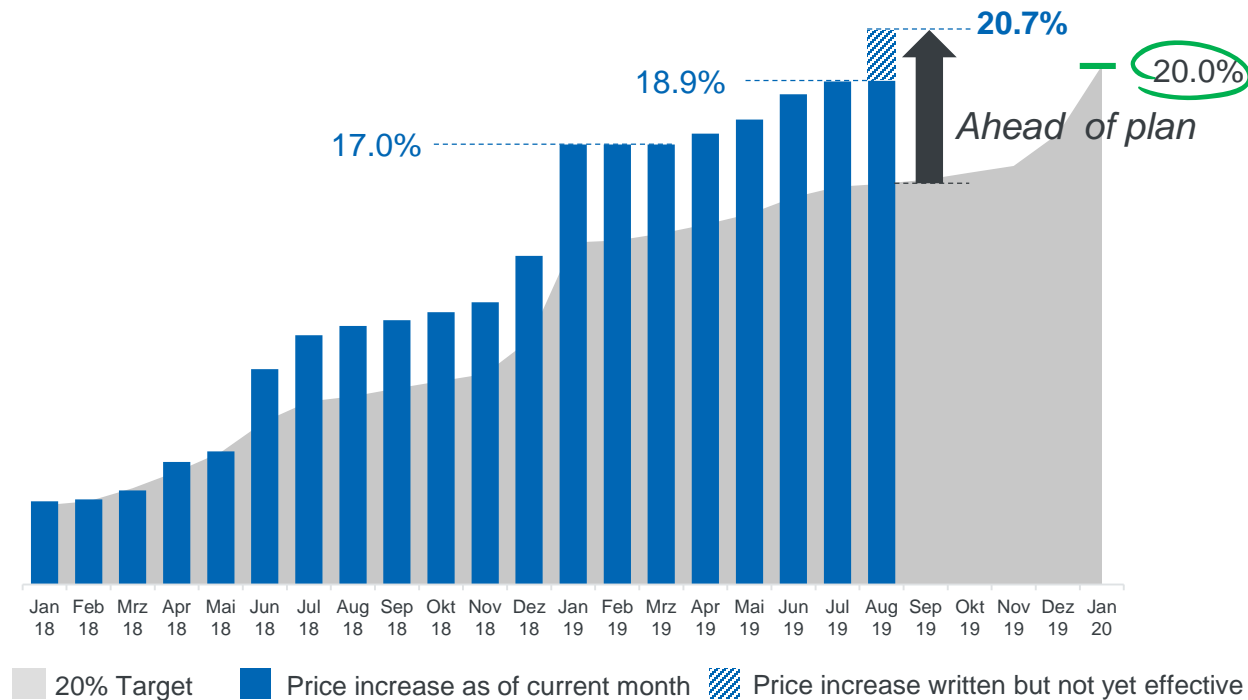
- 6M 2019 tax ratio of 31.5% higher than in 6M 2018 (27.8%) due to smaller EBIT contribution from lower tax operations. BEAT tax impact slightly higher
- "20/20/20" improvements written already ahead of year-end target. Ambition level raised to come back to profitability
- Divisional CR targets of ~100% in 2019 and below 100% in 2020 unchanged



# “20/20/20” initiative ahead of plan

## “20/20/20” initiative update

Cumulative monthly price increase in Fire on renewed business:  
contracted vs. target from 1 Jan 2018 to 1 August 2019



Note: Premium base defined as total premiums on 28 Feb 2019 minus dropped business. Price increase data include both premium increases and premium-equivalent measures.

<sup>1</sup> Excluding effects of new business, de-risking (reduction of consortial shares), changes on existing business (mostly changes of sums insured) and currencies.



Improvements written already ahead of year-end target

Ambition level raised to come back to profitability

Claims experience in Fire market requires higher percentage increase

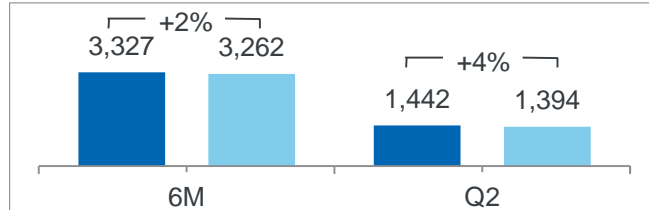
Impact on gross premium base so far ~EUR 110m, or -12% of Fire business (net effect)<sup>1</sup>

Price increases from March 2019 level (17.0%) to August 2019 (18.9%) will further improve CR of Fire in H2 2019

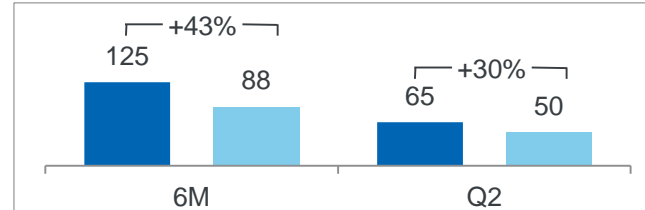
# Segments - Retail Germany Division

EURm, IFRS ■ 2019 ■ 2018

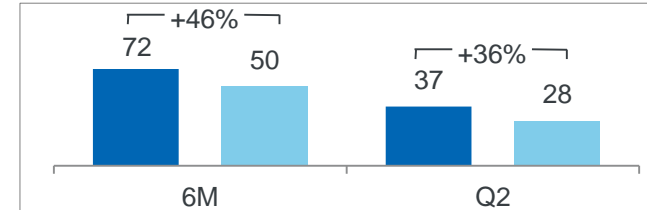
## Gross written premiums (GWP)



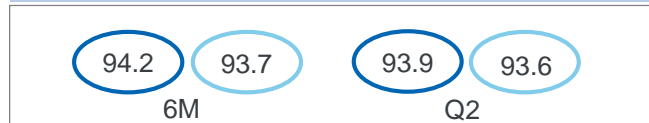
## Operating result (EBIT)



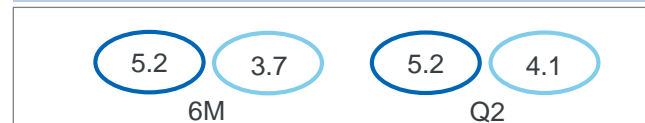
## Net income



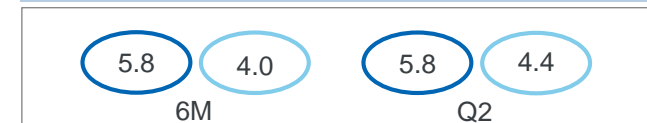
## Retention rate in %



## EBIT margin in %



## RoE in %



- Gross and net premiums growth in Q2 and 6M 2019 y/y in both P/C and Life businesses
- GWP in P/C up 7.6% y/y in Q2 2019, up 2.0% in 6M 2019
- Net premiums earned up 4.4% in Q2 2019 y/y, up 2.9% in 6M 2019

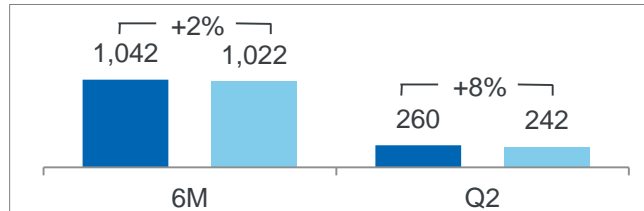
- Significant EBIT growth in both P/C (+16.4% y/y in Q2 2019, +37.4% in 6M 2019) and Life (+40.2% in Q2 2019 and +46.8% in 6M 2019)
- Total KuRS costs of EUR 23m in 6M 2019 (24m in 6M 2018) with P/C EBIT impact of EUR 19m (EUR 18m)
- Well on track to deliver at least EUR 240m EBIT in 2021 as targeted, despite growing investments into various digital initiatives

- Tax rate down slightly to 36.5% for 6M 2019 from 37.8% in 6M 2018. Higher than normalised level due to higher tax rate on investment results from consolidated alternative assets
- EBIT increase reflects two accounting-driven one-offs of net positive EUR 9m in Life business in Q2 2019

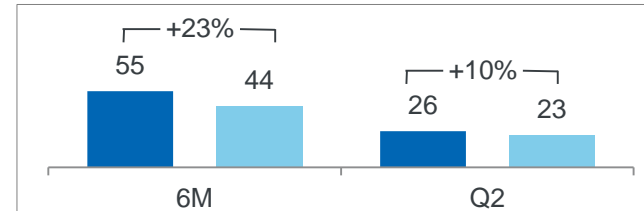
# Segments - Retail Germany P/C

EURm, IFRS ■ 2019 ■ 2018

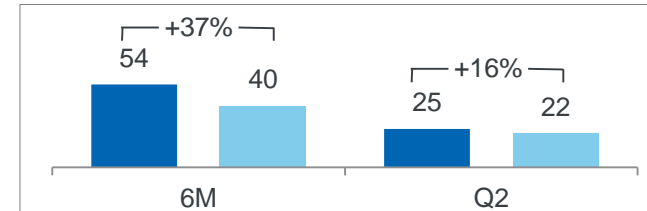
## Gross written premiums (GWP)



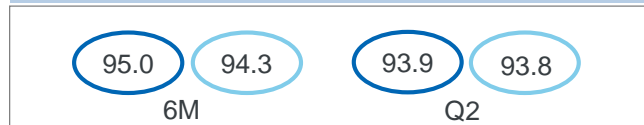
## Net investment income



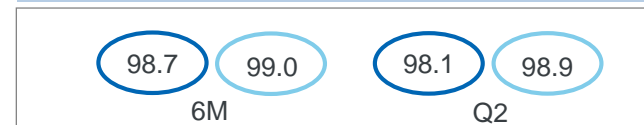
## Operating result (EBIT)



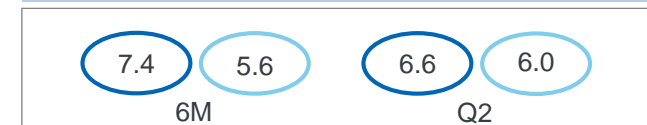
## Retention rate in %



## Combined ratio in %



## EBIT margin in %



- 6M and Q2 2019 GWP increase driven by business with SMEs (Fire, MultiRisk) and self-employed professionals
- Motor business: 4.8% decline induced by price increases in 6M 2019 (43% of GWP); increase in Q2 2019 y/y due to higher portion of contracts renewable during the year compared with competitors; focus is on profitability
- Lower loss ratio also helped to achieve technical result of EUR 7.2m (up from EUR 2.5m in Q2 2018)

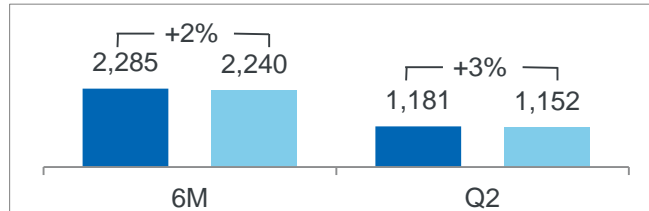
- Combined ratio impacted by KuRS costs of EUR 18m in 6M 2019 (16m in 6M 2018). Adjusting for these, combined ratio decreased to 96.3% (6M 2018: 96.7%), also reflecting the decline in the attritional loss ratio
- 6M 2019 net return on investment increased to 2.7% (from 2.2% in 6M 2018), due to higher income from real estate and unrealised gains on derivative instruments in special funds

- EBIT impact of KuRS costs with EUR 19m in 6M 2019 largely unchanged vs. 6M 2018 (18m)

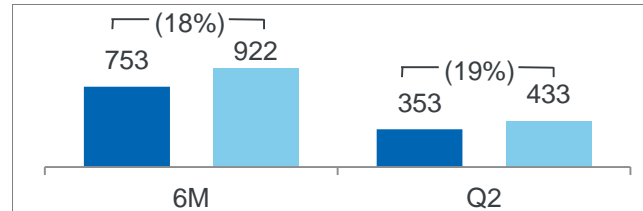
# Segments - Retail Germany Life

EURm, IFRS ■ 2019 ■ 2018

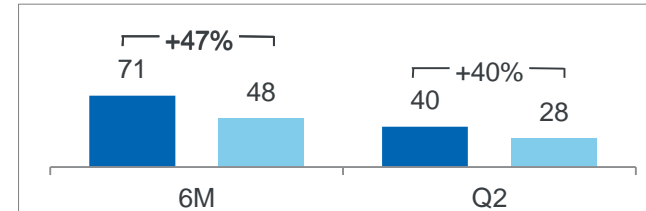
## Gross written premiums (GWP)



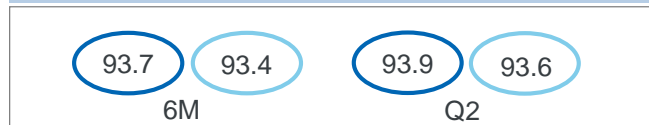
## Net investment income



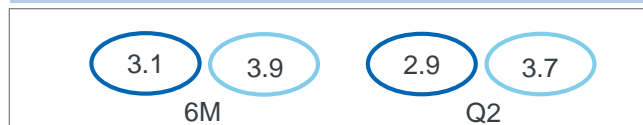
## Operating result (EBIT)



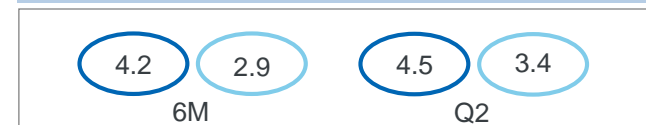
## Retention rate in %



## Return on investment in %



## EBIT margin in %



- Increase in single premium business in Q2 and 6M 2019 across carriers and in biometric risk protection business more than offset decrease in regular premiums
- Increase in net premiums earned in Q2 2019 by 4.4% y/y

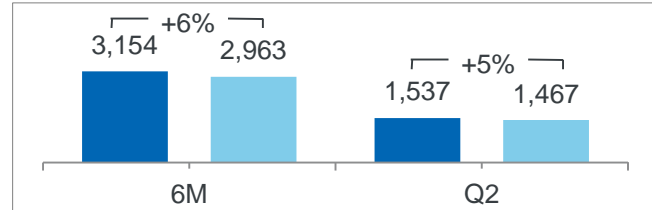
- Net investment income down both in Q2 and 6M, driven by lower extraordinary gains (EUR 84m in 6M 2019 vs. EUR 253m in 6M 2018) due to regime shift in *Zinszusatzreserve* (ZZR) under German GAAP (HGB) in 2018
- Allocation of EUR 113m under HGB in Q2 2019 was higher than in Q1 2019 (EUR 61m) due to further decrease in interest rates; total ZZR as of 30 June 2019 at EUR 3.6bn; FY 2019 ZZR formation currently expected above 2018 level (EUR 301m)
- Ordinary investment income in 6M 2019 nearly stable at EUR 724m (EUR 727m in 6M 2018)

- As previously, change in ZZR allocation was P&L neutral
- EBIT increase reflects two accounting-driven one-offs of net positive EUR 9m in Life business in Q2 2019

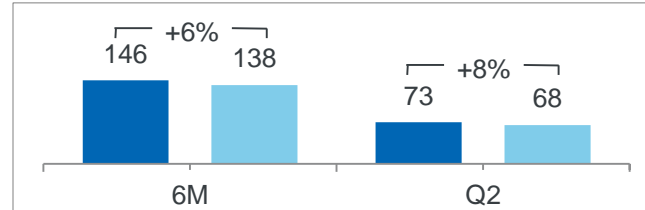
# Segments - Retail International

EURm, IFRS ■ 2019 ■ 2018

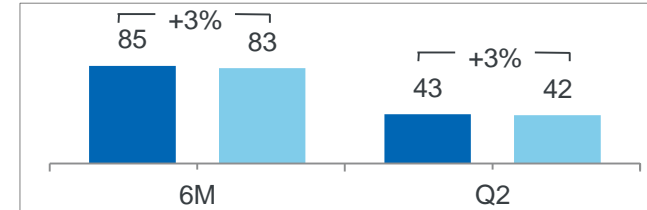
## Gross written premiums (GWP)



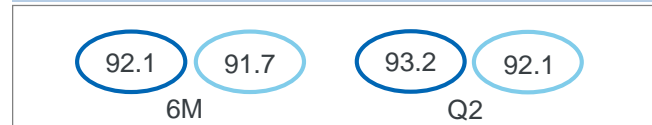
## Operating result (EBIT)



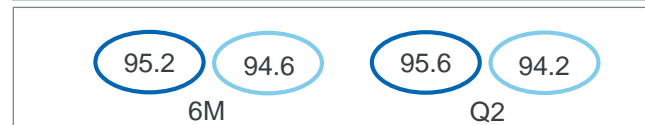
## Net income



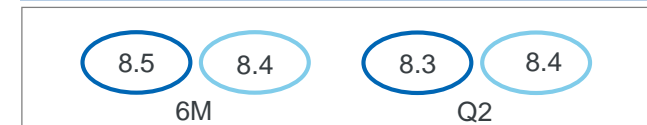
## Retention rate in %



## Combined ratio in %



## RoE in %



- 6M GWP grew by 6.5% (curr.-adj. +9.2%); negative currency impact mainly in Turkey and Brazil (positive impact in Mexico)
- Europe +7.1% to EUR 2,291m (two thirds of increase from single premium Italian Life business, mainly in Q1 2019), and LatAm +6.2% to EUR 863m, driven by motor business in Mexico
- 6M P/C increased by 5.2% (curr.-adj. +9.2%), strongest contributions from Mexico, Warta and Brazil (currency-adjusted); growth rates reflect very strong increases in 6M 2018 at Warta P/C

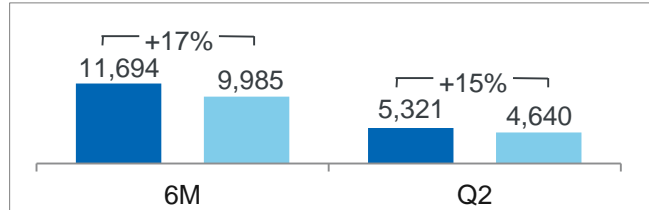
- Q2 and 6M combined ratio in P/C up y/y due to change in cost allocation from 1 Jan 2019 and further build-up of reserve redundancies
- Lower loss ratios in Motor in Turkey and Italy, higher loss ratio in Chile (NatCat and negative run-off result in Liability), admin cost improvements in Mexico and Chile
- 6M 6.2% EBIT increase driven by Europe (+14.7% to EUR 134m; absolute increase almost entirely earned by Warta P/C with significant percentage increases in Turkey); Latin America up 18.7% to EUR 34m (gains in Mexico and Brazil more than offsetting decrease in Chile)

- Tax rate slightly lower at 25.7% in 6M 2019 due to increased profit portion of Polish business
- 6M ordinary investment result up 14% y/y to EUR 165m, driven by higher asset volumes in Italy and at Warta
- We expect the acquisition of Ergo Sigorta in Turkey to close in the near future

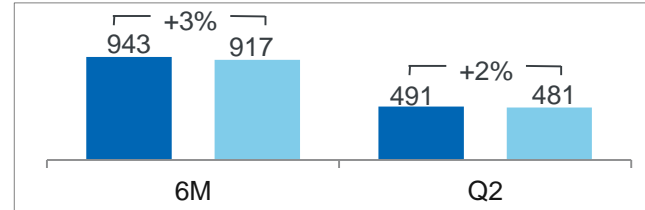
# Segment - Reinsurance

EURm, IFRS ■ 2019 ■ 2018

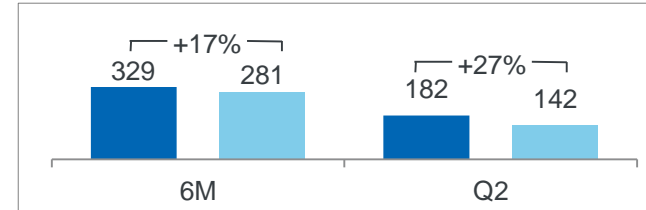
## Gross written premiums (GWP)



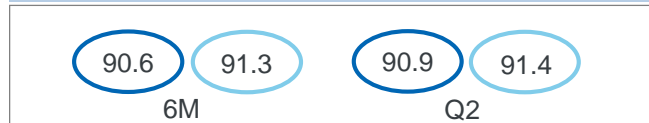
## Operating result (EBIT)



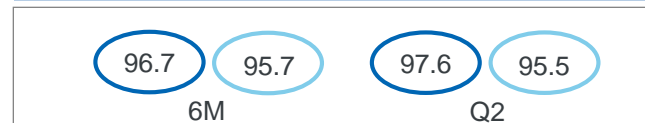
## Net income (excl. minorities)



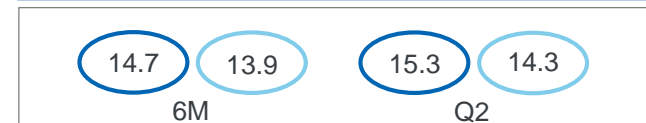
## Retention rate in %



## Combined ratio P/C in %



## RoE (excl. minorities) in %



- GWP up by 17.1% (currency-adj. +14.5%) in 6M 2019, growth driven by EUR 1,380m, or 21%, increase in P/C
- Net premiums earned are up by +12.1% on a reported basis and by +10.0% on a currency-adjusted basis
- Retention ratio slightly down to 90.6% in 6M 2019

- 6M 2019 EBIT up by 2.9% y/y, supported by positive one-off effect in Life / Health business in Q2 2019 (Viridium, EUR 100m); adjusted for Viridium, 6M 2019 EBIT decreased by 8%
- Net large losses of EUR 141m in 6M 2019 well below pro-rata budget of EUR 370m
- Ordinary investment income increased by 9.7%, total investment income by 15.5% (including Viridium)
- Assets under own management up by 6% vs. Dec 2018 to more than EUR 44bn

- 6M 2019 net income attributable to Talanx shareholders up by +17% y/y
- Return on equity for 6M 2019 at 14.7% (+0.8%pt vs 6M 2018), well above minimum target

# Net investment income

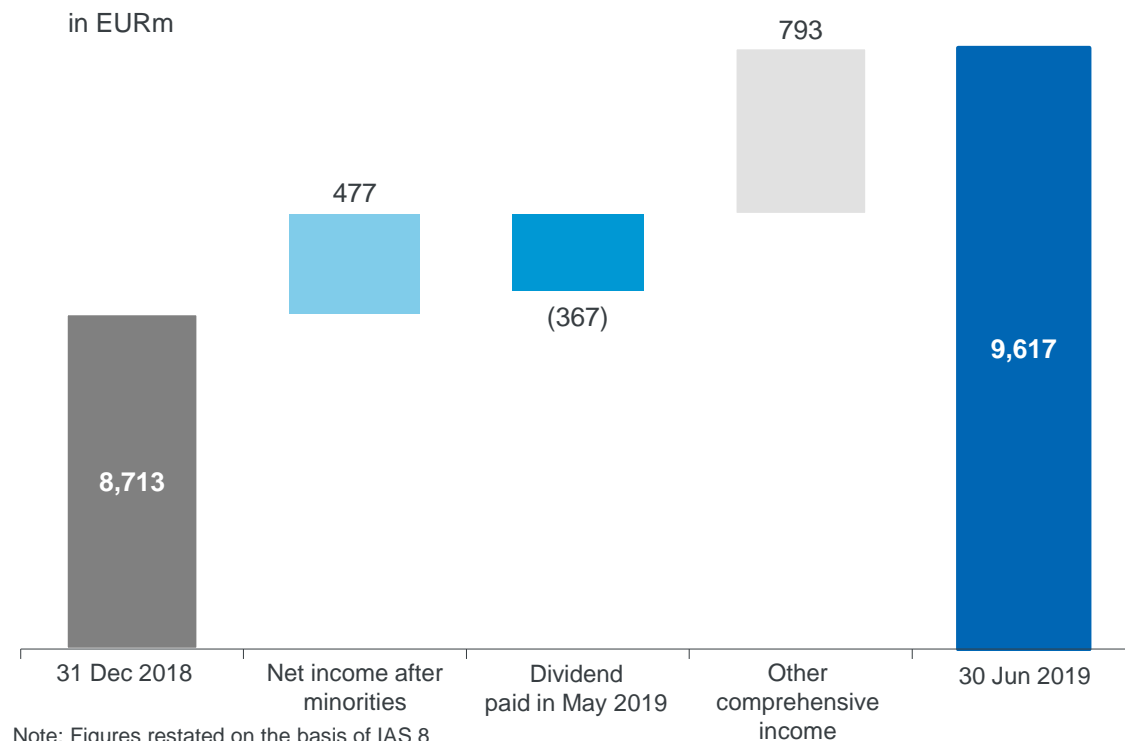
EUR m, IFRS	6M 2019	6M 2018	Change	Q2 2019	Q2 2018	Change	Comments
<b>Ordinary investment income</b>	<b>1,778</b>	<b>1,687</b>	<b>+5%</b>	<b>908</b>	<b>836</b>	<b>+9%</b>	5% increase in ordinary investment income in 6M 2019 supported by 7% rise in assets under own management
thereof current interest income	1,399	1,329	+5%	707	654	+8%	
thereof income from real estate	156	132	+19%	86	69	+25%	
<b>Extraordinary investment income</b>	<b>246</b>	<b>334</b>	<b>(27%)</b>	<b>135</b>	<b>119</b>	<b>+14%</b>	More than three quarters of increase from interest income despite further decline of interest rates
Realised net gains / losses on investments	268	420	(36%)	184	156	+18%	
Write-ups / write-downs on investments	(96)	(79)	(21%)	(58)	(37)	(56%)	Remaining increase in ordinary investment income mainly from real estate, offsetting decrease in private equity
Unrealised net gains / losses on investments	73	(6)	+1,276%	9	(0)	+8,334%	
Investment expenses	(125)	(120)	(4%)	(65)	(61)	(7%)	Realised net investment gains include EUR 100m one-time Viridium gain in L/H Reinsurance in Q2 EUR 152m net decrease in realised net investment gains in 6M 2019 (despite Viridium gain) was driven by EUR 187m decrease in ZZR-induced capital gains
<b>Income from assets under own management</b>	<b>1,898</b>	<b>1,901</b>	<b>+0%</b>	<b>978</b>	<b>893</b>	<b>+9%</b>	
Interest income on funds withheld and contract deposits	87	106	(19%)	19	52	(63%)	
Income from investment contracts	1	(0)	+1,366%	1	0	+647%	
<b>Total: Net investment income</b>	<b>1,986</b>	<b>2,007</b>	<b>(1%)</b>	<b>998</b>	<b>945</b>	<b>+6%</b>	
Assets under own management	118,738	110,756	+7%	118,738	110,756	+7%	
<b>Net return on investment<sup>1</sup></b>	<b>3.3%</b>	<b>3.5%</b>	<b>(0.2%)pts</b>	<b>3.3%</b>	<b>3.3%</b>	<b>+0.0%pts</b>	
Net ordinary return on investment <sup>2</sup>	<b>3.3%</b>	<b>3.3%</b>	<b>+0.0%pts</b>	<b>3.3%</b>	<b>3.1%</b>	<b>+0.2%pts</b>	

1 Net return on investment: Annualised income from assets under own management dividend by average assets under own management

2 Net ordinary return on investment: Annualised ordinary investment income net of investment expenses divided by average assets under own management

# Changes in equity

## Shareholders' equity



## Comments

- Shareholders' equity rose to EUR 9,617, which is EUR 904m, or 10%, above the level of Dec 2018 and EUR 55m, or 0.6% above 31 March 2019
- Strong increase in OCI continues to be caused mainly by positive effect of decreasing interest rates on bond values

## Book value per share

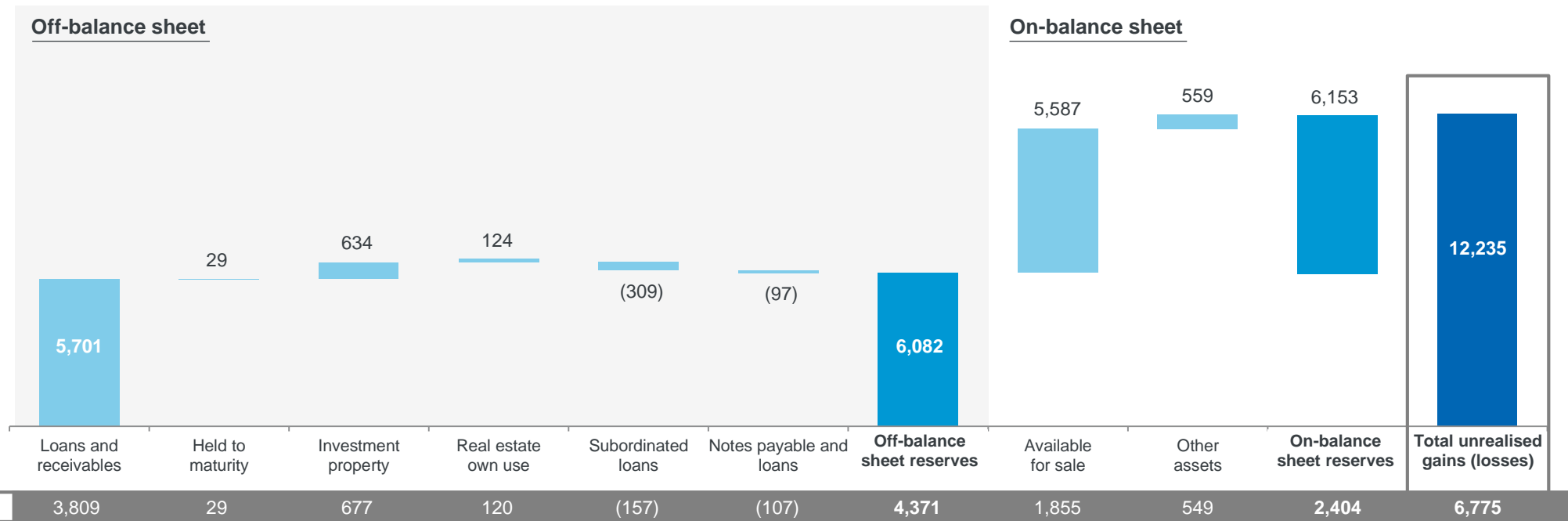
in EUR	31 Dec 2018	30 June 2019	Change	
			Abs.	%
Book value per share	34.47	38.04	3.57	+10.4
Excl. goodwill	30.28	33.82	3.54	+11.7

▶ Shareholders' equity materially up, primarily reflecting increased bond values



# Unrealised gains of EUR 12.2bn

## Unrealised gains and losses (off- and on-balance sheet) as of 30 June 2019 (EURm)



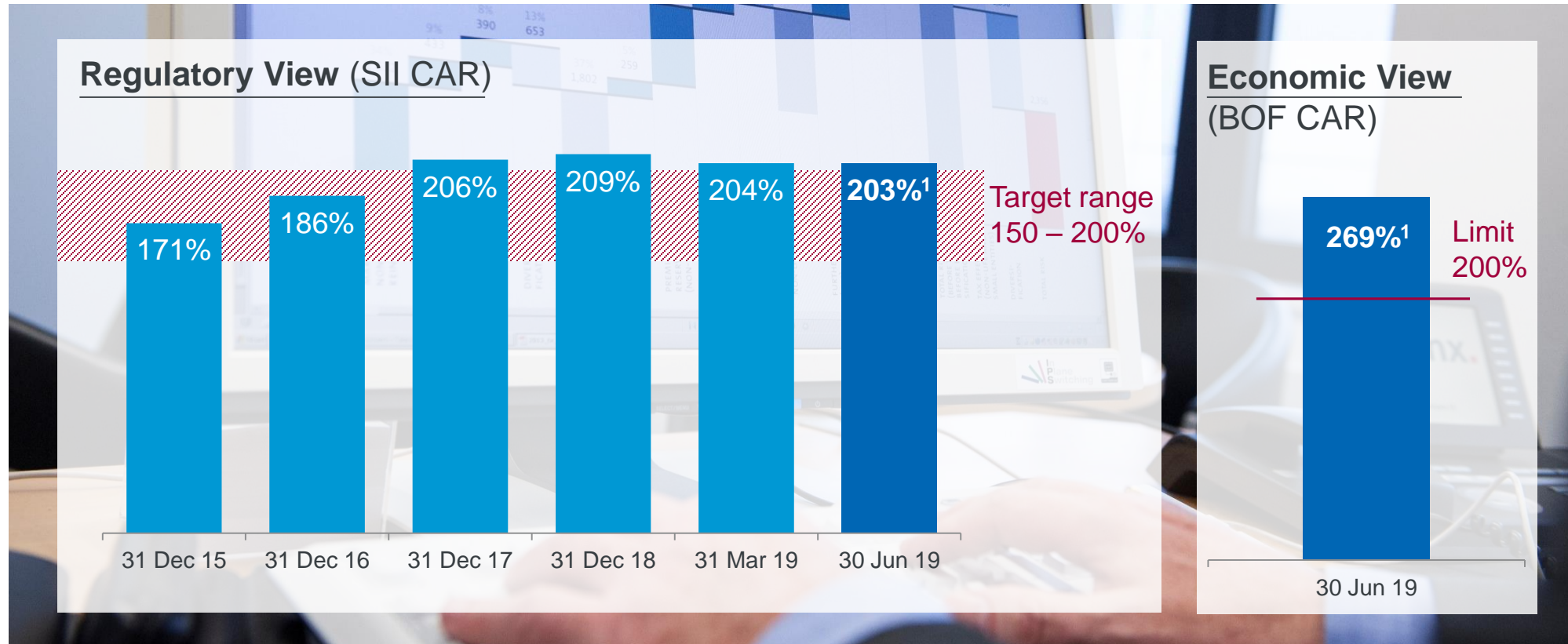
### Δ market value vs. book value

Note: Shareholder contribution estimated based on historical profit sharing pattern

▶ **Off-balance sheet reserves of ~ EUR 6.1bn – EUR 515m (EUR 2.04 per share) attributable to shareholders (net of policyholders, taxes & minorities)**

# Solvency II capital at very solid level

## Development of Solvency II capitalisation (excl. transitional)



<sup>1</sup> Preliminary figures

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 30 Jun 2019: 240% (31 Mar 2019: 241%, 31 Dec 2018: 252%).

## Outlook 2019 for Talanx Group

Gross written premium growth	▶	~4%
Net return on investment	▶	more than 2.7%
Group net income	▶	more than EUR 900m
Return on equity	▶	more than 9.5%
Dividend payout	▶	35-45% DPS at least stable y/y

Note: The Outlook 2019 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 large losses not exceeding the large loss budget, no turbulences on capital markets and no material currency fluctuations

# Financial Calendar and IR contacts



- 12 August 2019  
6M 2019 Results
- 11 November 2019  
9M 2019 Results
- 20 November 2019  
Capital Markets Day in Frankfurt



**Carsten Werle, CFA**  
*Head of IR*



**Bernt Gade**  
*Equity & Debt IR*



**Carsten Fricke**  
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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 2018 Chapter "Enterprise management", pp. 26 and the following, the "Glossary and definition of key figures" on page 262 as well as our homepage [http://www.talanx.com/investor-relations/ueberblick/midterm-targets/definitions\\_apm.aspx](http://www.talanx.com/investor-relations/ueberblick/midterm-targets/definitions_apm.aspx)