

**talanx.**

Insurance. Investments.

# Talanx roadshow

18 May 2022

| Jan Wicke, CFO

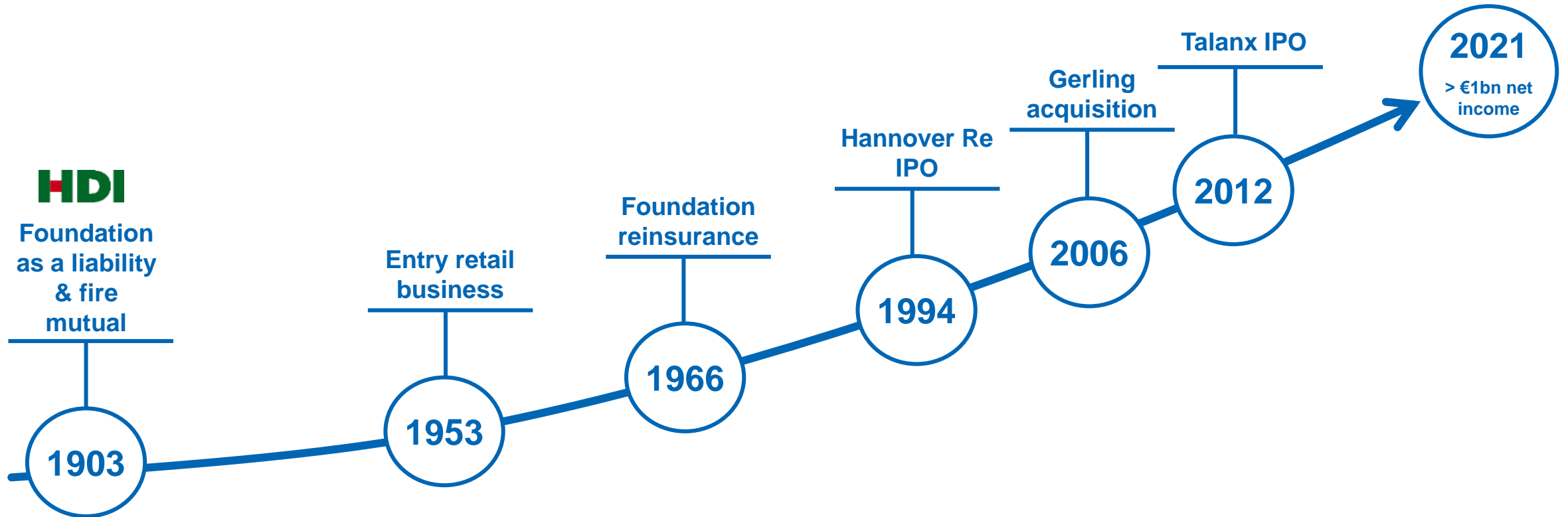




# Agenda

- 1 Talanx at a glance**
- 2 Outlook
- 3 Recent Group and segment results
- 4 Investments / Reserves / Capital
- 5 Appendix

# 1 Talanx has a history of more than 100 years



# Talanx is an integrated primary and reinsurance player

## Key facts

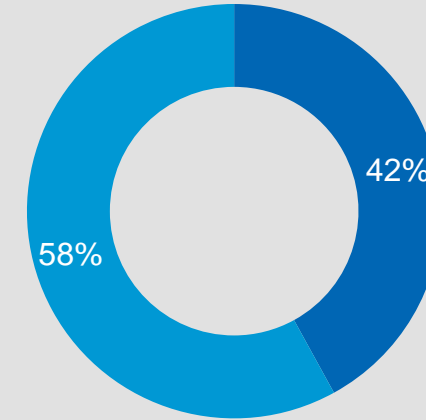
2021 / 31 Dec 2021, in EURbn

<b>GWP</b>	<b>45.5</b>
<b>Net income</b>	<b>1.01</b>
<b>AuM</b>	<b>136.0</b>
<b>Shareholders equity</b>	<b>10.8</b>
<b>Market Cap</b>	<b>10.8</b>

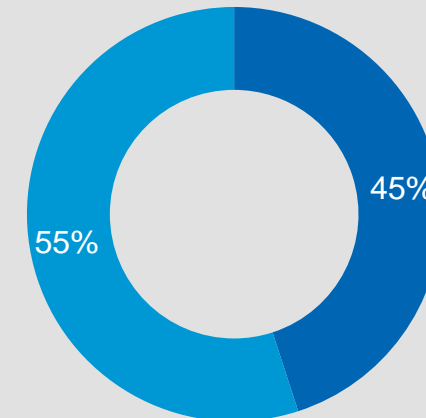
<sup>1</sup> Primary Insurance is the sum of Industrial Lines, Retail Germany and Retail International. Percentages are calculated excluding Corporate Operations and Consolidation  
Talanx virtual roadshow, 18 May 2022

## Business mix<sup>1</sup>

GWP 2021 in % of total



Net income 2021 in % of total



■ Primary  
■ Reinsurance

# 1 Talanx operates a multi-brand business with 4 segments

## Industrial Lines



- Lines of business include coverage of standard industrial risks (e.g. liability, motor, fire & property)
- Segment also includes specialty lines business (e.g. financial lines, aviation etc.)

2021, in EURm

**GWP** 7,560

**Net income** 143

## Retail Germany



- Standard Retail Property & Casualty and Life products operated under HDI brand
- Bancassurance business with various German banks (e.g. Deutsche Bank, Sparkassen and Targobank)

**GWP** 6,170

**Net income** 161

## Retail International

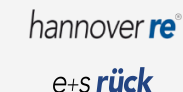


- Standard retail Property & Casualty and Life products
- Regional focus on CEE (Poland, Turkey, Hungary, Austria), Italy and LatAm (Brazil, Mexico, Chile, Colombia, Argentina)

**GWP** 6,127

**Net income** 189

## Reinsurance



- 3<sup>rd</sup> largest reinsurer worldwide offering full range of life and non-life reinsurance products
- Listed since 1994
- 50.2% owned by Talanx

**GWP** 27,762

**Net income** 609

# 1 The Talanx business model is well diversified and resilient

## Underwriting



~ 50%  
outside Europe

Strong diversification

## Investments

Investment portfolio as of 31 Dec 2021



87%  
Bonds

2%  
Equities

Low investment risk

## Solvency

Solvency 2 CAR for HDI Group  
as of 31 Dec 2021



208%

Solid capitalisation

## Ratings

Insurer financial strength rating  
(Talanx Primary Group)

A+

(outlook: stable)

STANDARD  
& POOR'S

A

(outlook: positive)

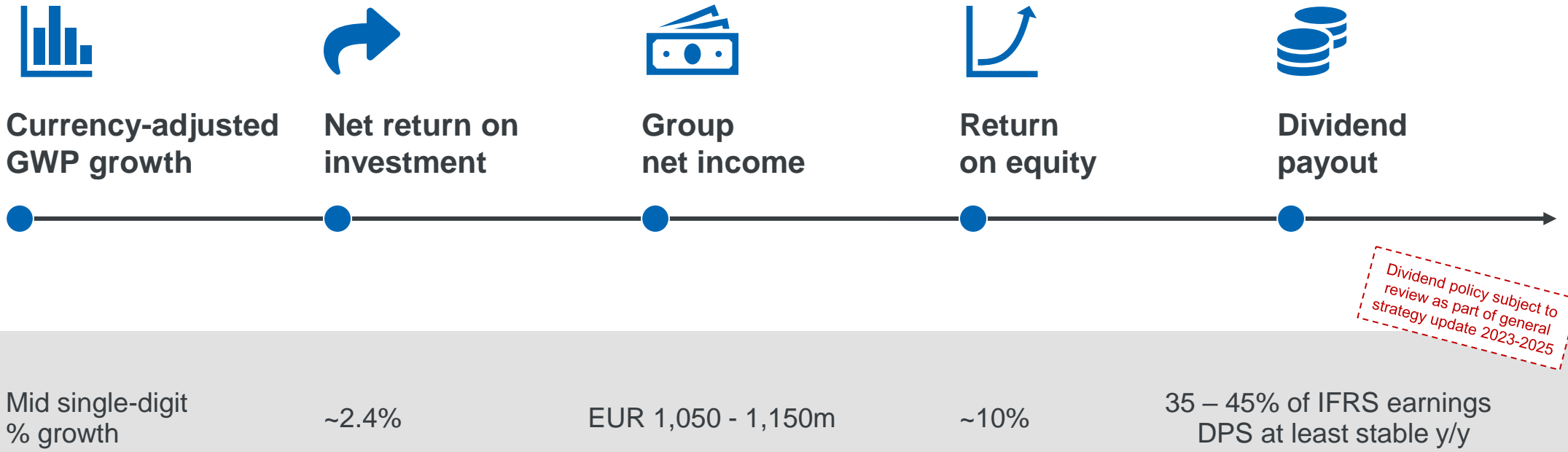




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## 2 Outlook 2022 for Talanx Group



Note: All targets are subject to large losses not exceeding the large loss budget, no turbulences on capital markets and no material currency fluctuations. The Outlook 2022 is based on a large loss budget of EUR 1,810m for Talanx Group, thereof EUR 410m in Primary Insurance, of which EUR 330m in Industrial Lines. The large loss budget in Reinsurance 2022 is EUR 1,400m. The Russian war in Ukraine has emerged as an uncertainty factor. It is currently too early to fully assess the impact on the 2022 business year.



## 2 Outlook 2022 for primary insurance segments



Currency-adjusted  
GWP growth



Combined  
ratio



Return  
on equity



Industrial Lines

>7%

<98%

~8%

Retail Germany

Retail Germany P/C

High single-digit % growth

~96%

Retail Germany Life

Low single-digit % decline

Retail International

High single-digit % growth in P/C  
business

<95%

~8%

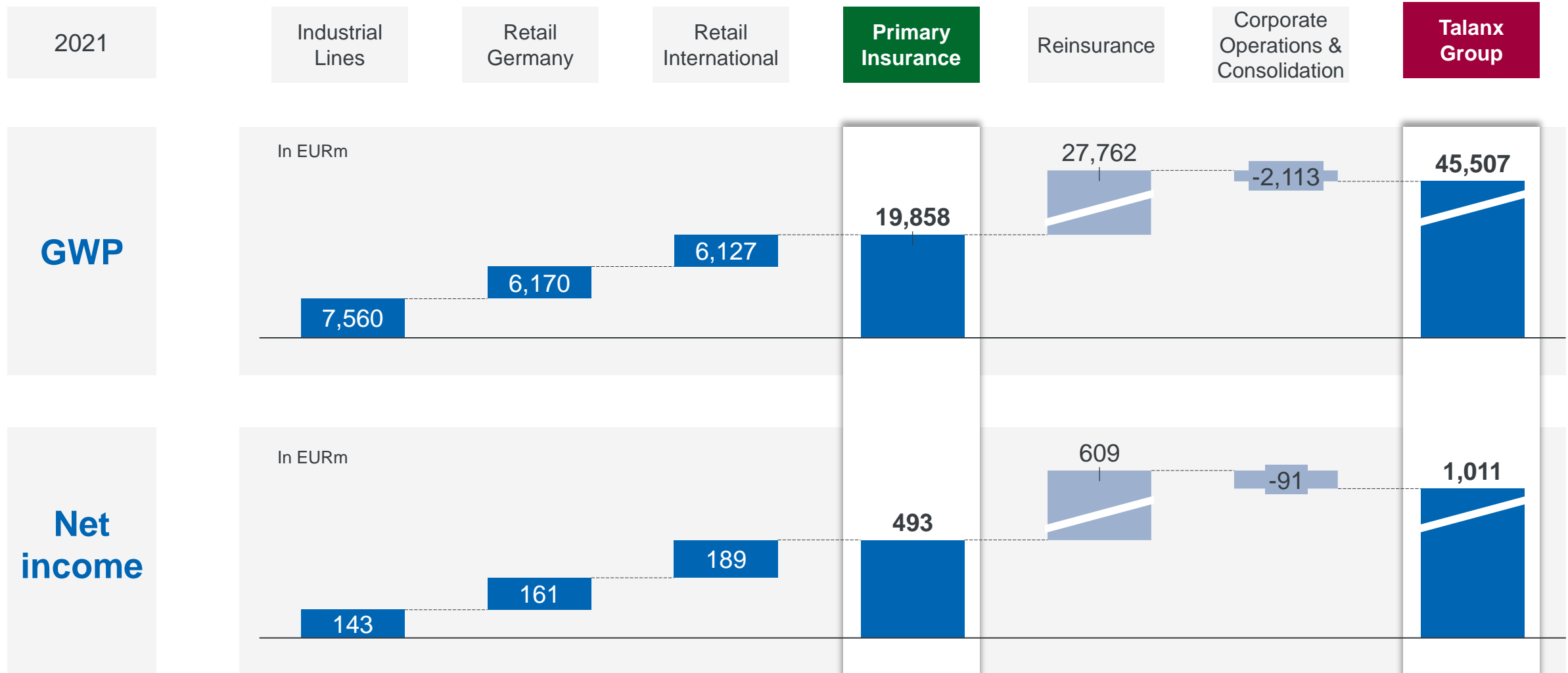
<sup>1</sup> -6.5% excluding Asset Management contribution



# Agenda

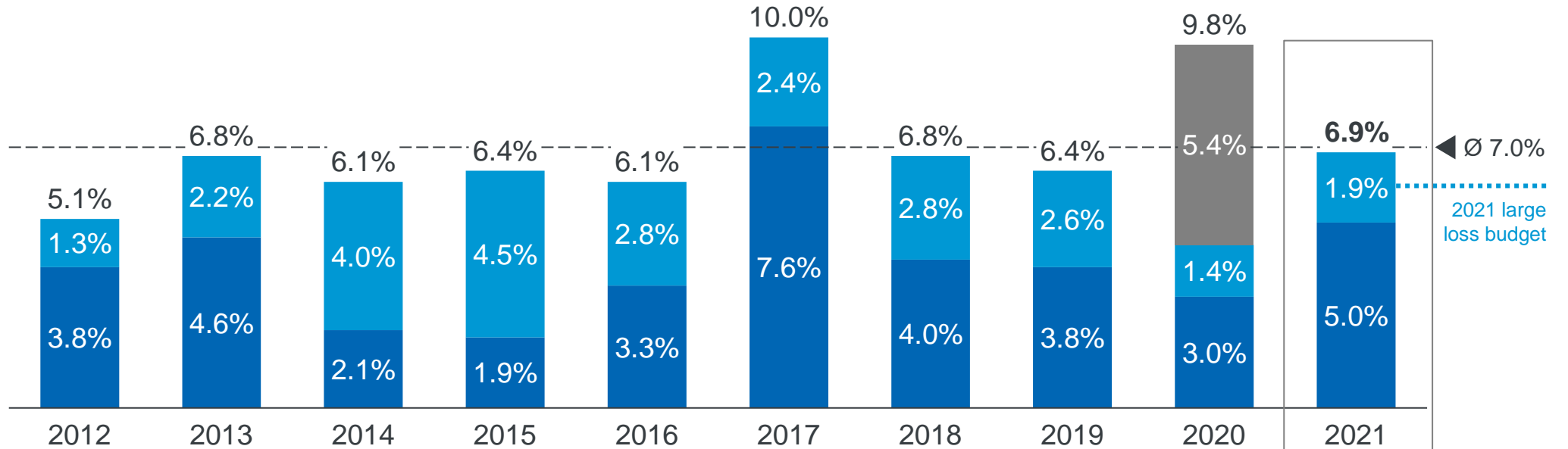
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### 3 Well diversified portfolio with three strong primary insurance divisions



### 3 10-year large loss development

Net large losses, in % of net premiums earned (P/C business only)



In EURm	600	838	782	992	883	1,620	1,244	1,319	2,148	<b>1,745</b>
Usage of budget for NatCat and man-made	94%	119%	91%	94%	78%	145%	111%	111%	161% <sup>1</sup>	<b>116%</b>

■ NatCat ■ Man-made ■ Corona losses (P/C business only)

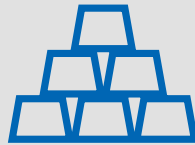
Note: Definition "large loss": In excess of EUR 10m gross in either Primary Insurance or Reinsurance | 1 Ratio of 161% includes NatCat, man-made and Corona

## 3 Summary Q1 2022: Solid results despite strong headwinds



### Results

- Continued strong growth – GWP up 17%; 13% currency-adjusted; all segments contributing
- Combined ratio at 98.3% - normalising post Corona with large losses EUR 71m over pro-rata budget and approx. EUR 150m bulk reserves related to Ukraine situation
- EUR 256m net income
- RoE at 10.0%



### Capital

- Dec 2021 Solvency 2 ratio at robust 208%, slightly above target range
- Resiliency reserves as of 31 December 2021 at EUR 3 bn, up EUR 336m versus FY 2020, up EUR 201m in Talanx Primary Group



### Outlook

- Earnings guidance for FY 2022 unchanged in the range between EUR 1.05 and 1.15bn
- On track to achieve 2022 RoE target of ~10%
- Higher uncertainty due to Russian war in Ukraine

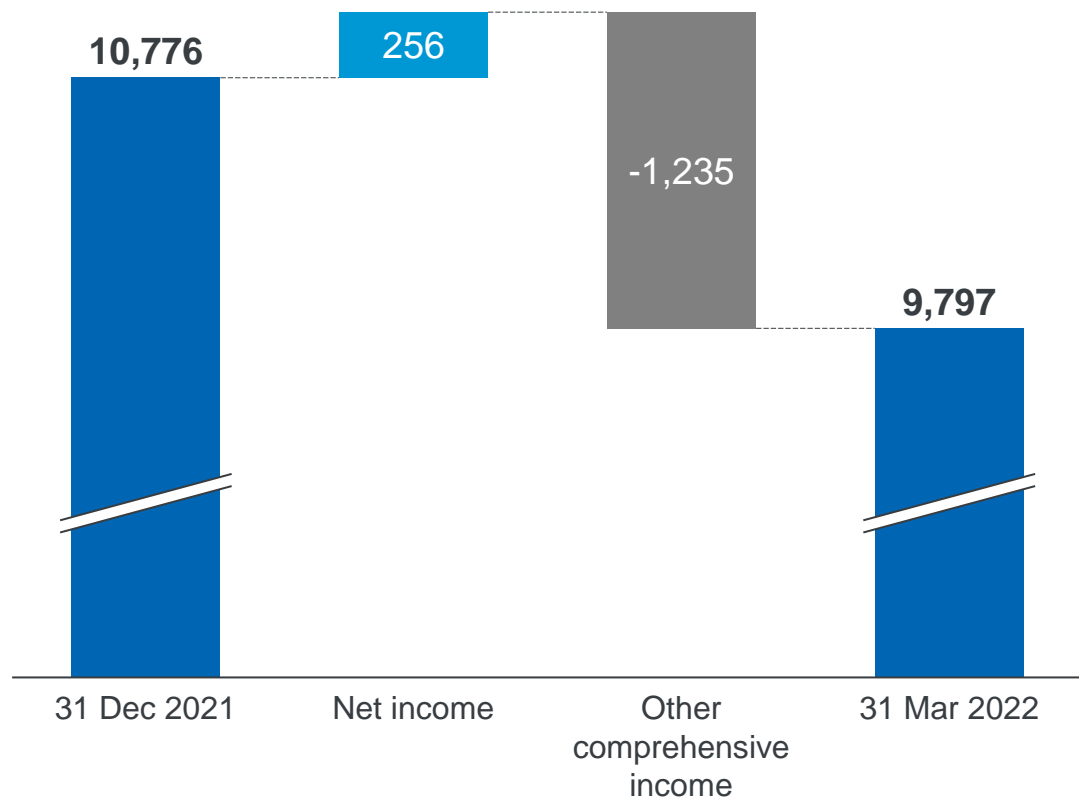
Note: Financial targets are subject to large losses not exceeding the large loss budget, no turbulences on capital markets and no material currency fluctuations. The Russian war in Ukraine is emerging as an uncertainty factor. It is currently too early to fully assess the impact on the 2022 business year

# Book value per share

3 Down 9.1% in Q1 2022

## Shareholders' equity

in EURm



## Comments

- Shareholders' equity at EUR 9,797m, down 9.1% versus the level of Dec 2021
- Significant decline in other comprehensive income (OCI) is due to sharp increase in interest rates and corresponding decline in market value of fixed income securities, whilst before introduction of IFRS 17 liabilities are accounted for at nominal value

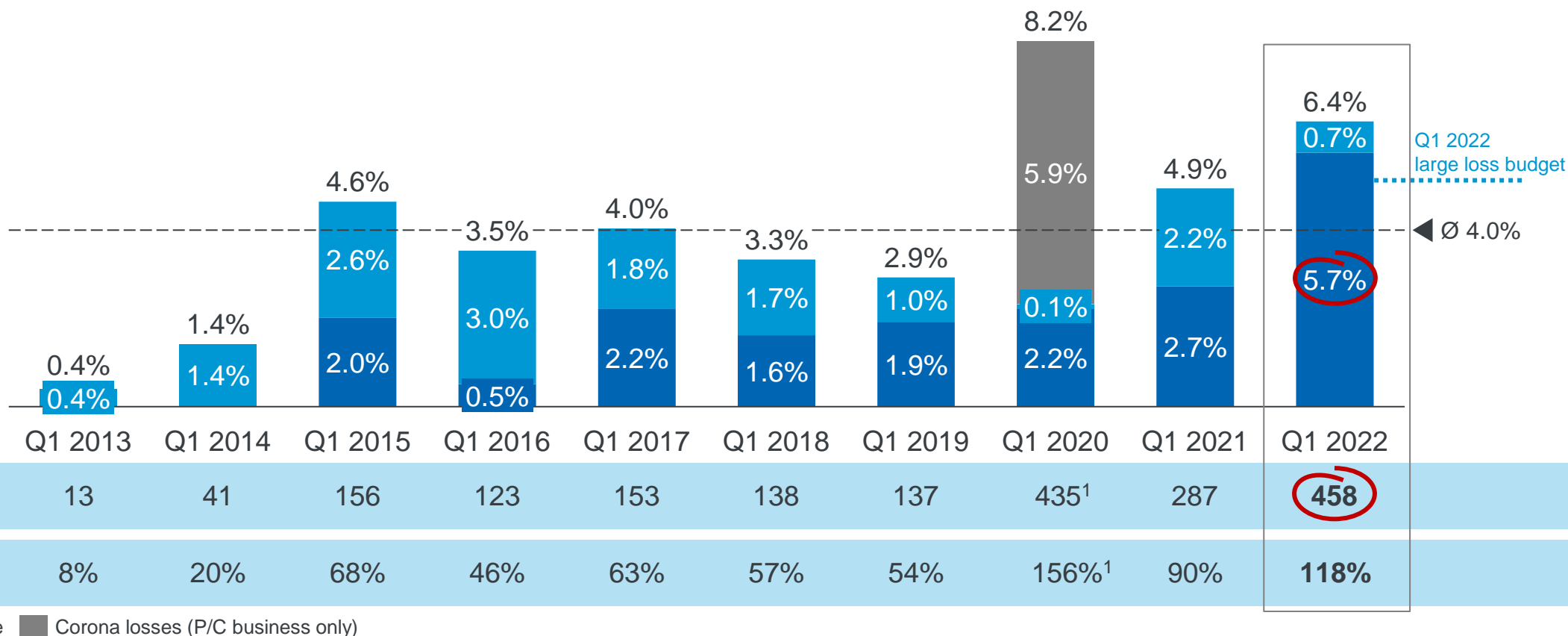
## Book value per share

EUR	31 Dec	31 Mar	31 Dec	31 Mar	Change in Q1	
	2020	2021	2021	2022	Abs.	%
Including goodwill	41.01	41.13	42.58	<b>38.71</b>	-3.87	-9.1
Excluding goodwill	37.00	37.17	38.51	<b>34.62</b>	-3.89	-10.1

# First quarter large loss development

## 3 NatCat events result in highest absolute net large loss in a first quarter

Net large losses, in % of net premiums earned (P/C business only)



Note: Definition "large loss": In excess of EUR 10m gross in either Primary Insurance or Reinsurance. 1 Amount of EUR 435m and ratio of 156% include NatCat, man-made and Corona (EUR 122m and 44% excluding Corona)

# First quarter combined ratios

Normalising post Corona but impacted by two large NatCat losses

Industrial Lines		Retail Germany P/C		Retail International		Primary Insurance		Reinsurance P/C		Talanx Group	
Q1 21	Q1 22	Q1 21	Q1 22	Q1 21	Q1 22	Q1 21	Q1 22	Q1 21	Q1 22	Q1 21	Q1 22
98.7%	97.1%	84.2%	97.8%	93.9%	94.0%	94.1%	95.9%	96.2%	99.5%	96.1%	98.3%



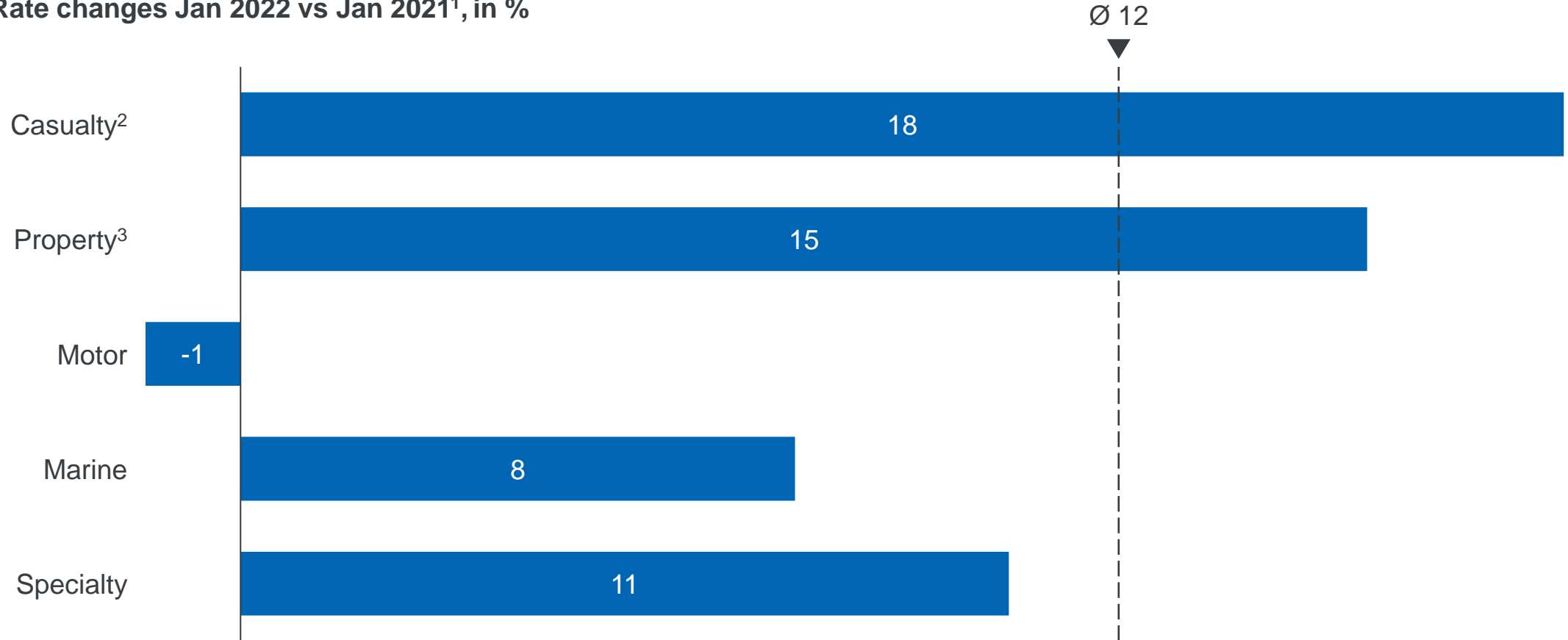
Retail International					
Mexico		Chile		Brazil	
Q1 21	Q1 22	Q1 21	Q1 22	Q1 21	Q1 22
97.6%	93.3%	95.1%	98.3%	99.9%	115.0%
Italy		Poland		Turkey	
Q1 21	Q1 22	Q1 21	Q1 22	Q1 21	Q1 22
76.0%	81.7%	93.2%	90.4%	109.2%	143.5%

Note: Non-life business. Primary Insurance excludes figures for Corporate Operations. For Retail International this page highlights only core markets plus Italy. Poland includes TUIR Warta only, which generates approx. 95% of P/C GWP in Poland



### 3 Industrial Lines: Rate changes comfortably above expected inflation

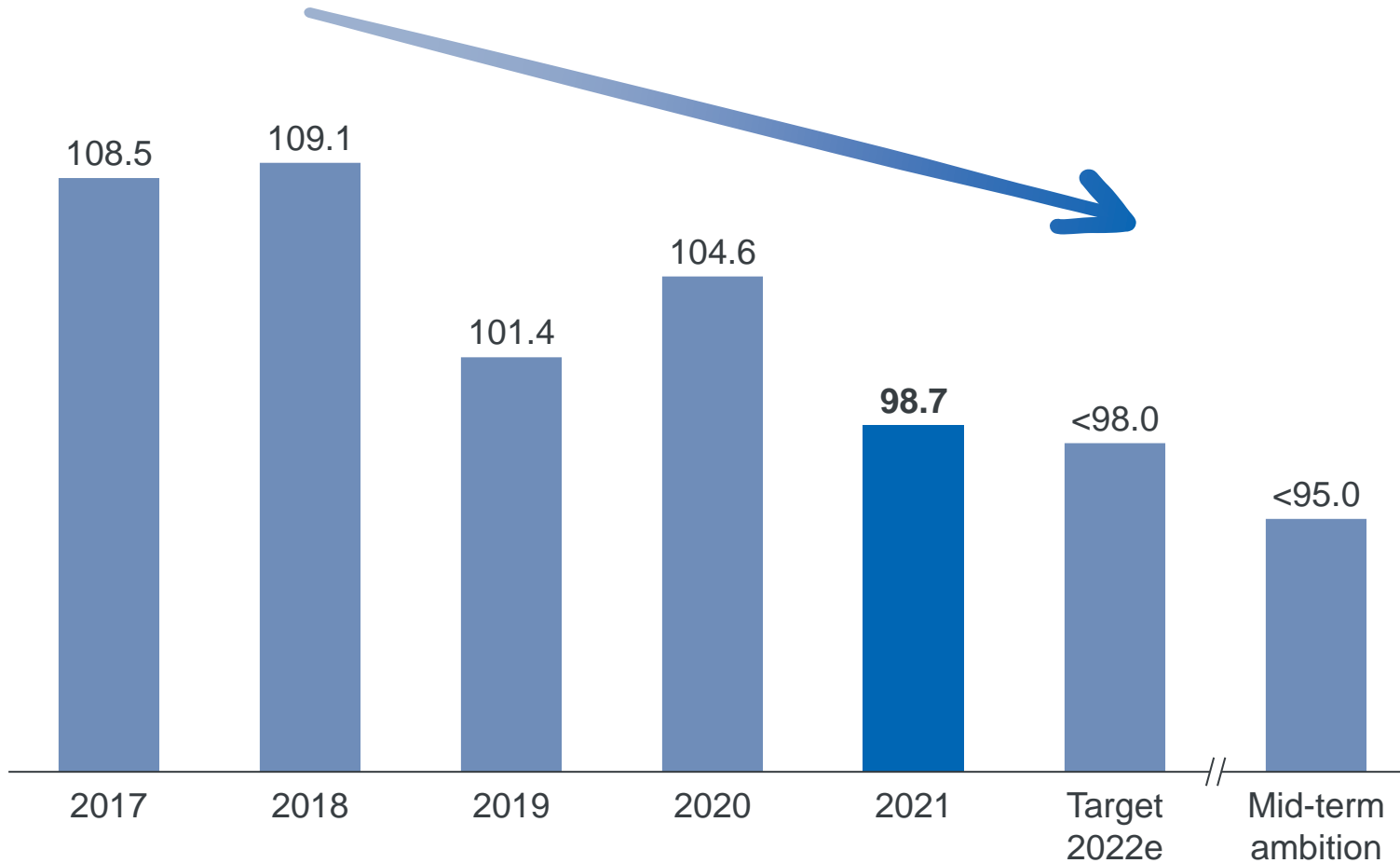
Rate changes Jan 2022 vs Jan 2021<sup>1</sup>, in %



<sup>1</sup> Based on renewed premium (prior to central reinsurance after cancellations and change of share) and considering effects of premium, fees and equivalents. <sup>2</sup> Including Liability and Cyber. <sup>3</sup> Including Fire and Engineering

### 3 Industrial Lines: On track to achieve 95% CoR

Combined ratio, in %

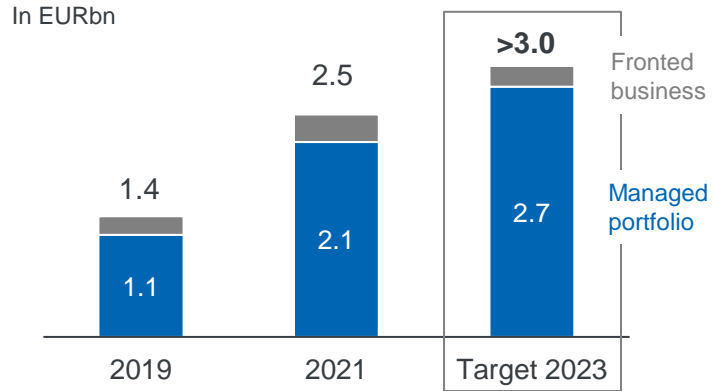


#### Comments

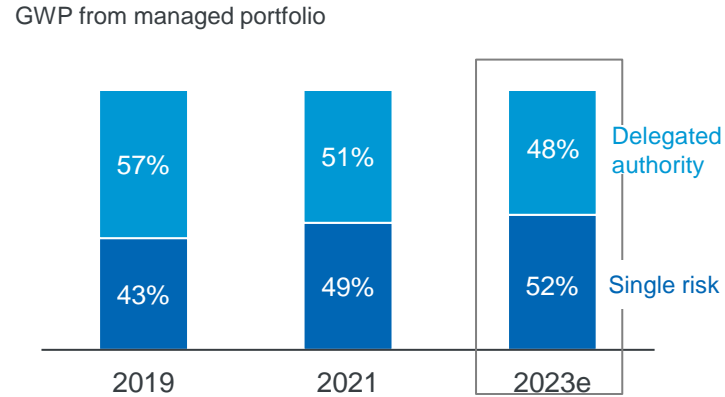
- Improvement driven by
  - Deliberate capacity management
  - Active rate management
  - Significant reduction in NatCat exposure
  - Strengthening of resiliency reserves

# 3 HDI Global Specialty grows profitably even faster than planned

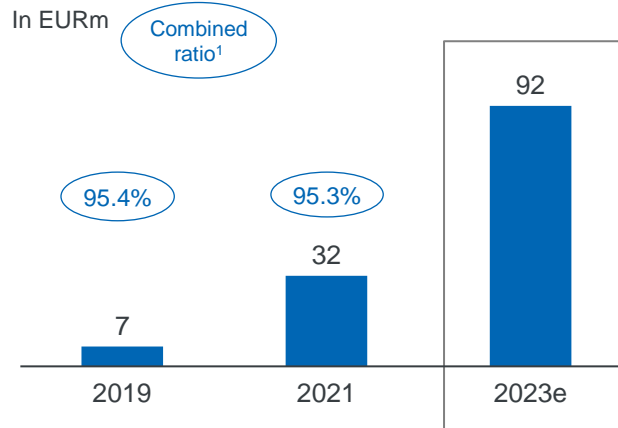
## Gross written premiums



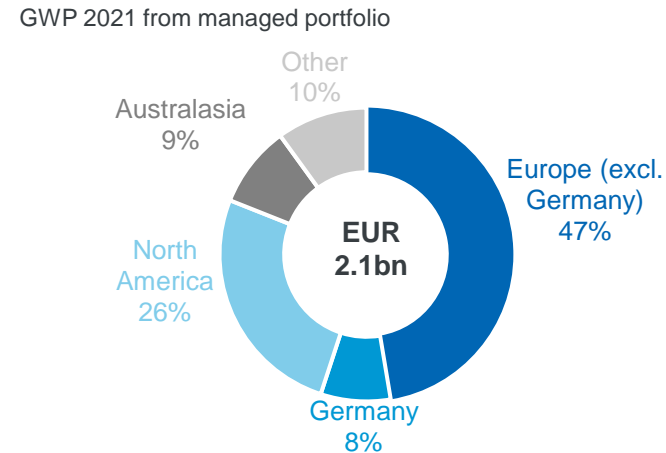
## Portfolio structure



## EBIT



## Regional split



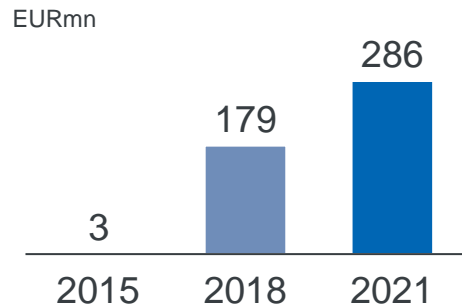
## Comments

- The 2022 target of EUR 2.1bn GWP was already exceeded in 2021, raising the bar for 2022 and 2023
- EUR 27m total Corona-related claims in 2020 and 2021 absorbed
- Increasing share of single risk mandates with higher margins also enhances portfolio diversification
- Good regional balance with slight increase of European portion versus 2019
- In 2025 we expect Specialty to contribute roughly one third of Industrial Lines' operating profit (EBIT)

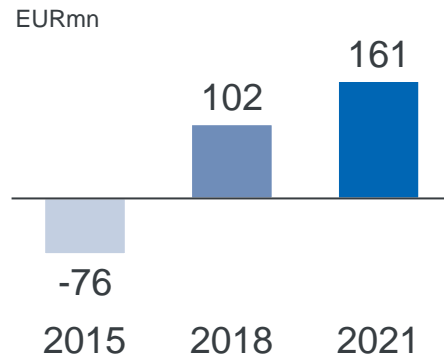
<sup>1</sup> Relates to managed portfolio before internal reinsurance and minorities; including cost reimbursement for fronted business

# Retail Germany is now solid profit contributor to the group

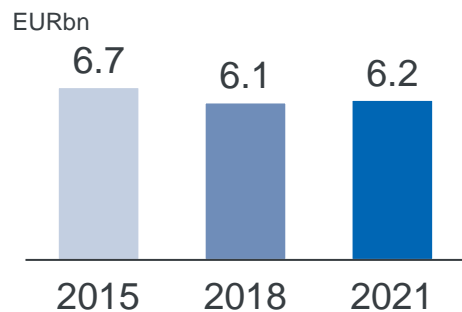
## EBIT



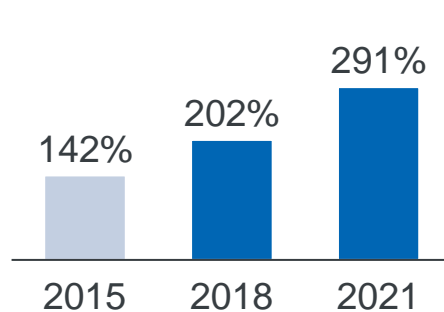
## Net income



## GWP



## S2 ratio Life<sup>1</sup>

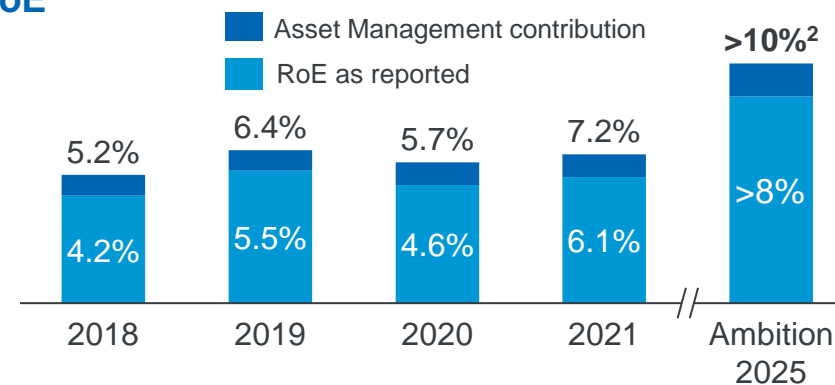


1 As-if-merged Solvency Capital Adequacy Ratio for the four German life entities, excluding transitional measure, as of period end. 2 RoE including Asset Management contribution



- Double-digit RoE
- Leading player for SME and bancassurance
- Focused life business and de-risking

## RoE



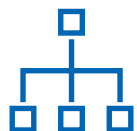
# Retail Germany Life

## 3 Focus new business and further de-risk

### 1 Improve inforce business



Finance / ALM optimisation



IT consolidation and simplification



Cost reduction

### 2 Focus new business on products with >10% RoE<sup>1</sup>



Unit-linked pensions



Occupational retirement pensions (bAV)

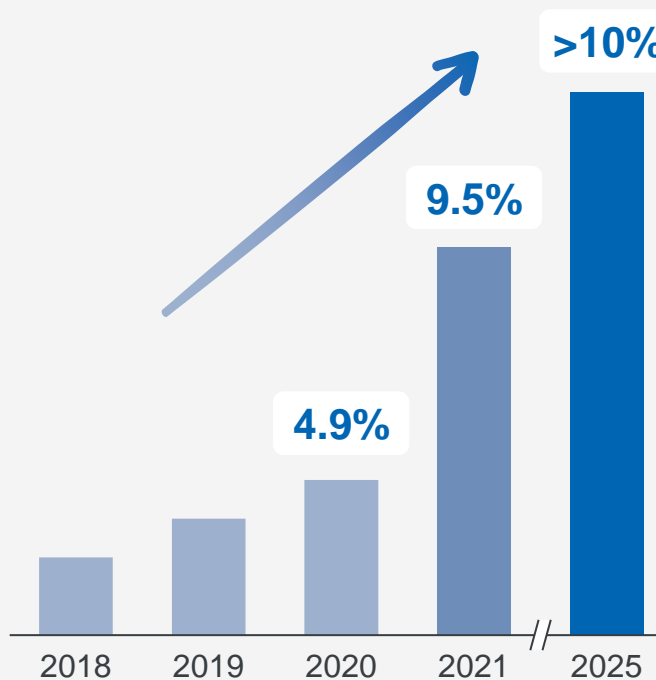


Biometrics

Product reduction

From 30 to <10

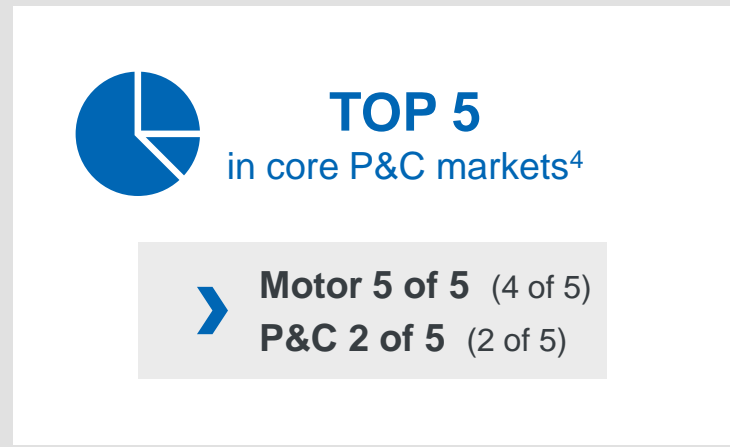
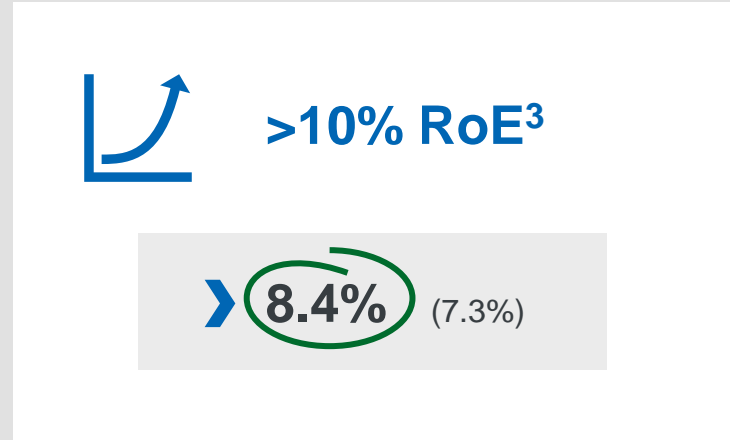
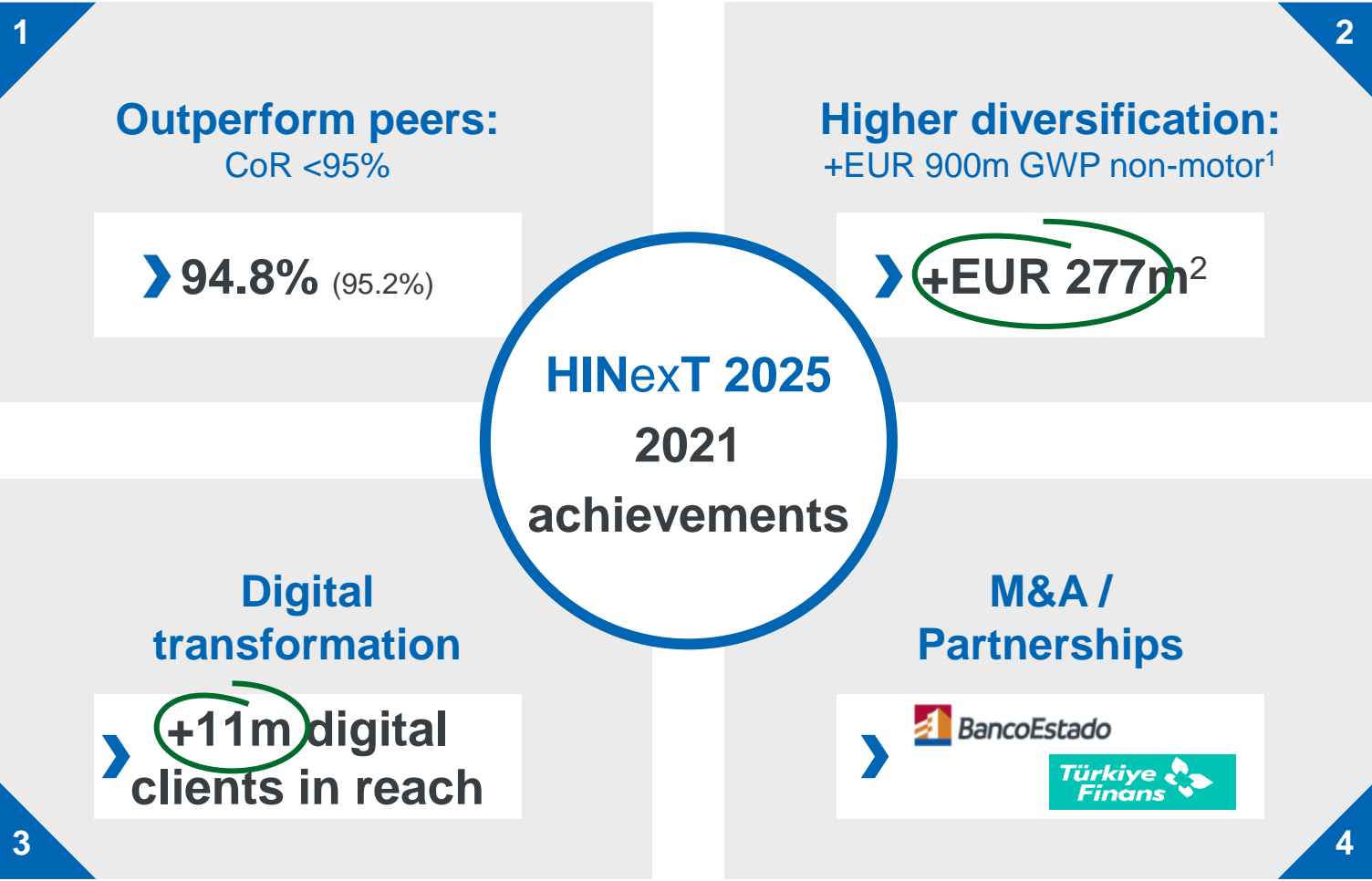
### 3 RoE Life (incl. AM contribution)



<sup>1</sup> Return on equity per annum

3

# Retail International: HINexT 2025 – Good progress in all building blocks in 2021



Numbers as of FY 2021 / 31 Dec 2021 (2020 numbers in brackets). 1 Versus 2020 starting point of EUR 1.1bn. 2 Thereof EUR 91m from Amissima acquisition in Italy, which was closed as of 1 April 2021. 3 Mid-term ambition without M&A. 4 Data as of 9M 2021

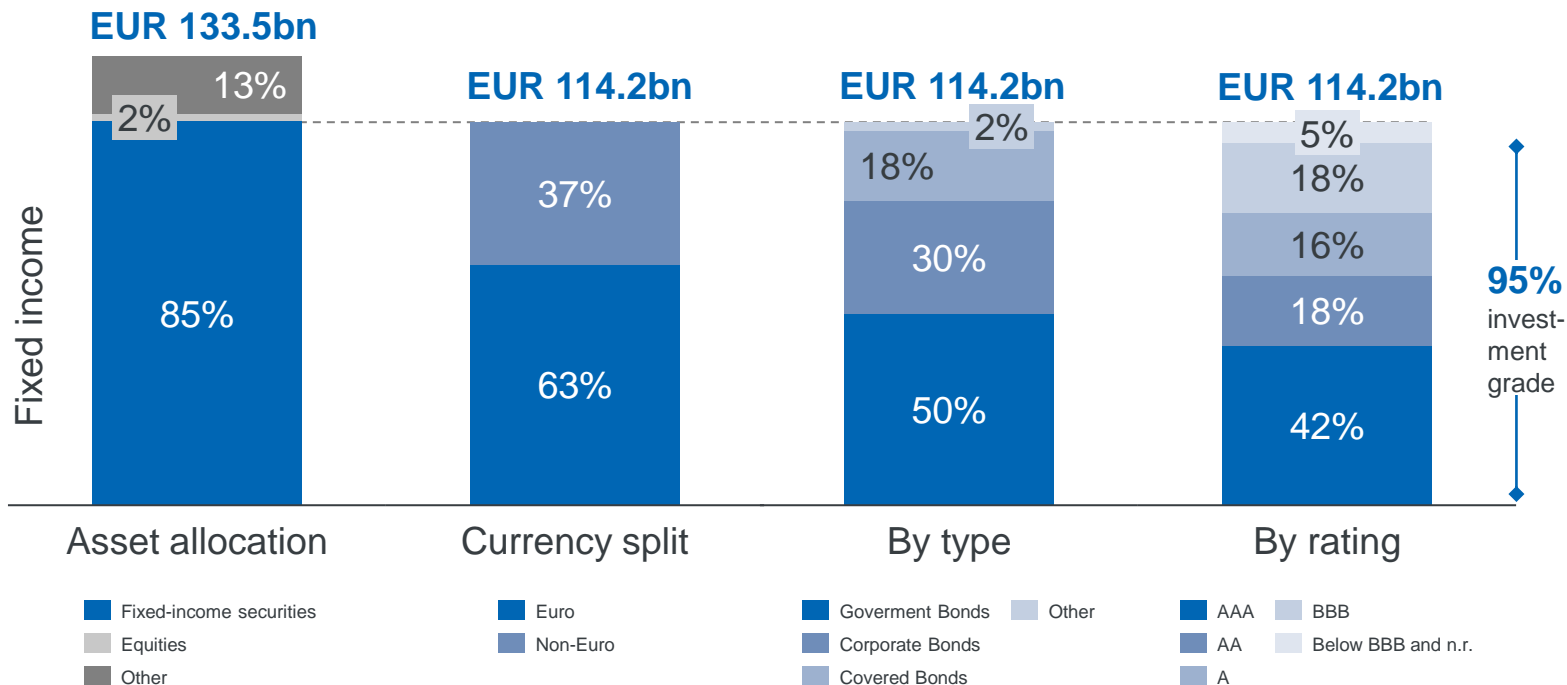


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# 4 Our low beta investment portfolio

Assets under own management, as of 31 March 2022



## Comments

- Investment portfolio remains dominated by fixed-income securities: 85% portfolio share slightly down vs. 31 Dec 2021 (87%)
- 20% of fixed-income portfolio is held in USD (31 Dec 2021: 20%)
- Portion of fixed-income portfolio invested in “A” or higher-rated bonds (76%) stable vs. 31 Dec 2021. 95% of bonds are investment grade

Note: “Below BBB and n.r.” includes non-rated bonds



# 4 EUR 7.2bn sustainable investments

## Sustainable investments

As of 31 Dec 2021, in EURbn

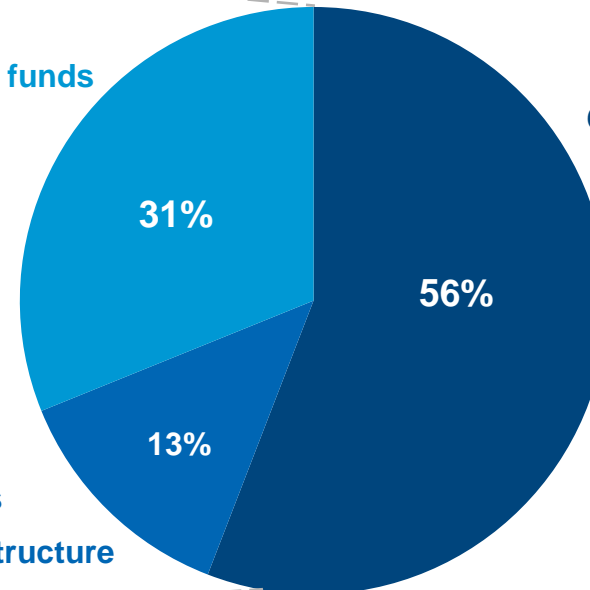
7.2



## Investment categories

In %

Renewable energy and alternative investments funds  
Sustainable real estate  
Sustainable bonds



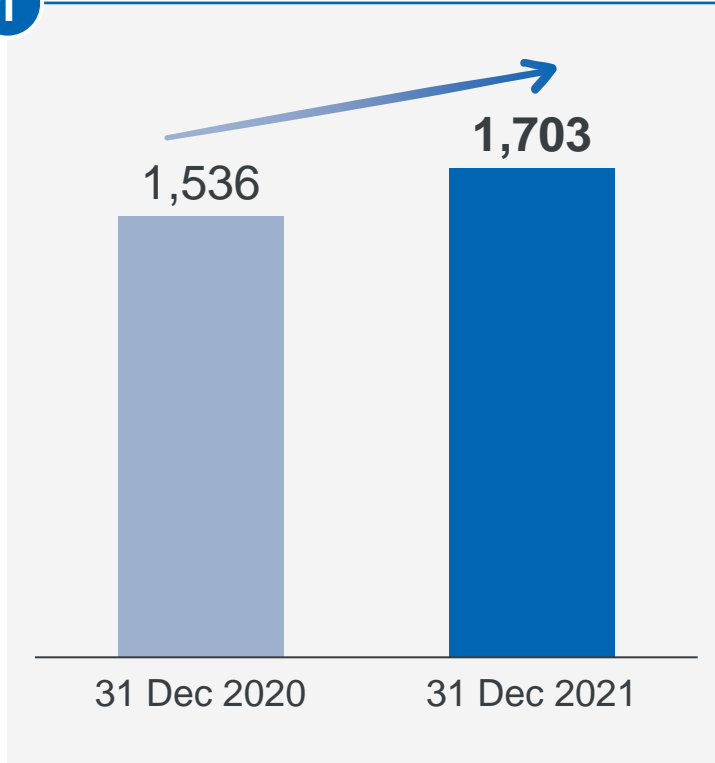
Renewable energy  
Clean transportation  
Natural resources  
Green bonds  
Electrical grid

Social bonds  
Social infrastructure

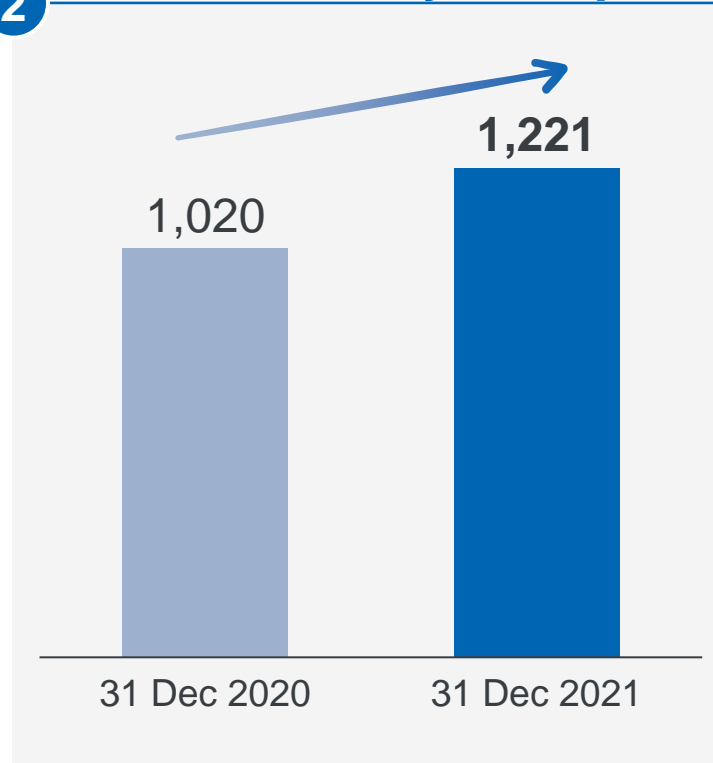
## 4 Strong resiliency level maintained

Net resiliency reserves<sup>1</sup> embedded in best estimate<sup>2</sup>, in EURm

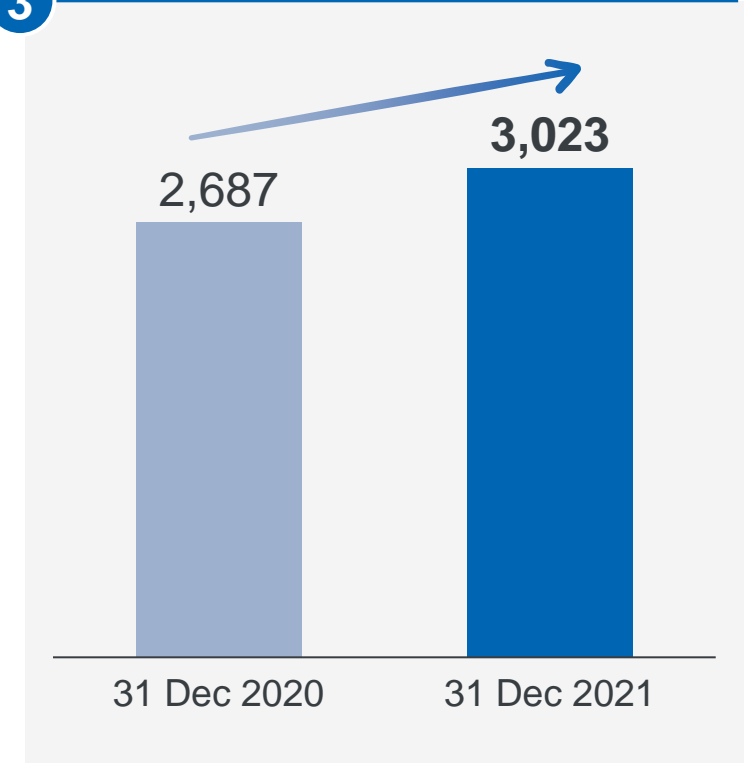
### 1 Reinsurance (Hannover Re)



### 2 Talanx Primary Group<sup>3</sup>



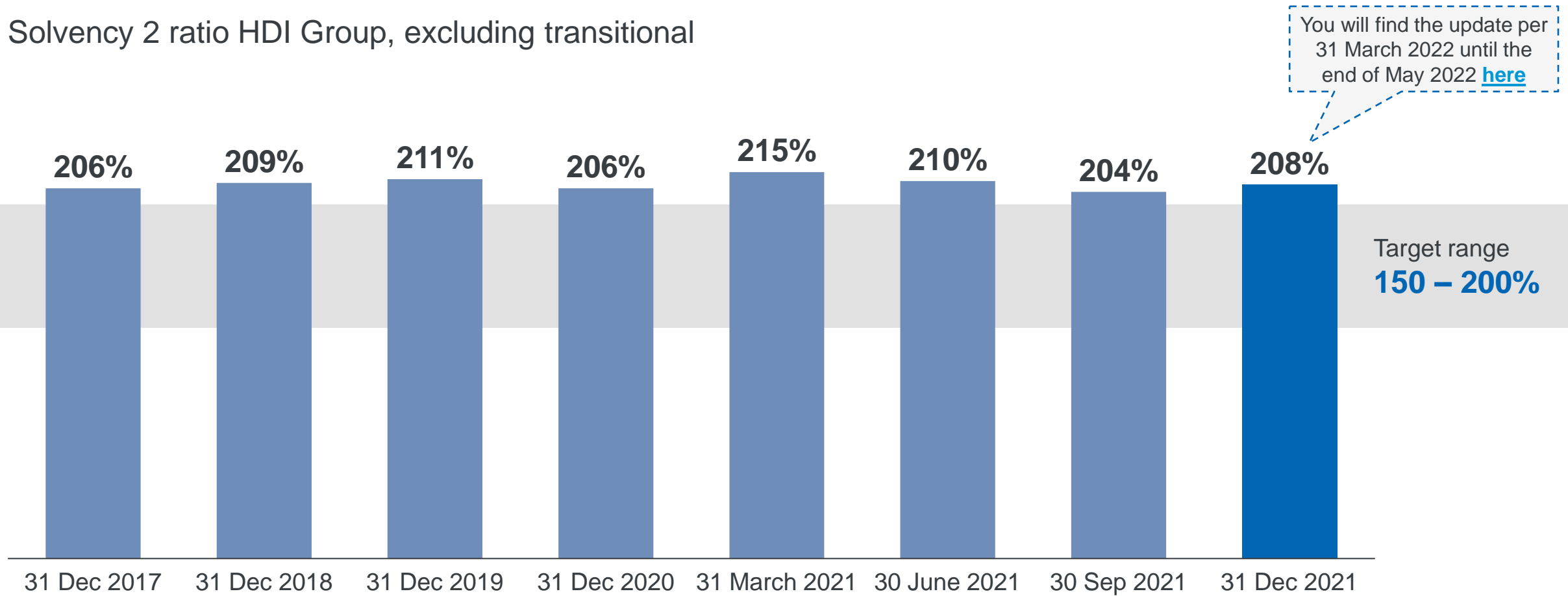
### 3 Talanx net<sup>4</sup>



1 Resiliency reserves are defined as the difference between booked reserves (based on Talanx' own best estimates) and WTW analysis. 2 Before taxes and minorities; source: WTW calculation based on data provided by Talanx. 3 Talanx Primary Group, excluding Talanx AG. 4 Sum of Hannover Re, Talanx Primary Group, Talanx AG (not consolidated)

### 3 Strong capital position

Solvency 2 ratio HDI Group, excluding transitional

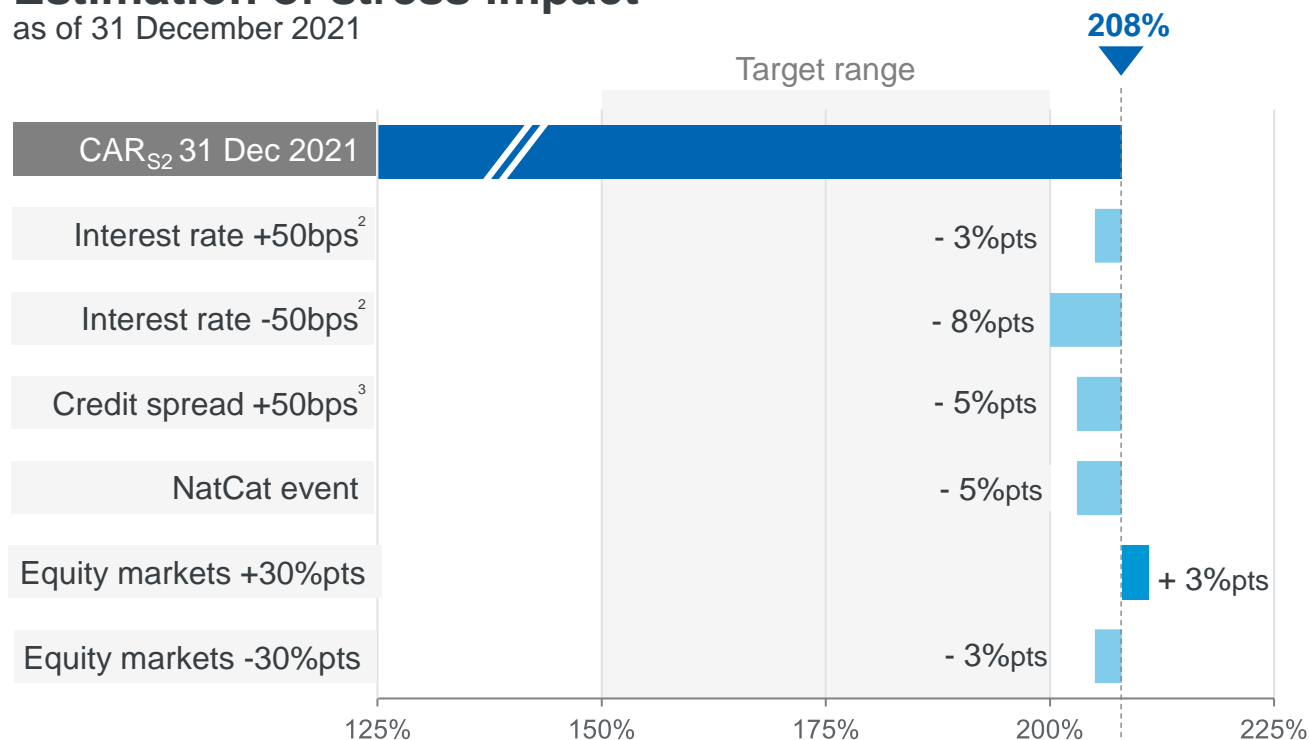


Note: Solvency 2 ratio including transitional measure as of 31 December 2021: 248%

## 4 Sensitivities of Solvency 2 ratio

### Estimation of stress impact<sup>1</sup>

as of 31 December 2021



<sup>1</sup> Estimated solvency ratio changes in case of stress scenarios (stress applied on both Eligible Own Funds and capital requirement, approximation for loss absorbing capacity of deferred taxes). <sup>2</sup> Interest rate stresses based on non-parallel shifts of the interest rate curve based on EIOPA approach. <sup>3</sup> The credit spreads are calculated as spreads over the swap curve (credit spread stresses include simultaneous stress on government bonds)

#### Interest rate sensitivities:

At group level, the +50bps scenario also has a negative sensitivity, ie impact on Basic Own Funds (BOF) per 31 Dec 2021, for two main reasons:

1. Hannover Re typically does not benefit from increasing interest rates, as the impact of interest rate changes on assets is stronger than on liabilities. This effect is more pronounced relative to 31 Dec 2020
2. German life business: As interest rates are higher, stresses are relatively less severe. This higher risk bearing capacity results in smaller interest rate sensitivities

#### Credit spread sensitivity:

- Main driver in the credit spread widening scenario is the reduction of BOF at Hannover Re
- The effect on BOF at the German life entities is weaker than per 31 Dec 2020 due to higher risk-bearing capacity and portfolio reallocations. This results in a somewhat reduced relative impact of higher spreads at group level (-8%pts per 31 Dec 2020)



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# 5 Talanx Primary Insurance and Reinsurance

## Contributions to net income

Net income attributable to Talanx AG shareholders, in EURm

	1	2	3	4	5	6	7	8
	Industrial Lines	Retail Germany	Retail International	Σ Primary Insurance	Reinsurance	Corporate Operations	Consolidation	Talanx Group
2015	127	-76	148	199 25%	606 75%	-51	-20	734
2016	241	68	124	433 42%	595 58%	-135	+10	903
2017	91	102	138	331 41%	479 59%	-141	2	671
2018	-16	102	161	247 31%	540 69%	-80	-4	703
2019	103	133	164	400 39%	619 61%	-97	+1	923
2020	47	119	160	326 42%	442 58%	-117	-3	648
2021	143	161	189	493 45%	609 55%	-105	+14	1,011
Q1 2022	31	42	46	119 47%	133 53%	-6	+11	256

Note: Primary Insurance is the sum of Industrial Lines, Retail Germany and Retail International. Percentages are calculated in percent of Group net income adjusted for Corporate Operations and Consolidation (e.g. adding back EUR +6m to, and subtracting EUR 11m from, EUR 256m in Q1 2022)

# 2021 large loss detail

## 5 Budget exceeded due to significant NatCat events

<b>Net losses</b> in EURm, FY 2021 (FY 2020)	<b>Industrial Lines</b>	<b>Retail Germany</b>	<b>Retail International</b>	<b>∑ Primary Insurance</b>	<b>Reinsurance</b>	<b>Corporate Operations</b>	<b>Talanx Group</b>
<b>Sum NatCat</b>	<b>236.6</b> (147.8)	<b>18.0</b> (9.0)	<b>24.7</b> (17.0)	<b>279.3</b> (173.9)	<b>963.6</b> (484.2)	<b>18.3</b> (0.0)	<b>1,261.1</b> (658.0)
Fire/Property	161.8			161.8	219.0	5.9	<b>386.7</b>
Marine	2.6			2.6	30.2		32.7
Casualty	22.1			22.1			22.1
Credit				0.0	21.5		21.5
Aviation	1.3			1.3	15.9		17.2
Cyber	3.0			3.0		0.7	3.7
<b>Sum other large losses</b>	<b>190.9</b> (80.3)	<b>0.0</b> (33.7)	<b>0.0</b> (5.3)	<b>190.9</b> (119.3)	<b>286.6</b> (160.6)	<b>6.5</b> (12.1)	<b>484.0</b> (292.0)
<b>Corona losses</b>	<b>0.0</b> (173.6)	<b>0.0</b> (24.5)	<b>0.0</b> (40.1)	<b>0.0</b> (238.2)	<b>0.0</b> (950.1)	<b>0.0</b> (10.0)	<b>0.0</b> (1,198.3)
<b>Total large losses</b>	<b>427.4</b> (401.8)	<b>18.0</b> (67.2)	<b>24.7</b> (62.4)	<b>470.1</b> (531.4)	<b>1,250.2</b> (1,594.9)	<b>24.8</b> (22.1)	<b>1,745.1</b> (2,148.3)
Full year large loss budget	331.3	27.8	10.9	370.0	1,100.0	40.0	<b>1,510.0</b>

Note: Definition "large loss": in excess of EUR 10m gross in either Primary Insurance or Reinsurance. Corona losses in P/C business only shown here. Additional Corona losses of EUR 603m in life and health businesses, EUR 582m thereof in L/H Reinsurance

# Q1 2022 large loss detail

## 5 Budget exceeded due to significant NatCat events

<b>Net losses</b> in EURm, Q1 2022 (Q1 2021)	<b>Industrial Lines</b>	<b>Retail Germany</b>	<b>Retail International</b>	<b>∑ Primary Insurance</b>	<b>Reinsurance</b>	<b>Corporate Operations</b>	<b>Talanx Group</b>
Flood Sydney, Australia (February/March)	49.5			49.5	185.6		235.1
Storms Central Europe (February)	10.1	21.2	8.6	39.9	124.2		164.2
Earthquake, Japan (March)	7.2			7.2		0.3	7.5
<b>Sum NatCat</b>	<b>66.9 (51.5)</b>	<b>21.2 (0.0)</b>	<b>8.6 (0.0)</b>	<b>96.7 (51.5)</b>	<b>309.8 (105.0)</b>	<b>0.3 (0.0)</b>	<b>406.8 (156.5)</b>
Fire/Property	11.8			11.8	12.1		23.9
Marine	10.0			10.0	13.9	0.6	24.6
Casualty							
Credit							
Aviation	2.9			2.9			2.9
Cyber							
<b>Sum other large losses</b>	<b>24.7 (41.1)</b>	<b>0.0 (0.0)</b>	<b>0.0 (0.0)</b>	<b>24.7 (41.1)</b>	<b>26.0 (88.2)</b>	<b>0.6 (0.8)</b>	<b>51.3 (130.1)</b>
<b>Total large losses</b>	<b>91.5 (92.5)</b>	<b>21.2 (0.0)</b>	<b>8.6 (0.0)</b>	<b>121.3 (92.5)</b>	<b>335.8 (193.2)</b>	<b>0.9 (0.8)</b>	<b>458.1 (286.6)</b>
Pro-rata large loss budget	82.5	7.5	2.5	92.5	284.3	10.0	386.8

Note: Definition "large loss": in excess of EUR 10m gross in either Primary Insurance or Reinsurance.



## 5 Details on selected fixed-income country exposure

Investments into issuers from countries with a rating below A- (in EURm), as of 31 March 2022

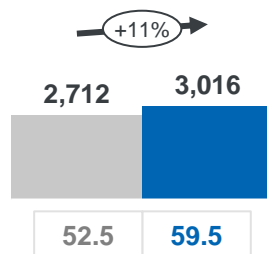
Country	Rating	Sovereign	Semi-Sovereign	Financial	Corporate	Covered	Other	Total
Italy	BBB	3,909	-	721	535	249	5	5,420
Mexico	BBB	374	-	163	333	-	-	870
Brazil	BB-	283	-	101	206	-	18	609
Hungary	BBB	528	-	12	18	5	-	562
South Africa	BB-	138	-	5	133	-	3	279
Portugal	BBB	108	-	10	28	11	-	157
Turkey	B+	59	-	14	12	-	-	85
Russia		57	-	5	14	-	-	76
Other BBB+		70	-	14	39	-	-	123
Other BBB		229	90	110	215	-	-	644
Below BBB or non-rated		331	71	123	223	-	-	748
<b>Total</b>		<b>6,087</b>	<b>161</b>	<b>1,279</b>	<b>1,757</b>	<b>265</b>	<b>26</b>	<b>9,574</b>
<b>In % of total investments under own management<sup>1</sup></b>		4.6%	0.1%	1.0%	1.3%	0.2%	~0.0%	7.2%
<b>In % of total Group assets<sup>2</sup></b>		3.0%	0.1%	0.6%	0.9%	0.1%	~0.0%	4.8%

Note: Percentages may not add up due to rounding. 1 EUR 133,498m. 2 EUR 200,434m.

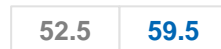
# Industrial Lines in Q1 2022

## 5 Keeping growth momentum while sustaining technical improvement

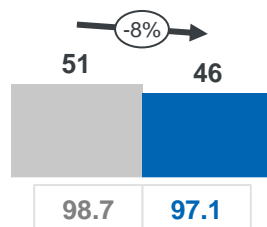
### Gross written premiums (GWP)



### Retention ratio in %



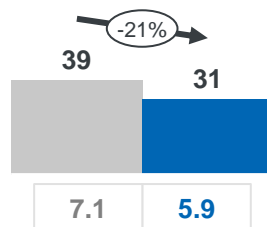
### Operating result (EBIT)



### Combined ratio in %



### Net income



### RoE in %



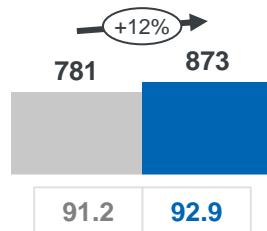
EURm, IFRS ■ Q1 21 ■ Q1 22

- Continued strong GWP growth momentum (currency-adjusted +8.6%), both in Specialty and in commercial lines
- Net premiums earned up 21.5%, stronger growth than GWP mainly due to significantly increased retention in Specialty, as a result of lower Hannover Re reinsurance share after realignment of HDI Global Specialty SE shareholder structure effective 1 January 2022
- Large losses EUR 9m above pro-rata budget of 83m, mainly affected by EUR 50m loss from Australia floods (EUR 10m budget overshooting in Q1 2021)
- Solid combined ratio of 97.1%, well on track to FY2022 target of below 98%
- Return on investment of 2.0% significantly below Q1 2021 (3.1%), which had also benefited from higher-than-normal private equity gains
- Net income development affected by tax ratio of 30% after 17% in Q1 2021, which had benefited from significant gains in low tax rate entity
- Resiliency reserve build-up has continued in Q1 2022

# Retail Germany P/C in Q1 2022

## 5 Normalised motor frequencies and significant NatCat loss

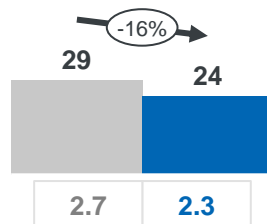
### Gross written premiums (GWP)



- GWP increase due to growth in business with SMEs and in property
- 15% increase in target business with SMEs to EUR 354m (most renewals and payments in Q1)
- Strong growth in Motor during autumn 2021 renewal season starting to monetise

### Retention ratio in %

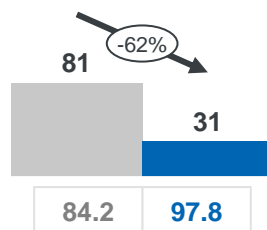
### Net investment income



- 2.3% net return on investment lower than previous year (2.7%), mainly due to reduced realised gains

### Return on investment in %

### Operating result (EBIT)



- Q1 2022 technical result (EUR 8m vs. EUR 55m in Q1 2021) reflects post-Corona normalisation of frequency losses in Motor, higher NatCat (EUR 21.2m) and medium-sized losses
- Combined ratio at 94.2% if adjusted for excess of large loss budget resulting from February storms (Q1 2021 was 89.7% if adjusted for Corona benefits)
- Distribution cost ratio increased by 2.2%pts. due to shift to SME business (broker distribution)

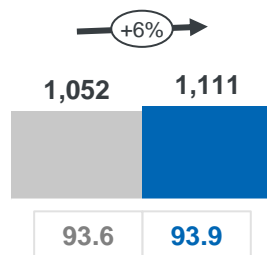
### Combined ratio in %

EURm, IFRS ■ Q1 21 ■ Q1 22

# Retail Germany Life in Q1 2022

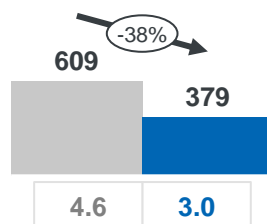
## 5 Strong new business, unit-linked products benefit from macro environment

### Gross written premiums (GWP)



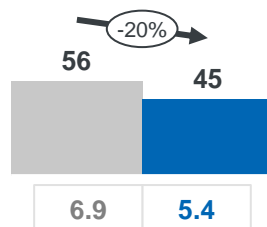
### Retention ratio in %

### Net investment income



### Return on investment in %

### Operating result (EBIT)



### EBIT margin in %

EURm, IFRS ■ Q1 21 ■ Q1 22

1 Largest biometric product is payment protection insurance (PPI)

- New business increased 24% to EUR 108m (APE), 28% of which in biometric products<sup>1</sup> (29% in Q1 2021 as well); EUR 8m new business in fund-linked product CleverInvest
- Market share up by 0.5%pts. vs. Q1 2021 to 4.0%
- Given strategic initiative to realign product portfolio (“Bottom-line first”), we expect low single-digit percentage decline of GWP 2022 versus 2021

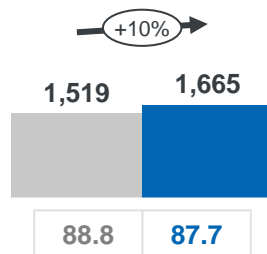
- Net investment income and RoI down significantly due to reduced net realised gains (EUR -152m to EUR 125m)
- ZZR allocation under German accounting of EUR 10m (Q1 2021: EUR 105m). Total stock of ZZR as of 31 March 2022 largely unchanged at EUR 5.0bn
- Significant interest rate increase has reduced unrealised gains in Q1 by nearly two thirds versus Dec 2021; potentially outstanding ZZR funding requirements locked in via dedicated investment vehicles

- EBIT down EUR 11m due lower net investment income
- As-if-merged Solvency 2 Capital Adequacy Ratio for the four German life entities as of 31 December 2021 (without transitional measure) at 291%

# Retail International in Q1 2022

## 5 Profitable growth despite sale of Russian entity, higher frequency and inflation

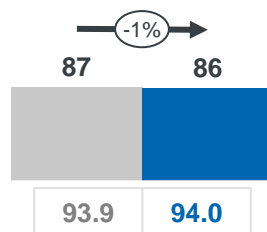
### Gross written premiums (GWP)



### Retention ratio in %



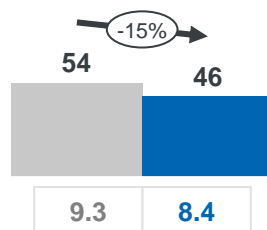
### Operating result (EBIT)



### Combined ratio P/C in %



### Net income



### RoE in %



EURm, IFRS ■ Q1 21 ■ Q1 22

- Curr.-adj. GWP increase of 13.6% in Q1 2022
- GWP in P/C up 27.8% (curr.-adj. +33.9%), especially in Turkey, Poland and LatAm. EUR 60m contribution from acquisition in Italy (not in Q1 2021). Life business down 22.2% (curr.-adj. -21.8%), driven by intended lower single premium business in Italy; EUR 20m GWP decrease resulting from de-consolidation of Russian life entity
- Europe up 3.1% to EUR 1,220m (+9.8% curr.-adj.). LatAm grew 32.3% to EUR 446 (+27.0% curr.-adj.). Strong growth in Chile, especially coming from the new partnership with BancoEstado, growth in Mexico and Brazil

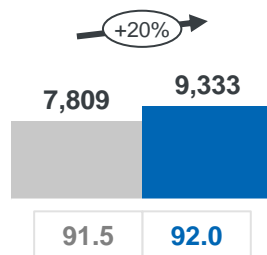
- Increasing claims inflation as well as return to historical claims frequency, especially in LatAm and Turkey, partially offset by price increases in Motor
- Combined ratio (CoR) benefited from positive run-off results; CoR in Brazil and Turkey significantly higher than in 2021 especially due to strongly increased claims inflation
- EBIT driven by European business; EUR -9m in LatAm, resulting from negative technical result in Brazil

- Return on investment of 3.1% versus 2.9% in Q1 2021 due to increased interest rates, especially in Turkey and Poland
- New distribution agreement with BancoEstado in Chile started successfully in January 2022 with GWP Q1 contribution of EUR 45m
- EUR -23m post-tax de-consolidation effect (other expenses) due to sale of Russian life entity, closed in February

# Reinsurance in Q1 2022

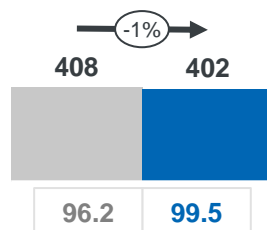
## 5 Continued strong growth, net income guidance confirmed

### Gross written premiums (GWP)



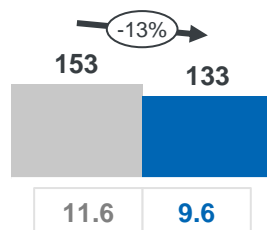
### Retention ratio in %

### Operating result (EBIT)



### Combined ratio P/C in %

### Net income



### RoE in %

EURm, IFRS ■ Q1 21 ■ Q1 22

Note: Q1 2021 adjusted according to IAS 8

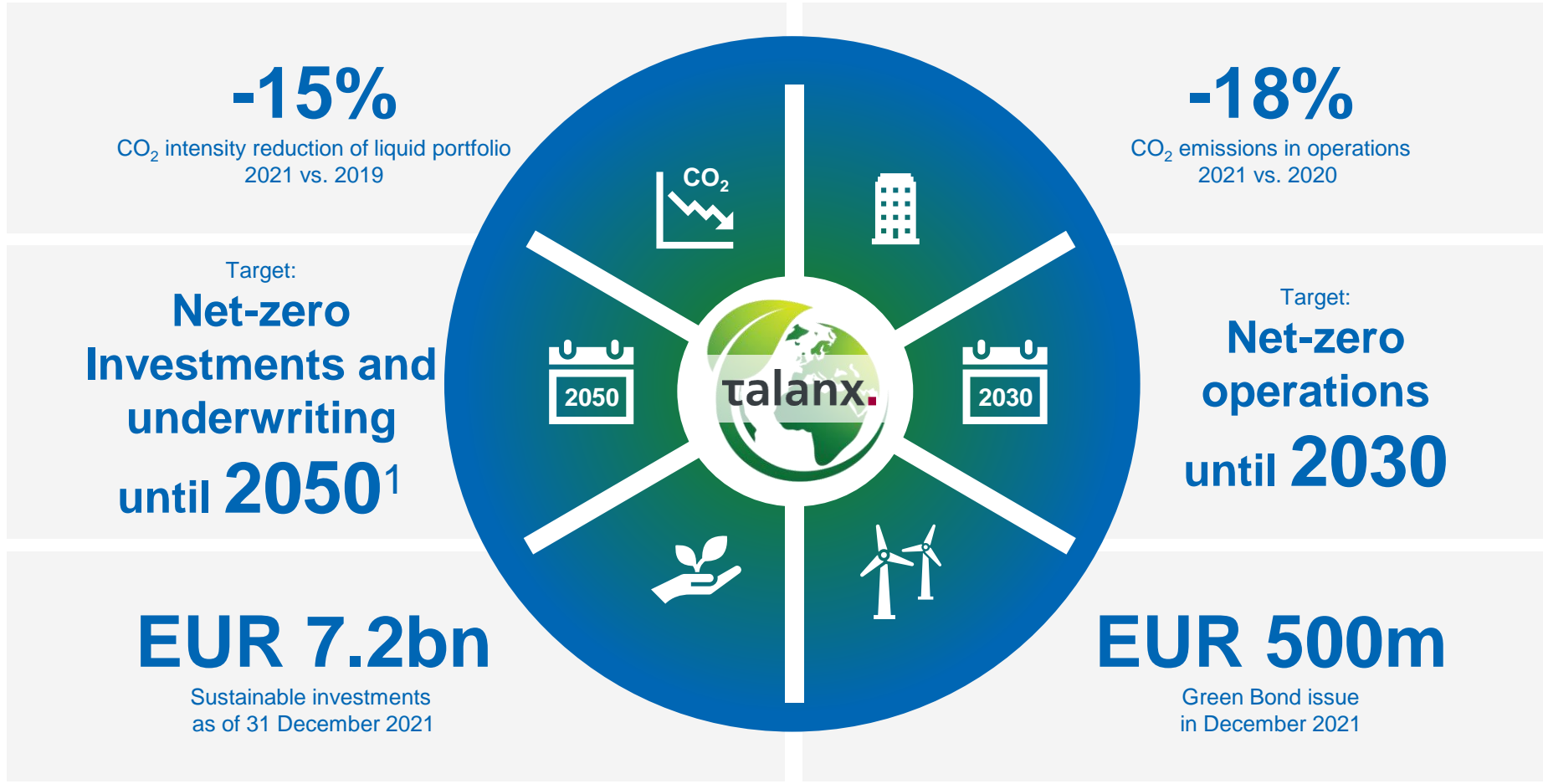
- Strong GWP growth (currency-adj. +13.9%) driven by 25.6% increase in P/C (currency-adj. +19.5%)
- GWP in L/H up 3.2% (currency-adj. -1.2%), growth in Mortality and Longevity offset by reduced premium volume in Morbidity
- Net premiums earned up 17.9%, 12.4% on a currency-adjusted basis

- EBIT impacted by Corona-related mortality claims of EUR 123m, partly offset by EUR 46m positive valuation effect from extreme mortality cover
- Combined ratio of 99.5% affected by large losses exceeding pro-rata budget by EUR 52m (1.1% of net premiums earned) and bulk reserves related to Ukraine situation (~3% of NPE)

- Net investment income from assets under own management (AouM) up 38%, driven by very strong ordinary investment income (+31%) supported by increased contribution from inflation-linked bonds and real estate as well as rising investment yields; return on investment 3.1% with AuoM at EUR 55.6bn, stable versus 31 Dec 2021
- 242% S2 CAR as of 31 March 2022 well above target and hence supporting growth ambitions
- FY 2022 net income guidance confirmed in the range between EUR 1.4 and 1.5bn

# 5 Highlights of Sustainability Report 2021

Click here to discover our Sustainability Report



<sup>1</sup> Underwriting: Full withdrawal from thermal coal infrastructure and oilsands until 2038

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9M 2022 results

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