

talanx.

Insurance. Investments.

Talanx: Sustainable profitability

14 June 2023

Paris

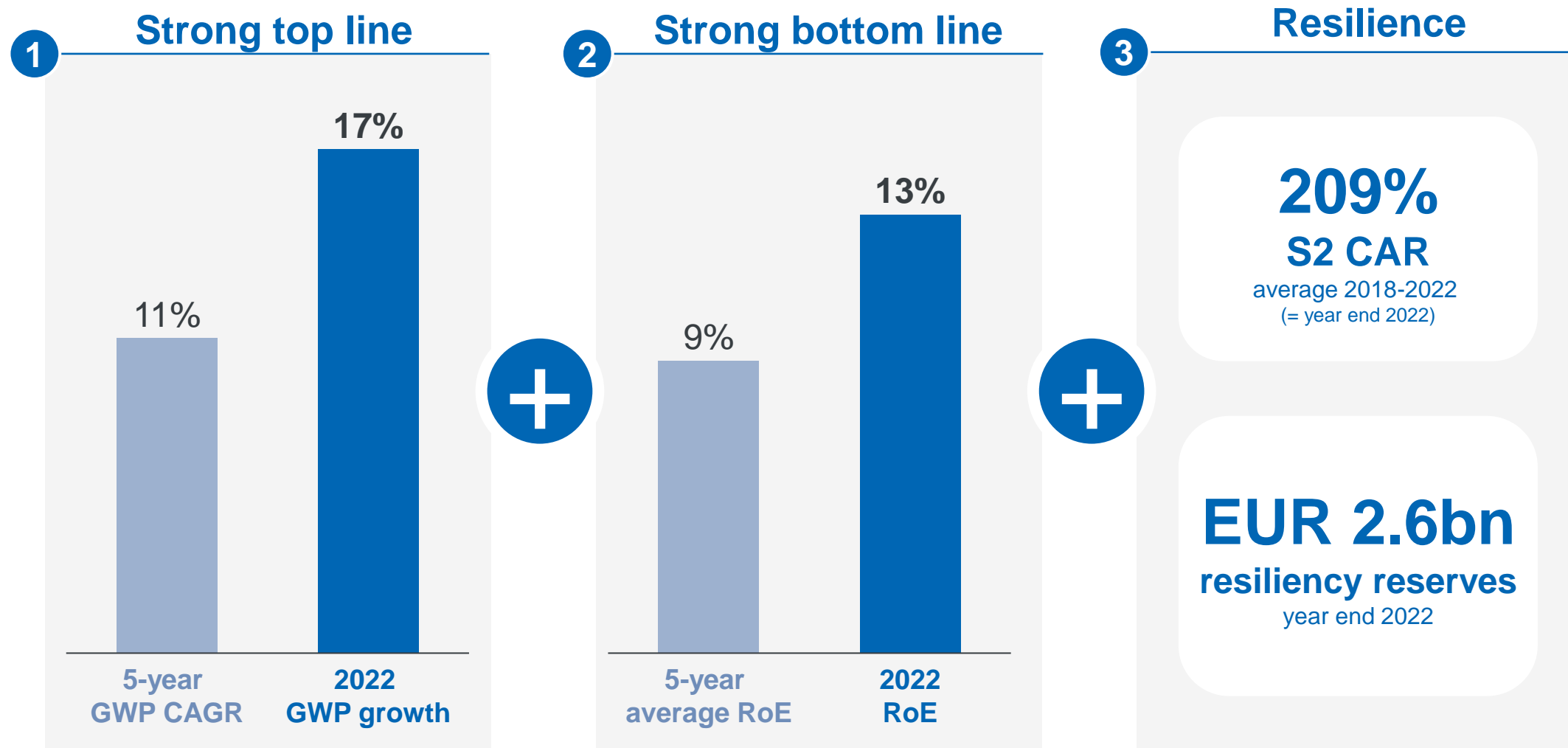
Jan Wicke, CFO

Goldman Sachs

European Financials Conference



Summary: Profitable growth has generated a resilient franchise

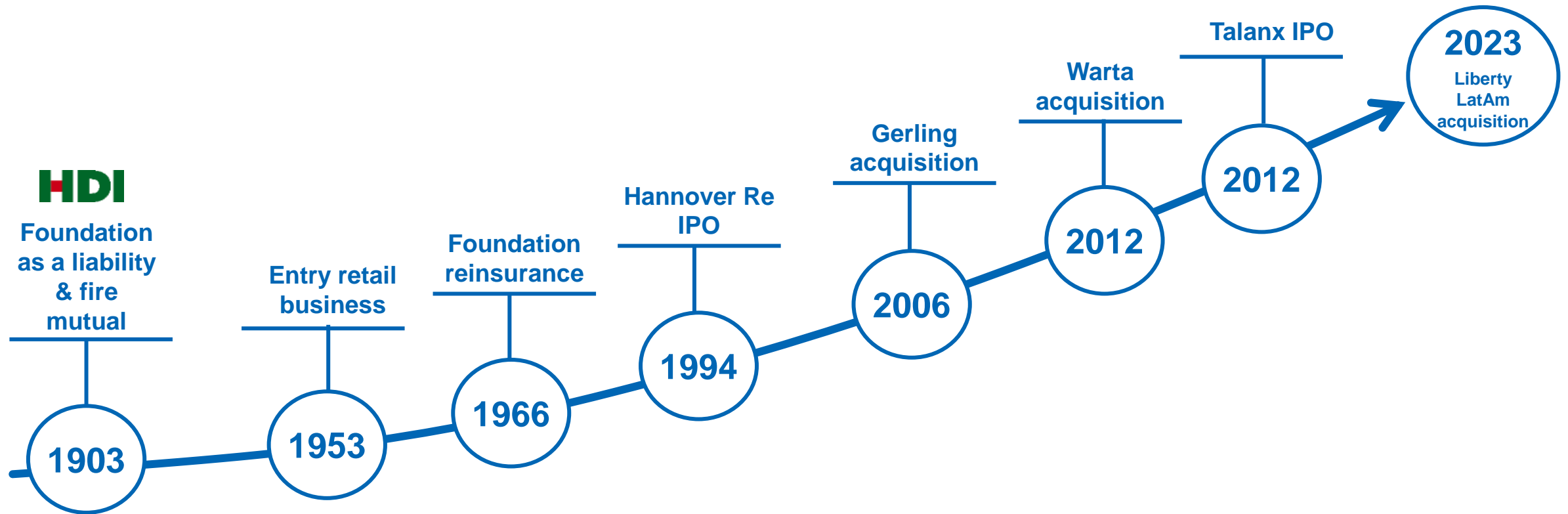




Agenda

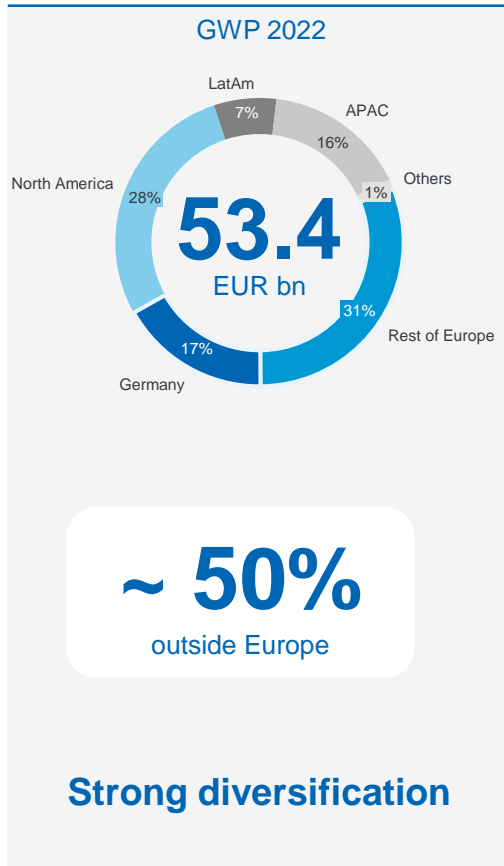
- 1 Talanx at a glance**
- 2 Group strategy and outlook 2025
- 3 Segment strategy / recent LatAm acquisition
- 4 Highlights from Q1 results / Outlook 2023
- 5 Appendix

1 Talanx has a history of more than 100 years

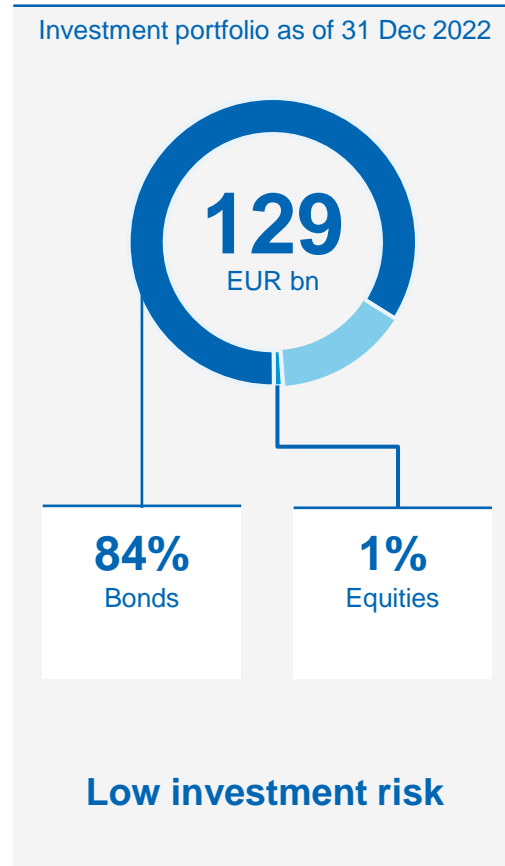


Talanx operates a well-balanced business with a low risk profile

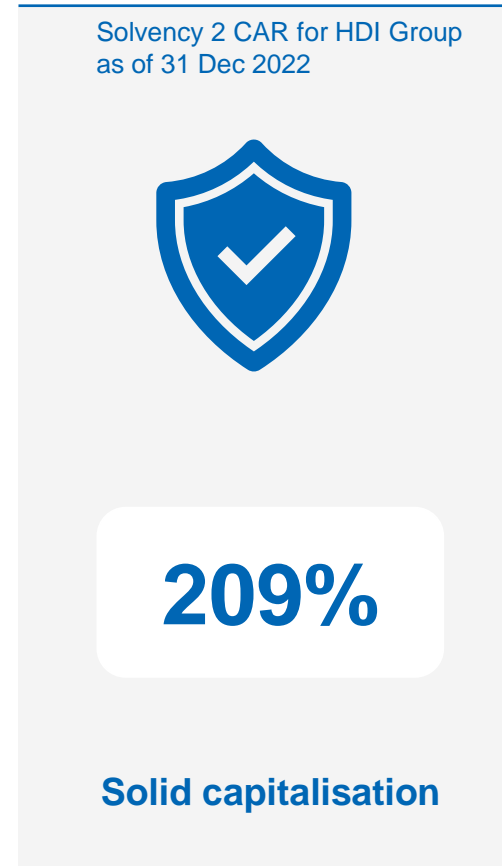
Underwriting



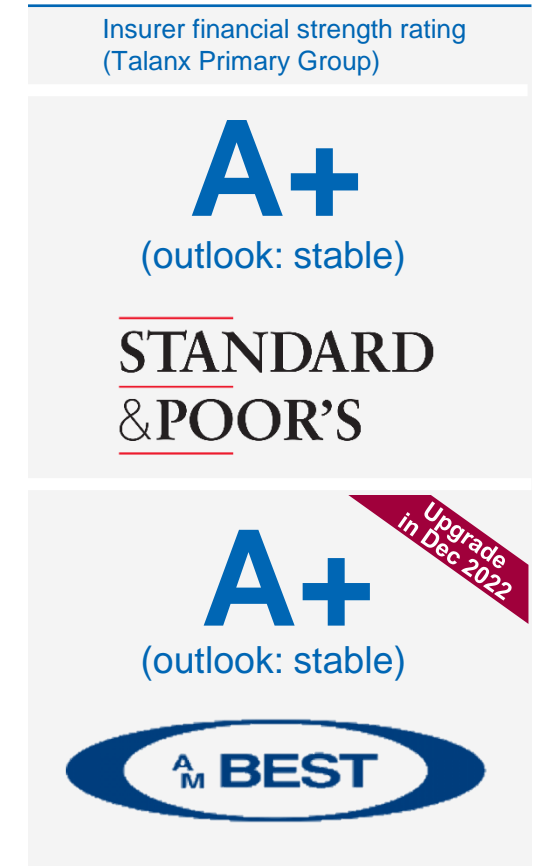
Investments



Solvency



Ratings



Note: Underwriting and investment numbers according to IFRS 4

Talanx is an integrated primary and reinsurance player

Key facts

2022 / 31 Dec 2022, IFRS 4, in EURbn

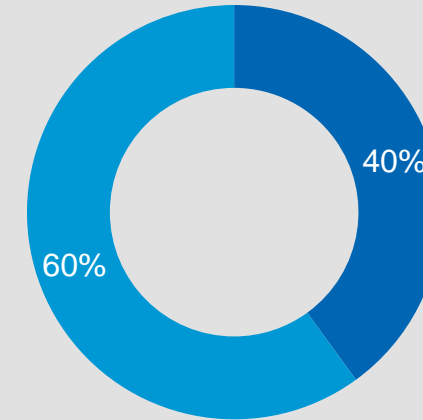
GWP	53.4
Net income	1.17
AuM	128.6
Shareholders equity	7.5
Market cap	11.2

Note: Financial results according to IFRS 4

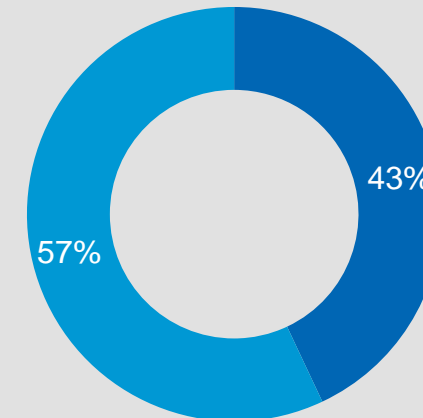
1 Primary Insurance is the sum of Industrial Lines, Retail Germany and Retail International. Percentages are calculated excluding Corporate Operations and Consolidation

Business mix¹

GWP 2022 in % of total



Net income 2022 in % of total



■ Primary
■ Reinsurance

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.)

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)

Retail International



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

Reinsurance



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



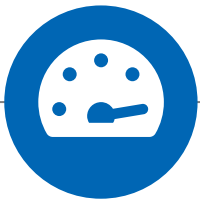
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2 Our three financial promises 2023 – 2025

1 Return on equity

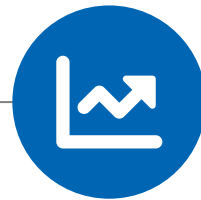
> 10%



High level of profitability

2 Net income growth

> 25%¹



Strong earnings growth

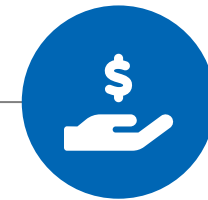
3 Dividend payout

+25%

(increase in 2022 to EUR 2.00)²

+25%

(additional increase by 2025)



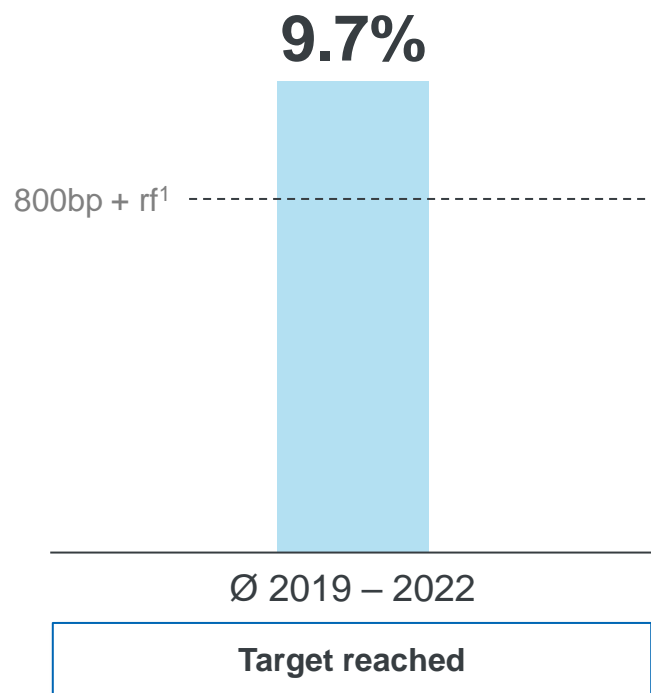
Attractive dividend

Note: Targets are relevant as of FY2023. Targets are subject to large losses staying within their respective annual large-loss budgets as well as no occurrence of major turmoil on currency and/or capital market

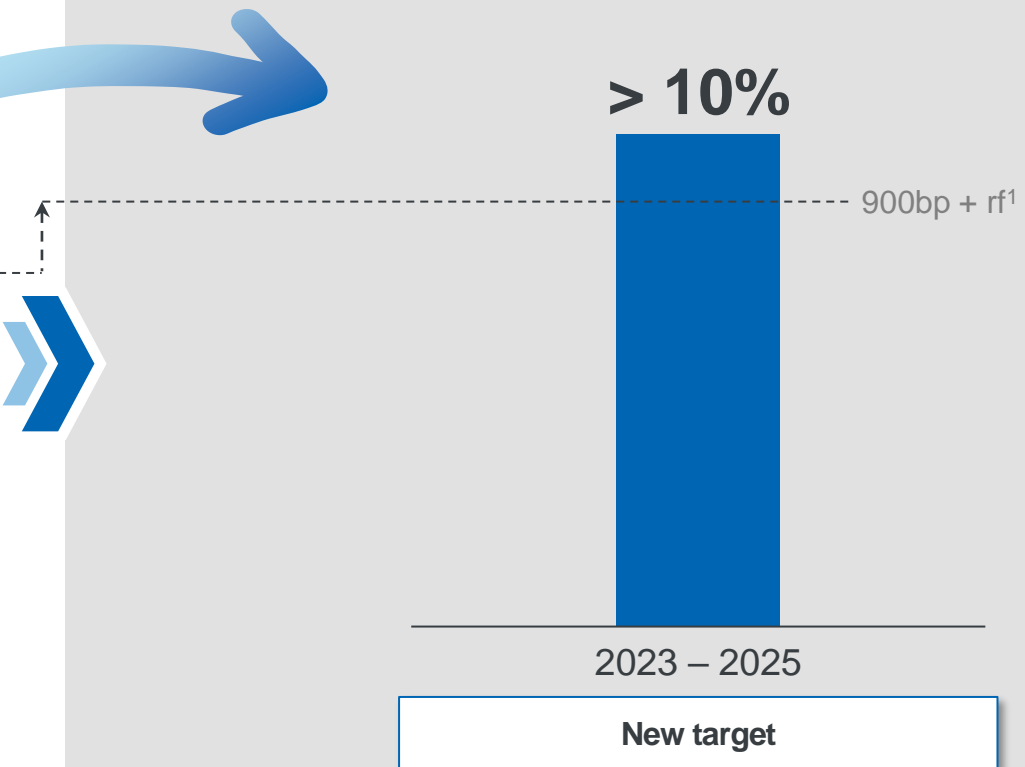
¹ Assuming EUR ~1.6bn net income, which would be >25% increase on normalised net income 2022 baseline of EUR ~1,250m | ² Dividend per share for FY2022 paid in 2023

2 RoE > 10% target for 2023 – 2025

Return on equity 2019 – 2022



Strategic ambition for 2023 – 2025



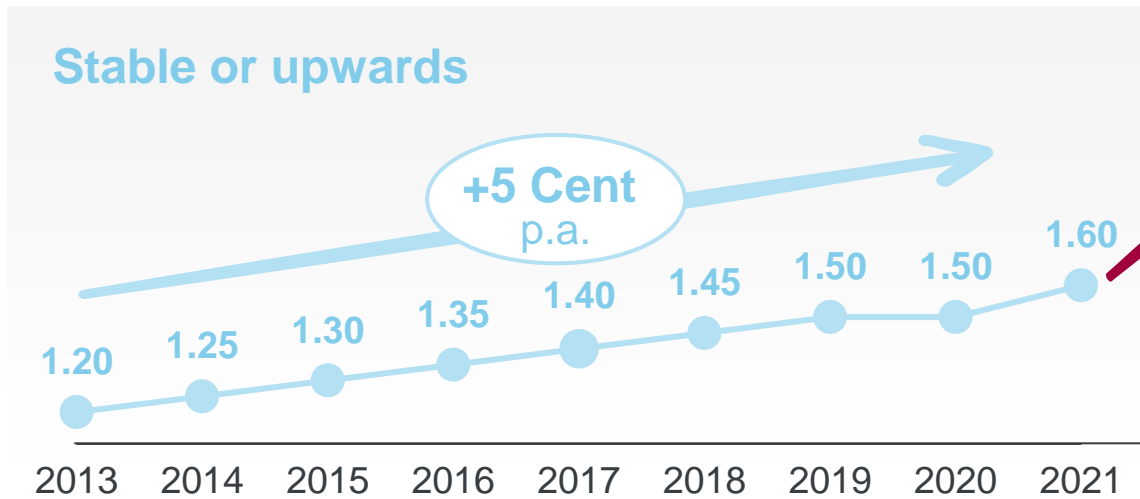
Note: 2019-2022 according to IFRS 4, 2023-25 under IFRS 17 / 9.

¹ Target was ≥ 800 bp above risk-free rate for 2019-2022. Basis for executive compensation raised to ≥ 900 bp above risk-free rate from 2023. Risk-free rate is defined as the 5-y5ear rolling average of the 10-year German Bund yield. Average risk-free rate 2019 – 2022 was 0.15% on average

2 Dividends up 25% in 2022 and another 25% until 2025

2013 - 2021

in EUR per share



2022 - 2025e

Upwards

2.00¹

+25%

2.50²

+25%

2022

2023

2024

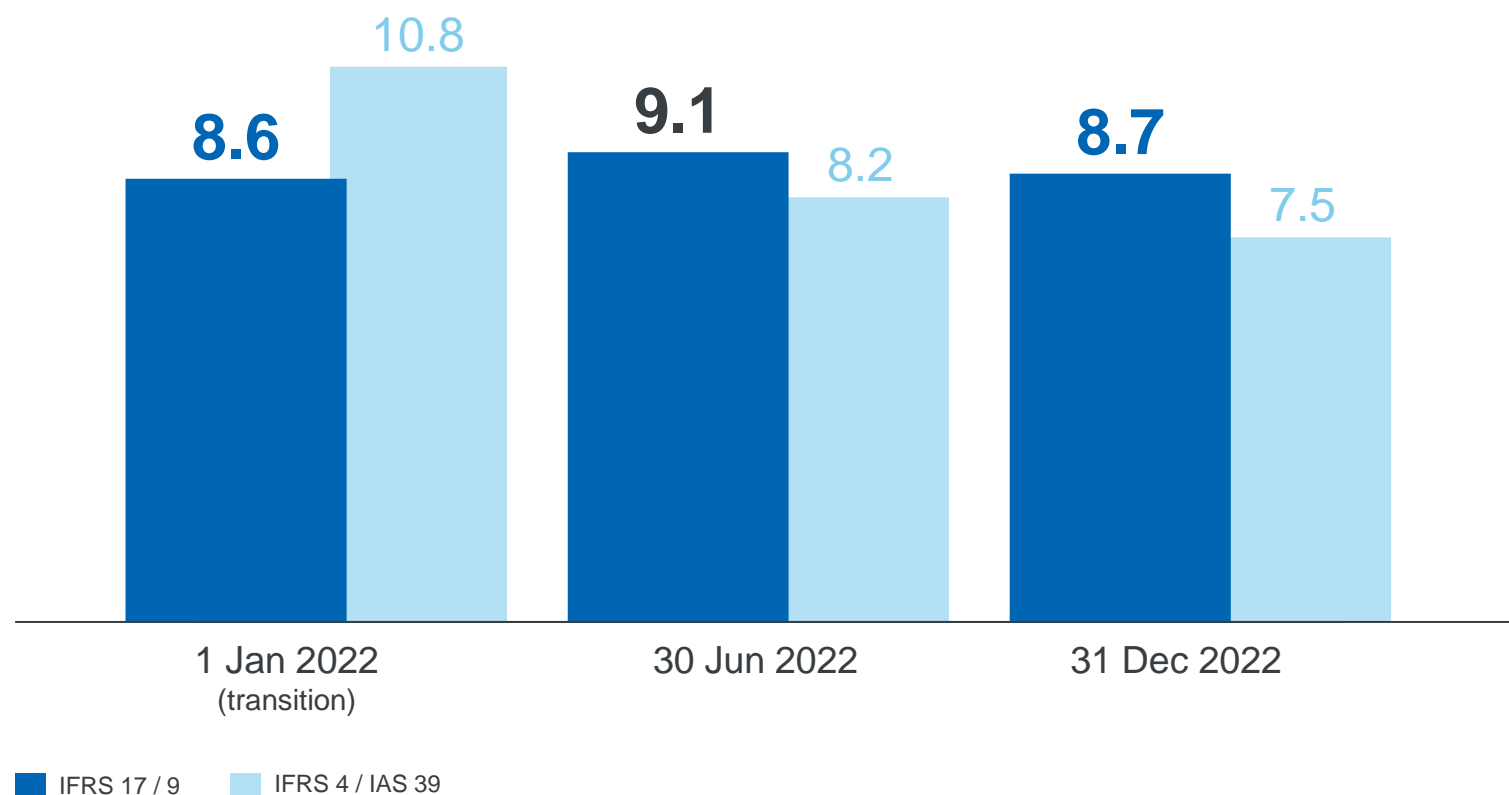
2025

1 Dividend for 2022 paid in 2023 | 2 Subject to AGM approval

2 Equity more stable under new accounting regime

Shareholders' equity

in EURbn



Comments

- Due to accounting mismatch under current IFRS regime, equity is significantly more volatile than under IFRS 17 and 9
- Strong increase of interest rates in 2022 has resulted in significant devaluation of investments, in both regimes, whilst under current regime claims reserves are not discounted to reflect change in interest rates
- New accounting regime more adequately reflects economic status of assets and liabilities

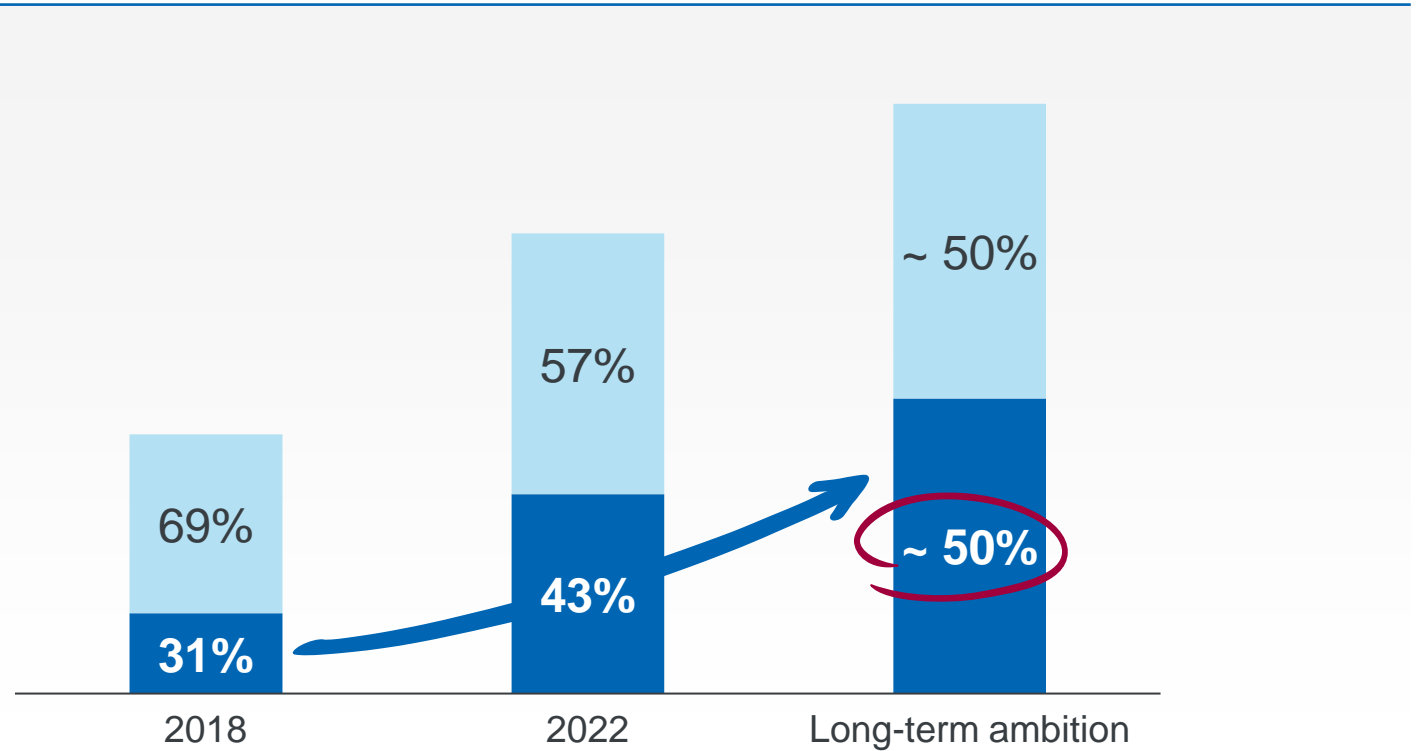
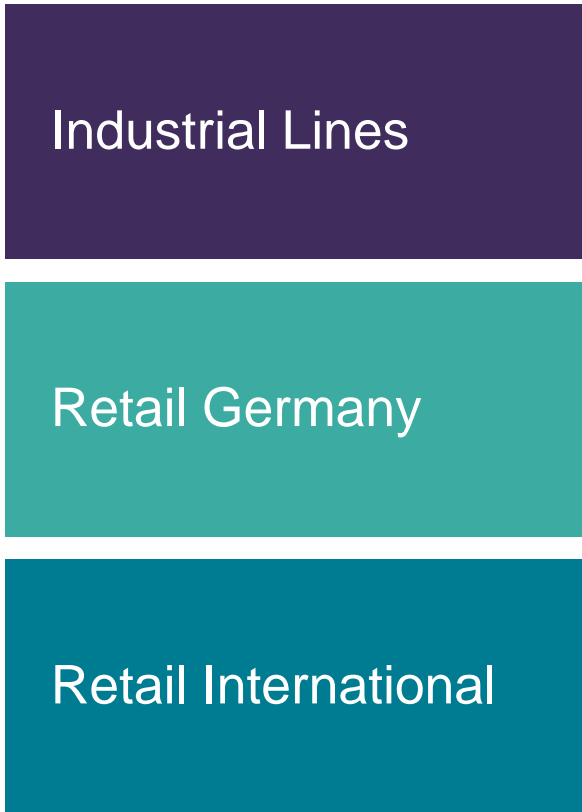


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3 Focused divisional strategies – Lifting Primary Insurance contribution

Net income contribution

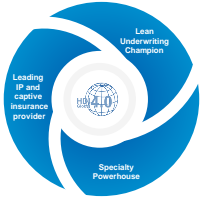


 Reinsurance  Primary Insurance¹

¹ Primary Insurance is the sum of Industrial Lines, Retail Germany and Retail International. Percentages are calculated excluding Corporate Operations and Consolidation

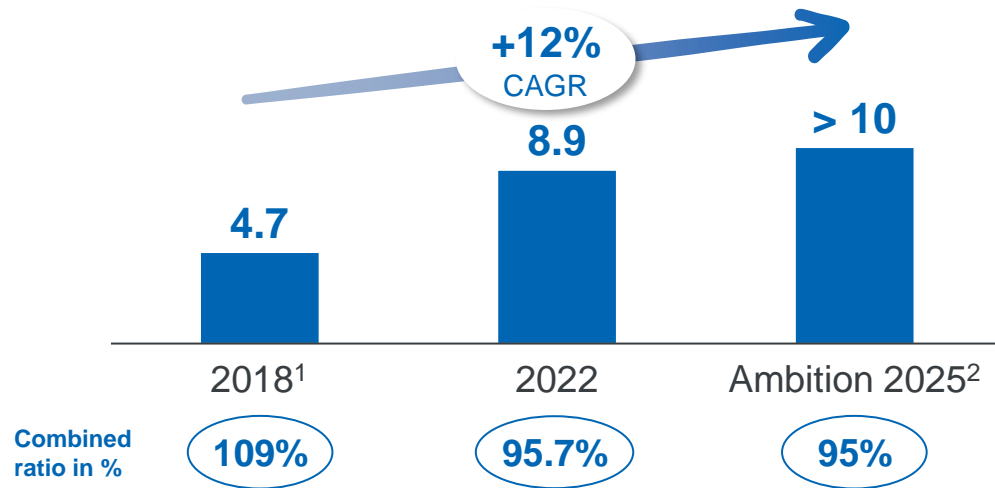
3 Industrial Lines

Scaling Quality³



- Lean Underwriting Champion
- Leading IP and captive insurance provider
- Specialty Powerhouse

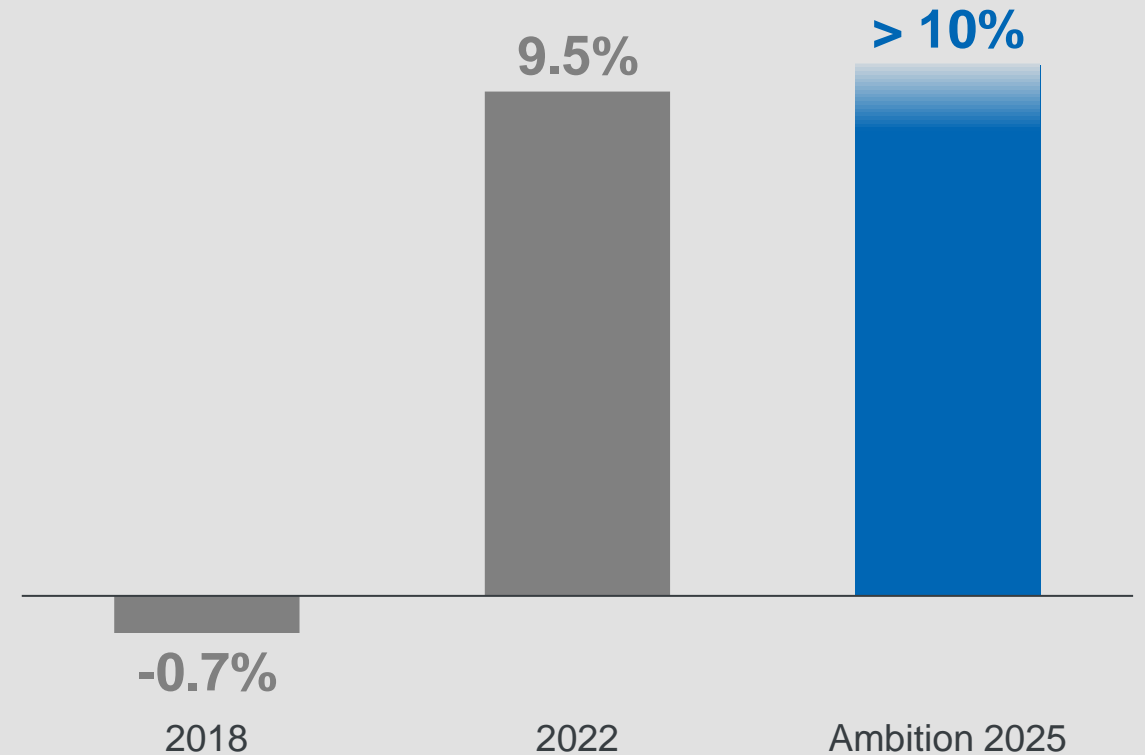
Gross written premium, in EURbn



Note: 2018 – 2022e under IFRS 4, ambition 2025 under IFRS 17
 1 Founding HDI Specialty: EUR ~900m GWP added from Inter Hannover on 1 January 2019
 2 For 2025 IFRS 17 insurance revenue is shown

Double-digit RoE

in %



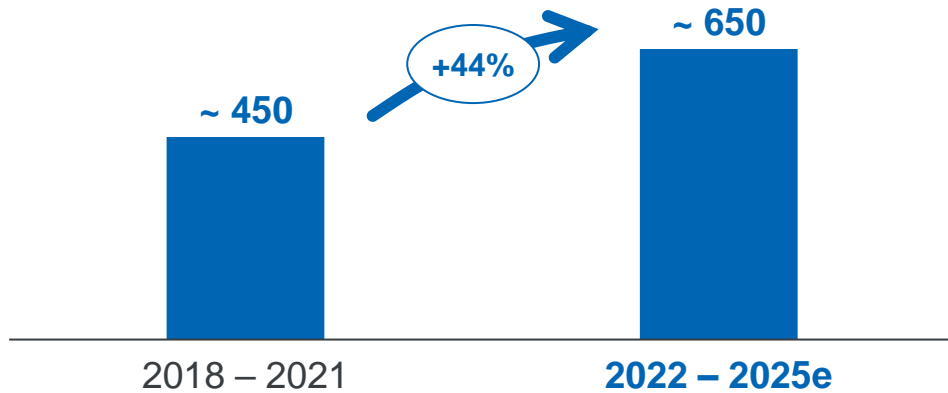
3 Retail Germany

GO25 Strategy reaffirmed



- Delivering RoE > 10%
- Accelerating profit & cash contribution
- Pursuing focused approach in Life and P/C and become leading bancassurer

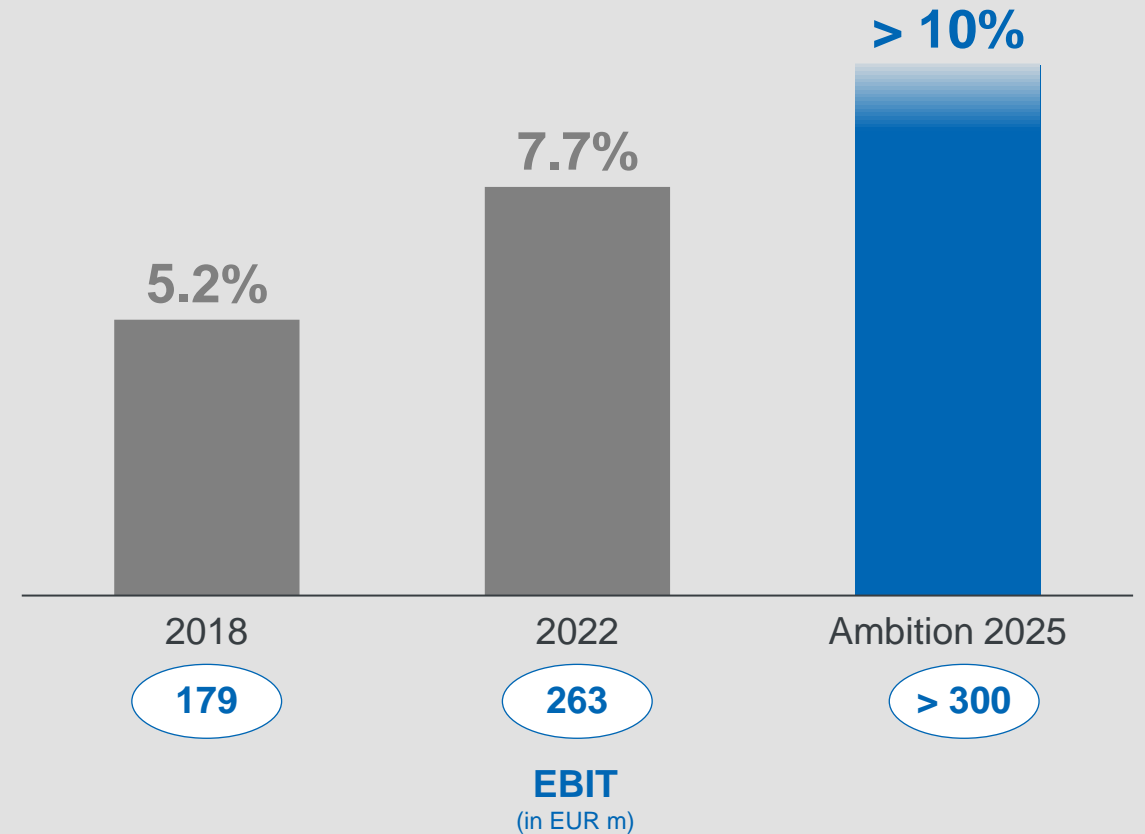
Profit transfer in EURm (German GAAP)



Note: 2018 – 2022 under IFRS 4, ambition 2025 under IFRS 17
 1 RoE incl. Asset Management contribution; RoE excl. Asset Management contribution 2018: 4.2%, 2022: 6.9%; IFRS 4 Equity 31 Dec 2021: EUR 2.6bn

Double-digit RoE¹

in %



3 Retail International

Top 5 in core markets



- Organic and inorganic growth
- Sustain technical excellence
- Portfolio diversification

Top 5 in core markets



Poland



Turkey



Brazil



Mexico



Chile



2021



5 out of 5
in motor



Ambition 2025

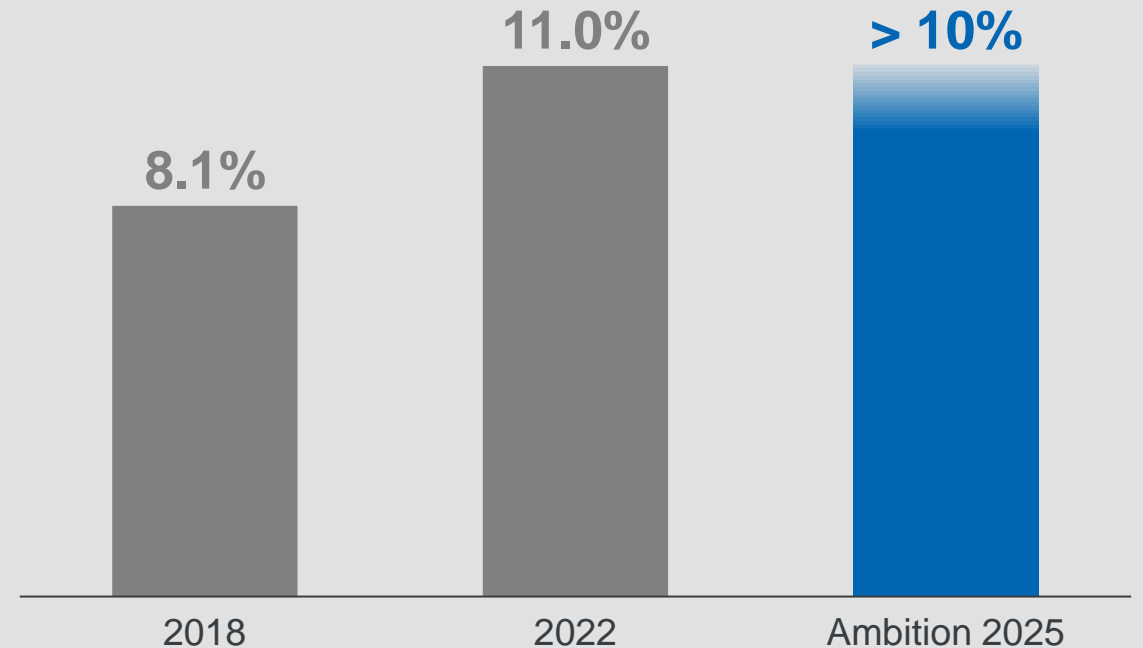


5 out of 5
in P/C¹

Note: 2018 – 2022 under IFRS 4, ambition 2025 under IFRS 17
1 Currently 3 out of 5 according to local GAAP

Double-digit RoE

in %



Continued M&A focus on core markets in LatAm and Europe

Strategic and financial objectives

Focus on growth regions



Improving competitive position



Focus on non-life & life protection



RoE-enhancing



EPS-accretive



1 Pro-forma GWP 2022e

As of 6 Dec 2022, Capital Markets Day

Focus on non-life & protection

Bolt-on acquisitions



2020



2022



2022



+ EUR 650m GWP non-life¹

Local partnerships



2021



+ EUR 100m GWP life protection & health¹

Disposals



2021

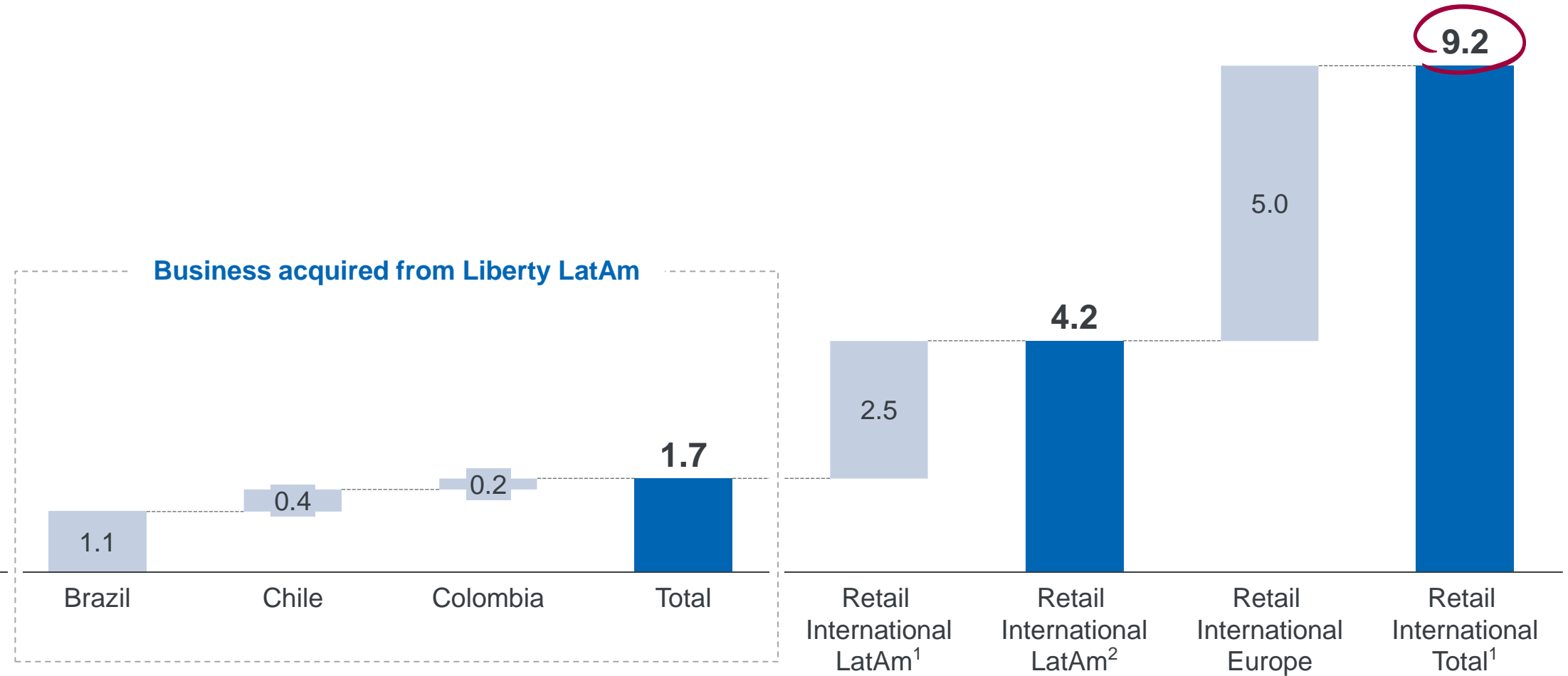


- EUR 80m de-risking life savings business

3

With the new transaction Retail International reaches > EUR 9bn GWP

GWP 2022, in EURbn



1 Incl. acquisition of business from Sompó in Brazil; closing expected in Q3 2023

2 Pro forma combined

3 Retail International – TOP 5 player in 4 of 5 core markets

Latin America

GWP
EUR 4.2bn

Share
45%



Europe

GWP
EUR 5.0bn

Share
55%



Note: Market ranking non-life 2022YE (pro-forma incl. Liberty business and business acquired from Sampo); in addition, improvement of market position in Colombia to # 7 (pro-forma combined)

3 Liberty LatAm acquisition is accretive on key group metrics

Δ EPS

Δ RoE

S2 ratio

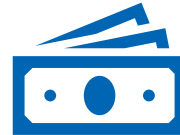
Earnings per share increase, 2025e



> 4%

Earnings
accretion

Return on equity increase, 2025e



~ 0.5%_{pt}

Enhancing
Group profitability



~ 200%
(pro-forma 31 Mar 2023)

Remains at upper end of
target range (150% - 200%)

Note: Assuming a mix of cash and debt funding

3 Reinsurance

Pure-play reinsurer



- Focus reinsurance
- Continuing outperformance
- Lean operating model

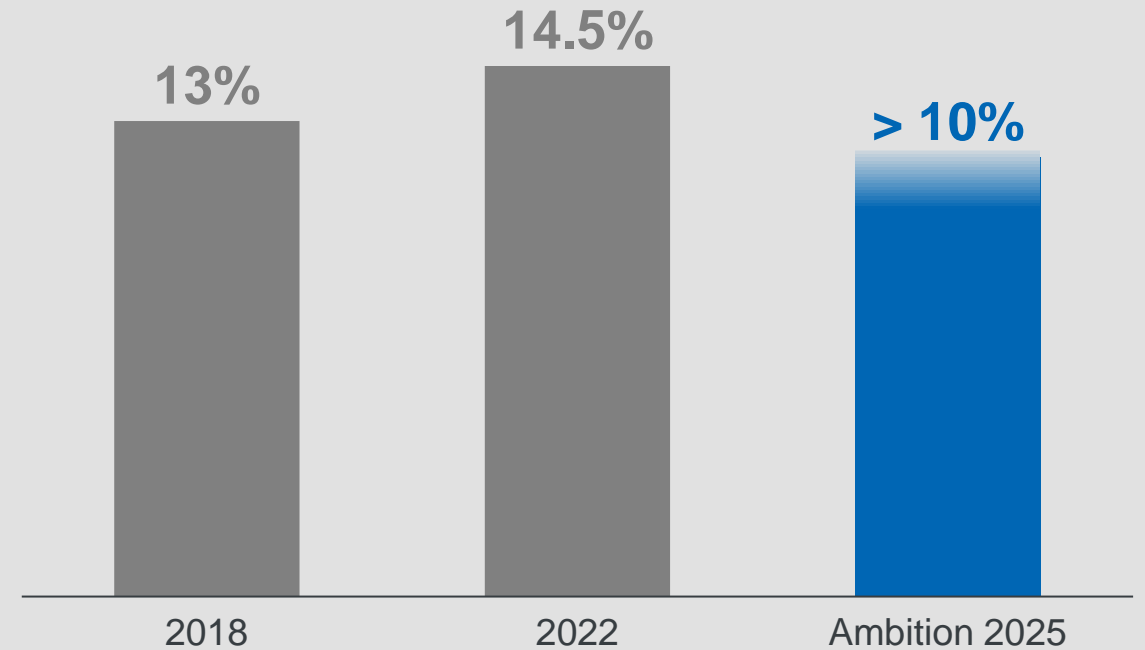


Further information:
HanRe Investors' Day 2022



Double-digit RoE

in %



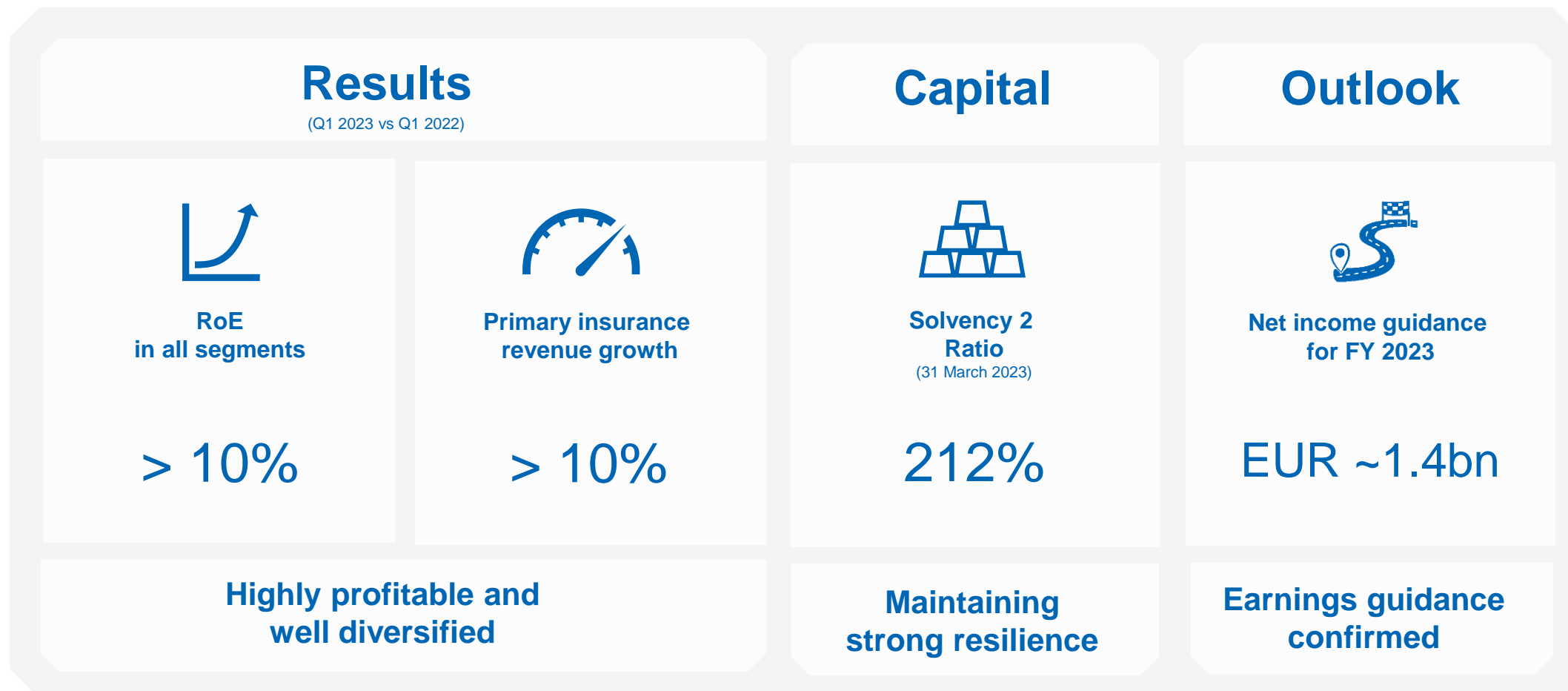
Note: 2018 – 2022 under IFRS 4, ambition 2025 under IFRS 17



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Strong Q1 2023 results ...



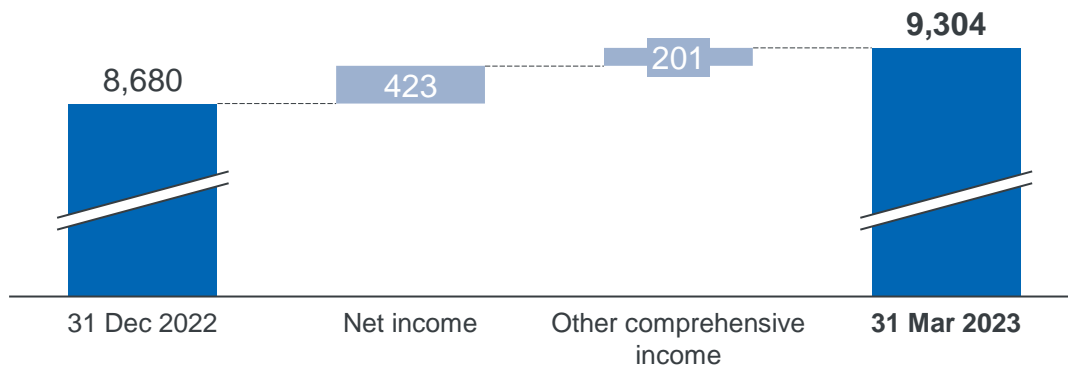
Note: All targets are subject to large losses not exceeding the large loss budget, no turbulences on capital markets, and no material currency fluctuations. In addition, the targets may be subject to fluctuations due to the application of the new IFRS 9 accounting standard for the valuation of the investment portfolio. The Russian war in Ukraine has emerged as an additional uncertainty factor.

4

... have increased book value per share by 7.2%

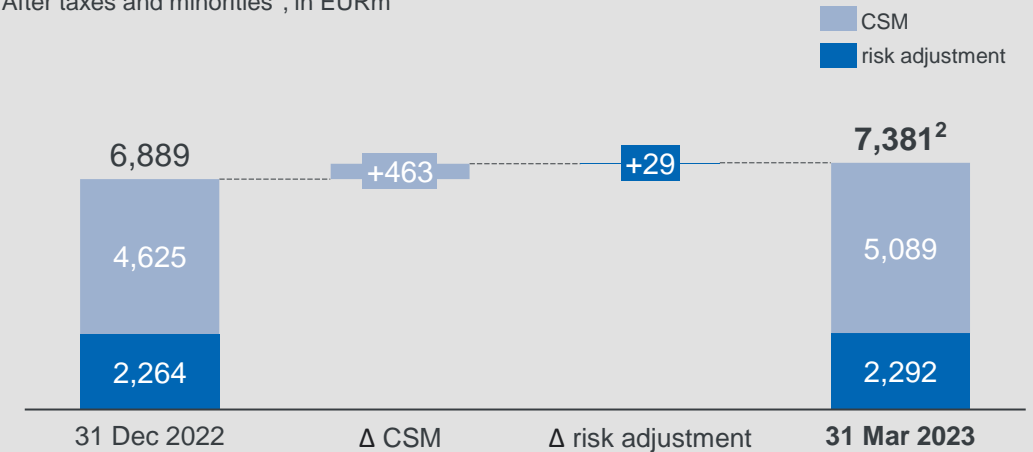
Shareholders' equity

in EURm



Book value per share in EUR	1 Jan 2022	31 Dec 2022	31 Mar 2023	Change Q1 2023	
				Abs.	%
Including goodwill	34.16	34.26	36.73	+2.47	+7.2
Excluding goodwill	30.09	30.23	32.55	+2.32	+7.7

Shareholders' CSM and risk adjustment

After taxes and minorities¹, in EURm

CSM and risk adjustment per share after taxes and minorities ¹ , in EUR	1 Jan 2022	31 Dec 2022	31 Mar 2023	Change Q1 2023	
				Abs.	%
CSM and risk adjustment	27.14	27.19	29.13	+1.94	+7.1
<i>thereof CSM</i>	17.24	18.26	20,09	1.83	+10.0
<i>thereof Risk Adjustment</i>	9.90	8.93	9,05	0.11	+1.3

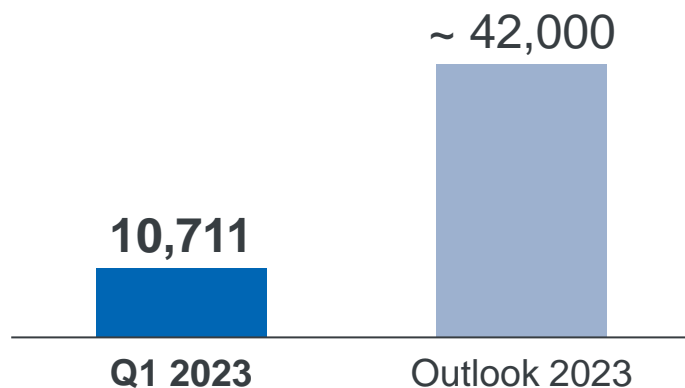
1 Based on flat / average tax rates and minorities

2 Before taxes and minorities: CSM = EUR 10.387m; risk adjustment = EUR 4,962m

4 Talanx Group: Well on track to achieve outlook 2023

Insurance revenue

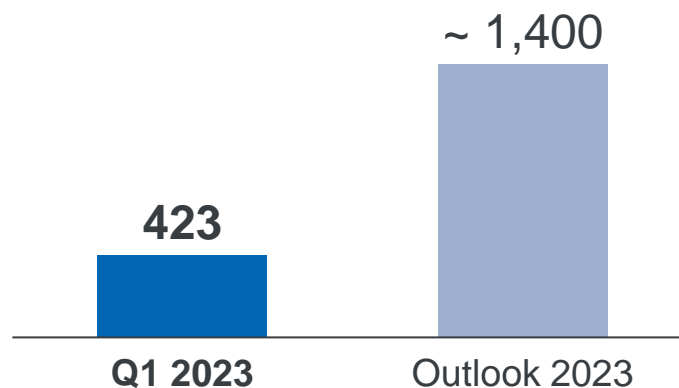
in EURm



Continuing strong rate increases and new business

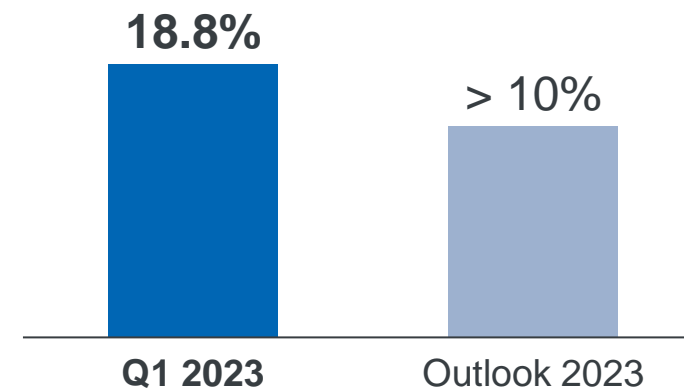
Group net income

in EURm



Higher underwriting profitability

Return on equity



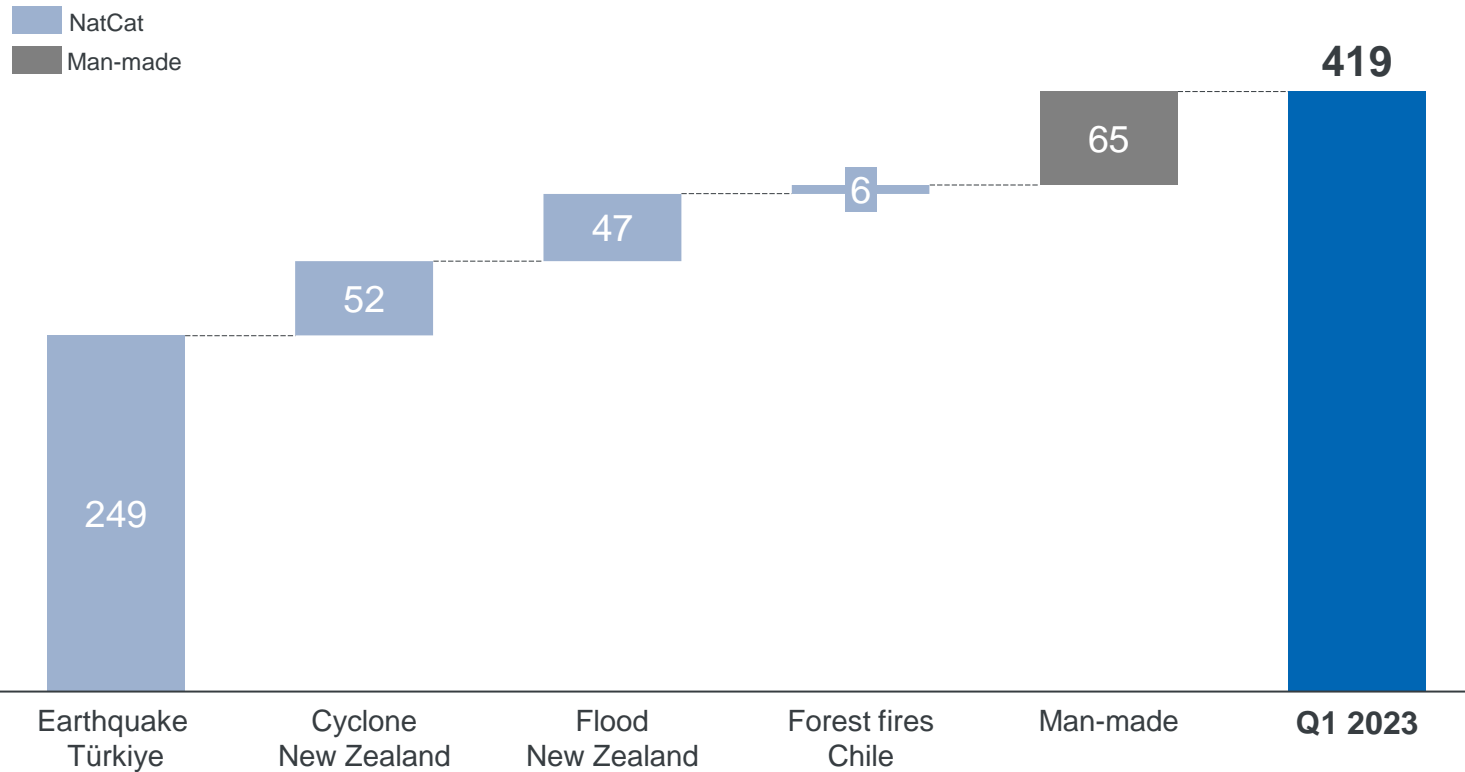
Minor impact from FVPL in Q1 may not be sustainable

Note: All targets are subject to large losses not exceeding the large loss budget, no turbulences on capital markets, and no material currency fluctuations. In addition, the targets may be subject to fluctuations due to the application of the new IFRS 9 accounting standard for the valuation of the investment portfolio. The Russian war in Ukraine has emerged as an additional uncertainty factor.

4 Large losses in Q1 2023 within expectation

Net large losses

Q1 2023, in EURm



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

Large losses lower than Q1 2022 (-EUR 39m)

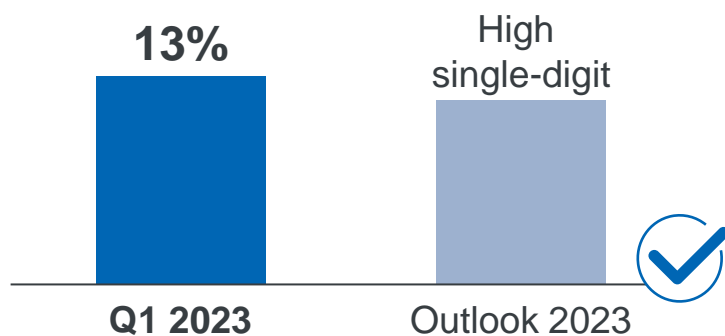
Large losses below booked budget of EUR 466m

Almost 60% of large losses from earthquake in Türkiye

Industrial Lines

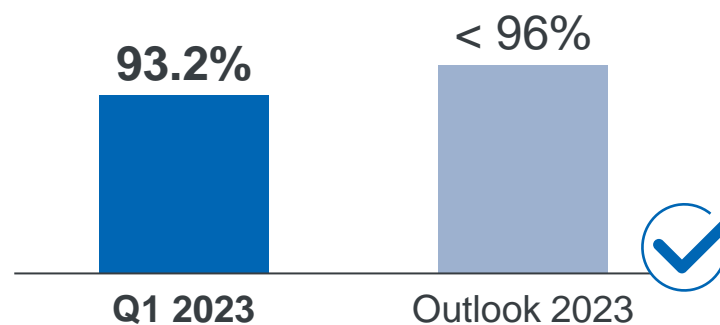
Well on track to achieve 2023 targets

Insurance revenue growth¹



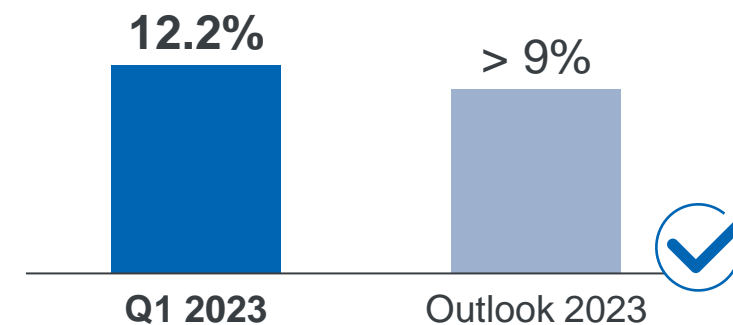
Strong pricing
still remains

Combined ratio²



Very good
technical performance

Return on equity



Some seasonal benefits
from discounting effects

Note: All targets are subject to large losses not exceeding the large loss budget, no turbulences on capital markets, and no material currency fluctuations. In addition, the targets may be subject to fluctuations due to the application of the new IFRS 9 accounting standard for the valuation of the investment portfolio. The Russian war in Ukraine has emerged as an additional uncertainty factor.

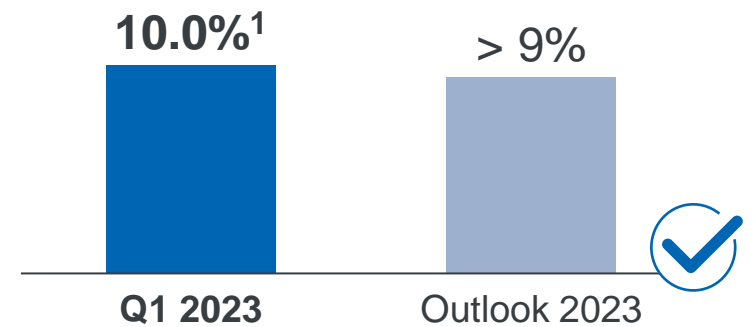
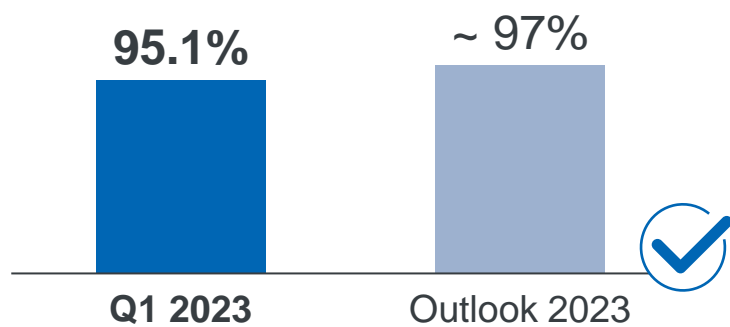
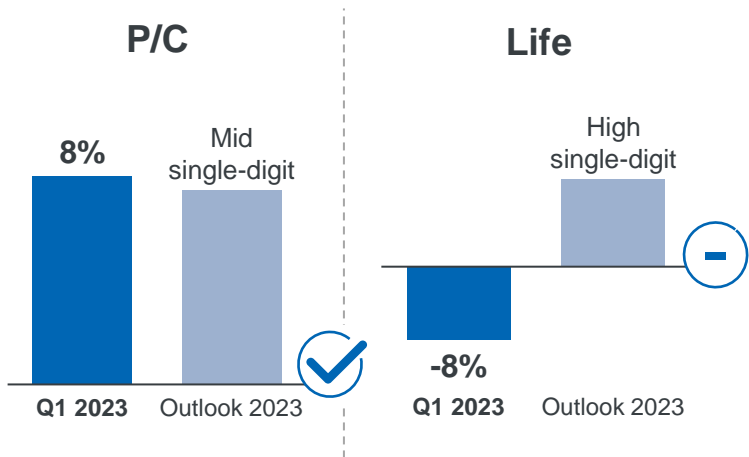
¹ Currency-adjusted | ² Combined ratio (net / gross): Insurance service expenses after reinsurance expenses divided by insurance revenue before reinsurance

4 Retail Germany Profitability well on track to reach 2023 targets

Insurance revenue growth

Combined ratio

Return on equity



P/C growth compensates for lower Life insurance revenues

On track for FY guidance

Profitability driven by Life

Note: All targets are subject to large losses not exceeding the large loss budget, no turbulences on capital markets, and no material currency fluctuations. In addition, the targets may be subject to fluctuations due to the application of the new IFRS 9 accounting standard for the valuation of the investment portfolio. The Russian war in Ukraine has emerged as an additional uncertainty factor.

¹ RoE including Asset Management contribution: 11.8%

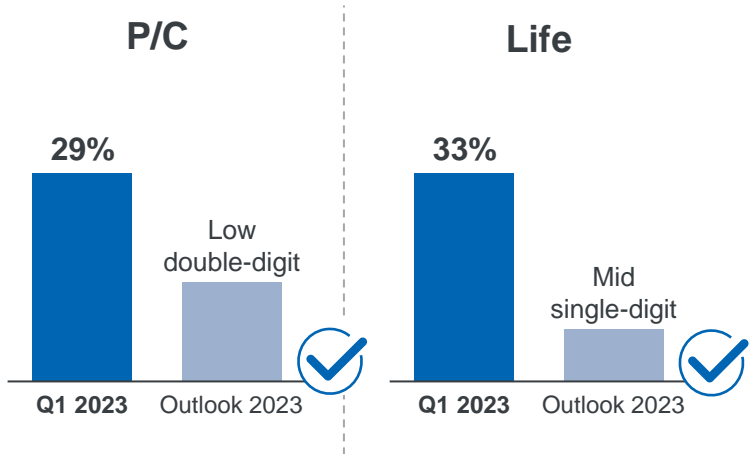
Retail International

Inflation well managed through price increases and technical excellence

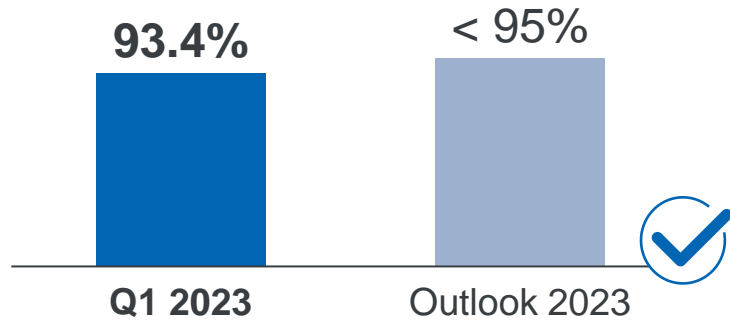
Insurance revenue growth¹

Combined ratio

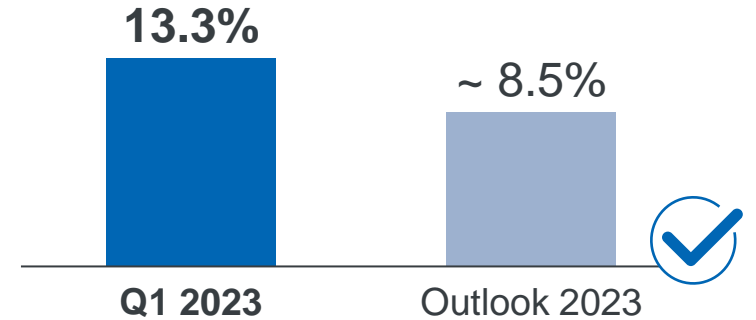
Return on equity



Strong growth in all core markets



Strong contribution from Poland, Italy and turnaround in Brazil



Strong return on investment

Note: All targets are subject to large losses not exceeding the large loss budget, no turbulences on capital markets, and no material currency fluctuations. In addition, the targets may be subject to fluctuations due to the application of the new IFRS 9 accounting standard for the valuation of the investment portfolio. The Russian war in Ukraine has emerged as an additional uncertainty factor.

¹ Currency-adjusted

Reinsurance

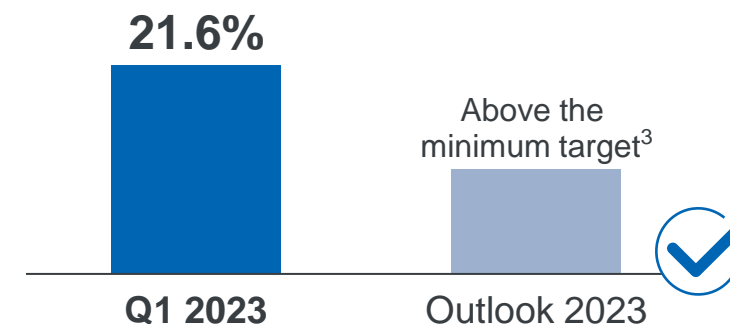
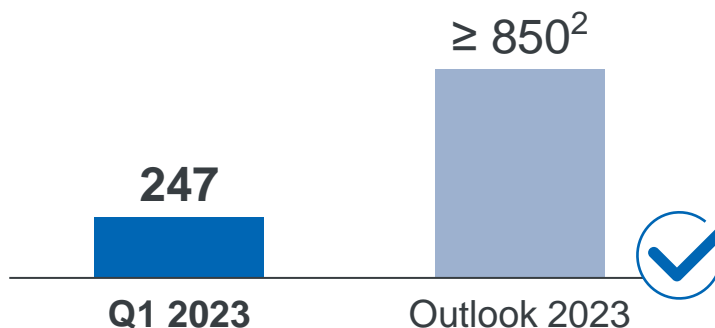
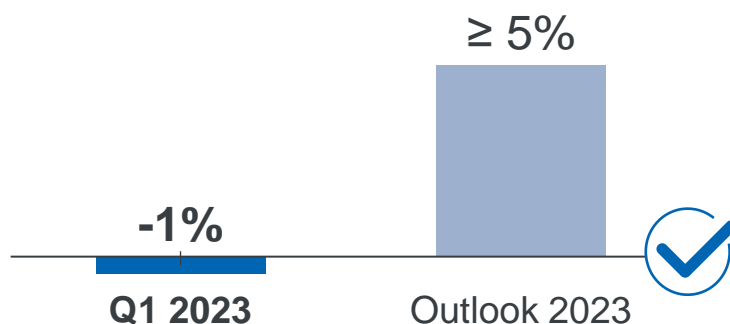
Strong Q1 performance fully supports targets for 2023

Insurance revenue growth¹

Net income

Return on equity

in EURm



Further improved quality in recent renewals drives CSM increase

Mainly driven by service result improvements in P/C and favourable overall performance in L/H

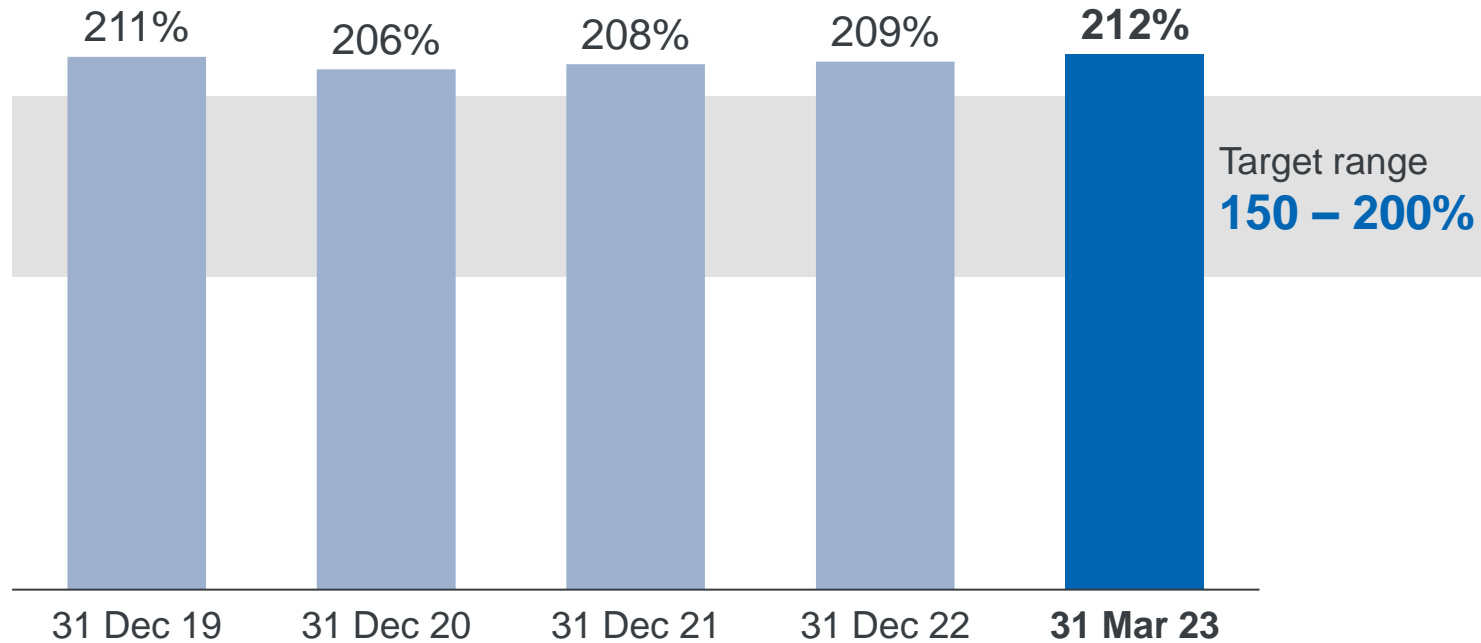
RoE above target

Note: All targets are subject to large losses not exceeding the large loss budget, no turbulences on capital markets, and no material currency fluctuations. In addition, the targets may be subject to fluctuations due to the application of the new IFRS 9 accounting standard for the valuation of the investment portfolio. The Russian war in Ukraine has emerged as an additional uncertainty factor.

¹ Currency-adjusted | ² Talanx share of outlook published by Hannover Re (≥ EUR 1,700m) | ³ Defined as 1,000 basis points above five-year average of the ten-year federal bond

4 Consistently robust solvency

Solvency 2 ratio



Note: Solvency 2 ratio as of period end excluding transitional measure. Solvency 2 ratio including transitional measure as of 31 March 2023: 244%

Strong ratings

S&P Global
Ratings **A+**
(stable)

AM BEST
SINCE 1899 **A+**
(stable) Upgrade in Dec 2022

Note: Insurer Financial Strength Rating

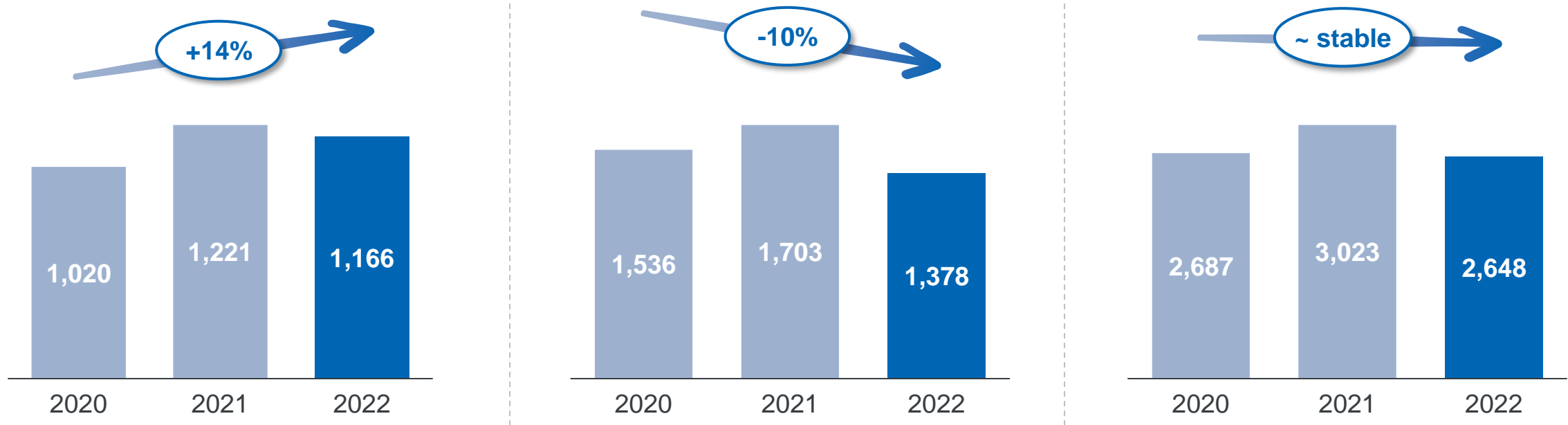
4 Resiliency embedded in best estimate reserves remains strong

Talanx Primary Group³

Reinsurance (Hannover Re)

Talanx net⁴

Resiliency embedded in best estimate for P/C net claims reserves^{1,2}, as of year end in EURm



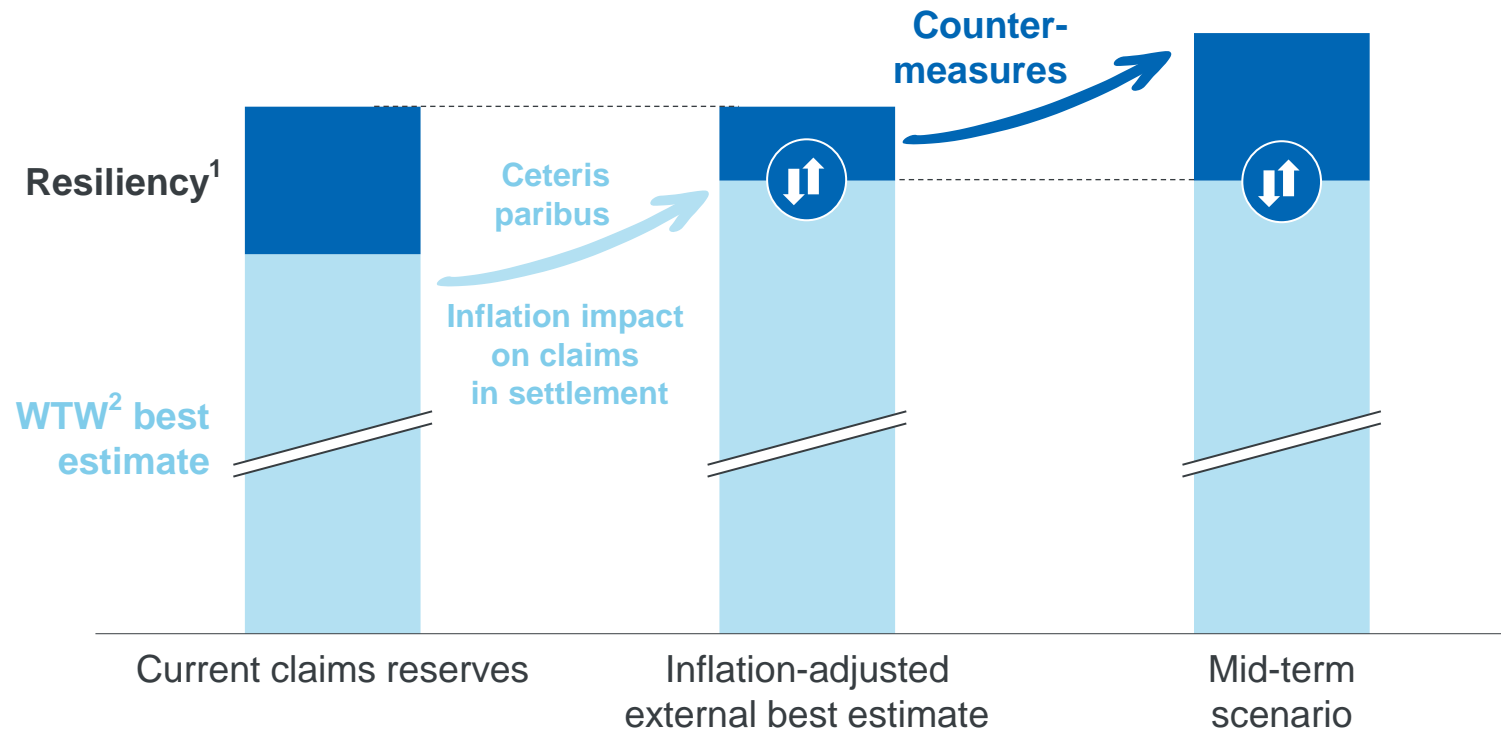
1 Resiliency embedded in best estimate defined as the difference between booked reserves (based on Talanx' own best estimates) and WTW analysis

2 Before taxes and minorities; source: WTW calculation based on data provided by Talanx

3 Talanx Primary Group is the sum of Industrial Lines, Retail Germany and Retail International, excluding Talanx AG | 4 Sum of Hannover Re, Talanx Primary Group, Talanx AG (not consolidated)

4 Active steering of resiliency to manage inflation

Best estimate booked for claims reserves, illustrative



Conservative reserving
for new claims

Lower profit contribution
from **run-off results**

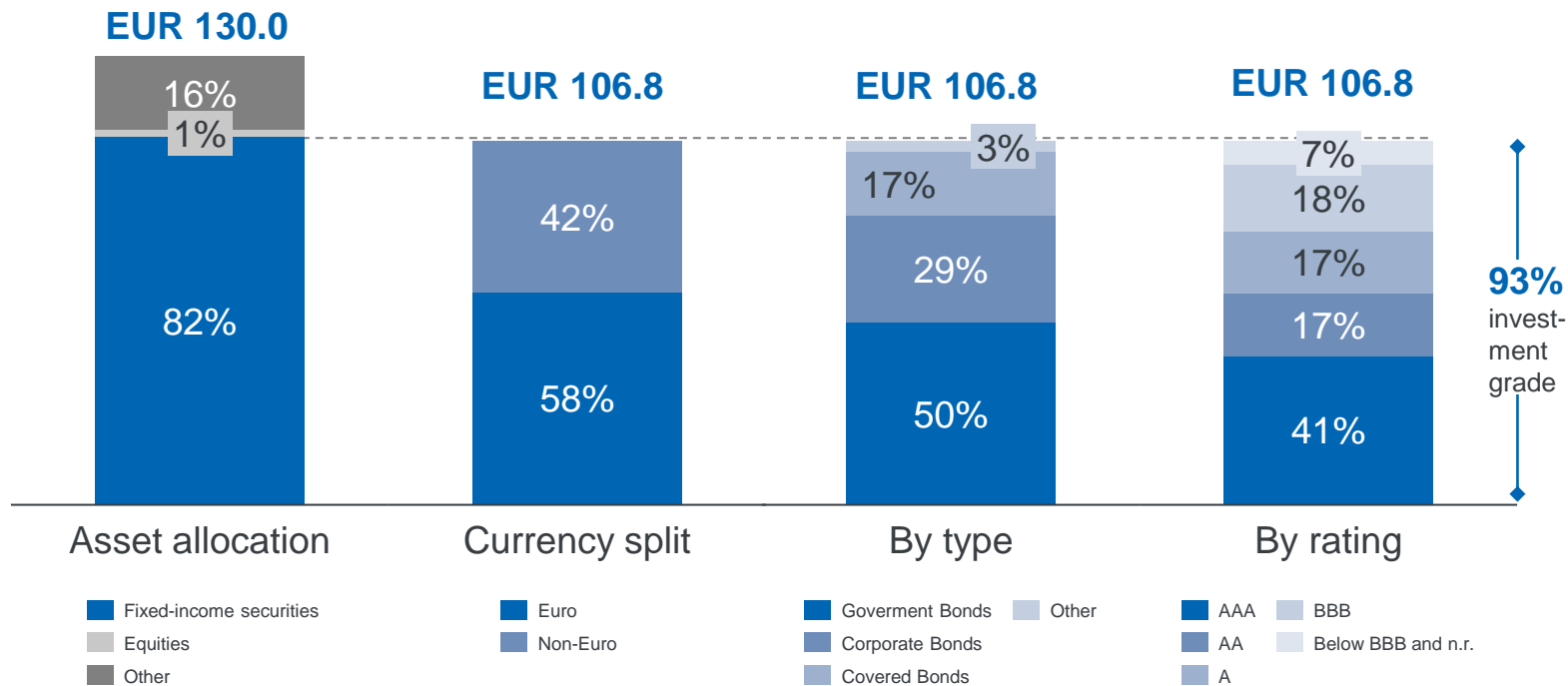
Inflation-linked assets
as additional hedge

1 Resiliency level embedded in best estimate | 2 WTW = Willis Tower Watson

4 Our low beta investment portfolio

Investments for own risk

As of 31 March 2023, in EURbn



Investments for own risk increased by 2% vs 31 Dec 2022

Portfolio dominated by fixed-income securities (82%); private equity portion slightly higher due to new fair-value accounting

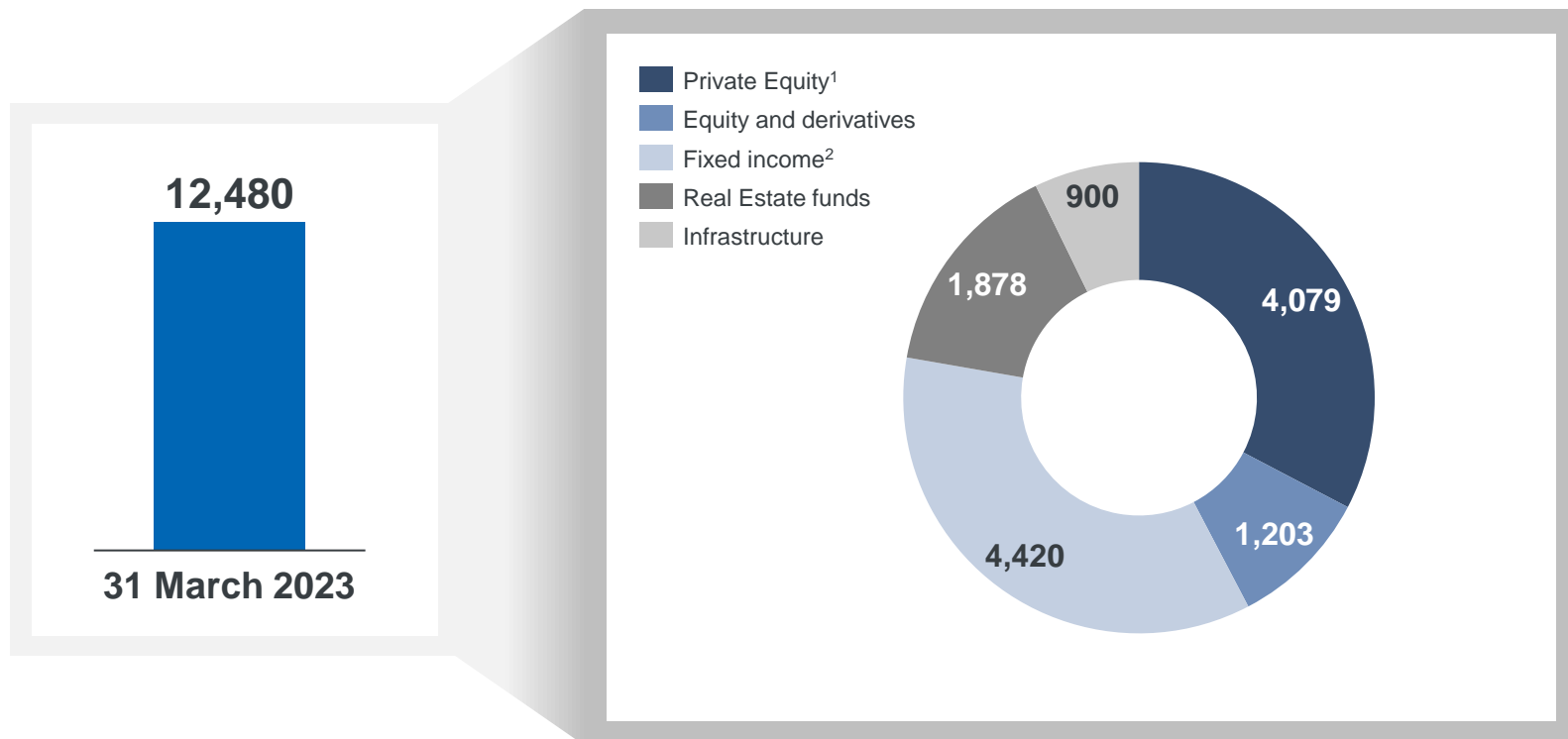
22% of fixed-income portfolio is held in USD, 42% in non-euro currencies in total

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

4 Investments for own risk include FVPL assets

FVPL (fair value through profit & loss) assets

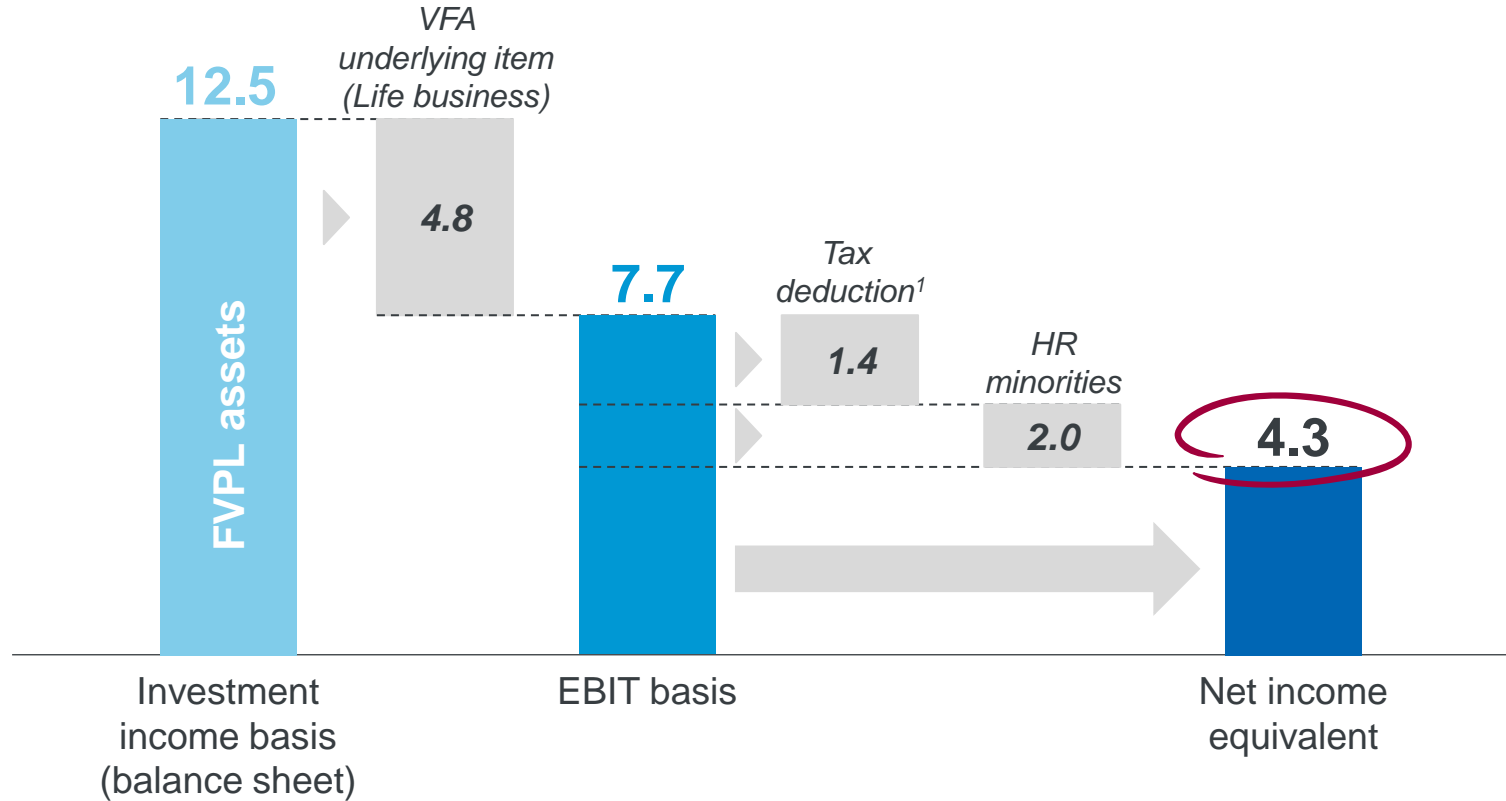
Including Life, before taxes and minorities, in EURm



1 Including participations consolidated at equity
2 Without short-term investments

4 Potential volatility arising from FVPL assets

As of 31 March 2023, in EURbn



1 Based on flat tax rates per division
 2 Including participations consolidated at equity
 3 Without short term investments

Potential sensitivities

FVPL asset class	Net income equiv. (EURbn)	Potential impact at 10% FV change (EURm)
Private Equity ²	1.8	~180
Equity and derivatives	0.3	~30
Fixed income ³	1.0	~100
Real estate funds	0.8	~80
Infrastructure	0.3	~30
Total	4.3	~430

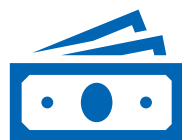
4 Outlook FY 2023 confirmed: Talanx well on track

Insurance
revenues



~ EUR 42bn

Group
net income



~ EUR 1,400m

Return
on equity



> 10%

Dividend
per share



> EUR 2.00
(to be paid in 2024)

Note: All targets are subject to large losses not exceeding the large loss budget, no turbulences on capital markets, and no material currency fluctuations. In addition, the targets may be subject to fluctuations due to the application of the new IFRS 9 accounting standard for the valuation of the investment portfolio. The Russian war in Ukraine has emerged as an additional uncertainty factor.



Agenda

- 1 Talanx at a glance
- 2 Group strategy and outlook 2025
- 3 Segment strategy / recent LatAm acquisition
- 4 Highlights from Q1 results / Outlook 2023
- 5 **Appendix**

5 Q1 2023 results overview – Talanx Group

EURm	Q1 2022	Q1 2023	23Q1/22Q1
Insurance revenue (gross)	10.076	10.711	+6%
Insurance service result (net)	633	880	+39%
<i>thereof Non-Life</i>	343	568	+65%
Net investment income for own risk	851	764	-10%
Result from unit-linked contracts	-546	394	n.m.
Net insurance finance result before currency effects	84	-827	n.m.
Net insurance finance and investment result before currency effects	388	330	-15%
Net currency result	-26	24	n.m.
Other result	-222	-192	+14%
Operating result (EBIT)	773	1.043	+35%
Financing costs	-45	-61	-36%
Taxes on income	-145	-249	-72%
Minority interest on profit & loss	-261	-311	-19%
Net income	322	423	+31%
Earnings per share (EPS)	1.27	1.67	+0.40
Combined ratio P/C	95.8%	93.5%	-2.3%pts
Tax ratio	19.9%	25.3%	+5.5%pts
Return on equity	14.6%	18.8%	+4.2%pts
Return on investment for own risk	2.4%	2.4%	-0.1%pts

5 Q1 2023 results overview - Segments

EURm	Industrial Lines		Retail Germany		Retail International		Primary Insurance		Reinsurance	
	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023
Insurance revenue (gross)	1.829	2.072	808	807	1.186	1.489	3.823	4.368	6.612	6.570
Insurance service result (net)	69	141	102	76	52	119	223	336	421	568
Net investment income for own risk	63	46	315	219	85	126	463	391	400	388
Result from unit-linked contracts	0	0	-527	380	-19	14	-546	394	0	0
Net insurance finance result before currency effects	-9	-25	240	-561	-26	-67	205	-653	-122	-167
Net insurance finance and investment result before currency effects	54	21	29	38	39	72	121	131	278	222
Net currency result	-18	-1	7	-10	5	-5	-6	-16	-12	43
Other result	-45	-75	-44	-45	-66	-48	-155	-168	-86	-110
Operating result (EBIT)	60	86	94	59	29	137	183	283	601	722
Financing costs	-2	-3	-2	-2	0	-5	-3	-10	-27	-37
Taxes on income	-23	-14	-4	-16	-10	-37	-37	-66	-117	-170
Minority interest on profit & loss	0	0	-2	-3	-12	-21	-15	-23	-242	-270
Net income	35	69	86	40	7	75	128	184	216	247
Combined ratio P/C	96.2%	93.2%	89.9%	95.1%	96.3%	93.4%	95.5%	93.5%	95.9%	93.2%
Return on equity	6.4%	12.2%	22.2%	10.0%	1.3%	13.3%	8.4%	12.0%	17.3%	21.6%
Return on investments for own risk	2.2%	1.6%	2.2%	1.9%	2.3%	3.9%	-	-	2.9%	2.8%

Note: Primary Insurance is the sum of Industrial Lines, Retail Germany and Retail International

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	Consolidations	Talanx Group
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
2022	177	150	214	541 43%	707 57%	-95	19	1,172
IFRS 17 Q1 2023	69	40	75	184 43%	247 57%	-17	9	423

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 17m to, and subtracting EUR 9m from, EUR 423m in Q1 2023)

5 Resiliency embedded in best estimate for P/C net claims reserves^{1,2}

in EURm

As of year end

	2019	2020	2021	2022
Talanx Primary Group³	738	1,020	1,221	1,166
Reinsurance (Hannover Re)	1,456	1,536	1,703	1,378
Talanx net⁴	2,194	2,687	3,023	2,648

in % of net reserves

As of year end

	2019	2020	2021	2022
Talanx Primary Group³	6.2%	8.4%	8.8%	7.4%
Reinsurance (Hannover Re)	5.6%	5.6%	5.2%	3.6%
Talanx net⁴	5.8%	6.8%	6.5%	4.9%

1 Resiliency embedded in best estimate 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)

5 Contact us



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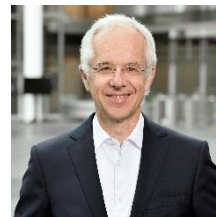


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Details on reserve review by WTW (as per pages 33 and 43 of this presentation)

- WTW was separately engaged by Talanx AG and Hannover Rück SE to review certain parts of the held loss and loss adjustment expense reserve, net of outwards reinsurance, from the consolidated financial statements in accordance with IFRS as at each 31 December from 2019 to 2022, and the implicit resiliency margin (excess over expected loss estimate), for the non-life business of Talanx Primary Group and Hannover Rück SE. WTW concludes that the reviewed loss and loss adjustment expense reserve, net of reinsurance, less the resiliency margin is reasonable in that it falls within WTW's range of reasonable estimates.
 - Life and health insurance and reinsurance business are excluded from the scope of this review.
 - WTW's review of non-life reserves as at 31 December 2022 covered 93.6% / 96.1% of the gross and net held non-life reserves before consolidation of EUR 69.0bn and EUR 56.0bn respectively.
 - The WTW results referenced in this presentation are based on assumptions as to the future. It should be recognised that actual future claim experience is likely to deviate, perhaps materially, from WTW's estimates. This is because the ultimate liability for claims will be affected by future external events; for example, the likelihood of claimants bringing suit, the size of judicial awards, changes in standards of liability, and the attitudes of claimants towards the settlement of their claims.
 - The WTW results referenced are not intended to represent an opinion of market value and should not be interpreted in that manner. The WTW analysis does not purport to encompass all of the many factors that may bear upon a market value.
 - WTW's analysis was carried out based on data as at evaluation dates for each 31 December. WTW's analysis may not reflect claim development or all information that became available after the valuation dates and WTW's results, opinions and conclusions presented herein may be rendered inaccurate by developments after the valuation dates.
 - As is typical for insurance and reinsurance companies, claims reporting can be delayed due to late notifications by some claimants and cedants. This increases the uncertainty in the WTW results.
 - The reviewed reserves of Hannover Rück SE and Talanx AG include asbestos, environmental and other health hazard (APH) exposures which are subject to greater uncertainty than other general liability exposures. WTW's analysis of the APH exposures assumes that the reporting and handling of APH claims is consistent with industry benchmarks. However, there is wide variation in estimates based on these benchmarks. Thus, although the reviewed reserves of Hannover Rück SE's show some resiliency compared to WTW's indications, the actual losses could prove to be significantly different to both the held and indicated amounts.
 - WTW has not anticipated any extraordinary changes to the legal, social, inflationary or economic environment, or to the interpretation of policy language, that might affect the cost, frequency, or future reporting of claims. In addition, WTW's estimates make no provision for potential future claims arising from causes not substantially recognised in the historical data (such as new types of mass torts or latent injuries, terrorist acts), except in so far as claims of these types are included incidentally in the reported claims and are implicitly developed.
 - Sharp increases in inflation in many economies worldwide have resulted from recent rises in energy, food, component and raw material prices driven by wider economic effects of the Russian war in Ukraine combined with factors such as supply chain disruptions caused by the COVID-19 pandemic and labour shortages. Generally, inflation is expected to remain elevated in the near term despite mitigating policy responses by central banks and governments. Over time, reductions in inflation rates to more normative levels are expected, barring future shocks to the global economy. However, prospective inflationary risks remain high due to the continuing war in Ukraine and heightened geopolitical tensions with increased possibilities of hitherto unexpected conflict escalation. Longer term implications for inflation remain highly uncertain. The WTW analysis makes no explicit allowance for extraordinary future effects that may result from the above factors or other emerging shocks on the projection results.
 - In accordance with its scope, WTW's estimates are on the basis that all of Talanx AG's and Hannover Rück SE's reinsurance protection will be valid and collectable. Further liability may exist for any reinsurance that proves to be irrecoverable.
 - WTW's estimates are in Euros based on the exchange rates provided by Talanx AG and Hannover Rück SE as at each 31 December evaluation date. However, a substantial proportion of the liabilities is denominated in foreign currencies. To the extent that the assets backing the reserves are not held in matching currencies, future changes in exchange rates may lead to significant exchange gains or losses.
 - WTW has not attempted to determine the quality of Talanx AG's and Hannover Rück SE's current asset portfolio, nor has WTW reviewed the adequacy of the balance sheet provisions except as otherwise disclosed herein.
- In its review, WTW has relied on audited and unaudited data and financial information supplied by Talanx AG, Hannover Rück SE and their respective subsidiaries, including information provided orally. WTW relied on the accuracy and completeness of this information without independent verification.
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