

**tal anx.**

Insurance. Investments.

# Talanx: Sustainable profitability

Quirin Champions Conference  
Frankfurt, 31 March 2025

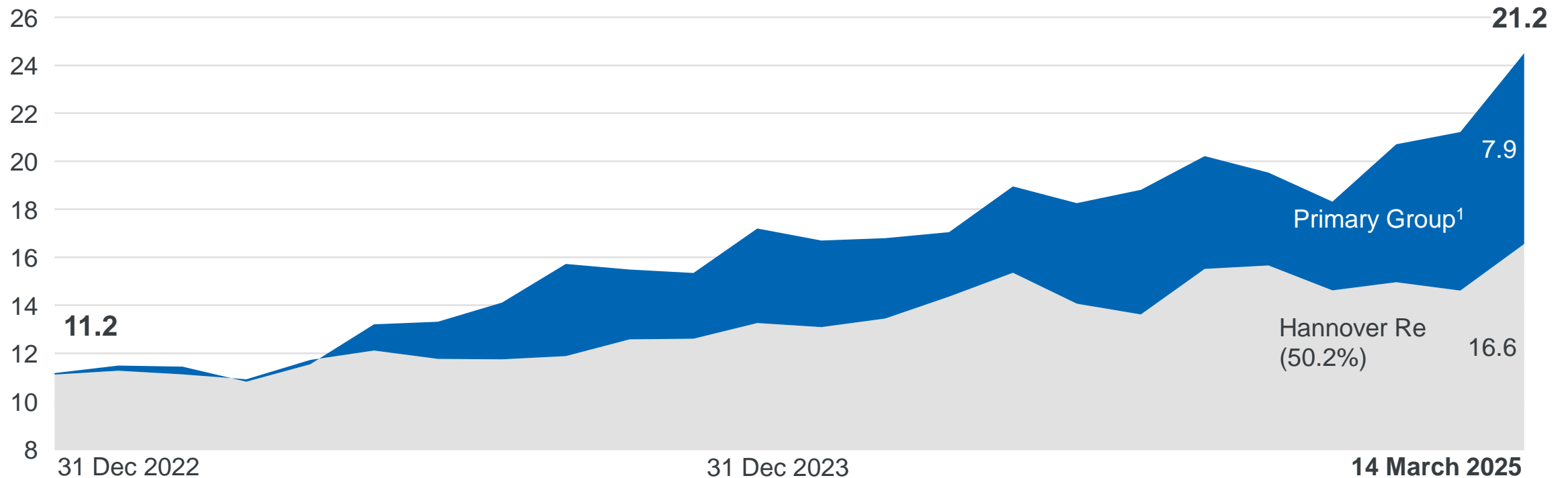
Bernt Gade, Investor Relations  
Fabian Hinz, Investor Relations



# Primary Insurance rising to new valuation levels

## Development of Talanx market capitalization

In EURbn



Source: FactSet

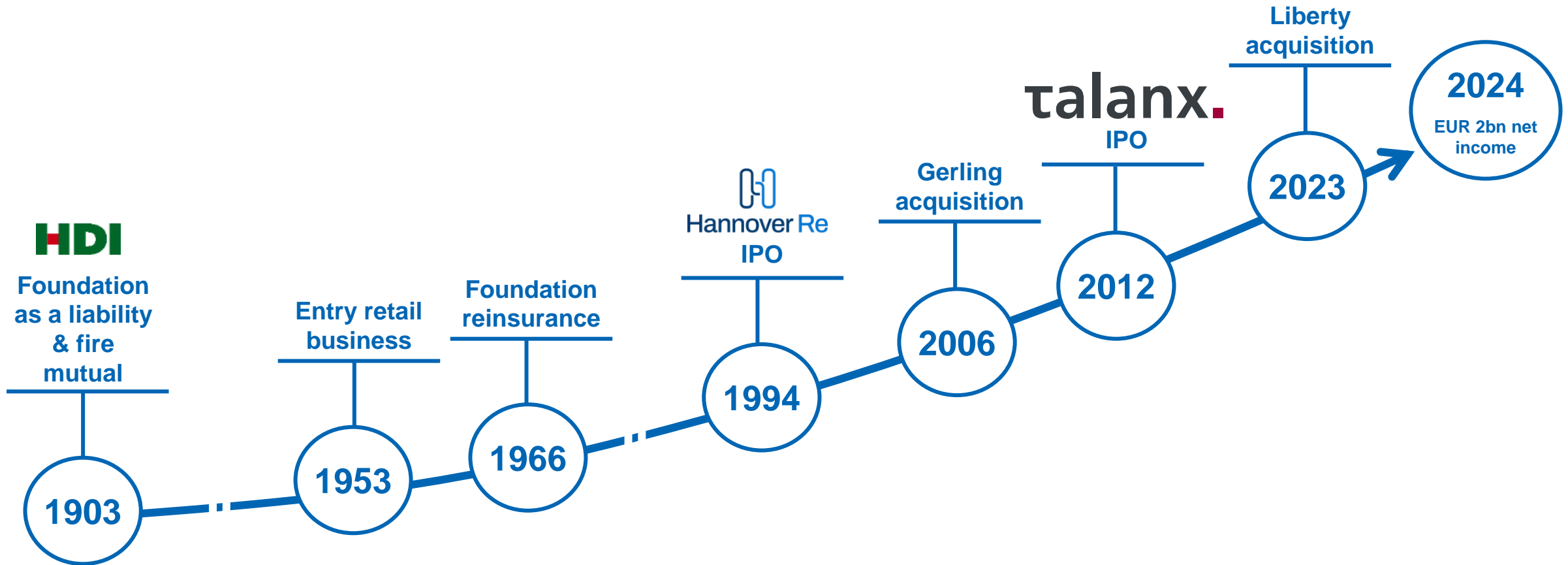
1 Primary Group (implied valuation) is here defined as Talanx market cap minus half of Hannover Re market cap



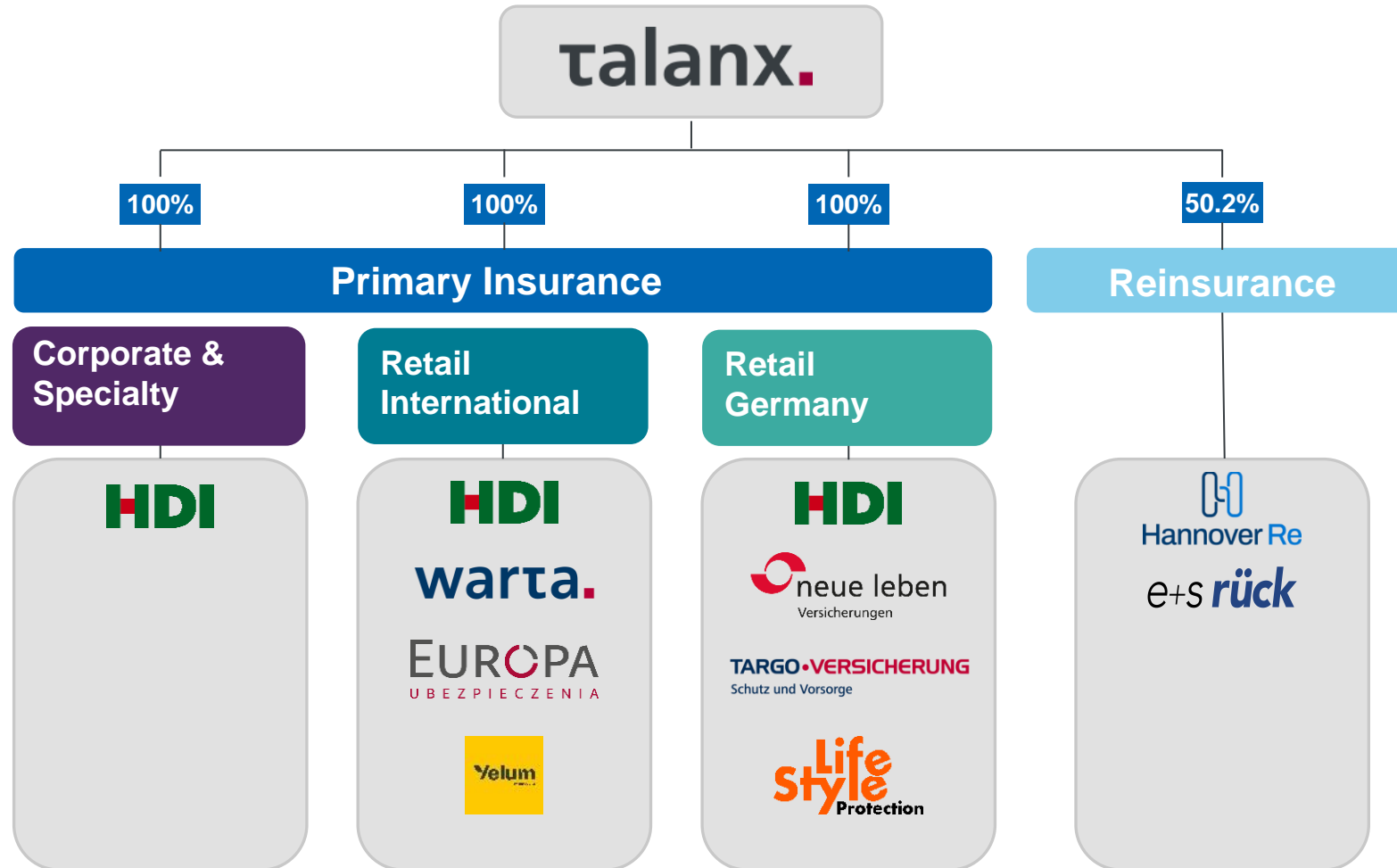
# Agenda

- 1 Talanx at a glance**
- 2 Profile of primary segments
- 3 Highlights from FY results 2024
- 4 Group Outlook
- 5 Appendix

# Talanx brings a history of 120 years to the table ...



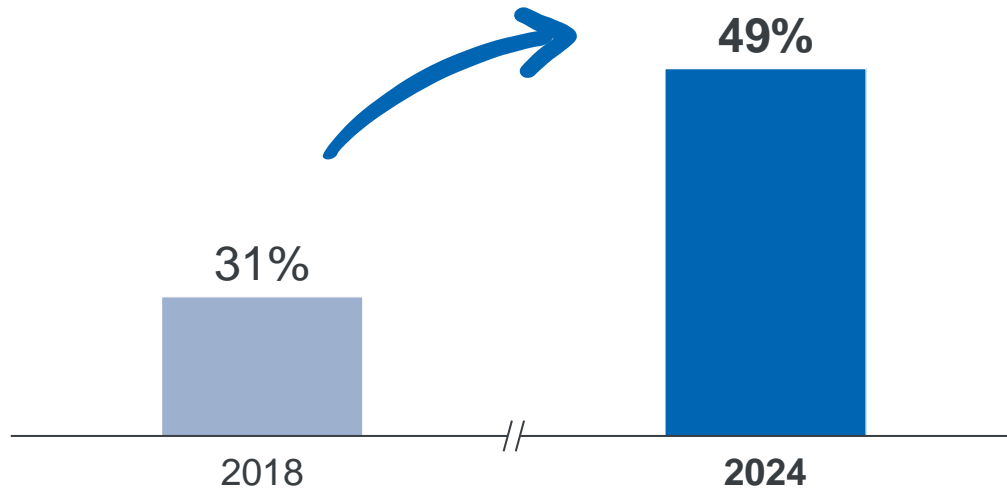
# ... and operates a multi-brand insurance business with 4 segments



# Profit contribution of Primary Insurance almost at target level of ~ 50%

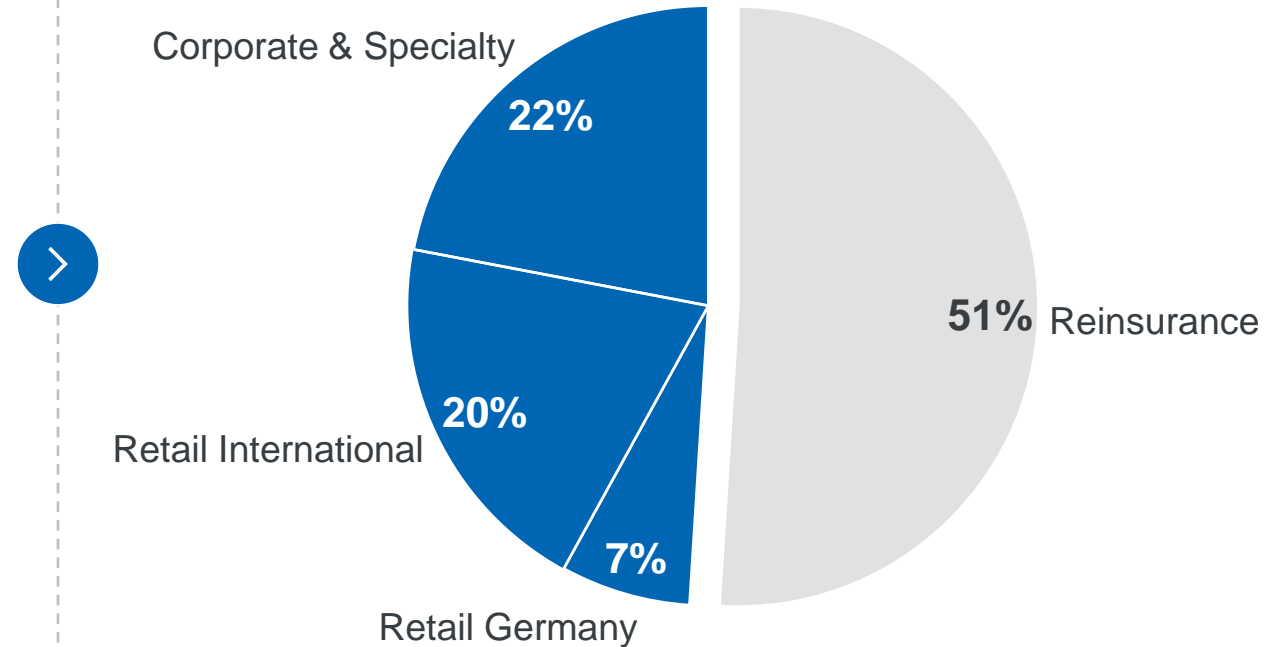
## Primary Insurance contribution to group

net income after minorities



## Net income split well diversified

net income after minorities, 2024

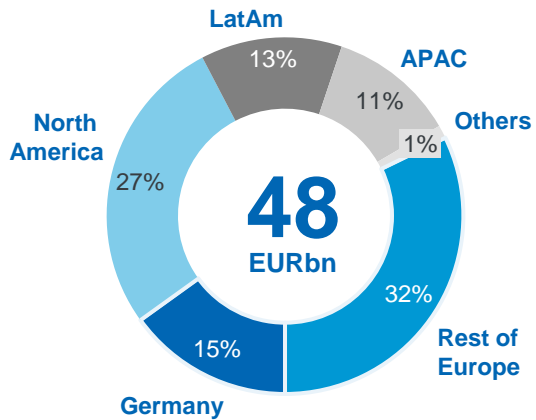


Note: Primary Insurance is the sum of Corporate & Specialty, Retail International and Retail Germany; percentages are calculated in percent of Group net income adjusted for Group Operations and Consolidation

# A well-balanced business with a low risk profile

## Underwriting

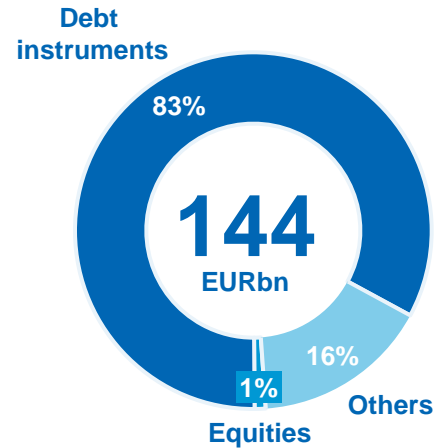
Insurance revenue, 2024, in EURbn



**Strong diversification**

## Investments

Investment portfolio as of 31 Dezember 2024, in EURbn



**Low investment risk**

## Solvency

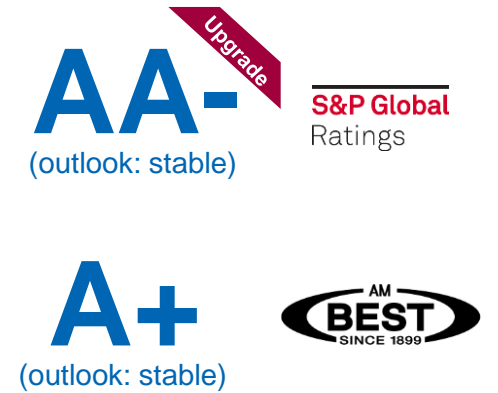
Solvency 2 CAR for HDI Group as of 30 September 2024<sup>1</sup>



**Solid capitalisation**

## Ratings

Insurer financial strength rating (Talanx Primary Group)



**Strong ratings**

<sup>1</sup> Solvency 2 ratio of HDI Group as the regulated entity. After deduction for the expected full financial year 2024 dividend to be paid in 2025. S2 CAR as of 31 Dec 2024 to be published on 8 May 2025 (AGM)



# Agenda

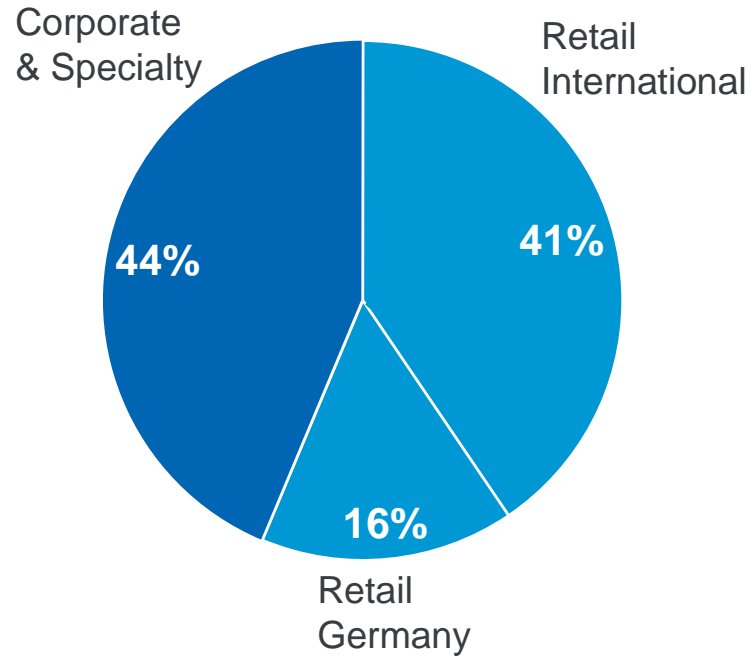
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# Primary Insurance: Diversified and focused P&C player

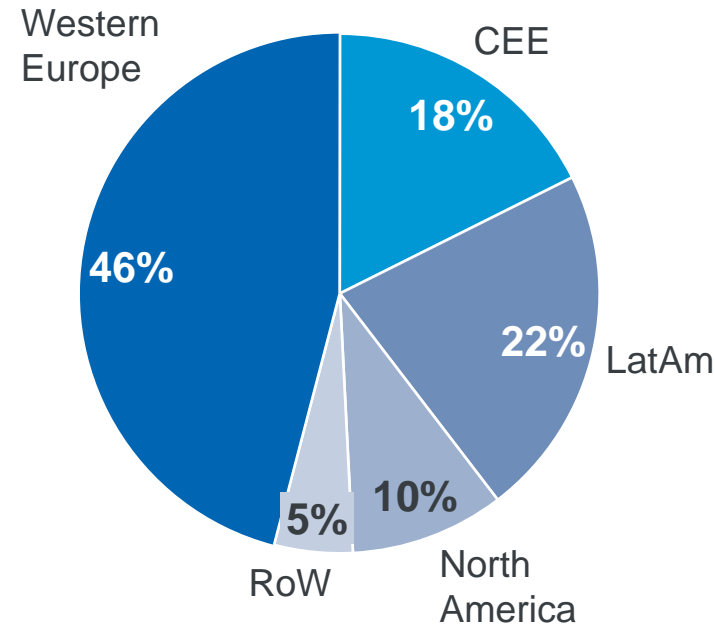
## Diversified – Segments

2024, insurance revenue in %



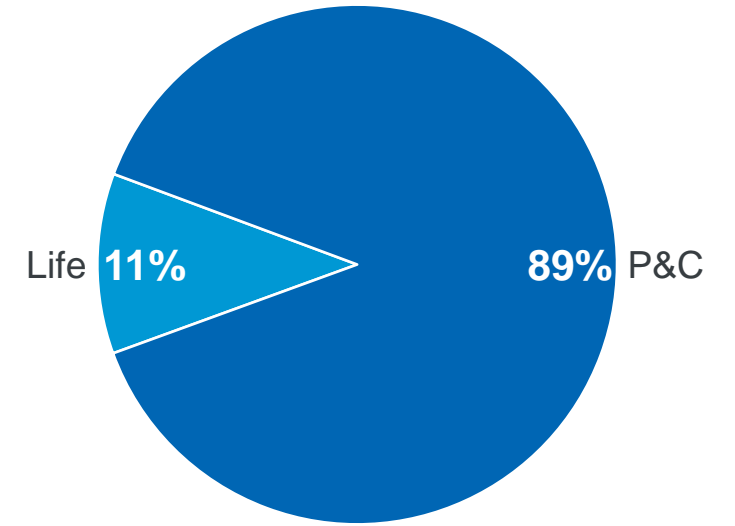
## Diversified – Regions

2024, insurance revenue in %



## Focused – P&C player

2024, insurance revenue in %



Note: Numbers may not add up due to rounding differences. Primary Insurance is the sum of Corporate & Specialty, Retail International and Retail Germany

# Continued growth driven by good new business across markets ...

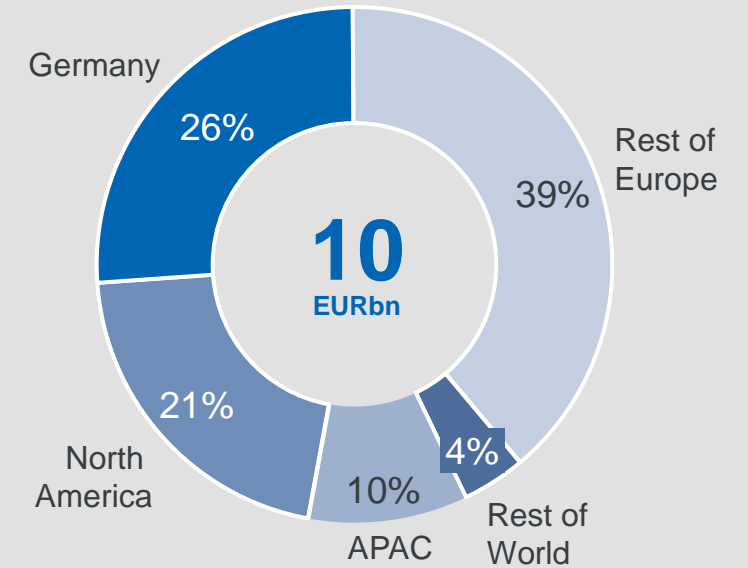
## Insurance revenue growth by market<sup>1</sup>

2024 vs. 2023 in %



## Insurance revenue 2024 by region<sup>2</sup>

2024

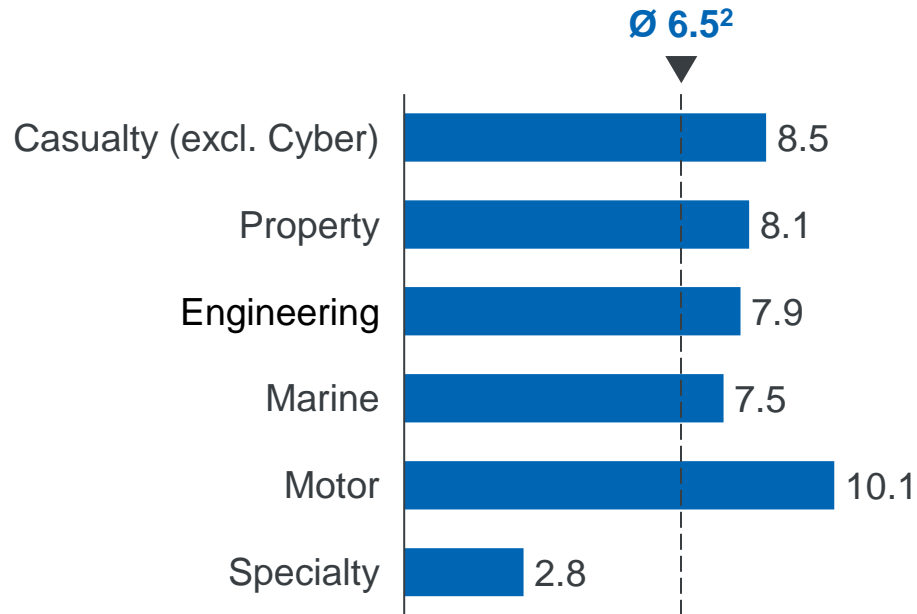


1 On unconsolidated basis | 2 Breakdown based on (booking) entity location for commercial business, on (insured) country risk for specialty business

# ... and rate changes on adequate levels in most important lines of business

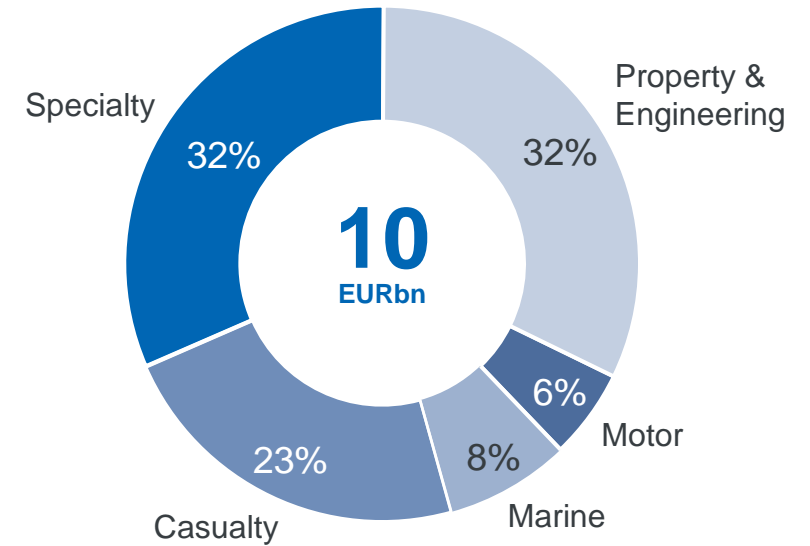
## Rate changes<sup>1</sup>

in %



## Insurance revenue 2024 by line of business

2024



<sup>1</sup> after cancellations, change of share and considering effects of premium, fees (exception Liability) and equivalents. Engineering for annuals only & excl. project business | <sup>2</sup> Premium-weighted average

# Retail International runs an attractive business ...

## Latin America



## Europe



+

=

## Retail International

2024, in EUR

**9.3bn**  
Insurance revenue

**449m**  
Net income

**~40m**  
Clients  
(Relationships)

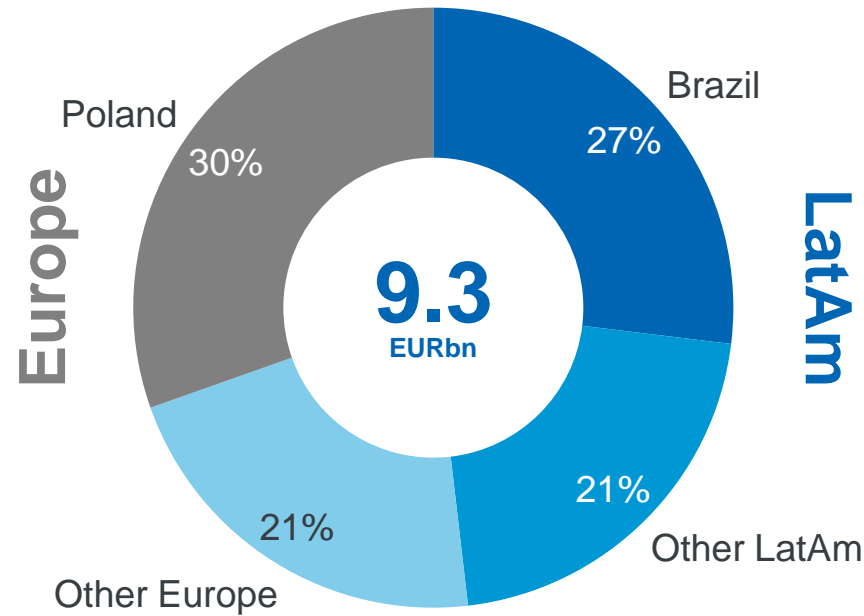
**~14,000**  
Employees

**~75,000**  
# of distributors

# ... having a well diversified business portfolio across markets and products

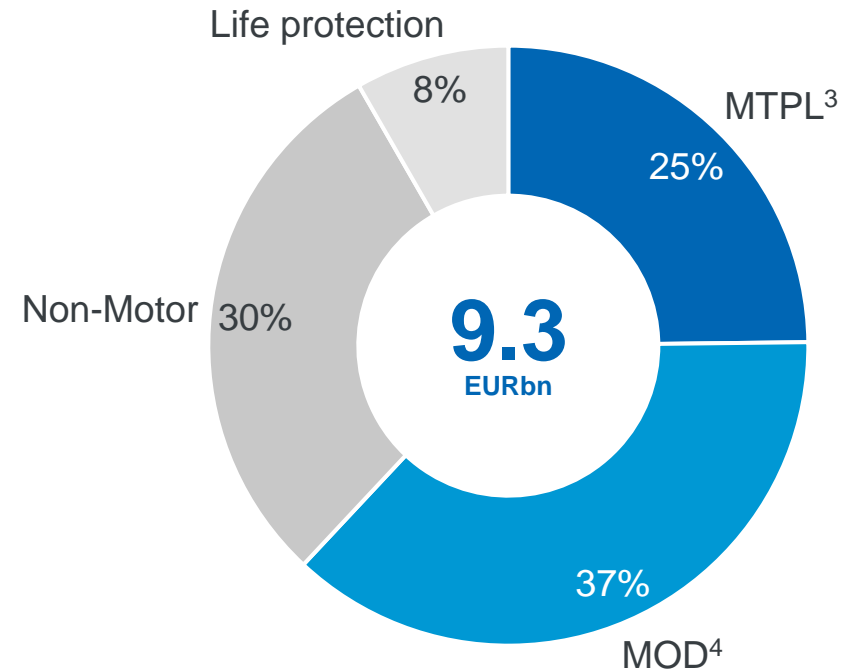
## Diversified – Regions

Insurance revenue, 2024



## Diversified – Lines of business

Insurance revenue, 2024

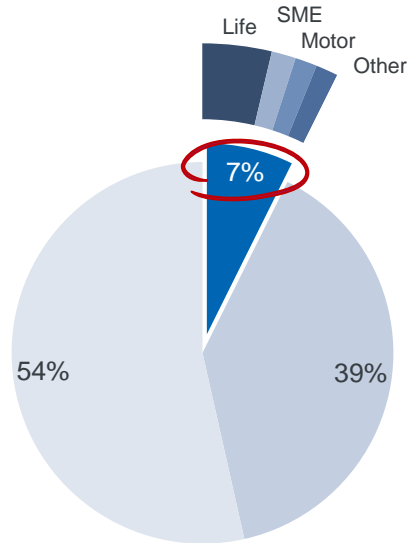


1 Predominantly Italy and Türkiye | 2 Predominantly Chile, Mexico and Colombia | 3 Motor third party liability | 4 Motor own damage (casco)

# Solid profitability with significant cash contribution to the group

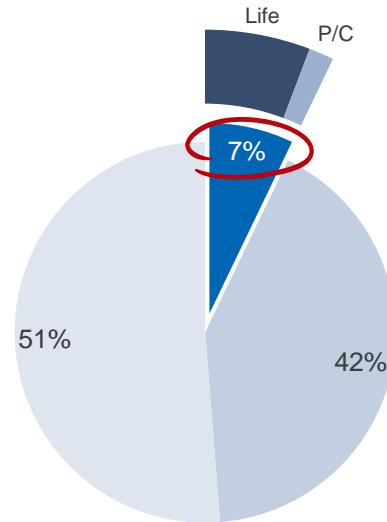
## Group insurance revenue<sup>1</sup>

2024



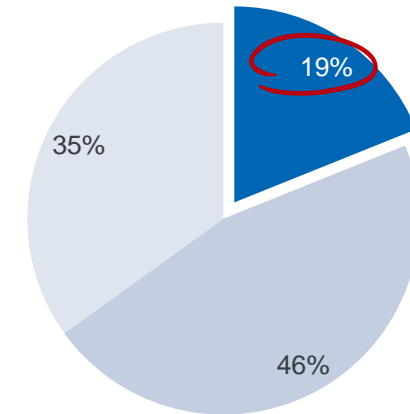
## Group net income<sup>2</sup>

2024



## Group cash contribution<sup>3</sup>

Local GAAP, 2024



■ Retail Germany ■ Other Primary ■ Reinsurance

Note: Numbers may not add up due to rounding differences

1 Percentages are calculated in percent of Group insurance revenue adjusted for Group Operations and Consolidation | 2 Percentages are calculated in percent of Group net income adjusted for Group Operations and Consolidation

3 Percentages are calculated in percent of cash contributions to Talanx AG adjusted for contribution from Group Operations (mainly Ampega)



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# An excellent year 2024

1

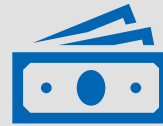
## Strong top line growth



**+11%<sup>1</sup>**  
Insurance revenue

2

## Superior earnings growth



**+25%**  
Group net income

3

## High profitability



**~18%**  
Return on equity

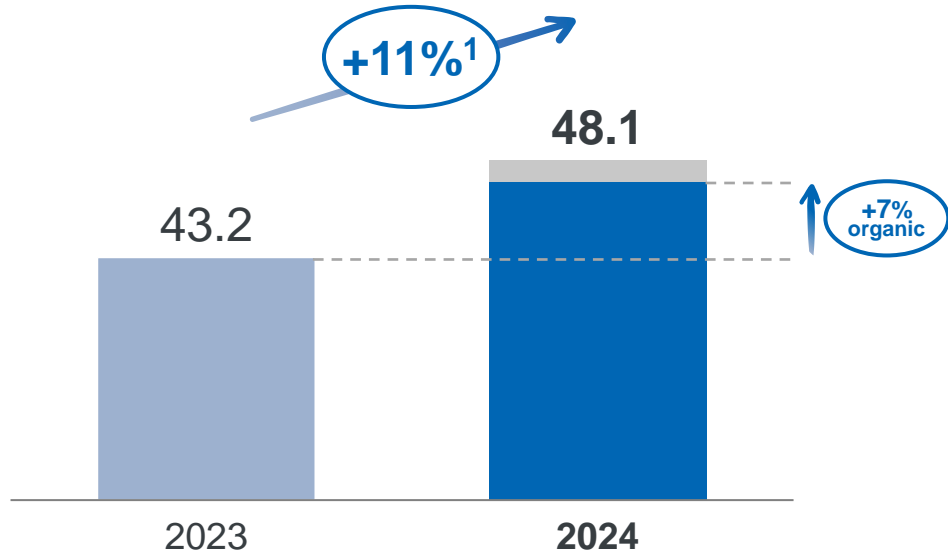
<sup>1</sup> Currency-adjusted: +13%



# Double-digit top line growth – Bottom line growing twice as fast ...

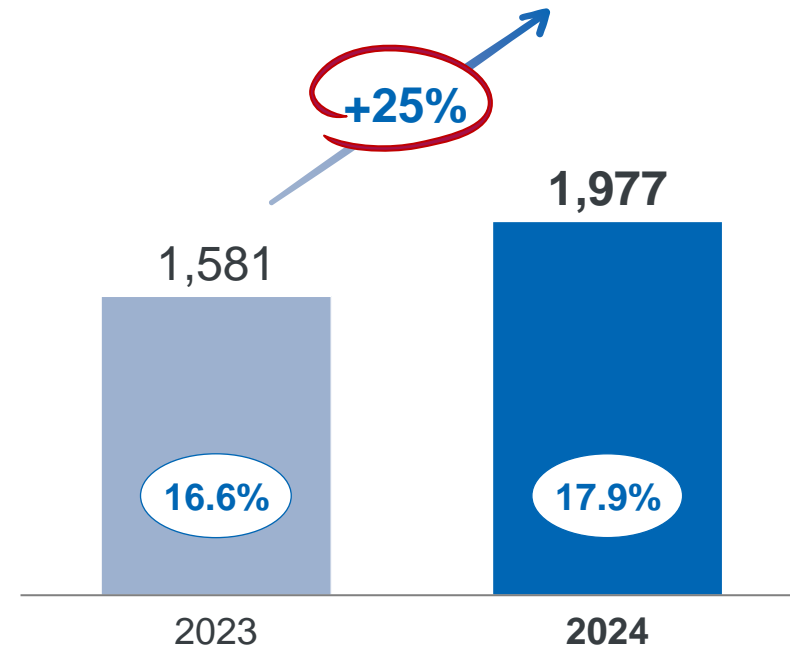
## Top line

Insurance revenue, in EURbn



## Bottom line

Group net income, in EURm



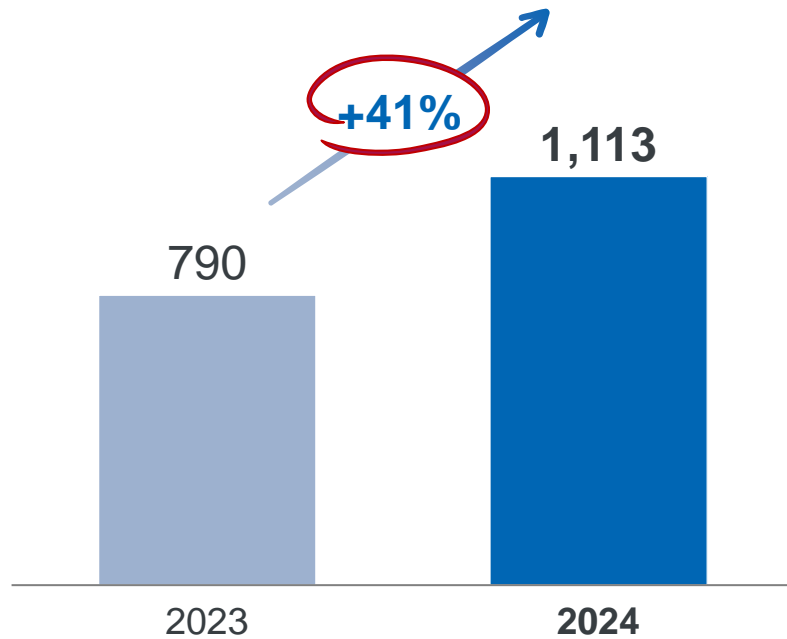
○ = Return on equity

<sup>1</sup> Currency-adjusted: +13%

# ... driven by Primary Insurance

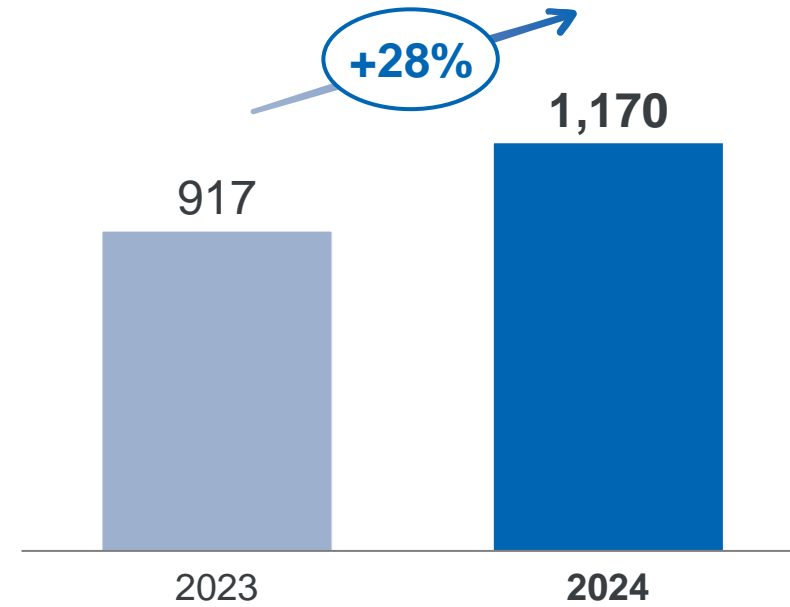
## Primary Insurance net income contribution

after minorities, in EURm



## Reinsurance net income contribution

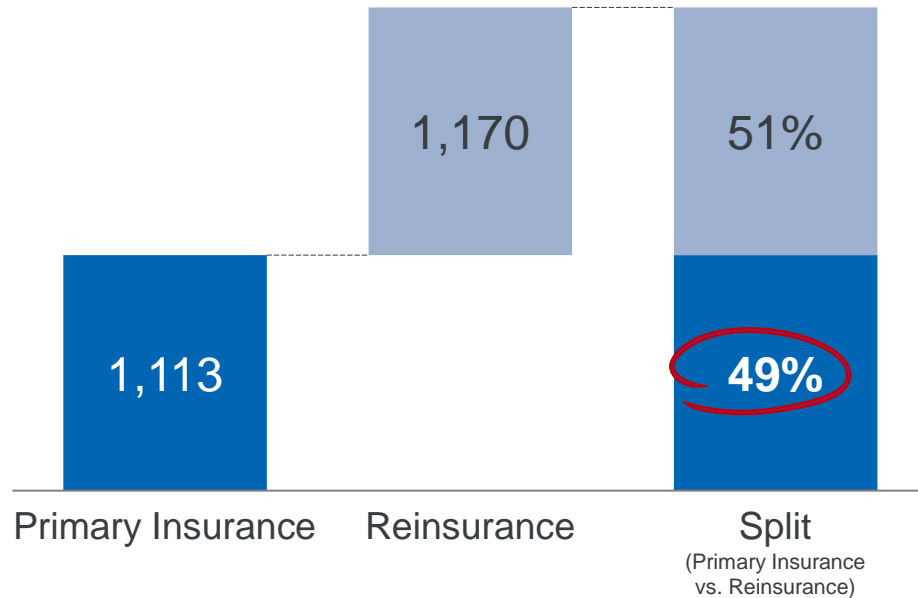
after minorities, in EURm



# Strong earnings and cash generation of Primary Insurance

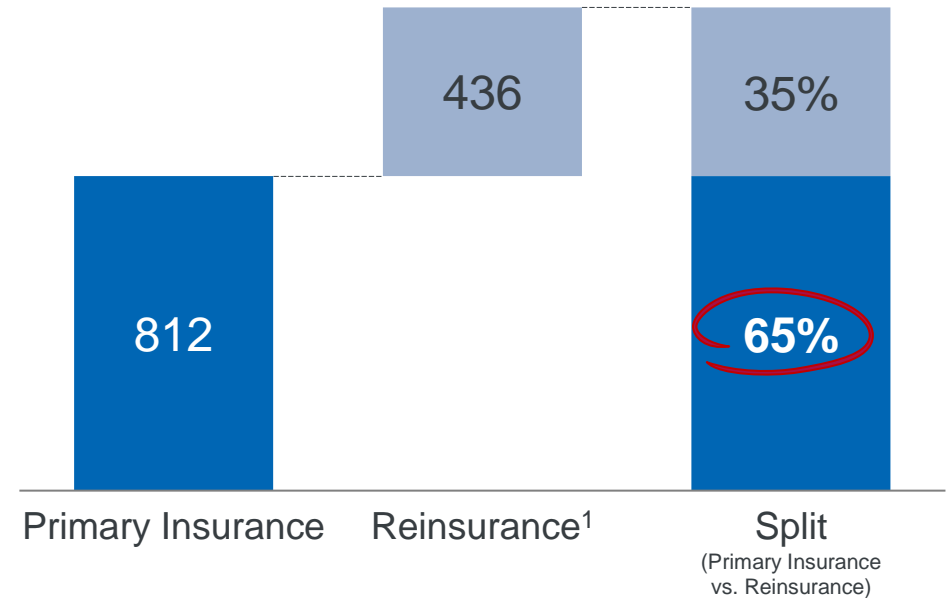
## Group net income

2024, in EURm



## Cash contribution from subsidiaries

Local GAAP, as affecting income statement of Talanx AG in 2024, in EURm

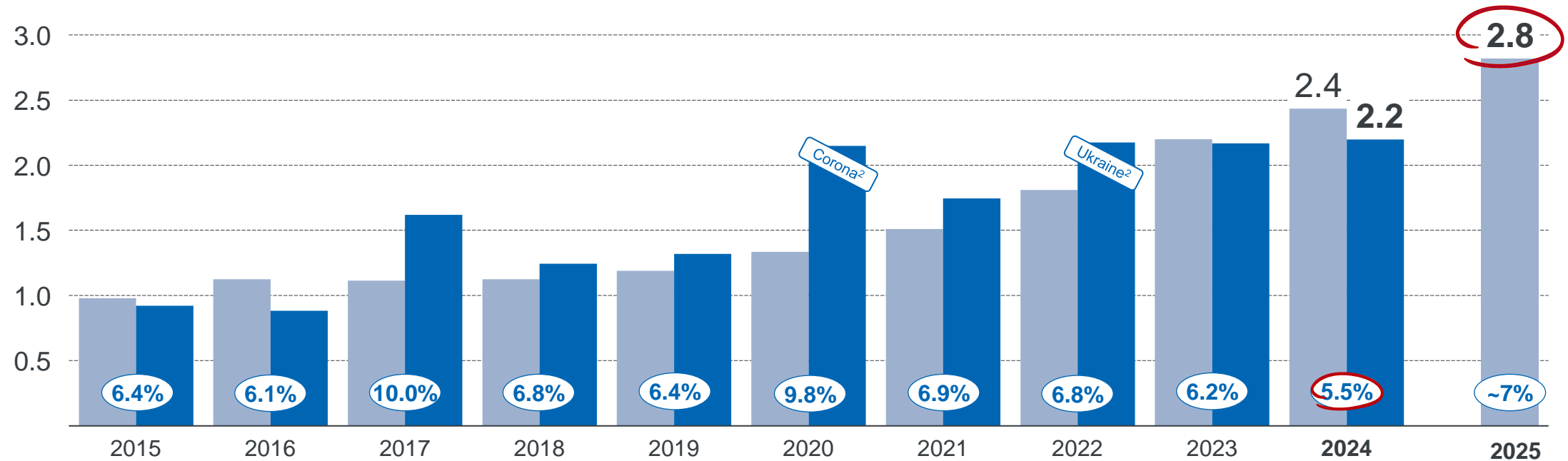


Note: Primary Insurance is the sum of Corporate & Specialty, Retail International and Retail Germany  
 1 Dividend from Hannover Re received by Talanx AG in 2024 for 2023

# Large losses at prior-year level and below budget

## Large losses in absolute and relative terms

P/C business only, in EURbn



= Net large losses relative to premiums earned / insurance revenue<sup>1</sup>    ■ Budget    ■ Usage

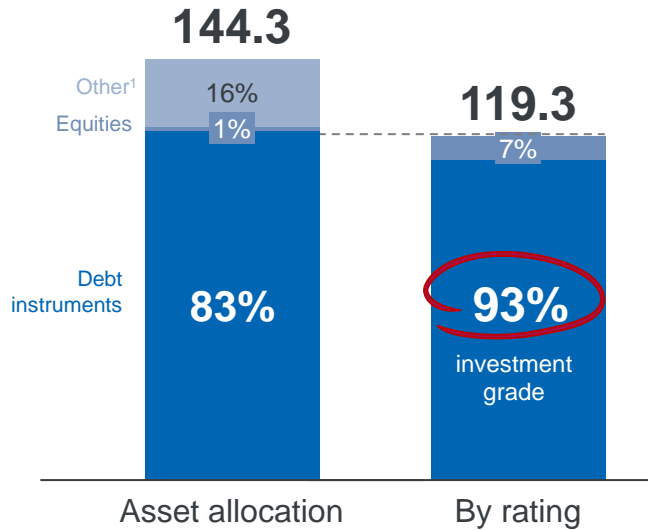
Note: Definition "large loss": In excess of EUR 10m gross in either Primary Insurance or Reinsurance.

<sup>1</sup> For 2015 – 2021 IFRS 4, in % of net premiums earned. From 2022 IFRS 17, in % of insurance revenues | <sup>2</sup> Details in appendix

# Benefits from past investment management actions materialising

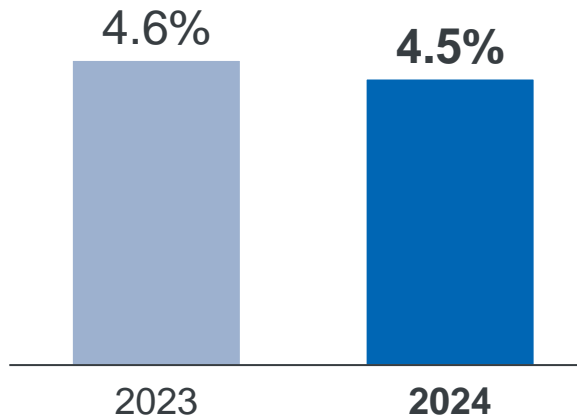
## High-quality investment portfolio

2024, in EURbn



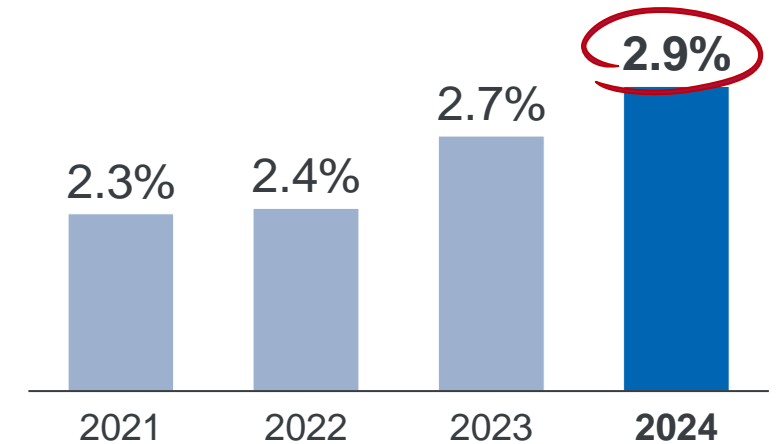
## Average reinvestment yield<sup>2</sup>

in % p.a.



## Average bond portfolio yield<sup>3</sup>

in % p.a.

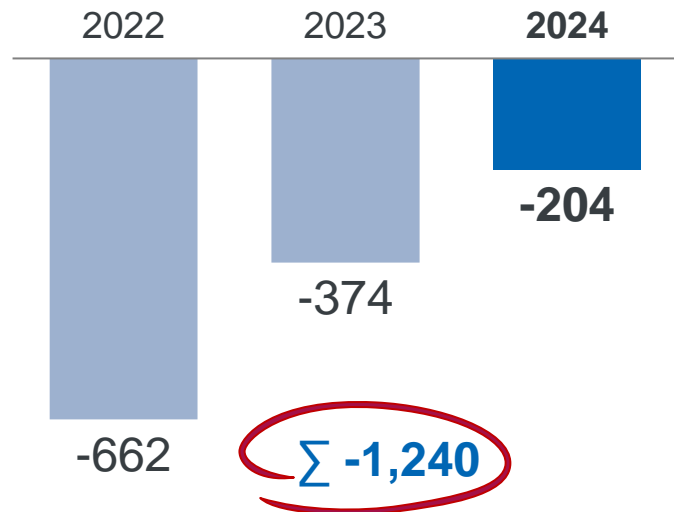


<sup>1</sup> Includes mainly private equity, real estate and infrastructure investments | <sup>2</sup> On debt instruments securities calculated as FY average | <sup>3</sup> On debt instruments at year-end

# Resiliency further improved

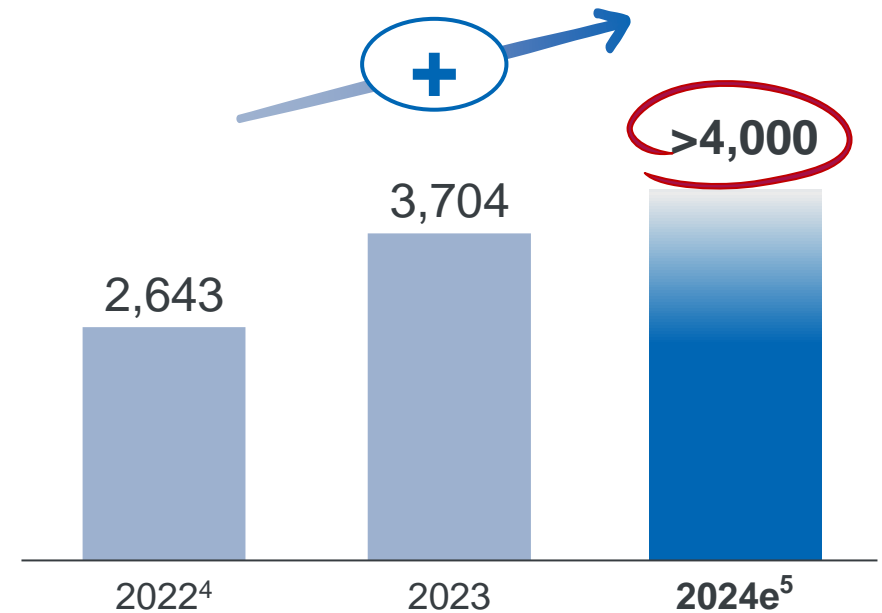
## Net realised bond gains/losses<sup>1</sup>

EBIT impact, in EURm



## Resiliency embedded in best estimate<sup>2</sup>

Talanx Group<sup>3</sup>, in EURm



External expert assessment of 31 Dec 2024 figures to be published with Q1 2025 results on 15 May 2025

<sup>1</sup> Excluding losses allocated to policyholders in German Retail Life, according to IFRS 17 | <sup>2</sup> Resiliency embedded in best estimate for P/C net claims reserves (undiscounted), before taxes and minorities which is defined as the difference between booked reserves (based on Talanx' own best estimates) and WTW analysis. WTW calculation based on data provided by Talanx. | <sup>3</sup> Sum of Hannover Re, Talanx Primary Group, Talanx AG (not consolidated) | <sup>4</sup> Excludes EUR 5m related to Hungarian entity which was deconsolidated in 2023 | <sup>5</sup> Internal estimates (external expert calculation to be published with Q1 2025 results on 15 May 2025)

# Strong performance across all Primary Insurance segments

## Corporate & Specialty

## Retail



Global player

### International



Growth player

### Germany



Stable player

Insurance revenue

EUR 10bn

EUR 9.3bn

EUR 3.6bn

Net income<sup>1</sup>

EUR 501m

EUR 449m

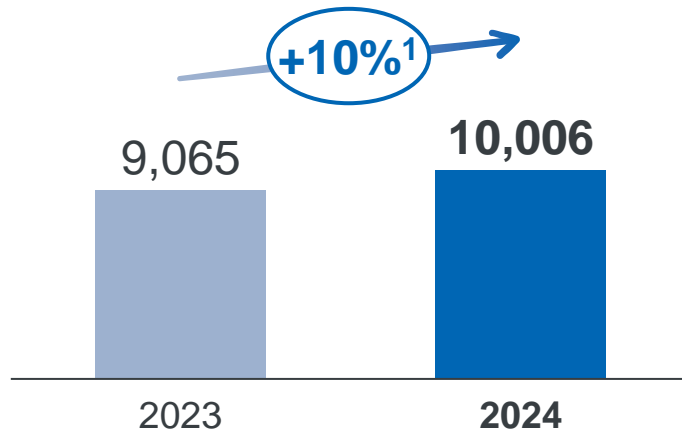
EUR 163m

<sup>1</sup> After minorities

# Continue to leverage hard market cycle

## Insurance revenue

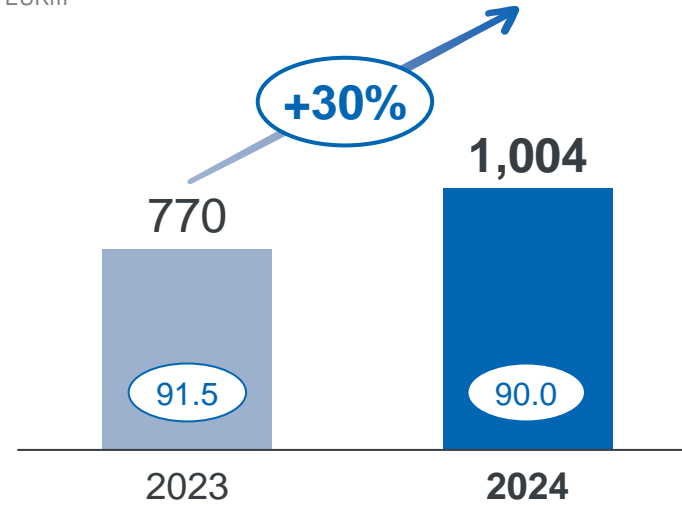
in EURm



Continued growth driven by new business and rate changes above claims inflation

## Insurance service result

in EURm

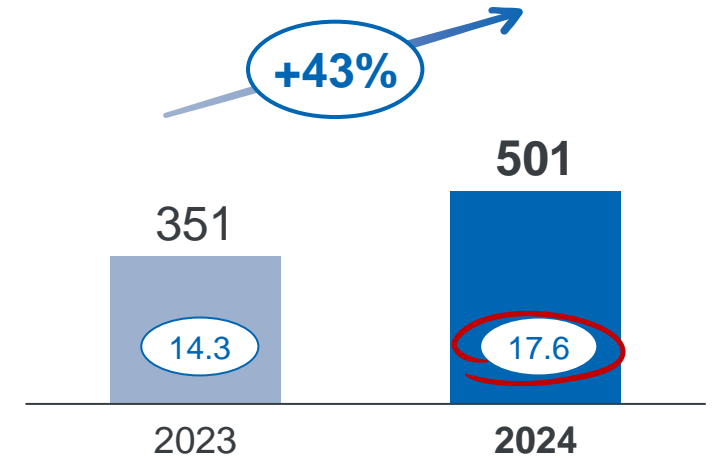


○ = Combined ratio (net / gross) Property / Casualty in %<sup>2</sup>

Improved technical performance and additional reserve strengthening

## Net income

after minorities, in EURm



○ = RoE in %

Profitability up despite higher tax ratio

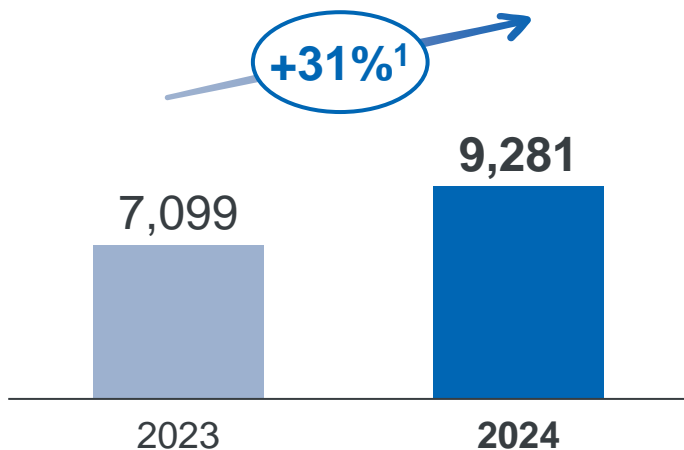
<sup>1</sup> Currency-adjusted: +11% | <sup>2</sup> Combined ratio (net / gross): Insurance service expenses after reinsurance divided by insurance revenue before reinsurance



# Strong underwriting performance and LatAm acquisition boost profitability

## Insurance revenue

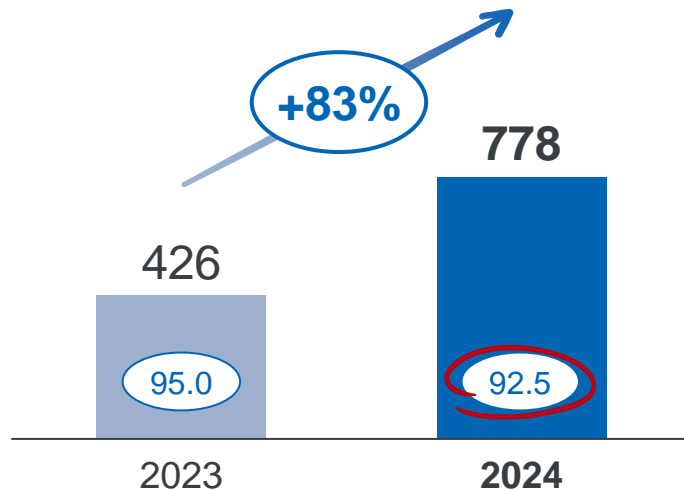
in EURm



Accelerated inorganic and organic<sup>2</sup> growth

## Insurance service result

in EURm

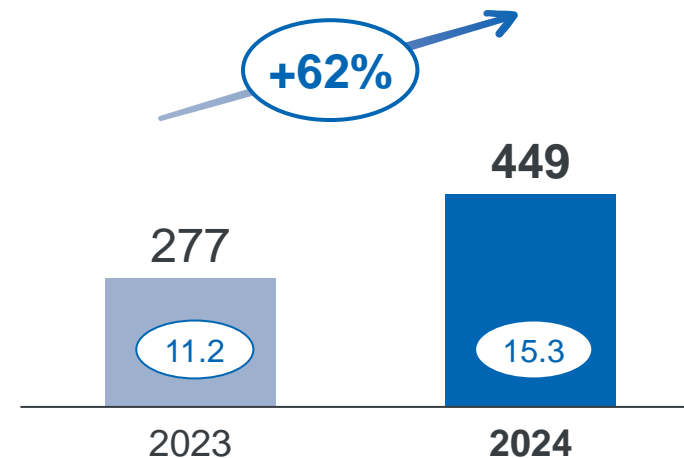


○ = Combined ratio (net / gross) Property / Casualty in %<sup>3</sup>

Strong underwriting performance driven by technical excellence

## Net income

after minorities, in EURm



○ = RoE in %

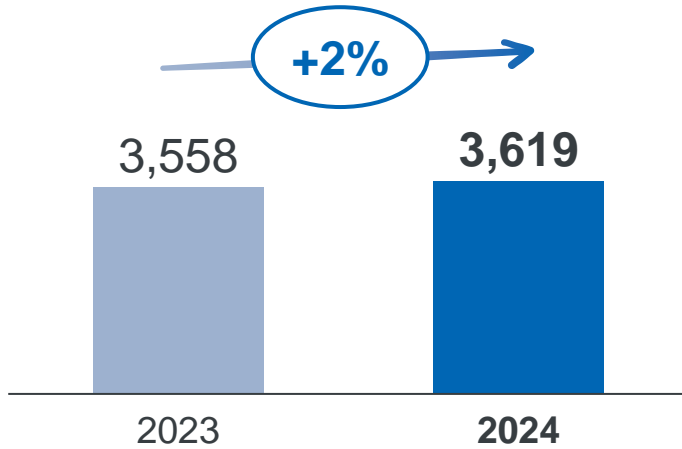
Rising profitability despite LatAm integration costs

<sup>1</sup> Currency-adjusted: +40% | <sup>2</sup> currency-adjusted: 15% | <sup>3</sup> Combined ratio (net / gross): Insurance service expenses after reinsurance divided by insurance revenue before reinsurance.

# Stable results in challenging market environment

## Insurance revenue

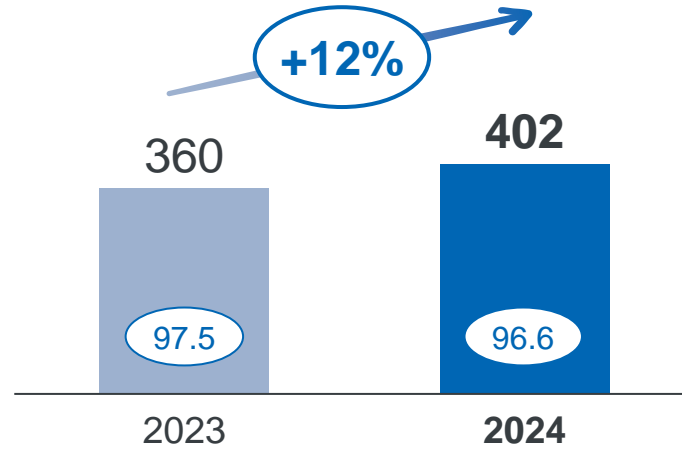
in EURm



Focus on profitable product portfolio

## Insurance service result

in EURm

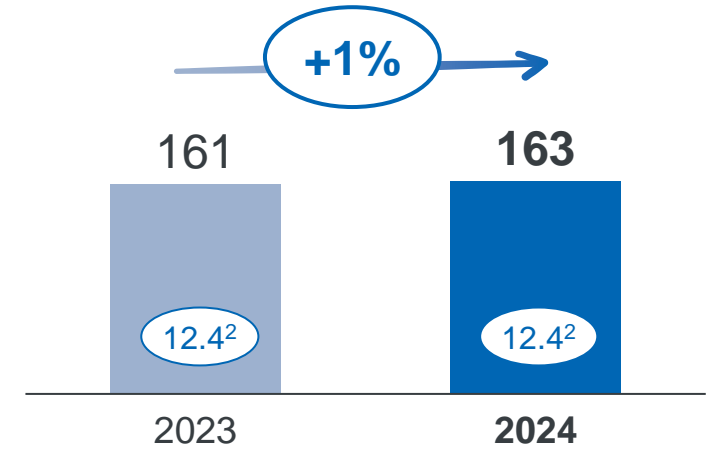


= Combined ratio (net / gross) Property / Casualty in %<sup>1</sup>

Benefits from repricing and other portfolio actions starting to materialise

## Net income

after minorities, in EURm



= RoE in %

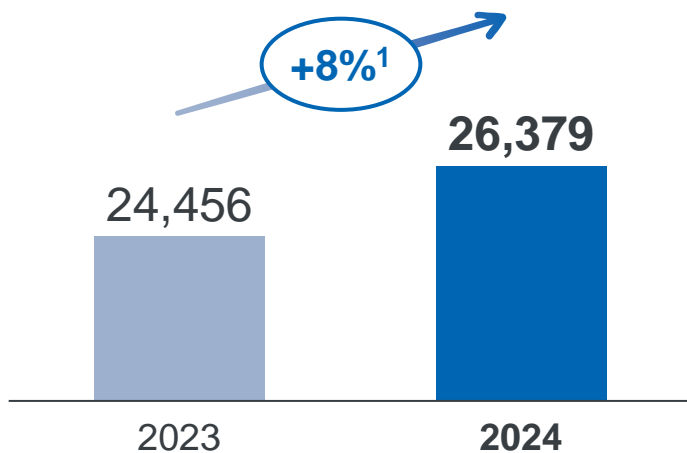
Stable profit contribution from both life and non-life

<sup>1</sup> Combined ratio (net / gross): Insurance service expenses after reinsurance divided by insurance revenue before reinsurance | <sup>2</sup> RoE is including Asset Management contribution; RoE without Asset Management contribution was 11.0% for 2023 and 10.8% for 2024

# Strong and reliable profitability

## Insurance revenue

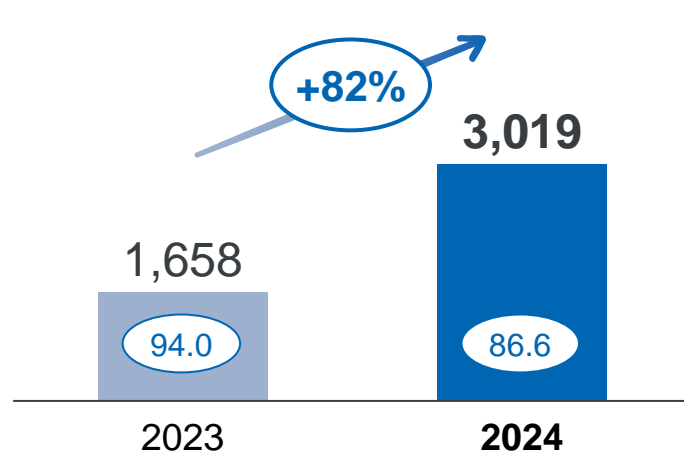
in EURm



Attractive growth in a favourable market environment, mainly driven by P/C business

## Insurance service result

in EURm

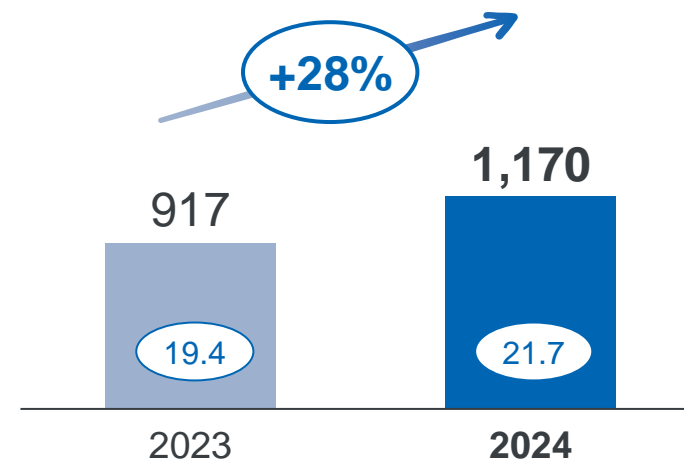


○ = Combined ratio (net / net) Property / Casualty in %

Significant increase reflects strong underlying profitability & balance-sheet strengthening in 2023

## Net income

after minorities, in EURm



○ = RoE in %

Strong earnings contribution from P&C, L&H and investments

<sup>1</sup> Currency-adjusted: +7.8%



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# Outlook 2025

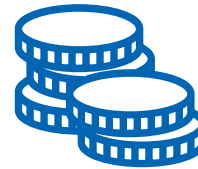
## Insurance revenue growth<sup>1</sup>



Mid  
single-digit

## Group net income

in EURm



>2,100<sup>2</sup>

## Return on equity



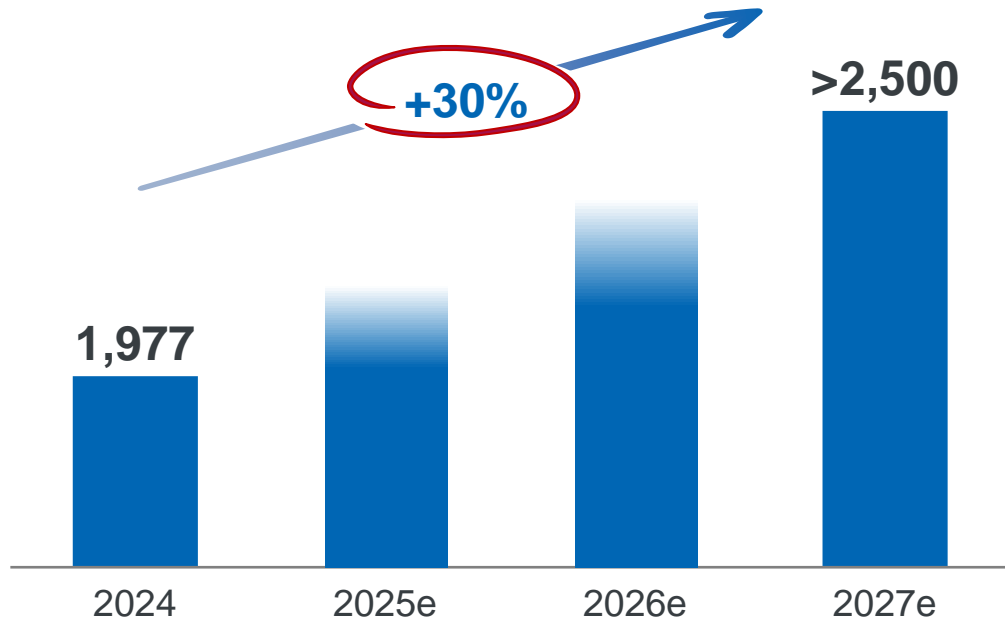
~17%<sup>3</sup>

Note: Targets are relevant as of FY2024; targets are subject to large losses staying within their respective annual large-loss budgets (EUR 2.8bn in 2025) as well as no occurrence of major turmoil on currency and/or capital market

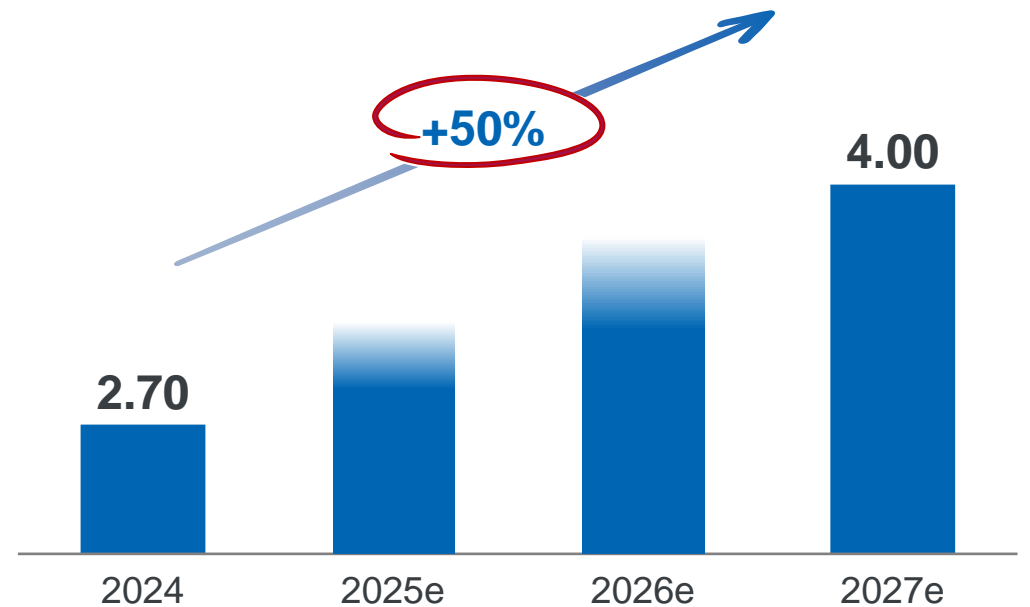
1 Currency-adjusted | 2 Original strategic target was EUR 1.6bn | 3 Provided that there are no fluctuations in equity for other reasons (e.g. credit spread changes). Strategic target is > 12%

# Strategic targets until 2027

## Group net income



## Dividend



Note: 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 markets; dividends subject to supervisory board and AGM approval



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# 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
	Corporate & Specialty	Retail International	Retail Germany	∑ Primary Insurance	Reinsurance	Group Operations	Conso- lidations	Talanx Group
2018	-16	161	102	247 31%	540 69%	-80	-4	703
2019	103	164	133	400 39%	619 61%	-97	1	923
2020	47	160	119	326 42%	442 58%	-117	-3	648
2021	143	189	161	493 45%	609 55%	-105	14	1,011
2022	177	214	150	541 43%	707 57%	-95	19	1,172
2023	351	277	161	790 46%	917 54%	-87	-38	1,581
2024	501	449	163	1,113 49%	1,170 51%	-318	11	1,977

IFRS 4

IFRS 17

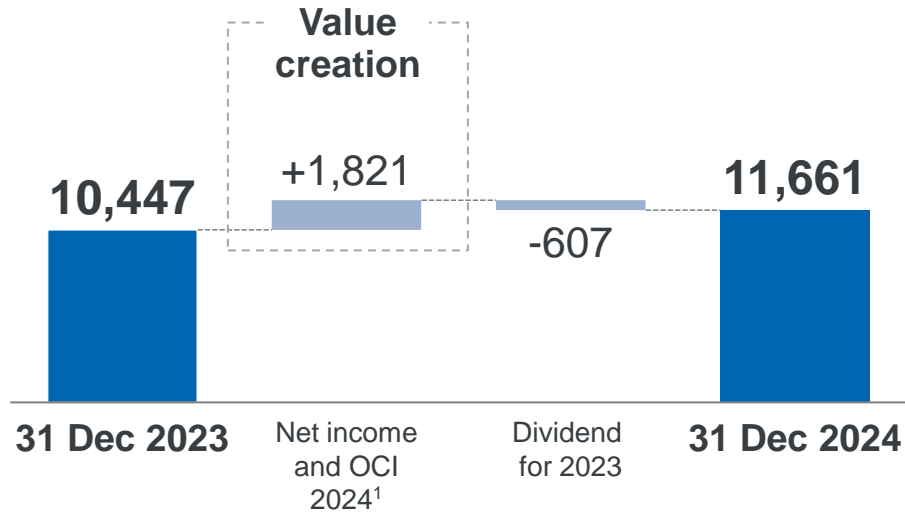
Note: Primary Insurance is the sum of Corporate & Specialty, Retail International and Retail Germany. Percentages are calculated in percent of Group net income adjusted for Group Operations and Consolidation



# 90% of market value backed by existing book

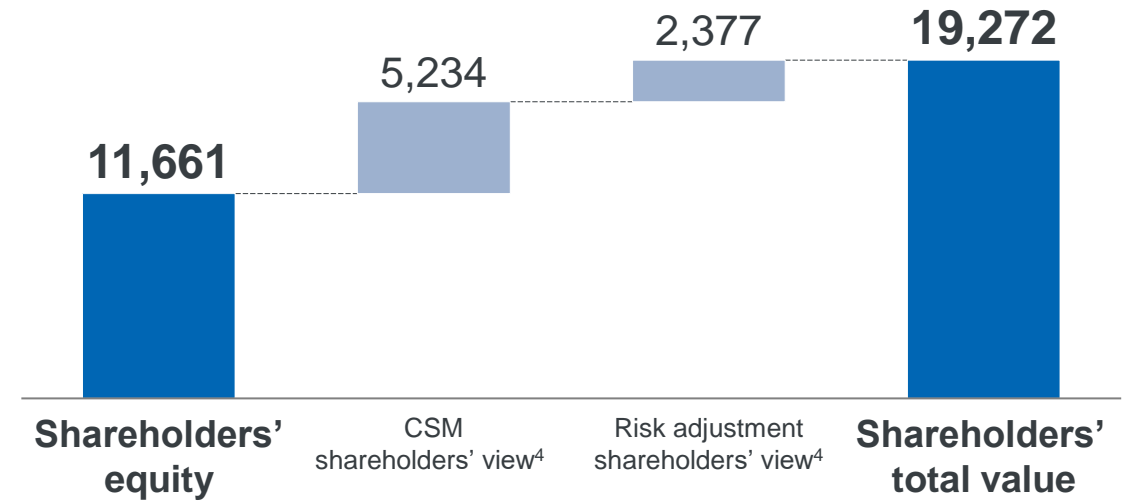
## Shareholders' equity development

After taxes and minorities, in EURm



## Shareholders' capital components

After taxes and minorities, as of 31 Dec 2024, in EURm



## Book value per share<sup>2</sup>

in EUR



1 Net income and Other Comprehensive Income after minorities | 2 Based on 258,228,991 shares | 3 Incl. goodwill (shareholder's equity excl. goodwill: EUR 39.00)

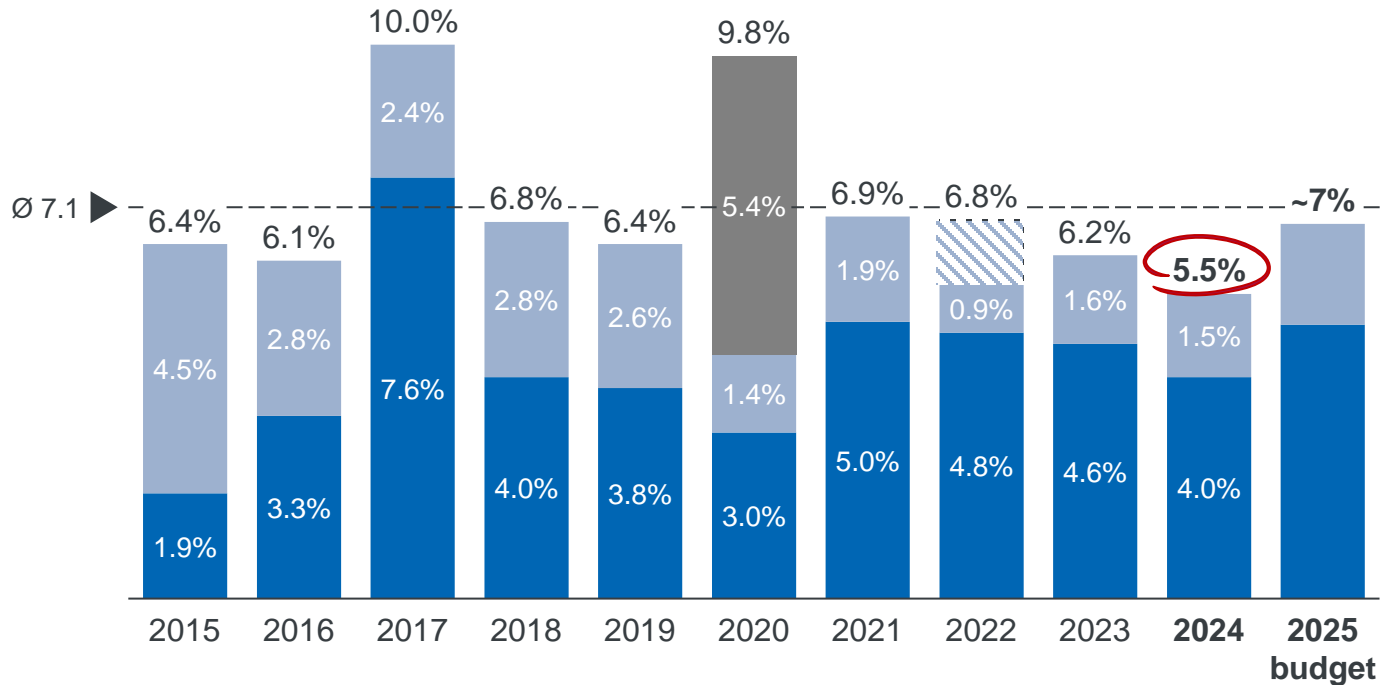
4 Based on flat / average tax rates and minorities

# 2024 large losses clearly below budget and long-term average

## Net large losses in relative terms

For 2015 – 2021 IFRS 4, in % of net premiums earned (P/C business only)  
 For 2022 and 2024 IFRS 17, in % of insurance revenues (P/C business only)

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



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

2024 large losses  
of EUR 2,199m **below**  
budget (EUR 2,435m)

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Top 3 NatCat losses in 2024:

- Hurricane "Milton" EUR 290m
- Floods Eastern Europe EUR 254m
- Floods Brazil EUR 148m

# Large loss detail

<b>Net losses</b> in EURm, FY 2024 (FY 2023)	<b>Corporate &amp; Specialty</b>	<b>Retail International</b>	<b>Retail Germany</b>	<b>∑ Primary Insurance</b>	<b>Reinsurance</b>	<b>Group Operations</b>	<b>Talanx Group</b>
<b>TOP 10 NatCat</b>							
Hurricane „Milton“, USA (Oct)	60.1			60.1	230.0		290.1
Flood, Eastern Europe (Sep)	14.9	29.5		44.4	193.9	15.7	254.1
Flood, Brazil (Apr/May)	41.5	10.1		51.6	85.3	11.5	148.4
Hurricane "Helene", USA (Sep)	29.9			29.9	116.2		146.1
Flood, Dubai (Apr)	2.3			2.3	138.0		140.3
Flood, Germany (May/June)	27.3		3.9	31.2	52.8	6.4	90.5
Hailstorm "Calgary", Canada (Aug)					87.8		87.8
Hurricane "Beryl", USA (Jun/Jul)					73.7		73.7
Hurricane "Debby", USA & Canada (Aug)					50.1		50.1
Earthquake, Taiwan (Apr)	3.7			3.7	36.5		40.2
<b>Sum NatCat (total)</b>	<b>216.3</b> (122.2)	<b>58.1</b> (21.9)	<b>35.8</b> (49.9)	<b>310.2</b> (194.0)	<b>1,263.9</b> (1,347.7)	<b>36.8</b> (69.6)	<b>1,610.9</b> (1,611.3)
<b>Sum man-made<sup>1</sup></b>	<b>185.4</b> (211.5)	<b>9.3</b> (13.2)	<b>12.2</b> (20.0)	<b>206.9</b> (244.7)	<b>365.3</b> (272.9)	<b>15.5</b> (38.9)	<b>587.7</b> (556.6)
<b>Total large losses<sup>1</sup></b>	<b>401.6</b> (333.7)	<b>67.4</b> (21.5)	<b>48.0</b> (69.9)	<b>517.0</b> (438.8)	<b>1,629.2</b> (1,620.6)	<b>52.3</b> (108.5)	<b>2,198.6</b> (2,167.9)
Large loss budget	467.8 (365.0)	27.2 (15.0)	45.0 (45.0)	540.0 (425.0)	1,825.0 (1,725.0)	70.0 (50.0)	2,435.0 (2,200)

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

# Outlook 2025: Corporate & Specialty

## Insurance revenue growth<sup>1</sup>

in %



**High  
single-digit**

## Combined ratio<sup>2</sup>



**<92%**

## Return on equity



**>15%**

Note: All targets are subject to large losses not exceeding the large loss budget (EUR 550m in 2025), 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. 1 Currency-adjusted | 2 Combined ratio (net / gross): Insurance service expenses after reinsurance divided by insurance revenue before reinsurance

# Outlook 2025: Retail International

## Insurance revenue growth<sup>1</sup>

in %



**Mid to high  
single-digit**

## Combined ratio



**~93%**

## Return on equity



**>13%**

Note: All targets are subject to large losses not exceeding the large loss budget (EUR 50m in 2025), 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  
1 Currency-adjusted

# Outlook 2025: Retail Germany

## P/C combined ratio<sup>1</sup>

in %



<96%

## Life new business value<sup>2</sup>

in EURm



>170

## Return on equity



>10%

Note: All targets are subject to large losses not exceeding the large loss budget (EUR 50m in 2025), 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.

1 Combined ratio (net / gross): Insurance service expenses after reinsurance divided by insurance revenue before reinsurance | 2 Contractual service margin from new business minus loss component from new business, after reinsurance

# Outlook 2025: Reinsurance

## P/C Reinsurance

Insurance  
revenue growth<sup>1</sup>

Combined  
ratio<sup>2</sup>



%

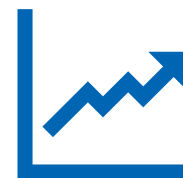
>7%

<88%

## L/H Reinsurance

CSM  
growth

Insurance  
service result



~2%

>875m EUR

## Reinsurance

Group  
net income



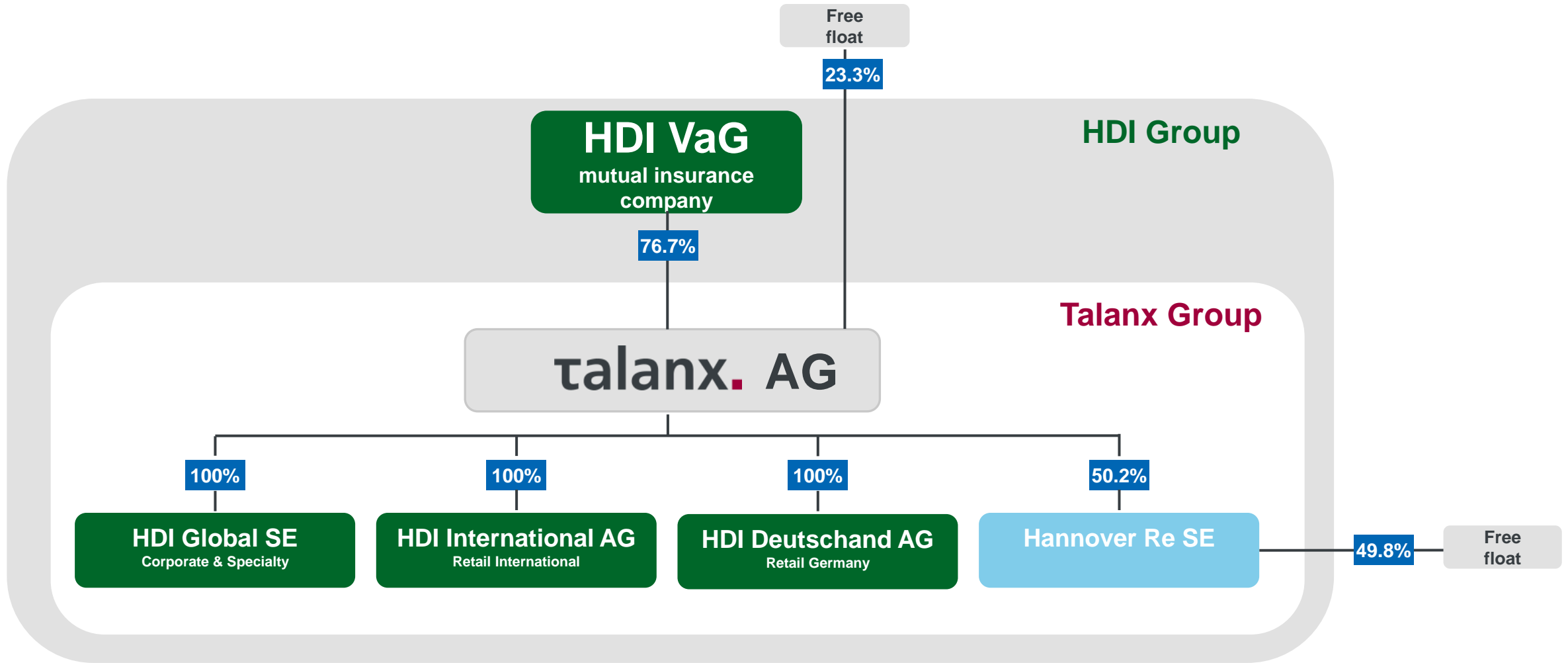
~1.2bn EUR

Note: All targets are subject to large losses not exceeding the large loss budget (EUR 2.1bn for 2025), 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.

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

# Talanx ownership structure

As of 31 Dezember 2024





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Microsoft Teams You can reach us also via video conference

## Join us

**31 March 2025**

Quirin Champions Conference, Frankfurt

**08 May 2025**

Annual General Meeting (virtual)

**15 May 2025**

Q1 2025 results

**21 May 2025**

Berenberg European Conference, Manhattan

**14 August 2025**

6M 2025 results

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