Big targets in view

talanx.

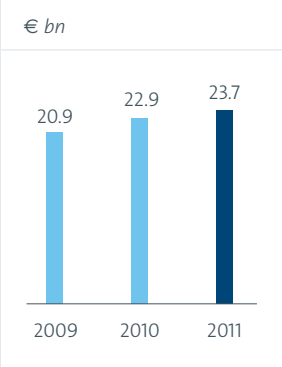
Insurance. Investments.

– Talanx is a platform
that offers scope for more strategic growth –

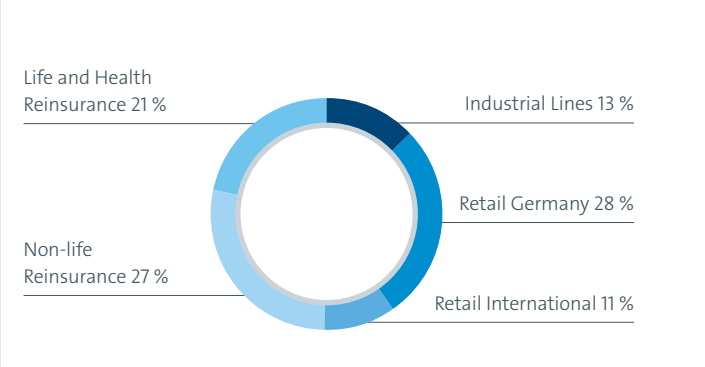
Key figures for the Group

All information is provided in accordance with IFRS, Group Annual Report 2011

Gross written premiums

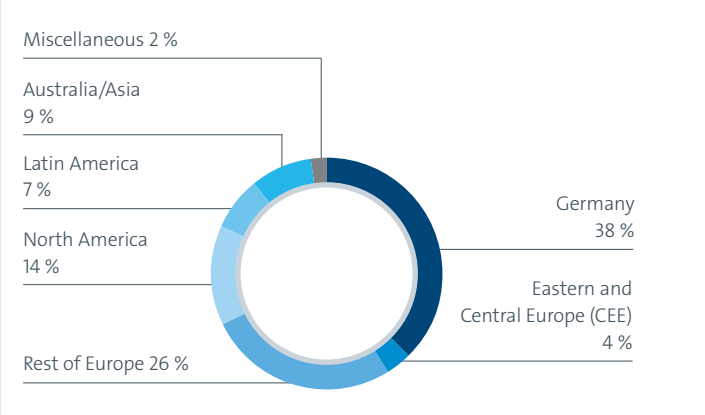


Gross premium income by division 2011[1)]

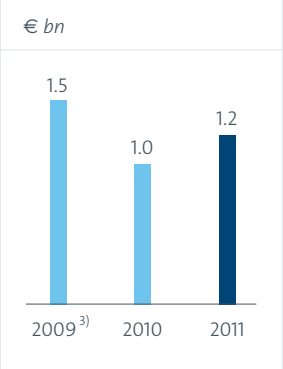


[1)] Gross written premiums with third parties

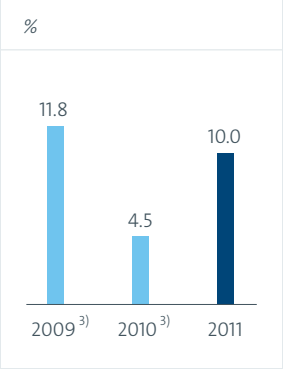
Gross premium income by region 2011



Operating result (EBIT)



Return on equity[2)]



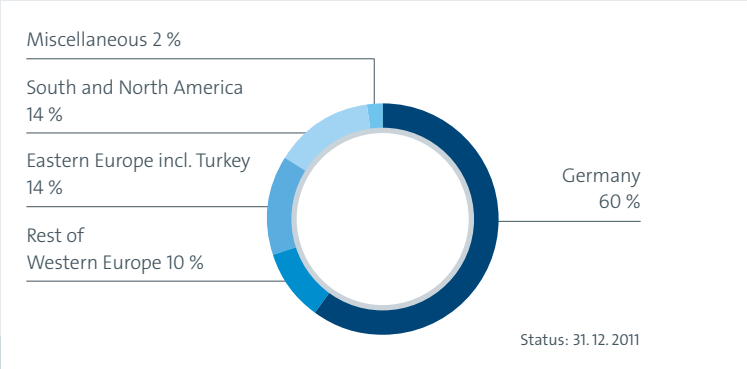
2) The return on equity is the annual net income relative to average shareholder's equity. (both in each case excluding minority interests)

3) Adjusted on the basis of IAS 8

18,314
Employees

5
Continents

Employees by region



Talanx – a success story

The Talanx Group is an insurance group that has a profile on all continents. The Group has strong roots in Germany, which has enabled it to create a sound financial and strategic foundation. This has proved a robust platform for an exceptional success story: Talanx underwent particularly strong growth over the past decade and achieved premium income amounting to more than 23 billion euros for the year 2011.

The Talanx Group operates in primary insurance and reinsurance and is established in the marketplace through a portfolio of brands. The business profile makes the company unique in the sector: The Group mainly pursues its business with professional market players, for example with other insurers, banks, professional brokers and large mid-sized companies and industrial groups, some with their own insurance departments. The Group also markets some of its products directly to businesspeople and private customers.

The company is based in Hannover, operates in 150 countries and has good ratings: Standard & Poor's assesses the financial strength of the Talanx primary insurance group with A+/stable (strong) and the Hannover Re Group with AA-/stable (very strong).

Internationalisation

- Existing locations in 2000
- Establishment/Acquisitions[1)]
- Cooperation/Joint Ventures[1)]

[1)] Since 2000; partly at existing locations

The Talanx Group is taking a proactive approach to the challenges in a globalised world. It has defined the objective of generating business above the average level, with particular emphasis on business abroad.

Industrial groups and small and medium-sized companies are extending their activities abroad and require appropriate insurance cover for their businesses. Industrial Lines offers these companies global services while at the same time acquiring new customers in the local foreign markets. The foreign companies grouped under Talanx International write local business with retail and commercial customers. The nature of reinsurance makes it an international business. Global diversification is part of the basic range of tools for spreading large and complex reinsurance risks.

The international reach and capability of the Talanx Group are expanded through strategic joint ventures and acquisitions of well-positioned companies with robust sales that are located in the target regions of Central and Eastern Europe, Latin America and Asia. The Group is committed to fostering know-how available at the regional level. This means that expertise remains in-house when acquisitions are made and continues to be used by the Group.

Over the past decade, Talanx has experienced particularly high growth and has made the quantum leap to become a Group operating on the global stage.

– Acquisitions and strategic joint ventures expand our international reach and capability –

The divisions – a strong team

In order to enhance transparency, the Group has tailored its clear and efficient structure to the needs of customers and investors by creating four operating customer segments. The Group mainly transacts its business with professional market players.

Industrial Lines division
Providing insurance for industrial customers is a business between professionals. Our industrial customers in Germany and abroad benefit from experience in risk assessment and management spanning decades. They also have access to a proven track record of expertise in professional claims management. The product spectrum ranges from liability insurance, motor insurance, personal accident, and fire and property/casualty insurance to marine, special lines and engineering insurance. HDI-Gerling Industrie Versicherung AG supports its customer base with tailor-made solutions in 32 countries through subsidiaries of the Talanx Group and through network partners in 100 other countries.

Retail Germany division
The private and commercial lines from HDI and HDI Gerling, and post/banking sales in Germany are subsumed in this division under Talanx Deutschland AG. The range of services covers property and casualty insurance, all classes of retirement provision, complete solutions for small and mid-sized companies, and independent professions.

The division applies a philosophy tailored to the business partners. The aspiration is to offer optimum conditions to professional partners like banks, major brokers, other companies (composite insurance) and automobile manufacturers (cooperative ventures for selling motor insurance).

– Moving forward together
with a targeted strategy –

Retail International division

This division bundles all areas of property and casualty insurance, life insurance and bancassurance abroad and is represented in 14 countries with more than 8 million customers. The division is managed by Talanx International AG. Cooperation with professionals dominates this business. The majority of policies are sold through brokers and independent agents. The product range includes packages for motor insurance, property and casualty insurance, marine and fire insurance, and life insurance plans.

The division exploits local, sector-specific know-how and projects its profile through an integrated sales network. This enables it to identify the specific requirements of its customers abroad and offer tailor-made solutions.

Reinsurance division
Hannover Re transacts all lines of non-life and life/health reinsurance within the Group. Focusing specifically on B2B, the Group has reinsurance relations with more than 5,000 insurance companies and is represented on all continents. Business in Germany is operated by the subsidiary company E+S Rück.

– Our business processes
respond to customer requirements –

Corporate Operations
Streamlined and efficient central functions ensure that the Group remains on course. Talanx AG is responsible for strategic functions as the Group holding company. The objective of two central service companies is to standardise and harmonise processes, and leverage synergies. They join forces to form the segment Corporate Operations together with group-wide asset management, fund provider AmpegaGerling and internal Group reinsurance broker: Talanx Reinsurance Broker.

Multibrand Group – a formula for success

While the Talanx brand is primarily directed towards the capital market, the high level of international product expertise, visionary underwriting policy and sales strength are reflected in a multibrand strategy in the operating companies

HDI-Gerling was created by the merger of the two brands HDI and Gerling each spanning a heritage of more than a hundred years. HDI operates in the area of primary insurance. The property/casualty lines focus on property and liability insurance, personal accident and legal expenses insurance. A broad spectrum of products is offered in life business, ranging from classic life insurance to innovative retirement provision solutions for retail customers and company pension plans. HDI-Gerling is a hallmark of an approach embodied by intensive consultation delivered through the sales channels of broker and tied organisation.

>> www.hdi-gerling.de

HDI Direkt Versicherung AG has a network of around 100 sales offices and customer service centres throughout Germany. The company continues to operate under the traditional HDI brand and customers have direct access to its products. The packages are directed towards customers looking for keenly priced insurance cover who take the initiative and seek information independently. Exclusively on the Internet, HDI Direkt also offers the platform www.hdi24.de.

>> www.hdi.de / www.hdi24.de

neue leben is positioned as a provision specialist and expert partner for savings banks, with a high level of expertise in the lines of retail and company pension provision. This insurer has a reputation for innovative strength, low administrative costs, and superlative services and quality standards.

>> www.neueleben.de

PB Versicherungen Partner der Postbank	PB Insurers sells insurance cover for Postbank customers. It is embedded in the brand profile of Postbank and focuses on the needs of Postbank customers. >> www.pb-versicherung.de
TARGO•VERSICHERUNG Schutz und Vorsorge	TARGO Insurers is the exclusive insurance partner of TARGOBANK. The tailored products mean that the company is fully integrated within the brand profile of the banking partner. >> www.targoversicherung.de
hannover re®	Hannover Re is one of the biggest reinsurers in the world with a network of subsidiaries and affiliates, branches and representative offices on all five continents, and with a total staff of some 2,300 employees. >> www.hannover-re.com
e+s rück	E+S Rück is the reinsurer for Germany within the reinsurance group. >> www.es-rueck.de
hannover life re®	The brand name Hannover Life Re stands for worldwide reinsurance activities in life, annuity, health and personal accident insurance. >> www.hannoverlifere.com
ampegaGerling	AmpegaGerling offers fund solutions for private and institutional customers. >> www.ampegagerling.de

– A strong financial base allows Talanx
to aim for ambitious targets –

Promoting your careers – taking responsibility

Talanx is established on a sound platform. The pathway to growth is open – the Group has a strong financial base and is fit for the competition of the future. The Group's workforce of some 18,300 people has established this position with an outstanding level of commitment all round the world. They are continuing to work on transforming it into one of the world's leading insurance groups.

This means that a workforce consisting of competent and committed employees with entrepreneurial initiative is one of the most important strategic factors for success. We use professional programmes to support our employees and continuously develop their expertise.

At the same time, Talanx believes in getting the work-life balance right. Variable working hours enable staff to combine career and family. Flexible models for work and opportunities to work part-time increase personal freedom.

– Attractive assignments and extensive scope for decision-making –

The various companies in the Talanx Group offer a diverse range of training options – ranging from classic vocational training to a bachelor's degree.

Alongside taking responsibility for its employees, the Talanx Group also takes responsibility for the community. The Talanx Foundation runs a scholarship programme in cooperation with selected universities to support students with a monthly grant.

Progress as a tradition

Over a history spanning more than a hundred years, the Group has proven many times that a continuous heritage of success can only be based on a platform of continuous ability to change. Talanx anticipates market demands, responds flexibly to requirements and quickly implements changes.

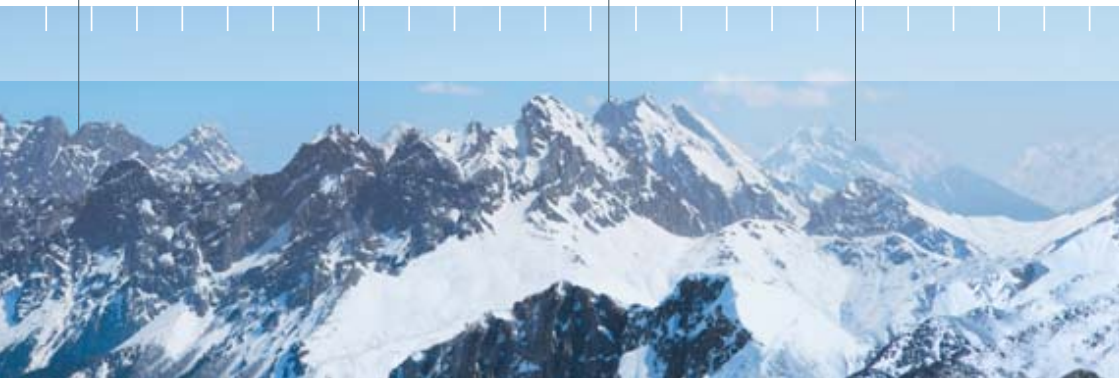
In 1903, the enterprise under the name HDI V.a.G. (liability association of German industry) was established with the aim of providing insurance based on mutuality. Since then the company has continuously

1903
Origin with commercial employers' liability insurance associations: Establishment of HDI as a liability association of the German iron and steel industry

1924
Start of reinsurance activities: "Eisen und Stahl" takes over reinsurance for the liability association

1953
Launch of business for private individuals: Start of volume business

1966
Establishment of today's Hannover Re as an in-house international reinsurer



expanded its range of products and its locations. Talanx has been operating as a subsidiary company of HDI V.a.G. since 1996. It has been leading the Talanx Group since 2003, which came into being after the operating business was hived off from HDI V.a.G. Today, HDI V.a.G essentially acts as the owner company of the Talanx Group.

The constructed name Talanx combines phalanx, a robust yet flexible combat formation in Ancient Greece, with talent, the currency unit that was used by the Greeks to denominate large sums of money.

A restructuring exercise was carried out in 2010, which transformed the Talanx Group from an organisation based on insurance lines to a customer-centric structure. The industry line became the global Industrial Lines division. Private and commercial insurance was divided along regional lines into Retail Germany and Retail Inter-

1970
Merger with the "Feuerschadenverband" fire loss association

1979
Market entry in Latin America: Acquisition of today's HDI Seguros S.A. in Brazil

1991
Spread of risks through investment in an area with less exposure to risk: Establishment of HDI Leben AG

1994
Initial public offering of Hannover Re

national providing the Group with an ideal positioning focused on different customer groups, regions and joint-venture partners. This structure makes it easy to integrate new companies or divisions.

The successful development of the Group has demonstrated that its history forms a robust foundation that can be expanded. Today's Talanx is a platform that offers a great deal of scope for upward mobility. In other words, for strategic growth.

1996
Realignment of Group structures: Establishment of today's Talanx AG as a thoroughbred finance holding company

1996
Commencement of bancassurance activities: Acquisition of today's TARGO Insurers

2001
Launch of fund business with today's AmpegaGerling

2002
Expansion of bancassurance activities abroad: joint venture with the Hungarian postal service

– Our goal: to become fit for the future.
The multi-facetted activities of past years have demonstrated a track record of continuous progress –

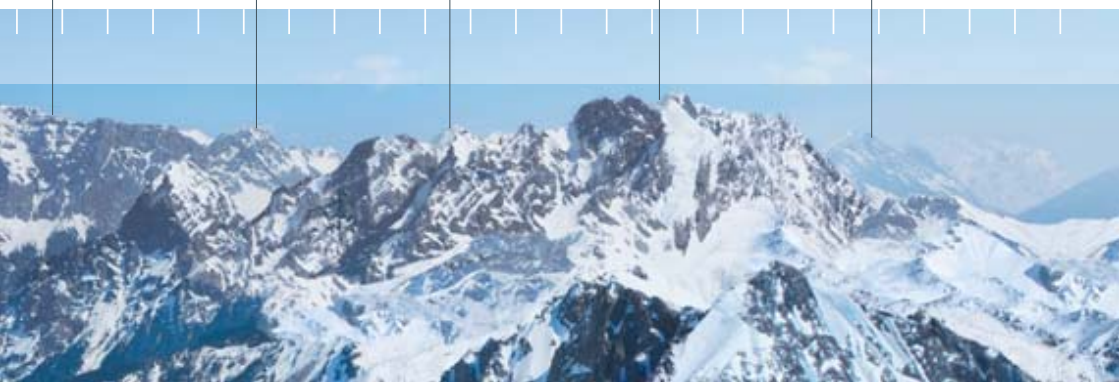
2002
Market launch in Poland: Acquisition of today's HDI Asekuracja TU S.A.

2006
Takeover of Gerling companies

2009
Market launch in India: Joint venture with Indian finance company

2010
Strategic cooperation with Japanese insurer

2010/11
Restructuring of the Group by customer groups



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