

**talanx.**

Insurance. Investments.

# FY 2022 Results

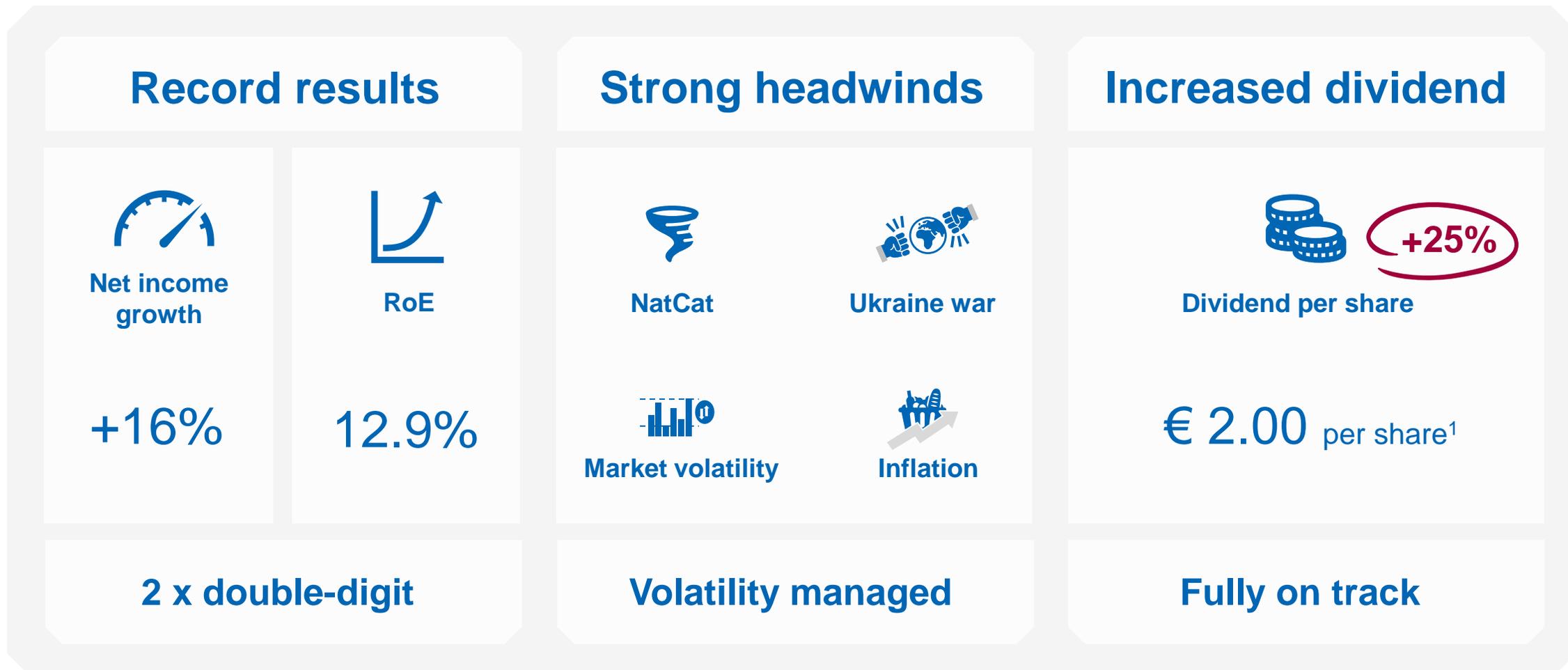
15 March 2023

Torsten Leue, CEO

Jan Wicke, CFO



# CEO 2022 results summary



<sup>1</sup> Dividend for 2022 to be paid in 2023 subject to supervisory board and AGM approval



# Agenda

- 1** CEO highlights
- 2 CFO highlights
- 3 Segments
- 4 Investments and capital
- 5 Outlook
- 6 Appendix

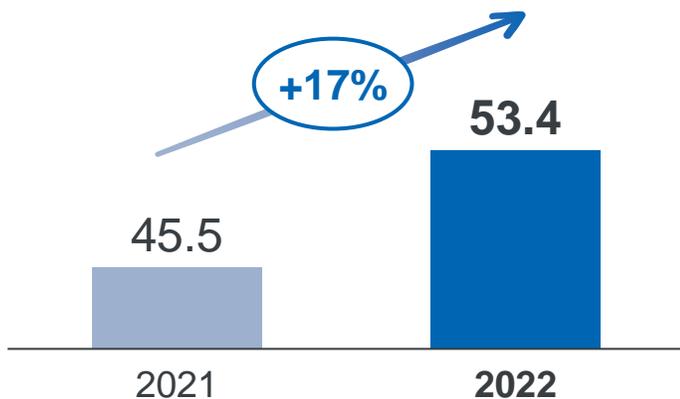
# 1 Results FY 2022 best ever in Talanx history

## GWP

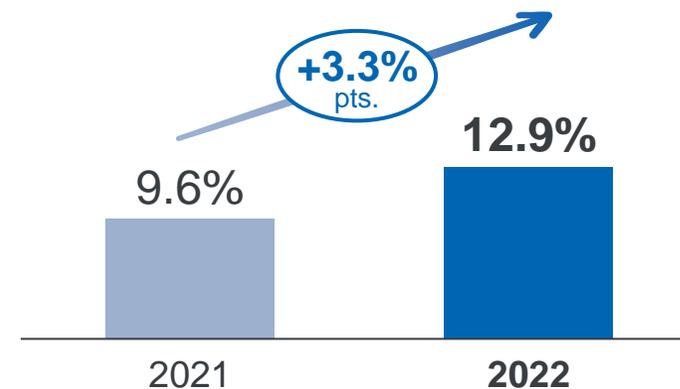
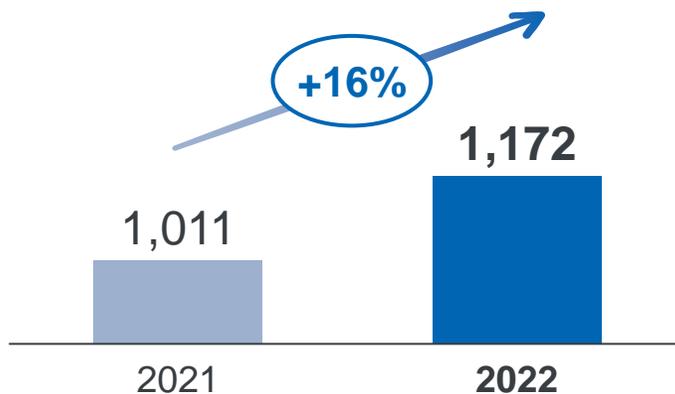
## Group net income

## Return on equity

in EURbn



in EURm



2022  
Outlook

>EUR 50bn



EUR 1,050 - 1,150m



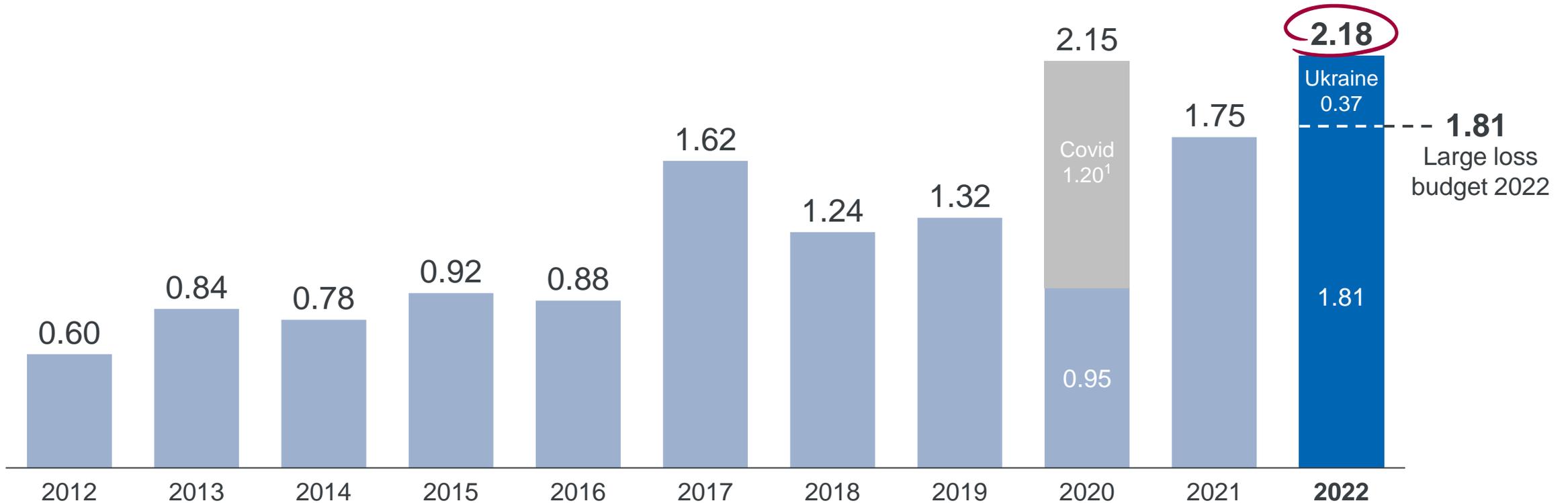
>10%



# 1 Large losses of EUR 2.18bn in 2022 at highest level ever since IPO

## Net large losses 2012 – 2022

in EURbn

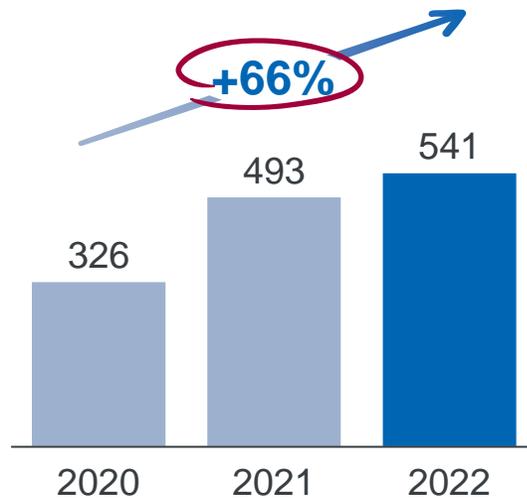


1 P/C business only

# Primary Insurance has become a significant net income contributor

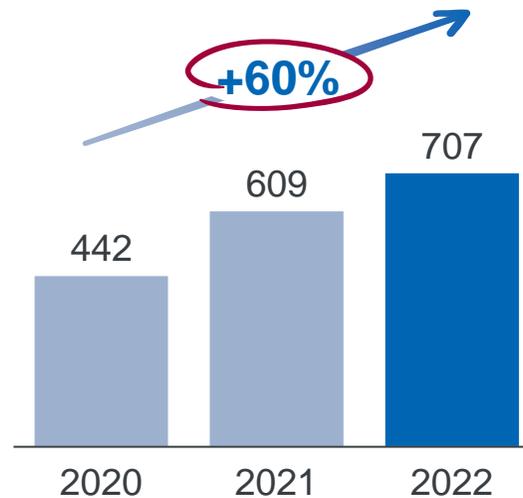
## Primary Insurance net income

in EURm



## Reinsurance net income

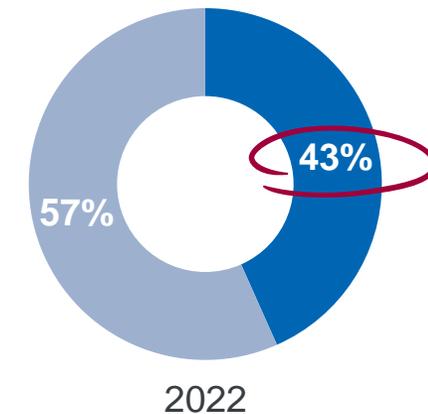
in EURm



## Total net income segment split

in % of total<sup>1</sup>

■ Primary Insurance  
■ Reinsurance



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

<sup>1</sup> Percentages are calculated in percent of Group net income adjusted for Corporate Operations and Consolidation

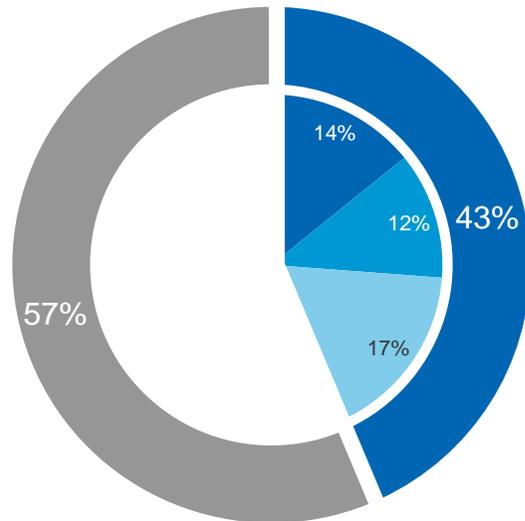
# Strong performance of primary insurance segments in 2022 ...

## Group earnings mix

2022, net income attributable to Talanx shareholders<sup>1</sup>

### Outer circle

- Primary Insurance
- Reinsurance

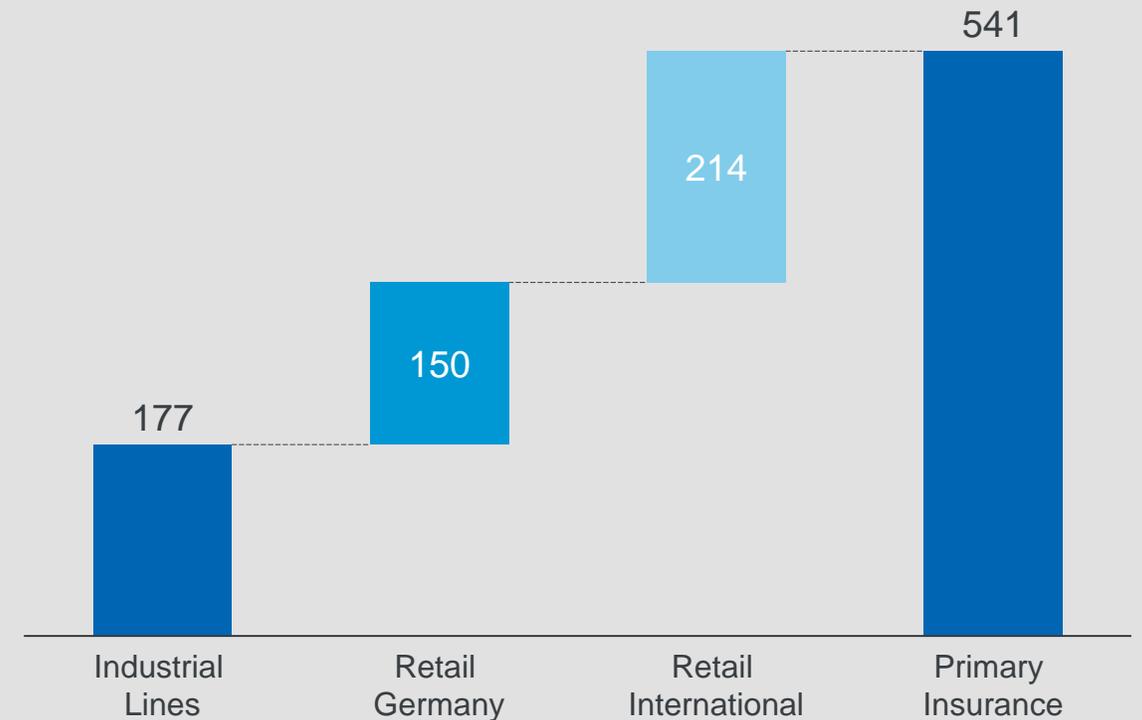


### Inner circle

- Industrial Lines
- Retail Germany
- Retail International

## Primary insurance earnings composition

2022, net income attributable to Talanx shareholders

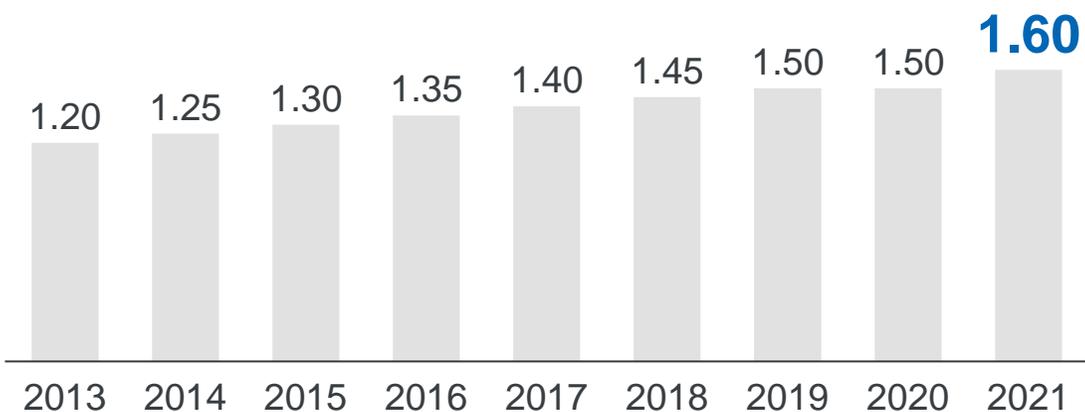


Note: Primary Insurance is the sum of Industrial Lines, Retail Germany and Retail International  
 1 Percentages are calculated in percent of Group net income adjusted for Corporate Operations and Consolidation

# 1 ... as basis for record dividend

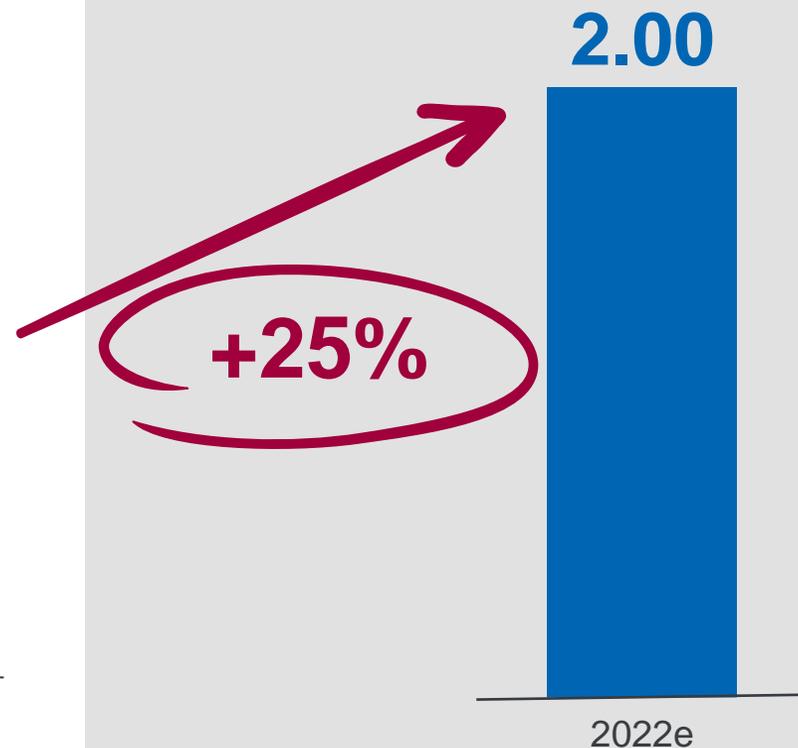
## Dividend 2013 - 2021

in EUR per share



## Dividend proposal 2022<sup>1</sup>

in EUR per share



<sup>1</sup> Dividend for 2022 to be paid in 2023 subject to supervisory board and AGM approval

# 1 New strategic cycle 2023 - 2025



## Increase ...

-  Return on equity
-  Net income growth
-  Dividends

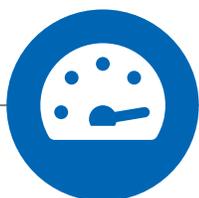
NEW

# 1 Our three financial promises 2023 – 2025

## Return on equity

**> 10%**

NEW



High level of profitability

## Net income growth

**> 25%<sup>1</sup>**

NEW



Strong earnings growth

## Dividends

**+25%**

NEW

(increase in 2022 to EUR 2.00)<sup>2</sup>

**+25%**

(additional increase by 2025 to EUR 2.50)



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 By 2025 with normalised net income 2022 baseline of EUR ~1,250m | 2 Dividend per share for 2022 paid in 2023; subject to supervisory board and AGM approval

# 1 Outlook FY 2023

## Return on equity



>10%

## Group net income



~ EUR 1,400m

## Dividend



> EUR 2.00/share  
(to be paid in 2024)

Note: All targets are subject to large losses not exceeding the large loss budget (EUR 2.2bn for 2023), no turbulences on capital markets, and no material currency fluctuations. In addition, the forecast for Group net income may be subject to particular 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

CEO highlights

2

**CFO highlights**

3

Segments

4

Investments and capital

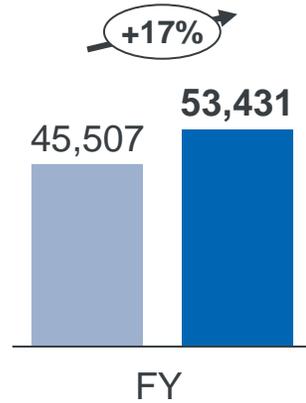
5

Appendix

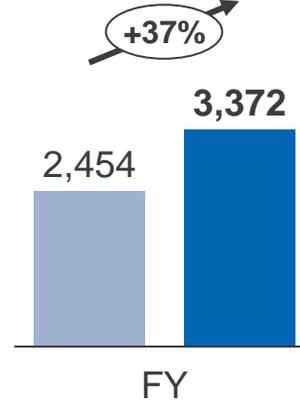
## 2 Monetising growth - Record GWP meets record results

in EURm ■ 2021 ■ 2022

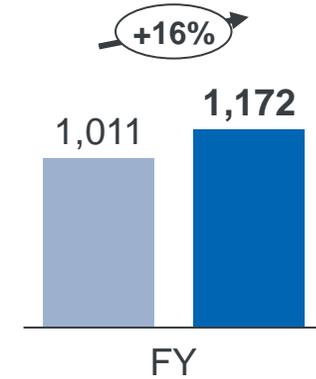
### Gross written premiums



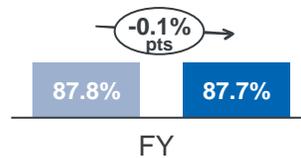
### Operating result (EBIT)



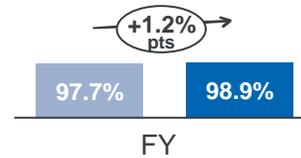
### Net income



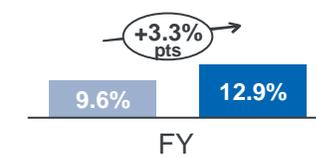
### Retention ratio



### Combined ratio



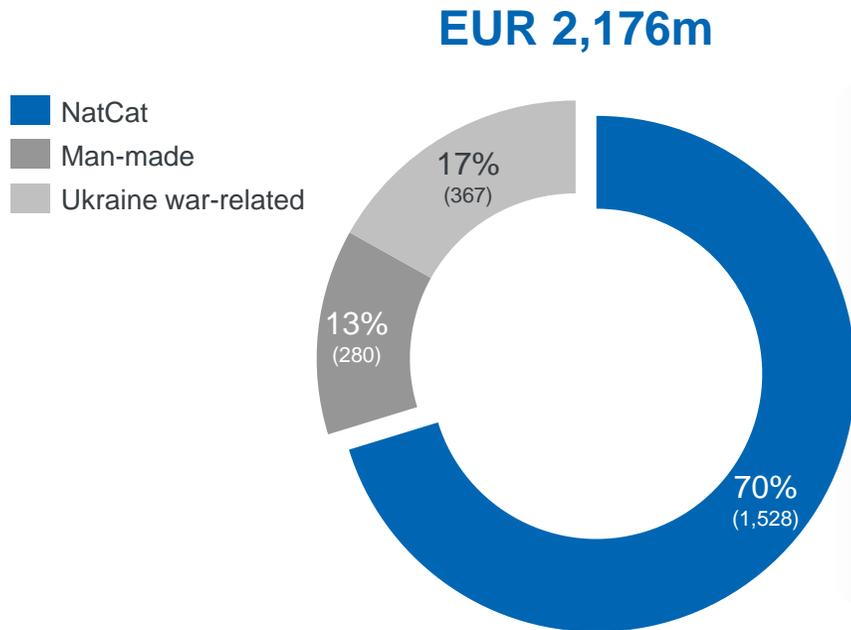
### Return on equity



## 2 Climate change is a reality ...

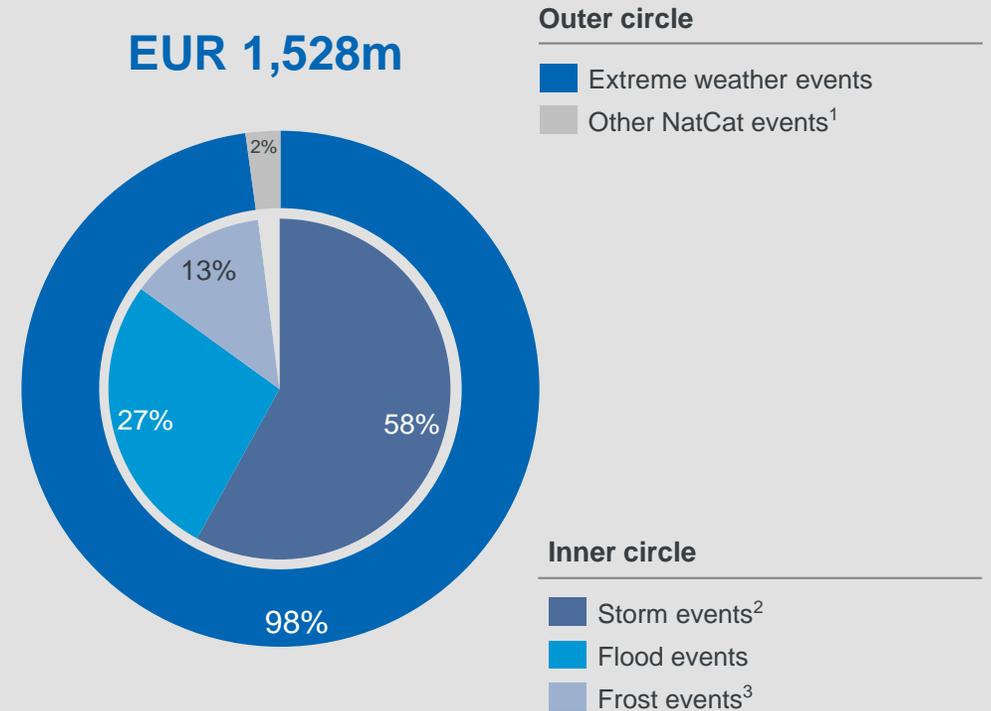
### Total net large losses

In EURm, 2022



### Composition of net NatCat losses

In EURm, 2022



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

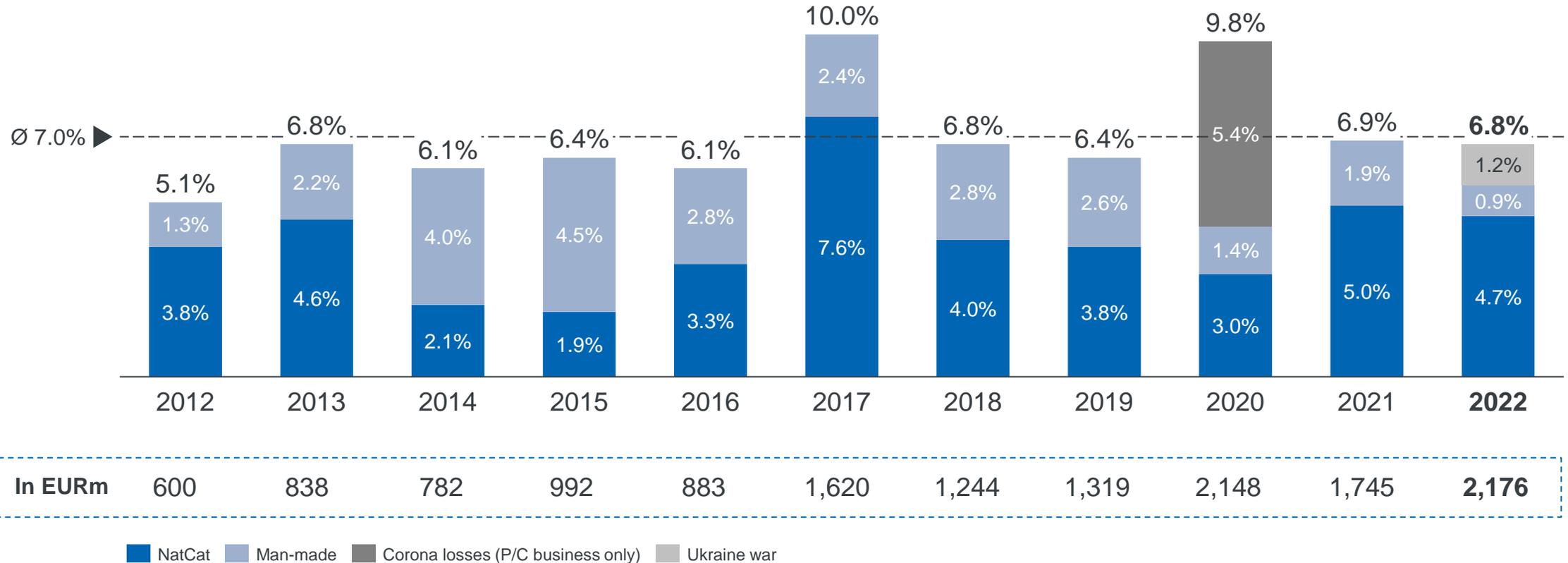
1 Events like earthquake, tsunami, volcanic eruption

2 Events like hurricane, typhoon, tornado, cyclone, storm, special events like Derecho

3 Events like blizzard, winter storm, frost, hail

## 2 ... dominating large losses, but stable in relative terms

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

# Resiliency will be used to reduce earnings volatility and absorb headwinds

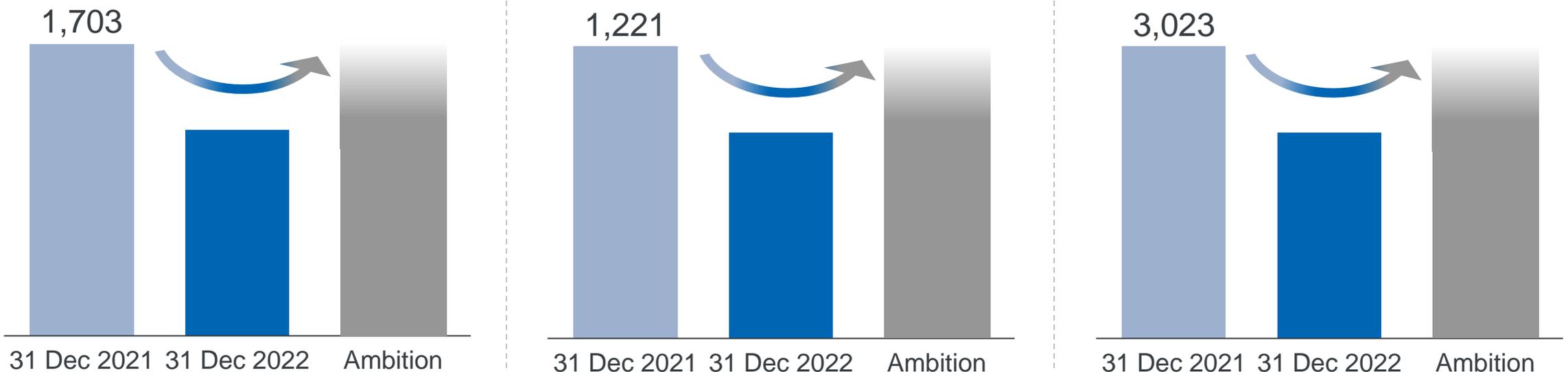
31 Dec 2022 figures to be published with Q1 2023 results on 15 May 2023

## Reinsurance (Hannover Re)

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

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

Resiliency embedded in best estimate<sup>1,2</sup>, in EURm



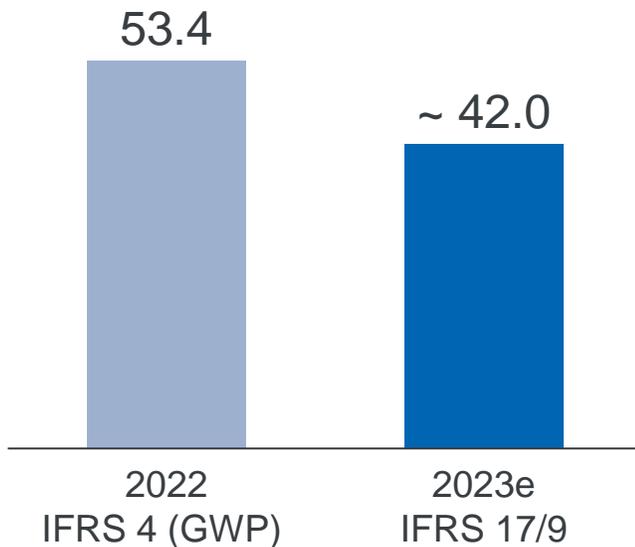
<sup>1</sup> Resiliency defined as the difference between booked reserves (based on Talanx' own best estimates) and WTW analysis | <sup>2</sup> Before taxes and minorities; source: WTW calculation based on data provided by Talanx.

<sup>3</sup> Talanx Primary Group, excluding Talanx AG | <sup>4</sup> Sum of Hannover Re, Talanx Primary Group, Talanx AG (not consolidated)

# Initial application of IFRS 17/9 will lead to significant changes in our reported numbers

## Insurance revenues

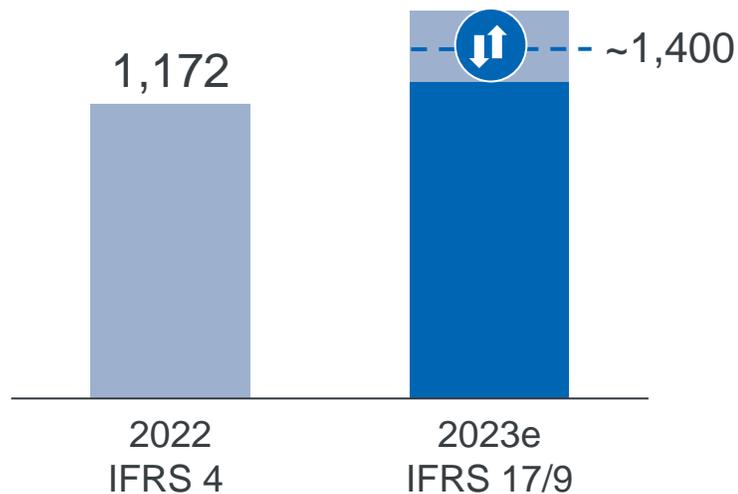
in EURbn



**Exclusion of investment components**

## Net income

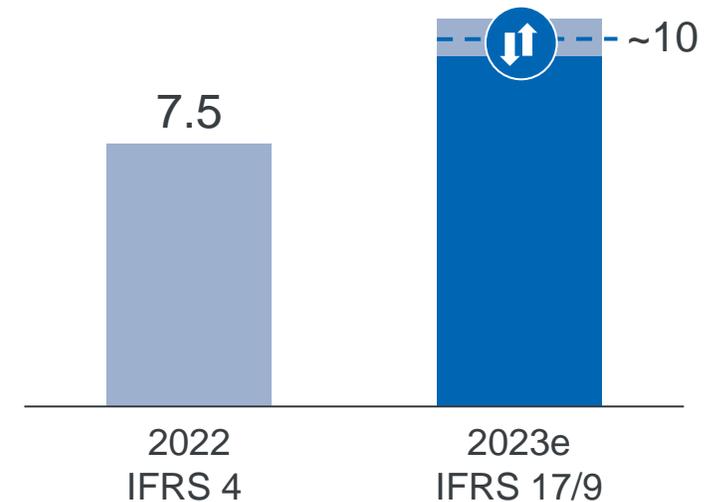
in EURm



**Value fluctuations of FVPL assets**

## Equity

Period end, in EURbn



**Elimination of accounting mismatch**

## 2 Outlook FY 2023: Talanx 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)

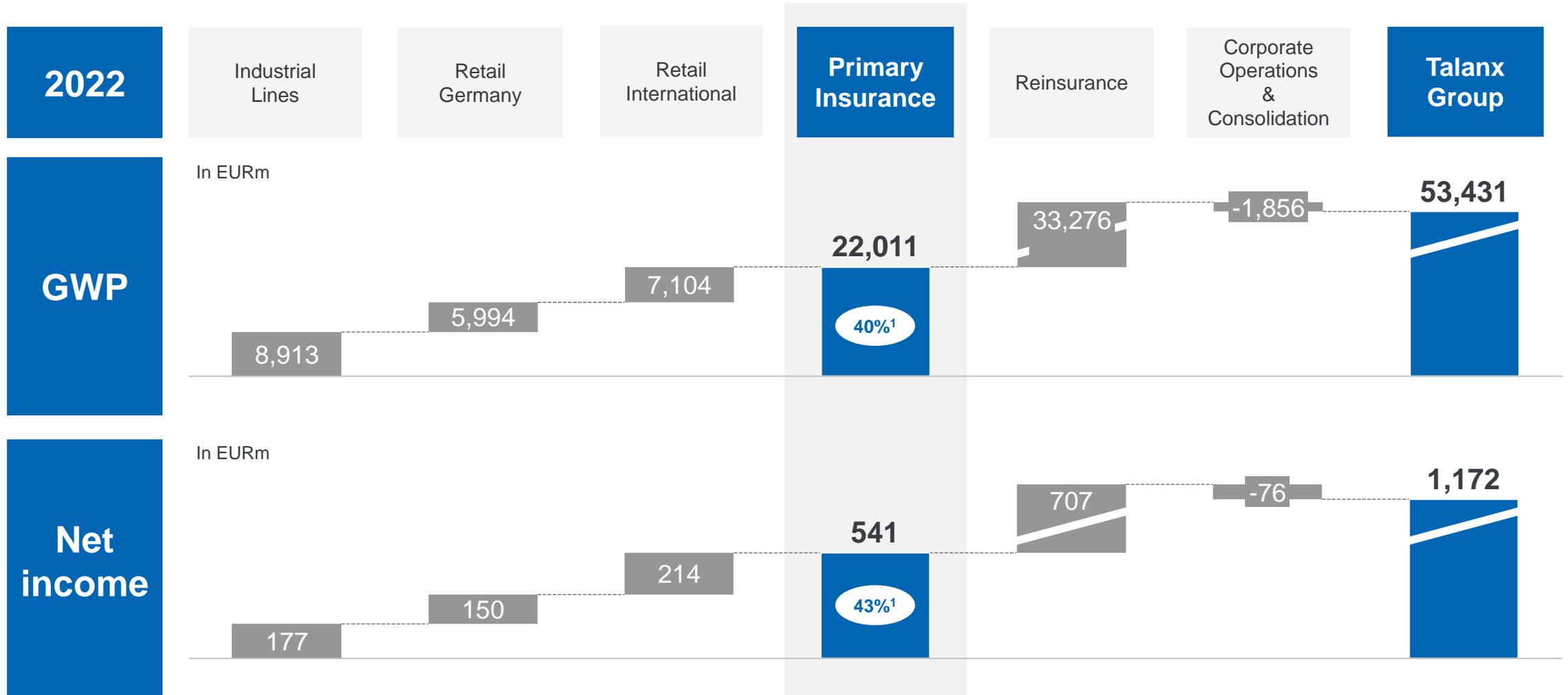
Note: All targets are subject to large losses not exceeding the large loss budget (EUR 2.2bn for 2023 for Talanx Group), no turbulences on capital markets, and no material currency fluctuations. In addition, the forecast for Group net income may be subject to particular fluctuations due to the application 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.



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### 3 Diversification is our key strength



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

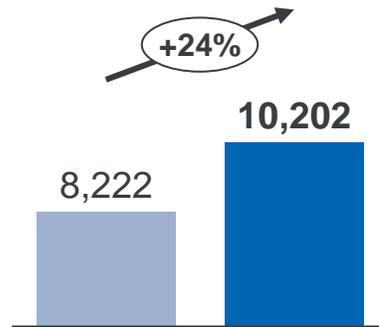
<sup>1</sup> Percentages are calculated in percent of Group gross written premiums and net income respectively, adjusted for Corporate Operations and Consolidation

# Primary Insurance with stable combined ratio despite inflation

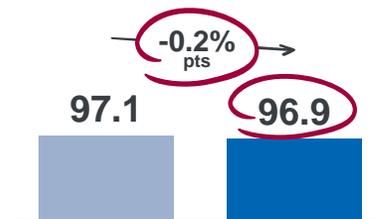
■ 2021 ■ 2022

## Primary Insurance P/C

Net earned premiums, in EURm

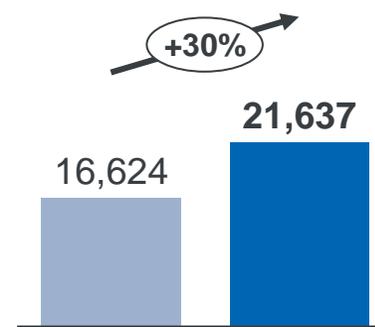


Combined ratio, in %

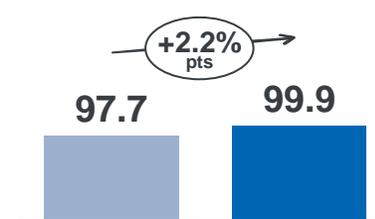


## Reinsurance P/C

Net earned premiums, in EURm

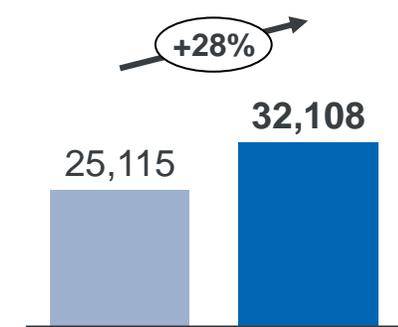


Combined ratio, in %

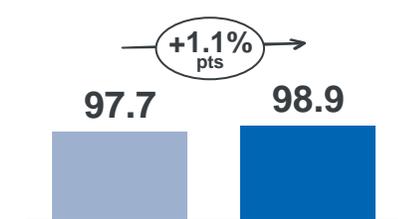


## Talanx Group P/C

Net earned premiums, in EURm



Combined ratio, in %



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

### 3 Primary Insurance segment highlights

#### Industrial Lines

Combined ratio

**95.7 %**



Profitability  
2 years ahead of plan

#### Retail International

Net income

EUR **214**<sub>m</sub>



Inflation  
well managed

#### Retail Germany

Life - EBIT

EUR **193**<sub>m</sub>



Growing profit  
contribution from Life

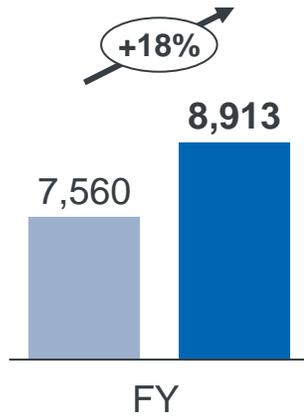
Note: All numbers FY 2022 vs. FY 2021

# Industrial Lines

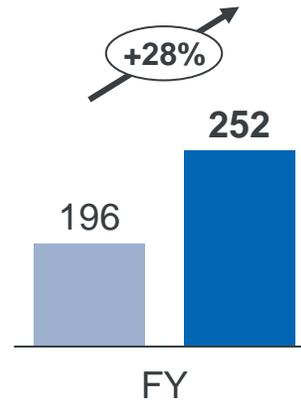
## 3 Profitability two years ahead of plan

in EURm ■ 2021 ■ 2022

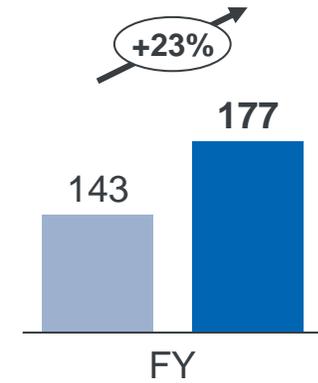
### Gross written premiums



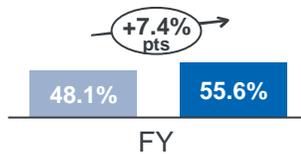
### Operating result (EBIT)



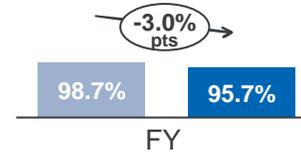
### Net income



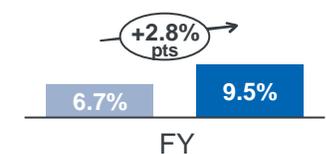
### Retention ratio



### Combined ratio



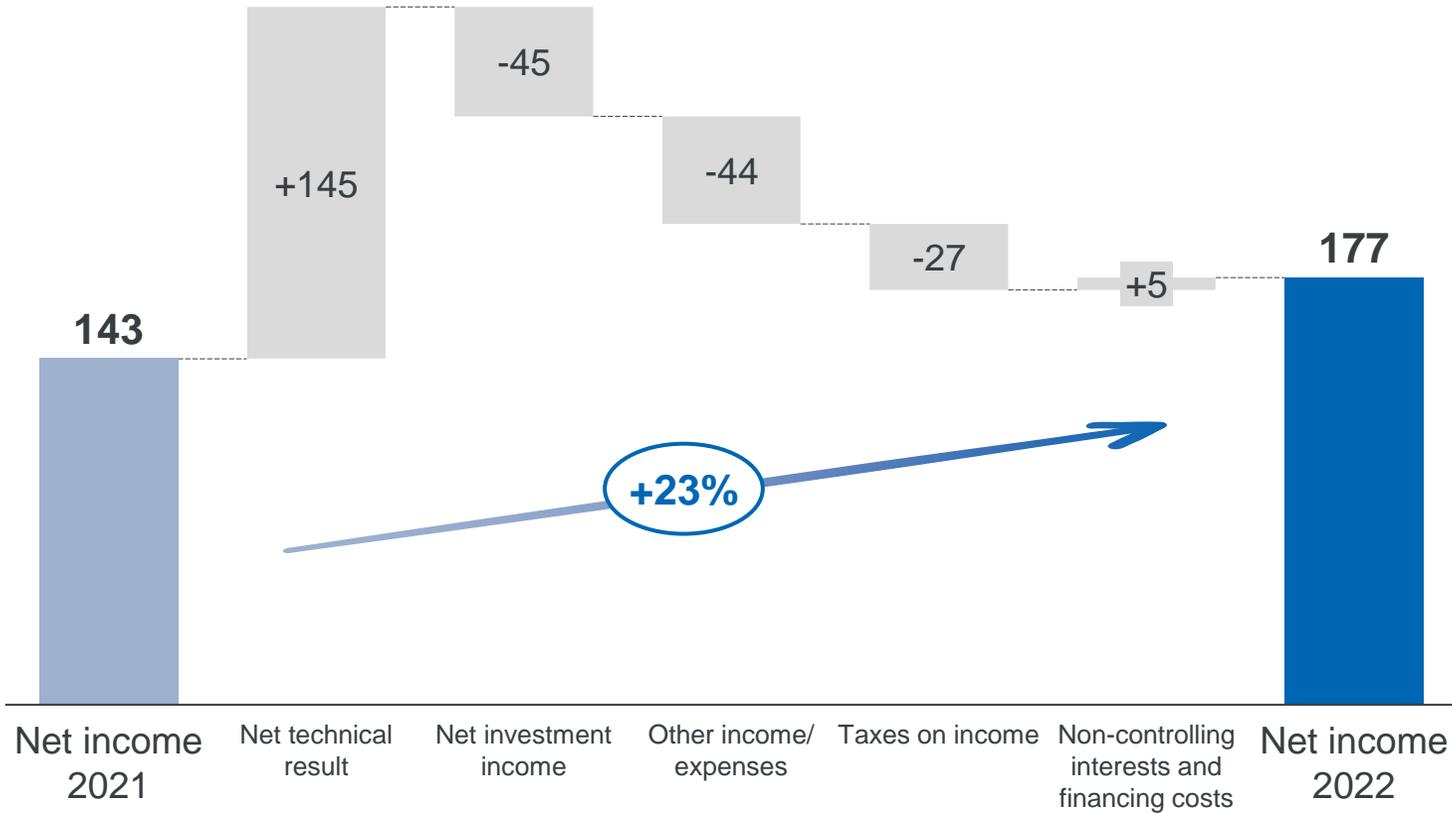
### Return on equity



# Industrial Lines

## 3 Rising profits in challenging times

in EURm



Underwriting discipline and profitable growth lead to **net income increase of 23%**

**Full compensation** of inflation effects

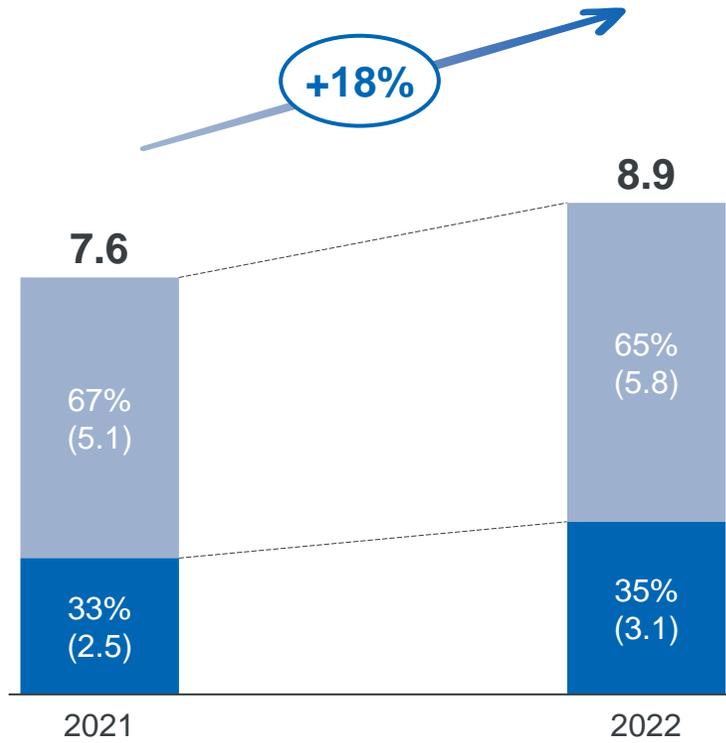
Net investment income **normalised** and **USD fluctuations** drive other income

# Industrial Lines

## Monetising growth in Specialty

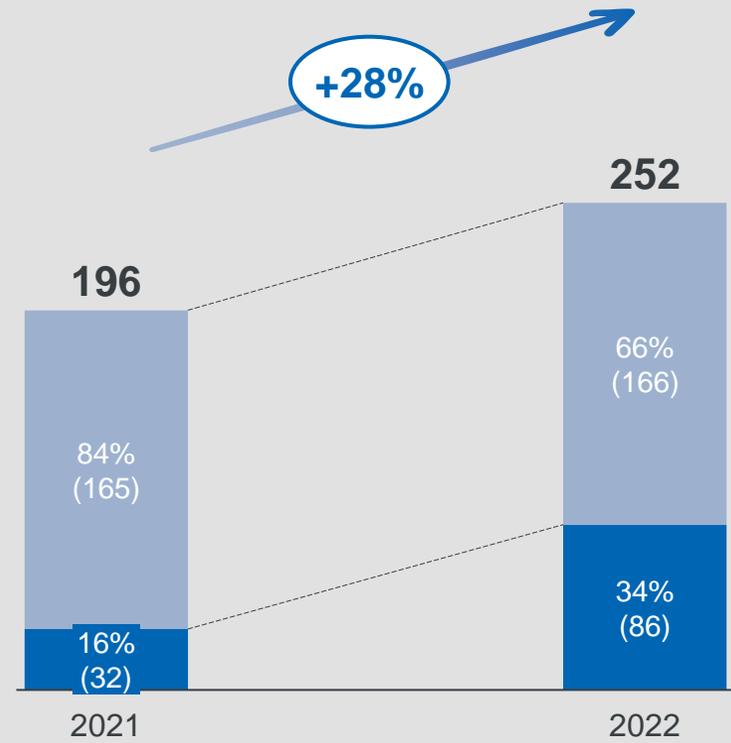
### Gross written premiums

Split Commercial & Specialty, in EURbn



### Operating result

Split Commercial & Specialty, EBIT<sup>1</sup> in EURm



<sup>1</sup> Increased profit contribution also reflects realignment of HDI Global Specialty SE shareholder structure effective 1 January 2022

### Insurance revenues growth



High single-digit

### Combined ratio



< 96%

### Return on equity



> 9%

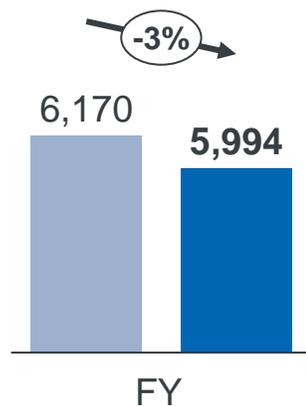
Note: All targets are subject to large losses not exceeding the large loss budget (EUR 365m for 2023 for Industrial Lines), no turbulences on capital markets, and no material currency fluctuations. In addition, the forecast may be subject to fluctuations due to the application of the new IFRS 9 accounting standard for the valuation of the investment portfolio.

# Retail Germany

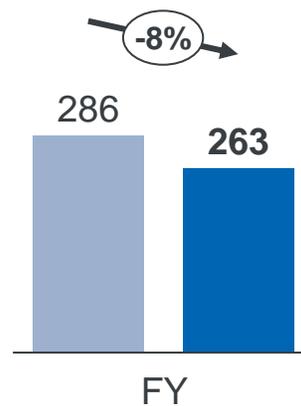
## 3 Revival of life mitigating inflationary pressure in P/C

in EURm ■ 2021 ■ 2022

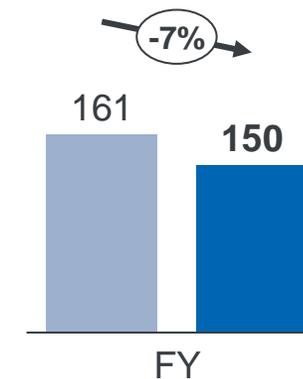
### Gross written premiums



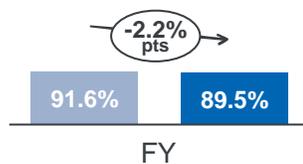
### Operating result (EBIT)



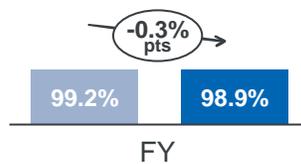
### Net income



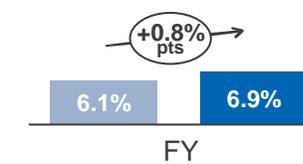
### Retention ratio



### Combined ratio



### Return on equity<sup>1</sup>

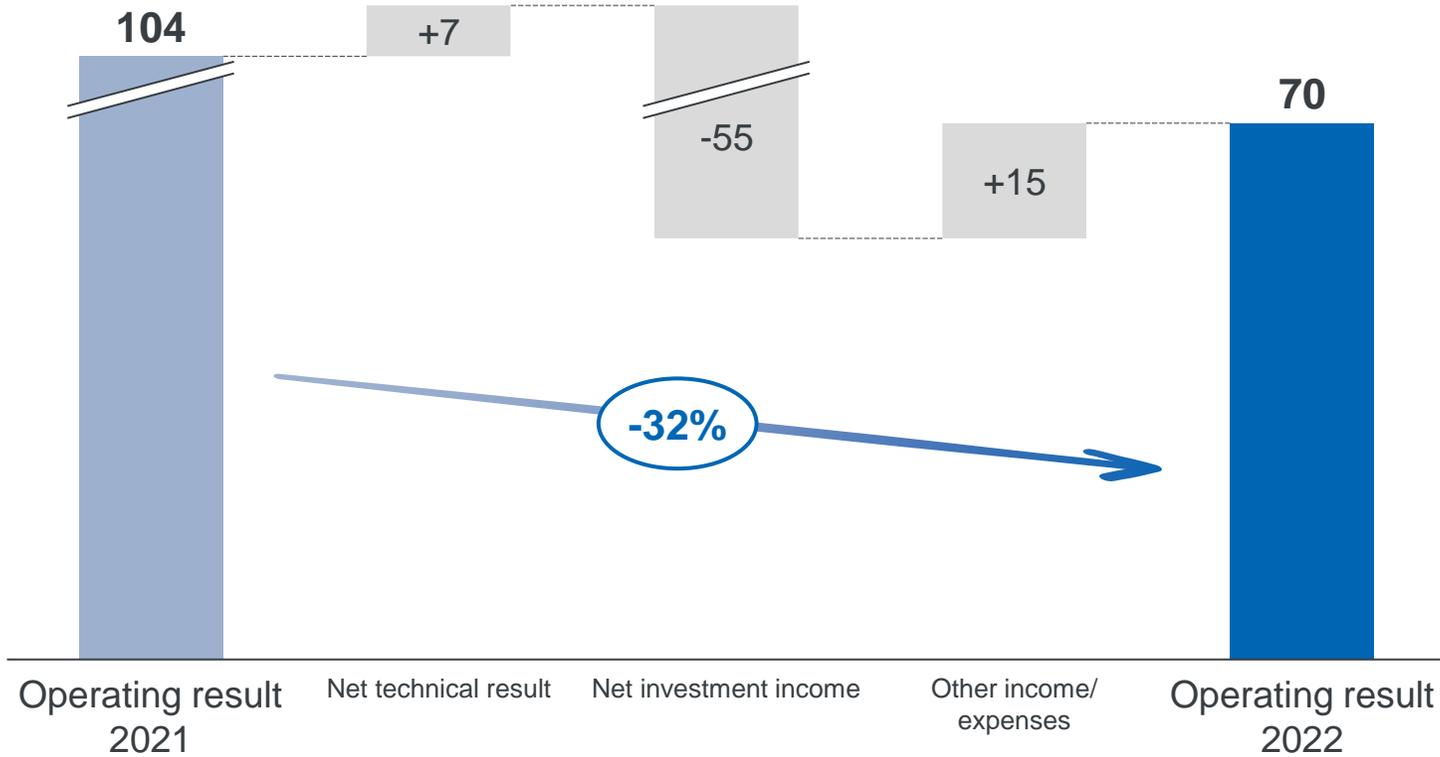


<sup>1</sup> RoE excl. Asset Management contribution; RoE incl. Asset Management contribution 2022: 7.7% (2021: 7.2%)

# Retail Germany P/C

## 3 Tackling inflation

EBIT, in EURm



**Improved technical result** driven by **lower operating costs** and partly due to **positive run-off result**

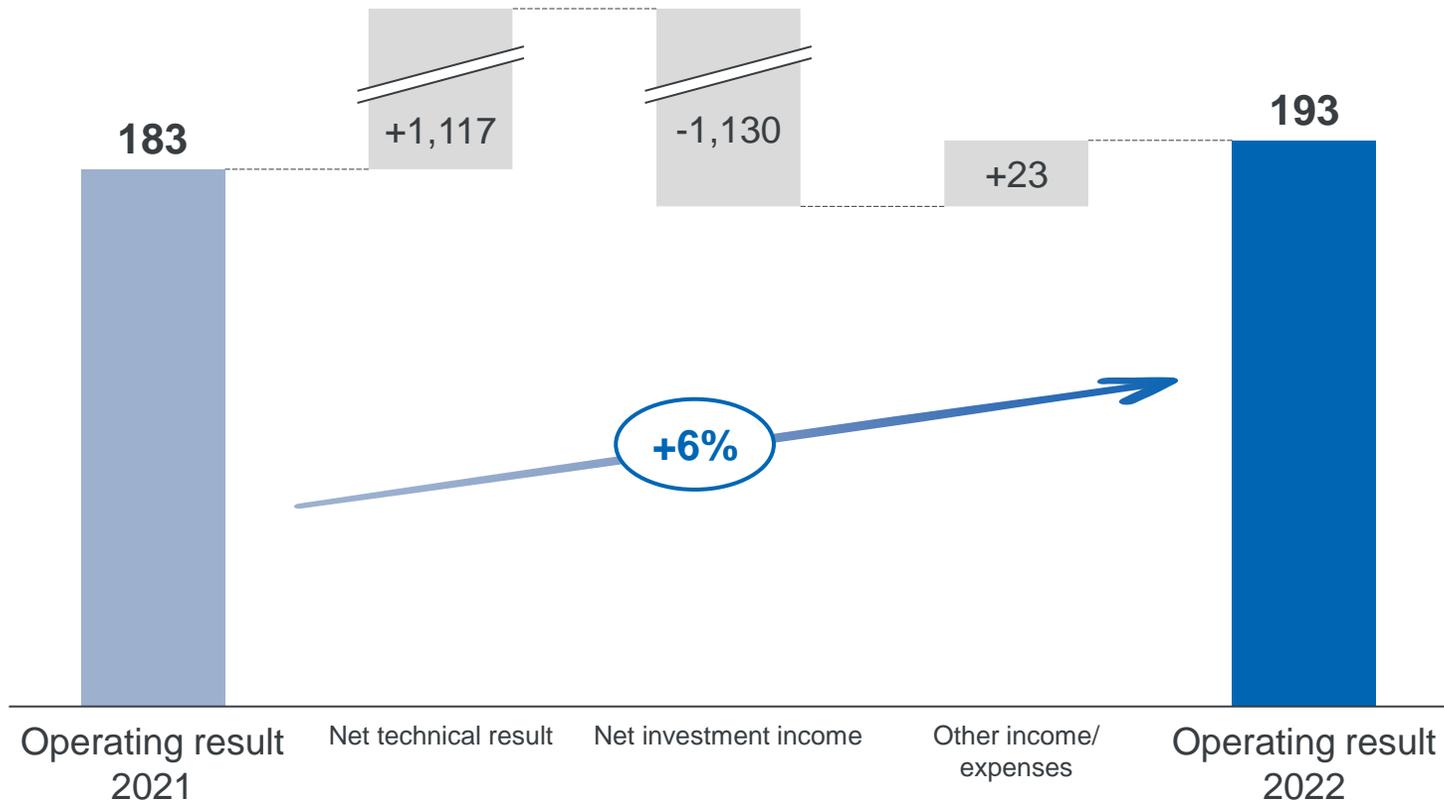
Lower investment result due to **yield enhancement** measures in **bond portfolio**

**Retail P/C** representing **~ 3%** of group **GWP**

# Retail Germany Life

## Growing profit contribution

EBIT, in EURm



~ EUR 975m lower realised capital gains due to reduced ZZR funding requirements

Technical result benefited from rising interest rates and lower policyholder participation in investment income

Other expenses down due to lower restructuring costs

**Insurance  
revenues growth**



**P/C  
Combined ratio**



**Life  
New business value<sup>1</sup>**



**Return  
on equity<sup>2</sup>**



P/C: Mid single-digit  
Life: High single-digit

~ 97%

> EUR 300m

> 9%

Note: All targets are subject to large losses not exceeding the large loss budget (EUR 45m for 2023 for Retail Germany), no turbulences on capital markets, and no material currency fluctuations. In addition, the forecast 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> Contractual service margin (CSM) from new business minus loss component from new business, before reinsurance

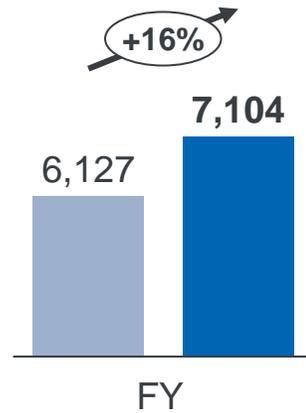
<sup>2</sup> RoE excl. Asset Management contribution; RoE incl. Asset Management contribution: > 11%

# Retail International

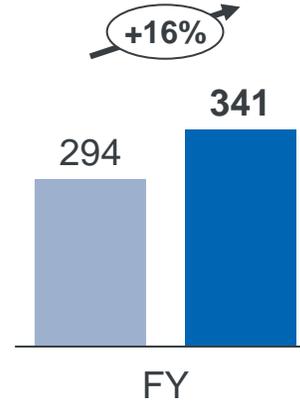
## Inflation well managed

in EURm ■ 2021 ■ 2022

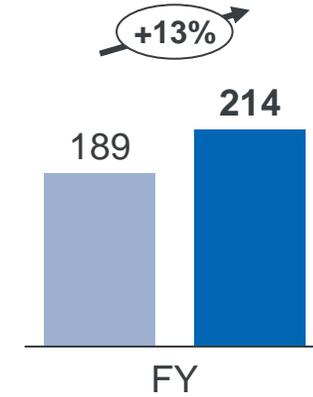
### Gross written premiums



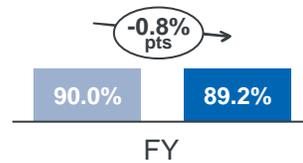
### Operating result (EBIT)



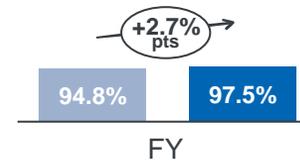
### Net income



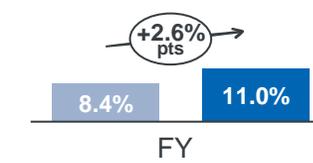
### Retention ratio



### Combined ratio



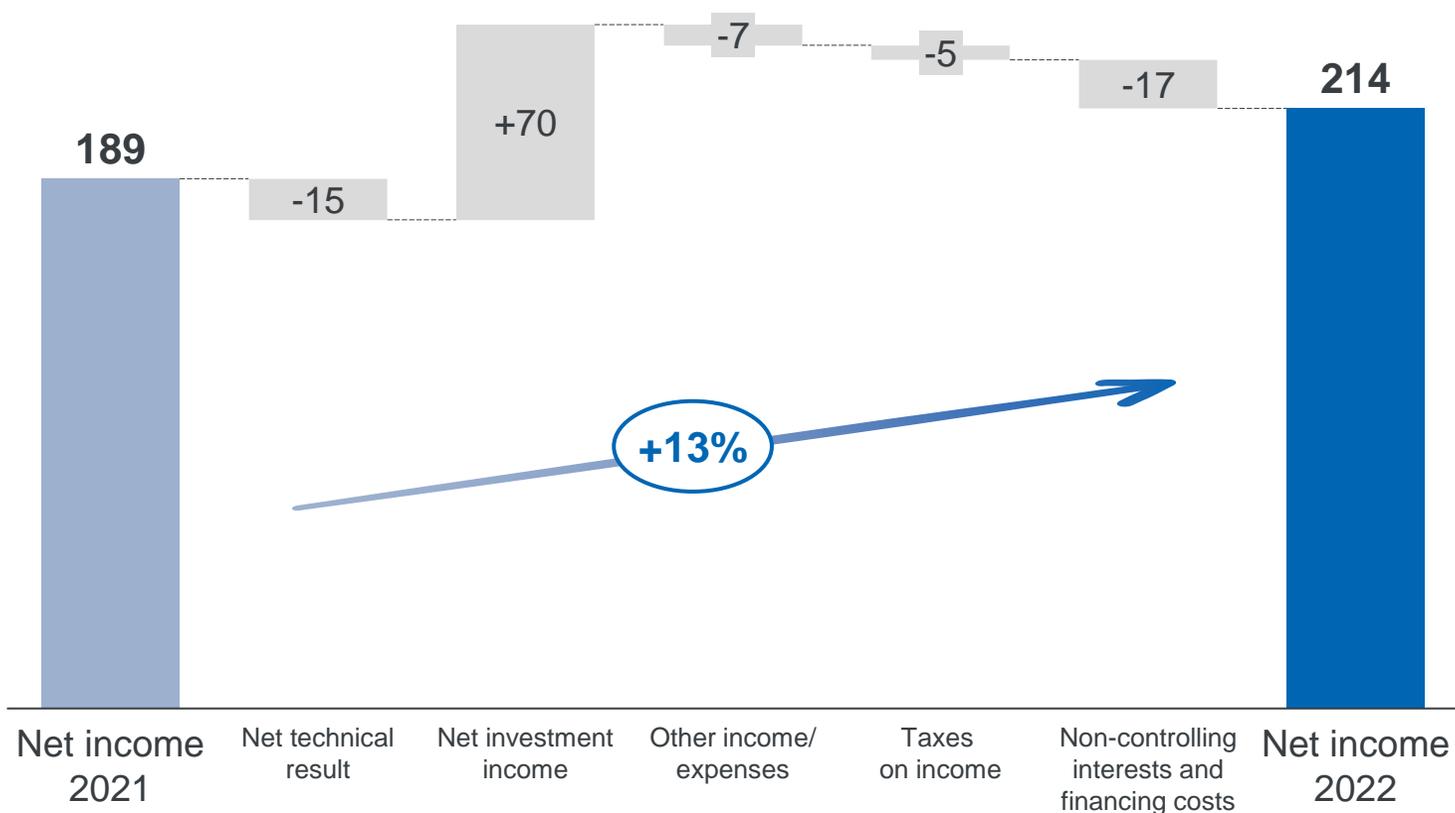
### Return on equity



# Retail International

## 3 Sustained profitability despite strong headwinds

in EURm



Strong performance in **Poland, Mexico and Chile** and positive Q4 EBIT in **Brazil** overcompensated losses in Turkey

**Technical result** impacted by **inflation** but largely mitigated through **technical excellence**

Higher net **investment income** due to **rise in interest rates** and **inflation linkers**

### Insurance revenues growth



P/C: Low double-digit  
Life: Mid single-digit

### Combined ratio



< 95%

### Return on equity



~ 8.5%

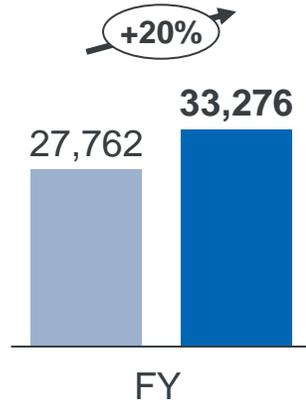
Note: All targets are subject to large losses not exceeding the large loss budget (EUR 15m for 2023 for Retail International), no turbulences on capital markets, and no material currency fluctuations. In addition, the forecast may be subject to fluctuations due to the application of the new IFRS 9 accounting standard for the valuation of the investment portfolio.

# Reinsurance

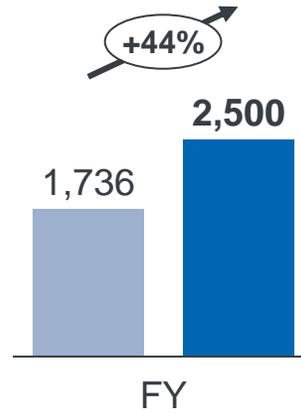
## 3 Continued growth and profitability

in EURm ■ 2021 ■ 2022

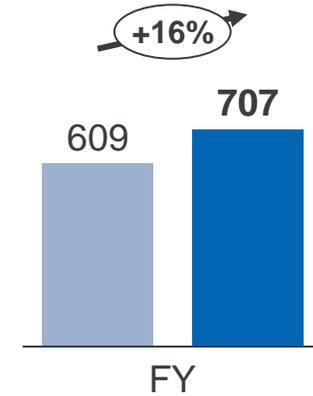
### Gross written premiums



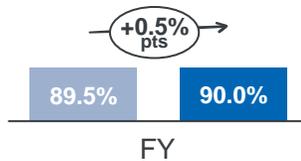
### Operating result (EBIT)



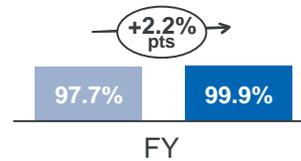
### Net Income



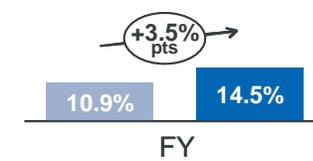
### Retention ratio



### Combined ratio



### Return on equity



### Insurance revenues growth



$\geq 5\%$ <sup>1</sup>

### Net income



$\geq \text{EUR } 850\text{m}^2$

### Return on equity



Above the minimum target<sup>3</sup>

Note: All targets are subject to large losses not exceeding the large loss budget (EUR 1,725m for 2023 for Reinsurance), no turbulences on capital markets, and no material currency fluctuations. In addition, the forecast 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 Talanx share of target published by Hannover Re ( $\geq \text{EUR } 1,700\text{m}$ ) | 3 Defined as 1,000 basis points on five-year average of the ten-year federal bond



# Agenda

- 1 CEO highlights
- 2 CFO highlights
- 3 Segments
- 4 Investments and capital**
- 5 Appendix

## 4 Net investment income

EURm, IFRS	FY 2021	FY 2022	Change		Q4 2021	Q4 2022	Change
<b>Ordinary investment income</b>	<b>3,706</b>	<b>4,317</b>	<b>+16%</b>	<b>1</b>	<b>1,022</b>	<b>1,260</b>	<b>+23%</b>
▪ thereof current interest income	2,622	3,124	+19%		691	861	+25%
▪ thereof income from real estate	362	457	+26%		112	130	+16%
<b>Extraordinary investment income</b>	<b>1,077</b>	<b>-489</b>	<b>n.m.</b>		<b>264</b>	<b>-131</b>	<b>n.m.</b>
▪ Realised net gains/losses on investments	1,318	23	-98%	<b>2</b>	259	-19	n.m.
▪ Write-ups/write-downs on investments	-265	-464	-75%	<b>3</b>	-70	-149	-113%
▪ Unrealised net gains/losses on investments	25	-47	n.m.	<b>4</b>	75	37	-51%
Other investment expenses	-323	-352	-9%		-96	-102	-6%
<b>Income from assets under own management</b>	<b>4,460</b>	<b>3,476</b>	<b>-22%</b>		<b>1,190</b>	<b>1,027</b>	<b>-14%</b>
Interest income on funds withheld & contract deposits	255	223	-12%		50	75	+49%
Income from investment contracts	3	2	-51%		1	0	n.m.
<b>Total: Net investment income</b>	<b>4,718</b>	<b>3,700</b>	<b>-22%</b>		<b>1,241</b>	<b>1,102</b>	<b>-11%</b>
Assets under own management at period end	136,073	128,599	-5%		136,073	128,599	-5%
Average assets under own management	132,187	132,336	0%		135,273	128,858	-5%
<b>Net return on investment<sup>1</sup></b>	<b>3.4%</b>	<b>2.6%</b>	<b>-0.7%pts</b>		<b>3.5%</b>	<b>3.2%</b>	<b>-0.3%pts</b>
Current return on investment <sup>2</sup>	<b>2.6%</b>	<b>3.0%</b>	<b>+0.4%pts</b>		<b>2.7%</b>	<b>3.6%</b>	<b>+0.9%pts</b>

### Comments

- 1** Increase in ordinary investment income in FY 2022 (+EUR 611m) driven by higher income from inflation linkers (+EUR 325m) and real estate investments (+EUR 95m)
- 2** Significantly lower realised gains, as no additional ZZR funding was required in 2022
- 3** Higher impairments on equities (EUR 111m), and affiliates (EUR 30m)
- 4** EUR 93m negative swing in unrealised gains/losses on derivatives in FY2022
- 5** 5% decrease in assets under own management versus Q4 2021 due to increased interest rate levels

1 Net return on investment: Income from assets under own management divided by average assets under own management

2 Current return on investment: Income from assets under own management excl. extraordinary investment income divided by average assets under own management

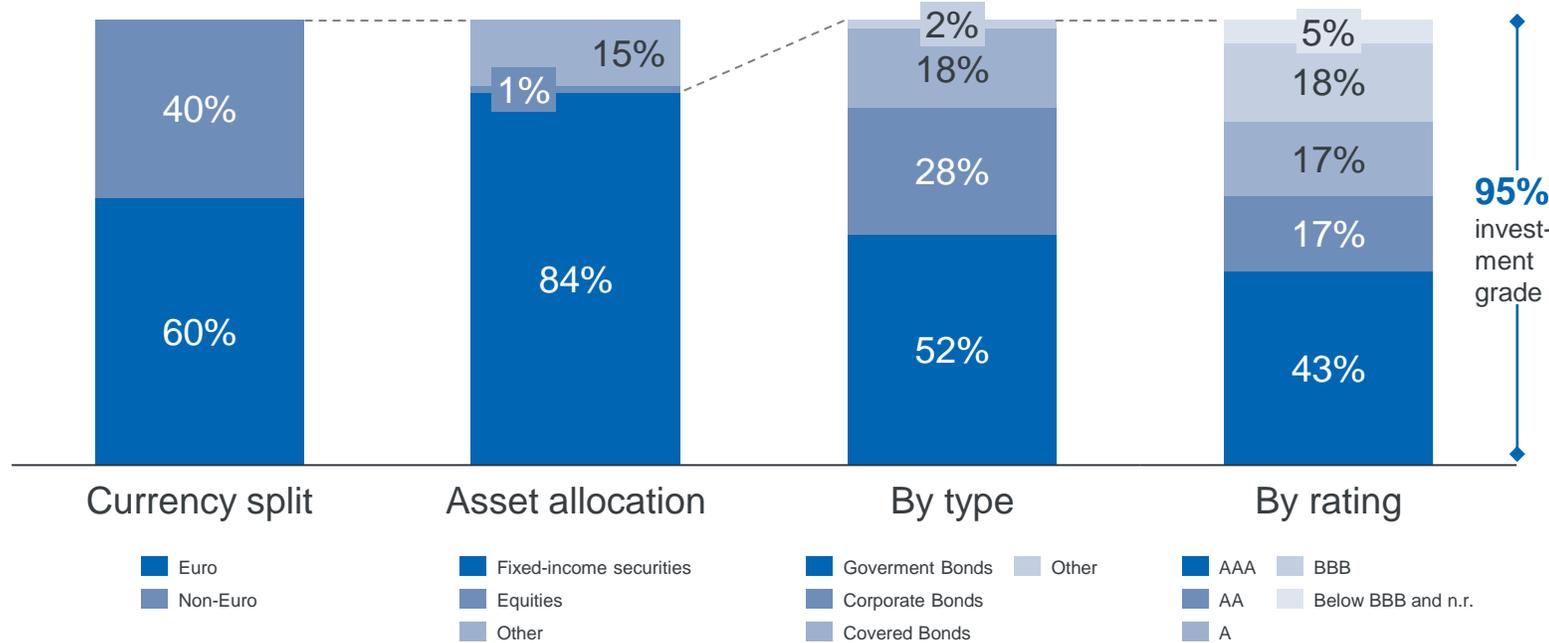
# 4 High quality in investment portfolio

Investment portfolio as of 31 Dec 2022

Total: **EUR 128.6bn**

Fixed-income portfolio split

Total: **EUR 107.6bn**



**Investment strategy unchanged – 95% of bonds are investment grade**

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

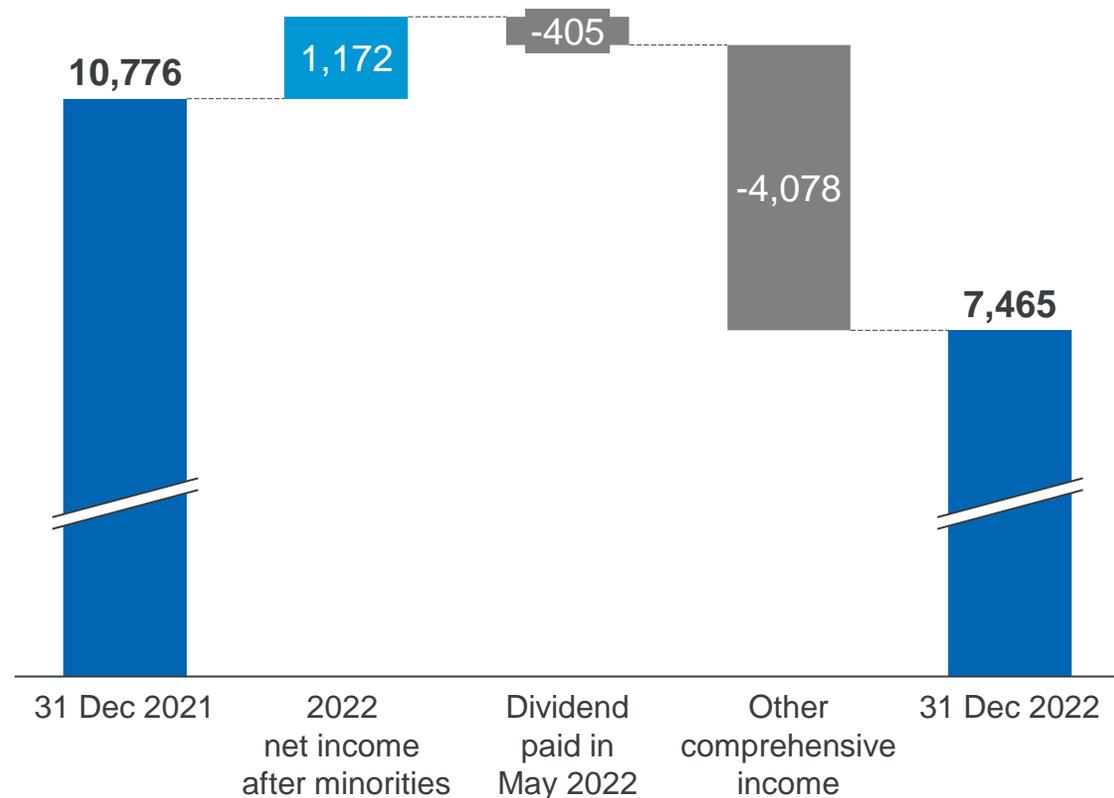
## Comments

- Assets under own management decreased by 5.5% to EUR 128.6bn compared to 31 Dec 2021 (EUR 136.1bn)
- Investment portfolio remains dominated by fixed-income securities: 84% portfolio share slightly down vs. 31 Dec 2021 (87%)
- Portion of fixed-income portfolio invested in "A" or higher-rated bonds (77%) slightly up vs. 31 Dec 2021 (76%). 95% of bonds are 'investment grade'
- 22% of fixed-income portfolio is held in USD (31 Dec 2021: 20%); 40% overall in non-euro currencies (31 Dec 2021: 36%)

# Equity down in 2022 due to accounting mismatch

## Shareholders' equity

in EURm



## Comments

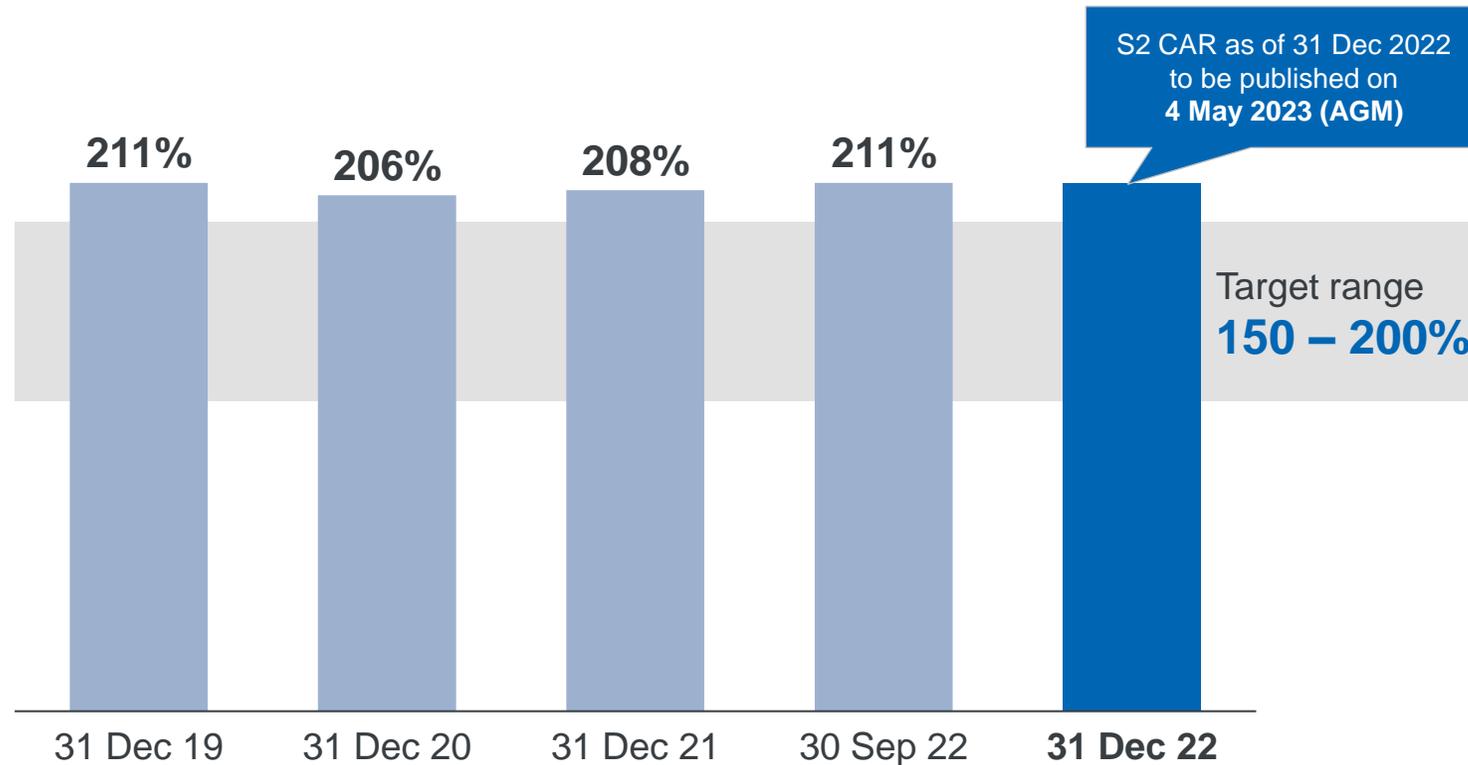
- Shareholders' equity at EUR 7,465m, down 31% versus year-end 2021
- In other comprehensive income, significant impact from interest rate increase on assets under own management, which is not offset by corresponding positive liabilities due to accounting mismatch under current IFRS regime
- Under **IFRS 17/9**, shareholders equity increased to EUR >9bn (starting from EUR ~8.5bn on 1<sup>st</sup> January 2022)

## Book value per share

EUR	31 Dec 2021	31 Mar 2022	30 Jun 2022	30 Sep 2022	31 Dec 2022	Change in Q4	
						Abs.	%
Including goodwill	42.58	38.71	32.56	29.12	<b>29.46</b>	0.34	1.2
Excluding goodwill	38.51	34.62	28.52	25.11	<b>25.43</b>	0.32	1.3

# Consistently strong resilience throughout the strategy cycle

## High solvency



Note: Solvency 2 ratio as of period end excluding transitional measure

## Strong ratings

**S&P Global**  
Ratings

**A+**  
(stable)

**AM**  
**BEST**  
SINCE 1899

**A+**  
(stable)  
Upgrade in Dec 2022

Note: Insurer Financial Strength Rating

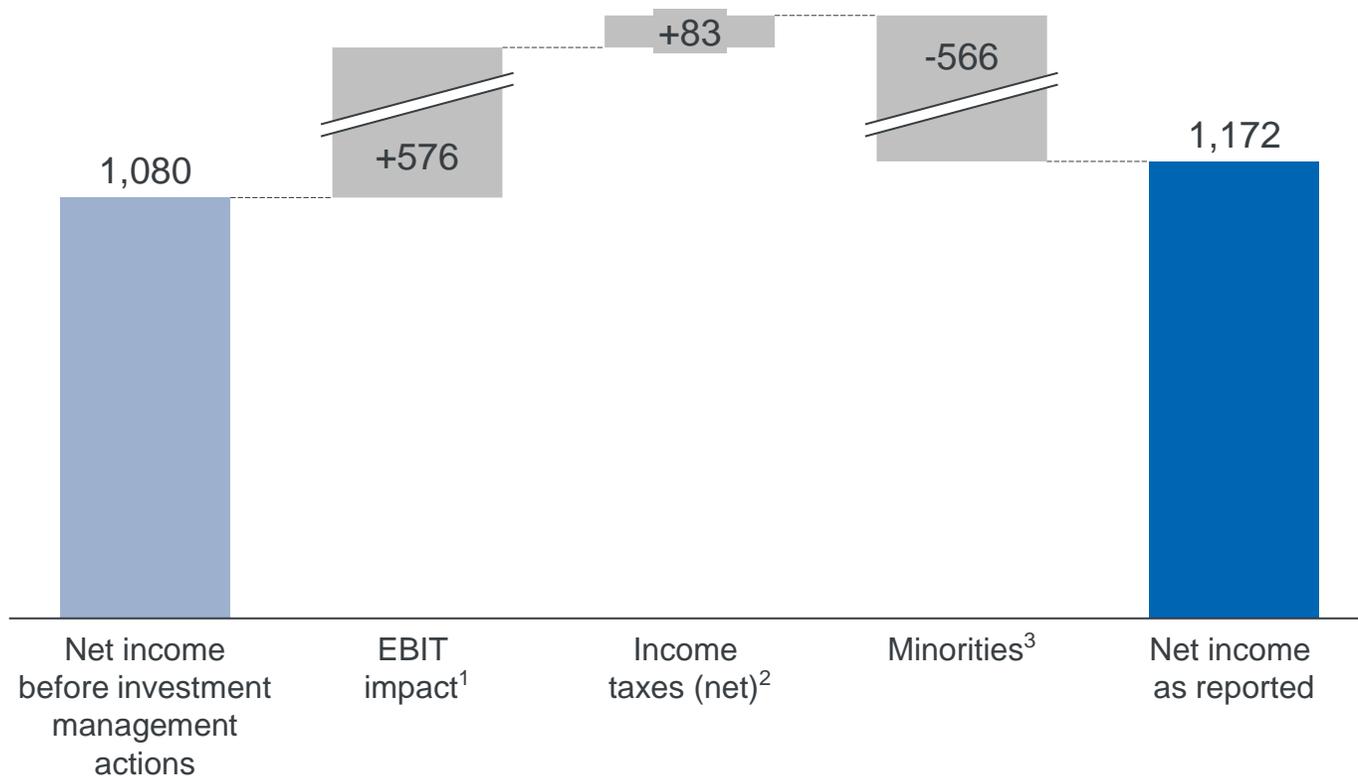


# Agenda

- 1 CEO highlights
- 2 Group financials
- 3 Segments
- 4 Investments and capital
- 5 Appendix**

# Accounting treatment of investment portfolio management affect EBIT, taxes and minorities

Net income, in EURm



Private equity JV with Munich Re to benefit from scale and better diversification

Capital gains largely used to offset losses in fixed income portfolio as part of yield enhancement measures

Accounting treatment results in inflated EBIT, higher share of minority participation<sup>3</sup> and asymmetric taxation<sup>2</sup>

1 Capital gains (EUR 1,076m) net of losses from portfolio management actions (~ EUR 500m) | 2 Tax effect calculated using nominal tax rates. Private equity gains benefit from low tax rate while realised losses in bond portfolio are fully tax-deductible, resulting in low effective tax rate | 3 Different share of minorities at Hannover Re and Talanx group level

# 5 Sustainability – Our commitments

## 1 Operations



25% emission reduction<sup>1</sup> until 2025



Net Zero 2030

## 2 Underwriting



Full withdrawal from thermal coal risk until 2038



Net Zero 2050

## 3 Investment



30% carbon intensity reduction<sup>2</sup> by 2025



Net Zero 2050

## 4 Social / Governance



Social Focus, esp. diversity, (employee) education



## Ratings



**A**

CCC to AAA (top)



**B**

D- to A (top)

Upgrade from B- in 2022

Note: Ratings as published as of day of presentation

1 Scope 1 & Scope 2 emissions in Germany | 2 Reduction of CO<sub>2</sub> intensity of the liquid portfolio by 30% by the end of 2025 compared to base year 2019

# 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	<b>Σ Primary Insurance</b>	Reinsurance	Corporate Operations	Consolidations	<b>Talanx Group</b>
<b>2015</b>	127	-76	148	<b>199 25%</b>	606 75%	-51	-20	<b>734</b>
<b>2016</b>	241	68	124	<b>433 42%</b>	595 58%	-135	10	<b>903</b>
<b>2017</b>	91	102	138	<b>331 41%</b>	479 59%	-141	2	<b>671</b>
<b>2018</b>	-16	102	161	<b>247 31%</b>	540 69%	-80	-4	<b>703</b>
<b>2019</b>	103	133	164	<b>400 39%</b>	619 61%	-97	1	<b>923</b>
<b>2020</b>	47	119	160	<b>326 42%</b>	442 58%	-117	-3	<b>648</b>
<b>2021</b>	143	161	189	<b>493 45%</b>	609 55%	-105	14	<b>1,011</b>
<b>2022</b>	177	150	214	<b>541 43%</b>	707 57%	-95	19	<b>1,172</b>

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 95m to, and subtracting EUR 19m from, EUR 1,172m in 2022)

## 5 FY 2022 results overview

EURm	FY 2021	FY 2022	Delta	
<b>Gross written premiums (GWP)</b>	<b>45,507</b>	<b>53,431</b>	<b>+17%</b>	1
Net premiums earned	37,863	44,722	+18%	
Net technical result	-2,195	-792	+64%	
▪ thereof P/C	530	285	-46%	
▪ thereof Life	-2,724	-1,077	+60%	2
Net investment income	4,718	3,700	-22%	
Other income/expenses	-69	464	n.m.	3
<b>Operating result (EBIT)</b>	<b>2,454</b>	<b>3,372</b>	<b>+37%</b>	
Financing costs	-176	-181	-3%	
Taxes on income	-548	-730	-33%	
Net income before minorities	1,730	2,461	+42%	
Non-controlling interests	-718	-1,289	-79%	3
<b>Net income after minorities</b>	<b>1,011</b>	<b>1,172</b>	<b>+16%</b>	
<b>Earnings per share (EPS)</b>	<b>3.99</b>	<b>4.63</b>		
Combined ratio (CR) in P/C	97.7%	98.9%	+1.2%pts	4
Tax ratio	24.1%	22.9%	-1.2%pts	
Return on equity	9.6%	12.9%	+3.3%pts	
Return on investment	3.4%	2.6%	-0,7%pts	2

### Comments

- 1 Currency adjusted growth rate of 13% driven by all segments except German Life which was dragged down by lower single premium business. Industrial Lines recording strongest growth within primary insurance (EUR 1,353m)
- 2 Technical result and investment income mainly driven by German Life. Completion of ZZR funding led to significant decrease of investment income (RoI down 0.7%pts) and corresponding reduction of policyholder participation in investment income
- 3 Other income, EBIT and minorities inflated by investment portfolio management actions in reinsurance (realisation of capital gains in private equity). Other income reflects ~ EUR 518m deconsolidation gains related to private equity assets
- 4 Technical result slightly down driven by P/C Reinsurance (CoR up 2.2%pts yoy) and Retail International (CoR; up 2.7%pts yoy). CoR effect of large loss budget overshoot 1.2%pts

## 5 Q4 2022 results overview

EURm	Q4 2021	Q4 2022	Delta	
<b>Gross written premiums (GWP)</b>	<b>10,357</b>	<b>11,769</b>	<b>+14%</b>	1
Net premiums earned	10,096	12,064	+19%	
Net technical result	-590	-177	+70%	2
▪ thereof P/C	120	13	-89%	
▪ thereof Life	-711	-191	+73%	
Net investment income	1,241	1,102	-11%	
Other income/expenses	-36	481	n.m.	3
<b>Operating result (EBIT)</b>	<b>615</b>	<b>1,406</b>	<b>+129%</b>	4
Financing costs	-41	-54	-31%	
Taxes on income	-67	-246	-268%	
Net income before minorities	506	1,106	+118%	
Non-controlling interests	-218	-718	-229%	5
<b>Net income after minorities</b>	<b>288</b>	<b>387</b>	<b>+34%</b>	
<b>Earnings per share (EPS)</b>	<b>1.14</b>	<b>1.53</b>		
Combined ratio (CR) in P/C	98.0%	99.6%	+1.6%pts	
Tax ratio	11.7%	18.2%	+6.5%pts	
Return on equity	10.8%	20.9%	+10.1%pts	
Return on investment	3.5%	3.2%	-0.3%pts	

### Comments

- 1 Currency adjusted GWP growth 11.6%.
- 2 Improved technical result due to moderate large losses (Q4 large losses of EUR 309m vs periodic Q4 budget of EUR 423m)
- 3 Other income reflects ~ EUR 500m deconsolidation gains related to private equity assets
- 4 EBIT inflated by portfolio management actions in relation to private equity assets in reinsurance. EBIT adjusted for investment portfolio actions would have been EUR 830m, up 35% yoy due to improved technical result.
- 5 Disproportionate higher minority share due to investment portfolio management actions in reinsurance with parts of realised capital gains for private equity assets relating to Hannover Re subsidiary E+S Reinsurance (64.9% owned by Hannover Re)

## 5 NatCat large loss details for 2022

Net losses in EURm, 2022 (2021)	Industrial Lines	Retail Germany	Retail International	Σ Primary Insurance	Reinsurance	Corporate Operations	Talanx Group
Hurricane "Ian", USA (Sep)	64,0			64,0	321,9	0,0	385,9
Flood Sydney, Australia (Feb – Mar)	84,8			84,8	232,6	1,9	319,4
Storm, Central Europe (Feb)	16,6	26,2	8,5	51,3	106,6	2,8	160,7
Storm "Quiara", France (Jun)	14,8			14,8	102,7	0,7	118,3
Winterstorm "Elliot", USA, Canada (Dec)	16,8			16,8	67,3		84,1
Flood, South Africa (Apr)	1,9			1,9	60,9		62,8
Storm and Tornados, USA (May)					58,2		58,2
Typhoon "Hinnamnor", Japan (Sep)					49,2		49,2
Storm und Hail, France (Jun)	21,0			21,0	25,8	0,7	47,5
Hurricane "Fiona", USA (Sep)	22,3			22,3	20,0		42,2
Earthquake, Japan (Mar)	12,1			12,1	21,0		33,1
Storm Emmeline, Germany (May)	15,6	10,0		25,6		2,2	27,8
Flood, Südkorea (Aug)					22,6		22,6
Typhoon "Nanmandol", Japan (Sep)					20,3		20,3
Hail, France (Jun)					18,4		18,4
Derecho, Canada (May)					18,0		18,0
Storm and Hail "Florida", USA (Jun)					11,9		11,9
Storm and Hail, Derecho, USA (May)					11,6		11,6
Tornado and Hail, USA (May)					10,4		10,4
Storm and Hail, USA (Apr)					10,1		10,1
Storm and Flood, Australia (Mar)	0,4			0,4	8,4		8,8
Storm and Hail "Westvirginia", USA (Jun)					7,1		7,1
<b>Sum NatCat</b>	<b>270.4</b> (236.6)	<b>36.2</b> (18.0)	<b>8.5</b> (24.7)	<b>315.0</b> (279.3)	<b>1,205.1</b> (963.6)	<b>8.3</b> (18.3)	<b>1,528.5</b> (1,261.1)

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

# Large loss detail in 2022

## 5 Budget exceeded due to significant NatCat events

<b>Net losses</b> in EURm, 2022 (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>
<b>Sum NatCat</b>	<b>270.4</b> (236.6)	<b>36.2</b> (18.0)	<b>8.5</b> (24.7)	<b>315.0</b> (279.3)	<b>1,205.1</b> (963.6)	<b>8.3</b> (18.3)	<b>1,528.5</b> (1,261.1)
Fire/Property	53.8	10.0	8.6	72.4	117.9	16.6	<b>206.9</b>
Marine	20.7			20.7	14.5	0.6	35.9
Casualty							
Credit					26.5		26.5
Aviation					10.8		10.8
Cyber							
<b>Sum other large losses</b>	<b>74.5</b> (190.9)	<b>10.0</b> (0.0)	<b>8.6</b> (0.0)	<b>93.1</b> (190.9)	<b>169.7</b> (286.6)	<b>17.3</b> (6.5)	<b>280.0</b> (484.0)
<b>Ukraine war losses</b>	<b>36.3</b> (0.0)	<b>0.0</b> (0.0)	<b>0.0</b> (0.0)	<b>36.3</b> (0.0)	<b>330.9</b> (0.0)	<b>0.0</b> (0.0)	<b>367.2</b> (0.0)
<b>Total large losses</b>	<b>381.2</b> (427.4)	<b>46.2</b> (18.0)	<b>17.1</b> (24.7)	<b>444.4</b> (470.1)	<b>1,705.7</b> (1,250.2)	<b>25.6</b> (24.8)	<b>2,175.7</b> (1,745.1)
Full year large loss budget	330.0	30.0	10.0	370.0	1,400.0	40.0	1,810.0

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 December 2022

Country	Rating	1	2	3	4	5	6	7
		Sovereign	Semi-Sovereign	Financial	Corporate	Covered	Other	Total
Italy	BBB	3,478	-	632	456	174	1	<b>4,742</b>
Brazil	BB-	239	-	45	223	-	36	<b>543</b>
Mexico	BBB	363	-	143	270	-	-	<b>777</b>
Hungary	BBB	393	-	12	15	5	-	<b>425</b>
Russia	-- <sup>1</sup>	25	-	1	9	-	-	<b>35</b>
South Africa	BB-	103	-	4	133	-	2	<b>242</b>
Portugal	BBB	90	-	7	49	0	-	<b>147</b>
Turkey	B	110	-	9	11	-	-	<b>130</b>
Other BBB+		83	-	8	45			<b>136</b>
Other BBB		257	152	96	226			<b>731</b>
Other BBB-		353	128	80	178		~0	<b>739</b>
<b>Total</b>		<b>5,495</b>	<b>280</b>	<b>1,037</b>	<b>1,616</b>	<b>179</b>	<b>39</b>	<b>8,646</b>
<b>In % of total investments under own management<sup>2</sup></b>		4.3%	0.2%	0.8%	1.3%	0.1%	~0.0%	<b>6.7%</b>
<b>In % of total Group assets<sup>3</sup></b>		2.8%	0.1%	0.5%	0.8%	0.1%	~0.0%	<b>4.5%</b>

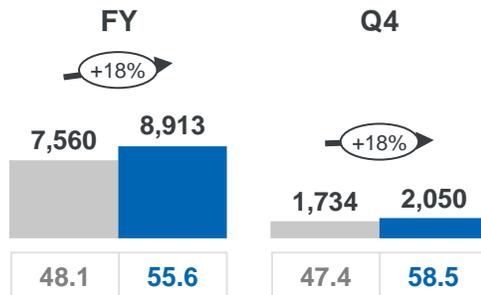
Note: Percentages may not add up due to rounding. "Below BBB and n.r." includes non-rated bonds.

1 Selective default according to Ampega internal rating | 2 EUR 128,599m | 3 EUR 193,133m

# Industrial Lines

## 5 Profitable growth and disciplined portfolio management pays off

Gross written premiums (GWP)

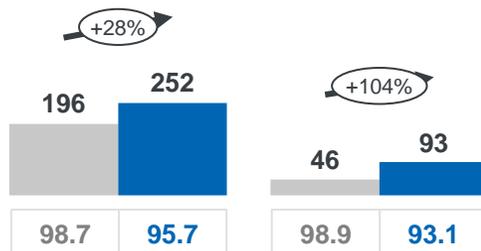


- Continued strong GWP growth momentum both in FY (currency-adjusted +13%) and in Q4 (currency-adjusted +14%)
- Similar FY growth in Specialty (+EUR 660m) and commercial lines (+EUR 693m)

Retention ratio in %



Operating result (EBIT)

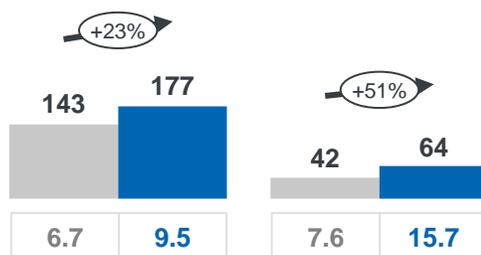


- Large losses EUR 51m above FY 2022 budget of EUR 330m, mainly affected by significant NatCat events (EUR 85m from flood in Australia and EUR 64m from Hurricane “Ian”), and by Russian war in Ukraine (EUR 36m)
- Combined ratio almost at ambition 2025 level (95%), as a result of continued profitable new business, rate increases and ongoing underwriting discipline

Combined ratio in %



Net income



- FY 2022 return on investment down to 2.3% (FY 2021: 2.9%) due to high distributions from alternative investment portfolio in previous year
- Deterioration in other result to EUR -194m (FY 2021: EUR -149m), due to EUR -54m change in currency fluctuations

RoE in %

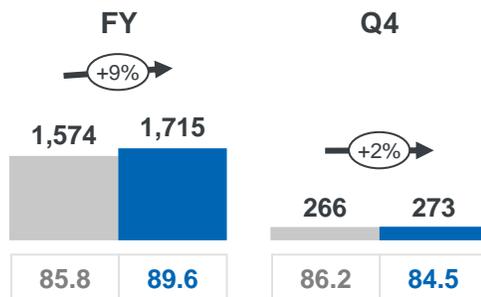


EURm ■ 2021 ■ 2022

# Retail Germany P/C

## 5 Managing headwinds but keeping growth momentum

### Gross written premiums (GWP)

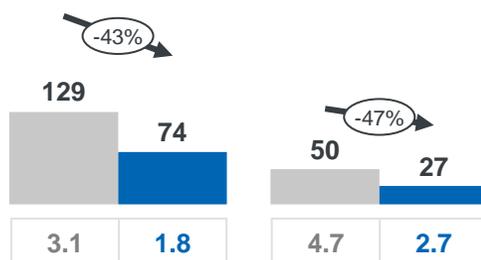


- GWP growth in all lines of business; 13% FY increase in target business with SMEs and self-employed professionals to EUR 541m; 6% increase in Q4
- Net earned premiums up 17% in line with GWP growth but also impacted by change in reinsurance structure (EUR 74m vs FY 2021)

### Retention ratio in %



### Net investment income

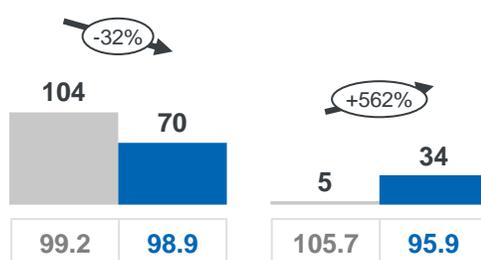


- Lower FY investment income compared to previous year due to EUR 44m decrease in realised net gains/losses and EUR 8m increase in write-downs

### Return on investment in %



### Operating result (EBIT)



- Technical result broadly stable (EUR 18m vs. EUR 11m in 2021) despite higher attritional loss ratio (CoR impact 4.4%-pts) driven by normalising frequency losses (back to pre-pandemic levels), inflation impact in motor and higher NatCat<sup>1</sup> and large losses<sup>2</sup> (CoR impact 1.3%-pts)
- Burdens on technical result absorbed by declining operating costs (excl. commissions; CoR impact 2.6%-pts) and higher run-off result in motor (CoR impact 2.8%-pts)
- Other result improved by EUR 15m mainly due to non-recurrence of EUR 25m of restructuring expenses

### Combined ratio in %



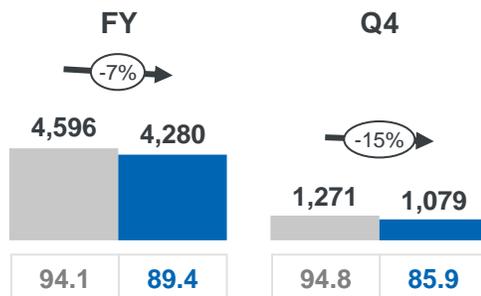
EURm    ■ 2021    ■ 2022

1 Losses > EUR 1m  
2 Losses > EUR 0.25m

# Retail Germany Life

## 5 Rising interest rates provide substantial tailwinds

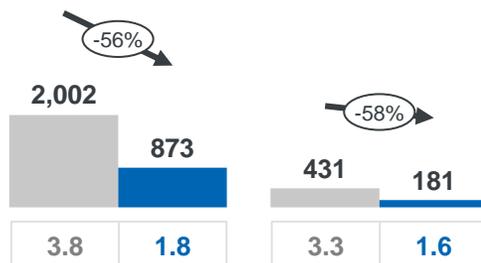
### Gross written premiums (GWP)



### Retention ratio in %



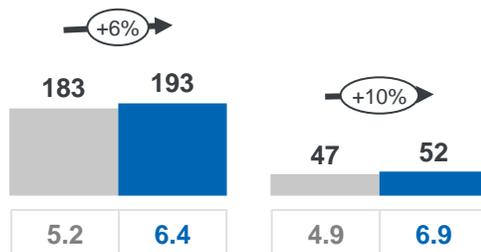
### Net investment income



### Return on investment in %



### Operating result (EBIT)



### EBIT margin in %



EURm ■ 2021 ■ 2022

- GWP down as a result of intended shift in product portfolio mix to unit-linked and payment protection products and market-induced decline in single premium business as traditional banking savings products regained attractiveness vs. insurance savings products
- Change in reinsurance structure resulted in net earned premiums reduction of EUR 484m which exceeds GWP decline of EUR 316m slightly

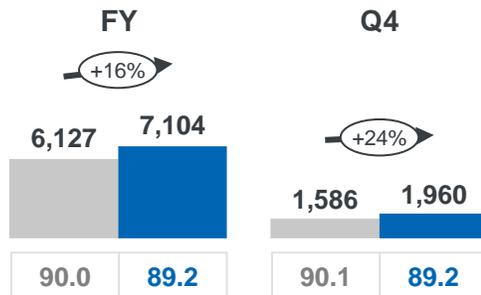
- Net realised gains/losses down by EUR 975m mainly due to significantly reduced ZZR funding requirements
- Some unrealised losses due to interest rate-related market movements in derivatives
- Higher write-downs on equities in 2022

- EBIT improvement mainly due to better underwriting result
- Other result improved EUR 23m mainly due to non-recurrence of restructuring expenses (EUR 37m in 2021)
- Given change in ZZR funding requirements, German life carrier HDI Lebensversicherung AG is resuming dividend distributions with an expected total payment of EUR 60m for FY 2022 (representing ~ EUR 0.24 per share)

# Retail International

## 5 Technical excellence and investment management mitigating inflation

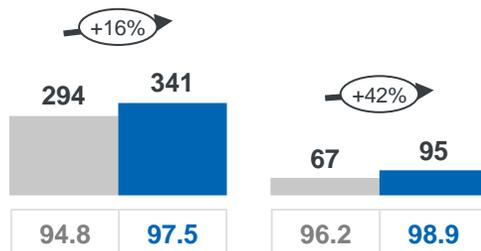
### Gross written premiums (GWP)



### Retention ratio in %



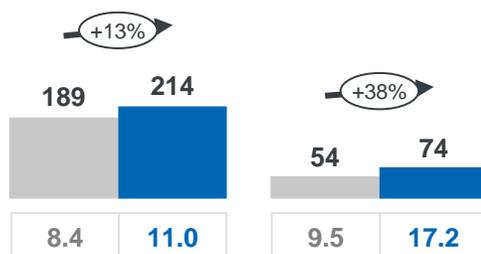
### Operating result (EBIT)



### Combined ratio P/C in %



### Net income



### RoE in %



EURm █ 2021 █ 2022

- Curr.-adj. GWP increase of 22% in FY 2022, 32% in Q4
- GWP in P/C up 28% (curr.-adj. +36%), driven by Turkey, Brazil, Poland and Chile. Life business down 13% (curr.-adj. -11%), mainly due to intended lower single premium business in Italy and deconsolidation of Russian life entity effective Feb 2022
- Europe up 10% to EUR 5,044m (+21% curr.-adj.). LatAm grew by 34% to EUR 2,060 (+24% curr.-adj.). Strong growth in Brazil, Mexico and Chile, which also benefited from cooperation with Banco Estado starting 1 Jan 2022 (EUR 101m)

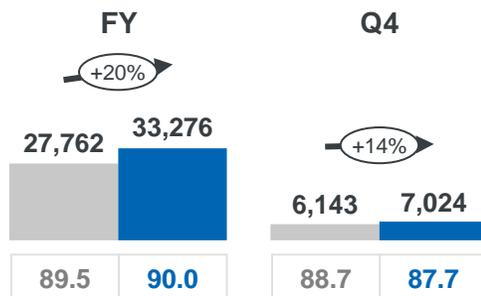
- EBIT increased by 16% (currency-adjusted +10%), significant EBIT increase in Q4 (+42%) driven by LatAm
- Combined ratio in P/C impacted by high inflation, but largely mitigated by technical excellence

- Net investment income increased by 19% mainly due to higher yields, despite yield-enhancing investment portfolio measures that led to slightly higher realised losses in fixed income securities. Return on investment 3.6% in 2022 versus 2.8% in FY 2021
- Other result impacted by negative deconsolidation effect from Russian life entity in Q1 2022 (EUR 23m), compensated partially by positive one-off effect in Q2 related to realignment of shareholding structure in TU Europa (EUR 16m)
- Significant RoE increase due to increased net income and reduced equity base resulting from higher interest rates

# Reinsurance

## 5 Continued growth and profitability

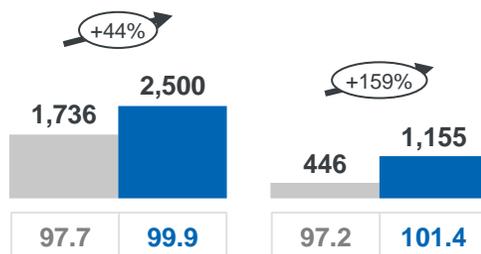
### Gross written premiums (GWP)



### Retention ratio in %



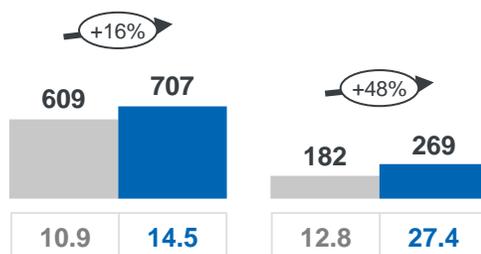
### Operating result (EBIT)



### Combined ratio P/C in %



### Net income



### RoE in %



EURm    ■ 2021    ■ 2022

- Strong GWP growth by +20% (currency-adj. +13%)
  - Non-life reinsurance GWP growth with EUR +5bn and +26% compared to previous year (currency-adjusted +18%)
  - GWP in L/H up 6% (currency-adj. +1%), with strongest growth in Mortality and growth across all business lines
- 
- Combined ratio of 99.9% affected by large losses exceeding full-year budget by EUR 306m (Ukraine war EUR 331m, Hurricane Ian 322m, Flood Australia EUR -232m, Storm Ylenia/ Zeynep Europe EUR -107m)
  - Difference in operating result between Talanx reporting (EUR 2,500m) and Hannover Re reporting (EUR 2,087m) mainly due to different deconsolidation result of the private equity assets
- 
- Higher financing costs EUR -112m (FY 2021: EUR -103m) due to debt issuance in November 2022 (EUR 750m nominal, interest 5.875 %) and in 03.2021 (EUR 750m nominal, interest 1.375 %)
  - Net investment income up by 7% driven by amortisation of inflation-linked bonds
  - FY 2023 net income guidance confirmed with ≥ EUR 1.7bn Hannover Re view (EUR ~850m Talanx view)
  - Taking into account of the growth in the property and casualty reinsurance portfolio and the increased loss expectation from natural catastrophes, Hannover Re has increased its net major-loss budget for 2023 to EUR 1.725bn

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3M 2023 results



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