



9M 2021 Results  
15 November 2021

Jan Wicke, CFO

Starting with Q1 2021  
we publish a detailed  
**Financial Data Supplement**  
on our IR website

# Net income 2021 at upper end of EUR 900 – 950m range with earnings outlook 2022 set at EUR 1.05 – 1.15bn

## 9M 2021



GWP up 10.2% in 9M, 12.3% currency-adjusted – growth momentum continues



Combined ratio 97.6%, despite EUR 321m net claims from European flood events



EUR 723m Group net income, thereof 46% in Primary Insurance<sup>1</sup>, RoE at 9.2%<sup>2</sup>

## Outlook



Industrial Lines acquires residual 49.8% stake in HDI Global Specialty SE<sup>3</sup>



Group net income 2021 now expected at upper end of EUR 900 – 950m range



Group net income 2022 expected between EUR 1.05 and 1.15bn

<sup>1</sup> Primary Insurance in percent of Group net income adjusted for Corporate Operations and Consolidation (EUR -71m). <sup>2</sup> Excluding Other Comprehensive Income from investments from shareholders' equity, RoE was at 11.3% in 9M 2021 (8.2% in 9M 2020). <sup>3</sup> Effective 31 Dec 2021

Note: Financial targets are subject to large losses not exceeding the large loss budget, no turbulences on capital markets and no material currency fluctuations

# Agenda

1

Group Highlights

2

Segments

3

Investments / Capital

4

Outlook

5

Appendix

## 1

## 9M 2021 results overview

EURm	9M 2020	9M 2021	Delta	Comments
<b>Gross written premiums (GWP)</b>	<b>31,907</b>	<b>35,150</b>	<b>+10%</b>	GWP growth in all segments, largest contributions from P/C Reinsurance (+EUR 1,921m), Industrial Lines (+EUR 606m), and Retail International (+EUR 501m). 12.3% growth in local currency
Net premiums earned	25,301	27,767	+10%	
Net technical result	-1,972	-1,605	+19%	
thereof P/C	-156	409	n.m.	EUR 257m increase in Corona-related mortality claims in L/H Re (+EUR 245m) and life business in Retail International (+EUR 12m)
thereof Life	-1,815	-2,014	-11%	
Net investment income	3,059	3,477	+14%	Negative swing in currency translation (EUR 218m), mainly from USD appreciation; positive EUR 58m one-off effect from restructuring within US mortality portfolio in L/H Reinsurance in Q1 2021 (Voya)
Other income / expenses	204	-33	n.m.	
<b>Operating result (EBIT)</b>	<b>1,291</b>	<b>1,839</b>	<b>+42%</b>	
Financing costs	-154	-135	+12%	
Taxes on income	-228	-481	-111%	
Net income before minorities	910	1,223	+35%	
Non-controlling interests	390	500	+28%	
<b>Net income after minorities</b>	<b>520</b>	<b>723</b>	<b>+39%</b>	
<b>Earnings per share (EPS)</b>	<b>2.06</b>	<b>2.86</b>		
Combined ratio (CR) in P/C	100.7%	97.6%	-3.1%pts	Technical result improvement driven by P/C Reinsurance; excluding net Corona impact CR at 98.4%, slightly up from 97.6%
Tax ratio	20.0%	28.2%	+8.2%pts	
Return on equity	6.8%	9.2%	+2.4%pts	Significant net realised gains in German Life in 9M 2021 (EUR 750m, +189m; mainly ZZR funding); significant increase in private equity gains in Reinsurance and Industrial Lines
Return on investment	3.1%	3.3%	+0.2%pts	

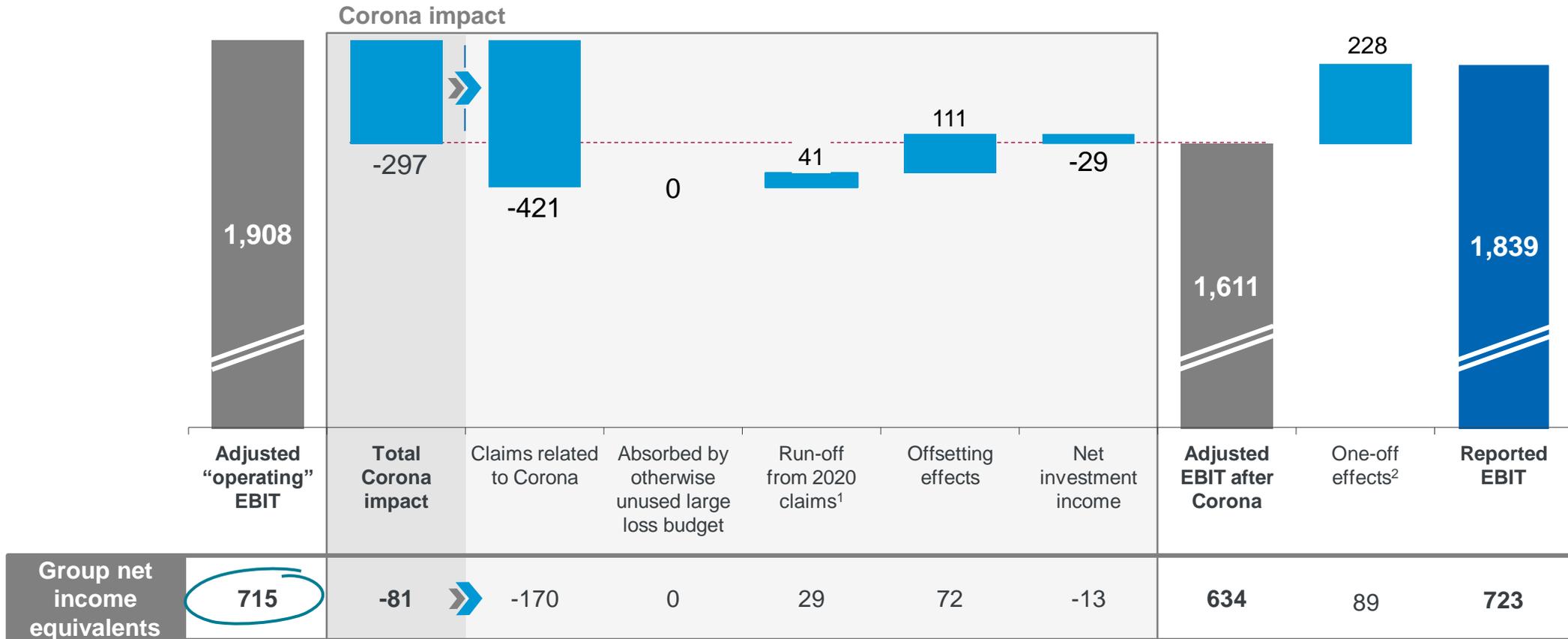
## 1

## Q3 2021 results overview

EURm	Q3 2020	Q3 2021	Delta	Comments
<b>Gross written premiums (GWP)</b>	<b>9,901</b>	<b>11,075</b>	<b>+12%</b>	GWP growth in all segments, largest contributions from P/C Reinsurance (+EUR 829m), Industrial Lines (+EUR 273m) and Retail International (+EUR 207m). 11.1% growth in local currency
Net premiums earned	8,555	9,495	+11%	
Net technical result	-843	-622	+26%	
thereof P/C	3	-71	n.m.	Negative technical result in P/C driven by large losses in P/C Reinsurance, Industrial Lines and Retail Germany, despite non-recurrence of Corona-related claims (EUR 234m in Q3 2020); frequency losses in primary retail businesses returning to pre-Corona levels
thereof Life	-846	-551	+35%	
Net investment income	1,274	1,128	-11%	
Other income / expenses	114	1	-99%	
<b>Operating result (EBIT)</b>	<b>546</b>	<b>506</b>	<b>-7%</b>	
Financing costs	-51	-46	-9%	
Taxes on income	-135	-173	-28%	Increase in tax ratio due to reduced low-tax income in Reinsurance
Net income before minorities	360	288	-20%	
Non-controlling interests	166	111	-33%	
<b>Net income after minorities</b>	<b>194</b>	<b>177</b>	<b>-9%</b>	RoI decrease reflects different timing of ZZR funding compared to financial year 2020
<b>Earnings per share (EPS)</b>	<b>0.77</b>	<b>0.70</b>		
Combined ratio (CR) in P/C	99.7%	100.9%	+1.2%pts	
Tax ratio	27.2%	37.5%	+10.4%pts	
Return on equity	7.6%	6.7%	-0.9%pts	
Return on investment	4.0%	3.3%	-0.7%pts	

# 1 9M results affected by Corona and Voya

## EBIT (before taxes and minorities) in 9M 2021, in EURm



1 Includes releases of reserves for premium reimbursement in Industrial Lines. 2 Includes two effects in L/H Reinsurance: EUR 129m Voya gain in Q1 2021 (thereof EUR 86m net interest income from funds withheld, EUR -14m extraordinary investment income, EUR 58m other income) and EUR 99m release in provisions for adverse deviations (longevity) in Q3 2021

## 1

## Corona details: L/H Reinsurance mortality claims, net offsets in Primary

## Total EBIT impact (before taxes and minorities) in 9M 2021, in EURm

	Industrial Lines	Retail Germany P&C	Retail Germany Life	Retail International	∑ Primary Insurance	P/C Reinsurance	Life / Health Reinsurance	Corporate Operations	Talanx Group
Corona-related claims (net)	-1	-3		-13 <sup>2</sup>	-17		-404		-421
Absorbed by otherwise unused large loss budget									
Run-off from 2020 claims	38 <sup>1</sup>	3		0	41				41
Offsetting effects	25	23		63	111				111
Net investment income <sup>3</sup>	-4			-1	-5	-24			-29
<b>Total EBIT impact</b>	<b>58</b>	<b>23</b>	<b>0</b>	<b>49</b>	<b>130</b>	<b>-24</b>	<b>-404</b>		<b>-297</b>
<b>Group net income impact</b>	<b>41</b>	<b>16</b>	<b>0</b>	<b>30</b>	<b>86</b>	<b>-9</b>	<b>-158</b>		<b>-81</b>

Note: Numbers may not add up due to rounding. 0 represents amount lower than EUR 0.5m. Group net income impact is after taxes and minorities

1 Includes releases of reserves for premium reimbursement. 2 EUR 12m related to excess mortality in life business, mainly in Poland. 3 Impairments only

## 1

## Corona details: Overall net income effect in Q3 negligible

## Total EBIT impact (before taxes and minorities) in Q3 2021, in EURm

	Industrial Lines	Retail Germany P&C	Retail Germany Life	Retail International	∑ Primary Insurance	P/C Reinsurance	Life / Health Reinsurance	Corporate Operations	Talanx Group
Corona-related claims (net)	-1	0		-1 <sup>2</sup>	-2		-140		-142
Absorbed by otherwise unused large loss budget									
Run-off from 2020 claims	47 <sup>1</sup>	2		0	49				49
Offsetting effects	23	-3		4	23				23
Net investment income <sup>3</sup>	-1			-1	-2	-4			-6
<b>Total EBIT impact</b>	<b>68</b>	<b>-1</b>	<b>0</b>	<b>2</b>	<b>68</b>	<b>-4</b>	<b>-140</b>		<b>-75</b>
<b>Group net income impact</b>	<b>47</b>	<b>-1</b>	<b>0</b>	<b>1</b>	<b>47</b>	<b>-1</b>	<b>-55</b>		<b>-9</b>

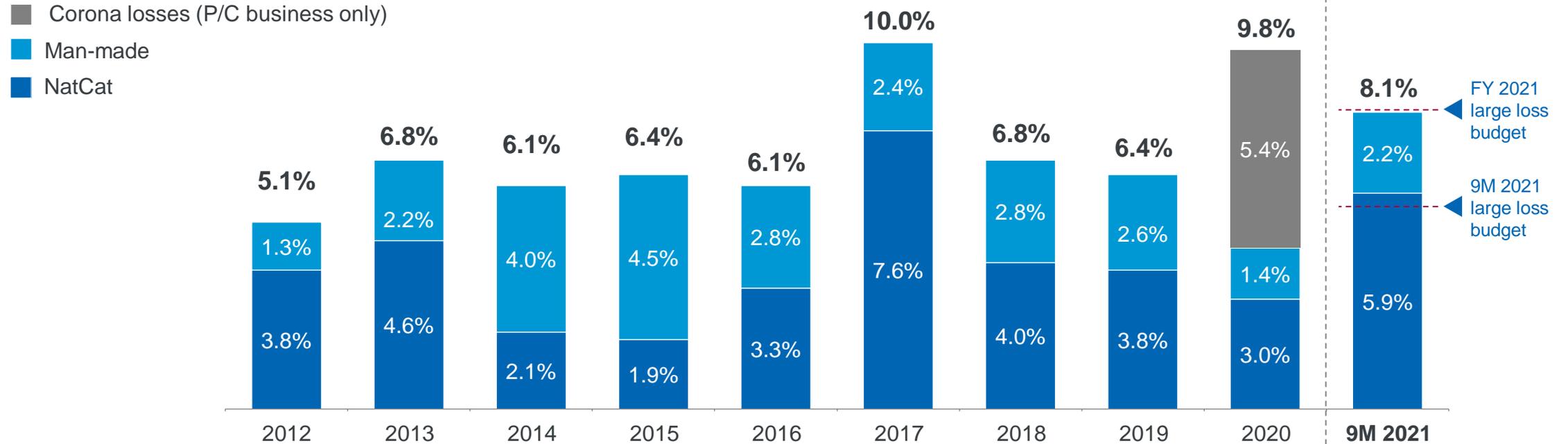
Note: Numbers may not add up due to rounding. 0 represents amount lower than EUR 0.5m. Group net income impact is after taxes and minorities

1 Includes releases of reserves for premium reimbursement . 2 Related to excess mortality in life business, mainly in Poland. 3 Impairments only

# 1

## Full year large loss budget almost fully utilised after nine months

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



In EURm	600	838	782	992	883	1,620	1,244	1,319	2,148	<b>1,482</b>
Usage of budget for NatCat and man-made	94%	119%	91%	94%	78%	145%	111%	111%	161% <sup>1</sup>	<b>128%</b>

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

## 1

## Large loss detail in 9M: Budget exceeded due to significant NatCat events

Net losses Talanx Group in EURm, 9M 2021 (9M 2020)	Industrial Lines	Retail Germany	Retail International	Σ Primary Insurance	Reinsurance	Corporate Operations	Talanx Group
Hurricane Ida (Aug./Sep.)	43.9			43.9	305.7		349.6
Heavy rain <i>Bernd</i> (Jul.)	81.0	15.6		96.6	214.2	10.0	320.8
Winterstorm Texas, USA (Feb.)	65.6			65.6	158.1	1.5	225.2
Storm <i>Volker</i> , Central Europe (Jun.)	2.6	11.4	11.6	25.6	59.0	3.1	87.8
Flood, China (Jul.)	~0.0			~0.0	34.5		34.6
Cyclone <i>Seroja</i> , Australia (Apr.)	8.7			8.7	13.6		22.3
Flood, Australia (Mar.)	1.4			1.4	13.3		14.7
Storm <i>Filomena</i> , Spain (Jan.)	0.2			0.2	12.9		13.1
Storm, Poland (Jul.)			12.7	12.7			12.7
Hurricane Henry (Aug.)				0.0	7.4		7.4
<b>Sum NatCat</b>	<b>203.4</b> (114.9)	<b>27.0</b> (9.2)	<b>24.3</b> (15.9)	<b>254.6</b> (140.0)	<b>818.9</b> (367.4)	<b>14.6</b> (0.0)	<b>1,088.1</b> (507.4)
Fire/Property	110.6			110.6	194.0	5.8	310.3
Credit				0.0	21.2		21.2
Marine	2.8			2.8	22.5		25.3
Aviation	1.3			1.3	13.7		14.9
Casualty	21.7			21.7			21.7
Cyber				0.0			0.0
<b>Sum other large losses</b>	<b>136.3</b> (76.4)	<b>0.0</b> (20.0)	<b>0.0</b> (4.6)	<b>136.3</b> (101.0)	<b>251.4</b> (81.6)	<b>5.8</b> (12.1)	<b>393.5</b> (194.7)
<b>Corona losses</b>	<b>0.0</b> (129.5)	<b>0.0</b> (23.0)	<b>0.0</b> (36.1)	<b>0.0</b> (188.6)	<b>0.0</b> (700.3)	<b>0.0</b> (10.0)	<b>0.0</b> (898.8)
<b>Total large losses</b>	<b>339.7</b> (320.7)	<b>27.0</b> (52.2)	<b>24.3</b> (56.6)	<b>390.9</b> (429.6)	<b>1,070.2</b> (1,149.3)	<b>20.4</b> (22.1)	<b>1,481.6</b> (1,601.0)
Pro-rata large loss budget	248.5	20.9	8.2	277.5	848.9	30.0	1,156.4

Note: Definition "large loss": in excess of EUR 10m gross in either Primary Insurance or Reinsurance. Corona losses in P/C business only shown here. Additional Corona losses of EUR 415m in life and health businesses, EUR 404m thereof in L/H Reinsurance

# 1

## Combined ratios

	Talanx Group		Industrial Lines		Retail Germany P/C		Retail International		Primary Insurance		Reinsurance P/C	
	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
9M	100.7%	97.6%	104.8%	98.6%	95.8%	96.8%	94.8%	94.3%	98.9%	96.5%	101.4%	97.9%
Ex Corona <sup>1</sup>	97.6%	98.4%	98.3%	101.1%	94.4%	99.2%	96.3%	96.7%	96.7%	98.9%	97.6%	97.9%
Q3	99.7%	100.9%	105.0%	99.1%	93.6%	108.0%	95.9%	97.0%	99.2%	99.5%	99.6%	101.5%
Ex Corona <sup>1</sup>	97.8%	102.0%	97.8%	107.3%	93.0%	107.6%	97.6%	97.4%	96.8%	103.0%	97.5%	101.5%

	Mexico 		Chile 		Brazil 		Italy 		Poland 		Turkey 	
	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
9M	96.6%	97.1%	92.7%	93.5%	98.6%	101.7%	85.7%	73.0%	90.3%	93.9%	110.3%	115.8%
Q3	99.8%	98.2%	88.1%	91.5%	106.4%	105.3%	87.5%	75.3%	89.7%	96.1%	109.3%	129.4%

Note: Non-life business. Primary Insurance excludes figures for Corporate Operations. For Retail International this page highlights only core markets plus Italy. Poland includes TUIR Warta only, which generates approx. 95% of P/C GWP in Poland. 1 Adjusted for corona-related claims and offsetting effects, as per pages 7 and 8 in this presentation.

# Agenda

1

Group Highlights

2

Segments

3

Investments / Capital

4

Outlook

5

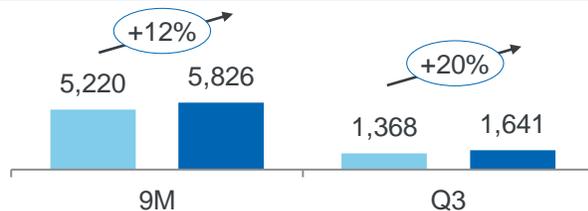
Appendix

# 2

## Industrial Lines: Continued strong growth at improved combined ratio

EURm, IFRS 2020 2021

### Gross written premiums (GWP)

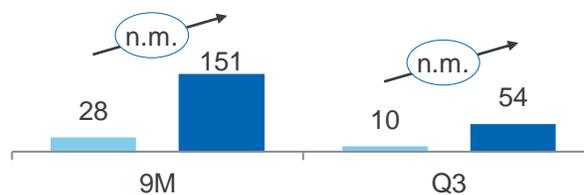


### Retention ratio in %



- Continued strong GWP growth momentum (currency-adjusted +13%), driven by Specialty and Property lines
- Net earned premiums grew faster, mainly due to increased retention ratio in Specialty

### Operating result (EBIT)

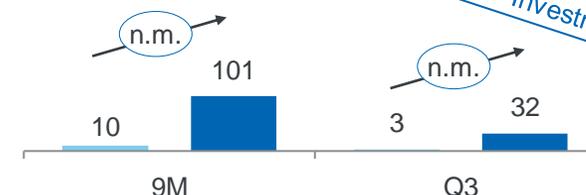


### Combined ratio in %



- Large losses EUR 91m above 9M pro-rata budget of EUR 248m and slightly above full year budget of 331m, predominantly affected by winter storm in Texas, heavy rain „Bernd“ and hurricane “Ida”
- 9M combined ratio at 98.6% despite high level of large losses reflects effectiveness of portfolio improvement measures; supported by EUR 62m net positive Corona impact

### Net income (after minorities)



### RoE in %



- 9M return on investment of 2.8% (9M 2020: 2.4%) positively impacted by EUR 47m increase in private equity gains
- Swing in other result to EUR -104m affected by currency fluctuations and growth in Specialty
- Other result of ~EUR -110m p.a. expected from FY2022
- Industrial Lines acquires remaining stake in Specialty entity from Hannover Re, effective 31 Dec 2021, to further increase synergies

**9M 2021 Corona impact (EBIT)**

- Claims: EUR -1m
- Run-off: EUR 38m
- Offsetting: EUR 25m
- Investments: EUR -4m

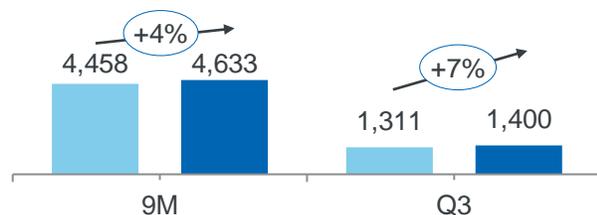
**EUR 62m total technical impact**

# 2

## Retail Germany in sum: On track to outperform EBIT target for 2021

EURm, IFRS 2020 2021

### Gross written premiums (GWP)

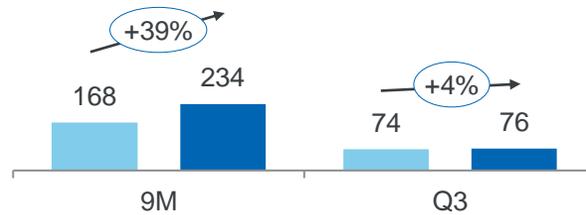


### Retention ratio in %



- 9M gross written premiums up 3% in P/C and 4.3% in Life, reflecting more normalisation after lockdown and continued increase in SME business
- Net premiums flat in 9M, down 1.8% in Q3

### Operating result (EBIT)

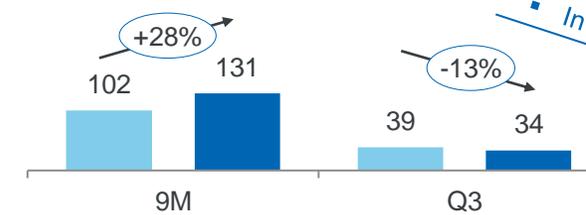


### EBIT margin in %



- 9M EBIT increase achieved in Life
- Q3 EBIT: Increase in Life offset by decrease in P/C, which was impacted by significant floods event "Bernd"
- FY 2021 EBIT of EUR 240m nearly achieved in the first nine months

### Net income (after minorities)



### RoE in %



- GO25 transformation continues
- More details at Capital Markets Day on 17 November 2021 in Frankfurt

**9M 2021 Corona impact (EBIT)**

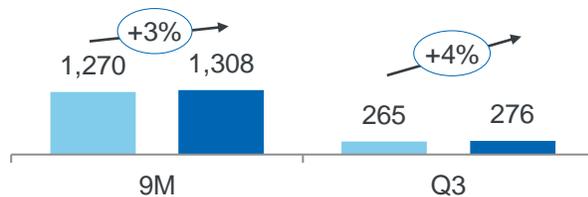
- Claims: EUR -3m
- Run-off: EUR 3m
- Offsetting: EUR 23m
- Investments: EUR 0m

**EUR 23m total impact**

## 2 Retail Germany P/C: Significant floods impact in Q3

EURm, IFRS ■ 2020 ■ 2021

### Gross written premiums (GWP)

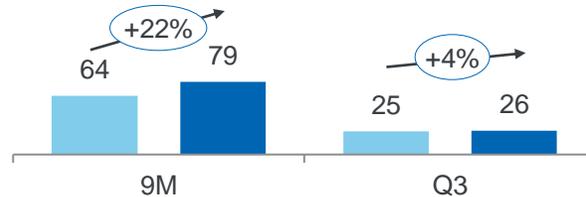


### Retention ratio in %



- 9% increase in 9M GWP in business with SMEs and self-employed professionals to EUR 422m
- Increase in SME and property partially offset by EUR 42m decline in Motor
- Net premiums earned down 7.9% in 9M, 14.8% in Q3 y/y, driven by a change in the reinsurance structure in 2020 (EBIT-neutral), and by EUR 18m reimbursement premium to reinsurers related to flood event in Q3

### Net investment income

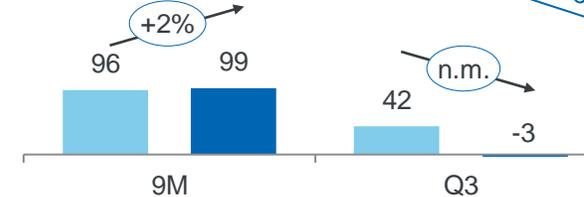


### Combined ratio in %



- 9M technical result of EUR 31m benefits from EUR 23m positive Corona impact (EUR -16m in 9M 2020)
- 9M combined ratio adjusted for Corona impact at 99.2% (9M 2020: 94.4%)
- Q3 technical result (EUR -25m) reflects flood event (total EBIT impact of EUR -34m) and normalised frequency losses
- Q3 combined ratio at 96.9% if adjusted for Corona and "Bernd"

### Operating result (EBIT)



### EBIT margin in %



- 2.5% net return on investment in 9M back to normalised level (2.1% in 9M 2020)
- EBIT came out at a red zero in Q3 due to flood event and normalised frequency losses

**9M 2021 Corona impact (EBIT)**

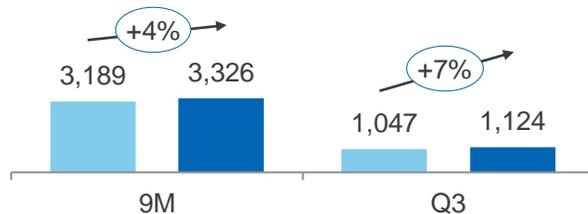
- Claims: EUR -3m
- Run-off: EUR 3m
- Offsetting: EUR 23m
- Investments: -

EUR 23m total technical impact

## 2 Retail Germany Life: Premiums growing again

EURm, IFRS ■ 2020 ■ 2021

### Gross written premiums (GWP)

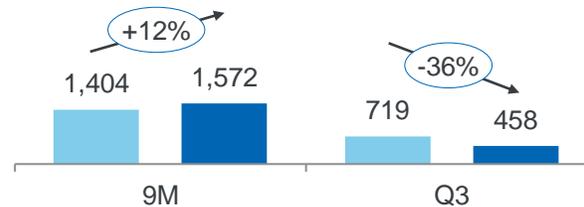


### Retention ratio in %



- GWP up again, both in 9M and Q3 against Corona-related decrease in previous year
- 9M increase due to EUR 153m single premiums (excluding payment protection insurance), overcompensating decrease in regular premiums (-EUR 14m)
- 9M new business increased 8.5% to EUR 282m (APE), 28% of which were in biometric products<sup>1</sup> (32% in 9M 2020)
- Q3 new business increased 20% y/y to EUR 99m (APE)

### Net investment income

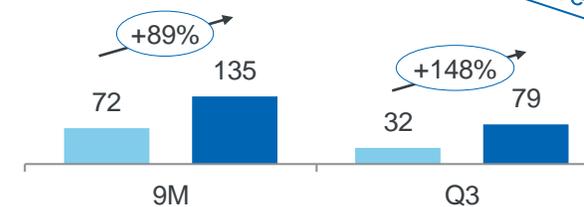


### Return on investment in %



- 9M net investment income and RoI up due to increase in net realised gains (+EUR 189m to EUR 750m), to finance ZZR requirements and strengthen the balance sheet
- Q3 net realised gains down EUR 213m to EUR 219m due to different timing of ZZR funding compared to 2020
- 9M ZZR allocation under German accounting of EUR 324m (9M 2020: EUR 437m). Total stock of ZZR as of 30 September 2021 at EUR 4.8bn

### Operating result (EBIT)



### EBIT margin in %



- 9M EBIT increase partly due to non-recurrence of positive effect from regular annual update of assumptions on interest rates, cancellations and costs (EUR 26m increase)
- As-if-merged Solvency 2 CAR for the four German life entities at 269% on 30 September 2021 without transitional measure, based on a refined model<sup>2</sup>

9M 2021 Corona impact (EBIT)

- Claims: -
- Run-off: -
- Offsetting: -
- Investments: -

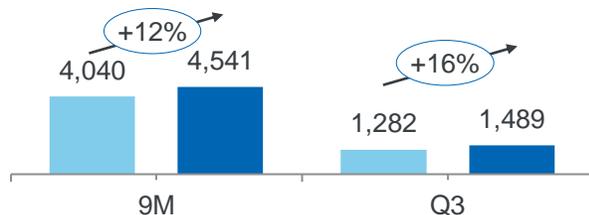
<sup>1</sup> Largest biometric product is payment protection insurance (PPI). <sup>2</sup> Including transitional measure at 731% as of 30 September 2021. The calculation of the ratio is for the first time based on a complete internal model, now also applied to operational risk. Without this change, the ratio without transitional measure per 30 September 2021 would have been largely unchanged versus 30 June 2021 (224%).

# 2

## Retail International: Continued strong growth and solid results

EURm, IFRS 2020 2021

### Gross written premiums (GWP)



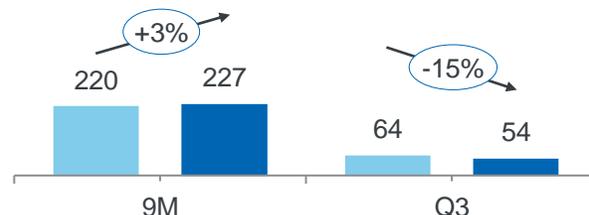
### Retention ratio in %



- Curr.-adj. GWP increase of 17.0%
- GWP in P/C up 11.6% (curr.-adj. +17.7%), especially in non-Motor (Amissima, Warta, Chile). Life business up 14.1% (curr.-adj. +15.6%), driven by higher single premium business in Italy and growth at Warta
- Europe up 14.9% to EUR 3,438m (+18.8% curr.-adj.). LatAm grew by 5.4% to EUR 1,103 (+12.1% curr.-adj.). Lower Motor business in Brazil offset by strong recovery in Chile and growth in Mexico

1 EUR -12m in Life business

### Operating result (EBIT)

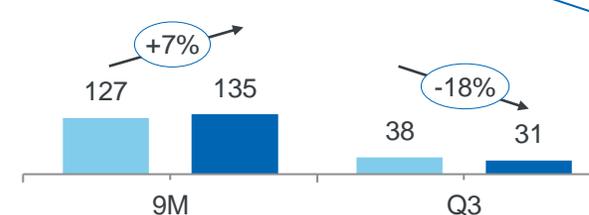


### Combined ratio P/C in %



- Strongly increasing claims inflation as well as return to historical claims frequency overcompensated by EUR 35m non-recurrence of corona-related reserve strengthening in 9M 2020
- Adjusted for net positive Corona impact of EUR 62m, combined ratio was at 96.7%, marginally up on 9M 2020 (96.3%)
- EUR 12m corona-related claims in life business in 9M 2021 (EUR 1m in Q3) from excess mortality, mainly in Poland

### Net income (after minorities)



### ROE in %



- Return on investment of 2.7% versus 2.6% in 9M 2020; non-recurrence of EUR 9m corona-related impairments in first half of 2020
- Non-life acquisition in Italy (Amissima) included from 1 April 2021; contributed EUR 131m GWP in 9M 2021; new distribution agreement with BancoEstado in Chile effective from 1 Jan 2022
- More details on HINexT strategy 2025 at Capital Markets Day on 17 November 2021

**9M 2021 Corona impact (EBIT)**

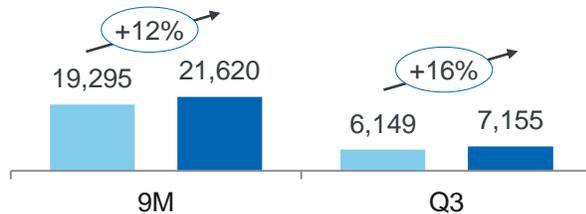
- Claims: EUR -13m<sup>1</sup>
- Run-off: EUR 0m
- Offsetting: EUR 63m
- Investments: EUR -1m

**EUR 50m**  
total technical impact (thereof 62m in P/C)

## 2 Reinsurance: Resilience and earnings power in loss-affected year

EURm, IFRS 2020 2021

### Gross written premiums (GWP)

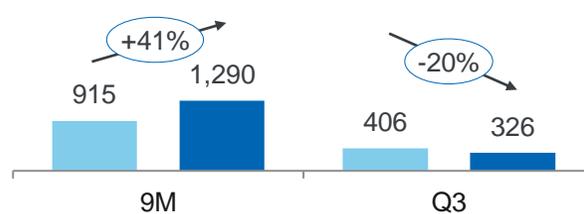


### Retention ratio in %



- GWP growth (currency-adj. +14.4%) driven by 14.4% increase in P/C (currency-adj. +17.7%) with diversified growth in traditional and structured reinsurance business
- GWP in L/H up 6.8% (currency-adj. +6.9%), with diversified growth in all business lines
- Net premiums earned up 11.8%, 13.9% on a currency-adjusted basis

### Operating result (EBIT)

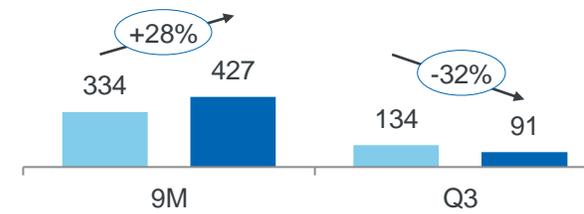


### Combined ratio P/C in %



- Combined ratio above target of 96% due to EUR 1,070m large losses, exceeding 9M pro-rata budget by EUR 221m
- Increasing ordinary investment income (+12%), driven by higher income from alternative investments, inflation-linked bonds and higher asset volume; extraordinary investment income up 4%
- Assets under own management up 12% vs. 31 Dec 2020 to EUR 55.0bn

### Net income (after minorities)



### ROE (after minorities) in %



- EUR 404m Corona losses in L/H (U.S. and South Africa) partly offset by positive one-off effect from restructuring within US mortality portfolio (EUR 129m) and by EUR 99m positive special effect in Longevity
- Net income attributable to Talanx up 28% to EUR 427m
- 9M return on equity continues to be above minimum target of 900 bps above risk-free

**9M 2021 Corona impact (EBIT)**

- Claims: EUR -404m
- Run-off: -
- Offsetting: -
- Investments: EUR -24m

EUR -404m total technical impact (all in L/H)

# Agenda

1

Group Highlights

2

Segments

3

Investments / Capital

4

Outlook

5

Appendix

# 3 Net investment income

EURm, IFRS	9M 2020	9M 2021	Change	Q3 2020	Q3 2021	Change	Comments
<b>Ordinary investment income</b>	<b>2,461</b>	<b>2,684</b>	<b>+9%</b>	<b>848</b>	<b>906</b>	<b>+7%</b>	Increase in ordinary investment income in 9M driven by significant private equity returns in P/C Re and Industrial Lines; increasing income from investments in Ampega real estate fund in German Life
thereof current interest income	1,933	1,930	-0%	628	650	+4%	
thereof income from real estate	213	250	+17%	68	94	+38%	
<b>Extraordinary investment income</b>	<b>651</b>	<b>813</b>	<b>+25%</b>	<b>473</b>	<b>258</b>	<b>-45%</b>	Significant increase in realised net gains in 9M (+EUR 225m), driven by net gains in German Life (+EUR 189m) partly related to the front-loaded build-up of annual <i>Zinszusatzreserve</i>
Realised net gains / losses on investments	834	1,059	+27%	509	330	-35%	
Write-ups / write-downs on investments	-224	-195	-13%	-41	-60	+49%	
Unrealised net gains / losses on investments	40	-50	n.m.	4	-11	n.m.	
Other investment expenses	-204	-227	11%	-72	-77	+7%	Non-recurrence of EUR 47m corona-related write-downs on equities in first half of 2020; line also includes regular depreciation of infrastructure and real estate investments
<b>Income from assets under own management</b>	<b>2,907</b>	<b>3,270</b>	<b>+13%</b>	<b>1,250</b>	<b>1,088</b>	<b>-13%</b>	
Interest income on funds withheld and contract deposits	151	204	+35%	24	39	+63%	
Income from investment contracts	1	3	+171%	1	1	+40%	Unrealised losses on derivatives in Q1 2021, mainly in L/H Reinsurance
<b>Total: Net investment income</b>	<b>3,059</b>	<b>3,477</b>	<b>+14%</b>	<b>1,274</b>	<b>1,128</b>	<b>-11%</b>	
Assets under own management at period end	127,115	135,473	+6%	127,115	134,473	+6%	5% increase in assets under own management versus 31 December 2020 (EUR 128.3bn), 1% versus 30 June 2021 (EUR 132.7bn)
Average assets under own management	124,876	131,387	+5%	126,461	133,562	+6%	
<b>Net return on investment<sup>1</sup></b>	<b>3.1%</b>	<b>3.3%</b>	<b>+0.2%pts</b>	<b>4.0%</b>	<b>3.3%</b>	<b>-0.7%pts</b>	
Current return on investment <sup>2</sup>	<b>2.4%</b>	<b>2.5%</b>	<b>+0.1%pts</b>	<b>2.5%</b>	<b>2.5%</b>	<b>±0.0%pts</b>	

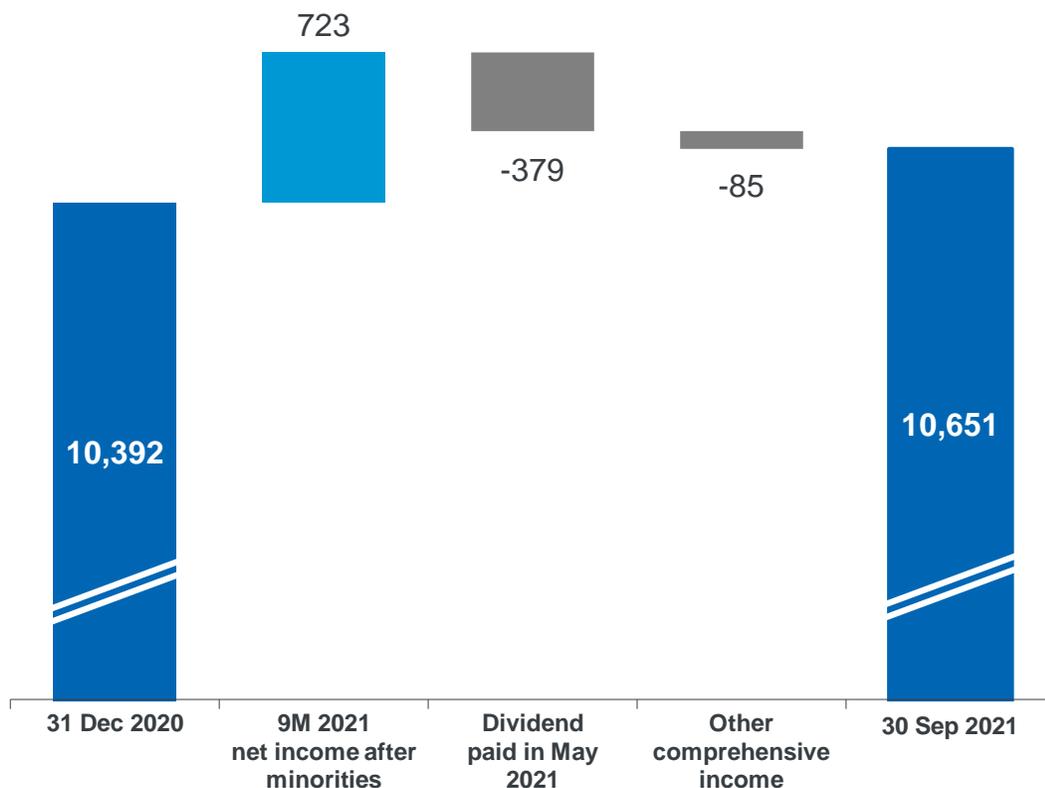
1 Net return on investment: Income from assets under own management divided by average assets under own management

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

# 3 Book value per share up 2% in Q3

## Shareholders' equity

in EURm



## Comments

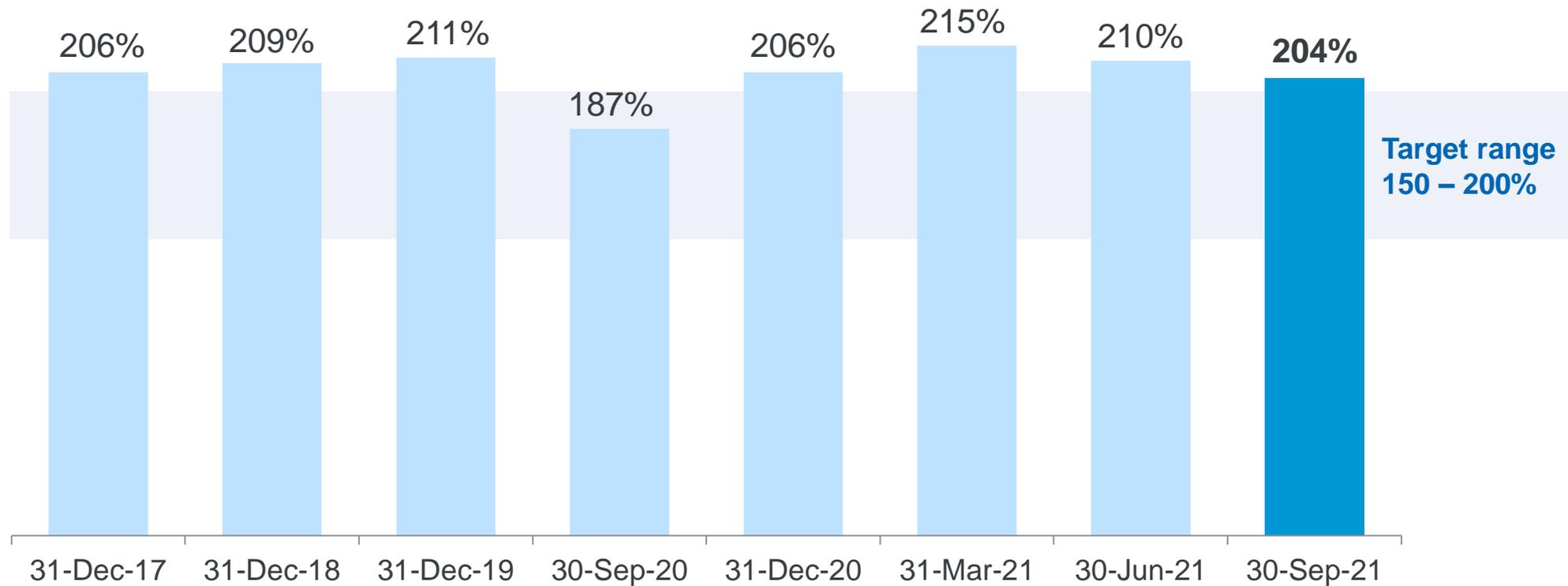
- Shareholders' equity at EUR 10,651m, up 2.5% versus the level of Dec 2020
- In other comprehensive income, positive effects from currency translation cannot fully offset decrease in unrealised gains
- Book value excl. goodwill per share up 90 cents versus 30 June 2021

## Book value per share

EUR	31 Dec 2020	31 Mar 2021	30 Jun 2021	30 Sep 2021	Change in Q3	
					Abs.	%
Including goodwill	41.11	41.24	41.31	42.13	0.82	2.0
Excluding goodwill	37.00	37.17	37.13	38.03	0.90	2.4

### 3 Capital Adequacy Ratio continues to be in robust territory

#### Development of Solvency 2 capitalisation (Regulatory View, S2 CAR, excl. transitional)



Note: Solvency 2 ratio relates to HDI Group as the regulated entity. The chart does not contain the effect of transitional measure. Solvency 2 ratio including transitional measure as of 30 September 2021: 259%

# Agenda

1

Group Highlights

2

Segments

3

Investments / Capital

4

Outlook

5

Appendix

## 4

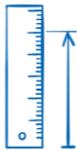
## Updated outlook 2021 and new outlook 2022 for Talanx Group

	Outlook 2021	Outlook 2022
 <b>Dividend payout</b>	to be disclosed @ Capital Markets Day	35 – 45% DPS at least stable y/y
 <b>Return on equity</b>	~9.0%	~10%
 <b>Group net income</b>	upper end of EUR 900 - EUR 950m	between EUR 1,050 and EUR 1,150m
 <b>Net return on investment</b>	~2.7%	~2.4%
 <b>Currency-adjusted GWP growth</b>	high single-digit % growth	mid single-digit % growth

Note: All targets are subject to large losses not exceeding the large loss budget, no turbulences on capital markets and no material currency fluctuations. The targeted dividend payout is subject to the regulator's approval. The Outlook 2021 is based on a large loss budget of EUR 410m (2020: EUR 360m) in Primary Insurance, of which EUR 331m in Industrial Lines (2020: EUR 301m). The large loss budget in Reinsurance stands at EUR 1,100m (2020: EUR 975m). The Outlook 2022 is based on a large loss budget of EUR 410m in Primary Insurance, of which EUR 310m in Industrial Lines. The large loss budget in Reinsurance 2022 is EUR 1,300m

# 4

## Strategy 2022: Mid-term target matrix

Targets	<b>Return on equity</b>  High level of profitability <b>≥ 800bp</b> above risk-free rate <sup>1</sup>	<b>EPS growth</b>  Profitable growth <b>≥ 5%</b> on average p.a. <sup>2</sup>	<b>Dividend payout ratio</b>  Sustainable & attractive payout <b>35% - 45%</b> of IFRS earnings DPS at least stable y/y
	<b>Strong capitalisation</b> Solvency 2 target ratio 150 - 200%	<b>Market risk limitation (low beta)</b> Market risk ≤ 50% of Solvency Capital Requirement	<b>High level of diversification</b> targeting 2/3 of Primary Insurance premiums to come from outside of Germany
	<b>Constraints</b>		

Note: All targets are subject to large losses not exceeding the large loss budget, no major turbulences on capital markets and no material currency fluctuations

<sup>1</sup> The risk-free rate is defined as the 5-year rolling average of the 10-year German Bund yield. <sup>2</sup> EPS CAGR 2018 to 2022 (base level: original Group net income Outlook of ~EUR 850m for 2018)

# Agenda

1

Group Highlights

2

Segments

3

Investments / Capital

4

Outlook

5

Appendix

## 5

## Talanx Primary Insurance and Reinsurance: contributions to net income

## Net income attributable to Talanx AG shareholders, in EURm

	Industrial Lines	Retail Germany	Retail International	∑ Primary Insurance		Reinsurance	Corporate Operations	Consolidations	Talanx Group	
2014	121	-84	122	159	24%	508	76%	132	-30	769
2015	127	-76	148	199	25%	606	75%	-51	-20	734
2016	241	68	124	433	42%	595	58%	-135	10	903
2017	91	102	138	331	41%	479	59%	-141	2	671
2018	-16	102	161	247	31%	540	69%	-80	-4	703
2019	103	133	164	400	39%	619	61%	-97	1	923
2020	47	119	160	326	42%	442	58%	-92	-3	673
9M 2021	101	131	135	366	46%	427	54%	-72	1	723

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 (for example, adding back EUR 71m to EUR 723m in 9M 2021)

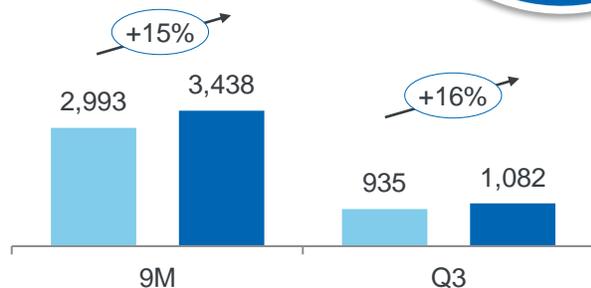
# 5

## Additional Information – Retail International Europe: Key financials

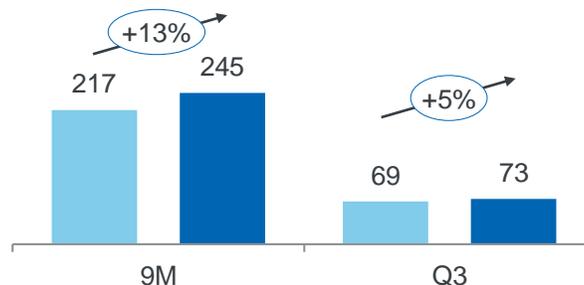
EURm, IFRS 2020 2021

**9M 2021  
(currency adjusted)  
GWP: +18.8%**

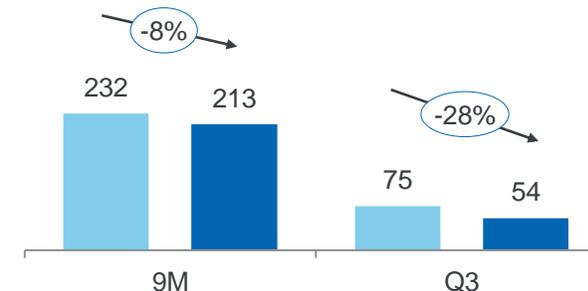
### Gross written premiums



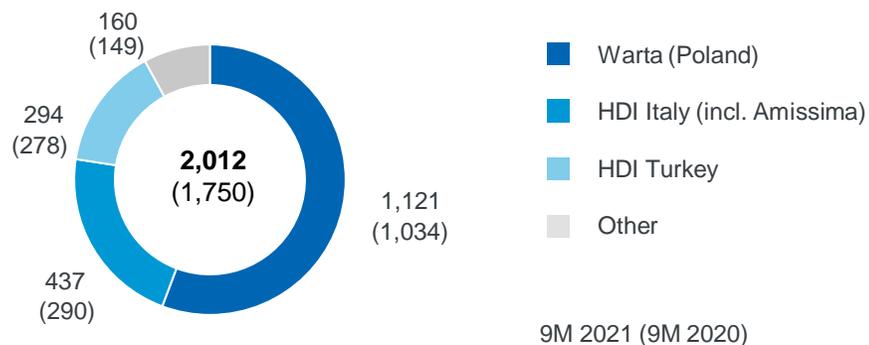
### Net investment income



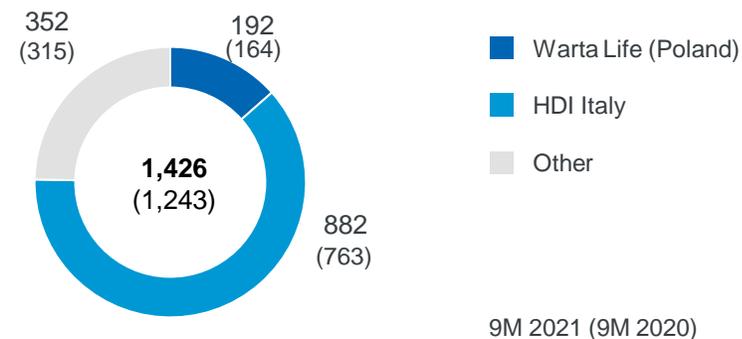
### Operating result (EBIT)



### GWP split by carriers (P/C)



### GWP split by carriers (Life)



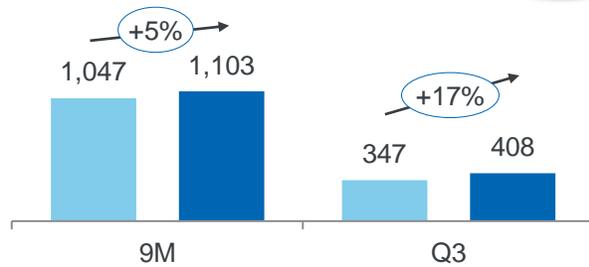
# 5

## Additional Information – Retail International LatAm: Key financials

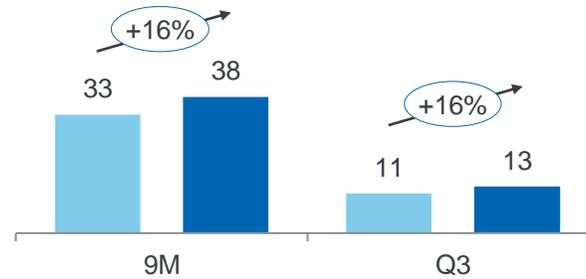
EURm, IFRS 2020 2021

9M 2021  
(currency adjusted)  
GWP: +12.1%

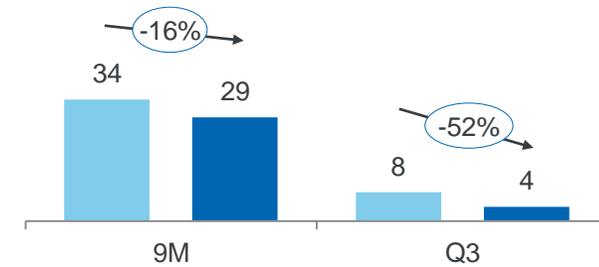
### Gross written premiums



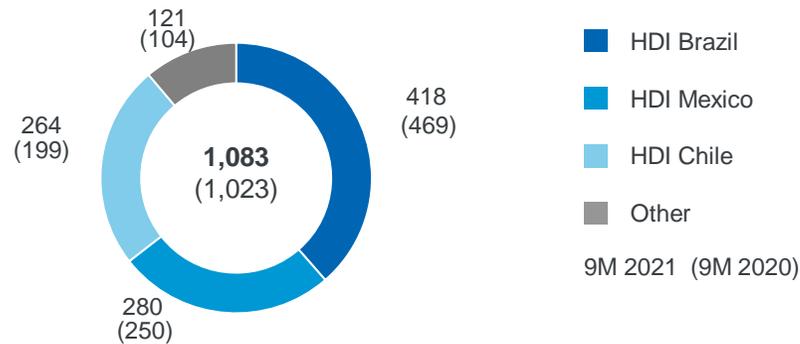
### Net investment income



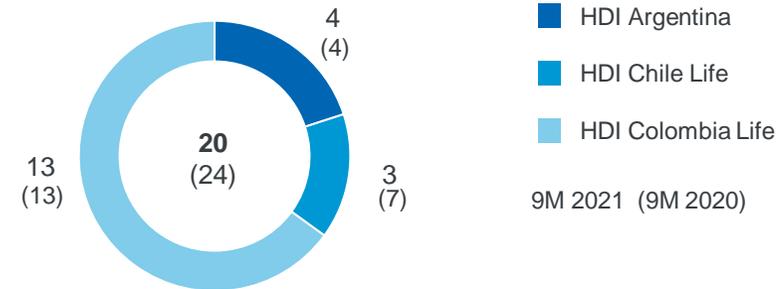
### Operating result (EBIT)



### GWP split by carriers (P/C)



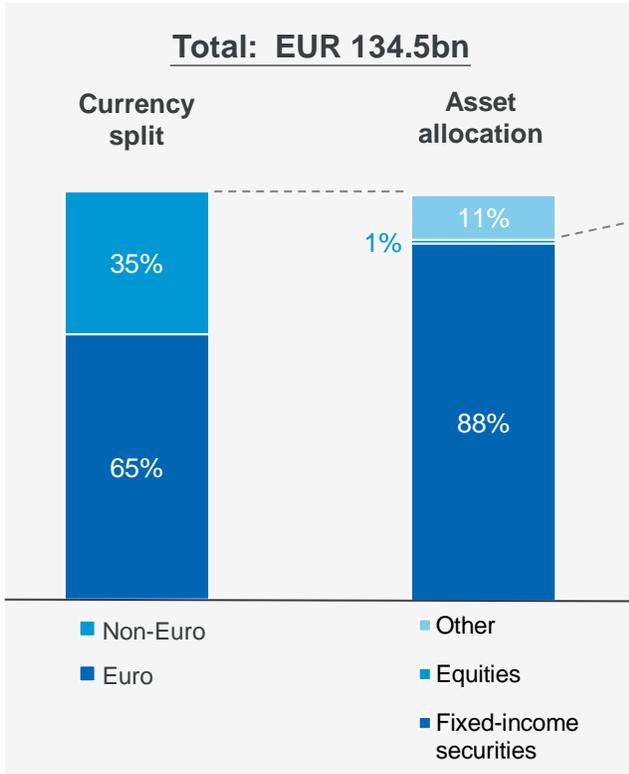
### GWP split by carriers (Life)



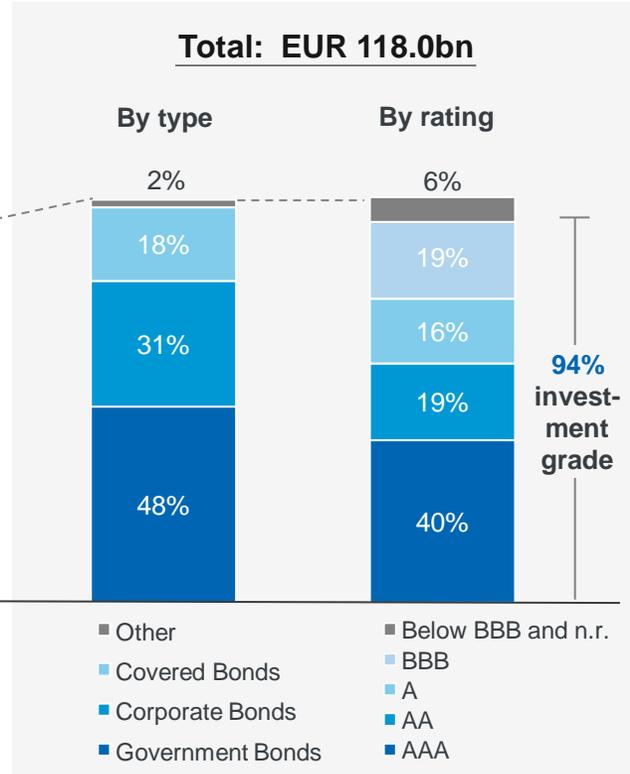
# 5

## Additional Information – Breakdown of investment portfolio

### Investment portfolio as of 30 Sep 2021



### Fixed-income portfolio split



### Comments

- Assets under own management increased by 4.8% to EUR 134.5bn compared to 31 Dec 2020 (EUR 128.3bn)
- Investment portfolio remains dominated by fixed-income securities: 88% portfolio share slightly down vs. 31 Dec 2020 (89%)
- Portion of fixed-income portfolio invested in “A” or higher-rated bonds (76%) slightly down vs. 31 Dec 2020 (77%). 94% of bonds are ‘investment grade’
- 19% of fixed-income portfolio is held in USD (31 Dec 2020: 17%); 35% overall in non-euro currencies (31 Dec 2020: 32%)

**Investment strategy unchanged – 94% of bonds are investment grade**

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

## 5

## Additional Information – Details on selected fixed-income country exposure

## Investments into issuers from countries with a rating below A- (in EURm), as of 30 September 2021

Country	Rating	Sovereign	Semi-Sovereign	Financial	Corporate	Covered	Other	Total
Italy	BBB	3,810	-	842	591	326	5	5,574
Mexico	BBB	261	~0	157	365	-	-	813
Russia	BBB	358	10	61	203	-	-	632
Hungary	BBB	549	-	13	18	14	-	593
Brazil	BB-	248	-	87	233	-	12	580
South Africa	BB-	145	-	1	122	-	2	271
Portugal	BBB	122	-	23	20	~0	-	166
Turkey	B+	65	-	22	10	-	-	97
Other BBB+		94	-	71	71	-	-	236
Other BBB		194	88	50	147	-	-	479
Other <BBB		344	59	107	280	-	~0	789
<b>Total</b>		<b>6,218</b>	<b>158</b>	<b>1,433</b>	<b>2,059</b>	<b>340</b>	<b>20</b>	<b>10,228</b>
in % of total investments under own management <sup>1</sup>		4.6%	0.1%	1.1%	1.5%	0.3%	~0.0%	7.6%
in % of total Group assets <sup>2</sup>		3.2%	0.1%	0.7%	1.0%	0.2%	~0.0%	5.2%

1 EUR 134,473m | 2 EUR 196,173m

# Disclaimer

This presentation contains forward-looking statements which are based on certain assumptions, expectations and opinions of the management of Talanx AG (the "Company") or cited from third-party sources. These statements are, therefore, subject to certain known or unknown risks and uncertainties. A variety of factors, many of which are beyond the Company's control, affect the Company's business activities, business strategy, results, performance and achievements. Should one or more of these factors or risks or uncertainties materialize, actual results, performance or achievements of the Company may vary materially from those expressed or implied as being expected, anticipated, intended, planned, believed, sought, estimated or projected in the relevant forward-looking statement.

The Company does not guarantee that the assumptions underlying such forward-looking statements are free from errors nor does the Company accept any responsibility for the actual occurrence of the forecasted developments. The Company neither intends, nor assumes any obligation, to update or revise these forward-looking statements in light of developments which differ from those anticipated.

Where any information and statistics are quoted from any external source, such information or statistics should not be interpreted as having been adopted or endorsed by the Company as being accurate. Presentations of the company usually contain supplemental financial measures (e.g., return on investment, return on equity, gross/net combined ratios, solvency ratios) which the Company believes to be useful performance measures but which are not recognised as measures under International Financial Reporting Standards, as adopted by the European Union ("IFRS"). Therefore, such measures should be viewed as supplemental to, but not as substitute for, balance sheet, statement of income or cash flow statement data determined in accordance with IFRS. Since not all companies define such measures in the same way, the respective measures may not be comparable to similarly-titled measures used by other companies. This presentation is dated as of 15 November 2021. Neither the delivery of this presentation nor any further discussions of the Company with any of the recipients shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since such date. This material is being delivered in conjunction with an oral presentation by the Company and should not be taken out of context.

Guideline on Alternative Performance Measures - For further information on the calculation and definition of specific Alternative Performance Measures please refer to the Annual Report 2020 chapter "Enterprise management", p. 24 and onwards, the "Glossary and definition of key figures" on p. 256 as well as to our homepage [https://www.talanx.com/en/investor\\_relations/reporting/key\\_figures/alternative\\_performance\\_measures\\_apm](https://www.talanx.com/en/investor_relations/reporting/key_figures/alternative_performance_measures_apm)