News Release

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Talanx generates record H1 net income of EUR 1,373 million and raises net income forecast for 2025

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- Insurance revenue up by 5 percent adjusted for currency effects to EUR 24.2 (23.6) billion
- Group net income climbs 26 percent to new record figure of EUR 1,373 (1,090) million
- Primary Insurance contributes 51 percent to Group net income
- Combined ratio improves to 90.7 (91.2) percent
- Return on equity of 23.4 (20.3) percent
- Net income forecast for 2025 raised from more than EUR 2.1 billion to roughly EUR 2.3 billion

Hannover, 14 August 2025

The Talanx Group generated record net income of EUR 1,373 (1,090) million in the first half of 2025 and is raising its net income forecast for the full year from more than EUR 2.1 billion to roughly EUR 2.3 billion. The growth in profit was driven by a strong operating business performance, which benefited from normalised large loss payments and positive currency effects in the second quarter. All divisions contributed to the positive profit performance in the first half of the year. The roughly equal shares of Group net income attributable to Primary Insurance (51 percent) and Reinsurance (49 percent) reflect the Group's diversified, balanced structure. At the same time, the Talanx Group successfully used its strong earnings to further enhance the resilience of its loss reserves, based on its own estimates. Adjusted for currency effects, insurance revenue rose by 5 percent (2 percent in nominal terms) to EUR 24.2 (23.6) billion, and was driven in Primary Insurance in particular by the Corporate & Specialty business and the Retail International business. The insurance service result rose 11 percent to EUR 2.6 (2.3) billion. The return on equity was 23.4 (20.3) percent.

"The first half of 2025 has shown that our diversified structure and focused strategy are paying off", said Torsten Leue, Talanx AG's CEO.

“Despite high large loss payments in the first quarter, we generated record net income in H1 while also continuing to increase our resilience. Our operating strength and the cushion in our large loss budget of around EUR 140 million make us optimistic about the third quarter and the remainder of the year, despite the forthcoming hurricane season: we are raising our Group net income forecast for 2025 from more than EUR 2.1 billion to roughly EUR 2.3 billion.”

The insurance service result increased by 11 percent to EUR 2.6 (2.3) billion. Following a first quarter that was hit by the highest losses from natural disasters in the Group’s history, large loss payments normalised to EUR 1,134 (750) million, below the pro rata budget for the period of EUR 1,273 million. At EUR 624 million, the forest fires in California were the largest single loss. Other large losses from natural disasters included the earthquake in Myanmar (EUR 59 million) and the tornadoes in the US Midwest (EUR 50 million). All in all, man-made large losses amounted to EUR 369 million, while large losses from natural disasters totalled EUR 764 million. The combined ratio improved to 90.7 (91.2) percent.

The net insurance financial and investment result before currency effects improved to EUR 848 (784) million. Operating profit (EBIT) climbed 14 percent to EUR 2.9 (2.5) billion. The Solvency 2 ratio as at 30 June 2025 was 224 percent (31 March 2025: 229 percent).

Corporate & Specialty Division: revenue and net income up substantially

Adjusted for currency effects, the Corporate & Specialty Division lifted its insurance revenue by 8 percent year-on-year in the first half of the year (7 percent in nominal terms) to EUR 5.1 (4.8) billion. All lines contributed to the growth, which was primarily driven by new business. The insurance service result remained stable at EUR 430 (429) million. Large loss payments amounted to EUR 142 (128) million, undershooting the pro rata budget recognised for the period by a clear EUR 111 million. The combined ratio amounted to 91.6 (91.1) percent, within expectations for a figure of less than 92 percent for the full year. The net insurance financial and investment result before currency effects benefited from higher investment volumes and an increase in current interest income, climbing to EUR 99 (68) million. Operating profit (EBIT) rose by 24 percent to EUR 377 (305) million, while the division's contribution to Group net income was up 23 percent at EUR 274 (223) million.

Retail International: strong rise in net income

Adjusted for currency effects, the Retail International Division lifted its insurance revenue by 9 percent year-on-year in the first half of the year (2 percent in nominal terms) to EUR 4.7 (4.6) billion. This positive trend was mainly due to organic growth in Poland and to the motor vehicle business in Mexico. The combined ratio improved to 90.8 (92.4) percent, benefiting from optimisations made in all markets. The insurance service result increased by 24 percent to EUR 478 (385) million. The net insurance financial and investment result before currency effects rose to EUR 237 (200) million. Operating profit (EBIT) climbed 24 percent to EUR 525 (424) million, largely on the back of improvements in Poland and Türkiye. The division's contribution to Group net income rose by 49 percent to EUR 334 (224) million. This figure also includes the minority interest in the net income of the Polish subsidiaries Warta and TU Europa, which is already being reported in the division's net income in financial year 2025 following the termination of the strategic partnership with Meiji Yasuda Life Insurance.

Retail Germany: stable net income

H1 insurance revenue in the Retail Germany Division amounted to EUR 1.7 (1.8) billion, largely due to the partnership with Targobank that will expire as at the end of 2025. The insurance service result increased to EUR 190 (144) million on the back of profitability enhancement measures and lower frequency losses in the motor vehicle business. The combined ratio improved to 90.6 (99.7) percent. The net insurance financial and investment result before currency effects rose to EUR 112 (36) million. Operating profit was EUR 131 (145) million, while the contribution to Group net income rose slightly to EUR 84 (82) million.

Reinsurance Division: increase in operating profit and Group net income

Adjusted for currency effects, the Reinsurance Division lifted its insurance revenue by 4 percent year-on-year in the first half of the year (3 percent in nominal terms) to EUR 13.3 (12.9) billion. The insurance service result was stable at EUR 1.4 (1.4) billion. The net insurance financial and investment result before currency effects amounted to EUR 396 (528) million. Operating profit (EBIT) grew 6 percent to EUR 1.8 (1.7) billion, while the division's contribution to Group net income rose 13 percent to EUR 662 (585) million.

Insurance revenue in the Property/Casualty Reinsurance segment was up 5 percent to EUR 9.5 (9.1) billion due to new business and ongoing satisfactory pricing levels. Large loss payments, which were driven by the forest fires in California, amounted to EUR 976 (567) million, slightly above the pro rata budget for the period of EUR 935 million. Other large losses included the fire at an oil refinery in Texas, the earthquake in Myanmar and tornadoes in the US Midwest. The insurance service result increased to EUR 975 (963) million, since the positive business performance more than offset the higher large loss payments and conservative reserve recognition policy. The combined ratio was 88.4 (87.8) percent. The net insurance financial and investment result before currency effects was EUR 279 (396) million. Operating profit (EBIT) rose 12 percent to EUR 1.3 (1.2) billion.

Insurance revenue in the Life/Health Reinsurance segment remained stable at EUR 3.8 (3.8) billion. At EUR 445 (448) million, the insurance service result is on course to hit the full-year target of more than EUR 875 million. The net insurance financial and investment result before currency effects amounted to EUR 117 (131) million, while operating profit (EBIT) was EUR 466 (497) million.

Full-year forecast raised following record H1 net income

After generating record net income for the first half of the year, the Talanx Group is raising its net income forecast for financial year 2025 from more than EUR 2.1 billion to roughly EUR 2.3 billion. The Group also expects a return on equity of approximately 18 percent.

As usual, targets are subject to the proviso that no turbulence occurs on the currency and capital markets, and that large losses remain in line with expectations. The current geopolitical and macroeconomic situation is an additional source of uncertainty.

Condensed consolidated balance sheet for the Talanx Group

EUR billion	30 June 2025	31 December 2024
Intangible assets	2.3	2.3
Insurance contract assets	1.5	1.6
Reinsurance contract assets	7.9	7.7
Investments for own risk	140.3	144.3
Other assets	25.3	24.5
Total assets	**177.3**	**180.4**
Equity excluding non-controlling interests	**11.9**	**11.7**
Non-controlling interests in equity	6.4	6.8
Total equity	**18.3**	**18.5**
Insurance contract liabilities (technical provisions)	136.2	139.3
Reinsurance contract liabilities	0.6	0.7
Other equity and liabilities	22.2	21.9
Total equity and liabilities	**177.3**	**180.4**
Net contractual service margin (CSM)	11.9	11.7

Condensed consolidated statement of income for the Talanx Group

EUR million	6M 2025	6M 2024	Change
Insurance revenue	24,181	23,606	2%
Insurance service result	2,564	2,320	11%
Net insurance financial and investment result before currency effects	848	784	8%
Operating profit/loss (EBIT)	2,863	2,515	14%
Group net income (after non-controlling interests in Talanx AG)	1,372	1,090	26%
Return on equity[1]	23.4	20.3	3.1 ppts

Combined ratio (Property/Casualty insurance only) (net/gross)[2]	90.7	91.2	-0.5 ppts

1) The ratio of annualised net income for the reporting period excluding non-controlling interests to average shareholders' equity excluding non-controlling interests.

2) 1.0 – [(net) insurance service result divided by insurance revenue (gross)].

About Talanx

Talanx is a major European insurance group with insurance revenue of around EUR 48.1 billion (2024) and roughly 30,000 employees worldwide. Based in Hannover, Germany, the Group is active in more than 175 countries. Talanx is a multi-brand provider with a focus on B2B insurance. Its industrial insurance and retail business in Germany and abroad is operated under the HDI brand, which has a rich tradition stretching back more than 120 years. Other Group brands include Hannover Re, one of the world's leading reinsurers; the bancassurance specialists TARGO insurers, LifeStyle Protection and neue leben; and Polish insurer Warta. Ampega, one of Germany's largest asset management companies, manages the Talanx Group's assets and is also an experienced provider of asset management solutions for non-group institutional investors. Rating agencies have awarded the Talanx Primary Insurance Group financial strength ratings of AA- ("very strong"/Standard & Poor's) and A+ ("superior"/AM Best). Hannover Re Group is rated AA- ("very strong"/S&P) and A+ ("superior"/AM Best). Talanx AG is listed on the Frankfurt Stock Exchange, where it is a member of the MDAX, and on the Hannover stock exchange (ISIN: DE000TLX1005, German Securities Code: TLX100).

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For further information, please see www.talanx.com.

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