

talanx.

Talanx AG at a glance

	2017	2016	2015
EUR thousand			
Net income from long-term equity investments and other operating income	328,264	644,508	540,972
Net interest income	-96,824	-104,074	-103,745
Other operating expenses, depreciation, amortisation and write-downs	109,355	132,986	126,987
Tax expense	-21,366	-11,118	-34,408
Net income for the financial year	143,450	418,566	344,648
Retained profits brought forward	483,619	406,330	390,319
Distributable profit	627,069	824,896	734,967
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Long-term financial assets	7,629,652	7,582,762	7,682,999
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Equity			
Subscribed capital	315,997	315,997	315,997
Capital reserve	1,394,223	1,394,223	1,394,223
Retained earnings	2,901,819	2,901,819	2,901,819
Distributable profit	627,069	824,896	734,967
Total equity	5,239,108	5,436,935	5,347,006
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Debt with a maturity of more than one year ¹⁾	2,613,400	1,863,400	1,863,400

Rounding differences of +/- one unit may occur in tables for technical reasons.

¹⁾ *The amount disclosed for debt with a maturity of more than one year relates solely to the liabilities reported in line item C in the balance sheet.*

The definitions of the key figures presented above are contained in the "Glossary and definitions of key figures" section at the end of this report.

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Report of the Supervisory Board

Ladies and Gentlemen,

The Supervisory Board fulfilled its tasks and duties in accordance with statutory requirements, the Articles of Association and the Rules of Procedure without restriction again in financial year 2017. We considered at length the economic situation, risk position, succession planning in the Board of Management and Supervisory Board, important courses of action regarding personnel in this context and the strategic development of Talanx AG and its major subsidiaries in both Germany and foreign core markets. We advised the Board of Management on all key matters for the Company, continuously monitored its management of the business and were directly involved in decisions of fundamental importance.

In the reporting period, we convened for four ordinary meetings of the Supervisory Board – on 17 March, 12 May, 11 August and 10 November 2017. Two representatives of the Federal Financial Supervisory Authority (BaFin) took part in one of these meetings as a matter of routine. The Supervisory Board's Finance and Audit Committee held four meetings and the Personnel Committee and Nomination Committee each held two meetings. The Standing Committee, formed in accordance with the requirements of the German Co-determination Act (MitbestG), was not required to meet in 2017. The full Supervisory Board was briefed on the work of the various committees. In addition, we received written and verbal reports from the Board of Management on business operations and the position of the Company and the Group, based on the quarterly statements and the interim financial statements. At no point during the year under review did we

consider it necessary to perform inspections or investigations in accordance with section 111(2) sentence 1 of the German Stock Corporation Act (AktG). Where transactions requiring urgent approval arose between meetings, the Board of Management submitted these to us for a written resolution in accordance with the procedure laid down by the Chairman of the Supervisory Board. The chairmen of the Supervisory Board and of the Board of Management regularly exchanged information and views on all material developments and transactions within the Company and the Talanx Group. Overall, we satisfied ourselves of the lawfulness, fitness for purpose, regularity and efficiency of the actions taken by the Board of Management in line with our statutory responsibilities and our terms of reference under the Articles of Association.

The Board of Management provided us with regular, timely and comprehensive information regarding the business situation and financial position, including the risk situation and risk management, major capital expenditure projects and fundamental issues of corporate policy. We were also informed of transactions, which – although not subject to the approval of the Supervisory Board – need to be reported in accordance with the requirements of the Rules of Procedure, as well as of the impact of natural disasters and other large losses, the status of major lawsuits and other material developments within the Company and the Group and in the regulatory environment. As in the previous year, we arranged to be informed of the status of any outstanding approval processes for the internal model. At our meetings, we considered at length the reports provided by the Board of Management, put forward suggestions and proposed improvements. All meetings of the Supervisory Board were attended by all the members.

Key Areas of Discussion for the full Supervisory Board

The following issues formed the primary focus of reporting and were discussed in detail at our meetings: the Company's business development and that of the individual divisions, the continuing challenges facing the life insurance business due to low interest rates, potential acquisition projects abroad and our planning for 2018. We were informed of, and developed an understanding of, the reasons for divergences between actual and planned business developments for the preceding quarters.

We also arranged for a report on the status and progress of the Group's IT to be produced. We discussed issues regarding the Group financing and passed resolutions on issuing subordinated bonds via Talanx AG and Hannover Rück SE and establishing investment vehicles.

Risk management within the Group was another focus of our deliberations, as in past years. The risk reports by the Board of Management were discussed at each Supervisory Board meeting and given even more consideration in accordance with the extended reporting requirements under Solvency II. We considered the opportunities management within the Group and, in relation to this, a number of acquisition projects in the fields of primary insurance and reinsurance. We also arranged for reports to be produced on the tax authorities' amended position on securities lending transactions and the cost situation compared with competitors. In addition, the Rules of Procedure for the Board of Management and the Supervisory Board were updated. The Supervisory Board approved the suspension and re-conclusion of a control and profit/loss transfer agreement in the Retail Germany Division.

After, in line with the Supervisory Board's stance, Mr Haas announced that he is prepared to step down from his position on the Board of Management once the 2018 Annual General Meeting is concluded in order to be available for election to the Supervisory Board, as requested by the majority shareholder HDI V. a. G., the Personnel Committee and full Supervisory Board considered the matter of his replacement at great length. Following thorough discussions, on 10 November 2017, the Supervisory Board appointed Mr Torsten Leue to replace Mr Haas as Chairman of the Board of Management of Talanx AG effective as of 8 May 2018, when the Annual General Meeting is concluded. Mr Leue has been in charge of the Retail International Division since September 2010. In addition to these responsibilities, he became the Group Director of Human Resources on 1 January 2017 and has since also been acting as Director of Labour Relations. In his position as Chairman of the Board of Management, Mr Leue will also take over responsibility for the units for which Mr Haas was previously in charge, except Information Technology and Data Protection, which will become part of Dr Wicke's area of responsibility. Mr Leue's responsibilities to date as Director of the Retail International Division will be passed onto Mr Sven Fokkema, who has been appointed to the Board of Management of Talanx AG with effect from 9 May 2018, at which time he will also take up Mr Leue's position as Chairman of the Board of Management of Talanx International AG.

We are convinced that, under the direction of Mr Leue, the Board of Management will be able to meet the challenges the Group faces both now and in the future.

According to the normal cycle, the Supervisory Board discussed questions relating to the reappointment of a member of the Board of Management. It resolved to extend the terms of office on the Board of Management of Dr Hinsch, which was due to expire in 2018.

The Supervisory Board also discussed changing to another audit company at length, which will take place effective as of financial year 2018. In this regard, it has taken note of the report created by a project group on the conclusions reached during the selection procedure and the recommendations of the Finance and Audit Committee based on these conclusions. It also intends to propose PricewaterhouseCoopers GmbH, which is preferred over Ernst & Young GmbH, as the general auditor and auditor of the consolidated financial statements for financial year 2018. A proposition to this effect made at the Annual General Meeting was approved by the Supervisory Board in its meeting on 16 March 2018.

In keeping with section 87(1) of the AktG, the full Supervisory Board addressed the setting of divisional targets for 2018 and the determination of the bonuses for the Members of the Board of Management, and also consulted external sources in its assessment of the appropriateness and structure of the remuneration of the Board of Management. The fixed remuneration amounts of two members of the Board of Management was also reviewed. The appropriateness of the remuneration for the senior executives of Talanx AG and the Group was addressed at the Supervisory Board meeting on 17 March 2017.

We passed resolutions on transactions and measures requiring our approval in accordance with statutory requirements, the Company's Articles of Association and the Rules of Procedure following examination and discussion with the Board of Management.

Work of the committees

The Supervisory Board has set up various committees to enable it to perform its duties efficiently. These are the Finance and Audit Committee, which currently has five members, the Personnel Committee and the Standing Committee, each of which has four members, and the Nomination Committee, with three members. The committees prepare discussions and the adoption of resolutions by the full Supervisory Board. They also have the authority to pass their own resolutions in specific areas. The minutes of the Finance and Audit Committee and Personnel Committee meetings are also made available to Members of the Supervisory Board who do not belong to these committees. The composition of these committees can be found on page 10 of the Annual Report.

Along with preparing the discussions and resolutions for the full Supervisory Board, the Finance and Audit Committee also carried out in-depth reviews not only of the Company's and Group's interim financial statements and quarterly statements together with the financial-statement components and key indicators, but also of the results of the review conducted by the auditors. Furthermore, the Finance and Audit Committee discussed the findings of an external actuarial audit of the gross and net claims reserves for the Talanx Group's non-life insurance business, along with the results of a performance analysis of the Group companies acquired in the last five years. On a routine basis, we focused on the risk reports, arranged to have a general restructuring plan explained, which was produced according to the regulatory requirements and shows the Group's ability to withstand crisis situations, and received internal reports on

changing to another audit company in the year ahead and on audit planning with the key audit matters that were discussed in the presence of the auditors. The Committee updated the guidelines on the permissible non-audit services of auditors and, aside from this, also exercised its rights and obligations within the scope of the range of responsibilities extended by the EU audit reform. The committee also received the annual reports of the four key functions (Risk Controlling, Actuarial function, Auditing and Compliance), which were each prepared and presented to us by the responsible heads of these functions.

Along with preparing the discussions and resolutions in full, in particular those regarding changes to the Board of Management, the Personnel Committee set interim personal targets for the individual Members of the Board of Management for financial year 2018. In the course of defining the Board of Management bonuses, reviewing the fixed remuneration and setting the divisional targets for 2018 for the Members of the Board of Management responsible for the respective divisions, recommendations were also given to the full Supervisory Board.

The Nomination Committee advised on suitable candidates for next year's elections to the Supervisory Board. When considering the nomination recommendations, the committee took the statutory requirements and those of the supervisory authorities into account as well as the targets it had defined regarding the structuring of the body and the guidelines on the professional and personal requirements relating to the members of the Supervisory Board which it updated and approved in the year under review.

Corporate Governance and Declaration of Conformity

The Government Commission on the German Corporate Governance Code amended the German Corporate Governance Code (the "Code") in 2017. In accordance with the Code and the provisions of the Implementation Act of the Corporate Social Responsibility (CSR) guidelines, a diversity concept (among others) was devised and approved and has been incorporated in the Declaration on Corporate Governance (see page 87ff. of the Annual Report). We considered the Board of Management's report on non-financial matters (see page 65ff. of the Group management report) and, with the help of an external expert adviser, assessed its lawfulness, correctness and fitness for purpose.

In accordance with the provisions of the insurance supervisory body, the members of the Supervisory Board have also submitted self-assessments which cover three areas (accounting and reporting, investments and underwriting). As a result, individual training on these specific areas was provided in Talanx AG and the Group companies. Furthermore, the Supervisory Board has defined additional important areas for which it intends to carry out self-assessments in future.

In addition, the Supervisory Board received a report on the structure of remuneration systems, as well as the risk reports. In 2017, the Company also offered an internal training event to all Members of the Supervisory Board. Half of the members used the opportunity to find out more about liability issues, D&O insurance and the retention requirement and gain a deeper understanding of this material. Although the Supervisory Board attaches great importance to the standards for good, responsible enterprise management as formulated in the German Corporate

Governance Code, it has decided against complying with the recommendations of section 4.2.3(4) of the Code relating to a severance payment cap in Board of Management contracts, of section 5.3.2(3) sentence 3 regarding the chairmanship of the Audit Committee, and of section 4.2.3(2) regarding the potential need for a cap on the payment of Talanx share awards. The reasons for this are stated in the declaration of conformity in accordance with section 161 of the AktG on observance of the German Corporate Governance Code, which is published in the Group Annual Report as part of the declaration on corporate governance. Further information on Corporate Governance can be found on Talanx AG's website.

Audit of the Annual and Consolidated Financial Statements

The Talanx AG annual financial statements submitted by the Board of Management, the financial statements of the Talanx Group, which were prepared in accordance with the International Financial Reporting Standards ("IFRSs") as adopted by the European Union, and the corresponding management reports were audited in collaboration with the accounting services of KPMG AG, Wirtschaftsprüfungsgesellschaft, Hannover. The auditors were appointed by the Annual General Meeting. The Finance and Audit Committee issued the detailed audit mandate and determined that, in addition to the usual audit tasks, special attention should be given in the consolidated financial statements to the review of the lawful implementation of CSR reporting on non-financial matters of various companies in Germany and abroad

as well as the review of the efficacy of the tax compliance system in the annual financial statements. The areas of emphasis set out by the German Financial Reporting Enforcement Panel (FREP) were also included in the activities performed by the auditors. A FREP audit carried out in the year under review did not include any findings regarding accounting and reporting.

The audits performed by the auditors did not give rise to any grounds for objection. The audit reports issued were unqualified and state that the accounting records and the annual and consolidated financial statements give a true and fair view of the net assets, financial position and results of operations, and that the management reports are consistent with the annual and consolidated financial statements.

The financial statement documents and the KPMG audit reports were circulated to all Members of the Supervisory Board in good time. They were examined in detail at the Finance and Audit Committee meeting on 15 March 2018 and at the Supervisory Board meeting on 16 March 2018. The auditor took part in the discussions by the Finance and Audit Committee and the full Supervisory Board regarding the annual and consolidated financial statements, reported on the performance of the audits and was available to provide the Supervisory Board with additional information. On completion of our own examination of the annual financial statements, the consolidated financial statements, the corresponding management reports and the audit reports by the external auditors, we concurred with the opinion of the auditors in each case and approved the annual and consolidated financial statements prepared by the Board of Management.

The annual financial statements are thereby adopted. We agree with the statements made in the management reports regarding the Company's future development. After examining all relevant considerations, we agree with the Board of Management's proposal for the appropriation of distributable profit.

The report on the Company's relationships with affiliated companies drawn up by the Board of Management in accordance with section 312 of the AktG was likewise audited by KPMG Aktiengesellschaft, Wirtschaftsprüfungsgesellschaft, Hannover, and was issued with the following unqualified audit opinion:

"Following the completion of our audit, which was carried out in accordance with professional standards, we confirm that

1. The information contained in the report is correct,
2. The compensation paid by the company with respect to the transactions listed in the report was not inappropriately high."

We examined the report on relationships with affiliated companies. We reached the same conclusion as the auditors and have no objections to the statement reproduced in this report.

Composition of the Supervisory Board and Board of Management

The composition of the Supervisory Board, its committees and the Board of Management did not change in the year under review.

An expression of thanks to the Board of Management and our employees

The Supervisory Board would like to thank the Members of the Board of Management and all employees worldwide. With their dedicated efforts, they have all contributed to the pleasing results of the Company and the Group once again.

Hannover, 16 March 2018

For the Supervisory Board
 Wolf-Dieter Baumgartl
 (Chairman)

Governing bodies of the Company

Supervisory Board

Wolf-Dieter Baumgartl

Chairman

Berg

Former Chairman of the Board of Management, Talanx AG

Current memberships of other supervisory boards/comparable supervisory bodies:

- Chairman of the Supervisory Board
 - HDI V.a.G.
- Member of the Supervisory Board
 - Hannover Rück SE
- Member of the Advisory Board
 - E+S Rückversicherung AG (until 3 March 2017)
- Member of the Board of Directors
 - HDI Assicurazioni S. p. A.

Ralf Rieger*

Deputy Chairman

Raesfeld

Employee,

HDI Vertriebs AG

Current memberships of other supervisory boards/comparable supervisory bodies:

- Member of the Supervisory Board
 - HDI Vertriebs AG

Prof Dr Eckhard Rohkamm

Deputy Chairman

Hamburg

Former Chairman of the Board of Management, ThyssenKrupp Technologies AG

Current memberships of other supervisory boards/comparable supervisory bodies:

- Deputy Chairman of the Supervisory Board
 - HDI V.a.G.

Antonia Aschendorf

Hamburg

Lawyer

Member of the Board of Management, APRAXA eG

Current memberships of other supervisory boards/comparable supervisory bodies:

- Member of the Supervisory Board
 - Talanx Deutschland AG
 - Hamburger Friedhöfe AöR**
 - HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH**
 - Perspektiv-Kontor Hamburg GmbH** (until 30 June 2017)

Karsten Faber*

Hannover

Managing Director

Hannover Rück SE, E+S Rückversicherung AG

Current memberships of other supervisory boards/comparable supervisory bodies:

- Chairman of the Supervisory Board
 - Aegidius Rückversicherung AG**
 - AGILA Haustierversicherung AG**
 - Wertgarantie AG**

Jutta Hammer*

Bergisch Gladbach

Employee,

HDI Kundenservice AG

Dr Hermann Jung

Heidenheim

Former Member of the Board of Directors, Voith GmbH

Current memberships of other supervisory boards/comparable supervisory bodies:

- Member of the Supervisory Board
 - HDI V.a.G.
- Member of the Board of Directors
 - Dachser GmbH & Co. KG**

Dr Thomas Lindner

Albstadt

Chairman of the Board of Directors and General Partner, Groz-Beckert KG

Current memberships of other supervisory boards/comparable supervisory bodies:

- Member of the Supervisory Board
 - HDI V.a.G.
- Chairman of the Advisory Board Stuttgart
 - Deutsche Bank AG**
- Member of the Regional Advisory Board Southwest
 - Commerzbank AG**
- Member of the Board of Trustees
 - Carl-Zeiss-Stiftung**

* Staff representative

** Memberships of statutory supervisory boards and comparable control boards at other domestic and foreign business enterprises that do not belong to the Group.

Dirk Lohmann

Zurich, Switzerland
Chairman of the Administrative Board
and CEO,
Secquaero Advisors AG

Current memberships of other
supervisory boards/comparable
supervisory bodies:

- President of the Administrative Board
Secquaero Advisors AG, Zurich,
Switzerland**
- Member of the Administrative Board
Schroder Investment Management
(Switzerland) AG**
- Member of the Board of Directors
 - Ambrosia Re IC Ltd.,
Guernsey**
 - Secquaero Re (Guernsey) ICC Ltd.,
Guernsey**
 - Secquaero Re Vinyard IC Ltd.,
Guernsey**
 - Secquaero Re Regent IC Ltd.,
Guernsey**
 - Secquaero Re Rivaner IC Ltd.,
Guernsey**
 - Secquaero Re Cloudy Bay IC Ltd.,
Guernsey**
 - Secquaero Re Solaris IC Ltd.,
Guernsey**
 - Secquaero Re Arvine IC Ltd.,
Guernsey**
 - Secquaero Re Concord IC Ltd.,
Guernsey**
 - Secquaero Re Amaral IC Ltd.,
Guernsey**
 - Secquaero Re Melnik IC Ltd.,
Guernsey**
 - Secquaero Re Acolon IC Ltd.,
Guernsey**
 - Zweigelt Holdings Ltd.,
Guernsey**

Christoph Meister*

Hannover
Member of the ver.di National
Executive Board

Current memberships of other
supervisory boards/comparable
supervisory bodies:

- Chairman of the Supervisory Board
 - Ver.di Bildung + Beratung gGmbH**

Jutta Mück*

Oberhausen
Account Manager Sales Industry,
HDI Global SE

Current memberships of other
supervisory boards/comparable
supervisory bodies:

- Member of the Supervisory Board
 - HDI Global SE

Katja Sachtleben-Reimann*

Hannover
Employee,
Talanx Service AG

Dr Erhard Schipporeit

Hannover
Self-employed Business Consultant

Current memberships of other
supervisory boards/comparable
supervisory bodies

- Chairman of the Supervisory Board
 - innogy SE
(since 1 January 2018)
- Member of the Supervisory Board
 - BDO AG**
 - Deutsche Börse AG**
 - Fuchs Petrolub SE**
 - Hannover Rück SE
 - HDI V.a.G.
 - RWE AG**
 - SAP SE**

Prof Dr Jens Schubert*

Potsdam
Director of the Legal Department,
ver.di National Administration
Professor
Leuphana University of Lüneburg

Current memberships of other
supervisory boards/comparable
supervisory bodies:

- Member of the Creditors' Committee
 - Schlecker e. K.**
 - Schlecker XL GmbH**

Jörn von Stein*

(since 1 January 2017)
Employee,
neue leben Lebensversicherung AG

Current memberships of other
supervisory boards/comparable
supervisory bodies:

- Member of the Supervisory Board
 - neue leben Lebensversicherung AG

Norbert Steiner

Baunatal
Former Chairman of the
Board of Management,
K+S AG

Current memberships of other
supervisory boards/comparable
supervisory bodies:

- Chairman of the Supervisory Board
 - K+S KALI GmbH**
(until 11 May 2017)
- Member of the Supervisory Board
 - HDI V.a.G.

* Staff representative

** Memberships of statutory supervisory boards and comparable control boards at other domestic and foreign business enterprises that do not belong to the Group.

Supervisory Board committees

The Supervisory Board has formed four committees from among its ranks. The members of these committees support the work of the full Supervisory Board.

Finance and Audit Committee

- Wolf-Dieter Baumgartl, *Chairman*
- Dr Thomas Lindner
- Ralf Rieger
- Prof Dr Eckhard Rohkamm
- Dr Erhard Schipporeit

Personnel Committee

- Wolf-Dieter Baumgartl, *Chairman*
- Prof Dr Eckhard Rohkamm
- Katja Sachtleben-Reimann
- Norbert Steiner

Standing Committee

- Wolf-Dieter Baumgartl, *Chairman*
- Ralf Rieger
- Prof Dr Eckhard Rohkamm
- Prof Dr Jens Schubert

Nomination Committee

- Wolf-Dieter Baumgartl, *Chairman*
- Dr Thomas Lindner
- Dirk Lohmann

Tasks of the committees

Finance and Audit Committee

- Preparation of financial decisions for the full Supervisory Board
- Decisions in lieu of the full Supervisory Board on certain financial matters, including the establishment of companies, acquisition of participating interests and capital increases at subsidiaries within defined value limits

Personnel Committee

- Preparation of personnel matters for the full Supervisory Board
- Decisions in lieu of the full Supervisory Board on certain personnel matters for which the full Supervisory Board is not required to assume sole responsibility

Standing Committee

- Proposal for the appointment of a Board member if the necessary two-thirds majority is not achieved in the first ballot in accordance with section 31(3) of the German Co-determination Act (MitbestG)

Nomination Committee

- Proposal of suitable candidates for the Supervisory Board's nominations to the Annual General Meeting

Board of Management

Herbert K. Haas

Chairman

Burgwedel

Chairman of the Board of Management,
HDI Haftpflichtverband
der Deutschen Industrie V.a.G., Hannover

Responsible on the Talanx Board of Management for:

- Auditing
- Communications
- Corporate Development
- Corporate Office/Compliance
- Data Protection
- Information Technology
- Investor Relations
- Legal

Current memberships of other supervisory
boards/comparable supervisory bodies:

- Chairman of the Supervisory Board
 - E+S Rückversicherung AG
 - Hannover Rück SE
 - HDI Global SE
 - HDI Kundenservice AG
 - Talanx Deutschland AG
 - Talanx International AG
 - Talanx Systeme AG
- Member of the Advisory Board
 - NORD/LB*

Dr Christian Hinsch

Deputy Chairman

Burgwedel

Deputy Chairman of the Board of Management,
HDI Haftpflichtverband
der Deutschen Industrie V.a.G., Hannover
Chairman of the Board of Management,
HDI Global SE, Hannover

Responsible on the Talanx Board of Management for:

- Industrial Lines Division
- Reinsurance Captive
- Reinsurance Procurement

Current memberships of other supervisory
boards/comparable supervisory bodies:

- Chairman of the Supervisory Board
 - Talanx Reinsurance Broker GmbH
 - Talanx Reinsurance (Ireland) SE
- Deputy Chairman of the Supervisory Board
 - Talanx Systeme AG
 - EXTREMUS AG*
- Member of the Supervisory Board
 - RAG AG* (until 5 July 2017)
 - RAG Deutsche Steinkohle AG* (until 5 July 2017)
 - Talanx Service AG

Torsten Leue

Hannover

Member of the Board of Management,
HDI Haftpflichtverband
der Deutschen Industrie V.a.G., Hannover
Chairman of the Board of Management,
Talanx International AG, Hannover

Responsible on the Talanx Board of Management for:

- Retail International Division
- Facility Management
- Human Resources
- Procurement

Current memberships of other supervisory
boards/comparable supervisory bodies:

- Chairman of the Supervisory Board
 - HDI Seguros S. A.
 - HDI Sigorta A. Ş.
 - Talanx Service AG
 - Towarzystwo Ubezpieczeń Reasekuracji
Warta Spolka Akcyjna
 - Towarzystwo Ubezpieczeń Europa Spolka Akcyjna
 - Towarzystwo Ubezpieczeń na Życie Europa S. A.
 - Towarzystwo Ubezpieczeń na Życie Warta Spolka Akcyjna
- Member of the Supervisory Board
 - Internationale Schule Hannover Region GmbH*
- Deputy Chairman of the Supervisory Board
 - HDI Assicurazioni S. p. A.

Dr Immo Querner

Celle

Member of the Board of Management,
HDI Haftpflichtverband
der Deutschen Industrie V.a.G., Hannover

Responsible on the Talanx Board of Management for:

- Accounting and Taxes
- Collections
- Controlling
- Finance/Participating Interests/Real Estate
- Investments
- Risk Management
- Treasury

Current memberships of other supervisory boards/
comparable supervisory bodies:

- Chairman of the Supervisory Board
 - Talanx Asset Management GmbH
- Deputy Chairman of the Supervisory Board
 - Ampega Investment GmbH
 - Talanx Immobilien Management GmbH
 - Talanx Reinsurance Broker GmbH
 - Talanx Service AG
- Member of the Supervisory Board
 - BÖAG Börsen AG Hamburg und Hannover*
 - Caplantic GmbH
 - E+S Rückversicherung AG
 - Hannover Rück SE
 - Talanx International AG
 - Talanx Systeme AG
 - TERTIA Handelsbeteiligungsgesellschaft mbH*
- Member of the Exchange Council
 - Frankfurter Wertpapierbörse*
- Chairman of the Supervisory Board
 - Talanx Finanz (Luxemburg) S. A.
- Member of the Board of Directors
 - Talanx Reinsurance (Ireland) SE

Ulrich Wallin

Hannover

Chairman of the Board of Management,
Hannover Rück SE,
Hannover

Responsible on the Talanx Board of Management for:

- Reinsurance Division

Current memberships of other supervisory boards/
comparable supervisory bodies:

- Chairman of the Board of Directors
 - Hannover Life Reassurance Company of America
 - Hannover Re (Bermuda) Ltd.
 - Hannover Re (Ireland) DAC
- Chairman of the Supervisory Board
 - International Insurance Company of Hannover SE
- Member of the Board of Directors
 - Hannover Life Re of Australasia Ltd.
- Member of the Advisory Board
 - Barmenia Allgemeine Versicherungs-AG*
 - Barmenia Krankenversicherung a.G.*
 - Barmenia Lebensversicherung a.G.*

Dr Jan Wicke

Hannover

Chairman of the Board of Management,
Talanx Deutschland AG,
Hannover

Responsible on the Talanx Board of Management for:

- Retail Germany Division
- Business Organisation

Current memberships of other supervisory boards/
comparable supervisory bodies:

- Chairman of the Supervisory Board
 - HDI Lebensversicherung AG
 - HDI Versicherung AG
 - HDI Vertriebs AG
 - neue leben Holding Aktiengesellschaft
 - PB Lebensversicherung AG
 - PB Versicherung AG
 - TARGO Lebensversicherung AG
 - TARGO Versicherung AG
- Member of the Supervisory Board
 - Talanx Service AG
 - Talanx Systeme AG
- Member of the Advisory Board
 - Roland Rechtsschutz Versicherung AG*

** Memberships of statutory supervisory boards and comparable control boards at other domestic and foreign business enterprises that do not belong to the Group.*

Management report.

In accordance with section 315(5) of the German Commercial Code (HGB), the management report of Talanx AG and Talanx's Group management report have been combined and published in the 2017 Annual Report of the Group. The combined management report of Talanx AG and the Group and the annual financial statements for financial year 2017 are filed with the operator of the electronic Federal Gazette and published in the electronic Federal Gazette.

The annual financial statements of Talanx AG and the annual report for financial year 2017 are also available online at www.talanx.com/investor-relations (in the "Investor Relations" section).

Annual financial statements. Balance sheet as at 31 December 2017

Assets	31.12.2017	31.12.2016
EUR thousand		
A. Fixed assets		
I. Tangible fixed assets		
Other equipment, operating and office equipment	697	756
II. Long-term financial assets		
1. Shares in affiliated companies	7,404,040	7,404,368
2. Loans to affiliated companies	214,200	164,200
3. Participating interests	11,412	14,194
	7,629,652	7,582,762
B. Current assets		
I. Receivables and other assets		
1. Trade accounts receivable	—	1
2. Receivables from affiliated companies	454,606	457,779
3. Other assets	127,204	171,418
— of which due after more than one year: EUR 321 (previous year: 283) thousand		
	581,810	629,198
II. Securities		
Other securities	100,132	52,231
III. Cash at banks, cash-in-hand	815,263	182,451
C. Prepaid expenses	7,323	6,816
D. Excess of plan assets over post-employment benefit liability	15	22
Total assets	9,134,892	8,454,236

Equity and liabilities	31.12.2017	31.12.2016
EUR thousand		
A. Equity		
I. Subscribed capital	315,997	315,997
II. Capital reserve	1,394,223	1,394,223
III. Retained earnings	2,901,819	2,901,819
IV. Distributable profit	627,069	824,896
	5,239,108	5,436,935
B. Provisions		
1. Provisions for pensions and other post-employment benefits	793,654	758,380
2. Provisions for taxes	80,154	93,627
3. Other provisions	114,321	111,034
	988,129	963,041
C. Liabilities		
1. Bonds	1,814,900	1,064,900
– of which due after more than one year: EUR 1,814,900 (previous year: 1,064,900) thousand		
2. Liabilities to banks	78	86
– of which due within one year: EUR 78 (previous year: 86) thousand		
3. Trade accounts payable	39	26
– of which due within one year: EUR 39 (previous year: 26) thousand		
4. Liabilities to affiliated companies	1,065,493	962,760
– of which due within one year: EUR 266,993 (previous year: 72,260) thousand		
– of which due after more than one year: EUR 798,500 (previous year: 890,500) thousand		
5. Other liabilities	22,713	21,453
– of which taxes: EUR 320 (previous year: 344) thousand		
– of which due within one year: EUR 22,713 (previous year: 21,453) thousand		
	2,903,223	2,049,225
D. Deferred income	4,432	5,035
Total equity and liabilities	9,134,892	8,454,236

Statement of income for the period 1 January to 31 December 2017

	2017	2016
EUR thousand		
1. Income from participating interests	313,308	305,985
– of which from affiliated companies: EUR 312,369 (previous year: 305,220) thousand		
2. Income from profit transfer agreements	198,626	323,477
3. Revenue	17,874	14,651
4. Other operating income	2,311	395
– of which from currency translation: EUR 4 (previous year: 5) thousand		
5. Personnel expenses		
a. Wages and salaries	25,143	24,580
b. Social security, post-employment and other employee benefit costs	41,489	38,692
– of which in respect of post-employment benefits: EUR 38,765 (previous year: 36,085) thousand		
6. Amortisation and write-downs of intangible fixed assets and depreciation and write-downs of tangible fixed assets	185	190
7. Other operating expenses	38,603	68,364
– of which from currency translation: EUR 4 (previous year: 5) thousand		
– of which from expenses in accordance with section 67 (1) and (2) of the Introductory Act to the German Commercial Code (EGHGB): – (previous year: EUR 27,787 thousand)		
8. Income from other securities and long-term loans	10,145	10,350
– of which from affiliated companies: EUR 9,024 (previous year: 8,902) thousand		
9. Other interest and similar income	7,559	5,467
– of which from affiliated companies: EUR 2,183 (previous year: 1,009) thousand		
– of which from discounting: – (previous year: 52) thousand		
10. Write-downs of long-term financial assets and securities classified as current assets	3,935	1,160
11. Attributable to interest and similar expenses	114,528	119,891
– of which from affiliated companies: EUR 51,936 (previous year: 51,544) thousand		
– of which from unwinding of discounts: EUR 30,256 (previous year: 31,761) thousand		
12. Cost of loss absorption	203,855	–
13. Taxes on income	–21,375	–11,125
14. Result after tax	143,459	418,573
15. Other taxes	9	7
16. Net income for the financial year	143,450	418,566
17. Retained profits brought forward	483,619	406,330
18. Distributable profit	627,069	824,896

Notes

Basis of preparation

The annual financial statements for financial year 2017 were prepared in accordance with the provisions of the German Commercial Code (HGB) and the German Stock Corporation Act (AktG). Talanx AG with registered office in Hannover is entered in the commercial register at the district court of Hannover (HRB 52546).

Accounting policies

Measurement of assets

The operating and office equipment are measured at cost less amortisation or depreciation over their standard useful lives. Prepayments are recognised at cost. Depreciation or amortisation is charged on a straight-line basis over a useful life of six to 13 years. Low-value assets of up to EUR 150 are recognised as expenses in the period in which they are acquired. Low-value assets of up to EUR 410 are written off in full in the year of acquisition.

Shares in affiliated companies are recognised at cost less any necessary write-downs to their fair value.

The fair values of the holding companies were measured using a sum-of-the-parts technique, under which the assets and liabilities are recognised at their fair values. The fair values of participating interests in operating companies were measured using an income approach in the case of composite insurance companies and financial services providers. The fair value of life insurance companies is mainly measured using an income approach. To take the peculiarities of the life insurance business into consideration, the appraisal value method is used to check the plausibility of the intrinsic value. The fair value of various private equity and real estate companies is measured by reference to the net asset value. In individual justified cases, companies have been recognised at their carrying amount, especially where they have recently been acquired.

Loans to affiliated companies and long-term securities are recognised at their cost or nominal amount, less any necessary write-downs to a permanently lower fair value at the balance sheet date. In accordance with section 253(3) of the HGB, securities that are designed to serve the business operations in the long term are measured in accordance with the less strict principle of cost or market value. The fair value of loans to affiliated companies is measured by reference to product and rating-specific yield curves. The spreads used reflect specific structures such as deposit guarantees, guarantor liability or subordination.

Loans to affiliated companies contain hidden liabilities totalling EUR 462 thousand. The write-downs that were not charged are attributable purely to interest rate factors and are therefore not permanent.

Participating interests are carried at cost less repayments of capital and write-downs to a permanently lower fair value. Fair value is generally measured using an income approach.

Receivables, other assets, cash-in-hand, deposits and cash at banks are carried at their nominal amounts.

As the cost accounts were closed out prior to the balance sheet date, cost entries occurring after the closing date are reported as "Other receivables" in "Other assets". These deferred items are offset by estimated costs for the period between the date on which the cost accounts are closed out and the balance sheet date, which are accrued as "Miscellaneous provisions" in "Other provisions".

Other securities are recognised at cost or the lower quoted or other market price.

The items reported as prepaid expenses are carried at their nominal amounts unless they are required to be recognised at a lower fair value.

The "Excess of plan assets over post-employment benefit liability" is the residual amount of assets held to cover post-employment benefit obligations after deducting those obligations (mainly pension liability insurances).

Measurement of liabilities

In accordance with section 253(1) sentence 2 of the HGB, pension provisions are recognised at the settlement amount dictated by prudent judgement and, in accordance with section 253(2) sentence 2 of the HGB, are discounted over an assumed remaining maturity of 15 years at the average interest rate for the past ten years published by the Deutsche Bundesbank in accordance with the German Discounting of Provisions Regulation (RückAbzinsV). The pension provisions for employer-funded pension commitments and for employee-funded pension commitments that are not externally funded were measured using the projected unit credit method and calculated on the basis of the "2005G" mortality tables. Benefit adjustments in the case of commitments arising from deferral of compensation due to the likely future surplus participation from pension liability insurances were applied for each individual contract.

The measurement is based on the probability of withdrawal of the "2005G" mortality tables, which were strengthened in accordance with the change in risk characteristics observed in the portfolio; compared to the prior year, mortality rates of current and future male pensioners and widows have fallen by 13% on average.

In other respects, the following assumptions are applied:

Salary trend:	2.50%
Pension trend:	1.74%
Discount rate:	3.68%

The employee turnover rate used corresponds to the entity-specific probabilities diversified by age and gender.

The employee-funded pension commitments that are externally funded relate solely to pension commitments that are funded by matching pension liability insurances, which are measured in accordance with section 253(1) sentence 3 of the HGB as required by IDW AcP HFA 30 para. 74. For these commitments, the settlement amount is thus the fair value of the actuarial reserve of the life insurance contract plus the surplus participation.

Anniversary obligations are measured using the same principles as pension obligations. The same assumptions are applied for salary trends and employee turnover probabilities. Only the discount rate is calculated differently, with an average mean of the last seven years, and is applied at 2.81%.

All employees of the Company who have taken advantage of partial retirement arrangements are included in the calculation of the provision for partial retirement obligations. The calculations were performed with reference to the "2005 G" mortality tables. The table of decrements for active employees was applied. A discount rate of 1.33% was applied, assuming a mean remaining term of two years and a salary trend of 2.50%. In accordance with section 253 of the HGB, the provision is recognised at the amount necessary to settle the obligations. It is composed of the provision for arrears of wages and salaries, the provision for bonus payments, the provision for the additional employer contribution to the statutory pension insurance scheme and the provision for severance payments.

Provisions for taxes and other provisions take account of all identifiable risks and uncertain obligations and are recognised at the settlement amount dictated by prudent business judgement.

Provisions with a remaining term of more than one year are discounted using the average market rate of interest for the past seven years, which is calculated and published by the Deutsche Bundesbank in accordance with the RückAbzinsV.

Subordinated liabilities are recognised at their nominal amount.

Other liabilities are recognised at their settlement amount.

Receipts prior to the balance sheet date are reported as deferred income if they represent income for a certain period thereafter.

Exchange differences on translating foreign operations

Balance sheet or statement of income items containing amounts in foreign currency are translated at the official middle rates on 31 December 2017 (balance sheet items) or at the rates prevailing at the transaction date (statement of income items). An exception to this principle applies to shares in affiliated companies, which are recognised using updated historical exchange rates.

Statement of income

The statement of income is prepared using the total cost (nature of expense) method. In contrast to the classification format set out in the HGB, the classification of individual items of the statement of income was modified to enable them to reflect the specific characteristics of a holding company. Due to their particular significance, the items "Income from participating interests" and "Income from profit transfer agreements" were relocated to the top of the statement of income.

Balance sheet disclosures – Assets

Statement of changes in tangible fixed assets	Accumulated acquisition costs		
	Acquisition costs at 31.12.2016	Additions	Disposals
EUR thousand			
A. I. Tangible fixed assets			
Other equipment, operating and office equipment	1,570	178	146
Total A.I.	1,570	178	146
Statement of changes in long-term financial assets	Carrying amount at		
	31.12.2016	Additions	Disposals
EUR thousand			
A. II. Long-term financial assets			
1. Shares in affiliated companies	7,404,368	2,682	40
2. Loans to affiliated companies	164,200	50,000	—
3. Participating interests	14,194	—	2,782
Total A.II.	7,582,762	52,682	2,822

Balance sheet disclosures – Equity and liabilities

Other provisions	Balance at 1.1.2017
EUR thousand	
B. 3. Other provisions	
Interest component of provisions for taxes	43,070
Award proceedings	25,596
Assumed obligations from pension commitments	25,446
Share awards	4,365
Board of Management remuneration	3,969
Supervisory Board remuneration	2,300
Variable remuneration/bonuses	1,933
Consulting costs	1,127
Year-end closing costs	1,044
Partial retirement	791
Anniversary obligations	350
Other	1,043
Total B.3.	111,034

The settlement amount of the provision for partial retirement obligations was EUR 1,109 thousand. The fair value of the funds held to cover these obligations was EUR 527 thousand as at 31 December 2017. The historical costs of the offset assets amounted to EUR 494 thousand. The fair value of plan assets is equivalent to the market price.

In the reporting period, income from plan assets held to cover provisions for partial retirement obligations amounting to EUR 10 thousand was offset in the statement of income against expenses from the unwinding of discounted amounts of EUR 15 thousand in the provision for partial retirement obligations.

Depreciation and impairment losses at 31.12.2016	Accumulated impairment losses		Disposals	Depreciation and impairment losses at 31.12.2017	Carrying amount at 31.12.2017
	Depreciation and impairment losses at 2017				
814	187		96	905	697
814	187		96	905	697

Depreciation and impairment losses	Carrying amount at 31.12.2017	Fair values at 31.12.2017	Valuation reserves at 31.12.2017
2,970	7,404,040	15,824,013	8,419,973
—	214,200	244,836	30,636
—	11,412	11,412	—
2,970	7,629,652	16,080,261	8,450,609

Utilisation	Releases	Additions	Unwinding of discounts/change in interest rate	Offset (carried forward)	Carrying amount at 31.12.2017
—	1,716	—	103	—	41,457
14	—	682	—	—	26,264
—	—	850	—	—	26,296
836	—	1,533	3	—	5,065
2,308	—	2,077	27	—	3,765
2,300	—	2,300	—	—	2,300
1,822	111	1,883	—	—	1,883
986	141	4,155	—	—	4,155
932	112	877	—	—	877
244	—	29	15	-8	583
7	—	53	11	—	407
1,040	3	1,269	—	—	1,269
10,489	2,083	15,708	159	-8	114,321

Notes to the balance sheet – Assets

A.III.1. Shares in affiliated companies

	Equity interest ¹⁾ in %	Equity ²⁾ in EUR thousand	Earnings before profit transfer ²⁾ in EUR thousand
1. Shares in affiliated companies in Germany			
Alstertor Erste Beteiligungs- und Investitionssteuerungs-GmbH & Co. KG, Hamburg ¹⁴⁾	100.00	4,175	578
Alstertor Zweite Beteiligungs- und Investitionssteuerungs-GmbH & Co. KG, Hamburg ¹⁴⁾	100.00	8,598	-24
Ampega Investment GmbH, Cologne ¹⁵⁾	100.00	28,781	20,845
E+S Rückversicherung AG, Hannover ¹⁴⁾	64.79	922,413	351,000
FUNIS GmbH & Co. KG, Hannover ¹⁴⁾	100.00	86,196	-4,303
FVB Gesellschaft für Finanz- und Versorgungsberatung mbH, Osnabrück	100.00	4,089	2,193
GERLING Pensionsenthaftungs- und Rentenmanagement GmbH, Cologne	100.00	2,537	-564
Hannover America Private Equity Partners II GmbH & Co. KG, Hannover ¹⁴⁾	100.00	331,514	84,908
Hannover Beteiligungsgesellschaft mbH, Hannover ¹⁴⁾	100.00	2,334	-1,719
Hannover Insurance-Linked Securities GmbH & Co. KG, Hannover	100.00	20,382	6
Hannover Life Re AG, Hannover ^{14), 15)}	100.00	1,991,179	70,574
Hannover Re Euro PE Holdings GmbH & Co. KG, Hannover ¹⁴⁾	100.00	299,017	59,712
Hannover Re Euro RE Holdings GmbH, Hannover ¹⁴⁾	100.00	979,041	33,720
Hannover Re Global Alternatives GmbH & Co. KG, Hannover ¹⁴⁾	100.00	156,919	1,558
Hannover Rück Beteiligung Verwaltungs-GmbH, Hannover ^{14), 15)}	100.00	2,341,925	248,791
Hannover Rück SE, Hannover ¹⁴⁾	50.22	2,905,716	843,399
HAPEP II Holding GmbH, Hannover ¹⁴⁾	100.00	3,905	2,403
HAPEP II Komplementär GmbH, Hannover ¹⁴⁾	100.00	41	3
HDI AI EUR Beteiligungs-GmbH & Co. KG, Cologne ^{4), 14)}	100.00	480,974	21,457
HDI AI USD Beteiligungs-GmbH & Co. KG, Cologne ^{4), 14)}	100.00	151,820	16,123
HDI Direkt Service GmbH, Hannover ^{3), 14), 15)}	100.00	51	31
HDI Global Network AG, Hannover ^{14), 15)}	100.00	191,564	21,511
HDI Global SE, Hannover ¹⁵⁾	100.00	406,536	-203,855
HDI Kundenservice AG, Cologne ^{3), 15)}	100.00	362	—
HDI Lebensversicherung AG, Cologne ¹⁴⁾	100.00	440,897	—
HDI Pensionskasse AG, Cologne ¹⁴⁾	100.00	39,955	350
HDI Risk Consulting GmbH, Hannover ^{3), 14), 15)}	100.00	1,626	1,241
HDI Schadenregulierung GmbH, Hannover ^{14), 15)}	100.00	25	-1
HDI Versicherung AG, Hannover ^{14), 15)}	100.00	163,000	-19,089
HDI Vertriebs AG, Hannover ^{3), 14), 15)}	100.00	533	711
HDI-Gerling Friedrich Wilhelm AG, Cologne ¹⁴⁾	100.00	509,223	47,800
HEPEP II Holding GmbH, Cologne ¹⁴⁾	100.00	167	-1,155
HEPEP II Komplementär GmbH, Cologne ¹⁴⁾	100.00	41	-7
HEPEP III Holding GmbH, Cologne ¹⁴⁾	100.00	721	-289
HEPEP III Komplementär GmbH, Cologne ¹⁴⁾	100.00	4	-13
HEPEP IV Komplementär GmbH, Cologne ¹⁴⁾	100.00	4	-16
HILSP Komplementär GmbH, Hannover	100.00	34	2
HLV Real Assets GmbH & Co. KG, Cologne ^{4), 14)}	100.00	4	-3
HNG Hannover National Grundstücksverwaltung GmbH & Co. KG, Hannover ⁴⁾	100.00	48,908	-189
HR GLL Central Europe GmbH & Co. KG, Munich ^{7), 14)}	99.99	453,798	5,392
HR GLL Central Europe Holding GmbH, Munich ^{11), 14)}	100.00	60,246	1,276

	Equity interest ¹⁾ in %	Equity ²⁾ in EUR thousand	Earnings before profit transfer ²⁾ in EUR thousand
1. Shares in affiliated companies in Germany			
HR Verwaltungs-GmbH, Hannover ¹⁴⁾	100.00	8	-4
Infrastruktur Ludwigsau GmbH & Co. KG, Cologne ¹⁴⁾	100.00	32,079	1,395
Infrastruktur Windpark Vier Fichten GbR, Bremen	100.00	—	4
International Insurance Company of Hannover SE, Hannover ^{14), 15)}	100.00	168,845	—
IVEC Institutional Venture and Equity Capital GmbH, Cologne	100.00	33,620	-1,850
Lifestyle Protection AG, Hilden ^{14), 15)}	100.00	5,749	-447
Lifestyle Protection Lebensversicherung AG, Hilden ^{14), 15)}	100.00	7,496	-784
Nassau Assekuranzkontor GmbH, Cologne ¹⁵⁾	100.00	24	-1
neue leben Holding AG, Hamburg	67.50	85,772	15,455
neue leben Lebensversicherung AG, Hamburg ^{14), 15)}	100.00	77,608	11,200
neue leben Unfallversicherung AG, Hamburg ^{14), 15)}	100.00	3,596	3,493
Oval Office Grundstücks GmbH, Hannover ^{6), 14), 18)}	100.00	628	15
PB Lebensversicherung AG, Hilden ^{14), 15)}	100.00	136,666	4,000
PB Pensionsfonds AG, Hilden ^{14), 15)}	100.00	9,599	816
PB Versicherung AG, Hilden ^{14), 15)}	100.00	9,499	6,237
Riethorst Grundstücksgesellschaft AG & Co. KG, Hannover ⁴⁾	100.00	152,025	5,660
SSV Schadensschutzverband GmbH, Hannover ^{14), 15)}	100.00	200	305
Talanx Asset Management GmbH, Cologne ^{3), 15)}	100.00	72,600	47,579
Talanx Beteiligungs-GmbH & Co. KG, Hannover ^{4), 14)}	100.00	22,922	4,383
Talanx Deutschland AG, Hannover ^{3), 15)}	100.00	1,519,576	54,139
Talanx Deutschland Bancassurance Communication Center GmbH, Hilden ^{3), 15)}	100.00	685	55
Talanx Deutschland Bancassurance GmbH, Hilden ^{3), 15)}	100.00	706,349	55,930
Talanx Deutschland Bancassurance Kundenservice GmbH, Hilden ^{3), 15)}	100.00	75	—
Talanx Direct Infrastructure 1 GmbH, Cologne ¹⁴⁾	100.00	60	20
Talanx Immobilien Management GmbH, Cologne ^{3), 15)}	100.00	2,837	3,830
Talanx Infrastructure France 1 GmbH, Cologne	100.00	57,571	386
Talanx Infrastructure France 2 GmbH, Cologne	100.00	122,001	396
Talanx Infrastructure Portugal 2 GmbH, Cologne	100.00	23,395	-6
Talanx Infrastructure Portugal GmbH, Cologne	100.00	52,221	-74
Talanx International AG, Hannover ^{3), 15)}	100.00	1,868,846	81,537
Talanx Pensionsmanagement AG, Cologne ^{3), 15)}	100.00	1,817	605
Talanx Reinsurance Broker GmbH, Hannover ^{3), 14), 15)}	100.00	100	18,520
Talanx Service AG, Hannover ^{3), 14), 15)}	100.00	1,746	—
Talanx Systeme AG, Hannover ^{3), 14), 15)}	100.00	140	—
TAM AI Komplementär GmbH, Cologne ¹⁴⁾	100.00	56	5
TARGO Lebensversicherung AG, Hilden ^{14), 15)}	100.00	33,655	31,750
TARGO Versicherung AG, Hilden ^{14), 15)}	100.00	29,742	15,979
TD Real Assets GmbH & Co. KG, Cologne ¹⁴⁾	100.00	466,304	5,985
TD-BA Private Equity GmbH & Co. KG, Cologne ^{4), 14)}	100.00	278,070	17,518
TD-BA Private Equity Sub GmbH, Cologne ¹⁴⁾	100.00	99,200	7,195
TD-Sach Private Equity GmbH & Co. KG, Cologne ^{4), 14)}	100.00	61,715	6,320
Windfarm Bellheim GmbH & Co. KG, Cologne ¹⁴⁾	100.00	61,672	2,058
Windpark Mittleres Mecklenburg GmbH & Co. KG, Cologne ¹⁴⁾	100.00	16,286	2,793
Windpark Parchim GmbH & Co. KG, Cologne ¹⁴⁾	100.00	12,170	793
Windpark Rechain GmbH & Co. KG, Cologne ¹⁴⁾	100.00	34,856	775
Windpark Sandstruth GmbH & Co. KG, Cologne ¹⁴⁾	100.00	7,076	283
Windpark Vier Fichten GmbH & Co. KG, Cologne ¹⁴⁾	100.00	6,967	290
WP Berngerode GmbH & Co. KG, Cologne ¹⁴⁾	100.00	46,579	862
WP Mörsdorf Nord GmbH & Co. KG, Cologne ¹⁴⁾	100.00	33,444	745

	Equity interest ¹⁾ in %		Equity ²⁾ in EUR thousand		Earnings before profit transfer ²⁾ in EUR thousand
2. Shares in affiliated companies in other countries					
101BOS LLC, Wilmington, USA ^{8), 14)}	100.00	USD	51,644	USD	1,623
111ORD, LLC, Wilmington, USA ^{8), 14)}	100.00	USD	72,463	USD	2,133
1225 West Washington, LLC, Wilmington, USA ^{8), 14)}	100.00	USD	24,467	USD	385
140EWR, LLC, Wilmington, USA ^{8), 14)}	100.00	USD	64,279	USD	-15,123
320AUS LLC, Wilmington, USA ^{8), 14)}	100.00	USD	94,093	USD	424
3290ATL LLC, Wilmington, USA ^{8), 14)}	100.00	USD	71,075	USD	2,913
3541 PRG s. r. o., Prague, Czech Republic ^{11), 14)}	100.00	CZK	871,309	CZK	-5,458
402 Santa Monica Blvd, LLC, Wilmington, USA ^{8), 14)}	100.00	USD	-28	USD	947
7550IAD LLC, Wilmington, USA ^{8), 14)}	100.00	USD	70,511	USD	-2,250
92601 BTS s.r.o., Bratislava, Slovakia ^{11), 14)}	100.00	EUR	1,983	EUR	-1,413
975 Carroll Square, LLC, Wilmington, USA ^{8), 14)}	100.00	USD	49,898	USD	1,253
Akvamarin Beta, s. r. o., Prague, Czech Republic ^{11), 14)}	100.00	CZK	98,774	CZK	45,809
APCL Corporate Director No.1 Limited, London, United Kingdom ^{10), 14)}	100.00	GBP	—	GBP	—
APCL Corporate Director No.2 Limited, London, United Kingdom ^{10), 14)}	100.00	GBP	—	GBP	—
Argenta Continuity Limited, London, United Kingdom ^{10), 14)}	100.00	GBP	—	GBP	—
Argenta General Partner Limited, Edinburgh, United Kingdom ^{10), 14)}	100.00	GBP	—	GBP	—
Argenta Holdings Limited, London, United Kingdom ^{7), 14)}	100.00	GBP	43,121	GBP	10,741
Argenta Insurance Research Limited, London, United Kingdom ^{10), 14)}	100.00	GBP	—	GBP	—
Argenta LLP Services Limited, London, United Kingdom ^{10), 14)}	100.00	GBP	—	GBP	—
Argenta No.13 Limited, London, United Kingdom ^{10), 14)}	100.00	GBP	—	GBP	—
Argenta No.14 Limited, London, United Kingdom ^{10), 14)}	100.00	GBP	—	GBP	—
Argenta No.15 Limited, London, United Kingdom ^{10), 14)}	100.00	GBP	—	GBP	—
Argenta Private Capital Limited, London, United Kingdom ^{10), 14)}	100.00	GBP	6,827	GBP	4,026
Argenta Secretariat Limited, London, United Kingdom ^{10), 14)}	100.00	GBP	—	GBP	—
Argenta SLP Continuity Limited, Edinburgh, United Kingdom ^{10), 14)}	100.00	GBP	—	GBP	—
Argenta Syndicate Management Limited, United Kingdom ^{10), 14)}	100.00	GBP	7,462	GBP	2,019
Argenta Tax & Corporate Services Limited, London, United Kingdom ^{10), 14)}	100.00	GBP	1,105	GBP	400
Argenta Underwriting Asia Pte. Ltd., Singapore, Singapore ^{10), 14)}	100.00	SGD	1,200	GBP	-340
Argenta Underwriting Labuan Ltd, Labuan, Malaysia ^{10), 14)}	100.00	USD	75	GBP	-3
Argenta Underwriting No.1 Limited, London, United Kingdom ^{10), 14)}	100.00	GBP	22	GBP	—
Argenta Underwriting No.10 Limited, London, United Kingdom ^{10), 14)}	100.00	GBP	-36	GBP	-7
Argenta Underwriting No.11 Limited, London, United Kingdom ^{10), 14)}	100.00	GBP	-32	GBP	-7
Argenta Underwriting No.2 Limited, London, United Kingdom ^{10), 14)}	100.00	GBP	4,971	GBP	656
Argenta Underwriting No.3 Limited, London, United Kingdom ^{10), 14)}	100.00	GBP	1,933	GBP	1,702
Argenta Underwriting No.4 Limited, London, United Kingdom ^{10), 14)}	100.00	GBP	-152	GBP	—
Argenta Underwriting No.7 Limited, London, United Kingdom ^{10), 14)}	100.00	GBP	—	GBP	—
Argenta Underwriting No.8 Limited, London, United Kingdom ^{10), 14)}	100.00	GBP	-22	GBP	-1
Argenta Underwriting No.9 Limited, London, United Kingdom ^{10), 14)}	100.00	GBP	1,379	GBP	763
ASPECTA Assurance International Luxembourg S.A., Luxembourg, Luxembourg	100.00	EUR	14,902	EUR	427
Broadway 101, LLC, Wilmington, USA ^{8), 14)}	100.00	USD	13,176	USD	658
Commercial & Industrial Acceptances (Pty) Ltd., Johannesburg, South Africa ^{9), 14)}	90.00	ZAR	13,333	ZAR	18,653
Compass Insurance Company Ltd., Johannesburg, South Africa ^{9), 14)}	100.00	ZAR	214,943	ZAR	28,611
Construction Guarantee (Pty) Ltd., Johannesburg, South Africa ^{6), 9)}	60.00	ZAR	—	ZAR	—
Desarrollo de Consultores Profesionales en Seguros S.A. de CV, León, Mexico	100.00	MXN	414	MXN	57
Envirosure Underwriting Managers (Pty) Ltd., Durban, South Africa ^{9), 14)}	51.00	ZAR	3,803	ZAR	591
Ferme Eolienne des Mignaudieres SNC, Toulouse, France	100.00	EUR	—	EUR	-66
Ferme Eolienne du Confolentais SNC, Toulouse, France ¹⁴⁾	100.00	EUR	16,249	EUR	-433
Film & Entertainment Underwriters SA (Pty) Ltd., Johannesburg, South Africa ^{9), 14)}	51.00	ZAR	-12	ZAR	697
Firedart Engineering Underwriting Managers (Pty) Ltd., Johannesburg, South Africa ^{9), 14)}	70.00	ZAR	1,845	ZAR	1,234
Fountain Continuity Limited, Edinburgh, United Kingdom ^{10), 14)}	100.00	GBP	—	GBP	—
Garagesure Consultants and Acceptances (Pty) Ltd., Johannesburg, South Africa ^{9), 14)}	70.00	ZAR	884	ZAR	2,120
Gente Compañía de Soluciones Profesionales de México, S.A. de C.V., León, Mexico	100.00	MXN	16,048	MXN	4,865

2. Shares in affiliated companies in other countries	Equity interest ¹⁾ in %		Equity ²⁾ in EUR thousand		Earnings before profit transfer ²⁾ in EUR thousand
Gerling Insurance Agency Inc., Chicago, USA ⁵⁾	100.00	USD	—	USD	—
Glencar Underwriting Managers, Inc., Chicago, USA ¹⁴⁾	100.00	USD	5,148	USD	325
GLL HRE CORE Properties, L.P., Wilmington, USA ^{8), 14)}	99.90	USD	618,198	USD	-328
H.J. Roelofs Assuradeuren B.V., Rotterdam, Netherlands	100.00	EUR	913	EUR	-10
Hannover Finance (Luxembourg) S.A., Luxembourg, Luxembourg	100.00	EUR	35,052	EUR	654
Hannover Finance (UK) Ltd., London, United Kingdom ¹⁴⁾	100.00	GBP	2,694	GBP	-9
Hannover Finance, Inc., Wilmington, USA ^{7), 14)}	100.00	USD	164,494	EUR	1,020
Hannover Life Re of Australasia Ltd., Sydney, Australia ¹⁴⁾	100.00	AUD	495,812	AUD	15,075
Hannover Life Reassurance Africa Ltd., Johannesburg, South Africa ^{9), 14)}	100.00	ZAR	534,324	ZAR	39,302
Hannover Life Reassurance Bermuda Ltd., Hamilton, Bermuda ¹⁴⁾	100.00	USD	443,699	USD	52,393
Hannover Life Reassurance Company of America (Bermuda) Ltd., Hamilton, Bermuda	100.00	USD	10,370	USD	2,193
Hannover Life Reassurance Company of America, Orlando, USA	100.00	USD	411,166	USD	45,624
Hannover Mining Engineering Services LLC, Itasca, USA	100.00	USD	300	USD	—
Hannover Re (Bermuda) Ltd., Hamilton, Bermuda ¹⁴⁾	100.00	USD	1,209,893	USD	128,058
Hannover Re (Ireland) Designated Activity Company, Dublin, Ireland ¹⁴⁾	100.00	USD	1,426,073	USD	-282,260
Hannover Re Consulting Services India Private Limited, Mumbai, India	100.00	INR	112,771	INR	10,978
Hannover Re Real Estate Holdings, Inc., Orlando, USA ⁷⁾	100.00	USD	771,070	USD	6,885
Hannover Re Risk Management Services India Private Limited, New Delhi, India	100.00	INR	59,598	INR	-8,347
Hannover Re Services Italy S.r.L., Milan, Italy	100.00	EUR	368	EUR	110
Hannover Re Services Japan, Tokyo, Japan ¹⁴⁾	100.00	JPY	126,916	JPY	12,563
Hannover Re Services USA, Inc., Itasca, USA	100.00	USD	3,781	USD	307
Hannover Reinsurance Africa Ltd., Johannesburg, South Africa ^{9), 14)}	100.00	ZAR	764,519	ZAR	31,582
Hannover Reinsurance Group Africa (Pty) Ltd., Johannesburg, South Africa ^{7), 14)}	100.00	ZAR	206,527	ZAR	111,707
Hannover ReTakaful B.S.C. (c), Manama, Bahrain ¹⁴⁾	100.00	BHD	72,699	BHD	6,507
Hannover Risk Consultants B.V., Rotterdam, Netherlands	100.00	EUR	665	EUR	-51
Hannover Rück SE Escritório de Representação no Brasil Ltda., Rio de Janeiro, Brazil	100.00	BRL	3,408	BRL	485
Hannover Services (México) S.A. de C.V., Mexico-City, Mexico	100.00	MXN	6,524	MXN	150
Hannover Services (UK) Ltd., London, United Kingdom ¹⁴⁾	100.00	GBP	893	GBP	126
HDI Assicurazioni S.p.A., Rome, Italy	100.00	EUR	226,090	EUR	14,780
HDI Global Insurance Company, Chicago, USA	100.00	USD	138,625	USD	14,534
HDI Global SA Ltd., Johannesburg, South Africa	100.00	ZAR	49,601	ZAR	5,347
HDI Global Seguros S.A., São Paulo, Brazil	100.00	BRL	65,004	BRL	2,186
HDI Immobiliare S.r.L., Rome, Italy	100.00	EUR	64,641	EUR	327
HDI Seguros de Garantía y Crédito S.A., Las Condes, Chile	99.82	CLP	6,097,117	CLP	1,530,305
HDI Seguros de Vida S.A., Las Condes, Chile	100.00	CLP	2,736,636	CLP	-874,733
HDI Seguros S.A. de C.V., León, Mexico	99.76	MXN	1,336,479	MXN	241,219
HDI Seguros S.A., Buenos Aires, Argentina	100.00	ARS	312,428	ARS	53,557
HDI Seguros S.A., Las Condes, Chile	99.87	CLP	60,749,840	CLP	12,357,013
HDI Seguros S.A., Montevideo, Uruguay	100.00	UYU	155,558	UYU	2,119
HDI Seguros S.A., San Isidro, Peru	100.00	PEN	11,291	PEN	420
HDI Seguros S.A., São Paulo, Brazil	100.00	BRL	1,097,257	BRL	111,326
HDI Sigorta A.Ş., Istanbul, Turkey	100.00	TRY	332,472	TRY	40,897
HDI Specialty Insurance Company, Illinois, USA ¹⁵⁾	100.00	USD	—	USD	—
HDI Versicherung AG (Österreich), Vienna, Austria	100.00	EUR	28,471	EUR	10,334
HDI-Gerling de Mexico Seguros S.A., Mexico City, Mexico	100.00	MXN	168,744	MXN	1,860
HDI-Gerling Verzekeringen N.V., Rotterdam, Netherlands	100.00	EUR	132,464	EUR	674
HDI-Gerling Welt Service AG Escritório de Representação no Brasil Ltda., São Paulo, Brazil	100.00	BRL	280	BRL	—
HMIA Pty Ltd., Sydney, South Africa ¹⁴⁾	55.00	AUD	1,069	AUD	1,081
Hospitality Industrial and Commercial Underwriting Managers (Pty) Ltd., Johannesburg, South Africa ^{9), 14)}	90.00	ZAR	1,764	ZAR	6,536
HR GLL CDG Plaza S.r.l., Bucharest, Romania ^{11), 14)}	100.00	RON	151,086	RON	5,002
HR GLL Europe Holding S.à.r.l., Luxembourg, Luxembourg ^{11), 14)}	100.00	EUR	198,268	EUR	1,617

	Equity interest ¹⁾ in %		Equity ²⁾ in EUR thousand		Earnings before profit transfer ²⁾ in EUR thousand
2. Shares in affiliated companies in other countries					
HR GLL Griffin House SPÓLKA Z ORGANICZONA ODPOWIEDZIALNÓSCIA, Warsaw, Poland ^{11), 14)}	100.00	PLN	37,478	PLN	2,355
HR GLL Liberty Corner SPÓLKA Z ORGANICZONA ODPOWIEDZIALNÓSCIA, Warsaw, Poland ^{11), 14)}	100.00	PLN	49,385	PLN	3,413
HR GLL Roosevelt Kft, Budapest, Hungary ^{11), 14)}	100.00	HUF	19,012,206	HUF	-87,935
HR Hannover Re Correduría de Reaseguros S.A., Madrid, Spain ¹⁴⁾	100.00	EUR	497	EUR	48
HR US Infra Debt LP, George Town, Cayman Islands ¹⁴⁾	100.00	USD	53,609	USD	182
HR US Infra Equity LP, Wilmington, USA ^{8), 14)}	100.00	USD	—	USD	—
INCHIARO LIFE Designated Activity Company, Dublin, Ireland	100.00	EUR	16,164	EUR	570
InLinea S.p.A., Rome, Italy	70.00	EUR	1,617	EUR	146
Integra Insurance Solutions Limited, Bradford, United Kingdom ¹⁴⁾	100.00	GBP	4,990	GBP	184
Inter Hannover (No. 1) Ltd., London, United Kingdom ¹⁴⁾	100.00	GBP	-66	GBP	—
International Mining Industry Underwriters Ltd., London, United Kingdom ¹⁴⁾	100.00	GBP	225	GBP	—
Inversiones HDI Limitada, Santiago, Chile	100.00	CLP	164,807,216	CLP	-384,088
Kaith Re Ltd., Hamilton, Bermuda ¹⁴⁾	88.00	USD	554	USD	-360
Landmark Underwriting Agency (Pty) Ltd., Bloemfontein, South Africa ^{9), 14)}	65.50	ZAR	4,685	ZAR	1,945
Le Chemin de La Milaine S.N.C., Lille, France ¹⁴⁾	100.00	EUR	16,835	EUR	1,223
Le Louveng S.A.S., Lille, France ^{13), 14)}	100.00	EUR	8,528	EUR	137
Le Souffle des Pellicornes S.N.C., Lille, France ¹⁴⁾	100.00	EUR	15,010	EUR	1,014
Leine Investment General Partner S.à r.l., Luxembourg, Luxembourg ¹⁴⁾	100.00	EUR	877	EUR	327
Leine Investment SICAV-SIF, Luxembourg, Luxembourg ¹⁴⁾	100.00	USD	64,430	USD	1,113
Les Vents de Malet S.N.C., Lille, France ¹⁴⁾	100.00	EUR	17,118	EUR	1,326
LI RE, Hamilton, Bermuda ¹⁴⁾	100.00	USD	—	USD	—
Lireas Holdings (Pty) Ltd., Johannesburg, South Africa ^{9), 14)}	70.00	ZAR	209,880	ZAR	22,943
Magyar Posta Biztosító Részvénytársaság, Budapest, Hungary	66.93	HUF	101,077	HUF	2,395,059
Magyar Posta Életbiztosító Zrt., Budapest, Hungary	66.93	HUF	7,431,652	HUF	1,091,954
Mediterranean Reinsurance Services Ltd., Hong Kong, China ⁶⁾	100.00	USD	52	USD	—
MUA Insurance Acceptances (Pty) Ltd., Cape Town, South Africa ^{9), 14)}	100.00	ZAR	6,033	ZAR	5,608
Mustela s.r.o., Prague, Czech Republic ^{11), 14)}	100.00	CZK	1,181,309	CZK	26,998
Names Taxation Service Limited, London, United Kingdom ^{10), 14)}	100.00	GBP	10	GBP	—
Nashville West, LLC, Wilmington, USA ^{8), 14)}	100.00	USD	29,160	USD	1,520
OOO Strakhovaya Kompaniya CIV Life, Moscow, Russia	100.00	RUB	2,307,381	RUB	791,768
OOO Strakhovaya Kompaniya HDI Strakhovanie, Moscow, Russia	100.00	RUB	248,421	RUB	80,086
Orion No.1 Professional Investors Private Real Estate Investment LLC, Seoul, Korea, South ^{12), 14)}	99.65	USD	145,610	USD	312
PAG Real Estate Asia Select Fund Limited, Georgetown, Cayman Islands ^{7), 14)}	100.00	USD	72,360	USD	-669
Peace G.K., Tokyo, Japan ^{12), 14)}	99.00	JPY	5,186,767	JPY	52,767
Pipera Business Park S.r.l., Bucharest, Romania ^{11), 14)}	100.00	RON	86,254	RON	7,377
Private Joint Stock Company „EUROPA.UA Service“, Lviv, Ukraine	100.00	UAH	8,261	UAH	-1,510
Private Joint Stock Company „EUROPA.UA“, Lviv, Ukraine	100.00	UAH	8,343	UAH	402
Protecciones Esenciales S.A., Buenos Aires, Argentina	100.00	ARS	336,689	ARS	33,342
Residual Services Corporate Director Limited, London, United Kingdom ^{10), 14)}	100.00	GBP	—	GBP	—
Residual Services Limited, London, United Kingdom ^{10), 14), 17)}	100.00	GBP	1	GBP	—
River Terrace Parking, LLC, Wilmington, USA ^{8), 14)}	100.00	USD	19,550	USD	522
Saint Honoré Iberia S.L., Madrid, Spain	100.00	EUR	812	EUR	341
Sand Lake Re, Inc., Burlington, USA ¹⁴⁾	100.00	USD	11,977	USD	-177,565
SUM Holdings (Pty) Ltd., Johannesburg, South Africa ^{9), 14)}	72.20	ZAR	25,059	ZAR	5,326
Svedea AB, Stockholm, Sweden ¹⁴⁾	53.00	SEK	16,387	SEK	10,058
Svedea Skadeservice AB, Stockholm, Sweden	100.00	SEK	284	SEK	—
Synergy Targeted Risk Solutions (Pty) Ltd., Johannesburg, South Africa ^{6), 9)}	100.00	ZAR	2,042	ZAR	—
Talanx Finanz (Luxembourg) S.A., Luxembourg, Luxembourg	100.00	EUR	6,453	EUR	169
Talanx Reinsurance (Ireland) SE (formerly: Talanx Reinsurance (Ireland) PLC), Dublin, Ireland ¹⁴⁾	100.00	EUR	188,744	EUR	10,615
Thatch Risk Acceptances (Pty) Ltd., Johannesburg, South Africa ⁹⁾	70.00	ZAR	2,122	ZAR	4,489
Towarzystwo Ubezpieczeń Europa S.A., Wrocław, Poland	50.00	PLN	892,006	PLN	41,270

	Equity interest ¹⁾ in %		Equity ²⁾ in EUR thousand		Earnings before profit transfer ²⁾ in EUR thousand
2. Shares in affiliated companies in other countries					
Towarzystwo Ubezpieczeń i Reasekuracji WARTA S.A., Warsaw, Poland	75.74	PLN	1,998,203	PLN	258,995
Towarzystwo Ubezpieczeń na Życie „WARTA” S.A., Warsaw, Poland	100.00	PLN	344,420	PLN	19,625
Towarzystwo Ubezpieczeń na Życie Europa S.A., Wrocław, Poland	100.00	PLN	665,206	PLN	9,973
Transit Underwriting Managers (Pty) Ltd., Cape Town, South Africa ^{9), 14)}	56.67	ZAR	-20	ZAR	-435
U FOR LIFE SDN. BHD., Petaling Jaya, Malaysia ¹⁴⁾	60.00	MYR	-21,304	MYR	-8,638

	Equity interest ¹⁾ in %		Equity ²⁾ in EUR thousand		Earnings before profit transfer ²⁾ in EUR thousand
3. Participating interests					
Ampega C-QUADRAT Fondsmarketing GmbH, Frankfurt ⁶⁾	50.00	EUR	113	EUR	88
Caplantic GmbH, Hannover	45.00	EUR	3,567	EUR	1,500
Centaur Animal Health, Inc., Olathe, USA	7.56	USD	1,886	USD	202
Clarendon Transport Underwriting Managers (Pty) Ltd., Johannesburg, South Africa ^{9), 14)}	42.00	ZAR	18,512	ZAR	12,833
C-QUADRAT Ampega Asset Management Armenia LLC, Yerevan, Armenia	25.10	EUR	510	EUR	57
Credit Suisse (Lux) Gas TransitSwitzerland SCS, Luxembourg, Luxembourg	60.15	EUR	132,691	EUR	7,264
Elinvar GmbH, Berlin	37.50	EUR	706,349	EUR	55,930
Energi, Inc., Peabody, USA	28.50	USD	-65	USD	-20,941
FinLeap GmbH, Berlin	11.52	EUR	25,253	EUR	-3,470
HANNOVER Finanz GmbH, Hannover	27.78	EUR	81,509	EUR	18,078
Hannoversch-Kölnische Beteiligungsgesellschaft mbH, Hannover	50.00	EUR	28	EUR	—
Hannoversch-Kölnische Handels-Beteiligungsgesellschaft mbH & Co. KG, Hannover	50.00	EUR	16,010	EUR	1,562
IGEPA Gewerbepark GmbH & Co. Vermietungs KG, Fürstenfeldbruck	37.50	EUR	19,133	EUR	10,688
INDAQUA Indústria e Gestão de Águas S.A., Matosinhos, Portugal	49.94	EUR	-5,732	EUR	6,291
Inlife Holding (Liechtenstein) AG, Triesen, Liechtenstein	15.00	CHF	3,608	CHF	15,645
Internationale Schule Hannover Region GmbH, Hannover	15.72	EUR	4,210	EUR	521
ITAS Vita S.p.A., Trento, Italy	34.88	EUR	100,880	EUR	2,719
Kopano Ventures (Pty) Ltd, Johannesburg, South Africa ¹³⁾	6.59	ZAR	—	—	—
Liberty Life Insurance Public Company Ltd, Nicosia, Cyprus	3.30	EUR	7,873	EUR	-2,504
Life Invest Holding AG, Zurich, Switzerland ¹⁹⁾	15.00	CHF	38,776	CHF	36,776
Magma HDI General Insurance Company Ltd., Kolkata, India	25.50	INR	2,255,924	INR	-324,461
Meribel Topco Ltd., St. Helier, Jersey ¹⁴⁾	20.11	EUR	844	EUR	-70
Monument Insurance Group Limited, Hamilton, Bermuda ¹⁴⁾	20.00	USD	628	USD	-67
neue leben Pensionsverwaltung AG, Hamburg ¹⁶⁾	49.00	EUR	2,217	EUR	-126
Nürnbergischer Beteiligungs-AG, Nuremberg	2.33	EUR	638,839	EUR	43,245
OVB Holding AG, Cologne	0.70	EUR	88,270	EUR	12,690
Perseus Technologies GmbH, Berlin, Germany ¹³⁾	75.00	EUR	—	EUR	—
Petro Vietnam Insurance Holdings, Cau Giay, Vietnam	35.74	VND	6,360,424,007	VND	637,304,575
Qinematic AB, Lidingö, Sweden	10.71	SEK	-2,740	SEK	-2,107
Quality Insurance Services Luxembourg S.à.r.l., Luxembourg, Luxembourg	25.00	EUR	678	EUR	446
Reaseguradora del Ecuador S.A., Guayaquil, Ecuador ¹⁴⁾	30.00	USD	16,865	USD	1,977
RW Holding AG, Düsseldorf	0.54	EUR	391,526	EUR	-33,430
Sommerset Reinsurance Ltd., Hamilton, Bermuda	16.90	USD	350,157	USD	-5,602
Sureify Labs, Inc., San Jose, USA ¹⁴⁾	20.66	USD	622	USD	-2,148
Trinity Underwriting Managers Limited, Toronto, Canada ¹⁴⁾	20.00	CAD	-1,711	CAD	29
VOV GmbH (formerly: VOV Verwaltungsorganisation für Vermögensschadenhaftpflicht-Versicherungen für Mitglieder von Organen juristischer Personen GmbH), Cologne	35.25	EUR	1,986	EUR	40
WeHaCo Unternehmensbeteiligungs-GmbH, Hannover	40.00	EUR	89,440	EUR	16,232
xbAV Beratungssoftware GmbH, Munich	5.02	EUR	166	EUR	-112

4. Investments in large corporations exceeding 5% of the voting rights (large corporation within the meaning of section 341a of the German Commercial Code [HGB])	Equity interest ¹⁾ in %		Equity ²⁾ in EUR thousand		Earnings before profit transfer ²⁾ in EUR thousand
Acte Vie S.A. Schiltigheim, France	9.38	EUR	9,258	EUR	170
Extremus Versicherungs-AG, Cologne	13.00	EUR	64,740	EUR	300
M 31 Beteiligungsgesellschaft mbH & Co. Energie KG, Düsseldorf	8.90	EUR	1,089,571	EUR	71,357
MLP AG, Wiesloch	9.48	EUR	392,672	EUR	18,219

- ¹⁾ The equity interest is determined by adding up all directly and indirectly held interests in accordance with section 16(2) and section 16(4) of the German Stock Corporation Act (AktG).
- ²⁾ The figures correspond to the local GAAP or IFRS annual financial statements of the companies; differing currencies are indicated.
- ³⁾ The exemptions allowed by section 264(3) of the German Commercial Code (HGB) were applied.
- ⁴⁾ The exemption provision allowed by section 264b of the German Commercial Code (HGB) was applied.
- ⁵⁾ Company is inactive and does not prepare annual financial statements.
- ⁶⁾ Company is in liquidation.
- ⁷⁾ Company prepares its own subgroup financial statements.
- ⁸⁾ Included in the subgroup financial statements of Hannover Re Real Estate Holdings, Inc.
- ⁹⁾ Included in the subgroup financial statements of Hannover Reinsurance Group Africa (Pty) Ltd.
- ¹⁰⁾ Included in the subgroup financial statements of Argenta Holdings Limited.
- ¹¹⁾ Included in the subgroup financial statements of HR GLL Central Europe GmbH & Co. KG.
- ¹²⁾ Included in the subgroup financial statements of PAG Real Estate Asia Select Fund Limited.
- ¹³⁾ Company was formed in the reporting period – no annual report/annual financial statements available yet.
- ¹⁴⁾ Figures as at 2017 financial year-end, provisional/unaudited.
- ¹⁵⁾ A profit/loss transfer agreement is in force.
- ¹⁶⁾ The net income for nl Pensionskasse AG, Hamburg, is included in the net income of this company.
- ¹⁷⁾ The company has 35 subsidiaries with equity of less than EUR 0.1 million.
- ¹⁸⁾ Figures for the financial year 1 April to 31 December 2016.
- ¹⁹⁾ Figures for the financial year 8 May 2015 to 31 December 2016.

B.I.2. Receivables from affiliated companies

	31.12.2017	31.12.2016
EUR thousand		
	454,606	457,779

This item largely consists of receivables from profit transfer agreements and income from participating interests as well as receivables from cash management accounts and current transactions.

B.I.3. Other assets

	31.12.2017	31.12.2016
EUR thousand		
Other receivables	127,204	171,418

“Other receivables” largely consist of receivables from tax authorities and from assumed obligations.

B.II. Other securities

	31.12.2017	31.12.2016
EUR thousand		
	100,132	52,231

This item largely consists of bearer bonds.

B.III. Cash at banks, cash-in-hand

	31.12.2017	31.12.2016
EUR thousand		
	815,263	182,451

This item contains call and fixed deposits, current bank balances and cash-in-hand.

C. Prepaid expenses

	31.12.2017	31.12.2016
EUR thousand		
Accrued interest (discount)	4,077	3,605
Deferred administrative expenses	3,246	3,211
	7,323	6,816

D. Excess of plan assets over post-employment benefit liability

	31.12.2017	31.12.2016
EUR thousand		
	15	22

This item contains the amount of plan assets exceeding the corresponding obligations as defined in section 246(2) sentence 3 of the HGB.

Notes to the balance sheet – Equity and liabilities

A.I. Subscribed capital

	31.12.2017	31.12.2016
EUR thousand		
	315,997	315,997

Subscribed capital and number of shares outstanding

The share capital was unchanged at EUR 316 million and is composed of 252,797,634 no-par value registered shares; it is fully paid up.

Of Talanx AG's share capital, 79.0% (79.0%) of the shares were held by HDI V.a.G. as at 31 December 2017. The rest were held in free float.

Contingent capital

On 11 May 2017, the Annual General Meeting resolved to contingently increase the share capital by up to EUR 126 million by issuing up to 101,119,057 new no-par value shares (Contingent Capital I). The contingent capital increase is designed to grant no-par value shares to holders of registered bonds that Talanx AG or a subordinate Group company within the meaning of section 18 of the German Stock Corporation Act (AktG) will issue by 10 May 2022 in exchange for cash, in order to satisfy the contingent conversion obligation, on the basis of the authorisation of the Board of Management by the resolution adopted by the Annual General Meeting on the same date.

The same Annual General Meeting resolved to contingently increase the share capital by up to EUR 32 million by issuing up to 25,279,760 new no-par value shares (Contingent Capital II). The contingent capital increase is designed to grant no-par value shares to holders of bonds (convertible bonds and bonds with warrants) and participating bonds and profit participation rights with conversion rights or warrants or (contingent) conversion obligations that Talanx AG or its subordinate Group companies within the meaning of section 18 of the AktG will issue between 11 May 2017 and 10 May 2022 on the basis of the authorising resolution adopted by the Annual General Meeting on the same date.

The amendments to the Articles of Association took effect on their entry in the commercial register on 14 June 2017.

Authorised capital

On 11 May 2017, the Annual General Meeting resolved to renew the authorised capital in accordance with article 7(1) of Talanx AG's Articles of Association and to insert a new article 7(1), which authorises the Board of Management, subject to the approval of the Supervisory Board, to increase the share capital on one or more occasions until 10 May 2022 by a maximum of EUR 157,998,521.25 million by issuing new no-par value registered shares in exchange for cash or non-cash contributions. Subject to the approval of the Supervisory Board, EUR 1 million of this may be used to issue employee shares. Subject to the approval of the Supervisory Board, shareholders' pre-emptive rights may be disappplied for certain listed purposes in the case of cash capital increases. Subject to the approval of the Supervisory Board, pre-emptive rights may be disappplied for non-cash capital increases if their disapplication is in the Company's overriding interest. Excluding pre-emptive rights, the total shares issuable on the basis of this authorisation may not exceed 20% of the share capital. The amendment to the Articles of Association took effect on its entry in the commercial register on 14 June 2017.

On 11 May 2017, the Annual General Meeting of Talanx AG resolved to distribute a dividend of EUR 1.35 per share to the shareholders for financial year 2016, resulting in a total distribution of EUR 341 million.

A.III. Retained earnings

	31.12.2017	31.12.2016
EUR thousand		
	2,901,819	2,901,819

The entire amount reported relates to other revenue reserves.

The amount subject to a restriction on distribution in accordance with section 253(6) of the HGB is EUR 102,947 thousand. To calculate the difference, the amount of the obligation, discounted and reported at the average interest rate for the last ten years, was compared with the amount that would have resulted had the discount been the average interest rate for the last seven years.

A total of EUR 33 thousand of this amount is subject to a restriction on distribution in accordance with section 268(8) of the HGB, due to the recognition of assets at fair value. The available reserves exceed this amount.

A.IV. Distributable profit

	31.12.2017	31.12.2016
EUR thousand		
	627,069	824,896

This item consists of the 2016 distributable profit of EUR 483,619 thousand, which was carried forward to new account on the basis of the resolution by the Annual General Meeting on 11 May 2017, and the net income of the reporting period amounting to EUR 143,450 thousand.

B.1. Provisions for pensions and other post-employment benefits

	31.12.2017	31.12.2016
EUR thousand		
	793,654	758,380
Pension provisions as at 31.12.2016		758,380
Change		4,707
Unwinding of discounts/ Change in interest rate		30,480
Capitalised surrender value of offsettable pension liability insurances		87
Recognised pension provisions as at 31.12.2016		793,654

The settlement amount of the employer-funded pension provision amounted to EUR 803,409 thousand. The fair value of the insurance contracts entered into to cover these obligations was EUR 9,802 thousand as at 31 December 2017. The settlement amount of the employee-funded pension provision amounted to EUR 968 thousand. The fair value of the insurance contracts entered into to cover these obligations was EUR 921 thousand as at 31 December 2017. Based on a large portfolio of liabilities covered in the agreement on the assumption of joint liability, Talanx AG is entitled to the future reimbursement of already allocated temporary provision differences related to the German Accounting Law Modernisation Act

(BilMoG) in accordance with section 67(1) sentence 1 of the Introductory Act to the German Commercial Code (EGHGB). The valuation of these receivables amounting to EUR 34,756 thousand, which are not yet due in accordance with the provisions of the agreement, was offset against the provision. The plan assets are recognised at fair value in accordance with section 253(1) sentence 4 of the HGB.

In the reporting period, income from plan assets held to cover pension obligations amounting to EUR 372 thousand was offset against expenses from the unwinding of discounted amounts of EUR 30,480 thousand in the provision for pensions.

C.1. Bonds

	31.12.2017	31.12.2016
EUR thousand		
	1,814,900	1,064,900

On 5 December 2017, Talanx AG issued subordinated bonds. The bonds have an aggregate nominal amount of EUR 750.0 million with a maturity of 30 years and can be called for the first time after ten years. On 11 February 2013, Talanx AG issued a bond. This senior bond has an aggregate nominal amount of EUR 750.0 million and a term of ten years. The amount reported in this item includes EUR 564.9 million subscribed by non-Group bondholders. The bonds subscribed by Group companies are reported under C.4. Talanx AG placed a senior unsecured bond with a volume of EUR 500.0 million on 16 July 2014. This bond carries a fixed coupon and matures on 23 July 2026.

C.2. Liabilities to banks

	31.12.2017	31.12.2016
EUR thousand		
	78	86

Talanx AG has entered into agreements on two syndicated credit facilities with various financial institutions as lenders. The amount disclosed mainly relates to accrued commitment interest.

C.4. Liabilities to affiliated companies

	31.12.2017	31.12.2016
EUR thousand		
	1,065,493	962,760

On 4 April 2012, Talanx Finanz (Luxemburg) S. A. issued subordinated bonds with a maturity of 30 years whose repayment is guaranteed by Talanx AG. The proceeds from the issuance were made available to Talanx AG in the form of a loan. The amount of the loan at the reporting date was EUR 500.0 million.

Group companies subscribed EUR 185.1 million of the senior bond described under C.1.

On 8 May 2014, Talanx AG issued a EUR 107.5 million bond, which was subscribed exclusively by Group companies.

In addition, other liabilities have been recognised for short-term cash management accounts and liabilities from current transactions with subsidiaries.

The total amount includes liabilities with a remaining term of more than five years amounting to EUR 292.6 million.

C.5. Other liabilities

	31.12.2017	31.12.2016
EUR thousand		
	22,713	21,453

This item mainly consists of accrued interest on issued bonds.

D. Deferred income

	31.12.2017	31.12.2016
EUR thousand		
Deferred interest (premium)	4,432	5,035

Notes to the statement of income

1. Income from participating interests

	2017	2016
EUR thousand		
Distributions/shares in profits from affiliated companies	312,369	305,220
Share in profits from investees	939	765
	313,308	305,985

2. Income from profit transfer agreements

	2017	2016
EUR thousand		
	198,626	323,477

This income is attributable to profit/loss transfer agreements entered into with the companies listed under "Key agreements".

3. Revenue

	2017	2016
EUR thousand		
	17,874	14,651

This item almost exclusively includes income from services. Revenues are generated almost exclusively in Germany.

5. Personnel expenses

	2017	2016
EUR thousand		
	66,632	63,272

This item includes Board of Management remuneration, salaries, social security contributions and pension payments. The amount is shown net of the change in the provisions for pensions, including indemnification claims.

7. Other operating expenses

	2017	2016
EUR thousand		
Supervisory Board remuneration and attendance allowances	2,527	2,472
Expenses from internal cost allocations	16,829	15,859
Liquidation of temporary provision differences related to the German Accounting Law Modernisation Act (BilMoG)	—	126,085
Effect of change in interest rates resulting from the new regulation on pensions	—	-98,298
Audit and consulting expenses	8,379	5,114
External services, including rating fees	4,553	4,201
Contribution fees of banks	1,208	461
Cost of assumption of joint liability	—	7,681
Other expenses	5,107	4,789
	38,603	68,364

8. Income from other securities and long-term loans

	2017	2016
EUR thousand		
	10,145	10,350

The amount reported relates to interest income on loans granted to affiliated companies and to other fixed-income securities.

9. Other interest and similar income

	2017	2016
EUR thousand		
	7,559	5,467

The amounts reported in this item mainly consist of interest on tax refunds and interest income on profit/loss transfer agreements.

10. Write-downs of long-term financial assets and securities classified as current assets

	2017	2016
EUR thousand		
	3,935	1,160

The write-downs of investments include impairment losses of EUR 2,970 thousand in accordance with section 277(3) sentence 1 of the HGB.

11. Attributable to interest and similar expenses

	2017	2016
EUR thousand		
	114,528	119,891

The amount recognised relates to interest expenses in connection with bonds issued, interest expenses on loans to various Group companies, interest expenses from the unwinding of discounted pensions and commitment interest.

12. Cost of loss absorption

	2017	2016
EUR thousand		
	203,855	—

Loss absorption relates to profit/loss transfer agreements entered into with the companies listed under "Key agreements".

13. Taxes on income

	2017	2016
EUR thousand		
Taxes for reporting period	4	—
Prior-period taxes	-21,379	-11,125
	-21,375	-11,125

The pre-tax profit of EUR 122 (previous year: 407) million results in tax income of EUR 21 (11) million attributable to prior years. Significant amounts of income in the financial year were recognised practically free of tax.

At Talanx AG, including its tax group subsidiaries, deferred taxes are measured using a corporation tax rate (including the solidarity surcharge) of 15.83% (unchanged) and a trade tax rate of 16.31%. Deferred tax liabilities, which relate in particular to the balance sheet items "Shares in affiliated companies" and "Participating interests" (due to differences between the carrying amounts of shares in partnerships) were offset against deferred tax assets, in particular in respect of the balance sheet item "Loss and loss adjustment expense reserve". Deferred tax assets in excess of these offset amounts are not recognised, as allowed by the option under section 274(1) sentence 2 of the HGB. There was no excess of deferred tax liabilities.

Other disclosures

Key agreements

Talanx has entered into control and profit and loss transfer agreements with:

- Talanx Deutschland AG
- Talanx Reinsurance Broker GmbH
- Talanx Service AG
- Talanx Asset Management GmbH
- Talanx International AG
- HDI Global SE
- Talanx Systeme AG

Cooperation agreement with HDI Haftpflichtverband der Deutschen Industrie V. a. G.

On 21 October 2016, Talanx AG concluded a cooperation agreement with HDI Haftpflichtverband der Deutschen Industrie V.a.G. which allows Talanx AG to offer HDI subordinated bonds with a maturity of five years and a volume of up to EUR 500.0 million on a revolving basis. Talanx AG is obliged to convert these bonds into registered shares with voting rights in the event of an increase in capital with pre-emptive rights. With the conversion of these bonds, HDI Haftpflichtverband der Deutschen Industrie V.a.G. waives its pre-emptive rights resulting from the capital increase that led to the conversion. It does so for that number of new Talanx shares that corresponds to the number of Talanx shares that HDI Haftpflichtverband der Deutschen Industrie V.a.G. will receive in the course of the obligatory conversion of the bond – i.e. only to the extent to which new shares resulting from the capital increase are replaced by shares resulting from the conversion.

Existing credit lines

Under the terms of the agreements that Talanx AG has entered into with banks, there are two syndicated variable-rate credit lines in a nominal amount of EUR 500.0 million with a term of five years that are designed to provide short- to medium-term financing. The existing syndicated credit lines can be terminated by the lenders if there is a change of control, i.e. if a person or persons acting in concert other than HDI Haftpflichtverband der Deutschen Industrie V.a.G. gains direct or indirect control over more than 50% of the voting rights or share capital of Talanx AG.

Obligation to grant loans

In the agreement of 19 May 2017 with HDI Lebensversicherung AG, Talanx AG undertook to grant HDI Lebensversicherung AG a subordinated loan in the amount of EUR 100.0 million at any time when requested until 31 December 2032.

Employees

Average annual number of employees	2017	2016
Full-time employees	195	201
Part-time employees	46	40
Total	241	241

Governing bodies of the Company

The names of the members of the Supervisory Board and the Board of Management can be found under “Governing bodies of the Company” in the annual report.

Remuneration of members of governing bodies

The total remuneration of the Board of Management amounted to EUR 8,580 (9,162) thousand in the reporting period. The total remuneration of the Supervisory Board amounted to EUR 2,124 (2,077) thousand in the reporting period. Former members of the Board of Management and their surviving dependants received total remuneration of EUR 604 (608) thousand. Provisions of EUR 31,042 (29,204) thousand have been recognised for pension obligations to former members of the Board of Management and their surviving dependants.

All other information on the remuneration of the Board of Management and Supervisory Board as well as the structure of the remuneration system is contained in the remuneration report, which is part of the combined management report.

Related party disclosures

No transactions were entered into with related parties at off-market terms in the reporting period that are material for an assessment of the net assets or results of operations.

Total fees paid to the auditors

KPMG AG Wirtschaftsprüfungsgesellschaft's fee for financial statement audit services primarily comprises the fees for auditing the consolidated financial statements including statutory extensions to the mandate, the audit review of the interim report and audits of the annual financial statements and solvency overviews of the subsidiaries included in the consolidated financial statements. The fees for other assurance services relate to the issuing of a comfort letter and legally or contractually stipulated audits. The fees for tax advisory services include in particular fees for tax return support services and tax advice on individual issues. The fees for other services cover advisory services in connection with the initial introduction of new accounting principles and training on current developments in accounting as well as quality assurance support services and IT-related advisory services. The auditors' fee for services provided to Talanx AG in accordance with section 285 No. 17 of the HGB is disclosed in the Notes to the consolidated financial statements of the Talanx Group.

Contingent liabilities and other financial commitments

In the course of its IPO, Talanx AG indemnified all the banks involved in the IPO against any liability arising from the IPO under the terms of the underwriting agreement dated 19 September 2012. In this context, Talanx AG assumed standard market guarantees and warranties.

As a result of the spin-off of various participating interests from Talanx Service AG to our Company in 2010, Talanx AG – as the receiving legal entity under section 133 of the German Reorganisation Act (UmwG) – is liable together with Talanx Service AG as a joint and several debtor for the liabilities of Talanx Service AG that were entered into prior to the effective date of the spin-off on 4 August 2010 for a period of ten years in the case of benefit obligations under the German Occupational Pensions Act. The total amount of these liabilities is EUR 26.0 million, of which EUR 26.0 million is due to affiliated companies.

HDI Global SE, Hannover, has assumed an obligation for internal purposes only in respect of old-age pensions for active and former employees, general managers and members of the Board of Management through assumption of joint liability and is liable for settlement of these liabilities. These benefit promises also result in joint liability for the Company amounting to EUR 5.5 million at the end of the financial year.

The shortfall attributable to unrecognised benefit commitments as defined by Article 28(2) of the EGHGB amounts to EUR 0.2 million.

In its capacity as sponsor of Gerling Versorgungskasse VVaG, the Company is proportionately liable for any underfunding at Gerling Versorgungskasse.

Talanx AG has assumed guarantees for restoration obligations relating to the Group's own wind farms amounting to EUR 4.5 million.

According to the Company's Board of Management, any claims for liabilities resulting from the aforementioned contingent liabilities are considered to be unlikely.

The total amount of the financial commitments is EUR 36.2 million, of which EUR 31.7 million is attributable to retirement provision liabilities and EUR 31.7 million to liabilities due to affiliated companies.

Notifications in accordance with section 21(1) and (1a) of the German Securities Trading Act (WpHG)

Notification by Meiji Yasuda Life Insurance Company dated 17 July 2015

Talanx Aktiengesellschaft
17 July 2015

Meiji Yasuda Life Insurance Company, Tokyo, Japan, notified us on 17 July 2015 in accordance with section 21(1) of the WpHG that its share of the voting rights in Talanx Aktiengesellschaft, Hannover, Germany, fell below the threshold of 5% of voting rights on 15 July 2015, and on this day amounted to 4.94% (corresponding to 12,493,442 voting rights).

Notification by HDI V.a.G. dated 1 October 2012

Talanx Aktiengesellschaft
4 October 2012

Publication of voting rights notifications in accordance with section 26(1) and section 21(1a) of the WpHG (notification at the time of initial listing)

HDI Haftpflichtverband der Deutschen Industrie Versicherungsverein auf Gegenseitigkeit, Riethorst 2, 30659 Hannover, Germany, notified us in accordance with section 21(1a) of the WpHG that its share of the voting rights in Talanx Aktiengesellschaft, Riethorst 2, 30659 Hannover, Germany, amounted to 89.08% (208,000,000 voting rights) on 1 October 2012, the date on which the shares of Talanx Aktiengesellschaft were admitted for the first time to trading on the stock exchanges in Frankfurt am Main and Hannover.

Consolidated financial statements

The Company is a group company of HDI Haftpflichtverband der Deutschen Industrie Versicherungsverein auf Gegenseitigkeit, Hannover. HDI (the parent company) prepares consolidated financial statements in accordance with section 341i of the HGB in which the Company is included. As the parent company of the Talanx Group, Talanx AG is also required by section 290 of the HGB to prepare consolidated financial statements. On the basis of section 315e(1) of the HGB, these consolidated financial statements must be prepared in accordance with International Financial Reporting Standards (IFRSs), as adopted by the European Union (EU), in compliance with article 4 of Regulation (EC) No 1606/2002. The consolidated financial statements are published in the electronic Federal Gazette.

Declaration of conformity in accordance with section 161 of the German Stock Corporation Act (AktG)

The declaration of conformity with the German Corporate Governance Code required by section 161 of the AktG has been issued and made permanently available to the shareholders on Talanx AG's website (<http://www.talanx.com/corporate-governance/entsprecherklaerung>), as described in the Board of Management's corporate governance declaration in the Group management report ("Declaration on Corporate Governance and Corporate Governance report").

Events after the end of the reporting period

Storm "David" (also called "Friederike") battered Europe on 18 January 2018, bringing gale-force winds from the west. In Germany, the worst-hit regions were North Rhine-Westphalia and Lower Saxony, where the Group has a high insurance density. For the Talanx Group, we are expecting this event to incur losses of up to EUR 60 million net.

Proposal for the appropriation of distributable profits

The Board of Management and Supervisory Board will propose to the Annual General Meeting that Talanx AG's distributable profit of EUR 627,068,565.99, as reported as at 31 December 2017, should be appropriated as follows:

- A distribution of a dividend of EUR 1.40 for each no-par value share bearing dividend rights: EUR 353,916,687.60
- Retained profits brought forward: EUR 273,151,878.39

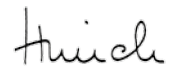
Prepared and hence authorised for publication in Hannover on 28 February 2018.

Talanx Aktiengesellschaft

Board of Management



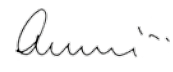
Herbert K Haas,
Chairman



Dr Christian Hinsch,
Deputy Chairman



Torsten Leue



Dr Immo Querner



Ulrich Wallin



Dr Jan Wicke

Independent auditors' report

To Talanx Aktiengesellschaft, Hannover

Report on the audit of the annual financial statements and combined management report

Audit opinion

We have audited the annual financial statements of Talanx Aktiengesellschaft, Hannover, which consist of the balance sheet as at 31 December 2017, the statement of income for the financial year from 1 January to 31 December 2017 and the Notes including the reported accounting policies. We have also assessed the combined management report of Talanx Aktiengesellschaft for the financial year from 1 January to 31 December 2017. In accordance with the German statutory requirements, we did not audit the contents of the consolidated non-financial statement and the Declaration on Corporate Governance and the Corporate Governance report, which can be found in the "Consolidated non-financial statement" section and the "Corporate Governance" section in the combined management report.

In our opinion, which is based on the findings of our audit,

- the attached annual financial statements comply in all material respects to the requirements of German commercial law applicable to corporations and provide a true and fair view of the net assets and financial position of the Company as at 31 December 2017 and its results of operations from 1 January to 31 December 2017 in accordance with the German principles of proper accounting.
- the accompanying combined management report provides a true and fair view of the Company's position overall. In all material respects, this combined management report is consistent with the annual financial statements, complies with the German statutory requirements and provides a true and fair

description of the opportunities and risks associated with the expected development of the Group. Our audit opinion on the combined management report does not extend to the contents of the Group's aforementioned consolidated non-financial statement and Declaration on Corporate Governance or the Corporate Governance report.

In accordance with section 322(3) sentence 1 of the HGB, we declare that our audit has not led to any reservations as to the correctness of the annual financial statements and the combined management report.

Basis for the audit opinion

We carried out our audit of the annual financial statements and combined management report in accordance with section 317 of the HGB and EU Regulation (No 537/2014; hereinafter referred to as "EU-APrVO") and generally accepted German standards for the audit of financial statements promulgated by the Institute of Public Auditors in Germany (IDW). Our responsibility in accordance with these requirements and guidelines is described further in the "Auditors' responsibility for the audit of the annual financial statements and combined management report" section of our report. We were instructed independently by the Company in accordance with the requirements under European and German commercial and occupational law and have fulfilled our other professional duties which are generally accepted in Germany in accordance with these requirements. In accordance with article 10(2f) of the EU-APrVO, we also declare that we have not provided any prohibited non-audit services in accordance with article 5(1) of the EU-APrVO. We believe that the evidence we gathered in the audit provides a sufficient and reasonable basis for our opinion on the annual financial statements and combined management report.

Particularly important facts for the audit of the annual financial statements

Particularly important facts are facts which we judged to be of the highest importance for the audit of the annual financial statements for the financial year from 1 January to 31 December 2017. These facts were taken into consideration as a whole during our audit of the annual financial statements and when forming our opinion; we do not submit a separate opinion on these facts.

Valuation of shares in affiliated companies

For accounting methods, please refer to the information in the Notes on pages 17–18. Please also refer to pages 20 and 21 for fair values and valuation reserves and pages 22–28 for shareholdings. Risk information is given in the combined management report on pages 142–143.

Risk for the financial statements

The annual financial statements of Talanx AG as at 31 December 2017 include shares in affiliated companies of EUR 7,404 million listed under “Long-term financial assets”. The proportion of total assets attributable to shares in affiliated companies totals 81%, therefore significantly influencing the net assets of the Company.

The shares in affiliated companies are reported at costs or, if the impairment is expected to be permanent, at a lower fair value. The Company applies fair value for all property companies in primary insurance using an income approach. For life insurance companies in primary insurance, the fair value is calculated using a modified income approach in accordance with IDW S 1 in conjunction with RS HFA 10. For the subsidiary in reinsurance, the fair value is based on the market price as at 30 December 2017.

The cash flows used for the income approach are based in principle on individual plans for participating interests for the next five years and are updated using long-term growth rate estimates. Each capitalisation rate is derived from the return on a risk-adequate alternative investment. If the fair value is lower than the carrying amount, qualitative and quantitative criteria are used to assess whether the impairment is expected to be permanent.

Calculating fair value using the income approach is complex and strongly dependent on estimations and assessments performed by the Company in terms of the assumptions made. This applies in particular to estimating future cash flows and long-term growth rates, calculating capitalisation rates and assessing the permanence of the impairment. Due to the duration of the current low-interest phase, in particular the valuation of future cash flows in German primary life insurance companies with guarantees from insurance business that are more sensitive to interest rates involves increased valuation risks.

Our auditing procedure

We carried out the following main audit procedures in order to assess the valuation of shares in affiliated companies:

- We assessed the adequacy of the internal controls in place for the valuation and carried out functional checks to verify their efficacy, with a focus on quality assurance controls.
- We critically assessed a selection of assumptions used for making cash flow projections against our understanding of the operating activities, sector and macroeconomic developments.
- In order to assess the quality of the internal forecasting process, we checked the projections for the aforementioned selection against internally approved business plans and compared plans from previous years with the results that have already been achieved.

- This also involved assessing the mathematical accuracy of the given present value representation.
- In addition, we critically assessed the capitalisation rates using inputs observable on the market from independent sources. For this, we consulted with our own valuation specialists.
- We assessed whether the write-downs or reversals were accurately performed based on the measurements.

Our conclusions

The procedure underlying the valuation of shares in affiliated companies is adequate and in accordance with the valuation principles. The assumptions and parameters used by the Company are adequate.

Other information

The legal representatives are responsible for other information. Other information comprises:

- the consolidated non-financial statement
- the Declaration on Corporate Governance
- the Corporate Governance report
- other parts of the Annual Report except the audited annual financial statements, combined management report and our auditors' report.

Our audit opinion on the annual financial statements and combined management report does not extend to other information and we therefore do not issue either an audit opinion or any other form of audit conclusion to that end.

In conjunction with our audit, we are responsible for reading other information and appraising whether it

- deviates significantly from the annual financial statements, combined management report or the knowledge we gain during our audit or
- appears to be materially misrepresented in any other way.

Legal representatives' and Supervisory Board's responsibility for the annual financial statements and combined management report

The legal representatives are responsible for preparing the annual financial statements, which comply in all material aspects with the requirements of German commercial law that apply to corporations, and ensuring that the annual financial statements provide a true and fair view of the net assets, financial position and results of operations of the Company in accordance with the German principles of proper accounting. Furthermore, in accordance with the German principles of proper accounting, the legal representatives are responsible for the internal checks which they have deemed necessary in order to prepare annual financial statements that contain no material – deliberate or accidental – misrepresentations.

When preparing the annual financial statements, the legal representatives are responsible for assessing the Company's ability to continue as a going concern. They are also responsible for specifying any relevant facts related to the Company continuing as a going concern. Furthermore, they are responsible for ensuring accounts are drawn up on a going concern basis unless there are any actual or legal circumstances which prevent this.

The legal representatives are also responsible for preparing the combined management report, which provides a true and fair view of the Company's position overall and complies in all material aspects with the annual financial statements, is in accordance with the German statutory requirements and provides a true and fair description of the opportunities and risks associated with the future development of the Company. In addition, the legal representatives are responsible for any precautions and measures (systems) they deem necessary for preparing a combined management report in accordance with the applicable German statutory requirements and providing sufficient and reasonable evidence for the statements made in the combined management report.

The Supervisory Board is responsible for monitoring the Company's accounting process as it prepares the annual financial statements and the combined management report.

Auditors' responsibility for the audit of the annual financial statements and combined management report

We aim to ascertain with reasonable assurance whether the annual financial statements as a whole contain any material – deliberate or accidental – misrepresentations and whether the combined management report provides a true and fair view of the Company's position overall and is consistent in all material aspects with the annual financial statements and any findings made during the audit, is in accordance with the German statutory requirements and provides a true and fair description of the opportunities and risks associated with the future development of the Company. We also aim to produce an auditors' report which contains our audit opinion on the annual financial statements and combined management report.

Reasonable assurance represents a high degree of certainty but is no guarantee that an audit carried out in accordance with section 317 of the HGB, the EU-APrVO and the generally accepted German standards for the audit of financial statements promulgated by the IDW will always discover any material misrepresentation. Misrepresentations may be the result of violations or inaccuracies and are deemed to be material if they could reasonably be expected to influence, individually or collectively, the economic decisions of users made on the basis of these annual financial statements and the combined management report.

We exercise reasonable discretion and maintain a critical approach during audits. Furthermore:

- we identify and assess the risks of material – deliberate or accidental – misrepresentations in the annual financial statements and combined management report, plan and carry out audit procedures in response to these risks and gather sufficient and reasonable

evidence to serve as a basis for our audit opinion. There is a greater risk that we will not discover material misrepresentations associated with violations as opposed to inaccuracies as violations may involve fraudulent collaboration, fabrication, deliberate omissions, misleading representation or bypassing internal checks.

- we gain an understanding of the relevant internal systems of control for auditing the annual financial statements and the relevant precautions and measures for auditing the combined management report in order to plan audit procedures which are adequate for the current circumstances but where the objective is not to issue an audit opinion on the efficacy of the Company's systems.
- we assess the adequacy of the accounting policies used by the legal representatives and evaluate how reasonable their estimated values and related data are.
- we draw conclusions about the adequacy of the going concern accounting approach used by the legal representatives and, on the basis of the evidence gathered in the audit, whether there is significant uncertainty surrounding events or circumstances that could raise significant doubts about the Company's ability to continue as a going concern. If we conclude that there is significant uncertainty, we are required to draw attention in the auditors' report to the corresponding data contained in the annual financial statements and the combined management report or, if this data is inadequate, to modify our audit opinion accordingly. We draw our conclusions based on the evidence obtained during the audit up to the date of our auditors' report. However, future events or circumstances may lead to a situation where the Company can no longer continue as a going concern.
- we assess the overall presentation, structure and contents of the annual financial statements including the data contained therein. We also assess whether the annual financial statements represent the underlying transactions and events in such a way that the annual financial statements give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with the German principles of proper accounting.

- we assess how far the combined management report is consistent with the annual financial statements, whether it has been produced in accordance with the relevant legislation and the view it gives of the Company's position.
- we carry out audit procedures on the forecasts presented in the combined management report by the legal representatives. Based on sufficient and reasonable evidence gathered in the audit, we retrace in particular the significant assumptions on which the legal representatives based the forecasts and assess whether the forecasts were adequately derived from these assumptions. We do not issue an independent audit opinion on the forecasts or the assumptions they are based on. There is a considerable and unavoidable risk that future events may differ significantly from the forecasts.

We discuss a range of relevant matters with those responsible for supervision including the planned scope and schedule of the audit as well as significant audit findings, including any weaknesses in the internal system of control that we identify during our audit.

We issue a declaration to those responsible for supervision that we have complied with the relevant independence criteria and discuss with them all relationships and other matters that may reasonably be assumed to affect our independence and any related preventive measures adopted.

From all the matters we discussed with those responsible for supervision, we determine which were the most important in terms of the audit of the annual financial statements for the current reporting period and thereby define which are particularly important from an audit perspective. We describe these matters in the auditors' report, unless any laws or other legislation preclude their public disclosure.

Other statutory and legal requirements

Other data in accordance with article 10 of the EU-APrVO

We were elected as auditors by the Annual General Meeting of 11 May 2017. We were instructed by the Supervisory Board on 16 May 2017. We have been auditing Talanx AG as a capital market-oriented company since it went public in 2012.

We declare that the audit opinion provided in this auditors' report is consistent with the supplementary report to the Audit Committee in accordance with article 11 of the EU-APrVO (audit report).

Responsible auditors

The auditor responsible for the audit is Florian Möller.

Hannover, 9 March 2018

KPMG AG
Wirtschaftsprüfungsgesellschaft

Florian Möller	Christoph Czupalla
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Responsibility statement

To the best of our knowledge, and in accordance with the applicable accounting principles, the annual financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the management report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the material opportunities and risks associated with the expected development of the Company.

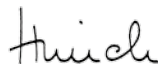
Hannover, 28 February 2018

Talanx Aktiengesellschaft

Board of Management



Herbert K Haas,
Chairman



Dr Christian Hinsch,
Deputy Chairman



Torsten Leue



Dr Immo Querner



Ulrich Wallin



Dr Jan Wicke

Glossary and definitions of key figures.

Bancassurance

A partnership between a bank/postal service partner and an insurance company for the purpose of selling insurance products through the banking/postal service partner's branches. The linkage between insurer and bank often takes the form of a capital investment or a long-term strategic cooperation between the two partners.

Contribution

> Premium.

Earnings per share, diluted

A ratio calculated by dividing Group net income attributable to the shareholders of Talanx AG by the average weighted number of shares outstanding. Diluted earnings per share reflect exercised or as yet unexercised pre-emptive rights when calculating the number of shares.

Fair value

The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

International Financial Reporting Standards – IFRS

Formerly known as IASs (International Accounting Standards), these accounting standards have been applied at Talanx since 2004.

Life insurance

Collective term covering those types of insurance that are concerned in the broader sense with the risks associated with the uncertainties of life expectancy and life planning. These include insurance relating to death, disability and retirement provision, as well as marriage and education.

Net income for the financial year

Result from ordinary activities plus extraordinary result less tax.

Operating profit/loss (EBIT)

Sum of net investment income, underwriting result and other income and expenses before interest for other debt borrowed for financing purposes (financing costs) and before taxes (taxes on income).

Other operating expenses and writedowns

Expenses for ordinary activities, e.g. personnel and non-personnel operating expenses, depreciation, amortisation and write-downs, realised losses on investments, foreign exchange losses, and the cost of services.

Other operating income

Income from ordinary activities, such as realised gains on investments, currency translation.

Premium (also: Contribution)

The remuneration agreed for the risks accepted by the insurer.

Result from ordinary activities

Profit or loss for the period before extraordinary result and taxes.

Retail business

- a) In general: business with private (retail) customers.
- b) Ampega: business involving investment funds that are designed essentially for private, non-institutional investors, but are also open to investments by Group companies.

Surplus participation

Legally required participation (recalculated each year) by policyholders in the surpluses generated by life insurers.

Underwriting

The process of examining and assessing (re)insurance risks in order to determine an appropriate premium for the risk in question. The purpose of underwriting is to diversify the underwriting risk in such a way that it is fair and equitable for the (re)insured and at the same time profitable for the (re)insurer.

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Published on 19 March 2018

This is a translation of the original German text; the German version takes precedence in case of any discrepancies in the translation.

Konzernstruktur Group Structure

Geschäftsbereich Industrieversicherung <i>Industrial Lines Division</i>	Geschäftsbereich Privat- und Firmenversicherung Deutschland <i>Retail Germany Division</i> Schaden/ Unfallver- sicherung <i>Property/ Casualty Insurance</i> Lebens- versicherung <i>Life Insurance</i>	Geschäftsbereich Privat- und Firmenversicherung International <i>Retail International Division</i>	Geschäftsbereich Rückversicherung <i>Reinsurance Division</i> Schaden- Rück- versicherung <i>Property/ Casualty Reinsurance</i> Personen- Rück- versicherung <i>Life/ Health Reinsurance</i>	Konzernfunktionen <i>Corporate Operations</i>
HDI Global SE	Talanx Deutschland AG	Talanx International AG	Hannover Rück SE	Talanx Asset Management GmbH
HDI Versicherung AG (Austria)	HDI Versicherung AG	HDI Seguros S.A. (Argentina)	E+S Rückversicherung AG	Ampega Investment GmbH
HDI Global Seguros S.A. (Brazil)	LifeStyle Protection AG	HDI Seguros S.A. (Brazil)	Hannover ReTakaful B.S.C. (c) (Bahrain)	Talanx Immobilien Management GmbH
HDI Global Network AG	neue leben Unfallversicherung AG	HDI Seguros S.A. (Chile)	Hannover Re (Bermuda) Ltd.	Talanx Service AG
HDI-Gerling de México Seguros S.A.	PB Versicherung AG	HDI Seguros S.A. de C.V. (Mexico)	Hannover Reinsurance Africa Limited	Talanx Systeme AG
HDI-Gerling Verzekeringen N.V. (Netherlands)	TARGO Versicherung AG	HDI Seguros S.A. (Uruguay)	International Insurance Company of Hannover SE	Talanx Reinsurance Broker GmbH
ООО Страховая Компания „HDI Страхование“ (Russia)	HDI Lebensversicherung AG	TUIR WARTA S.A. (Poland)	Hannover Life Re of Australasia Ltd	Talanx Reinsurance (Ireland) SE
HDI Global SA Ltd. (South Africa)	HDI Pensionskasse AG	TU na Życie WARTA S.A. (Poland)	Hannover Life Reassurance Bermuda Ltd.	
HDI Global Insurance Company (USA)	LifeStyle Protection Lebensversicherung AG	TU na Życie Europa S.A. (Poland)	Hannover Re (Ireland) DAC	
	neue leben Lebensversicherung AG	TU Europa S.A. (Poland)	Hannover Life Reassurance Africa Limited	
	PB Lebensversicherung AG	ООО Страховая Компания „CIV Life“ (Russia)	Hannover Life Reassurance Company of America	
	PB Pensionsfonds AG	HDI Assicurazioni S.p.A. (Italy)		
	Talanx Pensionsmanagement AG	Magyar Posta Biztosító Zrt. (Hungary)		
	TARGO Lebensversicherung AG	Magyar Posta Életbiztosító Zrt. (Hungary)		
		HDI Sigorta A.Ş. (Turkey)		

Nur die wesentlichen Beteiligungen
Main participations only

Stand / As at: 31.12.2017

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