

Talanx AG
Annual Report
2021

talanx.

Insurance. Investments.

Talanx AG at a glance

KEY FIGURES

	Unit	2021	2020
Gross written premiums	EUR million	1,119	738
Net premiums earned	EUR million	292	210
Expenses on insurance claims	EUR million	212	211
Expenses for insurance operations	EUR million	122	61
Underwriting result before equalisation reserve	EUR million	-27	-78
Changes to equalisation reserve and similar	EUR million	-32	-3
Loss ratio ¹	%	72.5	100.2
Expense ratio ²	%	41.6	29.1
Combined ratio ³	%	114.1	129.3
Net investment income	EUR million	793	854
Non-underwriting result ⁴	EUR million	560	636
Result from ordinary activities	EUR million	501	556
Tax expenditure	EUR million	5	3
Net income for the financial year	EUR million	495	553
Investments	EUR million	9,311	8,955
Capital, reserves and underwriting provisions			
Equity	EUR million	5,615	5,486
Subordinated liabilities	EUR million	1,750	1,250
Equalisation reserve and similar provisions	EUR million	36	5
Other technical provisions	EUR million	501	380
Total capital, reserves and underwriting provisions	EUR million	7,902	7,121
Average number of employees in the year	Number	295	287
Debt with term of one year ⁵	EUR million	3,113	2,613

¹ Expenses on insurance claims for own account as a percentage of premiums earned for own account.

² Expenses for insurance operations for own account as a percentage of premiums earned for own account.

³ Total of expenses on insurance claims for own account and expenses for insurance operations for own account as a percentage of premiums earned for own account.

⁴ Sum of net investment income and other comprehensive income.

⁵ The disclosure on debt over one year refers exclusively to the liabilities shown in the balance sheet under items B and F.

For computational reasons, the tables may show rounding differences of +/- one unit count. Monetary amounts that are smaller than EUR 0.5 thousand are shown as "0". Figures that are not available for the Company are marked with an "n-dash".

Definitions of these key figures can be found at the end of this report in the section "Glossary and definitions of key figures".

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Report of the Supervisory Board

Ladies and Gentlemen,

The Supervisory Board performed the tasks and duties required of it by law, the Articles of Association and the Rules of Procedure in full in financial year 2021, as in the past. We addressed in detail the economic situation and risk position for Talanx AG and its major subsidiaries in Germany and in the most important foreign markets. We advised the Board of Management on all issues that were material to the Company, continuously monitored its management of the business and were directly involved in decisions of fundamental importance. One major focus of reporting to the Supervisory Board this year was again the large losses resulting from natural disasters and the impact of the coronavirus pandemic on our Group.

Overview

We held four ordinary and one extraordinary meeting of the Supervisory Board in the year under review. Representatives of the Federal Financial Supervisory Authority (BaFin) took part in the Supervisory Board meeting on 9 November 2021 in line with routine practice. The Supervisory Board's Finance and Audit Committee held five meetings and the Personnel Committee held four meetings. The Nomination Committee and the Standing Committee formed in accordance with the requirements of the German Codetermination Act (MitbestG) were not required to meet in 2021. The full Supervisory Board was briefed in each case on the work of the committees. In addition, we were briefed by the Board of Management in written and verbal reports on the course of business and the position of both the Company and the Group, based on the quarterly statements and the interim report for the first half of the financial year. At no point during the reporting period did we consider it necessary to perform inspections or examinations pursuant to section 111(2) sentence 1 of the German Stock Corporation Act (AktG). The chairmen of the Supervisory Board and of the Board of Management were in regular contact regarding material developments and transactions at the Company and the Talanx Group, and discussed questions relating to strategy, planning, performance – including the impact of the pandemic –, the risk situation, opportunity and risk management, and compliance. Altogether, we satisfied ourselves of the lawfulness, appropriateness, regularity and efficiency of the work of 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 on the Company's business situation and financial position, on risk management and opportunities taken, on major capital expenditure projects and on fundamental corporate policy issues. We were also kept informed of transactions that, although not requiring Supervisory Board approval, are required to be reported to us under the Rules of Procedure, as well as of the impact of natural disasters and other large losses, the status of major lawsuits, and other key developments at the Company and the Group and in the regulatory environment. At our meetings, we considered at length the reports provided by the Board of Management, made suggestions and proposed improvements. The Supervisory Board met regularly, also without the Board of Management. Topics discussed included personnel matters of the Board of Management and internal matters of the Supervisory Board.

Following examination and discussion with the Board of Management, we passed resolutions on transactions and measures requiring our approval in accordance with the law, the Articles of Association and the Rules of Procedure.

Key issues discussed by the full Supervisory Board

Reporting and discussions focused on the following issues, which were discussed in detail at our meetings: the performance of the Company and its individual divisions in the current financial year, including the impact of the pandemic, issues relating to the strategic orientation in individual divisions, potential acquisition projects abroad and the planning for 2022. As part of the reporting, we were informed of, and developed an understanding of, the reasons for any differences between the planning approved and the actual course of business.

The Supervisory Board discussed an acquisition project in Italy and passed a resolution on this at the start of the year at an extraordinary meeting on 5 February 2021.

At its meeting on 12 March 2021, the Supervisory Board also discussed in detail the audited annual and consolidated financial statements along with the Board of Management's proposal for the appropriation of the distributable profit in the financial year 2020. The auditor stated that an unqualified audit opinion had been issued for both the single-entity and the consolidated financial statements. The Supervisory Board discussed a number of projects, initiatives and reportable events, passed resolutions regarding the strategy for the Retail Germany Division, received the 100-day report from the member of the Board of Management responsible for the Retail International Division and heard the reasons why the acquisition project in Italy did not materialise. It also received the report on the result of the annual, Group-wide Organizational Health Check employee survey and addressed Talanx AG's share performance since the IPO. The Supervisory Board approved the agenda and the proposed resolutions for the Company's 2021 Annual General Meeting and discussed the appropriateness and structure of the remuneration system for the members of the Board of Management, and obtained external opinions as part of its assessment. Moreover, it specified the variable remuneration due to the members of the Board of Management for the financial year 2020.

At the Supervisory Board meeting on 7 May 2021, the Board of Management reported on the first-quarter results and gave an outlook for the current financial year. The Supervisory Board also looked at re-financing at Talanx AG and its subsidiaries and heard reports on the current status of implementation of the Group IT strategy. The updated corporate governance principles were also adopted and an amendment approved to an existing control and profit/loss transfer agreement between Ampega Investment GmbH and Ampega Asset Management GmbH. Training programmes for the full Supervisory Board on the basis of its self-assessment were also discussed.

At the meeting on 10 August 2021, the Board of Management initially reported on the half-year results and expectations regarding the 2021 financial statements for both Talanx AG and the Group. It then focused on strategic areas in life insurance and on the insurance business with speciality risks that is pooled at HDI Global Specialty SE. The Supervisory Board also received the annual report on expense ratios compared with competitors and was briefed on current projects, initiatives and reportable events. Furthermore, the Supervisory Board noted the annual report on related party transactions and discussed risk reporting at length.

At the Supervisory Board meeting on 9 November 2021, the Board of Management reported on the third-quarter results and gave an outlook for the 2021 annual financial statements for Talanx AG and the Group. The Supervisory Board devoted considerable time to discussing planning for the 2022 financial year and approved this. It was briefed on a range of projects and reportable events and received the regular risk management report (ORSA report) on pending litigation and the structure of remuneration systems at Group companies. It also considered the strategy in the Retail International Division and discussed the sustainability strategy. It approved both of these. Furthermore, the Supervisory Board advised on and resolved the declaration of compliance regarding the German Corporate Governance Code and also approved the new employee share programme.

Work of the committees

The Supervisory Board has established a number of committees to enable it to perform its duties efficiently. These are the Finance and Audit Committee, which has six members, the Personnel Committee and the Standing Committee, each of which has four members, and the Nomination Committee, which has three members. The committees prepare the discussions in, and the resolutions to be adopted by, the full Supervisory Board. They have also been delegated with the authority to pass resolutions themselves in specific areas. The minutes of Finance and Audit Committee and Personnel Committee meetings are also made available to those members of the Supervisory Board who do not belong to these committees. The members of the different committees are listed on page 6 of this Annual Report.

Along with preparing the discussions and resolutions by the full Supervisory Board, the Finance and Audit Committee examined in depth the Company's and the Group's interim report for the first six months of the year and quarterly statements, together with the individual components of the financial statements and the key performance indicators, as well as the results of the auditors' review of the interim report. Additionally, the Finance and Audit Committee discussed the findings of the annual external actuarial audit of the gross and net claims reserves for the Talanx Group's non-life insurance business and the results of a performance analysis of the Group companies acquired in the last five years. Other topics addressed by the Committee included key strategic decisions in individual Group divisions and a number of significant investment and financing projects. Furthermore, we examined the risk reports and received an audit planning report from the auditors detailing the key audit matters. The Committee listened to reports on non-audit services provided by the auditors in accordance with the "whitelist" and, at multiple meetings, discussed the new requirements for members of audit committees under the German Financial Market Integrity Strengthening Act (FISG), which the Company meets in full, and the again broader remit of the Finance and Audit Committee that this entails. The Committee also received the annual reports from the four key functions (Risk Controlling, Actuarial, Auditing and Compliance), which were presented to us by the heads of these functions and explained in more detail where committee members had any questions.

As well as preparing the discussions and resolutions by the full Supervisory Board, the Personnel Committee also closely addressed succession planning for the Company's Board of Management in 2021 and, in connection with this, also discussed internal targets for the share of women holding Board of Management and management positions. The committee also closely addressed the issue of how suitable the amount of remuneration paid to members of the Board of Management is on the basis of horizontal and vertical remuneration comparisons. Recommendations were also made to the full Supervisory Board in connection with renewing Board of Management contracts, determining variable Board of Management remuneration components and setting targets for Board of Management members for the financial year 2022.

The following table provides an overview of individual meeting attendance by members of the Supervisory Board and the committees in 2021.

Individualised disclosure of meeting attendance

FULL SUPERVISORY BOARD ATTENDANCE

	Attendance rate	
	Number of meetings	%
Herbert K. Haas	5/5	100
Dr Thomas Lindner	5/5	100
Ralf Rieger	4/5	80
Antonia Aschendorf	5/5	100
Benita Bierstedt	5/5	100
Rainer-Karl Bock-Wehr	5/5	100
Sebastian L. Gascard	5/5	100
Jutta Hammer	5/5	100
Dr Hermann Jung	5/5	100
Dirk Lohmann	5/5	100
Christoph Meister	5/5	100
Jutta Mück	5/5	100
Dr Erhard Schipporeit	5/5	100
Prof Dr Jens Schubert	5/5	100
Norbert Steiner	5/5	100
Angela Titzrath	5/5	100

Finance and Audit Committee attendance

Herbert K. Haas	5/5	100
Dr Thomas Lindner	5/5	100
Ralf Rieger	4/5	80
Jutta Hammer	5/5	100
Dr Hermann Jung	4/5	80
Dr Erhard Schipporeit	5/5	100

Personnel Committee attendance

Herbert K. Haas	4/4	100
Dr Thomas Lindner	3/4	75
Jutta Mück	4/4	100
Norbert Steiner	4/4	100

Corporate governance and declaration of compliance

The Government Commission on the German Corporate Governance Code did not make any changes to the German Corporate Governance Code in 2021.

Regardless of this, corporate governance remained a key priority for us. We also examined the Board of Management's report on the consolidated non-financial statement (see page 78 of the Group management report). The audit firm PricewaterhouseCoopers GmbH (PwC) conducted a limited assurance review and issued an unqualified audit opinion. The Board of Management presented the report at the Finance and Audit Committee meeting on 11 March 2021 and the Supervisory Board meeting on 12 March 2021. Auditor representatives were present at both meetings and reported the material findings of their audit. No objections were raised following the Supervisory Board's own examination of the consolidated non-financial statement, and the result of the audit by PwC GmbH was noted and approved.

In addition, the members of the Supervisory Board submitted annual self-assessments of their knowledge in a range of key areas in accordance with insurance supervision requirements. Members of the Supervisory Board received extensive training on the new accounting standard IFRS 17/9 for the European insurance sector at the Supervisory Board meeting in May 2021.

Although the Supervisory Board considers the standards for good, responsible enterprise management formulated in the German Corporate Governance Code to be extremely important, it decided at the meeting on 9 November 2021 not to comply with the following recommendations issued in the Code in the version dated 16 December 2019: the recommendations in sections C.10 sentence 1 and D.4 sentence 2 on the chairmanship of the Audit Committee. The reasons for the departures from the recommendations of the Code are stated in the Company's declaration of compliance in accordance with section 161 of the AktG, which is published in the consolidated 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 annual financial statements for Talanx AG submitted by the Board of Management, the consolidated financial statements for the Talanx Group, which were prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union, and the corresponding management reports were audited together with the bookkeeping by PricewaterhouseCoopers (PwC) GmbH, Wirtschaftsprüfungsgesellschaft, Hannover. The auditors were appointed by the Supervisory Board; the Finance and Audit Committee issued the detailed audit engagement and specified that, in addition to the usual audit tasks, the audit of the financial statements should give special attention to audit support for the implementation of IFRS 17. The enforcement priorities set out by the German Financial Reporting Enforcement Panel (FREP) were also included in the audit activities performed by the auditors.

The audits performed by the auditors did not give rise to any grounds for objection. The auditors issued unqualified audit reports stating that the bookkeeping 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 statements documents and PwC's audit reports were circulated to all Members of the Supervisory Board well in advance. They were examined in detail at the Finance and Audit Committee meeting on 10 March 2022 and at the Supervisory Board meeting on 11 March 2022. The auditors took part in the discussions of the annual and consolidated financial statements by both the Finance and Audit Committee and the full Supervisory Board, reported on the performance of the audits and were available to provide us with additional information. On completion of our own examination of the annual financial statements, the consolidated financial statements, the corresponding management reports including the consolidated non-financial statement 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 have therefore been adopted. We agree with the statements made in the management reports regarding the Company's future development. After examining all relevant considerations, we concur with the Board of Management's proposal for the appropriation of the distributable profit.

The report on the Company's relationships with affiliated companies that was drawn up by the Board of Management in accordance with section 312 of the AktG was also audited by PwC GmbH 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 and reached the same conclusion as the auditors. We have no objections to the statement that is reproduced in this report.

Composition of the Board of Management and the Supervisory Board

There were no changes to the composition of the Board of Management, the Supervisory Board or its committees during the year under review.

Our thanks to the Board of Management and employees

Group net income for the 2021 financial year exceeded EUR 1 billion for the first time in the Company's history. This achievement is thanks to the dedication and tireless commitment shown by our employees. We would like to express our sincere thanks and gratitude to them and to the Board of Management.

Hannover, 11 March 2022

On behalf of the Supervisory Board

Herbert Haas
(Chairman)

Governing bodies of the Company

Supervisory Board

Herbert K. Haas

(since 8 May 2018)
 Chairman
 Burgwedel
 Former Chairman of the Board of Management
 Talanx AG

Further memberships of other supervisory boards/comparable supervisory bodies:

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

Ralf Rieger*

(since 19 May 2006)
 Deputy Chairman
 Raesfeld
 Employee
 HDI Vertriebs AG

Further memberships of other supervisory boards/comparable supervisory bodies:

- Member of the Supervisory Board
 - HDI Vertriebs AG

Dr Thomas Lindner

(since 27 June 2003)
 Deputy Chairman
 Albstadt
 Chairman of the Supervisory Board
 Groz-Beckert KG

Further memberships of other supervisory boards/comparable supervisory bodies:

- Deputy Chairman of the Supervisory Board
 - HDI V.a.G.
- Chairman of the Advisory Board
 Stuttgart
 - Deutsche Bank AG**

Antonia Aschendorf

(since 1 September 2011)
 Hamburg
 Lawyer
 Member of the Board of Management
 APRAXA eG
 Managing Director
 2-Sigma GmbH

Further memberships of other supervisory boards/comparable supervisory bodies:

- Member of the Supervisory Board
 - Hamburger Friedhöfe AöR**
 - HDI Deutschland AG
 - HDI Kundenservice AG
 - HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH**

Benita Bierstedt*

(since 9 May 2019)
 Hannover
 Employee,
 E+S Rückversicherung AG

Further memberships of other supervisory boards/comparable supervisory bodies:

- Member of the Supervisory Board
 - E+S Rückversicherung AG

Rainer-Karl Bock-Wehr*

(since 9 May 2019)
 Cologne
 Head of Competence Centre Commercial
 HDI Kundenservice AG

* 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.

Sebastian Gascard*

(since 9 May 2019)
Isernhagen
In-house Company Lawyer
(Liability Underwriter)
HDI Global SE

Further memberships of other supervisory boards/comparable supervisory bodies:

- Member of the Supervisory Board
 - HDI Global SE

Jutta Hammer*

(since 1 February 2011)
Bergisch Gladbach
Employee
HDI Kundenservice AG

Further memberships of other supervisory boards/comparable supervisory bodies:

- Member of the Supervisory Board
 - HDI Kundenservice AG
(since 5 February 2021)

Dr Hermann Jung

(since 6 May 2013)
Heidenheim
Former Member of the Board of Directors
Voith GmbH

Further memberships of other supervisory boards/comparable supervisory bodies:

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

Dirk Lohmann

(since 6 May 2013)
Forch, Switzerland
Chairman,
Schroder Capital ILS,
Schroder Investment Management
(Switzerland) AG

Further memberships of other supervisory boards/comparable supervisory bodies:

- 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 SILO IC Ltd., Guernsey**
 - Zweigelt Holdings Ltd., Guernsey**

Christoph Meister*

(since 8 May 2014)
Hannover
Member of the ver.di National
Executive Board

Further memberships of other supervisory boards/comparable supervisory bodies:

- Chairman of the Supervisory Board
 - ver.di Bildung + Beratung gGmbH**
 - Vermögensverwaltung der Vereinten
Dienstleistungsgewerkschaft (ver.di)
GmbH**
 - ver.di GewerkschaftsPolitische
Bildung gGmbH**
- Member of the Supervisory Board
 - ver.di Service GmbH**
- Member of the Advisory Board
 - BGAG Beteiligungsgesellschaft der
Gewerkschaften GmbH**

Jutta Mück*

(since 17 June 2009)
Diemelstadt
Account Manager Sales Industry
HDI Global SE

Further memberships of other supervisory boards/comparable supervisory bodies:

- Member of the Supervisory Board
 - HDI Global SE

Dr Erhard Schipporeit

(since 27 June 2003)
Hannover
Self-employed Business Consultant

Further memberships of other supervisory boards/comparable supervisory bodies:

- Deputy Chairman of the Supervisory
Board
 - BDO AG**
- Member of the Supervisory Board
 - Hannover Rück SE
 - HDI V.a.G.
 - RWE AG**

* 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.

Prof. Dr Jens Schubert*

(since 8 May 2014)

Potsdam

AWO Bundesverband e. V.

Professor Leuphana Universität Lüneburg

Further memberships of other supervisory boards/comparable supervisory bodies:

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

Norbert Steiner

(since 6 May 2013)

Baunatal

Former Chairman of the Board of Management

K+S AG

Further memberships of other supervisory boards/comparable supervisory bodies:

- Member of the Supervisory Board
 - HDI V.a.G.

Angela Titzrath

(since 8 May 2018)

Hamburg

Chairwoman

Hamburger Hafen und Logistik AG

Further memberships of other supervisory boards/comparable supervisory bodies:

- Member of the Supervisory Board
 - Evonik AG**
 - HDI V.a.G.
 - Lufthansa AG**

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

- Herbert K. Haas, Chairman
- Jutta Hammer
- Dr Hermann Jung
- Dr Thomas Lindner
- Ralf Rieger
- Dr Erhard Schipporeit

Personnel Committee

- Herbert K. Haas, Chairman
- Dr Thomas Lindner
- Jutta Mück
- Norbert Steiner

Standing Committee

- Herbert K. Haas, Chairman
- Dr Thomas Lindner
- Ralf Rieger
- Prof. Dr Jens Schubert

Nomination Committee

- Herbert K. Haas, Chairman
- Dirk Lohmann
- Angela Titzrath

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

* 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.

Board of Management

Torsten Leue

Chairman

Hannover

Chairman of the Board of Management

HDI Haftpflichtverband der

Deutschen Industrie V. a. G., Hannover

Responsible on the Talanx Board of Management for:

- Auditing
- Best Practice Lab
- Communications
- Corporate Development
- Governance/Corporate Office
- Human Resources
- Investor Relations
- Legal/Compliance
- Sustainability/ESG

Further memberships of other supervisory boards/comparable supervisory bodies:

- Chairman of the Supervisory Board
 - E+S Rückversicherung AG
 - Hannover Rück SE
 - HDI Deutschland AG
 - HDI Global SE
 - HDI International AG
 - HDI Kundenservice AG
 - HDI Service AG
- Member of the Advisory Board
 - Commerzbank AG (since 1 August 2021)

Jean -Jacques Henchoz

Hannover

Chairman of the Board of Management

Hannover Rück SE, Hannover

Responsible on the Talanx Board of Management for:

- Reinsurance Division

Further memberships of other supervisory boards/comparable supervisory bodies:

- Chairman of the Board of Directors
 - Hannover Re (Bermuda) Ltd.
 - Hannover Re (Ireland) DAC
- Member of the Board of Directors
 - Hannover Life Reassurance Company of America
 - Hannover Life Reassurance Company of America (Bermuda) Ltd. (since 22 March 2021)
 - Hannover Life Re of Australasia Ltd.

Dr Wilm Langenbach

Hannover

Chairman of the Board of Management

HDI International AG, Hannover

Responsible on the Talanx Board of Management for:

- Industrial Lines Division

Further memberships of other supervisory boards/comparable supervisory bodies:

- Chairman of the Supervisory Board
 - HDI Seguros Mexico
 - HDI Seguros S. A. (approval process still open)
 - HDI Sigorta A. Ş
 - Towarzystwo Ubezpieczeń Europa Spolka Akcyjna
 - Towarzystwo Ubezpieczeń na Życie Europa S. A.
 - Towarzystwo Ubezpieczeń na Życie Warta Spolka Akcyjna
 - Towarzystwo Ubezpieczeń Reasekuracji Warta Spolka Akcyjna
- Deputy Chairman of the Administrative Board
 - HDI Assicurazioni S. p. A.

Dr Christopher Lohmann

Cologne

Chairman of the Board of Management

HDI Deutschland AG, Hannover

Responsible on the Talanx Board of Management for:

- Retail Germany Division
- Brand Management
- Business Organisation
- Data Protection
- Diversity & Inclusion
- Information Technology

Further memberships of other supervisory boards/comparable supervisory bodies:

- Chairman of the Supervisory Board
 - HDI Lebensversicherung AG
 - HDI Systeme AG
 - HDI Versicherung AG
 - HDI Vertriebs AG
 - neue leben Holding AG
 - PB Lebensversicherung AG
 - PB Versicherung AG
 - TARGO Lebensversicherung AG
 - TARGO Versicherung AG
- Member of the Supervisory Board
 - HDI Service AG

Dr Edgar Puls

Isernhagen

Member 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
- Procurement (Non-IT)
- Facility Management
- Reinsurance Captive Talanx AG

Further memberships of other supervisory boards/comparable supervisory bodies:

- Member of the Supervisory Board
 - HDI Service AG
 - HDI Systeme AG
 - Talanx Reinsurance Broker GmbH

Dr Jan Wicke

Hannover

Member of the Board of Management

HDI Haftpflichtverband der

Deutschen Industrie V.a.G.

Responsible on the Talanx Board of Management for:

- Accounting
- Collections
- Controlling
- Finance/Participating Interests/Real Estate
- Investments
- Reinsurance Procurement
- Risk Management
- Taxes

Further memberships of other supervisory boards/comparable supervisory bodies:

- Chairman of the Supervisory Board
 - Ampega Asset Management GmbH
 - Talanx Reinsurance Broker
- Deputy Chairman of the Supervisory Board
 - Ampega Investment GmbH
 - Ampega Real Estate GmbH (until 22 Juni 2021)
 - HDI International AG
 - HDI Service AG
 - HDI Systeme AG
- Member of the Supervisory Board
 - E+S Rückversicherung AG
- Chairman of the Administrative Board
 - Talanx Finanz (Luxemburg) S.A.
- Member of the Exchange Council
 - Frankfurter Wertpapierbörse *

* 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 2021 Annual Report of the Group. The combined management report of Talanx AG and the Group and the annual financial statements for financial year 2021 are submitted to and published in the Federal Gazette (Bundesanzeiger).

The annual financial statements of Talanx AG and the annual report for financial year 2021 are also available online at https://www.talanx.com/en/investor_relations/reporting/financial_reports.

Annual financial statements

Balance sheet as at 31 December 2021

ASSETS

EUR thousand		31.12.2021	31.12.2020
A. Intangible assets			
I. Purchased concessions, industrial and similar rights and assets, and licences in such rights and assets		54	83
B. Investments			
I. Investments in affiliated companies and other long-term equity investments			
1. Shares in affiliated companies	7,900,446		7,753,718
2. Loans to affiliated companies	716,005		386,005
3. Other long-term equity investments	5,302		3,067
		8,621,753	8,142,790
II. Other investments		664,460	739,358
III. Funds withheld by ceding companies from business ceded for reinsurance		24,773	73,251
		9,310,986	8,955,399
C. Receivables			
I. Receivables on reinsurance business		312,192	275,740
of which due to affiliated companies: EUR 301,834 (257,368) thousand			
II. Other receivables		660,573	420,070
of which due to affiliated companies: EUR 493,145 (242,024) thousand			
		972,765	695,810
D. Other assets			
I. Tangible fixed assets and inventories		917	1,020
II. Cash at banks, cheques and cash-in-hand		479,934	486,139
		480,851	487,159
E. Prepaid expenses			
I. Deferred rent and interest income		9,530	8,557
II. Other prepaid expenses		8,929	5,185
		18,459	13,741
F. Excess of plan assets over post-employment benefit liability		166	291
Total assets		10,783,281	10,152,483

EQUITY AND LIABILITIES

EUR thousand	31.12.2021		31.12.2020
A. Equity			
I. Subscribed capital		316,375	315,997
II. Capital reserves		1,406,259	1,394,223
III. Revenue reserves			
1. Other revenue reserves		2,901,819	2,901,819
IV. Distributable profit		990,558	874,263
		5,615,011	5,486,302
B. Subordinated liabilities			1,750,000
C. Underwriting provisions			
I. Unearned premium reserve			
1. Gross amount	150,783		181,974
2. less:			
share for business ceded for reinsurance	112,398		131,702
		38,385	50,272
II. Loss and loss adjustment expense reserve			
1. Gross amount	1,417,875		582,766
2. less:			
share for business ceded for reinsurance	955,008		268,598
		462,867	314,168
III. Equalisation reserve and similar provisions		36,363	4,754
IV. Other technical provisions			
1. Gross amount	—		15,621
2. less:			
share for business ceded for reinsurance	—		—
		—	15,621
		537,616	384,815
D. Other provisions			
I. Provisions for pensions and other post-employment benefits		983,190	928,270
II. Provisions for taxes		66,196	69,515
III. Other provisions		133,473	134,475
		1,182,859	1,132,259
E. Deposits retained on reinsurance ceded			135
			—
E. Other liabilities			
I. Liabilities on reinsurance business		275,444	228,605
of which due to affiliated companies: EUR 255,163 (54,778) thousand			
II. Bonds		1,357,500	1,357,500
of which due to affiliated companies: EUR 292,100 (292,100) thousand			
III. Liabilities to banks		39	17
IV. Other liabilities		63,763	310,669
of which taxes: EUR 533 (429) thousand			
of which due to affiliated companies: EUR 433,629 (287,752) thousand			
		1,696,746	1,896,790
F. Prepaid expenses			913
			2,317
Total equity and liabilities		10,783,281	10,152,483

Statement of income for the period 1 January to 31 December 2021

EUR thousand	2021		2020
I. Underwriting account			
1. Premiums earned for own account			
a) Gross written premiums	1,119,291		737,584
b) Premiums ceded to reinsurance	839,480		478,530
		279,811	259,054
c) Changes to gross premiums unearned	34,004		-180,092
d) Adjustment of reinsurers' share in gross premiums unearned	21,316		-131,288
		12,688	-48,804
		292,499	210,250
2. Expenses on insurance claims for own account			
a) Claims payments			
aa) Gross premium	202,013		-18,718
bb) Reinsurers' share	-139,036		-20,542
		62,977	-39,260
b) Changes to the loss and loss adjustment expense reserve			
aa) Gross premium	834,320		518,188
bb) Reinsurers' share	685,155		268,258
		149,165	249,930
		212,142	210,670
3. Changes in other net underwriting provisions			
a) Other net underwriting provisions		15,621	-15,621
4. Expenses for insurance operations for own account			
a) Gross expenses for insurance operations	297,713		158,428
b) less:			
Commissions and profit commissions received for business ceded to reinsurance	176,193		97,191
		121,520	61,237
5. Expenses for insurance operations for own account		1,886	435
6. Subtotal		-27,427	-77,714
7. Changes to equalisation reserve and similar provisions		-31,609	-3,146
8. Net underwriting result		-59,036	-80,860

EUR thousand	2021		2020
II. Non-underwriting account			
1. Investment income			
a) Income from long-term equity investments	272,634		335,027
of which:			
from affiliated companies: EUR 272,546 (333,714) thousand			
b) Income from other investments	40,404		13,556
of which:			
from affiliated companies: EUR 12,668 (11,629) thousand			
bb) Income from other investments: 40,404 (13,556) thousand			
c) Gains on disposal of investments	145,574		534,246
d) Income from profit-pooling, profit transfer and partial profit transfer agreements	381,908		195,277
		840,520	1,078,106
2. Investment expenses			
a) Investment management expenses, interest expenses and other expenses related to capital investments	4,668		5,090
b) Impairment losses on investments	40,188		1,080
c) Losses on disposal of investments	1,181		940
d) Costs of loss absorption	1,171		216,537
		47,208	223,647
		793,312	854,458
3. Other income		40,243	35,967
4. Other expenses		273,646	253,999
		-233,403	-218,033
5. Result from ordinary activities		500,873	555,566
6. Income taxes		5,376	2,517
7. Other taxes		5	5
		5,381	2,522
8. Net income for the financial year		495,491	553,044
9. Retained profit brought forward		495,067	321,219
10. Distributable profit		990,558	874,263

Notes

General information

The annual financial statements for the financial year 2021, in the version in force at the reporting date, were prepared in accordance with the provisions of the German Commercial Code (HGB), the German Stock Corporation Act (AktG), the German Insurance Supervision Act (VAG) and the German Regulation on the Accounting of Insurance Undertakings (RechVersV). Talanx AG, Hannover is entered in the commercial register at the Hannover Local Court (HRB 52546).

Accounting and measurement

Measurement of assets

Intangible assets

Intangible assets were recognised at cost less write-downs over the customary useful life.

Investments

Investments in affiliated companies, long-term equity investments and loans to affiliated companies were recognised at cost less write-downs to the lower of cost or fair value in accordance with section 341b(1) sentence 2 HGB in conjunction with section 253(3) sentence 5 HGB.

Where these are managed in accordance with the principles of current assets, shares in investment funds, bearer bonds and other fixed-income securities and other investments were recognised based on the strict lower-of-cost-or-market principle on the reporting date. The requirement to reverse write-downs was observed (section 341b(2) HGB in conjunction with sections 255(1) and 253(1) sentence 1,(4) and (5) HGB). Securities designed to serve as a permanent part of business operations were measured in accordance with the provisions applicable for fixed assets pursuant to the less strict lower-of-cost-or-market principle. Permanent impairment was written down through profit or loss. To assess whether there are indications of permanent impairment in relation to bearer bonds and other fixed-income securities recognised as fixed assets, issuer credit assessments and rating trends are used. To assess whether there are indications of an expected permanent impairment on equities or shares in investment funds, the 20% threshold level recommended by the IDW Insurance Committee is used. This states that permanent impairment is always to be recognised when the fair value of a security has been 20% below the carrying amount on a permanent basis in the six months previous to the reporting date. In the case of securities acquired at a premium or discount, the difference was amortised over the term using the effective interest rate method.

Registered bonds, notes receivable and loans were recognised at amortised cost (section 341c(3) HGB). Investments were recognised at the buying price upon acquisition. The difference in comparison to the redemption amount was amortised using the effective interest rate method. Necessary depreciation and amortisation required was taken in accordance with the less strict lower-of-cost-or-market principle (section 341b(2) second half-sentence HGB in conjunction with section 253(1) sentence 1, (3) sentence 5 HGB). Structured products in the portfolio are financial instruments where the underlying instrument is contractually linked to a unit in the form of a fixed-income cash instrument with one or more derivatives. They were consistently recognised at amortised cost in accordance with the provisions for investments recognised like fixed assets.

Deposits with financial institutions and funds withheld by ceding companies were recognised at their nominal amounts.

Receivables

Receivables on reinsurance business and other receivables were recognised on the balance sheet date at their nominal amounts.

Other assets

Operating and office equipment was recognised at cost and is depreciated over the customary useful life. The depreciation was applied according to the straight-line method; the periods of useful life range from three to 13 years. Low-value items costing between EUR 250 and EUR 800 were capitalised and written off in full in the year of acquisition. Low-value items up to EUR 250 were immediately recognised as operating expenses.

Cash at banks, cheques and cash-in-hand were accounted for at the nominal amount.

Prepaid expenses

The items to be included under prepaid expenses were recognised at nominal value if the lower fair value was not required.

Excess of plan assets over post-employment benefit liability

The item "Excess of plan assets over post-employment benefit liability" shows the excess amount that remains after offsetting post-employment benefit obligations against the assets covering these (essentially life insurance policies covering pension obligations) on a contract-by-contract basis.

Measurement of equity and liabilities

Equity

Subscribed capital, capital reserves and retained earnings in equity were recognised at nominal value.

Subordinated liabilities

Subordinated liabilities were carried at nominal amount.

Underwriting provisions

Underwriting provisions were recognised in accordance with the principles of commercial law, generally using information from cedants and, in some cases, using appropriate surcharges. In all cases, we ensured that we could meet our obligations from reinsurance business on a permanent basis.

According to the decree of the Finance Minister of the State of North Rhine-Westphalia of 29 May 1974, the basis of assessment for the unearned premium reserve is the reinsurance premium after deduction of 92.5% of reinsurance commissions.

The loss and loss adjustment expense reserve was calculated on the basis of cedants' tasks and any necessary surcharges in accordance with the future settlement amount considered realistic. Past experiences and assumptions relating to further developments were taken into account and suitable actuarial methods were applied.

Corresponding provisions for claims incurred but not yet reported ("IBNR") were calculated for insurance claims that were not yet known at the balance sheet date using suitable mathematical and statistical methods.

The equalisation reserve was calculated in compliance with the regulations according to section 29 RechVersV and the Appendix to section 29 RechVersV as well as the Regulations on Reporting for Insurance Undertakings (Versicherungsberichterstattungsverordnung; BerVersV).

In the previous year, liabilities from contractual profit participation with cedants are recognised under other technical provisions.

Other provisions

Pursuant to section 253(1) sentence 2 HGB pension liabilities were recognised at the settlement amount determined in accordance with the principle of prudence and have been discounted in accordance with section 253(2) sentence 2 HGB over an assumed remaining life of 15 years, using the average interest rate for the last ten years forecast on 31 December 2021 as published by the German Bundesbank in accordance with German Regulation on the Discounting of Provisions (Rückstellungsabzinsungsverordnung; RückAbzinsV) on 31 October 2021. The provisions for pensions for employer-funded commitments and for employee-funded commitments not contingent on securities were calculated in accordance with the entry age normal method. The adjustment of benefits with respect to commitments under deferred compensation as a result of future expected surplus participation on the part of reinsurers was taken into account based on individual agreements.

The calculation is based on the probabilities of retirement under the 2018G Heubeck mortality tables, which were reinforced to reflect the risk trends observed in the portfolio. The calculation was also based on the following assumptions:

Salary trend: 2.90% (2.50%)

Pension trend: 1.90% (1.64%)

Interest rate: 1.87% (2.31%)

The fluctuation taken into account corresponds to the probabilities specific to the company, which vary according to age and gender.

The securities-linked employee-financed commitments are exclusively pension commitments covered by fully matched benefit reinsurance, which are measured in accordance with section 253(1) sentence 3 HGB as required by the German Accounting Principle IDW AcP HFA 30 margin no. 74. For these commitments, the settlement amount therefore corresponds to the fair value of the plan assets of the life insurance agreement plus surplus participation.

Anniversary obligations are measured according to the same principles as pension liabilities. The same assumptions are used to consider salary trends and fluctuation probabilities. Only the discount rate is calculated differently using an average of the past seven years (based on market conditions as at 31 October 2021, forecast balance sheet date interest rate as at 31 December 2021) and is set at 1.35% (1.61%).

All employees who have utilised partial retirement were taken into account when calculating the provision for partial retirement obligations. The calculations were performed using the modified 2018G Heubeck mortality tables, as used to measure pension liabilities. The mortality and morbidity table of active employees was used as a basis. Assuming an average remaining term of two years, a forecast balance sheet date interest rate as at 31 December 2021 of 0.34% (0.48%) was applied based on market conditions as at 31 October 2021. The assumed rate of increase for salaries was 2.90 (2.50)%. In accordance with section 253 HGB, the provision is carried at the necessary settlement amount. It comprises the provision for pay arrears, the provision for top-up amounts, the provision for the additional employer contribution to statutory annuity insurance and the provision for severance payments.

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

Provisions with a remaining term of more than one year were discounted at the average market interest rate for the last seven years as determined and published by the German Bundesbank in accordance with the RückAbzinsV.

Funds withheld under reinsurance for business ceded to reinsurance

Funds withheld under reinsurance for business ceded to reinsurance are recognised at the settlement amounts.

Other liabilities

Other liabilities were recognised at their settlement amounts.

Deferred income

Income prior to the reporting date was presented under deferred income to the extent that it represents income for a specific period after the reporting date.

Currency translation

If there were items denominated in foreign currency, they were translated as at the balance sheet date at the closing rate for balance sheet items and at the average rate for items in the statement of income. With respect to monthly foreign currency measurement, the portfolio positions were translated at the respective exchange rate prevailing at the end of the month.

The exchange rate for the monthly measurement of statement of income line items was the respective final rate on the last day of the preceding month. These items were translated using a rolling method. The addition of the translated individual items effectively resulted in a translation at average rates.

Notes to the balance sheet

Assets

CHANGES TO ASSETS A. I. AND A. II. IN THE FINANCIAL YEAR 2021

EUR thousand	Balance sheet values for the prior year	Additions	Disposals	Exchange rate fluctuations	Amortisation, depreciation and write-downs	Balance sheet values for the financial year 31.12.2021	Market values 31.12.2021
A. Intangible assets							
1. Purchased concessions, industrial and similar rights and assets, and licences in such rights and assets	83	—	—	—	29	54	54
B. I. Investments in affiliated companies and other long-term equity investments							
1. Shares in affiliated companies	7,753,718	905,192	758,464	—	—	7,900,446	18,833,248
2. Loans to affiliated companies	386,005	330,000	—	—	—	716,005	738,354
3. Other long-term equity investments	3,067	5,017	2,782	—	—	5,302	38,222
Total B. I.	8,142,790	1,240,209	761,246	—	—	8,621,753	19,609,824
B. II. Other investments							
1. Equities or shares in investment funds and other variable-yield securities	58,046	2,012	—	—	40,046	20,012	20,357
2. Bearer bonds and other fixed-income securities	431,724	377,433	355,999	-199	141	452,818	451,398
3. Other loans							
a) Registered bonds	69,829	55,672	61,699	—	—	63,802	62,463
b) Promissory notes and loans	—	11,216	352	—	—	10,864	10,733
4. Deposits with financial institutions	179,759	—	62,795	—	—	116,964	116,964
Total B. II.	739,358	446,333	480,845	-199	40,187	664,460	661,915
Total	8,882,231	1,686,542	1,242,091	-199	40,216	9,286,267	20,271,793

Applying section 341b(2) HGB avoided write-downs of EUR 5,441 (163) thousand for investments recognised as fixed assets. In our view, these are temporary impairments.

The Company exercised the option of assigning investments with carrying amounts of EUR 356,026 (133,037) thousand to fixed assets in accordance with section 341b(2) HGB. Shares in investment funds account for EUR 20,012 (8,000) thousand of these and bearer bonds for EUR 336,014 (125,037) thousand.

B. II. 1. contains shares in investment funds (Ampega BasisPlus Rentenfonds I (a)) in which Talanx AG holds over 10% of shares. The carrying amount as at the balance sheet date was EUR 10,000 (10,000) thousand and the fair value was EUR 9,989 (10,079) thousand. The net is thus EUR 11 (79) thousand. In the financial year, a distribution of EUR 50 (-) thousand was received.

For intangible assets the fair value of the carrying amount is recognised.

Fair values of shares in affiliated companies and other long-term equity investments are measured in accordance with section 56 of the German Regulation on the Accounting of Insurance Undertakings (RechVersV). The fair value of holding companies recognised in the affiliated companies was determined as part of a sum-of-the-parts measurement whereby assets and liabilities were carried at fair value. For composite insurance enterprises and financial service providers, the fair values for equity investments in operating companies are measured regularly using the income approach. In the case of life insurance companies, fair value is primarily measured using the income approach. In order to take into account the special characteristics of life insurance business, the market consistent embedded value (MVEC) approach was used in some cases to check the plausibility of impairment. The fair value is calculated using the net asset value for various private equity and real estate companies. In some justified cases, especially in the case of transactions relating to acquisition, companies were recognised at their carrying amount.

The fair value of loans to affiliated companies was calculated using product and rating-specific yield curves. Special structures such as deposit protection, guaranty obligations, or subordination are taken into account with respect to the spread premiums applied.

The fair value of other investments was generally determined on the basis of their open market value in accordance with section 56 Rech-VersV. For investments having a market or listed price, the market value was defined as the market or listed price on the balance sheet date, or on the last day prior to this date for which a market or listed price could be identified. In cases in which no listed prices were available, yield prices were employed on the basis of pricing methods established in the financial markets. Investments were valued at maximum at their expected realisable value in accordance with the principle of prudence.

The fair value of registered bonds, notes receivable and loans was calculated using product and rating-specific yield curves. Special structures such as deposit protection, guaranty obligations, or subordination were taken into account with respect to the spread premiums applied.

B. I. Investments in affiliated companies and other long-term equity investments

1. SHARES IN AFFILIATED COMPANIES IN GERMANY

	Equity interest ¹ in %		Equity ² in thousand	Earnings before profit transfer ² in thousand
Ampega Asset Management GmbH, Cologne ^{3,13}	100.00	EUR	72,600	61,294
Ampega Investment GmbH, Cologne ¹³	100.00	EUR	7,936	27,849
Community Life GmbH, Liederbach ¹¹	75.00	EUR	1,275	1,594
E+S Rückversicherung AG, Hannover ¹²	64.79	EUR	741,347	61,000
Fair Claims GmbH, Hannover ^{12,13}	100.00	EUR	325	-314
FUNIS GmbH & Co. KG, Hannover ¹²	100.00	EUR	103,348	20,759
FVB Gesellschaft für Finanz- und Versorgungsberatung mbH, Osnabrück ¹³	100.00	EUR	60	6,696
GERLING Pensionsenthaftungs- und Rentenmanagement GmbH, Cologne	100.00	EUR	1,662	-1,048
Hannover America Private Equity Partners II GmbH & Co. KG, Hannover ¹²	100.00	EUR	681,473	148,252
Hannover Beteiligungsgesellschaft mbH, Hannover ¹²	100.00	EUR	703,837	-3,129,791
Hannover Re Euro PE Holdings GmbH & Co. KG, Hannover ¹²	100.00	EUR	429,023	90,412
Hannover Re Euro RE Holdings GmbH, Hannover ¹²	100.00	EUR	1,083,797	34,212
Hannover Re Global Alternatives GmbH & Co. KG, Hannover ¹²	100.00	EUR	725,772	41,091
Hannover Rück Beteiligung Verwaltungs-GmbH, Hannover ^{12,13}	100.00	EUR	5,437,047	644,979
Hannover Rück SE, Hannover ¹²	50.22	EUR	2,889,716	701,209
HAPEP II Holding GmbH, Hannover ¹²	100.00	EUR	36,621	2,482
HAPEP II Komplementär GmbH, Hannover ¹²	100.00	EUR	54	5
HD Real Assets GmbH & Co. KG, Cologne ⁴	100.00	EUR	575,290	2,686
HDI AI EUR Beteiligungs-GmbH, Cologne ^{4,12}	100.00	EUR	576,200	74,457
HDI AI USD Beteiligungs-GmbH & Co. KG, Cologne ^{4,12}	100.00	EUR	290,597	65,226
HDI Deutschland AG, Hannover ^{3,13}	100.00	EUR	1,362,968	105,938
HDI Deutschland Bancassurance Communication Center GmbH, Hilden ^{3,13}	100.00	EUR	630	—

1. SHARES IN AFFILIATED COMPANIES IN GERMANY

	Equity interest ¹ in %		Equity ² in thousand	Earnings before profit transfer ² in thousand
HDI Deutschland Bancassurance GmbH, Hilden ^{3,13}	100.00	EUR	25	—
HDI Deutschland Bancassurance Kundenmanagement Komplementär GmbH, Hilden	100.00	EUR	37	4
HDI Deutschland Bancassurance Kundenmanagement GmbH & Co. KG, Hilden ⁴	100.00	EUR	354,449	33,463
HDI Deutschland Bancassurance Kundenservice GmbH, Hilden ^{3,13,19}	100.00	EUR	75	—
HDI Global Network AG, Hannover ^{12,13}	100.00	EUR	211,564	25,323
HDI Global SE, Hannover ^{12,13}	100.00	EUR	409,043	108,053
HDI Global Specialty Holding GmbH, Hannover ^{12,13}	100.00	EUR	307,544	15
HDI Global Specialty Schadenregulierung GmbH, Hannover ^{12,13}	100.00	EUR	25	1
HDI Global Specialty SE, Hannover	100.00	EUR	238,327	-17,435
HDI Global Specialty Underwriting Agency GmbH, Cologne ^{13,19}	100.00	EUR	25	—
HDI International AG, Hannover ^{3,13}	100.00	EUR	1,868,846	77,516
HDI Kundenservice AG, Cologne ^{3,13,19}	100.00	EUR	322	—
HDI Lebensversicherung AG, Cologne ¹²	100.00	EUR	477,307	16,000
HDI next GmbH, Rostock ^{3,12,13}	100.00	EUR	25	16
HDI Pensionskasse AG, Cologne ¹²	100.00	EUR	42,984	—
HDI Pensionsmanagement AG, Cologne ^{3,13}	100.00	EUR	557	703
HDI Risk Consulting GmbH, Hannover ^{3,12,13}	100.00	EUR	1,626	1,273
HDI Service AG, Hannover ^{3,12,13}	100.00	EUR	2,700	-1,274
HDI Systeme AG, Hannover ^{3,13,19}	100.00	EUR	140	—
HDI Versicherung AG, Hannover ^{12,13}	100.00	EUR	57,100	45,126
HDI Vertriebs AG, Hannover ^{3,13,19}	100.00	EUR	533	1,423
HEPEP IV Komplementär GmbH, Cologne	100.00	EUR	-1,127	-90
HILSP Komplementär GmbH, Hannover	100.00	EUR	25	-1
HINT Beteiligungen GmbH, Hannover	100.00	EUR	25	—
HINT Europa Beteiligungs AG & Co. KG, Hannover ⁴	100.00	EUR	106,265	1,775
HLV Real Assets GmbH & Co. KG, Cologne ⁴	100.00	EUR	112,261	1,501
HNG Hannover National Grundstücksverwaltung GmbH & Co. KG, Hannover ⁴	100.00	EUR	42,509	1,151
HPK Köln offene Investment GmbH & Co. KG, Cologne	100.00	EUR	37,481	1,170
HR GLL Central Europe GmbH & Co. KG, Munich ^{5,12}	99.99	EUR	195,548	5,686
HR GLL Central Europe Holding GmbH, Munich ^{9,12}	100.00	EUR	86,676	548
Infrastruktur Ludwigsau GmbH & Co. KG, Cologne ¹²	100.00	EUR	26,909	993
Infrastruktur Windpark Vier Fichten GbR, Bremen ¹²	83.34	EUR	-2	2
IVEC Institutional Venture and Equity Capital GmbH, Cologne	100.00	EUR	8,284	-747
Leben Köln offene Investment GmbH & Co. KG 1, Cologne	100.00	EUR	90,356	2,591
Leben Köln offene Investment GmbH & Co. KG 3, Cologne	100.00	EUR	39,898	1,057
Leben Köln offene Investment GmbH & Co. KG 5, Cologne	100.00	EUR	153,115	4,816
Lifestyle Protection AG, Hilden ^{12,13}	100.00	EUR	6,628	1,862
Lifestyle Protection Lebensversicherung AG, Hilden ^{12,13}	100.00	EUR	10,068	926
mantel + schölzel AG, Kassel ¹³	100.00	EUR	55	155
neue leben Holding AG, Hamburg	67.50	EUR	134,885	25,824
neue leben Lebensversicherung AG, Hamburg ^{12,13}	100.00	EUR	136,608	22,500
neue leben Unfallversicherung AG, Hamburg ^{12,13}	100.00	EUR	3,596	4,407
NL Leben offene Investment GmbH & Co. KG, Cologne	100.00	EUR	143,061	4,907
PB Leben offene Investment GmbH & Co. KG 2, Cologne	100.00	EUR	42,111	1,381
PB Leben offene Investment GmbH & Co. KG 3, Cologne	100.00	EUR	57,146	1,372
PB Lebensversicherung AG, Hilden ^{12,13}	100.00	EUR	219,666	4,000

1. SHARES IN AFFILIATED COMPANIES IN GERMANY

	Equity interest ¹ in %		Equity ² in thousand	Earnings before profit transfer ² in thousand
PB Pensionsfonds AG, Hilden ^{12,13}	100.00	EUR	9,599	1,076
PB Versicherung AG, Hilden ^{12,13}	100.00	EUR	9,499	6,738
Riethorst Grundstücksgesellschaft AG & Co. KG, Hannover ⁴	100.00	EUR	138,025	5,913
SSV Schadensschutzverband GmbH, Hannover ^{12,13}	100.00	EUR	200	182
Talanx AG, Hannover ¹²	100.00	EUR	5,615,011	495,491
Talanx Direct Infrastructure 1 GmbH, Cologne ¹²	100.00	EUR	136	20
Talanx Infrastructure France 1 GmbH, Cologne	100.00	EUR	37,835	-3,379
Talanx Infrastructure France 2 GmbH, Cologne	100.00	EUR	116,673	-3,893
Talanx Infrastructure Portugal 2 GmbH, Cologne	100.00	EUR	31,213	1,801
Talanx Infrastructure Portugal GmbH, Cologne	100.00	EUR	749	-2
Talanx Reinsurance Broker GmbH, Hannover ^{3,12,13}	100.00	EUR	100	2,591
TAM AI Komplementär GmbH, Cologne ¹²	100.00	EUR	197	38
TARGO Leben offene Investment GmbH & Co. KG, Cologne	100.00	EUR	61,900	2,110
TARGO Lebensversicherung AG, Hilden ^{12,13}	100.00	EUR	33,655	39,300
TARGO Versicherung AG, Hilden ^{12,13}	100.00	EUR	29,742	19,139
TD Real Assets GmbH & Co. KG, Cologne	100.00	EUR	510,106	9,238
TD-BA Private Equity GmbH & Co. KG, Cologne ^{4,12}	100.00	EUR	612,019	107,158
TD-BA Private Equity Sub GmbH, Cologne ¹²	100.00	EUR	170,360	36,277
TD-Sach Private Equity GmbH & Co. KG, Cologne ^{4,12}	100.00	EUR	99,602	18,605
Windfarm Bellheim GmbH & Co. KG, Cologne ¹²	100.00	EUR	52,603	1,936
Windpark Mittleres Mecklenburg GmbH & Co. KG, Cologne ¹²	100.00	EUR	16,312	2,152
Windpark Parchim GmbH & Co. KG, Cologne ¹²	100.00	EUR	12,989	825
Windpark Rehain GmbH & Co. KG, Cologne ¹²	100.00	EUR	27,682	451
Windpark Sandstruth GmbH & Co. KG, Cologne ¹²	100.00	EUR	5,250	525
Windpark Vier Fichten GmbH & Co. KG, Cologne ¹²	100.00	EUR	3,105	549
WP Berngerode GmbH & Co. KG, Cologne ¹²	100.00	EUR	39,464	596
WP Mörsdorf Nord GmbH & Co. KG, Cologne ¹²	100.00	EUR	28,668	975

2. SHARES IN AFFILIATED COMPANIES OUTSIDE OF GERMANY

	Equity interest ¹ in %		Equity ² in thousand	Earnings before profit transfer ² in thousand
101BOS LLC, Wilmington, USA ^{6,12}	100.00	USD	47,322	756
111ORD, LLC, Wilmington, USA ^{6,12}	100.00	USD	49,359	-11,524
140EWR, LLC, Wilmington, USA ^{6,12}	100.00	USD	42,583	745
1600FLL LLC, Wilmington, USA ^{6,12}	100.00	USD	28,856	1,129
2530AUS LLC, Wilmington, USA ^{6,12}	100.00	USD	23,719	841
320AUS LLC, Wilmington, USA ^{6,12}	100.00	USD	240	44,186
3290ATL LLC, Wilmington, USA ^{6,12}	100.00	USD	67,458	3,281
3541 PRG s. r. o., Prague, Czech Republic ⁹	100.00	CZK	1,034,209	109,168
402 Santa Monica Blvd, LLC, Wilmington, USA ⁶	100.00	USD	-2,958	843
590ATL LLC, Wilmington, USA ⁶	100.00	USD	75,584	2,825
7550BWI LLC, Wilmington, USA ^{6,12}	100.00	USD	21,613	-147
7550IAD LLC, Wilmington, USA ^{6,12}	100.00	USD	56,785	-6,613
7653BWI LLC, Wilmington, USA ^{6,12}	100.00	USD	475	475

2. SHARES IN AFFILIATED COMPANIES OUTSIDE OF GERMANY

	Equity interest ¹ in %		Equity ² in thousand	Earnings before profit transfer ² in thousand
7659BWI LLC, Wilmington, USA ^{6,12}	100.00	USD	8,446	271
92601 BTS s. r. o., Bratislava, Slovakia ⁹	100.00	EUR	4,974	1,023
975 Carroll Square, LLC, Wilmington, USA ^{6,12}	100.00	USD	45,334	-3,361
Akvamarin Beta, s. r. o., Prague, Czech Republic ⁹	100.00	CZK	64,188	14,429
Annuity Reinsurance Cell A1 (ARCA1), Hamilton, Bermuda	100.00	—	11,151	1,151
APCL Corporate Director No. 1 Limited, London, United Kingdom ⁸	100.00	GBP	—	—
APCL Corporate Director No. 2 Limited, London, United Kingdom ⁸	100.00	GBP	—	—
Argenta Continuity Limited, London, United Kingdom ⁸	100.00	GBP	—	—
Argenta General Partner II LLP, Edinburgh, Great Britain ⁸	100.00	GBP	—	—
Argenta General Partner Limited, Edinburgh, United Kingdom ⁸	100.00	GBP	—	—
Argenta Holdings Limited, London, United Kingdom ⁵	100.00	GBP	—	—
Argenta LLP Services Limited, London, United Kingdom ⁸	100.00	GBP	—	—
Argenta Private Capital Limited, London, United Kingdom ⁸	100.00	GBP	3,209	954
Argenta Secretariat Limited, London, United Kingdom ⁸	100.00	GBP	—	—
Argenta SLP Continuity Limited, Edinburgh, United Kingdom ⁸	100.00	GBP	—	—
Argenta Syndicate Management Limited, United Kingdom ⁸	100.00	GBP	4,798	2,892
Argenta Tax & Corporate Services Limited, London, United Kingdom ⁸	100.00	GBP	383	184
Argenta Underwriting Asia Pte. Ltd., Singapore, Singapore ⁸	100.00	GBP	4,255	1,765
Argenta Underwriting Labuan Ltd., Labuan, Malaysia ^{8,14}	100.00	USD	—	—
Argenta Underwriting No. 1 Limited, London, United Kingdom ⁸	100.00	GBP	22	—
Argenta Underwriting No. 2 Limited, London, United Kingdom ⁸	100.00	GBP	-1,564	-526
Argenta Underwriting No. 3 Limited, London, United Kingdom ⁸	100.00	GBP	-1,570	606
Argenta Underwriting No. 4 Limited, London, United Kingdom ⁸	100.00	GBP	-152	—
Argenta Underwriting No. 7 Limited, London, United Kingdom ⁸	100.00	GBP	—	—
Argenta Underwriting No. 9 Limited, London, United Kingdom ⁸	100.00	GBP	-49	-80
Argenta Underwriting No. 10 Limited, London, United Kingdom ⁸	100.00	GBP	-49	-70
Argenta Underwriting No. 11 Limited, London, United Kingdom ⁸	100.00	GBP	-16	—
ASF Spectrum Limited, George Town, Cayman Islands ¹⁰	100.00	—	112,578	-76
Bristol Re Ltd., Hamilton, Bermuda	100.00	—	7,566	-390
Broadway 101, LLC, Wilmington, USA ^{6,12}	100.00	USD	14,412	298
Commercial & Industrial Acceptances (Pty) Ltd., Johannesburg, South Africa ^{7,12}	85.00	ZAR	14,202	50,613
Compass Insurance Company Ltd., Johannesburg, South Africa ^{7,12}	100.00	ZAR	329,610	57,560
Danae, Inc., Wilmington, USA ¹¹	100.00	USD	n/a	n/a
Desarrollo de Consultores Profesionales en Seguros S.A. de C.V., León, Guanajuato, Mexico	100.00	MXN	619	44
Dynastic Underwriting Limited, London, United Kingdom	100.00	GBP	101	34
Ferme Eolienne des Mignaudieres SNC, Toulouse, France	100.00	EUR	16,057	654
Ferme Eolienne du Confolentais SNC, Toulouse, France ¹²	100.00	EUR	16,882	882
Film & Entertainment Underwriters SA (Pty) Ltd., Johannesburg, South Africa ^{7,12}	91.31	ZAR	950	147
Firedart Engineering Underwriting Managers (Pty) Ltd., Johannesburg, South Africa ^{7,12}	100.00	ZAR	4,880	3,350
Fountain Continuity Limited, Edinburgh, United Kingdom ⁸	100.00	GBP	—	—
Funderburk Lighthouse Limited, Grand Cayman, Cayman Islands ¹²	100.00	USD	37,505	-3,922
Garagesure Consultants and Acceptances (Pty) Ltd., Johannesburg, South Africa ^{7,12}	90.00	ZAR	3,102	2,829
Gente Compañía de Soluciones Profesionales de México, S.A. de C.V., León, Mexico	100.00	MXN	43,135	11,728
Glencar Insurance Company, Orlando, USA	100.00	USD	53,259	-7,661
Glencar Underwriting Managers, Inc., Chicago, USA	100.00	USD	4,255	35
GLL HRE CORE Properties, L.P., Wilmington, USA ^{6,12}	99.90	USD	791,688	-403

2. SHARES IN AFFILIATED COMPANIES OUTSIDE OF GERMANY

	Equity interest ¹ in %		Equity ² in thousand	Earnings before profit transfer ² in thousand
H. J. Roelofs Assuradeuren B.V., Rotterdam, The Netherlands	100.00	EUR	158	—
Hannover Africa Limited, Johannesburg, South Africa (formerly: Hannover Reinsurance Africa Ltd., Johannesburg, South Africa) ^{7,12}	100.00	ZAR	1,102,232	39,039
Hannover Finance (Luxembourg) S.A., Leudelange, Luxembourg ¹²	100.00	EUR	22,377	762
Hannover Finance (UK) Ltd., London, United Kingdom ¹²	100.00	GBP	720	-21
Hannover Finance, Inc., Wilmington, USA ¹²	100.00	USD	1,956,675	180,317
Hannover Life Re of Australasia Ltd., Sydney, Australia ¹²	100.00	AUD	548,767	6,265
Hannover Life Reassurance Company of America (Bermuda) Ltd., Hamilton, Bermuda ¹²	100.00	USD	2,547,973	52,676
Hannover Life Reassurance Company of America, Orlando, USA ¹²	100.00	USD	625,162	88,646
Hannover Mining Engineering Services LLC, Itasca, USA ¹¹	100.00	USD	471	44
Hannover Re (Bermuda) Ltd., Hamilton, Bermuda ¹²	100.00	USD	1,914,729	471,745
Hannover Re (Ireland) Designated Activity Company, Dublin, Ireland ¹²	100.00	USD	690,757	23,275
Hannover Re Consulting Services India Private Limited, Mumbai, India	100.00	INR	125,820	3,469
Hannover Re Holdings (UK) Ltd., London, United Kingdom	100.00	GBP	4,094,709	639,957
Hannover Re Real Estate Holdings, Inc., Orlando, USA ⁵	100.00	USD	1,100,684	36,554
Hannover Re Risk Management Services India Private Limited, New Delhi, India	100.00	INR	62,595	1,439
Hannover Re Services Italy S.r.l., Milan, Italy	100.00	EUR	397	120
Hannover Re Services Japan, Tokyo, Japan ¹²	100.00	JPY	176,305	13,614
Hannover Re Services USA, Inc., Itasca, USA	100.00	USD	4,593	382
Hannover Re South Africa Limited, Johannesburg, South Africa (formerly: Hannover Life Reassurance Africa Ltd., Johannesburg, South Africa) ^{7,12}	100.00	ZAR	1,639,401	-395,313
Hannover Reinsurance Group Africa (Pty) Ltd., Johannesburg, South Africa ^{5,12}	100.00	ZAR	1,195,772	943,712
Hannover ReTakaful B.S.C. (c), Manama, Bahrain ¹²	100.00	BHD	82,017	4,890
Hannover Risk Consultants B.V., Rotterdam, The Netherlands	100.00	EUR	-34	—
Hannover Rück SE Escritório de Representação no Brasil Ltda., Rio de Janeiro, Brazil	100.00	BRL	4,258	503
Hannover Services (México) S.A. de C.V., Mexico City, Mexico	100.00	MXN	7,637	-147
Hannover Services (UK) Ltd., London, United Kingdom	100.00	GBP	1,605	-93
HDI Assicurazioni S.p.A., Rome, Italy	100.00	EUR	382,170	56,913
HDI Global Insurance Company, Chicago, USA	100.00	USD	184,629	-38,382
HDI Global Insurance Limited Liability Company, Moscow, Russia	100.00	RUB	450,284	67,496
HDI Global Network AG Escritório de Representação no Brasil Ltda, São Paulo, Brazil	100.00	BRL	358	16
HDI Global SA Ltd., Johannesburg, South Africa	100.00	ZAR	64,610	2,102
HDI Global Seguros S.A., Mexico City, Mexico	100.00	MXN	229,452	28,911
HDI Global Seguros S.A., São Paulo, Brazil	100.00	BRL	62,947	12,008
HDI Italia S.p.A., Milan, Italien (vormals Amissima Assicurazioni S.p.A., Milan, Italien)	100.00	EUR	—	—
HDI Immobiliare S.r.l., Rome, Italy	100.00	EUR	63,154	2,386
HDI Katılım Sigorta A.Ş., Istanbul, Turkey	100.00	TRY	—	—
HDI Reinsurance (Ireland) SE, Dublin, Ireland	100.00	EUR	274,111	2,432
HDI Seguros de Garantía y Crédito S.A., Las Condes, Chile	99.85	CLP	8,078,189	561,288
HDI Seguros de Vida S.A., Bogotá, Colombia	99.89	COP	20,026,463	322,830
HDI Seguros S.A. de C.V., León, Mexico	99.76	MXN	2,182,915	479,133
HDI Seguros S.A., Bogotá, Colombia	98.33	COP	76,386,477	4,587,130
HDI Seguros S.A., Buenos Aires, Argentina	100.00	ARS	1,546,759	69,830
HDI Seguros S.A., Las Condes, Chile	99.95	CLP	74,854,679	13,873,490
HDI Seguros S.A., Montevideo, Uruguay	100.00	UYU	368,170	69,067
HDI Seguros S.A., São Paulo, Brazil	100.00	BRL	1,204,889	70,430
HDI Sigorta A.S., Istanbul, Turkey	100.00	TRY	938,692	186,281

2. SHARES IN AFFILIATED COMPANIES OUTSIDE OF GERMANY

	Equity interest ¹ in %		Equity ² in thousand	Earnings before profit transfer ² in thousand
HDI Specialty Insurance Company, Illinois, USA	100.00	USD	48,835	-3,608
HDI Versicherung AG (Österreich), Vienna, Austria	100.00	EUR	28,421	10,093
Heuberg S. L. U., Barcelona, Spain	100.00	EUR	13,604	549
Highgate sp. z o.o., Warsaw, Poland ⁹	100.00	PLN	132,703	-2,545
Hospitality Industrial and Commercial Underwriting Managers (Pty) Ltd., Johannesburg, South Africa ^{7,12}	85.00	ZAR	5,244	12,682
HR GLL CDG Plaza S. r. l., Bukarest, Rumania ⁹	100.00	RON	78,997	3,095
HR GLL Europe Holding S. à r. l., Luxembourg, Luxembourg ⁹	100.00	EUR	64,869	2,528
HR GLL Griffin House SPÓLKA Z OGRANICZONA ODPOWIEDZIALNÓSCIA, Warsaw, Poland ⁹	100.00	PLN	29,852	-844
HR GLL Liberty Corner SPÓLKA Z OGRANICZONA ODPOWIEDZIALNÓSCIA, Warsaw, Poland ⁹	100.00	PLN	34,937	1,490
HR GLL Roosevelt Kft, Budapest, Hungary ⁹	100.00	HUF	336,295	-50,072
HR Hannover Re, Correduría de Reaseguros, S.A., Madrid, Spain ¹²	100.00	EUR	825	82
HR US Infra Debt LP, George Town, Cayman Islands	99.99	USD	249,233	10,345
HR US Infra Equity LP, Wilmington, USA ^{6,12}	100.00	USD	142,324	-1,043
INCHIARO LIFE Designated Activity Company, Dublin, Ireland	100.00	EUR	18,033	504
Infrastorm Co-Invest 1 SCA, Luxembourg, Luxembourg ¹¹	100.00	EUR	13,052	-1,363
InLinea S. p. A., Rome, Italy	100.00	EUR	2,307	333
Integra Insurance Solutions Limited, Bradford, United Kingdom ¹¹	100.00	GBP	8,586	1,568
Inter Hannover (No. 1) Limited, London, United Kingdom ¹²	100.00	GBP	—	—
Inversiones HDI Limitada, Santiago, Chile	100.00	CLP	178,083,983	-2,923,777
Kaith Re Ltd., Hamilton, Bermuda ¹²	88.00	USD	327	280
Kubera Insurance (SAC) Ltd., Hamilton, Bermuda ¹²	100.00	USD	19,245	-297
Landmark Underwriting Agency (Pty) Ltd., Bloemfontein, South Africa ^{7,12}	65.50	ZAR	8,124	8,653
Le Chemin de La Milaine S. N. C, Lille, France ¹²	100.00	EUR	18,893	2,244
Le Louveng S. A. S., Lille, France ¹²	100.00	EUR	9,577	978
Le Souffle des Pellicornes S. N. C, Lille, France	100.00	EUR	16,949	2,196
Leine Investment General Partner S. à r. l., Luxembourg, Luxembourg ¹¹	100.00	EUR	894	154
Leine Investment SICAV-SIF, Luxembourg, Luxembourg ¹¹	100.00	USD	103,197	3,719
Les Vents de Malet S. N. C, Lille, France ¹²	100.00	EUR	19,368	2,238
LI RE, Hamilton, Bermuda	100.00	USD	—	—
Lireas Holdings (Pty) Ltd., Johannesburg, South Africa ^{7,12}	70.00	ZAR	381,359	50,457
M8 Property Trust, Sydney, Australia ¹⁰	100.00	AUD	133,470	-1,207
Magyar Posta Biztosító Zrt., Budapest, Hungary	66.93	HUF	1,738,292	-457,831
Magyar Posta Életbiztosító Zrt., Budapest, Hungary	66.93	HUF	11,992,965	1,828,037
Markham Real Estate Partners (KSW) Pty Limited, Sydney NSW, Australia ¹⁰	100.00	AUD	—	—
Morea Limited Liability Company, Tokyo, Japan ¹⁰	99.00	JPY	4,111,647	167,248
MUA Insurance Acceptances (Pty) Ltd., Cape Town, South Africa ^{7,12}	85.00	ZAR	14,180	24,178
Names Taxation Service Limited, London, United Kingdom ⁸	100.00	GBP	10	—
Nashville West, LLC, Wilmington, USA ^{6,12}	100.00	USD	22,814	3,852
OOO Strakhovaya Kompaniya CiV Life, Moscow, Russia	100.00	RUB	3,228,340	500,339
Orion No. 1 Professional Investors Private Real Estate Investment LLC, Seoul, South Korea ¹⁰	99.65	KRW	702,452	33,040,149
PAG Real Estate Asia Select Fund Limited, George Town, Cayman Islands ⁵	100.00	USD	374,984	26,364
Peace G. K., Tokyo, Japan ¹⁰	99.00	JPY	5,573,556	165,039
Protecciones Esenciales S. A., Buenos Aires, Argentina	100.00	ARS	1,537,904	238,378
Real Assist (Pty) Ltd., Pretoria, South Africa ^{7,12}	51.00	ZAR	544	404
Residual Services Corporate Director Limited, London, United Kingdom ⁸	100.00	GBP	—	—
Residual Services Limited, London, United Kingdom ^{8,16}	100.00	GBP	3	—

2. SHARES IN AFFILIATED COMPANIES OUTSIDE OF GERMANY

	Equity interest ¹ in %		Equity ² in thousand	Earnings before profit transfer ² in thousand
River Terrace Parking, LLC, Wilmington, USA ^{6,12}	100.00	USD	15,603	1,533
Rocky G.K., Tokyo, Japan ^{10,12}	99.00	JPY	2,502,226	1,226
Saint Honoré Iberia S.L., Madrid, Spain	100.00	EUR	27,576	-5,826
Sand Lake Re, Inc., Burlington, USA ¹¹	100.00	USD	152,124	235,817
Santander Auto S.A., São Paulo – Vila Olimpia, Brazil	50.00	BRL	31,551	-4,843
SUM Holdings (Pty) Ltd., Johannesburg, South Africa ⁷	100.00	ZAR	-184	-59
Svedea AB, Stockholm, Sweden ¹²	76.50	SEK	109,359	40,578
Svedea Skadeservice AB, Stockholm, Sweden ¹²	100.00	SEK	50	—
Talanx Finanz (Luxemburg) S.A., Luxembourg, Luxembourg	100.00	EUR	6,898	125
Thatch Risk Acceptances (Pty) Ltd., Johannesburg, South Africa ^{7,12}	70.00	ZAR	3,720	3,083
Towarzystwo Ubezpieczeń Europa S.A., Wrocław, Poland	50.00	PLN	947,272	11,374
Towarzystwo Ubezpieczeń i Reasekuracji WARTA S.A., Warsaw, Poland	75.74	PLN	3,431,412	612,479
Towarzystwo Ubezpieczeń na Życie "WARTA" S.A., Warsaw, Poland	100.00	PLN	29	-6
Towarzystwo Ubezpieczeń na Życie Europa S.A., Wrocław, Poland	100.00	PLN	695,931	6,566
Transit Underwriting Managers (Pty) Ltd., Durban, South Africa ^{7,12}	90.00	ZAR	507	1,375
Ubitech Hub Pte. Ltd., Singapore, Singapore ¹⁰	100.00	—	152,048	676

3. OTHER LONG-TERM EQUITY INVESTMENTS

	Equity interest ¹ in %		Equity ² in thousand	Earnings before profit transfer ² in thousand
AMANIKI GmbH, Frankfurt/Main, Germany	49.90	EUR	12	-272
Assi 90 S.r.l., Milan, Italy ¹⁵	39.75	EUR	3,024	-204
Bond I.T. Ltd., Herzliya, Israel ¹¹	21.94	—	n/a	n/a
caplantic GmbH, Hannover, Germany	45.00	EUR	6,331	191
Clarendon Transport Underwriting Managers (Pty) Ltd., Johannesburg, South Africa ^{7,12}	32.67	ZAR	21,223	25,222
C-QUADRAT Ampega Asset Management Armenia LLC, Yerevan, Armenia	25.10	AMD	1,568,863	711,517
Credit Suisse (Lux) Gas TransitSwitzerland SCS, Luxembourg, Luxembourg	60.15	EUR	136,726	3,694
Different Technology (Pty) Ltd., Johannesburg, South Africa ¹⁷	12.30	—	—	—
Elinvar GmbH, Berlin, Germany	33.25	EUR	3,088	-8,312
Escala Braga – Sociedade Gestora de Edifício, S.A., Braga, Portugal	49.00	EUR	8,002	2,219
Escala Parque – Gestão de Estacionamento, S.A., Linhó, Portugal	49.00	EUR	663	603
Escala Vila Franca – Sociedade Gestora de Edifício, S.A., Linhó, Portugal	49.00	EUR	15,647	1,664
Falcon Risk Holdings LLC, Dallas, USA ¹¹	40.00	USD	n/a	n/a
Finance-Gate Software GmbH, Berlin, Germany	40.00	EUR	-107	-132
HANNOVER Finanz GmbH, Hannover, Germany	27.78	EUR	74,801	11,324
Hannoversch-Kölnische Beteiligungsgesellschaft mbH, Hannover, Germany	50.00	EUR	29	—
Hannoversch-Kölnische Handels-Beteiligungsgesellschaft mbH & Co. KG, Hannover, Germany	50.00	EUR	126	2,988
HMG Frankfurter Straße 100 GmbH & Co. geschlossene Investment KG, Hamburg, Germany	50.00	EUR	55,029	884
HMG Gasstraße 25 GmbH & Co. geschlossene Investment KG, Hamburg, Germany	40.24	EUR	108,397	9,737
Iberia Termosolar 1, S.L.U., Badajoz, Spain	71.05	EUR	52,828	1,053
IGEPA Gewerbepark GmbH & Co. Vermietungs KG, Fürstenfeldbruck, Germany	37.50	EUR	-8,739	7,353
Inqaku FC (Pty) Ltd., Johannesburg, South Africa ⁷	21.03	ZAR	-685	-4,101
Investsure Technologies Proprietary Limited, Johannesburg, South Africa ^{7,12}	32.26	ZAR	-2,297	-2,800
Kopano Ventures (Pty) Ltd., Johannesburg, South Africa ^{7,15,17}	29.05	—	—	—
Magma HDI General Insurance Ltd., Colcata, India	20.68	INR	3,498,901	-321,157

3. OTHER LONG-TERM EQUITY INVESTMENTS

	Equity interest ¹ in %		Equity ² in thousand	Earnings before profit transfer ² in thousand
Meribel Mottaret Limited, St. Helier, Jersey ¹⁷	18.96	—	—	—
Monument Insurance Group Limited, Hamilton, Bermuda	20.00	GBP	—	—
Mosaic Insurance Holdings Limited, Hamilton, Bermuda ¹⁷	15.00	—	—	—
myKonzept Holding Deutschland GmbH & Co. KG, Göttingen, Germany (formerly: SWISS INSUREVOLUTION PARTNERS Holding Deutschland GmbH & Co. KG, Göttingen, Germany) ¹⁷	15.00	—	—	—
neue leben Pensionskasse AG, Hamburg, Germany	49.00	EUR	29,876	900
Neue SEBA Beteiligungsgesellschaft mbH, Nürnberg, Germany ¹⁷	18.63	—	—	—
Pineapple Tech (Pty) Ltd., Johannesburg, South Africa ^{7,17}	14.86	—	-184	-59
PNH Parque – Do Novo Hospital, S. A., Linhó, Portugal	49.00	EUR	356	296
PVI Holdings Joint Stock Corporation, Cau Giay, Vietnam	49.71	VND	6,486,435,942	715,735,555
Reaseguradora del Ecuador S. A., Guayaquil, Ecuador ¹⁸	30.00	—	20,171	3,489
Somerset Reinsurance Ltd., Hamilton, Bermuda ¹⁷	16.90	—	—	—
Sureify Labs, Inc., Wilmington, USA ¹⁷	10.03	—	—	—
SWISS INSUREVOLUTION PARTNERS Holding (CH) AG, Zurich, Switzerland ¹⁷	15.00	—	—	—
SWISS INSUREVOLUTION PARTNERS Holding (FL) AG, Triesen, Liechtenstein ¹⁷	15.00	—	—	—
Trinity Underwriting Managers Limited, Toronto, Canada ¹⁸	20.37	—	—	—
VOV GmbH, Cologne, Germany ¹²	35.25	EUR	2,815	936
WeHaCo Unternehmensbeteiligungs-GmbH, Hannover, Germany	40.00	EUR	76,029	-6,070

4. INVESTMENTS IN LARGE CORPORATIONS EXCEEDING 5% OF THE VOTING RIGHTS (LARGE CORPORATIONS WITHIN THE MEANING OF SECTION 341A OF THE GERMAN COMMERCIAL CODE [HGB])

	Equity interest ¹ in %
Acte Vie S. A., Schiltigheim, France	9.38
Extremus Versicherungs-AG, Cologne, Germany	13.00
M 31 Beteiligungsgesellschaft mbH & Co. Energie KG, Düsseldorf, Germany	8.90

¹ The equity interests are calculated by adding together 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 concerned; currencies other than the euro are indicated.

³ The exemptions permitted under section 264(3) of the German Commercial Code (HGB) were applied.

⁴ The exemption permitted under section 264b of the HGB was applied.

⁵ The company prepares its own subgroup financial statements.

⁶ Included in the subgroup financial statements for Hannover Re Real Estate Holdings, Inc.

⁷ Included in the subgroup financial statements for Hannover Reinsurance Group Africa (Pty) Ltd.

⁸ Included in the subgroup financial statements for Argenta Holdings Limited.

⁹ Included in the subgroup financial statements for HR GLL Central Europe GmbH & Co. KG.

¹⁰ Included in the subgroup financial statements for PAG Real Estate Asia Select Fund Limited.

¹¹ No annual report/annual financial statements are available yet because the company was formed in the reporting period.

¹² Provisional/unaudited figures as at the 2021 financial year-end.

¹³ A profit/loss transfer agreement is in force.

¹⁴ The company is inactive.

¹⁵ The company is in liquidation.

¹⁶ The company holds 45 subsidiaries with a total equity of under EUR 0.7 million.

¹⁷ No disclosures are made on equity and earnings in accordance with section 286 (3) sentence 1 no. 2 HGB.

¹⁸ No disclosures are made on equity and earnings in accordance with section 286 (3) sentence 2 HGB.

¹⁹ Figures per closing balance as at 30 September 2021.

B. III. Funds withheld by ceding companies from business ceded for reinsurance

Funds withheld by ceding companies amount to EUR 24,773 (73,251) thousand. In this position, the key element recognised is the balance of the new insurance treaty concluded in the financial year totalling EUR 24,204 (–) thousand.

C. I. Receivables on reinsurance business

This item includes both settled current accounts and reinsurance receivables resulting from the estimation and accruals process in the amount of EUR 312,192 (275,740) thousand. This rise reflects the planned increase in reinsurance business volume in the financial year.

C. II. Other receivables

EUR thousand	31.12.2021	31.12.2020
Receivables from affiliated companies	490,726	239,605
Receivables from tax authorities	163,894	176,121
Pension plan insurance claims	3,240	3,164
Receivables relating to investment income	1,773	–
Prepayments	217	84
Miscellaneous	723	1,096
Total	660,573	420,070

Receivables from affiliated companies essentially relate to receivables under profit/loss transfer agreements of EUR 367,043 (180,977) thousand.

There were pension plan insurance claims of EUR 2,418 (2,418) thousand from affiliated companies. Receivables relating to investments essentially comprise open coupon payments.

The Other receivables item of EUR 660,573 (420,070) thousand includes receivables with a remaining term of more than one year amounting to EUR 3,954 (3,635) thousand.

D. I. Tangible fixed assets and inventories

EUR thousand	31.12.2021	31.12.2020
Balance as at the start of the financial year	1,020	762
Additions	286	674
Disposals	295	345
Amortisation, depreciation and write-downs	93	71
Balance as at the end of the financial year	917	1,020

D. II. Cash at banks, cheques and cash-in-hand

Cash at banks and cash-in-hand was EUR 479,934 (486,139) thousand.

E. I. Deferred rent and interest income

Accruals and deferrals were made exclusively for interest amounting to EUR 9,530 (8,557) thousand.

E. II. Other prepaid expenses

EUR thousand	31.12.2021	31.12.2020
Discount	6,490	2,653
Administrative expenses	2,439	2,532
Total	8,929	5,185

Deferred administrative expenses are essentially insurance contributions with a performance period after the balance sheet date.

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

The item Excess of plan assets over post-employment benefit liability" shows the excess amount that remains after offsetting post-employment benefit obligations against the assets covering these (essentially life insurance policies covering pension obligations) on a contract-by-contract basis.

Equity and liabilities

A. I. Subscribed capital

Subscribed capital and number of shares outstanding

The share capital is EUR 316 million and is divided into 253,100,132 (252,797,634 no-par value registered shares. It is fully paid up. The nominal value per share is EUR 1.25.

Of Talanx AG's share capital, 78.94% of the shares were held by HDI V.a.G. as at 31 December 2021. The rest were held in free float.

Contingent capital

The Annual General Meeting held on 11 May 2017 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

The Annual General Meeting held on 11 May 2017 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) authorising the Board of Management, with 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 158 million by issuing new no-par value registered shares against 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 disapplied for certain listed purposes in the case of cash capital increases. Subject to the approval of the Supervisory Board, pre-emptive rights may be disapplied 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 6 May 2021, the Annual General Meeting of Talanx AG resolved to distribute a dividend of EUR 1.50 per share to the shareholders for financial year 2020, resulting in a total distribution of EUR 379 million.

Employee share programme

An employee share programme was launched for 2021, under which adult trainees/employees at Talanx AG could acquire up to 288 discounted Talanx shares. For this year's employee share programme, 302,498 new shares were created by way of a capital increase using authorised capital, increasing the number of no-par-value shares to 253,100,132. Subscribed capital rose by EUR 378,122.50 in connection with this capital increase. The exercise price was based on the lowest daily rate on the Frankfurt and Hannover stock exchanges on 29 October 2021 and came to EUR 41.04, less the discount of EUR 5 to EUR 15 per share. At Talanx AG the transaction resulted in personnel expenses of EUR 123 thousand. The other personnel expenses resulting from this programme are carried by the companies managing the employee relationships. The employee shares are subject to a lock-up period, which expires on 1 December 2023.

A. II. Capital reserves

As at 31 December 2021, the Company's capital reserves were EUR 1,406,259 (1,394,233) thousand. The increase of EUR 12,036 thousand resulted from this year's employee share programme.

A. III. Revenue reserves

As in the previous year, EUR 2,901,819 thousand of the item relates to other revenue reserves.

The difference restricted from distribution in accordance with section 253(6) sentence 1 HGB amounts to EUR 74,809 (94,163) thousand. In order to calculate the difference, the commitment discounted at the average interest rate of the past ten years and recognised was compared to the amount that would have resulted if it had been discounted at the average interest rate of the past seven years.

A total of EUR 24 (32) 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

This item consists of the 2020 distributable profit of EUR 495,067 thousand, which was carried forward to new account on the basis of the resolution by the Annual General Meeting on 6 May 2021, and the net income of the reporting period amounting to EUR 495,491 thousand.

B. Subordinated liabilities

Subordinated bonds of EUR 1,750 (1,250) million are recognised under the item.

On 1 December 2021, Talanx AG issued subordinated bonds. The bonds have an aggregate nominal amount of EUR 500 million with a maturity of 21 years and can be called for the first time after eleven years.

On 5 December 2017, Talanx AG issued subordinated bonds. The bonds have an aggregate nominal amount of EUR 750 million with a maturity of 30 years and can be called for the first time after ten years.

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 and were also subordinated. The amount of this loan at the reporting date was EUR 500 million. This subordinated loan cannot be drawn for ten years.

C. Total gross underwriting provisions

EUR thousand	31.12.2021	31.12.2020
Business ceded for reinsurance		
Personal accident insurance	18,533	2,578
Liability insurance	337,076	257,751
Motor third-party liability insurance	92,911	87,318
Other motor insurance	44,043	12,911
Fire and property insurance	219,848	49,140
of which		
a) Fire insurance	82,988	11,019
b) Engineering insurance	124,422	36,537
c) Other property insurance	12,438	1,584
Marine and aviation insurance	38,062	23,297
All-risk insurance	778,638	328,986
Legal protection insurance	242	105
Other insurance	75,668	23,029
Total insurance business	1,605,022	785,115

C. II. Gross provision for outstanding claims

EUR thousand	31.12.2021	31.12.2020
Business ceded for reinsurance		
Personal accident insurance	8,771	2,274
Liability insurance	333,556	252,888
Motor third-party liability insurance	90,497	67,471
Other motor insurance	44,021	4,985
Fire and property insurance	149,100	29,578
of which		
a) Fire insurance	55,089	8,565
b) Engineering insurance	87,061	19,668
c) Other property insurance	6,950	1,345
Marine and aviation insurance	32,903	15,721
All-risk insurance	711,737	198,417
Legal protection insurance	242	105
Other insurance	47,049	11,327
Total insurance business	1,417,875	582,766

C. III. Equalisation reserve and similar provisions

EUR thousand	31.12.2021	31.12.2020
Business ceded for reinsurance		
Personal accident insurance	—	—
Liability insurance	—	—
Motor third-party liability insurance	—	—
Other motor insurance	—	—
Fire and property insurance	9,437	2,308
of which		
a) Fire insurance	9,437	1,572
b) Engineering insurance	—	736
c) Other property insurance	—	—
Marine and aviation insurance	964	736
All-risk insurance	19,883	—
Legal protection insurance	—	—
Other insurance	6,080	1,710
Total insurance business	36,363	4,754

C. IV. Other technical provisions

In the previous year, EUR -(15,621) thousand of the other technical provisions related to the Motor third-party liability insurance line and were reversed in the financial year.

D. I. Provisions for pensions and other post-employment benefits

EUR thousand	31.12.2021	31.12.2020
Balance as at the start of the financial year	928,270	885,424
Change	36,029	21,033
Unwinding of discounts/interest rate change	18,682	21,672
Asset values of nettable pension liability insurance policies	209	141
Balance as at the end of the financial year	983,190	928,270

The settlement amount of the employer-funded pension provision was EUR 992,074 (937,391) thousand. The fair value of the insurance obtained as cover for this settlement amount as at 31 December 2021 was EUR 8,996 (9,199) thousand. The settlement amount for the employee-funded provision for pensions was EUR 1,317 (1,288) thousand. The fair value of the insurance obtained as cover for this settlement amount as at 31 December 2021 was EUR 1,204 (1,210) thousand.

TURNOVER PROBABILITIES IN %

Age	Men	Women
20	—	2.7
25	16.5	12.6
30	10.7	8.3
35	6.8	5.6
40	6.4	5.3
45	5.6	4.6
50	3.6	3.5
55	2.7	3.2
From 60	—	—

Based on a large portfolio of liabilities covered in the agreement on the assumption of joint liability, in the previous year Talanx AG was 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 1,632 thousand, which are not yet due in accordance with the provisions of the agreement, was offset against the provision. The plan assets were recognised at fair value in accordance with section 253(1) sentence 4 of the HGB.

Income from plan assets for pension liabilities in the amount of EUR 371 (383) thousand was netted with expenses from the unwinding of the discount on provisions for pension obligations in the amount of EUR 18,683 (21,672) thousand in the reporting year.

D. III. Other provisions

EUR thousand	31.12.2021	31.12.2020
Award proceedings	58,304	56,952
Assumed obligations from pension liabilities	31,871	30,620
Interest component of provisions for taxes	18,842	27,383
Share awards	9,317	5,255
Board of Management remuneration	3,986	5,604
Supervisory Board remuneration	2,600	2,360
Variable remuneration/bonuses	2,282	2,254
Consulting costs	2,225	1,231
Costs for the preparation of the annual financial statements	1,400	379
Miscellaneous	2,646	2,437
Total	133,473	134,475

EUR 11,771 (15,464) thousand of the interest components from provisions for corporate income tax and trade tax are attributable to interest components under section 233 a Abgabeordnung (The Fiscal Code of Germany - AO) and EUR 7,071 (11,919) thousand to discounting in accordance with section 253(2) HGB.

The settlement amount of partial retirement provisions was EUR 987 (928) thousand. The fair value of the funds held to cover these obligations was EUR 365 (246) thousand as at 31 December 2021. The historical costs of the offset assets amounted to EUR 507 (506) 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 6 (8) thousand was offset in the statement of income against expenses from the unwinding of discounted amounts of EUR 3 (4) thousand in the provision for partial retirement obligations.

In line with the share-based payment system introduced in 2011, for the reporting period 20,032 virtual shares from the Talanx share award programme with a fair value of EUR 729 thousand were granted to the Board of Management.

In line with the share-based payment system introduced in 2011, for the reporting period 11,921 virtual shares from the Talanx share award programme with a fair value of EUR 434 thousand were granted to executives.

F. I. Liabilities on reinsurance business

As a result of the further scheduled expansion of the reinsurance business assumed and the retrocession of premiums and losses to the reinsurers there was a corresponding rise in reinsurance payables.

F. II. Bonds

As in the prior year, senior bonds of EUR 1,358 million are recognised here.

On 13 February 2013, Talanx AG issued a senior bond with an aggregate nominal amount of EUR 750 million and a term of ten years.

On 13 February 2014, Talanx AG issued a senior bond with an aggregate nominal amount of EUR 108 million and a term until 13 February 2023. It was subscribed exclusively by affiliated companies.

Talanx AG also placed a senior unsecured bond with a volume of EUR 500 million on 23 July 2014. The bond matures on 23 July 2026.

In comparison to the previous year, the bonds have a changed remaining term of over one year and less than five years of EUR 1,358 million.

F. III. Liabilities to banks

Liabilities to banks of EUR 39 (17) thousand have a remaining term of less than one year, as in the previous year.

F. IV. Other liabilities

EUR thousand	Term	Term	Term	Term	Total 31.12.2021	Total 31.12.2020
	< 1 year 31.12.2021	< 1 year 31.12.2020	> 1 year 31.12.2021	> 1 year 31.12.2020		
Liabilities to affiliated companies	34,010	281,886	5,866	5,866	39,876	287,752
Liabilities from interest	22,974	22,260	—	—	22,974	22,260
Tax liabilities	533	429	—	—	533	429
Miscellaneous	380	228	—	—	380	228
Total	57,897	304,803	5,866	5,866	63,763	310,669

Liabilities to affiliated companies essentially relate to outstanding interest on bonds subscribed by affiliated companies in the amount of EUR 30,993 (31,068) thousand and internal allocations of EUR 139 (34,281) thousand. The difference from the prior year results essentially from lower intercompany allocations.

G. Deferred income

Primarily accrued interest of EUR 882 (1,889) thousand is recognised here.

Notes to the statement of income

I.1. a) Gross written premiums

EUR thousand	2021	2020
Business ceded for reinsurance		
Personal accident insurance	13,086	3,578
Liability insurance	110,807	109,094
Motor third-party liability insurance	81,477	93,407
Other motor insurance	35,802	55,545
Fire and property insurance	283,177	87,331
of which		
a) Fire insurance	112,128	25,029
b) Engineering insurance	131,565	46,249
c) Other property insurance	39,485	16,053
Marine and aviation insurance	26,736	30,131
All-risk insurance	453,382	337,215
Legal protection insurance	176	174
Other insurance	114,648	21,110
Total insurance business	1,119,291	737,584

ORIGIN OF GROSS WRITTEN PREMIUMS FOR BUSINESS CEDED FOR REINSURANCE

EUR thousand	2021	2020
Germany	908,554	438,602
Other member states of the European Community and other contracting states to the Agreement on the European Economic Area	146,278	135,838
Rest of world	64,459	163,144
Total	1,119,291	737,584

I.1. Gross premiums earned

EUR thousand	2021	2020
Business ceded for reinsurance		
Personal accident insurance	3,625	3,140
Liability insurance	112,154	104,452
Motor third-party liability insurance	83,338	89,154
Other motor insurance	43,638	48,001
Fire and property insurance	239,304	70,022
of which		
a) Fire insurance	94,541	24,137
b) Engineering insurance	110,536	30,104
c) Other property insurance	34,227	15,782
Marine and aviation insurance	29,398	23,418
All-risk insurance	539,318	206,671
Legal protection insurance	176	174
Other insurance	102,344	12,460
Total insurance business	1,153,295	557,492

I.2. Gross expenses for insurance claims

EUR thousand	2021	2020
Business ceded for reinsurance		
Personal accident insurance	7,390	2,633
Liability insurance	91,302	130,914
Motor third-party liability insurance	62,224	45,624
Other motor insurance	41,548	19,216
Fire and property insurance	152,473	30,572
of which		
a) Fire insurance	67,185	7,905
b) Engineering insurance	76,700	19,865
c) Other property insurance	8,588	2,803
Marine and aviation insurance	21,558	17,332
All-risk insurance	622,514	242,840
Legal protection insurance	136	105
Other insurance	37,186	10,232
Total insurance business	1,036,333	499,470

I. 3. a) Gross expenses for insurance operations

EUR thousand	2021	2020
Business ceded for reinsurance		
Personal accident insurance	8,335	783
Liability insurance	6,285	8,146
Motor third-party liability insurance	59,726	46,025
Other motor insurance	8,572	14,862
Fire and property insurance	63,334	14,969
of which		
a) Fire insurance	24,553	3,119
b) Engineering insurance	33,116	10,375
c) Other property insurance	5,665	1,475
Marine and aviation insurance	4,785	5,559
All-risk insurance	87,287	60,166
Legal protection insurance	–	–
Other insurance	59,390	7,918
Total insurance business	297,713	158,428

The increase is chiefly a result of expanding the business volume.

I. 6. Net underwriting result

EUR thousand	2021	2020
Business ceded for reinsurance		
Personal accident insurance	–9,138	–479
Liability insurance	–5,318	–30,584
Motor third-party liability insurance	–21,135	–14,735
Other motor insurance	–8,243	10,288
Fire and property insurance	–251	1,491
of which		
a) Fire insurance	792	1,004
b) Engineering insurance	7,352	4,286
c) Other property insurance	–8,394	–3,799
Marine and aviation insurance	138	258
All-risk insurance	–14,070	–45,032
Legal protection insurance	–62	–38
Other insurance	–958	–2,029
Total insurance business	–59,036	–80,860

Run-off result for own account

A run-off result for own account of EUR –62,775 (–52,987) thousand, not accounting for subsequent offsetting premiums, was recognised. This run-off was shaped chiefly by a loss portfolio occurrence in 2020.

Personnel expenses

EUR thousand	2021	2020
Wages and salaries	36,227	30,761
Social security and employee benefit expenses	3,925	3,600
Post-employment benefit costs	73,578	54,965
Total expenses	113,730	89,326

II. 1./2. Net investment income

Net investment income decreased by EUR 61,146 thousand in the reporting period, declining from EUR 854,458 thousand to EUR 793,312 thousand. Investment expenses of EUR 47,208 (223,647) thousand result chiefly from write-downs on bond funds of EUR 40,054 (o) thousand. These expenses are offset by investment income of EUR 840,520 (1,078,106) thousand, which were shaped essentially by income from profit transfer agreements of EUR 381,908 (195,277) thousand and income from long-term equity investments of EUR 272,634 (335,027) thousand.

II.3. Other income

EUR thousand	2021	2020
Income from services	16,817	15,468
Currency exchange gains	10,933	2,123
Interest and similar income	7,589	17,567
Income from the reversal of provisions	3,740	704
Miscellaneous	1,164	105
Total	40,243	35,967

EUR 4,848 (–) thousand of the income from interest and similar income result from discounting provisions. In the previous year, this item related primarily to interest on tax assets of EUR 14,157 thousand.

II.4. Other expenses

EUR thousand	2021	2020
Expenses for the Company as a whole	129,118	103,527
Interest expenses	100,290	111,373
Interest cost included in additions to pension provisions	18,289	21,287
Expenses for services	16,817	15,468
Currency exchange losses	8,618	2,087
Miscellaneous	514	257
Total	273,646	253,999

Interest expenses include EUR 42 (5,671) thousand from the unwinding of discounts.

II.6. Income taxes

The pre-tax profit of EUR 501 (556) million results in tax expenditure of EUR 5 (3) million. 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 item “Shares in affiliated companies” (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”. Exercising the option under section 274(1) sentence 2 HGB, any excess deferred tax assets after netting are not recognised. There was no excess of deferred tax liabilities.

Other disclosures

Employees

Number (average)	2021	2020
Full-time employees	233	226
Part-time employees	62	61
Total	295	287

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 the governing bodies

The remuneration of the Board of Management members totalled EUR 7,276 (8,554) thousand in the reporting period. The remuneration of the Supervisory Board members totalled EUR 2,272 (2,185) thousand in the reporting period. The remuneration of former Board of Management members and their survivors totalled EUR 2,765 (2,655) thousand. A total of EUR 68,139 (67,098) thousand was recognised for pension liabilities due to former Board of Management members and their survivors.

Key agreements

Control and profit/loss transfer agreements

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

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

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

On 16 December 2021, 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 750 million on a revolving basis. Talanx AG is obliged to convert these bonds into registered shares with voting rights in the event of a rights issue. 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 is one syndicated variable-rate credit line in a nominal amount of EUR 250 million with a term of five years that is designed to provide short-to medium-term financing. The existing syndicated credit line 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 million at any time when requested until 31 December 2032.

Related party disclosures

In the reporting year, there were no non-arm's length transactions with related parties that were relevant to an assessment of the net assets or results of operations.

Total audit fees

The fee for the audit services of PwC GmbH includes in particular the fee for the audit of the consolidated financial statements, including for expansions of the engagement in accordance with the law, the review of the interim financial reports and audits of the annual financial statements as well as audits of the solvency statements of the subsidiaries included in the consolidated financial statements. The fees for other consulting services comprise assurance engagements on the basis of the International Standard on Assurance Engagements 3000 (ISAE 3000) and assurance procedures on the basis of the International Standard on Assurance Engagements 4400 (ISAE 4400). The fees for tax advisory services include in particular fees for tax advice in individual matters. The fees for other services comprise advisory services in connection with training on current accounting trends, quality assurance support services regarding the introduction of IFRS 17 and advisory activities in the context of a transaction project. 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

HDI Global SE 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. Under this pension commitment, the Company still has a joint liability in an amount totalling EUR 8 (8) million as 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 2 (1) million.

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

Talanx AG assumed guarantees for restoration obligations relating to the Group's own wind farms amounting to EUR 7 (6) million.

As limited partner of a holding company, Talanx AG currently has a latent repayment risk of EUR 10.6 (–) million. There are currently no indications that a repayment obligation will actually occur.

The Company's Board of Management views the probability that obligations arising from the above contingent liabilities will result in actual claims and payments to be low.

The total amount of the contingent liabilities and other financial commitments is EUR 27 (15) million, of which EUR 10 (9) million is attributable to retirement provision liabilities and EUR 10 (9) million to liabilities due to affiliated companies.

Voting rights notification in accordance with 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 in accordance with section 21(1) WpHG on 17 July 2015 that its share in the voting rights of Talanx Aktiengesellschaft, Hannover, Germany, fell below the threshold of 5% of voting rights on 15 July 2015.

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, HDI-Platz 1, 30659 Hannover, Germany, notified us in accordance with section 21(1a) of the WpHG that its share of the voting rights in Talanx Aktiengesellschaft, HDI-Platz 1, 30659 Hannover, Germany, exceeded 75% 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 V.a.G.). HDI V.a.G. (the parent company) prepares consolidated financial statements (largest consolidated group) in accordance with section 341i of the HGB in conjunction with section 290 of the HGB in which the Company is included. As the parent company of the Talanx Group, Talanx AG is also required by section 341i HGB in conjunction with section 290 of the HGB to prepare consolidated financial statements (smallest consolidated group). On the basis of section 315e(1) of the HGB, these consolidated financial statements must be prepared in accordance with International Financial Reporting Standards (IFRS), 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 Federal Gazette.

Declaration of conformity in accordance with section 161 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 (https://www.talanx.com/en/talanx-group/corporate_governance/declaration_of_conformity), as described in the Board of Management's corporate governance declaration in the Group management report (Corporate Governance section).

Report on post-balance sheet date events

At the present moment in time, it is not yet possible to assess the impact of the armed conflict on the territory of the Ukraine which started in February. Geopolitical crises always result in uncertainty and a stronger level of volatility on capital markets.

The disposal of the Russian subsidiary, OOO Strakhovaya Kompaniya CiV Life, was concluded in February 2022. As a result, key elements of Russian investments were derecognised.

Our investments are hardly impacted by the armed conflict between Russia and the Ukraine as there is only a marginal direct exposure to the two countries. The uncertain general situation does not currently allow any reliable assessment as to the extent to which the investments could be indirectly impacted by second-round effects and pending sanctions. However, due to the relatively low level of trade relations of western companies with Russia and the Ukraine in combination with the good fundamental situation of the corporate sector, our investment portfolios are in a good position to absorb second-round effects. We would be only indirectly impacted by the economic consequences of the crisis and possible economic sanctions.

Beyond these factors, we are not aware of any significant events after the end of the financial year that could significantly influence the Company's net assets, financial position and results of operations.

Appropriation of the distributable profit

The Board of Management and Supervisory Board will propose to the Annual General Meeting that Talanx AG's distributable profit of EUR 990,558 thousand, as reported as at 31 December 2021, should be appropriated as follows:

- distribution of a dividend of EUR 1.60 for each no-par value share bearing dividend rights: EUR 404,960 thousand
- Retained profit brought forward: EUR 585,598 thousand

Prepared and hence authorised for publication in Hannover on 25 February 2022.

Talanx Aktiengesellschaft

The Board of Management



Torsten Leue,
Chairman



Jean-Jacques Henchoz



Dr Wilm Langenbach



Dr Christopher Lohmann



Dr Edgar Puls



Dr Jan Wicke

Independent Auditor's report¹

To Talanx AG, Hannover

Report on the audit of the Annual Financial Statements and of the Management report

Audit Opinions

We have audited the annual financial statements of Talanx AG, Hannover, which comprise the balance sheet as at 31 December 2021, and the statement of profit and loss for the financial year from 1 January to 31 December 2021 and notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of Talanx AG, which is combined with the group management report, for the financial year from 1 January to 31 December 2021. In accordance with the German legal requirements, we have not audited the content of those parts of the management report listed in the "Other Information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2021 and of its financial performance for the financial year from 1 January to 31 December 2021 in compliance with German Legally Required Accounting Principles, and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the management report does not cover the content of those parts of the management report listed in the "Other Information" section of our auditor's report.

Pursuant to section Section 322(3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with section 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German profes-

sional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual financial statements for the financial year from 1 January to 31 December 2021. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matter of most significance in our audit was as follows:

1 Measurement of shares in affiliated companies

Our presentation of this key audit matter has been structured as follows:

- 1 Matter and issue
- 2 Audit approach and findings
- 3 Reference to further information

Hereinafter we present the key audit matter:

1 Measurement of shares in affiliated companies

- 1 The annual financial statements of Talanx AG as at 31 December 2021 include shares in affiliated companies of € 7,900 million (73.3% of total assets) listed under "Investments".

Investments in affiliated companies are valued under commercial law at the lower of cost and fair value.

The Company applies fair value for all property insurance 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 S1 in conjunction with IDW RS HFA 10. For the subsidiary in reinsurance, the fair value is based on the market price as at 30 December 2021. The cash flows used for the income approach are based in principle on individual plans for long-term equity investments for the next five years and are updated using long-term growth rate estimates, as well as other methods. 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. The values determined and other documentation resulted in no need for depreciation in the financial year.

¹ Translation of the auditor's report issued in German language of the annual financial statements and management report prepared in German language by the management of Talanx AG.

The result of this valuation is highly dependent on how executive directors assess future cash flows, capitalisation rates and growth rates as well as due to the impacts of the coronavirus pandemic. Accordingly, the valuation is subject to significant uncertainty. Against this backdrop and in light of the highly complex measurement and significance for the Company's net assets and results of operations, this matter was particularly significant for our audit.

- 2 As part of our audit, we reproduced the method used for valuation.

In particular, we assessed whether the fair value of material long-term equity investments was adequately calculated using the income approach/modified income approach in accordance with the relevant measurement standards. When doing so, we based our assessments on factors including a comparison between general and industry-specific market expectations and detailed explanations by executive directors on the key value drivers on which expected cash flows are based. In addition, we assessed the evaluation of the executive directors of the company with regards to the impact of the Covid-19 pandemic on the business activities as well as the corresponding consideration in the context of the calculation of the expected cash flows. In view of the fact that relatively small changes to the discount rate applied can have a significant impact on the Company value calculated under this method, we conducted a thorough review of the parameters used to calculate the discount rate applied and reproduced the calculation method. For this, we consulted with internal valuation specialists.

Based on our audit procedures performed, we were able to satisfy ourselves that the parameters applied and assumptions used by the executive directors to measure investments in affiliated companies are suitable overall.

- 3 The Company's disclosures on investments in affiliated companies are contained in the section "Accounting and measurement" in the notes. Please also see the section "Disclosures on the balance sheet – assets" in the notes for fair values and valuation reserves. Please refer to the section "notes to the balance sheet – assets" for information on long-term equity investments.

Other Information

The executive directors are responsible for the other information. The other information comprises the following non-audited parts of the management report:

- the statement on corporate governance pursuant to section 289f HGB and section 315d HGB included in section corporate governance of the management report
- the non-financial report pursuant to section 315b(1) HGB included in the consolidated non-financial statement of the management report

The other information comprises further the remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited annual financial statements, the audited management report and our auditor's report.

Our audit opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems)

as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw

attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory Requirements

Assurance Report in Accordance with section 317(3a) HGB on the Electronic Rendering of the Annual Financial Statements and the Management Report Prepared for Publication Purposes

Reasonable Assurance Conclusion

We have performed an assurance engagement in accordance with section 317(3a) HGB to obtain reasonable assurance about whether the rendering of the annual financial statements and the management report (hereinafter the “ESEF documents”) in the attached electronic file Talanx_AG_JA+LB_ESEF-2021-12-31_de.zip and prepared for publication purposes complies in all material respects with the requirements of section 328(1) HGB for the electronic reporting format (“ESEF format”). In accordance with German legal requirements, this assurance engagement only extends to the conversion of the information contained in the annual financial statements and the management report into the ESEF format and therefore relates neither to the information contained within this rendering nor to any other information contained in the above-mentioned electronic file.

In our opinion, the rendering of the annual financial statements and the management report contained in the above-mentioned electronic file and prepared for publication purposes complies in all material respects with the requirements of section 328(1) HGB for the electronic reporting format. We do not express any opinion on the information contained in this rendering nor on any other information contained in the above-mentioned electronic file beyond this reasonable assurance conclusion and our audit opinion on the accompanying annual financial statements and the accompanying management report for the financial year from 1 January to 31 December 2021 contained in the “Report on the Audit of the Annual Financial Statements and on the Management Report” above.

Basis for the Reasonable Assurance Conclusion

We conducted our assurance engagement on the rendering of the annual financial statements and the management report contained in the above mentioned electronic file in accordance with section 317(3a) HGB and the IDW Assurance Standard: Assurance in Accordance with section 317(3a) HGB on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes (ED IDW AsS 410 (October 2021) and the International Standard on Assurance Engagements 3000 (Revised). Accordingly, our responsibilities are further described below in the “Auditor’s Responsibilities for the Assurance Engagement on the ESEF Documents” section. Our audit firm has applied the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QS 1).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic reproduction of the annual financial statements and the management report in accordance with section 328(1) sentence 4 no. 1 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of section 328(1) HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process of preparing the ESEF-documents as part of the financial reporting process.

Auditor’s Responsibilities for the Assurance Engagement on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of section 328(1) HGB, whether due to fraud or error. We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material non-compliance with the requirements of section 328(1) HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance conclusion.
- Obtain an understanding of internal control relevant to the assurance engagement on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance conclusion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version applicable as at the balance sheet date on the technical specification for this electronic file.
- Evaluate whether the ESEF documents enables a XHTML rendering with content equivalent to the audited annual financial statements and to the audited management

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor by the supervisory board on 12 March 2021. We were engaged by the supervisory board on 25 May 2021. We have been the auditor of the Talanx AG, Hannover without interruption since the financial year 2018.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Other matter – use of the audit report

Our auditor's report must always be read together with the audited financial statements and the audited management report as well as the examined ESEF documents. The annual financial statements and management report converted to the ESEF format – including the versions to be published in the German Federal Gazette [Bundesanzeiger] – are merely electronic renderings of the audited annual financial statements and the audited management report and do not take their place. The "Assurance Report in Accordance with section 317(3a) on the Electronic Rendering of the Annual Financial Statements and the Management Report Prepared for Publication Purposes" In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the examined ESEF documents made available in electronic form.

German Public Auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Florian Möller.

Hannover, 10 March 2022

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Florian Möller	Janna Brüning
Wirtschaftsprüfer	Wirtschaftsprüferin
(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 net assets, financial position and results of operations 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, 25 February 2022

Talanx Aktiengesellschaft

The Board of Management



Torsten Leue,
Chairman



Jean-Jacques Henchoz



Dr Wilm Langenbach



Dr Christopher Lohmann



Dr Edgar Puls



Dr Jan Wicke

Further information

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.

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

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.

Contact information

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Published on 14 March 2022

This English Annual Report is a translation of the original German text;
the German version takes precedence in case of any discrepancies.
The German version is available on www.bundesanzeiger.de.

Group structure

TALANX AG						
GESCHÄFTSBEREICH INDUSTRIE- VERSICHERUNG	GESCHÄFTSBEREICH PRIVAT- UND FIR MEN- VERSICHERUNG DEUTSCHLAND		GESCHÄFTSBEREICH PRIVAT- UND FIR MEN- VERSICHERUNG INTERNATIONAL	GESCHÄFTSBEREICH RÜCKVERSICHERUNG	KONZERN- FUNKTIONEN	
INDUSTRIAL LINES DIVISION	RETAIL GERMANY DIVISION		RETAIL INTERNATIONAL DIVISION	REINSURANCE DIVISION	CORPORATE OPERATIONS	
	SCHADEN/ UNFALL- VERSICHERUNG PROPERTY/ CASUALTY INSURANCE	LEBENS- VERSICHERUNG LIFE INSURANCE		SCHADEN- RÜCK- VERSICHERUNG PROPERTY/ CASUALTY REINSURANCE	PERSONEN- RÜCK- VERSICHERUNG LIFE/HEALTH REINSURANCE	
HDI Global SE	HDI Deutschland AG		HDI International AG	Hannover Rück SE		Ampega Asset Management GmbH
HDI Global Specialty SE	HDI Versicherung AG		HDI Seguros S.A. (Argentina)	E+S Rückversicherung AG		Ampega Investment GmbH
HDI Versicherung AG (Austria)	Lifestyle Protection AG		HDI Seguros S.A. (Brazil)	Hannover ReTakaful B. S. C. (c) (Bahrain)		HDI Service AG
HDI Global Seguros S. A. (Brazil)	neue leben Unfallversicherung AG		HDI Seguros S.A. (Chile)	Hannover Re (Bermuda) Ltd.		HDI Systeme AG
HDI Global Seguros S. A. (Mexico)	PB Versicherung AG		HDI Seguros S.A. (Colombia)	Hannover Africa Limited		Talanx Reinsurance Broker GmbH
HDI Global Insurance Limited Liability Company (Russia)	TARGO Versicherung AG		HDI Seguros de Vida S.A. (Colombia)	Hannover Life Re of Australasia Ltd.		
HDI Global SA Ltd. (South Africa)	HDI Lebensversicherung AG		HDI Seguros S. A. de C.V. (Mexico)	Hannover Life Reassurance Bermuda Ltd.		
HDI Global Insurance Company (USA)	HDI Pensionskasse AG		HDI Seguros S.A. (Uruguay)	Hannover Re (Ireland) DAC		
HDI Global Network AG	Lifestyle Protection Lebensversicherung AG		TUIR WARTA S.A. (Poland)	Hannover Re South Africa Limited		
HDI Reinsurance (Ireland) SE	neue leben Lebensversicherung AG		TU na Życie WARTA S.A. (Poland)	Hannover Life Reassurance Company of America		
	PB Lebens- versicherung AG		TU na Życie Europa S.A. (Poland)			
	PB Pensionsfonds AG		TU Europa S.A. (Poland)			
	HDI Pensionsmanagement AG		OOO Strakhovaya Kompaniya „Civ Life“ (Russia)			
	TARGO Lebens- versicherung AG		HDI Assicurazioni S.p.A. (Italy)			
			Magyar Posta Biztosító Zrt. (Hungary)			
			Magyar Posta Életbiz- tosító Zrt. (Hungary)			
			HDI Sigorta A.Ş. (Turkey)			

Nur die wesentlichen Beteiligungen
Main participations only

Stand/As at: 31.12.2021

