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Talanx AG at a glance

	2016	2015	2014
EUR thousand			
Net income from participating interests and other operating income	644,508	540,972	636,920
Net interest income	-104,074	-103,745	-125,101
Other operating expenses, depreciation, amortisation and write-downs	132,986	126,987	126,716
Tax expense	-11,118	-34,408	-13,097
Net income for the financial year	418,566	344,648	398,201
Retained profits brought forward	406,330	390,319	308,115
Distributable profit	824,896	734,967	706,316
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Long-term financial assets	7,582,762	7,682,999	7,372,720
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Equity			
Subscribed capital	315,997	315,997	315,997
Capital reserves	1,394,223	1,394,223	1,394,223
Revenue reserves	2,901,819	2,901,819	2,901,819
Distributable profit	824,896	734,967	706,316
Total equity	5,436,935	5,347,006	5,318,355
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Debt with a maturity of more than 1 year ¹⁾	1,863,400	1,863,400	1,857,500

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

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

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

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Report of the Supervisory Board

Ladies and Gentlemen,

The Supervisory Board fulfilled its tasks and duties in accordance with statutory requirements, the Articles of Association and the Rules of Procedure without restriction again in financial year 2016. We considered the economic situation, risk position and strategic development of Talanx AG and its major subsidiaries in both Germany and foreign core markets at length. We advised the Board of Management on all key matters for the Company, continuously monitored its management of the business and were directly involved in decisions of fundamental importance.

In the reporting period, we convened for four ordinary meetings of the Supervisory Board – on 18 March, 12 May, 11 August and 14 November 2016. Two representatives of the Federal Financial Supervisory Authority (BaFin) took part in one of these meetings as a matter of routine. The Supervisory Board's Finance and Audit Committee held four ordinary meetings and one extraordinary meeting, and the Personnel Committee held two meetings. The Nomination Committee and the Standing Committee formed in accordance with the requirements of the German Co-determination Act (MitbestG) were not required to meet in 2016. The full Supervisory Board was briefed on the work of the various committees. In addition, we received written and verbal reports from the Board of Management on business operations and the position of the Company and the Group, based on the quarterly financial reports and the interim financial statements. At no point during the year under review did we consider it necessary to perform inspections or investigations in accordance with section 111(2) sentence 1 of the German Stock Corporation Act (AktG). Where transactions requiring urgent approval arose between meetings, the Board of Management submitted these to us for a written resolution in accordance with the procedure laid down by the Chairman of the Supervisory Board. The chairmen of the Supervisory Board and of the Board of Management regularly exchanged information and views on all material developments and transactions within the Company and the Talanx Group. Overall, we satisfied ourselves of the lawfulness, fitness for purpose, regularity and efficiency of the

actions taken by the Board of Management in line with our statutory responsibilities and our terms of reference under the Articles of Association.

The Board of Management provided us with regular, timely and comprehensive information regarding the business situation and financial position, including the risk situation and risk management, major capital expenditure projects and fundamental issues of corporate policy. We were also informed of transactions that – although not subject to the approval of the Supervisory Board – need to be reported in accordance with the requirements of the Rules of Procedure, as well as of the impact of natural disasters and other major losses, the status of major lawsuits and other material developments within the Company and the Group, and in the regulatory environment (Solvency II, fit and proper requirements). As in the previous year, we again arranged to be informed continuously about the status of any outstanding approval processes for the internal model. At our meetings, we considered at length the reports provided by the Board of Management and put forward suggestions and proposed improvements. No Member of the Supervisory Board or the committees attended less than half of the meetings.

Key areas of discussion for the full Supervisory Board

The following issues formed the primary focus of reporting and were discussed in detail at our meetings: the Company's business development and that of the individual divisions; the challenges facing the German life insurance business due to the persistently low interest rates and the economic situation of the domestic life-insurance companies in the Group; also potential acquisition projects abroad and our planning for 2017. We were informed of, and developed an understanding of, the reasons for divergences between actual and planned business developments for the preceding quarters.

We also arranged for a survey of digitalisation within the Group. We discussed issues regarding the Group financing and also passed resolutions on the financial statements and the refinancing of a credit line.

Risk management within the Group was another focus of our deliberations, as in past years. The risk reports by the Board of Management were discussed at each Supervisory Board meeting. We arranged for the extended reporting requirements under Solvency II to be explained, and discussed the resulting obligations for the Supervisory Board. In light of this, the information policy document for the Supervisory Board, among other documents, was revised and restructured. In addition, we considered a number of acquisition projects in the fields of primary insurance and reinsurance, and called for reports on a cost-restriction project and on the cost situation compared with competitors. Moreover, we updated the Rules of Procedure for the Board of Management and the Supervisory Board, and noted divestments and/or the lack of any increase in investments in countries in which continued commitments appeared dubious from an economic perspective. The Supervisory Board approved the suspension and re-conclusion of a control and profit/loss transfer agreement in the Retail Germany Division.

According to the normal cycle, the Supervisory Board discussed questions relating to the reappointment of Members of the Board of Management. It also resolved to extend the terms of office on the Board of Management of Mr Haas and Mr Wallin, which were due to expire in 2017.

In keeping with section 87(1) of the AktG, the full Supervisory Board addressed the setting of divisional targets for 2017 and the determination of the bonuses for the Members of the Board of Management, and also consulted external sources in its assessment of the appropriateness and structure of the remuneration of the Board of Management. The fixed remuneration of two members of the Board of Management was also reviewed, with horizontal and vertical aspects of rem-

uneration and remuneration concepts being used for comparison and guidance purposes. The appropriateness of the remuneration for the Board of Management members was addressed at the Supervisory Board meeting on 18 March 2016.

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

Work of the committees

The Supervisory Board has set up various committees to enable it to perform its duties efficiently. These are the Finance and Audit Committee, which has six members, the Personnel Committee and the Standing Committee, each of which has four members, and the Nomination Committee, with three members. The committees prepare discussions and the adoption of resolutions by the full Supervisory Board. They also have the authority to pass their own resolutions in specific areas. The minutes of the Finance and Audit Committee and Personnel Committee meetings are also made available to Members of the Supervisory Board who do not belong to these committees. The composition of these committees can be found on page 8 of the Annual Report.

Along with preparing the discussions and resolutions for the full Supervisory Board, the Finance and Audit Committee also carried out in-depth reviews not only of the Company's and Group's interim financial statements and quarterly reports together with the financial-statement components and key indicators, but also of the results of the review conducted by the auditors. Furthermore, the Finance and Audit Committee discussed the findings of an external actuarial audit of the gross and net claims reserves for the Talanx Group's property/casualty insurance business, along with the results of an M&A performance analysis of the individual Group companies.

On a routine basis, we focussed on the risk reports, were given an overview of IFRS 4 and IFRS 9 and examined the results of a follow-up analysis of the status of the risk management in the Talanx Group. The committee also received the annual reports of the four key functions (Risk Management, Actuarial, Auditing and Compliance), which were each prepared and presented to us by the responsible heads of these functions.

The Finance and Audit Committee dedicated a considerable share of its efforts to reporting on the German auditor supervision reform act (Abschlussprüferaufsichtsreformgesetz, APAREG) and the resulting considerations and measures. After it was agreed at a very early stage to change the audit company that audits the individual and consolidated financial statements of the Company for the financial year 2018, a project was initiated to prepare and implement the invitation-to-tender process. At an extraordinary meeting of the Committee on 30 November 2016, three audit companies presented their tenders, which had been submitted in writing, and held additional presentations. The validation of the report produced by the Company concerning the conclusions reached during the selection procedure by the Finance and Audit Committee and the committee resolutions that must be passed as a result will be carried out during the financial year 2017.

Along with preparing the discussions and resolutions by the full Supervisory Board, in particular on reappointments, the Personnel Committee set interim personal targets for the individual Members of the Board of Management for the financial year 2017. In the course of defining the Board of Management bonuses, reviewing the fixed remuneration and setting the divisional targets for 2017 for the Members of the Board of Management responsible for the respective divisions, recommendations were also given to the full Supervisory Board.

Corporate Governance and Declaration of Conformity

The Government Commission on the German Corporate Governance Code did not make any amendments to the German Corporate Governance Code (the "Code") during 2016. Nevertheless, the Supervisory Board again paid great attention to the subject of corporate governance. For instance, the efficiency of the Supervisory Board's activities was again evaluated in accordance with section 5.6 of the Code, and the results of this review and the derived optimisation measures were discussed and passed.

In addition, the Supervisory Board received a report on the structure of remuneration systems, as well as the risk reports. In 2016, the Company also offered an internal training event to all Members of the Supervisory Board. A majority of the members used the opportunity to find out more about risk management in the Group and about liability issues, and to gain a deeper understanding of this material. Although the Supervisory Board attaches great importance to the standards for good, responsible enterprise management as formulated in the German Corporate Governance Code, it has decided against complying with the recommendations of section 4.2.3(4) of the Code relating to a severance payment cap in Board of Management contracts, of section 5.2(2) regarding the chairmanship of the Audit Committee, and of section 4.2.3(2) regarding the potential need for a cap on the payment of Talanx share awards. The reasons for this are stated in the Declaration of Conformity in accordance with section 161 of the AktG on observance of the German Corporate Governance Code, which is published in the Group Annual Report as part of the Declaration on Corporate Governance. Further information on Corporate Governance can be found on Talanx AG's website.

Audit of the Annual and Consolidated Financial Statements

The Talanx AG annual financial statements submitted by the Board of Management, the financial statements of the Talanx Group, which were prepared in accordance with the International Financial Reporting Standards ("IFRSs") as adopted by the European Union, and the corresponding management reports were audited in collaboration with the accounting services of KPMG AG, Wirtschaftsprüfungsgesellschaft, Hannover. The auditors were appointed by the General Meeting. The Finance and Audit Committee issued the detailed audit mandate and determined that, in addition to the usual audit tasks, special attention should be given in the annual and consolidated financial statements to examining the effectiveness of the accounting-related internal control system and its integrity and, with regard to the consolidated financial statements, also to reviewing the carrying amounts and the processes for determining and checking the carrying amounts for the balance-sheet items of holdings, real estate, other assets, and in particular owner-occupied real estate. The areas of emphasis set out by the German Financial Reporting Enforcement Panel (FREP) were also included in the activities performed by the auditors.

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

The financial statement documents and the KPMG audit reports were circulated to all members of the Supervisory Board in good time. They were examined in detail at the Finance and Audit Committee meeting on 16 March 2017 and at the Supervisory Board meeting on 17 March 2017. The auditor took part in the discussions by the Finance and Audit Committee and the full Supervisory Board regarding the annual and consolidated financial statements, reported on the performance of the audits and was available to provide the Supervisory Board with additional information. On completion of our own examination of the annual financial statements, the consolidated financial statements, the corresponding management reports and the audit reports by the external auditors, we concurred with the opinion of the auditors in each case and approved the annual and consolidated financial statements prepared by the Board of Management.

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

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

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

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

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

Composition of the Supervisory Board and Board of Management

The composition of the Supervisory Board, its committees and the Board of Management did not change in the year under review. Mr Otto Müller resigned his seat as a member of the Supervisory Board as from midnight on 31 December 2016, and so left his role as an employee representative on the Supervisory Board. The Supervisory Board expressed its thanks and appreciation for his many years of work on the full Supervisory Board and also on the Finance and Audit Committee since 2014. With effect from 1 January 2017, Mr Jörn von Stein was appointed as an employee representative on the Supervisory Board of Talanx AG as an elected substitute for Mr Müller.

The appointment of Dr Christian Hinsch as Director of Labour Relations was terminated by mutual agreement – also with effect from midnight on 31 December 2016. Mr Torsten Leue was appointed as his successor with effect from 1 January 2017.

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

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

Hannover, 17 March 2017

For the Supervisory Board

Wolf-Dieter Baumgartl
(Chairman)

Governing bodies of the Company

Supervisory Board

Wolf-Dieter Baumgartl

Chairman

Berg

Former Chairman of the Board of Management, Talanx AG

Current memberships of other supervisory boards/comparable supervisory bodies:

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

Ralf Rieger*

Deputy Chairman

Raesfeld

Employee

HDI Vertriebs AG

Current memberships of other supervisory boards/comparable supervisory bodies:

- Member of the Supervisory Board
 - HDI Vertriebs AG
 - Talanx Deutschland AG

Prof Dr Eckhard Rohkamm

Deputy Chairman

Hamburg

Former Chairman of the Board of Management

ThyssenKrupp Technologies AG

Current memberships of other supervisory boards/comparable supervisory bodies:

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

Antonia Aschendorf

Hamburg

Lawyer

Member of the Board of Management
APRAXA eG

Current memberships of other supervisory boards/comparable supervisory bodies:

- Member of the Supervisory Board
 - Talanx Deutschland AG
 - Grundeigentümer Versicherung VVaG**
(until 18 May 2016)
 - Hamburger Friedhöfe AöR**
 - HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH**
 - Perspektiv-Kontor Hamburg GmbH**

Karsten Faber*

Hannover

Managing Director

Hannover Rück SE,

E+S Rückversicherung AG

Current memberships of other supervisory boards/comparable supervisory bodies:

- Chairman of the Supervisory Board
 - Aegidius Rückversicherung AG**
 - AGILA Haustierversicherung AG**
 - European Warranty Partners SE**
(until 8 September 2016)
 - Wertgarantie AG**

Jutta Hammer*

Bergisch Gladbach

Employee

HDI Kundenservice AG

Current memberships of other supervisory boards/comparable supervisory bodies:

- Member of the Supervisory Board
 - Talanx Deutschland AG
(until 15 March 2016)

Dr Hermann Jung

Heidenheim

Member of the Board of Management
Voith GmbH

Current memberships of other supervisory boards/comparable supervisory bodies:

- Member of the Supervisory Board
 - HDI V.a.G.
- Member of the Economic Advisory Board
 - Bayern LB**
(until 31 December 2016)
- Member of the Regional Advisory Board Southwest
 - Commerzbank AG**
(until 31 December 2016)
- Member of the Board of Directors
 - Dachser GmbH & Co. KG**

Dr Thomas Lindner

Albstadt

Chairman of the Board of Management
Groz-Beckert KG

Current memberships of other supervisory boards/comparable supervisory bodies:

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

* 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.

- Member of the Board of Trustees
 - Carl-Zeiss-Stiftung**

Dirk Lohmann

Forch, Switzerland
President of the Administrative Board and Chairman of the Board of Management
Secquaero Advisors AG

Current memberships of other supervisory boards/comparable supervisory bodies:

- President of the Administrative Board
 - Secquaero Advisors AG Zurich, Switzerland**
- Member of the Administrative Board
 - Schroder Investment Management (Switzerland) AG**
- Member of the Board of Directors
 - 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**
 - Zweigelt Holdings Ltd. Guernsey**

Christoph Meister*

Hannover
Member of the ver.di National Executive Board

Current membership of other supervisory boards/comparable supervisory bodies:

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

Jutta Mück*

Oberhausen
Account Manager Sales Industry
HDI Global SE

Current memberships of other supervisory boards/comparable supervisory bodies:

- Member of the Supervisory Board
 - HDI Global SE

Otto Müller*

(until 31 December 2016)
Hannover
Employee
Hannover Rück SE

Current memberships of other supervisory boards/comparable supervisory bodies:

- Member of the Supervisory Board
 - Hannover Rück SE

Katja Sachtleben-Reimann*

Hannover
Employee
Talanx Service AG

Dr Erhard Schipporeit

Hannover
Former Member of the Board of Management
E.ON AG

Current memberships of other supervisory boards/comparable supervisory bodies:

- Member of the Supervisory Board
 - BDO AG**
 - Deutsche Börse AG**
 - Fuchs Petrolub SE**

- Hannover Rück SE
- HDI V.a.G.
- RWE AG**
- SAP SE**

- Member of the Board of Directors
 - Fidelity Funds SICAV Luxembourg** (until 25 February 2016)

Prof Dr Jens Schubert*

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

Current memberships of other supervisory boards/comparable supervisory bodies:

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

Jörn von Stein*

(since 1 January 2017)
Employee
neue leben Lebensversicherung AG

Current membership of other supervisory boards/comparable supervisory bodies:

- Member of the Supervisory Board
 - neue leben Lebensversicherung AG

Norbert Steiner

Baunatal
Chairman of the Board of Management
K+S AG

Current memberships of other supervisory boards/comparable supervisory bodies:

- Chairman of the Supervisory Board
 - K+S KALI GmbH**
- Member of the Supervisory Board
 - HDI V.a.G.

* Staff representative.

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

Supervisory Board committees

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

Finance and Audit Committee

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

Personnel Committee

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

Standing Committee

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

Nomination Committee

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

Tasks of the committees

Finance and Audit Committee

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

Personnel Committee

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

Standing Committee

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

Nomination Committee

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

Board of Management

Herbert K Haas

Chairman

Burgwedel

Chairman of the Board of Management

HDI Haftpflichtverband

der Deutschen Industrie V.a.G., Hannover

Responsible on the Talanx Board of Management for:

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

Current memberships of other supervisory boards/comparable supervisory bodies:

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

Dr Christian Hinsch

Deputy Chairman

Burgwedel

Deputy Chairman of the Board of Management

HDI Haftpflichtverband

der Deutschen Industrie V.a.G., Hannover

Chairman of the Board of Management

HDI Global SE, Hannover

Responsible on the Talanx Board of Management for:

- Industrial Lines Division
- Facility Management (until 31 December 2016)
- Human Resources (until 31 December 2016)
- Procurement (until 31 December 2016)
- Reinsurance Captive
- Reinsurance Procurement

Current memberships of other supervisory boards/comparable supervisory bodies:

- Chairman of the Supervisory Board
 - Talanx Reinsurance Broker GmbH
 - Talanx Reinsurance (Ireland) Ltd.
 - Talanx Service AG (until 31 December 2016)
- Deputy Chairman of the Supervisory Board
 - Talanx Systeme AG
 - EXTREMUS AG*
- Member of the Supervisory Board
 - RAG AG*
 - RAG Deutsche Steinkohle AG*
 - Talanx Service AG

Torsten Leue

Hannover

Chairman of the Board of Management

Talanx International AG, Hannover

Member of the Board of Management

HDI Haftpflichtverband der Deutschen Industrie V.a.G., Hannover (since 1 January 2017)

Responsible on the Talanx Board of Management for:

- Retail International Division
- Facility Management (since 1 January 2017)
- Human Resources (since 1 January 2017)
- Procurement (since 1 January 2017)

Current memberships of other supervisory boards/comparable supervisory bodies:

- Chairman of the Supervisory Board
 - HDI Seguros S.A.
 - HDI Sigorta A.Ş.
 - Talanx Service AG (since 1 January 2017)
 - Towarzystwo Ubezpieczeń Reasekuracji Warta Spolka Akcyjna
 - Towarzystwo Ubezpieczeń Europa Spolka Akcyjna
 - Towarzystwo Ubezpieczeń na Życie Europa S.A.
 - Towarzystwo Ubezpieczeń na Życie Warta Spolka Akcyjna
- Member of the Supervisory Board
 - Internationale Schule Hannover Region GmbH*
 - Talanx Service AG (until 31 December 2016)
- Deputy Chairman of the Administrative Board
 - HDI Assicurazioni S.p.A.

Dr Immo Querner

Celle

Member of the Board of Management

HDI Haftpflichtverband

der Deutschen Industrie V. a. G., Hannover

Responsible on the Talanx Board of Management for:

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

Current membership of other supervisory boards/
comparable supervisory bodies:

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

Ulrich Wallin

Hannover

Chairman of the Board of Management

Hannover Rück SE,

Hannover

Responsible on the Talanx Board of Management for:

- Reinsurance Division

Current memberships of other supervisory boards/
comparable supervisory bodies:

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

Dr Jan Wicke

Hannover

Chairman of the Board of Management

Talanx Deutschland AG,

Hannover

Responsible on the Talanx Board of Management for:

- Retail Germany Division
- Business Organisation

Current memberships of other supervisory boards/
comparable supervisory bodies:

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

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

Management report.

In accordance with section 315(3) 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 2016 Annual Report of the Group. The combined management report of Talanx AG and the Group and the annual financial statements for financial year 2016 are filed with the operator of the electronic Federal Gazette and published in the electronic Federal Gazette.

The annual financial statements of Talanx AG and the annual report for financial year 2016 are also available online at www.talanx.com/investor-relations (in the "Investor Relations" section).

Annual financial statements. Balance sheet as at 31 December 2016

Assets	31.12.2016	31.12.2015
EUR thousand		
A. Fixed assets		
I. Tangible fixed assets		
Other equipment, operating and office equipment	756	898
II. Long-term financial assets		
1. Shares in affiliated companies	7,404,368	7,501,823
2. Loans to affiliated companies	164,200	164,200
3. Participating interests	14,194	16,976
	7,582,762	7,682,999
B. Current assets		
I. Receivables and other assets		
1. Trade accounts receivable	1	—
2. Receivables from affiliated companies	457,780	415,132
3. Other assets	171,418	98,228
– of which due after more than one year: EUR 283 thousand (previous year: EUR 7,488 thousand)		
	629,198	513,360
II. Securities		
Other securities	52,231	53,504
III. Cash-in-hand, bank balances	182,451	216,127
C. Prepaid expenses	6,816	7,180
D. Excess of plan assets over post-employment benefit liability	22	16
Total assets	8,454,236	8,474,084

Equity and liabilities	31.12.2016	31.12.2015
EUR thousand		
A. Equity		
I. Subscribed capital	315,997	315,997
II. Capital reserve	1,394,223	1,394,223
III. Retained earnings	2,901,819	2,901,819
IV. Distributable profit	824,896	734,967
	5,436,935	5,347,006
B. Provisions		
1. Provisions for pensions and other post-employment benefits	758,380	697,071
2. Provisions for taxes	93,627	111,767
3. Other provisions	111,034	101,713
	963,041	910,551
C. Liabilities		
1. Bonds	1,064,900	1,064,900
– of which due after more than one year: EUR 1,064,900 thousand (previous year: EUR 1,064,900 thousand)		
2. Liabilities to banks	86	529
– of which due within one year: EUR 86 thousand (previous year: EUR 529 thousand)		
3. Trade accounts payable	26	4
– of which due within one year: EUR 26 thousand (previous year: EUR 4 thousand)		
4. Liabilities to affiliated companies	962,760	1,124,000
– of which due within one year: EUR 72,260 thousand (previous year: EUR 325,500 thousand) – of which due after more than one year: EUR 890,500 thousand (previous year: EUR 798,500 thousand)		
5. Other liabilities	21,453	21,318
– of which taxes: EUR 344 thousand (previous year: EUR 293 thousand) – of which due within one year: EUR 21,453 thousand (previous year: EUR 21,318 thousand)		
	2,049,225	2,210,751
D. Deferred income	5,035	5,776
Total equity and liabilities	8,454,236	8,474,084

Statement of income for the period 1 January to 31 December 2016

	2016	2015
EUR thousand		
1. Income from participating interests	305,985	258,605
– of which from affiliated companies: EUR 305,220 thousand (previous year: EUR 257,963 thousand)		
2. Income from profit transfer agreements	323,477	130,549
3. Revenue	14,651	0
4. Other operating income	395	412,113
– of which from currency translation: EUR 5 thousand (previous year: EUR 3 thousand)		
5. Personnel expenses		
a. Wages and salaries	24,580	24,420
b. Social security, post-employment and other employee benefit costs	38,692	38,463
– of which in respect of post-employment benefits: EUR 36,085 thousand (previous year: EUR 35,860 thousand)		
6. Amortisation and write-downs of intangible fixed assets and depreciation and write-downs of tangible fixed assets	190	198
7. Other operating expenses	68,364	62,805
– of which from currency translation: EUR 5 thousand (previous year: EUR 23 thousand)		
– of which expenses in accordance with section 67(1) and (2) of the Introductory Act to the German Commercial Code (EGHGB): EUR 27,787 thousand (previous year: EUR 14,009 thousand)		
8. Income from other securities and long-term loans	10,350	12,975
– of which from affiliated companies: EUR 8,902 thousand (previous year: EUR 8,186 thousand)		
9. Other interest and similar income	5,467	4,684
– of which from affiliated companies: EUR 1,009 thousand (previous year: EUR 1,277 thousand)		
– of which from discounting: EUR 52 thousand (previous year: EUR 40 thousand)		
10. Write-downs of long-term financial assets and securities classified as current assets	1,160	1,101
11. Attributable to interest and similar expenses	119,891	121,404
– of which to affiliated companies: EUR 51,544 thousand (previous year: EUR 56,259 thousand)		
– of which from unwinding of discounts: EUR 31,761 thousand (previous year: EUR 31,823 thousand)		
12. Cost of loss absorption	–	260,295
13. Taxes on income	–11,125	–34,416
14. Result after tax	418,573	344,656
15. Other taxes	7	8
16. Net income for the financial year	418,566	344,648
17. Retained profits brought forward	406,330	390,319
18. Distributable profit	824,896	734,967

Notes to the annual financial statements

Basis of preparation

The annual financial statements for financial year 2016 were prepared in accordance with the provisions of the German Commercial Code (HGB) and the German Stock Corporation Act (AktG). Talanx AG with registered office in Hannover is entered in the commercial register at the district court of Hannover (HRB 52546).

Accounting policies

Measurement of assets

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

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

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

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

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

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

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

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

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

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

Measurement of liabilities

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

In other respects, the following assumptions are applied:

Salary trend: 2.50%

Pension trend: 1.86%

Discount rate: 4.00%

The discount rate applied as at 31 December 2016 was determined as a forward rate at the inventory date of 30 September 2016 in accordance with the RückAbzinsV. The interest rate relevant for valuation purposes was virtually unchanged at the reporting date (31 December 2016).

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

In financial year 2010, the option allowed by section 67(1) sentence 1 of the Introductory Act to the German Commercial Code (EGHGB) to distribute the required amount of additions to pension provisions over a maximum period of 15 years was exercised. The new regulations contained in section 253(2) of the German Commercial Code (HGB) relating to the calculation of the valuation interest rate led to a decline in pension insurance provisions as compared to the previous year. This balance sheet latitude was used to transfer to the provisions for pension insurance obligations the outstanding amount of additions that existed at the beginning of the reporting year.

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

Anniversary obligations are measured using the same principles as pension obligations. The same assumptions are applied for salary trends and employee turnover probabilities. Only the discount rate is calculated differently, with an average mean of the last seven years, and is applied at 3.22%.

All employees of the Company who have taken advantage of partial retirement arrangements are included in the calculation of the provision for partial retirement obligations. The calculations were performed with reference to the "2005G" mortality tables published by Heubeck. The table of decrements for active employees was applied. A discount rate of 1.67% was applied, assuming a mean remaining term of two years and a salary trend of 2.50%. In accordance with section 253 of the HGB, the provision is recognised at the amount necessary to settle the obligations. It is composed of the provision for arrears of wages and salaries, the provision for bonus payments, the provision for the additional employer contribution to the statutory pension insurance scheme and the provision for severance payments.

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

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

Subordinated liabilities are recognised at their nominal amount.

Other liabilities are recognised at their settlement amount.

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

Exchange differences on translating foreign operations

Balance sheet or statement of income items containing amounts in foreign currency are translated at the official middle rates on 31 December 2016 (balance sheet items) or at the rates prevailing at the transaction date (statement of income items). An exception to this principle applies to shares in affiliated companies, which are recognised using updated historical exchange rates.

Statement of income

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

The definition of revenues was broadened with the introduction of the Accounting Directive Implementation Act (BilRUG). All revenue from services is therefore reported as revenues. Had this item already been reclassified in the previous year, revenues would have totalled EUR 16,106 thousand in 2015. Income from services was recognised as other operating income in 2015.

During the year under review, Talanx AG carried out a recognised distribution of all outstanding temporary provision differences in accordance with section 67(1) sentence 1 of the Introductory Act to the German Commercial Code (EGHGB). For a very substantial subportfolio of pension commitments which is based on an agreement on the assumption of joint liability, this allocation was EUR 123,712 thousand. As a result of the agreement on the assumption of joint liability, the company is entitled to the future reimbursement of the outstanding temporary provision differences related to the German Accounting Law Modernisation Act (BilMoG). The allocation of the temporary provision differences results in receivables from other Group and former Group companies that are not yet due, totalling EUR 43,545 thousand; the valuation of these was offset against the provision. In total, EUR 62,633 thousand was allocated for this portfolio of liabilities and recognised as an expense, taking account of the new regulations in section 253(2) of the HGB.

Balance sheet disclosures – Assets

Statement of changes in tangible fixed assets	Accumulated acquisition costs		
	Acquisition costs 31.12.2015	Additions	Disposals
EUR thousand			
A. I. Tangible fixed assets			
Other equipment, operating and office equipment	1,578	105	114
Total A.I.	1,578	105	114
Statement of changes in long-term financial assets	Carrying amount at		
	31.12.2015	Additions	Disposals
EUR thousand			
A. II. Long-term financial assets			
1. Shares in affiliated companies	7,501,823	22,086	119,541
2. Loans to affiliated companies	164,200	—	—
3. Participating interests	16,976	—	2,782
Total A.II.	7,682,999	22,086	122,323

Balance sheet disclosures – Equity and liabilities

Other provisions	Balance at 1.1.2016
EUR thousand	
B. 3. Other provisions	
Board of Management remuneration	3,629
Share awards	3,997
Supervisory Board remuneration	2,300
Variable remuneration/bonuses	1,883
Vacation entitlements	206
Anniversary obligations	300
Flexitime credit balances	99
Partial retirement	567
Assumed obligations in connection with pension commitments	22,237
Consulting costs	1,238
Occupational health and safety agency	65
Levy for non-employment of severely handicapped persons	35
Year-end closing costs	1,043
Interest component of provisions for taxes	39,118
Award proceedings	24,449
Other	547
Total B.3.	101,713

The settlement amount of the provision for partial retirement obligations was EUR 1,309 thousand. The fair value of the funds held to cover these obligations was EUR 518 thousand as at 31 December 2016. The historical costs of the offset assets amounted to EUR 488 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 18 thousand was offset in the statement of income against expenses from the unwinding of discounted amounts of EUR 21 thousand in the provision for partial retirement obligations.

Depreciation and impairment losses 31.12.2015	Accumulated impairment losses			Disposals	Depreciation and impairment losses 31.12.2016	Carrying amount at
	Depreciation and impairment losses 2016	Additions	Carrying amount at 31.12.2016			Carrying amount at 31.12.2016
680	190	—	57	813	756	
680	190	—	57	813	756	

Depreciation and impairment losses	Carrying amount at 31.12.2016	Fair values at 31.12.2016	Valuation reserves at 31.12.2016
—	7,404,368	16,169,518	8,765,150
—	164,200	184,267	20,067
—	14,194	14,194	—
—	7,582,762	16,367,979	8,785,217

Utilisation	Releases	Additions	Transfers	Unwinding of discounts/change in interest rate	Offset (carried forward)	Carrying amount at 31.12.2016
2,068	—	2,375	—	33	—	3,969
946	7	1,318	—	3	—	4,365
2,300	—	2,300	—	—	—	2,300
1,825	58	1,933	—	—	—	1,933
206	—	213	—	—	—	213
8	—	47	—	11	—	350
99	—	106	—	—	—	106
109	—	349	—	21	-37	791
—	—	3,209	—	—	—	25,446
1,061	177	1,127	—	—	—	1,127
62	3	63	—	—	—	63
34	1	37	—	—	—	37
1,021	22	1,044	—	—	—	1,044
514	6	4,524	—	-52	—	43,070
230	—	1,377	—	—	—	25,596
547	—	624	—	—	—	624
11,030	274	20,646	—	16	-37	111,034

Notes to the balance sheet – Assets

A.III.1. Shares in affiliated companies

	Equity interest ¹⁾ in %	Equity ²⁾ in EUR thousand	Earnings before profit transfer ²⁾ in EUR thousand
1. Shares in affiliated companies in Germany			
Alstertor Erste Beteiligungs- und Investitionssteuerungs-GmbH & Co. KG, Hamburg ¹²⁾	100.00	4,175	577
Alstertor Zweite Beteiligungs- und Investitionssteuerungs-GmbH & Co. KG, Hamburg ¹²⁾	100.00	8,622	-24
Ampega Investment GmbH, Cologne ¹³⁾	100.00	7,936	16,162
E+S Rückversicherung AG, Hannover ¹²⁾	64.79	696,413	125,000
FUNIS GmbH & Co. KG, Hannover ¹²⁾	100.00	75,123	3,875
GERLING Pensionsenthaftungs- und Rentenmanagement GmbH, Cologne	100.00	2,401	-836
Hannover America Private Equity Partners II GmbH & Co. KG, Hannover ¹²⁾	100.00	237,381	40,194
Hannover Beteiligungsgesellschaft mbH, Hannover ¹²⁾	100.00	2,053	-833
Hannover Euro Private Equity Partners II GmbH & Co. KG, Cologne ¹²⁾	100.00	1,226	1,044
Hannover Euro Private Equity Partners III GmbH & Co. KG, Cologne ¹²⁾	100.00	633	11,738
Hannover Euro Private Equity Partners IV GmbH & Co. KG, Cologne ¹²⁾	100.00	5,434	10,848
Hannover Insurance-Linked Securities GmbH & Co. KG, Hannover	100.00	20,388	53
Hannover Life Re AG, Hannover ^{12), 13)}	100.00	1,873,188	139,427
Hannover Re Euro PE Holdings GmbH & Co. KG, Hannover ¹²⁾	100.00	251,203	20,291
Hannover Re Euro RE Holdings GmbH, Hannover ¹²⁾	100.00	886,721	21,602
Hannover Re Global Alternatives GmbH & Co. KG, Hannover ¹²⁾	100.00	41,628	2,852
Hannover Rück Beteiligung Verwaltungs-GmbH, Hannover ^{12), 13)}	100.00	2,341,925	275,612
Hannover Rück SE, Hannover ¹²⁾	50.22	2,665,716	949,232
HAPEP II Holding GmbH, Hannover ¹²⁾	100.00	6,010	909
HAPEP II Komplementär GmbH, Hannover ¹²⁾	100.00	39	3
HDI AI EUR Beteiligungs-GmbH & Co. KG, Cologne ^{4), 12)}	100.00	456,519	19,131
HDI AI USD Beteiligungs-GmbH & Co. KG, Cologne ^{4), 12)}	100.00	116,448	19,729
HDI Direkt Service GmbH, Hannover ^{3), 12), 13)}	100.00	51	-2
HDI Global Network AG, Hannover ^{12), 13)}	100.00	187,664	29,510
HDI Global SE, Hannover ^{12), 13)}	100.00	406,536	67,785
HDI Kundenservice AG, Cologne ^{3), 13)}	100.00	362	72
HDI Lebensversicherung AG, Cologne	100.00	440,897	17,750
HDI Pensionskasse AG, Cologne ¹²⁾	100.00	39,605	—
HDI Risk Consulting GmbH, Hannover ^{3), 12), 13)}	100.00	1,626	1,599
HDI Schadenregulierung GmbH, Hannover ^{12), 13)}	100.00	25	14
HDI Versicherung AG, Hannover ^{12), 13)}	100.00	163,159	-12,405
HDI Vertriebs AG, Hannover ^{3), 12), 13)}	100.00	533	-557
HDI-Gerling Friedrich Wilhelm AG, Cologne ¹²⁾	100.00	528,151	66,728
HEPEP II Holding GmbH, Cologne ¹²⁾	100.00	22	-1,760
HEPEP II Komplementär GmbH, Cologne ¹²⁾	100.00	48	5
HEPEP III Holding GmbH, Cologne ¹²⁾	100.00	2,627	1,618
HEPEP III Komplementär GmbH, Cologne ¹²⁾	100.00	17	-1
HEPEP IV Komplementär GmbH, Cologne ¹²⁾	100.00	20	—
HILSP Komplementär GmbH, Hannover	100.00	33	3
HNG Hannover National Grundstücksverwaltung GmbH & Co. KG, Hannover ⁴⁾	100.00	49,097	-551
HR GLL Central Europe GmbH & Co. KG, Munich ^{7), 12)}	99.99	326,930	4,334
HR GLL Central Europe Holding GmbH, Munich ^{10), 12)}	100.00	61,419	1,183
HR Verwaltungs-GmbH, Hannover ¹²⁾	100.00	12	-1
Infrastruktur Ludwigsau GmbH & Co. KG, Cologne ^{4), 12)}	100.00	33,882	218

	Equity interest ¹⁾ in %	Equity ²⁾ in EUR thousand	Earnings before profit transfer ²⁾ in EUR thousand
1. Shares in affiliated companies in Germany			
Infrastruktur Windpark Vier Fichten GbR, Bremen	83.34	-1	6
International Hannover Holding AG, Hannover ^{6),15)}	100.00	39	-2
International Insurance Company of Hannover SE, Hannover ^{12),13)}	100.00	165,845	—
IVEC Institutional Venture and Equity Capital GmbH, Cologne	100.00	58,470	24,618
Lifestyle Protection AG, Hilden ^{12),13)}	100.00	5,749	-803
Lifestyle Protection Lebensversicherung AG, Hilden ^{12),13)}	100.00	7,496	-1,339
Nassau Assekuranzkontor GmbH, Cologne ¹³⁾	100.00	25	13
neue leben Holding AG, Hamburg	67.50	70,316	11,778
neue leben Lebensversicherung AG, Hamburg ¹³⁾	100.00	65,608	6,628
neue leben Unfallversicherung AG, Hamburg ^{12),13)}	100.00	3,596	5,313
Oval Office Grundstücks GmbH, Hannover ^{12),16)}	100.00	1,589	-21
PB Lebensversicherung AG, Hilden ¹³⁾	100.00	136,666	17,317
PB Pensionsfonds AG, Hilden ^{12),13)}	100.00	3,058	933
PB Versicherung AG, Hilden ^{12),13)}	100.00	9,499	6,242
Riethorst Grundstücksgesellschaft AG & Co. KG, Hannover ⁴⁾	100.00	159,325	5,274
SSV Schadensschutzverband GmbH, Hannover ^{12),13)}	100.00	200	356
Talanx Asset Management GmbH, Cologne ^{3),13)}	100.00	83,600	83,396
Talanx Beteiligungs-GmbH & Co. KG, Hannover ^{4),12)}	100.00	19,984	126
Talanx Deutschland AG, Hannover ^{3),13)}	100.00	1,643,521	71,751
Talanx Deutschland Bancassurance Communication Center GmbH, Hilden ^{3),13)}	100.00	630	-252
Talanx Deutschland Bancassurance GmbH, Hilden ^{3),13)}	100.00	650,419	73,763
Talanx Deutschland Bancassurance Kundenservice GmbH, Hilden ^{3),13)}	100.00	75	78
Talanx Direct Infrastructure 1 GmbH, Cologne ¹²⁾	100.00	40	22
Talanx Immobilien Management GmbH, Cologne ^{3),13)}	100.00	2,837	657
Talanx Infrastructure France 1 GmbH, Cologne	100.00	57,184	396
Talanx Infrastructure France 2 GmbH, Cologne	100.00	98,804	880
Talanx Infrastructure Portugal 2 GmbH, Cologne	100.00	829	-2
Talanx Infrastructure Portugal GmbH, Cologne	100.00	52,295	70
Talanx International AG, Hannover ^{3),13)}	100.00	1,848,846	40,839
Talanx Pensionsmanagement AG, Cologne ^{3),13)}	100.00	1,817	460
Talanx Reinsurance Broker GmbH, Hannover ^{3),12),13)}	100.00	100	19,008
Talanx Service AG, Hannover ^{3),12),13)}	100.00	1,746	—
Talanx Systeme AG, Hannover ^{3),12),13)}	100.00	140	—
TAM AI Komplementär GmbH, Cologne ¹²⁾	100.00	51	8
TARGO Lebensversicherung AG, Hilden ¹³⁾	100.00	33,655	31,700
TARGO Versicherung AG, Hilden ^{12),13)}	100.00	29,742	14,554
TD Real Assets GmbH & Co. KG, Cologne ¹²⁾	100.00	438,821	4,723
TD-BA Private Equity GmbH & Co. KG, Cologne ^{4),12)}	100.00	182,348	3,961
TD-BA Private Equity Sub GmbH, Cologne ¹²⁾	100.00	82,508	8,408
TD-Sach Private Equity GmbH & Co. KG, Cologne ^{4),12)}	100.00	49,584	5,040
Windfarm Bellheim GmbH & Co. KG, Cologne	100.00	66,528	1,470
Windpark Mittleres Mecklenburg GmbH & Co. KG (formerly: Windpark Dalwitz GmbH & Co. KG), Cologne ¹²⁾	100.00	13,493	1,877
Windpark Parchim GmbH & Co. KG, Cologne ^{4),12)}	100.00	11,491	144
Windpark Rechain GmbH & Co. KG, Cologne ⁴⁾	100.00	1	56
Windpark Sandstruth GmbH & Co. KG, Cologne ¹²⁾	100.00	5,244	103
Windpark Vier Fichten GmbH & Co. KG, Cologne ¹²⁾	100.00	6,095	184
WP Berngerode GmbH & Co. KG, Cologne ¹²⁾	100.00	49,919	636
WP Mörsdorf Nord GmbH & Co. KG, Cologne ¹²⁾	100.00	37,759	800

	Equity interest ¹⁾ in %		Equity ²⁾ in EUR thousand		Earnings before profit transfer ²⁾ in EUR thousand
2. Shares in affiliated companies in other countries					
101BOS LLC, Wilmington, USA ^{8),12)}	100.00	USD	51,322	USD	445
11 Stanwix, LLC, Wilmington, USA ^{8),12)}	100.00	USD	36,373	USD	1,411
111ORD, LLC, Wilmington, USA ^{8),12)}	100.00	USD	73,529	USD	2,418
1225 West Washington, LLC, Wilmington, USA ^{8),12)}	100.00	USD	24,082	USD	1,020
140EWR, LLC, Wilmington, USA ^{8),12)}	100.00	USD	79,402	USD	-2,589
300 California, LLC, Wilmington, USA ^{5),8),12)}	100.00	USD	—	USD	—
3290ATL LLC, Wilmington, USA ^{8),12)}	100.00	USD	69,861	USD	160
402 Santa Monica Blvd, LLC, Wilmington, USA ^{8),12)}	100.00	USD	775	USD	823
7550IAD LLC, Wilmington, USA ^{8),12)}	100.00	USD	76,260	USD	1,151
975 Carroll Square, LLC, Wilmington, USA ^{8),12)}	100.00	USD	51,145	USD	1,156
Akvamarin Beta, s.r.o., Prague, Czech Republic ^{10),12)}	100.00	CZK	87,899	CZK	34,132
ASPECTA Assurance International Luxembourg S.A., Luxembourg, Luxembourg	100.00	EUR	14,975	EUR	1,897
Broadway 101, LLC, Wilmington, USA ^{8),12)}	100.00	USD	12,518	USD	626
Cargo Transit Insurance (Pty) Ltd., Helderkruijn, South Africa ^{6),9)}	80.00	ZAR	-4,499	ZAR	—
Commercial & Industrial Acceptances (Pty) Ltd., Johannesburg, South Africa ⁹⁾	100.00	ZAR	6,680	ZAR	25,811
Compagnia de Banche e Assicurazioni per le Assicurazioni Sulla Vita S.p.A., Milan, Italy	100.00	EUR	47,472	EUR	2,233
Compass Insurance Company Ltd., Johannesburg, South Africa ^{9),12)}	100.00	ZAR	195,883	ZAR	33,692
Construction Guarantee (Pty) Ltd., Johannesburg, South Africa ^{6),9)}	60.00	ZAR	—	ZAR	—
Desarrollo de Consultores Profesionales en Seguros S.A. de CV, León, Mexico	100.00	MXN	357	MXN	72
Dowset Investments Spółka z ograniczona odpowiedzialnoscia, Warsaw, Poland ¹²⁾	100.00	PLN	-22	PLN	-27
Envirosure Underwriting Managers (Pty) Ltd., Durban, South Africa ⁹⁾	51.00	ZAR	3,212	ZAR	1,944
Ferme Eolienne des Mignaudieres SNC, Toulouse, France	100.00	EUR	—	EUR	-66
Ferme Eolienne du Confolentais SNC, Toulouse, France ¹²⁾	100.00	EUR	21,832	EUR	265
Film & Entertainment Underwriters SA (Pty) Ltd., Johannesburg, South Africa ^{9),12)}	51.00	ZAR	-709	ZAR	583
Firedart Engineering Underwriting Managers (Pty) Ltd., Johannesburg, South Africa ^{9),12)}	70.00	ZAR	610	ZAR	127
Garagesure Consultants and Acceptances (Pty) Ltd., Johannesburg, South Africa ^{9),12)}	70.00	ZAR	1,464	ZAR	2,887
Gente Compañia de Soluciones Profesionales de México, S.A. de C.V., León, Mexico	100.00	MXN	10,554	MXN	761
Gerling Insurance Agency Inc., Chicago, USA ⁵⁾	100.00	USD	—	USD	—
Gerling Norge A/S, Oslo, Norway	100.00	NOK	491	NOK	115
Glencar Underwriting Managers, Inc., Chicago, USA	100.00	USD	5,985	USD	757
GLL HRE CORE Properties, L.P., Wilmington, USA ^{8),12)}	99.90	USD	557,316	USD	-310
H.J. Roelofs Assuradeuren B.V., Rotterdam, Netherlands	100.00	EUR	923	EUR	-12
Hannover Finance (Luxembourg) S.A., Luxembourg, Luxembourg ¹²⁾	100.00	EUR	34,647	EUR	288
Hannover Finance (UK) Ltd., London, United Kingdom ¹²⁾	100.00	GBP	2,703	GBP	-18
Hannover Finance, Inc., Wilmington, USA ^{7),12)}	100.00	USD	163,451	EUR	7,617
Hannover Life Re of Australasia Ltd., Sydney, Australia ¹²⁾	100.00	AUD	480,863	AUD	2,466
Hannover Life Reassurance Africa Ltd., Johannesburg, South Africa ^{9),12)}	100.00	ZAR	555,797	ZAR	31,770
Hannover Life Reassurance Bermuda Ltd., Hamilton, Bermuda ¹²⁾	100.00	USD	391,271	USD	34,588
Hannover Life Reassurance Company of America (Bermuda) Ltd., Hamilton, Bermuda ¹²⁾	100.00	USD	9,233	USD	2,395
Hannover Life Reassurance Company of America, Orlando, USA ¹²⁾	100.00	USD	333,442	USD	25,033
Hannover Re (Bermuda) Ltd., Hamilton, Bermuda ¹²⁾	100.00	USD	1,237,845	USD	201,363
Hannover Re (Ireland) Designated Activity Company (formerly: Hannover Re (Ireland) Ltd.), Dublin, Ireland ¹²⁾	100.00	USD	1,709,897	USD	105,225
Hannover Re Consulting Services India Private Limited, Mumbai, India	100.00	INR	101,793	INR	10,523
Hannover Re Real Estate Holdings, Inc., Orlando, USA ⁷⁾	100.00	USD	654,438	USD	8,864
Hannover Re Risk Management Services India Private Limited, Neu Delhi, India	100.00	INR	67,945	INR	15,719
Hannover Re Services Italy S.r.l., Mailand, Italy	100.00	EUR	365	EUR	102
Hannover Re Services Japan, Tokyo, Japan ¹²⁾	100.00	JPY	114,354	JPY	11,892
Hannover Re Services USA, Inc., Itasca, USA	100.00	USD	3,474	USD	-31

	Equity interest ¹⁾ in %		Equity ²⁾ in EUR thousand		Earnings before profit transfer ²⁾ in EUR thousand
2. Shares in affiliated companies in other countries					
Hannover Reinsurance Africa Ltd., Johannesburg, South Africa ^{9),12)}	100.00	ZAR	728,000	ZAR	59,243
Hannover Reinsurance Group Africa (Pty) Ltd., Johannesburg, South Africa ^{7),12)}	100.00	ZAR	219,820	ZAR	209,916
Hannover ReTakafal B.S.C. (c), Manama, Bahrain ¹²⁾	100.00	BHD	65,810	BHD	4,080
Hannover Risk Consultants B.V., Rotterdam, Netherlands	100.00	EUR	631	EUR	327
Hannover Rück SE Escritório de Representação no Brasil Ltda., Rio de Janeiro, Brazil	100.00	BRL	2,923	BRL	483
Hannover Services (México) S.A. de C.V., Mexico-Stadt, Mexico	100.00	MXN	8,025	MXN	-909
Hannover Services (UK) Ltd., London, United Kingdom ¹²⁾	100.00	GBP	794	GBP	-66
HDI Assicurazioni S.p.A., Rome, Italy	100.00	EUR	217,710	EUR	16,443
HDI Global Insurance Company, Chicago, USA	100.00	USD	132,717	USD	11,358
HDI Global SA Ltd. (formerly: HDI Gerling Insurance of South Africa Ltd.), Johannesburg, South Africa	100.00	ZAR	48,200	ZAR	4,662
HDI Global Seguros S.A. (formerly: HDI-Gerling Seguros Industriais S.A.), São Paulo, Brazil	100.00	BRL	39,000	BRL	-7,760
HDI Immobiliare S.r.l., Rome, Italy	100.00	EUR	67,131	EUR	302
HDI Seguros de Garantía y Crédito S.A., Las Condes, Chile	99.82	CLP	5,020,474	CLP	1,119,450
HDI Seguros de Vida S.A., Las Condes, Chile	100.00	CLP	3,095,981	CLP	-167,512
HDI Seguros S.A. de C.V., León, Mexico	99.76	MXN	1,239,001	MXN	105,552
HDI Seguros S.A., Buenos Aires, Argentina	100.00	ARS	297,051	ARS	60,344
HDI Seguros S.A., Las Condes, Chile	99.87	CLP	42,037,803	CLP	1,364,365
HDI Seguros S.A., Montevideo, Uruguay	100.00	UYU	143,898	UYU	2,736
HDI Seguros S.A., Santiago de Surco, Peru	100.00	PEN	6,573	PEN	-5,532
HDI Seguros S.A., São Paulo, Brazil	100.00	BRL	1,032,471	BRL	123,430
HDI Sigorta A.Ş., Istanbul, Turkey	100.00	TRY	291,066	TRY	16,871
HDI Versicherung AG (Austria), Vienna, Austria	100.00	EUR	29,522	EUR	6,253
HDI-Gerling de Mexico Seguros S.A., Mexico-Stadt, Mexico	100.00	MXN	163,798	MXN	14,983
HDI-Gerling Services S.A., Brussels, Belgium	100.00	EUR	224	EUR	-3
HDI-Gerling Verzekeringen N.V., Rotterdam, Netherlands	100.00	EUR	132,615	EUR	-2,212
HDI-Gerling Welt Service AG Escritório de Representação no Brasil Ltda., São Paulo, Brazil	100.00	BRL	160	BRL	2
HMIA Pty Ltd., Sydney, Australia	55.00	AUD	-313	AUD	-185
Hospitality Industrial and Commercial Underwriting Managers (Pty) Ltd., Johannesburg, South Africa ^{9),12)}	90.00	ZAR	1,327	ZAR	5,043
HR GLL CDG Plaza S.r.l., Bucharest, Romania ^{10),12)}	100.00	RON	155,292	RON	6,219
HR GLL Europe Holding S.à.r.l., Luxembourg, Luxembourg ^{10),12)}	100.00	EUR	159,740	EUR	932
HR GLL Griffin House SPÓLKA Z ORGANICZONA ODPOWIEDZIALNÓSCIA, Warsaw, Poland ^{10),12)}	100.00	PLN	34,480	PLN	-3,629
HR GLL Liberty Corner SPÓLKA Z ORGANICZONA ODPOWIEDZIALNÓSCIA, Warsaw, Poland ^{10),12)}	100.00	PLN	45,973	PLN	-2,185
HR GLL Roosevelt Kft, Budapest, Hungary ^{10),12)}	100.00	HUF	19,635,268	HUF	1,388,757
HR Hannover Re Correduría de Reaseguros S.A., Madrid, Spain ¹²⁾	100.00	EUR	424	EUR	47
Iconica Business Services Limited, Bradford, United Kingdom	100.00	GBP	1,760	GBP	122
InChiaro Assicurazioni S.p.A., Rome, Italy	100.00	EUR	10,112	EUR	1,962
INCHIARO LIFE Designated Activity Company, Dublin, Ireland	100.00	EUR	15,537	EUR	666
InLinea S.p.A., Rome, Italy	70.00	EUR	1,471	EUR	169
Integra Insurance Solutions Limited, Bradford, United Kingdom	100.00	GBP	2,789	GBP	2,748
Inter Hannover (No. 1) Ltd., London, United Kingdom ¹²⁾	100.00	GBP	-35	GBP	-
International Mining Industry Underwriters Ltd., London, United Kingdom ¹²⁾	100.00	GBP	131	GBP	23
Inversiones HDI Limitada, Santiago, Chile	100.00	CLP	165,191,304	CLP	16,624,619
Kaith Re Ltd., Hamilton, Bermuda ¹²⁾	88.00	USD	915	USD	-327
L&E Holdings Limited, London, United Kingdom ¹²⁾	100.00	GBP	5	GBP	-
Landmark Underwriting Agency (Pty) Ltd., Bloemfontein, South Africa ^{9),12)}	65.50	ZAR	4,490	ZAR	2,988
Le Chemin de La Malaine S.N.C., Lille, France ¹²⁾	100.00	EUR	16,835	EUR	-665
Le Souffle des Pellicornes S.N.C., Lille, France ¹²⁾	100.00	EUR	15,010	EUR	-438
Leine Investment General Partner S.à.r.l., Luxembourg, Luxembourg ¹²⁾	100.00	EUR	550	EUR	509
Leine Investment SICAV-SIF, Luxembourg, Luxembourg ¹²⁾	100.00	USD	65,509	USD	3,095

	Equity interest ¹⁾ in %		Equity ²⁾ in EUR thousand		Earnings before profit transfer ²⁾ in EUR thousand
2. Shares in affiliated companies in other countries					
Les Vents de Malet S. N. C., Lille, France ¹²⁾	100.00	EUR	17,118	EUR	-763
LI RE, Hamilton, Bermuda ¹²⁾	100.00	USD	—	USD	—
Lireas Holdings (Pty) Ltd., Johannesburg, South Africa ^{9),12)}	70.00	ZAR	199,372	ZAR	34,180
London & European Title Insurance Services Limited, London, United Kingdom ¹²⁾	100.00	GBP	390	GBP	91
LRA Superannuation Plan Pty Ltd., Sydney, Australia ⁵⁾	100.00	AUD	—	AUD	—
Magyar Posta Biztosító Részvénytársaság, Budapest, Hungary	66.93	HUF	2,293,982	HUF	209,674
Magyar Posta Életbiztosító Zrt., Budapest, Hungary	66.93	HUF	6,339,698	HUF	872,153
Mediterranean Reinsurance Services Ltd., Hongkong, China ⁶⁾	100.00	USD	52	USD	—
MUA Insurance Acceptances (Pty) Ltd., Kapstadt, South Africa ^{9),12)}	100.00	ZAR	8,925	ZAR	4,709
Mustela S. r. o., Prague, Czech Republic ^{10),12)}	100.00	CZK	1,267,016	CZK	19,021
Nashville West, LLC, Wilmington, USA ^{8),12)}	100.00	USD	29,140	USD	987
OOO Strakhovaya Kompaniya CIV Life, Moscow, Russia	100.00	RUB	1,257,720	RUB	1,441,750
OOO Strakhovaya Kompaniya HDI Strakhovanie, Moscow, Russia	100.00	RUB	317,578	RUB	72,366
Peachtree (Pty) Ltd., Johannesburg, South Africa ^{6),9)}	100.00	ZAR	—	ZAR	—
Pipera Business Park S. r. l., Bucharest, Romania ^{10),12)}	100.00	RON	94,520	RON	8,930
Private Joint Stock Company "EUROPA.UA Service", Lemberg, Ukraine	100.00	UAH	9,771	UAH	-7,947
Private Joint Stock Company "EUROPA.UA" Lemberg, Ukraine	100.00	UAH	7,941	UAH	-6,439
Protecciones Esenciales S. A., Buenos Aires, Argentina	100.00	ARS	256,405	ARS	78,010
River Terrace Parking, LLC, Wilmington, USA ^{8),12)}	100.00	USD	20,028	USD	364
Saint Honoré Iberia S. L., Madrid, Spain	100.00	EUR	471	EUR	-29
Sand Lake Re, Inc., Burlington, USA ¹²⁾	100.00	USD	11,833	USD	-117
Scandinavian Marine Agency A/S, Oslo, Norway	52.00	NOK	5,592	NOK	4,345
SUM Holdings (Pty) Ltd., Johannesburg, South Africa ^{9),12)}	72.20	ZAR	20,150	ZAR	12,628
Svedea AB, Stockholm, Sweden	53.00	SEK	6,119	SEK	626
Svedea Skadeservice AB, Stockholm, Sweden	100.00	SEK	284	SEK	234
Synergy Targeted Risk Solutions (Pty) Ltd., Johannesburg, South Africa ⁹⁾	100.00	ZAR	2,042	ZAR	—
Talanx Finanz (Luxembourg) S. A., Luxembourg, Luxembourg	100.00	EUR	7,884	EUR	240
Talanx Reinsurance (Ireland) PLC, Dublin, Ireland	100.00	EUR	178,144	EUR	16,909
Thatch Risk Acceptances (Pty) Ltd., Johannesburg, South Africa ^{9),12)}	70.00	ZAR	2,733	ZAR	2,135
The Congregational & General Insurance Public Limited Company, Bradford, United Kingdom ¹²⁾	100.00	GBP	11,920	GBP	2,891
Towarzystwo Ubezpieczeń Europa S. A., Breslau, Poland	50.00	PLN	706,895	PLN	82,542
Towarzystwo Ubezpieczeń i Reasekuracji WARTA S. A., Warsaw, Poland	75.74	PLN	2,047,182	PLN	261,219
Towarzystwo Ubezpieczeń na Życie "WARTA" S. A., Warsaw, Poland	100.00	PLN	361,190	PLN	35,665
Towarzystwo Ubezpieczeń na Życie Europa S. A., Breslau, Poland	100.00	PLN	657,480	PLN	33,339
Transit Underwriting Managers (Pty) Ltd., Kapstadt, South Africa ⁹⁾	56.67	ZAR	415	ZAR	201
U FOR LIFE SDN. BHD., Petaling Jaya, Malaysia	60.00	MYR	-6,177	MYR	-5,487

	Equity interest ¹⁾ in %		Equity ²⁾ in EUR thousand		Earnings before profit transfer ²⁾ in EUR thousand
3. Participating interests					
Ampega C-QUADRAT Fondsmarketing GmbH, Frankfurt	50.00	EUR	113	EUR	88
b2b protect GmbH, Hildesheim	48.98	EUR	378	EUR	-361
Caplantic GmbH, Hannover	45.00	EUR	3,567	EUR	1,500
Clarendon Transport Underwriting Managers (Pty) Ltd., Johannesburg, South Africa ¹²⁾	37.30	ZAR	17,431	ZAR	1,2782
C-QUADRAT Ampega Asset Management Armenia LLC, Yerevan, Armenia	25.10	EUR	510	EUR	57
Credit Suisse (Lux) Gas TransitSwitzerland SCS, Luxembourg, Luxembourg ¹¹⁾	60.15	EUR	—	EUR	—
David Edwards Insurance Brokers Limited, Solihull, United Kingdom	21.00	GBP	148	GBP	191
Elinvar GmbH, Berlin	37.50	EUR	—	EUR	-3
Energi, Inc., Peabody, USA	28.50	USD	20,168	USD	-1,437
FinLeap GmbH, Berlin ¹²⁾	8.26	EUR	25,253	EUR	-3,470

	Equity interest ¹⁾ in %		Equity ²⁾ in EUR thousand		Earnings before profit transfer ²⁾ in EUR thousand
3. Participating interests					
HANNOVER Finanz GmbH, Hannover	27.78	EUR	74,801	EUR	11,324
Hannoversch-Kölnische Beteiligungsgesellschaft mbH, Hannover	50.00	EUR	28	EUR	1
Hannoversch-Kölnische Handels-Beteiligungsgesellschaft mbH & Co. KG, Hannover	50.00	EUR	16,010	EUR	-10
IGEPA Gewerbepark GmbH & Co. Vermietungs KG, Fürstenfeldbruck	37.50	EUR	19,354	EUR	9,650
INDAQUA Indústria e Gestão de Águas S. A., Matosinhos, Portugal	49.94	EUR	-8,102	EUR	3,206
Inlife Holding (Liechtenstein) AG, Triesen, Liechtenstein ¹⁷⁾	15.00	CHF	10,713	CHF	7,450
Internationale Schule Hannover Region GmbH, Hannover	15.72	EUR	3,689	EUR	302
ITAS Vita S. p. A., Trento, Italy	34.88	EUR	98,161	EUR	4,014
Liberty Life Insurance Public Company Ltd, Nicosia, Cyprus	3.30	EUR	11,427	EUR	821
Life Invest Holding AG, Zurich, Switzerland ¹²⁾	15.00	CHF	38,776	CHF	36,776
Magma HDI General Insurance Company Ltd., Kolkata, India	25.50	INR	2,194,328	INR	-118,521
Meribel Topco Ltd., St. Helier, Jersey ¹²⁾	20.11	EUR	2,490	EUR	20,543
Monument Insurance Group Limited, Hamilton, Bermuda ¹¹⁾	20.00	USD	—	USD	—
neue leben Pensionsverwaltung AG, Hamburg ¹⁴⁾	49.00	EUR	2,343	EUR	-52
Nürnberger Beteiligungs-AG, Nuremberg	2.33	EUR	630,154	EUR	44,618
OVH Holding AG, Cologne	0.70	EUR	85,002	EUR	9,595
Petro Vietnam Insurance Holdings, Hanoi, Vietnam	35.74	VND	6,277,964,161	VND	530,052,623
Quality Insurance Services Luxembourg S.à. r. l., Luxembourg, Luxembourg	25.00	EUR	182	EUR	32
Reaseguradora del Ecuador S. A., Guayaquil, Ecuador	30.00	USD	10,433	USD	1,092
RW Holding AG, Düsseldorf	0.54	EUR	425,974	EUR	-430,469
Sommerset Reinsurance Ltd., Hamilton, Bermuda	16.90	USD	34,418	USD	-9,262
Sureify Labs, Inc., San Jose, USA ¹²⁾	14.82	USD	456	USD	364
VOV Verwaltungsorganisation für Vermögensschadenhaftpflicht-Versicherungen für Mitglieder von Organen juristischer Personen GmbH, Cologne	35.25	EUR	1,946	EUR	69
WeHaCo Unternehmensbeteiligungs-GmbH, Hannover	40.00	EUR	83,207	EUR	11,857
xbAV Beratungssoftware GmbH, Munich	5.02	EUR	-225	EUR	-250

	Equity interest ¹⁾ in %		Equity ²⁾ in EUR thousand		Earnings before profit transfer ²⁾ in EUR thousand
4. Investments in large corporations exceeding 5% of the voting rights (large corporation within the meaning of section 341a of the German Commercial Code [HGB])					
Acte Vie S. A. Schiltigheim, France	9.38	EUR	9,088	EUR	92
Extremus Versicherungs-AG, Cologne	13.00	EUR	65,690	EUR	500
MLP AG, Wiesloch	9.48	EUR	405,537	EUR	19,783

¹⁾ The equity interest is determined by adding up all directly and indirectly held interests in accordance with section 16(2) and section 16(4) of the German Stock Corporation Act (AktG).

²⁾ The figures correspond to the local GAAP or IFRS annual financial statements of the companies; differing currencies are indicated.

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

⁴⁾ The exemption provision permitted under section 264b of the German Commercial Code (HGB) was applied.

⁵⁾ Company is inactive and does not prepare annual financial statements.

⁶⁾ Company is in liquidation.

⁷⁾ Company prepares its own subgroup financial statements.

⁸⁾ Subgroup financial statements; included in the disclosures for Hannover Re Real Estate Holdings, Inc.

⁹⁾ Subgroup financial statements; included in the disclosures for Hannover Reinsurance Group Africa (Pty.) Ltd.

¹⁰⁾ Subgroup financial statements; included in the disclosures for HR GLL Central Europe GmbH & Co. KG.

¹¹⁾ Company was formed in the reporting period – no annual report/annual financial statements available yet.

¹²⁾ Figures as at 2016 financial year-end, provisional/unaudited.

¹³⁾ A profit/loss transfer agreement is in force.

¹⁴⁾ The net income for nl Pensionskasse AG, Hamburg, is included in the net income of this company.

¹⁵⁾ Figures for financial year 1 January to 30 June 2015.

¹⁶⁾ Figures for financial year 1 April to 31 December 2016.

¹⁷⁾ Figures for financial year 24 August to 31 December 2015.

B.I.2. Receivables from affiliated companies

	31.12.2016	31.12.2015
EUR thousand		
	457,780	415,132

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

B.I.3. Other assets

	31.12.2016	31.12.2015
EUR thousand		
Other receivables	171,418	98,228

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

C. Prepaid expenses

	31.12.2016	31.12.2015
EUR thousand		
Accrued interest (discount)	3,605	3,995
Deferred administrative expenses	3,211	3,185
	6,816	7,180

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

	31.12.2016	31.12.2015
EUR thousand		
	22	16

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

Notes to the balance sheet – Equity and liabilities

A.I. Subscribed capital

	31.12.2016	31.12.2015
EUR thousand	315,997	315,997

Subscribed capital and number of shares outstanding

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

Of Talanx AG's share capital, 79.0% (79.0%) of the shares were held by HDI V.a.G. as at 31 December 2016. The rest were held in free float.

Contingent capital

On 15 May 2012, the Annual General Meeting resolved to contingently increase the share capital by up to EUR 78 million by issuing up to 62,400,000 new no-par value shares (Contingent Capital II). The contingent capital increase is designed to grant no-par value shares to holders of bonds that Talanx AG or a subordinate Group company will issue by 14 May 2017 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 amendment to Talanx AG's Articles of Association took effect on its entry in the commercial register on 4 June 2012.

Furthermore, on 28 August 2012, the Extraordinary General Meeting resolved to contingently increase the share capital by up to EUR 26 million by issuing up to 20,800,000 new no-par value shares with a notional interest in the share capital of EUR 1.25 each (Contingent Capital III). The contingent capital increase is designed to grant no-par value shares to holders of convertible bonds, bonds with warrants, participating bonds with conversion rights or warrants and profit participation rights with conversion rights or warrants that, based on the authorisation resolved by the aforementioned meeting, Talanx AG or a subordinate Group company will issue by 27 August 2017 in exchange for cash in order to satisfy the contingent conversion obligation. The amendment to Talanx AG's Articles of Association took effect on its entry in the commercial register on 5 September 2012.

Authorised capital

On 29 September 2012, the Extraordinary General Meeting resolved to cancel the authorised capital under article 7(1) of Talanx AG's Articles of Association, as authorised by the Annual General Meeting on 21 November 2011, and to replace it with a new article 7(1), which authorises the Board of Management, subject to the approval of the Supervisory Board, to increase the share capital in the period up to 28 September 2017 on one or more occasions by a maximum of EUR 146 million by issuing new no-par value registered shares in exchange for cash or non-cash contributions. Subject to the approval of the Supervisory Board, shareholders' pre-emptive rights may be disapplied for certain listed purposes in the case of cash capital increases, provided that the notional amount of share capital attributable to the new shares does not exceed 10% of the share capital. 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, pre-emptive rights may be disapplied for non-cash capital increases if their disapplication is in the Company's overriding interest. The amendment to the Articles of Association took effect on its entry in the commercial register on 1 October 2012.

When the greenshoe option was exercised on 8 October 2012 in the course of the IPO, authorised capital was reduced to EUR 143 million in accordance with the Articles of Association. In the course of the employee share programme, authorised capital was reduced by EUR 0.2 million. After its partial utilisation, authorised capital amounts to EUR 142,307,260, of which a further EUR 785,690 can be used for employee shares.

In accordance with a resolution of the General Meeting of Talanx AG on 10 May 2016, a dividend of EUR 1.30 per share was paid for financial year 2015, resulting in a total distribution to shareholders of EUR 329 million.

A.III. Retained earnings

	31.12.2016	31.12.2015
EUR thousand	2,901,819	2,901,819

The entire amount reported relates to other revenue reserves.

The amount subject to a restriction on distribution in accordance with section 253(6) is EUR 98,298 thousand. To calculate the difference, the amount of the obligation, discounted and reported at the average interest rate (4.00%) for the last ten years, was compared with the amount that would have resulted had the discount been the average interest rate for the last seven years (3.22%).

A total of EUR 30 thousand of this amount is subject to a restriction on distribution in accordance with section 268(8) of the HGB, due to the recognition of assets at fair value. The available reserves exceed this amount.

A.IV. Distributable profit

	31.12.2016	31.12.2015
EUR thousand		
	824,896	734,967

This item consists of the 2015 distributable profit of EUR 406,330 thousand, which was carried forward to new account on the basis of the resolution by the General Meeting on 11 May 2016, and the profit of the reporting period amounting to EUR 418,566 thousand.

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

	31.12.2016	31.12.2015
EUR thousand		
	758,380	697,071
Pension provisions as at 31.12.2015		697,071
Change		29,194
Unwinding of discounts/Change in interest rate		32,032
Capitalised surrender value of offsettable pension liability insurances		83
Recognised pension provisions as at 31.12.2016		758,380

The settlement amount of the employer-funded pension provision amounted to EUR 768,343 thousand. The fair value of the insurance contracts entered into to cover these obligations was EUR 10,004 thousand as at 31 December 2016. The settlement amount of the employee-funded pension provision amounted to EUR 846 thousand. The fair value of the insurance contracts entered into to cover these obligations was EUR 805 thousand as at 31 December 2016. Plan assets are recognised at fair value in accordance with section 253(1) sentence 4 of the HGB.

In the reporting period, income from plan assets held to cover pension obligations amounting to EUR 322 thousand was offset against expenses from the unwinding of discounted amounts of EUR 32,032 thousand in the provision for pensions.

C.1. Bonds

Talanx AG issued a bond on 11 February 2013. This senior bond has an aggregate principal amount of EUR 750.0 million and a term of ten years. The amount reported in this item includes EUR 564.9 million subscribed by non-Group bondholders. The bonds subscribed by Group companies are reported under C.4. Talanx AG placed a senior unsecured bond with a volume of EUR 500.0 million on 16 July 2014. This bond carries a fixed coupon and matures on 23 July 2026.

C.2. Liabilities to banks

	31.12.2016	31.12.2015
EUR thousand		
	86	529

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

C.4. Liabilities to affiliated companies

	31.12.2016	31.12.2015
EUR thousand		
	962,760	1,124,000

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

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

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

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

The total amount includes liabilities with a remaining term of more than five years amounting to EUR 792.6 million.

C.5. Other liabilities

	31.12.2016	31.12.2015
EUR thousand		
	21,453	21,318

This item mainly consists of accrued interest on issued bonds.

D. Deferred income

	31.12.2016	31.12.2015
EUR thousand		
Deferred interest (premium)	5,035	5,776

Notes to the consolidated statement of income

1. Income from participating interests

	2016	2015
EUR thousand		
Distributions/shares in profits from affiliated companies	305,220	257,963
Shares in profits from investees	765	642
	305,985	258,605

2. Income from profit transfer agreements

	2016	2015
EUR thousand		
	323,477	130,549

This income is attributable to profit and loss transfer agreements entered into with the companies listed under “Key agreements”.

3. Revenue

	2016	2015
EUR thousand		
Income from services	14,649	—
Other revenues	2	—
	14,651	—

Revenues are generated almost exclusively in Germany. The definition of revenues was broadened with the introduction of the Accounting Directives Implementation Act (BilRUG). For an explanation of the absence of comparability, please refer to our disclosures in the “Accounting policies” section.

4. Other operating income

	2016	2015
EUR thousand		
Income from services	—	16,103
Disposal gain on loans to affiliated companies	—	5,766
Disposal gain on shares in affiliated companies	—	385,637
Reimbursement by subsidiary of upfront payment	—	967
Income from reversal of provisions	274	3,490
Other income	121	150
	395	412,113

For an explanation of the absence of comparability, please refer to our disclosures in the “Accounting policies” section.

5. Personnel expenses

	2016	2015
EUR thousand		
	63,272	62,883

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

7. Other operating expenses

	2016	2015
EUR thousand		
Supervisory Board remuneration and attendance allowances	2,472	2,446
Expenses from internal cost allocations	15,859	26,281
Liquidation of temporary provision differences related to the German Accounting Law Modernisation Act (BilMoG)	126,085	14,009
Effect of change in interest rates resulting from the new regulation on pensions	-98,298	—
Travel expenses	557	656
Audit and consulting expenses	5,114	4,898
External services, including rating fees	4,201	4,256
Cost of assumption of joint liability	7,681	3,738
Other expenses	4,693	6,521
	68,364	62,805

The decrease in the provisions for pensions resulting from the new regulation governing the discounting of such provisions in section 253(2) of the German Commercial Code (HGB) was offset against outstanding 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 effect of interest rate changes resulting from the new regulation is EUR 98,298 thousand and the addition in accordance with section 67(1) sentence 1 of the EGHGB is EUR 126,085 thousand.

In the previous year, the temporary provision differences related to the BilMoG were disclosed under extraordinary expense. Due to the loss of this line on the statement of income, the amounts are now recognised under "Other operating expenses". The previous year's figures have been adjusted accordingly.

8. Income from other securities and long-term loans

	2016	2015
EUR thousand		
	10,350	12,975

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

9. Other interest and similar income

	2016	2015
EUR thousand		
	5,467	4,684

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

11. Attributable to interest and similar expenses

	2016	2015
EUR thousand		
	119,891	121,404

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

13. Taxes on income

	2016	2015
EUR thousand		
Taxes for reporting period	—	1,247
Prior-period taxes	-11,125	-35,663
	-11,125	-34,416

The pre-tax profit of EUR 407 (previous year: 310) million results in tax income of EUR 11 (34) million. This is due firstly to tax income for prior years in the amount of EUR 11 (36) million. Secondly, significant amounts of income in the financial year were recognised practically free of tax, with the result that the tax expense for the financial year was only EUR 0 (1) million.

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

Other disclosures

Key agreements

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

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

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

On 21 October 2016, Talanx AG concluded a cooperation agreement with HDI Haftpflichtverband der Deutschen Industrie V.a.G. which allows Talanx AG to offer HDI subordinated bonds with a maturity of five years and a volume of up to EUR 500 million on a revolving basis. Talanx AG is obliged to convert these bonds into registered shares with voting rights in the event of an increase in capital with pre-emptive rights. With the conversion of these bonds, HDI Haftpflichtverband der Deutschen Industrie V.a.G. waives its pre-emptive rights resulting from the capital increase that led to the conversion. It does so for that number of new Talanx shares that corresponds to the number of Talanx shares that HDI Haftpflichtverband der Deutschen Industrie V.a.G. will receive in the course of the obligatory conversion of the bond – i.e. only to the extent to which new shares resulting from the capital increase are replaced by shares resulting from the conversion.

Existing credit lines

Under the terms of the agreements that Talanx AG has entered into with banks, there are two syndicated variable-rate credit lines in a nominal amount of EUR 500 million with a term of five years that are designed to provide short- to medium-term financing. The existing syndicated credit lines can be terminated by the lenders if there is a change of control, i.e. if a person or persons acting in concert other than HDI Haftpflichtverband der Deutschen Industrie V.a.G. gains direct or indirect control over more than 50% of the voting rights or share capital of Talanx AG.

Employees

Average annual number of employees	31.12.2016	31.12.2015
Full-time employees	201	208
Part-time employees	40	38
Total	241	246

Governing bodies of the Company

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

Remuneration of members of governing bodies

The total remuneration of the Board of Management amounted to EUR 9,162 (8,092) thousand in the reporting period. The total remuneration of the Supervisory Board amounted to EUR 2,077 (2,066) thousand in the reporting period. Former members of the Board of Management and their surviving dependants received total remuneration of EUR 608 (472) thousand. Provisions of EUR 29,204 (29,673) thousand have been recognised for pension obligations to former members of the Board of Management and their surviving dependants.

Related party disclosures

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

Total fees paid to the auditors

The remuneration of the auditors is disclosed proportionately in the consolidated financial statements of HDI V.a.G. and Talanx AG, broken down into fees for audit services, other assurance services, tax advisory services and other services.

Contingent liabilities and other financial commitments

In the course of its IPO, Talanx AG indemnified all the banks involved in the IPO against any liability arising from the IPO under the terms of the underwriting agreement dated 19 September 2012. In this context, Talanx AG assumed standard market guarantees and warranties. Based on the current circumstances and state of knowledge, Talanx AG assumes that no claims will be asserted under this agreement.

As a result of the spin-off of various participating interests from Talanx Service AG to our Company in 2010, Talanx AG – as the receiving legal entity under section 133 of the German Reorganisation Act (UmwG) – is liable together with Talanx Service AG as a joint and several debtor for the liabilities of Talanx Service AG that were entered into prior to the effective date of the spin-off on 4 August 2010 for a period of five years or, in the case of benefit obligations under the German Occupational Pensions Act, for a period of ten years. The total amount of these liabilities is EUR 26.1 million, of which EUR 26.1 million is due to affiliated companies.

HDI Global SE, Hannover, has assumed an obligation for internal purposes only in respect of old-age pensions for active and former employees, general managers and members of the Board of Management through assumption of joint liability and is liable for settlement of these liabilities. These benefit promises also result in joint liability for the Company amounting to EUR 5.1 million at the end of the financial year.

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

The company is proportionately liable for any underfunding at Gerling Versorgungskasse in their capacity as sponsors of Gerling Versorgungskasse VVaG.

Talanx AG has assumed guarantees for restoration obligations relating to the Group's own wind farms amounting to EUR 4.5 million. We do not expect that claims will be asserted under these guarantees.

The total amount of the financial commitments is EUR 35.9 million. Of this total, EUR 30.4 million is attributable to pension commitments and EUR 31.4 million to liabilities to affiliated companies.

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

Notification by Meiji Yasuda Life Insurance Company dated 17 July 2015

Talanx Aktiengesellschaft
17 July 2015

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

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

Talanx Aktiengesellschaft
4 October 2012

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

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

Consolidated financial statements

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

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

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

Report on post-balance sheet date events

There were no events of particular importance occurring after the close of the financial year that have not been recognised in the statement of income or the balance sheet.

Proposal for the appropriation of distributable profits

The Board of Management and Supervisory Board will propose to the General Meeting that Talanx AG's distributable profit of EUR 824,895,710.35, as reported as at 31 December 2016, should be appropriated as follows:

- Distribution of a dividend of EUR 1.35 for each no-par value share bearing dividend rights: EUR 341,276,805.90
- Retained profits brought forward: EUR 483,618,904.45

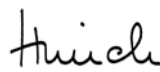
Prepared and hence authorised for publication in Hannover on 27 February 2017.

Talanx Aktiengesellschaft

Board of Management



Herbert K Haas,
Chairman



Dr Christian Hinsch,
Deputy Chairman



Torsten Leue



Dr Immo Querner



Ulrich Wallin



Dr Jan Wicke

Responsibility statement

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

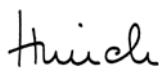
Hannover, 27 February 2017

Talanx Aktiengesellschaft

Board of Management



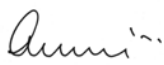
Herbert K Haas,
Chairman



Dr Christian Hinsch,
Deputy Chairman



Torsten Leue



Dr Immo Querner



Ulrich Wallin



Dr Jan Wicke

Auditors' report

We have audited the annual financial statements – comprising the balance sheet, statement of income and notes – together with the bookkeeping system of Talanx Aktiengesellschaft, Hannover, and the combined management report of the Company and the Group for the financial year from 1 January to 31 December 2016. The maintenance of the books and records and the preparation of the annual financial statements and the combined management report in accordance with German commercial law and the supplementary provisions of the articles of association are the responsibility of the Company's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the combined management report based on our audit.

We conducted our audit of the annual financial statements in accordance with section 317 of the German Commercial Code (HGB) and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with German principles of proper accounting and in the combined management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and evaluations of possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the combined management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements and the combined management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and the supplementary provisions of the articles of association and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting. The combined management report is consistent with the annual financial statements, complies with the statutory requirements and overall provides a suitable understanding of the company's position and suitably presents the opportunities and risks of future development.

Hannover, 10 March 2017

KPMG AG
Wirtschaftsprüfungsgesellschaft

Möller
Wirtschaftsprüfer
(German Public Auditor)

Czupalla
Wirtschaftsprüfer
(German Public Auditor)

Glossary and definitions of key figures.

Bancassurance

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

Contribution

> Premium.

Earnings per share, diluted

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

Fair value

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

International Financial Reporting Standards – IFRS

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

Life insurance

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

Net income for the financial year

Result from ordinary activities plus extraordinary result less tax.

Operating profit/loss (EBIT)

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

Other operating expenses and writedowns

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

Other operating income

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

Premium (also: Contribution)

The remuneration agreed for the risks accepted by the insurer.

Result from ordinary activities

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

Retail business

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

Surplus participation

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

Underwriting

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

Contact information

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Published on 20 March 2017

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

Konzernstruktur

Group Structure

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

Nur die wesentlichen Beteiligungen
Main participations only

Stand / As at: 31.12.2016

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