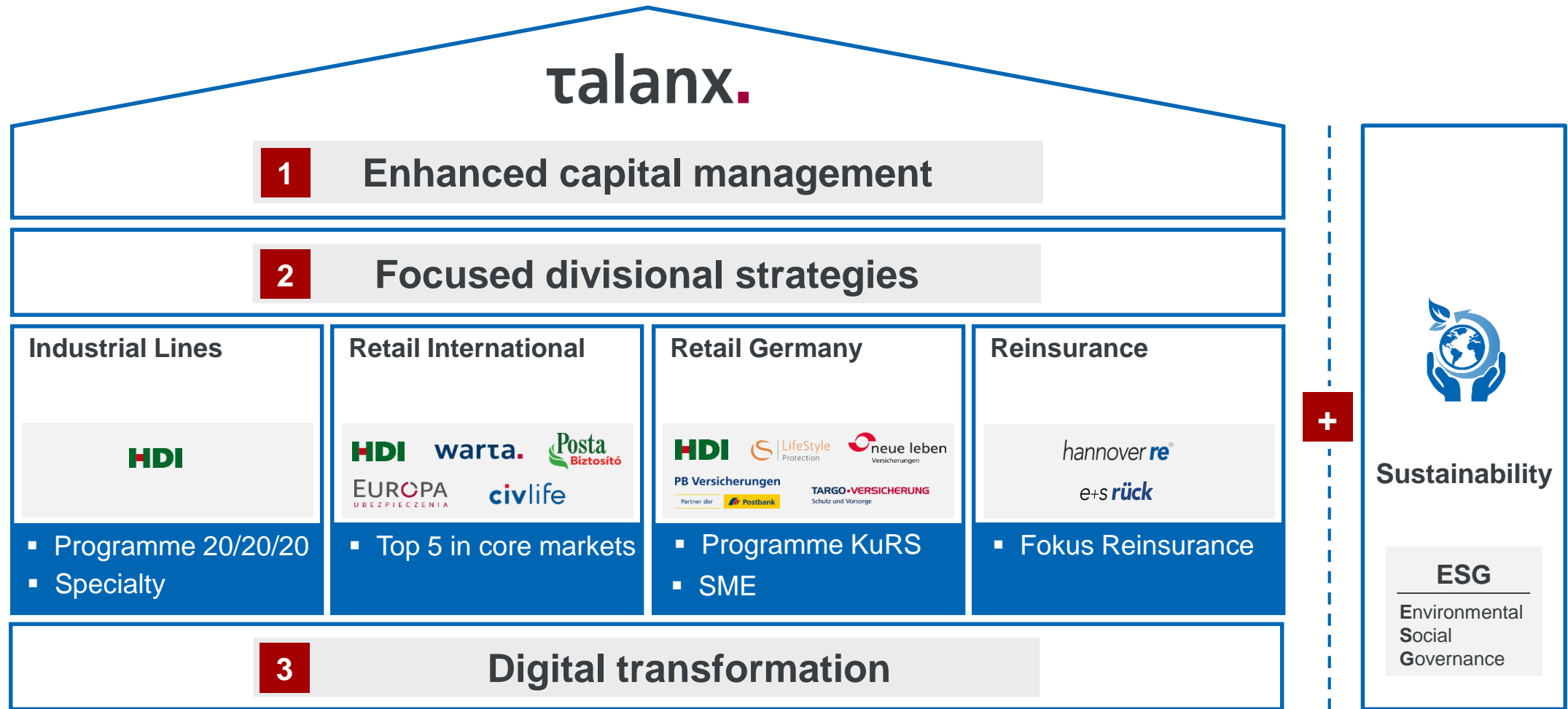




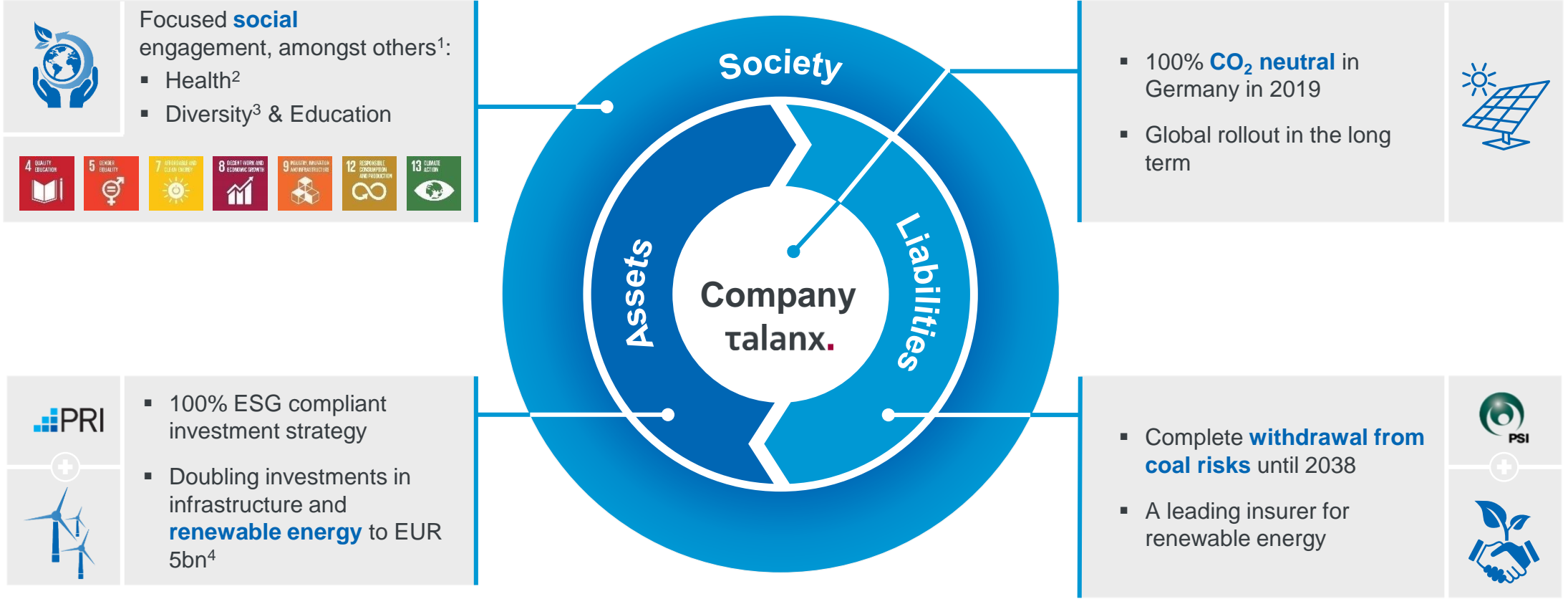
ABN Amro One45 “Resilient business model in challenging times”

Carsten Werle / Ioannis Kalaitzidis
18 June 2020

1 Three strategic areas...



1 ...flanked by our sustainability approach



1 In the "social" area, Talanx focuses specifically on selected sustainability goals of the United Nations (UN SDGs) and supports a wide range of initiatives; for a detailed presentation see Talanx Sustainability Report
 2 e.g. active health management for employees and regular health days and regional employee volunteering activities
 3 e.g. promotion of the compatibility of family and work, charter of diversity, women's network
 4 ~EUR 3bn achieved

Q1 2020 results – Group net income of EUR 223m impacted by EUR 313m corona-related claims

GWP grow by 6.4% (curr.-adj. +6.4%) – driven by Reinsurance and Industrial Lines

Corona impact

EBIT: EUR 313m claims (EUR 163m thereof overshooting the aggregate quarterly large loss budget), EUR 60m losses on investments, EUR 7m PVFP¹ impairment

Aggregate net income impact of EUR 133m – partially compensated by realised net gains and positive one-offs

Group net income of EUR 223m (-5.1%) – Group RoE at 9.0%, above minimum target

2020 Group net income outlook withdrawn on 21 April due to uncertain environment

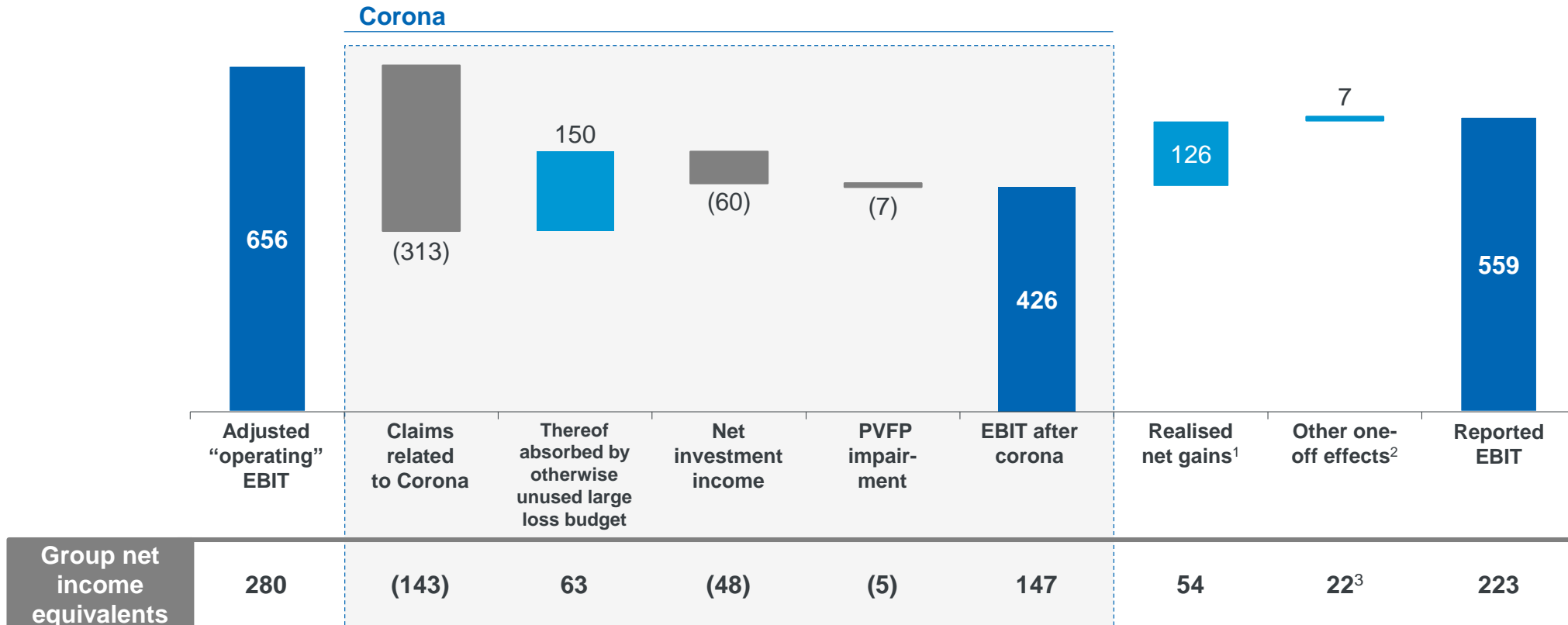
Resilient Solvency II ratio (excl. transitional) at 196% at high end of target range

Note: Approx. 90% of EUR 313m corona-related claims have been incurred but not reported as of 31 March 2020
 1 PVFP: Present Value of Future Profits (German Life business)

2

Q1 2020 results – Corona impact partially offset by positive effects

EBIT (before taxes and minorities) in Q1 2020, in EURm



1 Realised net gains / losses on fixed income and real estate investments (net losses on equities and derivatives included in corona-related effects). Group excluding German Life business. Largest part realised in P/C Reinsurance. A portion of the realised gains would have occurred in a normalised quarter as well

2 EUR 7m deconsolidation gain in German Life

3 Includes EUR 7m deconsolidation gain in German Life (tax-free) and EUR 15m one-time tax effects in P/C Reinsurance and Corporate Operations

2

Corona - aggregate net income impact of EUR 133m

Total EBIT impact (before taxes and minorities) in Q1 2020, in EURm

	Industrial Lines	Retail Germany P&C	Retail Germany Life	Retail International	Rein-surance	Corporate Operations	Talanx Group
Corona-related claims	(34)	(31)		(20)	(220)	(8)	(313)
Thereof absorbed by otherwise unused large loss budget	+26				+124		+150
Net investment income	(33)	(9)		(7)	(10)		(60)
Total EBIT impact	(41)	(40)	(7)¹	(27)	(106)	(8)	(229)
Group net income impact	(39)	(28)	(5)¹	(18)	(38)	(5)	(133)

5.9%pts total impact on CR

Accounting impact of Q1 claims: EUR 163m

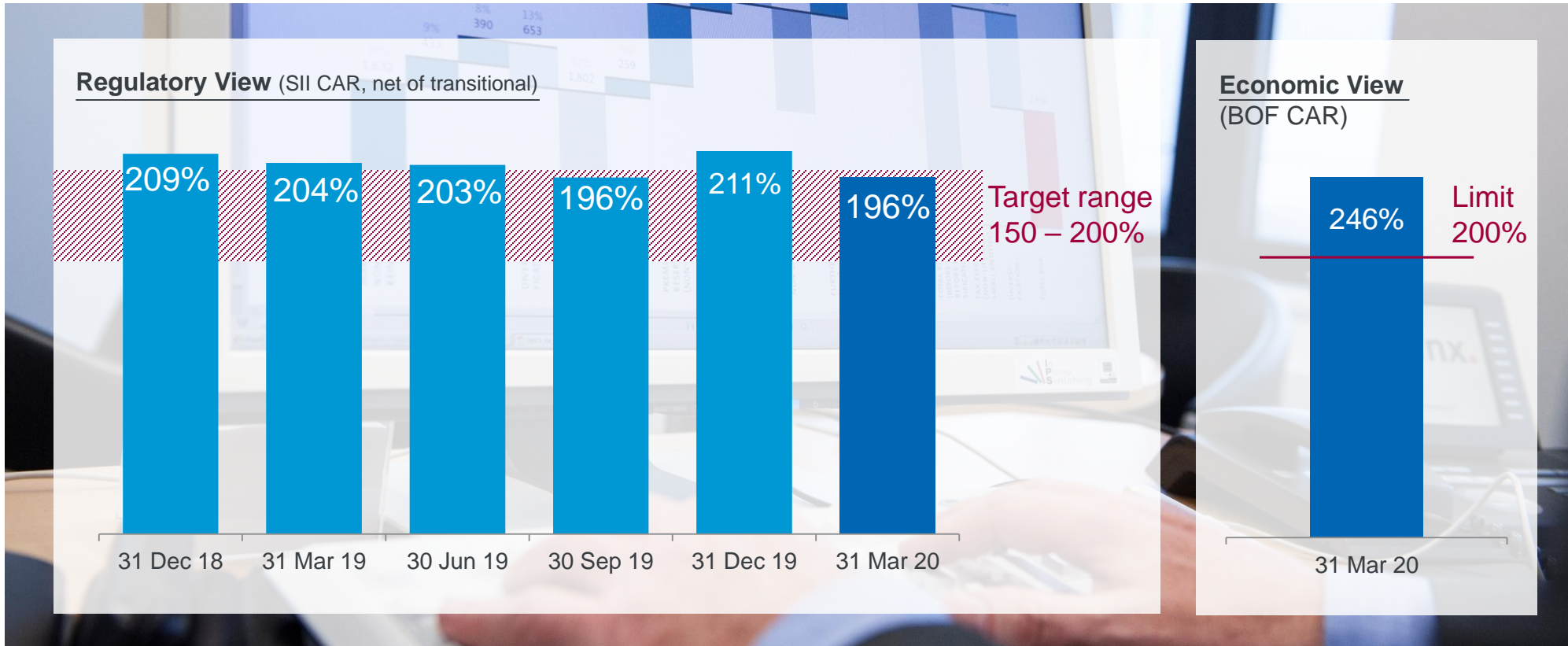
Note: Numbers may not add up due to rounding. Group net income impact after taxes and minorities

¹ PVFP (Present Value of Future Profits) impairment

2

Solvency II capitalisation remained at very solid level at end 2019

Development of Solvency II capitalisation

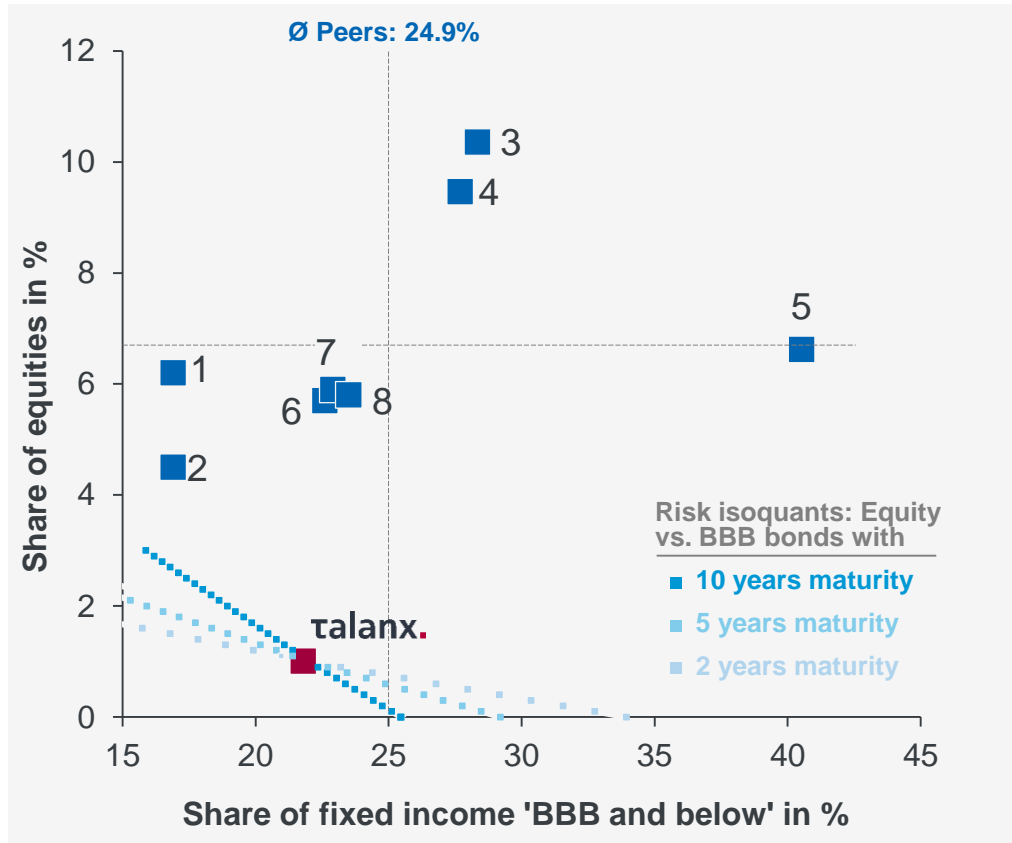


Note: Solvency II ratio relates to HDI Group as the regulated entity. The chart does not contain the effect of transitional measure. Solvency II ratio including transitional measure for 31 Mar 2020: 229% (31 Dec 2019: 246%).

2

Conservative investment portfolio with below-average risk exposure...

Position in more risky asset classes



Talanx in a peer comparison

...by far the **lowest proportion** of equities (1%)

...with a **low proportion** of fixed income rated 'BBB and below' (23%, top 3)

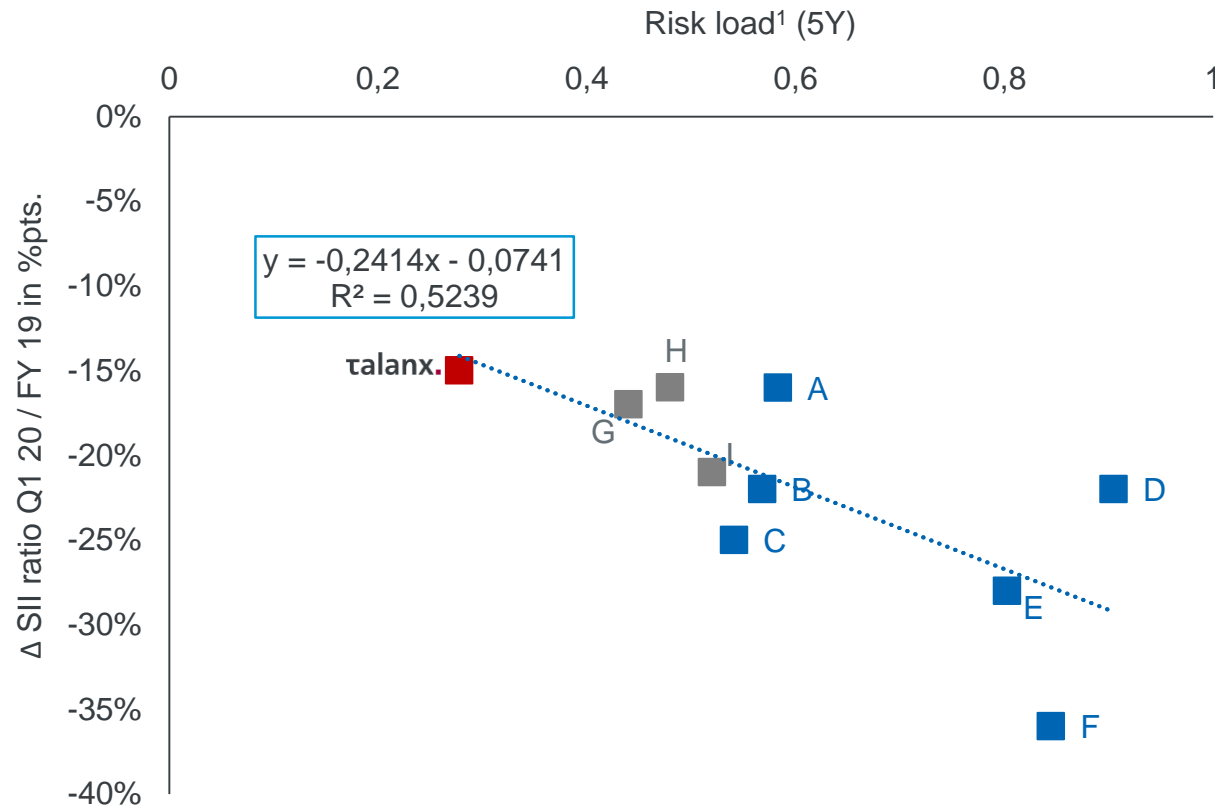
...**below-average risk exposure** suggests **above-average resilience**

Note: Peers comprise Allianz, Axa, Generali, Mapfre, Munich Re, Swiss Re, VIG, Zurich. Own calculations based on FY 2019 annual reports or results presentations. Fixed income ratings partly approximated. Iso risk lines represent average rating, standard formula, internal model, and portfolio management calculations

2

...leads to a lower impact on Solvency II ratio

Change of Q1 2020 SII ratio in accordance to risk load due to "BBB and lower"-bonds and equities

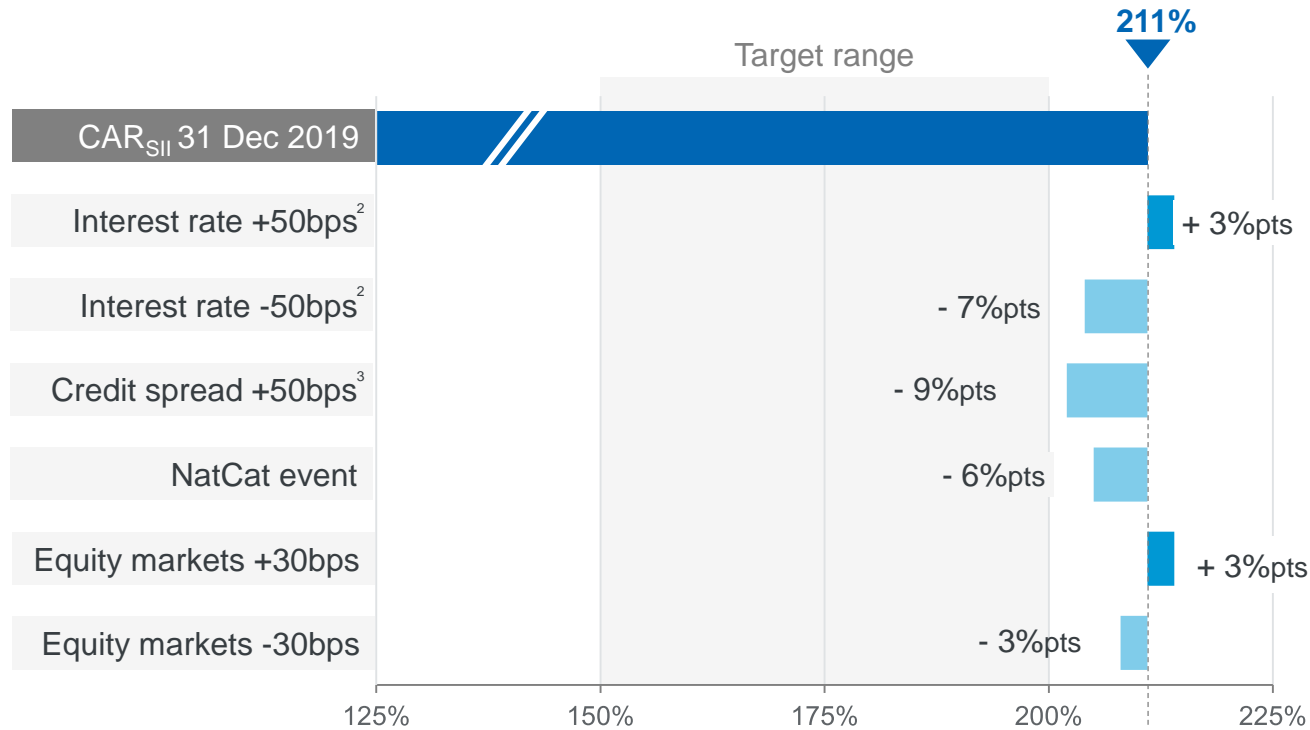


Peer group: Allianz, AXA, Generali, Munich Re, Swiss Re (E), Zurich; additionally, to broaden peer group (marked grey): RSA, Ageas, SCOR. Zurich: for 2019 "as-if" figure, due to change of yield curves in Q1 20
 1 Assumption that equities are 6 times as risky as 5Y "BBB and lower" bonds (see Q1 reporting, page 19, risk isoquantiles)

2

Updated sensitivities of Solvency II ratio as of 31 Dec 2019

Estimation of stress impact¹



Comments

Decline in credit spread sensitivity reflects:

- high quality investment portfolio
- model approval for dynamic volatility adjuster in P/C
- improved level of diversification

¹ Estimated solvency ratio changes in case of stress scenarios (stress applied on both Eligible Own Funds and capital requirement, approximation for loss absorbing capacity of deferred taxes)

² Interest rate stresses based on non-parallel shifts of the interest rate curve based on EIOPA approach

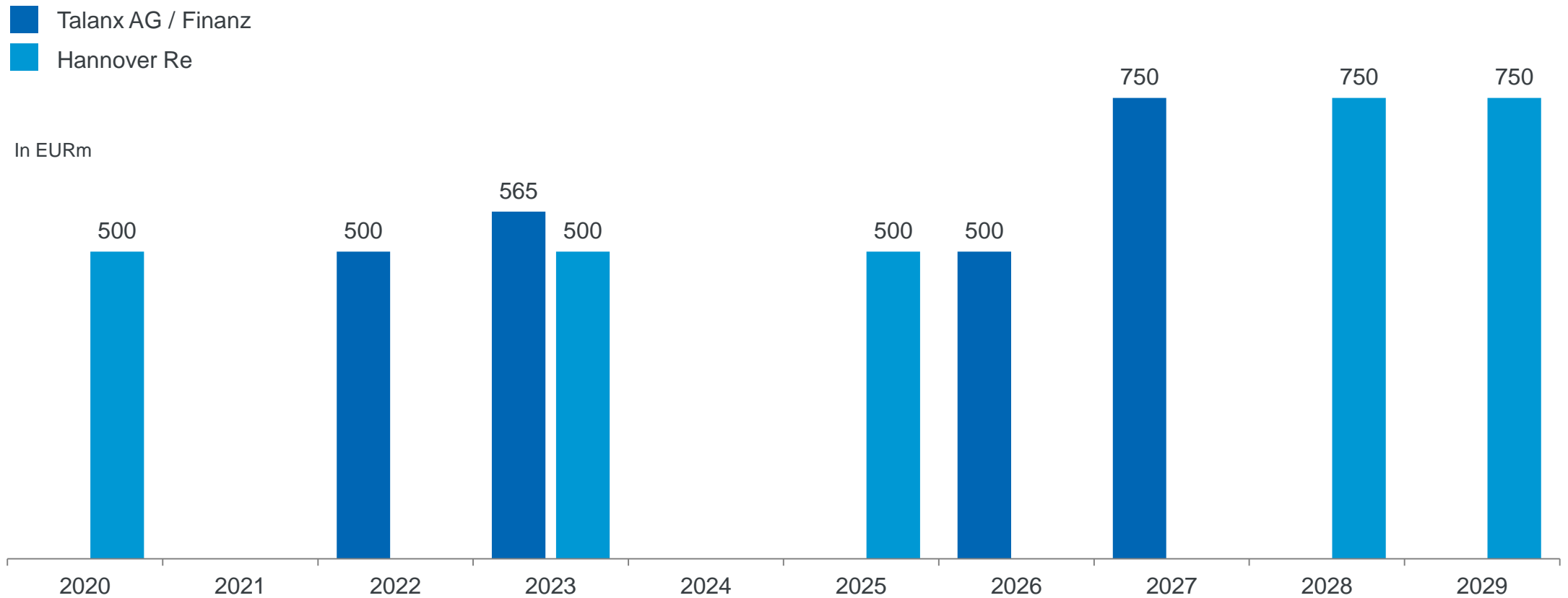
³ The credit spreads are calculated as spreads over the swap curve (credit spread stresses include simultaneous stress on government bonds)

Overall moderate sensitivity to various stress scenarios – above target range for all sensitivities

3

Very well diversified maturity profile across the overall Talanx Group

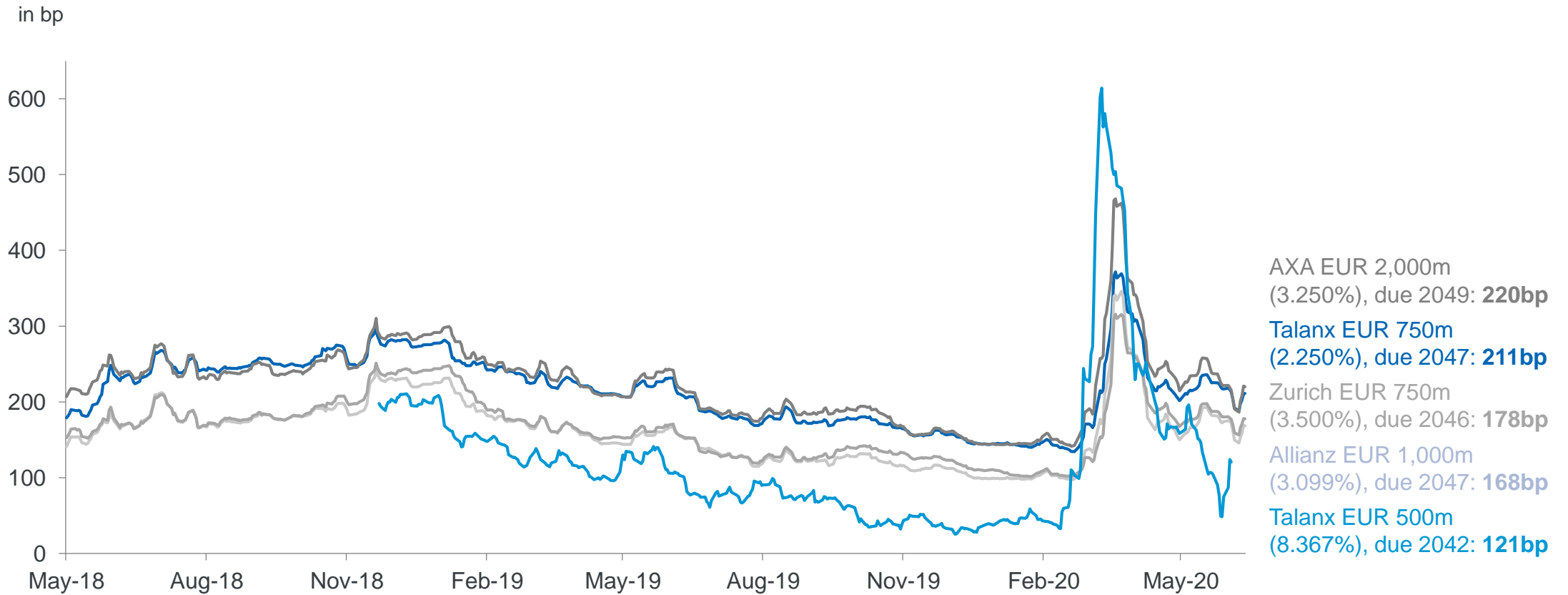
Outstanding, publicly held volume of hybrid and senior bonds as of 15/06/2020



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

4

Backup: Spread performance of Talanx hybrids and comparable Tier 2 of peers against mid swaps



Source: Bloomberg as of 12 June 2020

4

Backup: Talanx's financial strength and credit ratings

Insurer Financial Strength Rating (Talanx Primary Group)¹

Issuer Credit Rating (Talanx AG)

S&P Global
Ratings

A⁺
(Outlook: stable)

A⁺
(Outlook: stable)



A
(Outlook: stable)

a⁺
(Outlook: stable)

¹ Talanx Primary Insurance Group includes the primary insurance entities of Talanx AG (S&P). Definition used by A. M. Best: "HDI V. a. G. and its core subsidiaries"

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