



6M 2021 Results  
11 August 2021

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Starting with Q1 2021  
we publish a detailed  
**Financial Data Supplement**  
on our IR website

# 6M results benefit from strong performance in Primary Insurance

## Results



GWP up 9.4% in 6M, 13.0% currency-adjusted – growth in all segments



Combined ratio 95.9% in 6M, substantially down from Corona-affected 101.3% in 6M 2020



EUR 546m Group net income, thereof 44% in Primary Insurance<sup>1</sup>

## Capital



Double-digit RoE at 10.5%, 10.3% in Q2<sup>2</sup>



Robust Solvency 2 ratio at 210%<sup>3</sup>

## Outlook



Estimated net income impact of approx. EUR ~150m related to Q3 flood events in Europe<sup>4</sup>



Group net income 2021 now expected between EUR 900 and 950m<sup>5</sup>

<sup>1</sup> Excluding EUR -59m net income in Corporate Operations and Consolidation. <sup>2</sup> Excluding Other Comprehensive Income from investments from shareholders' equity, RoE was at 13.0% in 6M 2021, 12.4% in Q2 2021 (7.6% in 6M 2020, 4.8% in Q2 2020). <sup>3</sup> Excluding transitional, as of 30 June 2021. <sup>4</sup> Estimated net claims (after reinsurance) of slightly above EUR 300m. <sup>5</sup> Targets are subject to large losses not exceeding the large loss budget, no turbulences on capital markets and no material currency fluctuations

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## 1

## 6M 2021 results overview

EURm	6M 2020	6M 2021	Delta	Comments
<b>Gross written premiums (GWP)</b>	<b>22,006</b>	<b>24,075</b>	<b>+9%</b>	GWP growth in all segments, largest contributions from P/C Reinsurance (+EUR 1,092m), Industrial Lines (+EUR 334m), and Retail International (+EUR 294m). 13.0% growth in local currency
Net premiums earned	16,746	18,272	+9%	
Net technical result	-1,129	-982	+13%	
thereof P/C	-160	481	n.m.	
thereof Life	-969	-1,463	-51%	
Net investment income	1,785	2,350	+32%	Negative swing in currency translation (EUR 133m), mainly from USD appreciation, partly offset by positive EUR 58m one-off effect from restructuring within US mortality portfolio in L/H Reinsurance
Other income / expenses	89	-35	n.m.	
<b>Operating result (EBIT)</b>	<b>745</b>	<b>1,333</b>	<b>+79%</b>	
Financing costs	-103	-88	+14%	
Taxes on income	-93	-309	230%	
Net income before minorities	549	936	+70%	
Non-controlling interests	224	389	74%	
<b>Net income after minorities</b>	<b>325</b>	<b>546</b>	<b>+68%</b>	
<b>Earnings per share (EPS)</b>	<b>1.29</b>	<b>2.16</b>		
Combined ratio (CR) in P/C	101.3%	95.9%	-5.4%pts	Technical result improvement driven by P/C Reinsurance; excluding net Corona impact CR down to 96.5% from 97.4%
Tax ratio	14.5%	24.8%	+10.3%pts	
Return on equity	6.4%	10.5%	+4.1%pts	Significant net realised gains in German Life (EUR 531m, +402m); significant increase in private equity gains in Reinsurance and Industrial Lines
Return on investment	2.7%	3.3%	+0.6%pts	

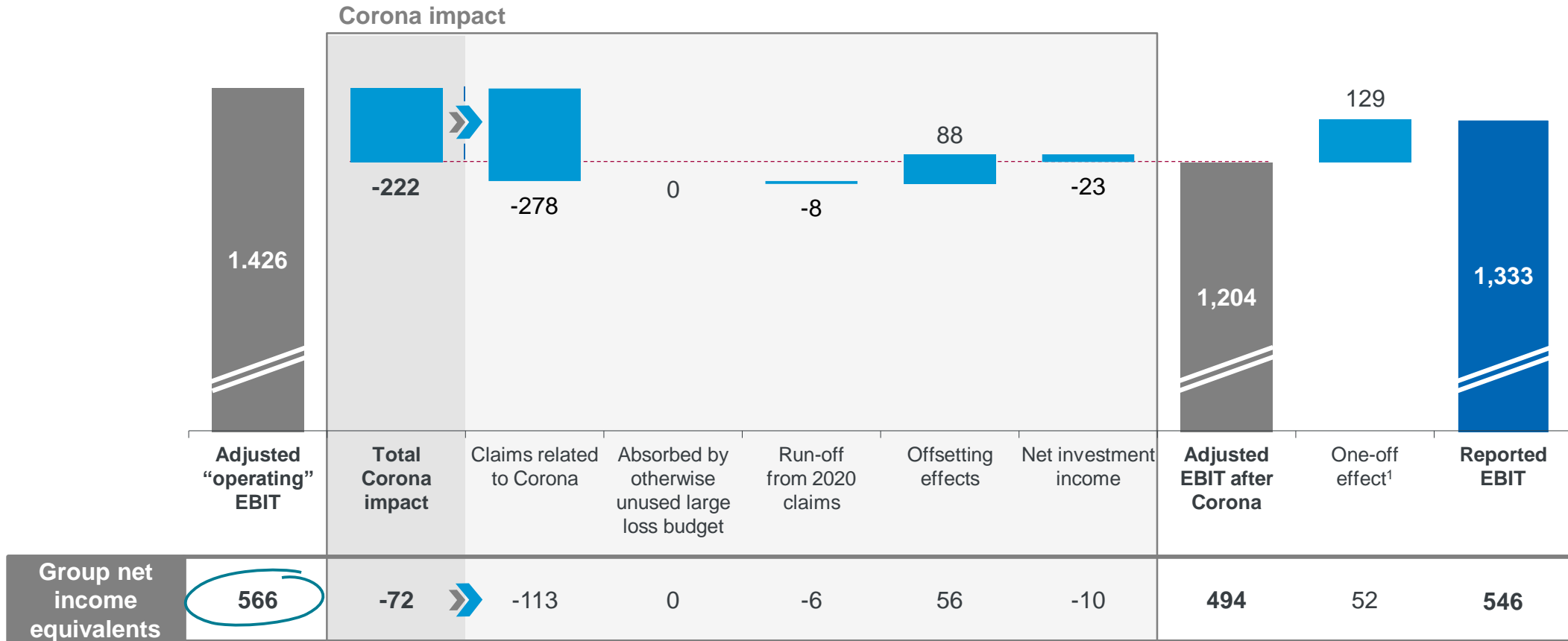
## 1

## Q2 2021 results overview

EURm	Q2 2020	Q2 2021	Delta	Comments
<b>Gross written premiums (GWP)</b>	<b>9,539</b>	<b>10,426</b>	<b>+9%</b>	GWP growth in all segments, largest contributions from P/C Reinsurance (+EUR 386m), Retail International (+EUR 288m) and Industrial Lines (+EUR 197m). 12.1% growth in local currency
Net premiums earned	8,392	9,256	+10%	
Net technical result	-704	-382	+46%	Technical result improvement driven by P/C Reinsurance, mainly due to non-recurrence of Corona-related claims (EUR 380m in Q2 2020); positive impact from lower frequency losses in primary retail businesses reduced by EUR 65m
thereof P/C	-161	252	n.m.	
thereof Life	-543	-634	-17%	
Net investment income	882	1,096	+24%	
Other income / expenses	8	-6	n.m.	
<b>Operating result (EBIT)</b>	<b>186</b>	<b>707</b>	<b>+280%</b>	
Financing costs	-52	-46	+11%	
Taxes on income	22	-180	n.m.	Q2 2020: Significant portion of low-tax income and some one-off tax effects
Net income before minorities	156	481	+208%	
Non-controlling interests	54	212	+294%	
<b>Net income after minorities</b>	<b>103</b>	<b>269</b>	<b>+162%</b>	
<b>Earnings per share (EPS)</b>	<b>0.41</b>	<b>1.06</b>		
Combined ratio (CR) in P/C	102.7%	95.7%	-7.0%pts	Significant net realised gains in German Life (EUR 254m)
Tax ratio	-16.5%	27.3%	+43.8%pts	
Return on equity	4.1%	10.3%	+6.2%pts	
Return on investment	2.7%	3.2%	+0.5%pts	

# 1 6M results affected by Corona and Voya

## EBIT (before taxes and minorities) in 6M 2021, in EURm



<sup>1</sup> EUR 129m Voya gain in L/H Reinsurance; thereof EUR 86m net interest income from funds withheld, EUR -14m extraordinary investment income, EUR 58m other income (fee)

## 1

## Corona details: L/H Reinsurance mortality claims, net offsets in Primary

## Total EBIT impact (before taxes and minorities) in 6M 2021, in EURm

	Industrial Lines	Retail Germany P&C	Retail Germany Life	Retail International	∑ Primary Insurance	P/C Reinsurance	Life / Health Reinsurance	Corporate Operations	Talanx Group
Corona-related claims (net)		-3		-12 <sup>1</sup>	-15		-263		-278
Absorbed by otherwise unused large loss budget									
Run-off from 2020 claims	-9	1		0	-8				-8
Offsetting effects	2	27		59	88				88
Net investment income <sup>2</sup>	-3		0	0	-3	-20			-23
<b>Total EBIT impact</b>	<b>-10</b>	<b>24</b>	<b>0</b>	<b>47</b>	<b>62</b>	<b>-20</b>	<b>-263</b>		<b>-222</b>
<b>Group net income impact</b>	<b>-7</b>	<b>17</b>	<b>0</b>	<b>29</b>	<b>39</b>	<b>-8</b>	<b>-103</b>		<b>-72</b>

Note: Numbers may not add up due to rounding. 0 represents amount lower than EUR 0.5m. Group net income impact is after taxes and minorities

1 EUR 11m related to excess mortality in life business, mainly in Poland. 2 Impairments only

## 1

## Corona details: L/H Reinsurance mortality claims, net offsets in Primary

## Total EBIT impact (before taxes and minorities) in Q2 2021, in EURm

	Industrial Lines	Retail Germany P&C	Retail Germany Life	Retail International	∑ Primary Insurance	P/C Reinsurance	Life / Health Reinsurance	Corporate Operations	Talanx Group
Corona-related claims (net)		-1		-8 <sup>1</sup>	-9		-112		-122
Absorbed by otherwise unused large loss budget									
Run-off from 2020 claims	-6	1			-5				-5
Offsetting effects	1	6		34	41				41
Net investment income <sup>2</sup>	0		0	0	0	-8			-8
<b>Total EBIT impact</b>	<b>-5</b>	<b>6</b>	<b>0</b>	<b>26</b>	<b>26</b>	<b>-8</b>	<b>-112</b>		<b>-94</b>
<b>Group net income impact</b>	<b>-4</b>	<b>4</b>	<b>0</b>	<b>15</b>	<b>15</b>	<b>-4</b>	<b>-50</b>		<b>-38</b>

Note: Numbers may not add up due to rounding. 0 represents amount lower than EUR 0.5m. Group net income impact is after taxes and minorities  
 1 EUR 7m related to excess mortality in life business, mainly in Poland. 2 Impairments only



## 1

## Large losses (P/C): EUR 156m unused buffer remains for H2

Net losses Talanx Group in EURm, 6M 2021 (6M 2020)	Industrial Lines	Retail Germany	Retail International	∑ Primary Insurance	Reinsurance	Corporate Operations	Talanx Group
Winterstorm Texas, USA (Feb.)	49.0			49.0	136.4		185.4
Storm <i>Volker</i> , Central Europe (Jun.)	1.9	7.5	9.4	18.9	10.0	5.1	34.0
Flood, Australia (Mar.)	1.5			1.5	14.4		15.8
Cyclone <i>Seroja</i> , Australia (Apr.)	4.2			4.2	11.2		15.4
Storm <i>Filomena</i> , Spain (Jan.)	0.2			0.2	10.6		10.8
<b>Sum NatCat</b>	<b>56.8 (55.4)</b>	<b>7.5 (9.5)</b>	<b>9.4 (0.8)</b>	<b>73.7 (65.6)</b>	<b>182.6 (124.3)</b>	<b>5.1 (0.0)</b>	<b>261.4 (189.9)</b>
Fire/Property	97.1			97.1	95.8	1.4	194.3
Credit				0.0	20.7		20.7
Marine				0.0	13.3		13.3
Aviation	1.2			1.2	13.5		14.7
Casualty	21.1			21.1			21.1
Cyber				0.0			0.0
<b>Sum other large losses</b>	<b>119.4 (20.0)</b>	<b>0.0 (20.0)</b>	<b>0.0 (0.1)</b>	<b>119.4 (40.1)</b>	<b>143.3 (12.6)</b>	<b>1.4 (14.3)</b>	<b>264.1 (67.0)</b>
<b>Corona losses</b>	<b>0.0 (106.5)</b>	<b>0.0 (24.1)</b>	<b>0.0 (20.0)</b>	<b>0.0 (150.6)</b>	<b>0.0 (600.1)</b>	<b>0.0 (10.0)</b>	<b>0.0 (760.7)</b>
<b>Total large losses</b>	<b>176.2 (181.9)</b>	<b>7.5 (53.6)</b>	<b>9.4 (20.9)</b>	<b>193.2 (256.4)</b>	<b>325.9 (737.0)</b>	<b>6.5 (24.3)</b>	<b>525.6 (1,017.7)</b>
Pro-rata large loss budget	165.7	13.9	5.5	185.0	476.1	20.0	681.1






Note: Definition "large loss": in excess of EUR 10m gross in either Primary Insurance or Reinsurance. Corona losses in P/C business only shown here. Additional Corona losses of EUR 274m in life and health businesses, EUR 263m thereof in L/H Reinsurance

# 1

## Combined ratios

	Talanx Group		Industrial Lines		Retail Germany P/C		Retail International		Primary Insurance		Reinsurance P/C	
	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
6M	101.3%	95.9%	104.7%	98.4%	96.9%	91.7%	94.3%	92.8%	98.8%	94.9%	102.3%	96.0%
Ex Corona <sup>1</sup>	97.4%	96.5%	98.6%	97.9%	95.1%	95.3%	95.7%	96.3%	96.7%	96.5%	97.6%	96.0%
Q2	102.7%	95.7%	107.7%	98.1%	90.1%	99.7%	91.8%	91.8%	97.7%	95.7%	104.8%	95.8%
Ex Corona <sup>1</sup>	98.0%	96.2%	96.7%	97.5%	95.3%	101.4%	97.2%	95.7%	96.6%	97.0%	98.2%	95.8%

	Mexico 		Chile 		Brazil 		Italy 		TUiR Warta		TU Europa		Turkey 	
	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
6M	95.1%	96.5%	94.9%	94.5%	95.2%	99.8%	84.8%	71.8%	90.7%	92.7%	93.2%	93.9%	110.7%	108.4%
Q2	93.1%	95.4%	91.8%	93.9%	92.8%	99.7%	80.0%	67.7%	92.0%	92.2%	85.6%	93.6%	110.6%	107.6%

Note: Non-life business. Primary Insurance excludes figures for Corporate Operations. For Retail International this page highlights only core markets plus Italy

<sup>1</sup> Adjusted for corona-related claims and offsetting effects, as per pages 7 and 8 in this presentation

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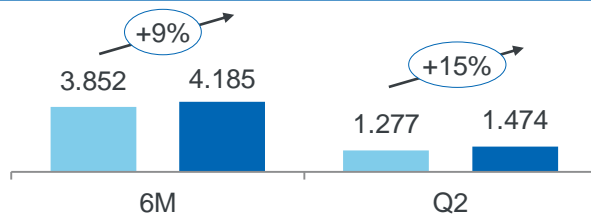
Appendix

# 2

## Industrial Lines: Strong growth at sustainably improved combined ratio

EURm, IFRS ■ 2020 ■ 2021

### Gross written premiums (GWP)

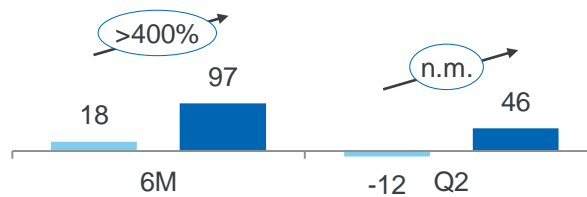


### Retention ratio in %



- Strong top-line growth (9%, curr.-adj. +11%), driven by growth in Specialty, Liability and Property; accelerated momentum in Q2: +15%, curr.-adj. +17%
- At 13%, 6M net premiums earned grew faster, mainly due to increased retention ratio in Specialty
- Large losses of EUR 176m above pro-rata budget of EUR 166m, reflecting the winter storm in Texas in Q1 and comparatively high man-made losses in Q2

### Operating result (EBIT)

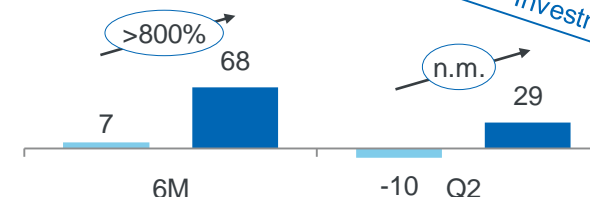


### Combined ratio in %



- Corona-related technical impact of EUR -7m, mainly resulting from EUR -9m run-off result
- On track to achieve target combined ratio of 95% in the medium term
- Run-off result at EUR 25m (EUR -3m in 6M 2020), reflecting prudent reserving policy

### Net income (after minorities)



### RoE in %



- Return on investment 2.7% in 6M 2021. Adjusted for extraordinary private equity gain of EUR 27m in Q1 2021, return of investment at 2.2%
- Other result of EUR -71m partly as a result of sustained growth in Specialty, also includes currency fluctuation impact of EUR -15m. Other result of ~EUR -100m p.a. expected in FY 2021 and thereafter
- 6M tax rate of 22.4% (6M 2020: 16.8%), still below a normalised level, impacted by low taxes on private equity gains

**6M 2021 Corona impact (EBIT)**

- Claims: EUR 0m
- Run-off: EUR -9m
- Offsetting: EUR +2m
- Investments: EUR -3m

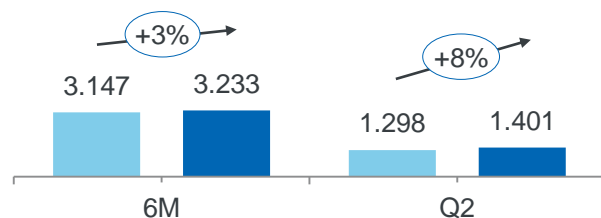
EUR -7m total technical impact

# 2

## Retail Germany in sum: On track to outperform EBIT target for 2021

EURm, IFRS ■ 2020 ■ 2021

### Gross written premiums (GWP)

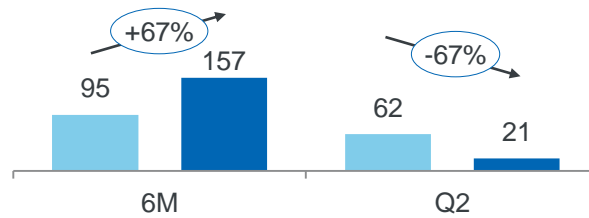


### Retention ratio in %



- Gross written premiums up 3% both in P/C and in Life businesses, reflecting gradual normalisation after lockdown
- Net premiums up 1.1%

### Operating result (EBIT)

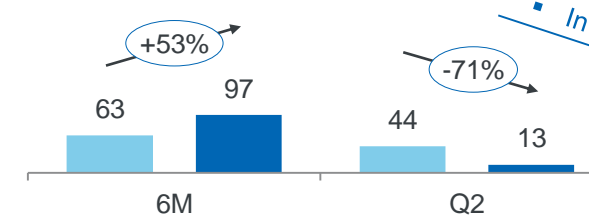


### EBIT margin in %



- Significant 6M EBIT increase: +EUR 47m in P/C, +EUR 16m in Life
- EBIT decrease in Q2 driven by P/C
- KuRS investments 2015 - 2020 continue to contribute to results
- EBIT expected to be higher than EUR 240m in FY 2021

### Net income (after minorities)



### RoE in %



- GO25 transformation programme:
  - Ambitious growth targets in SME business (+70% to EUR 800m GWP in 2025), while keeping combined ratio stable at 95% in that line of business
  - RoE ambition: risk-free plus 8%
- More details at Capital Markets Day on 17 November 2021 in Frankfurt

**6M 2021 Corona impact (EBIT)**

- Claims: EUR -3m
- Run-off: EUR 1m
- Offsetting: EUR +27m
- Investments: EUR 0m

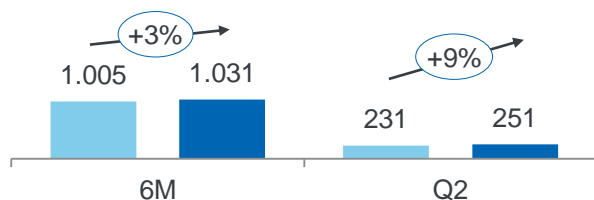
EUR +24m total impact

# 2

## Retail Germany P/C: Prudent accounting in Q2 after exceptional first quarter

EURm, IFRS ■ 2020 ■ 2021

### Gross written premiums (GWP)

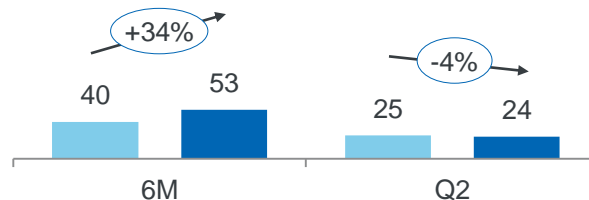


### Retention ratio in %



- 11% GWP increase in business with SMEs and self-employed professionals in 6M offsets 8% decline in Motor
- EUR 4m turnover-based premium reimbursement to customers accounted for in Q2 2021
- Administration cost ratio improved by 1.8%points in 6M due to cost reduction initiatives. Distribution costs up by 1.4% as business mix is shifting to more profitable SME (higher portion sold via brokers)<sup>1</sup>

### Net investment income

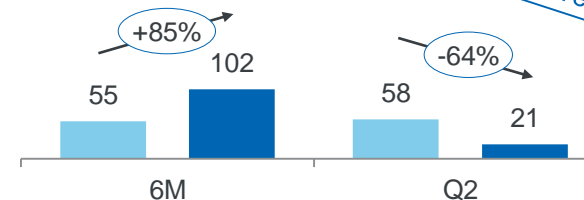


### Combined ratio in %



- 6M technical result benefits from EUR 24m positive Corona impact (EUR -13m in 6M 2020)
- Combined ratio adjusted for Corona impact at 95.3% (6M 2020: 95.1%)
- Technical result in Q2 2021 (EUR 1m) reflects a series of large and mid-sized losses (EUR 23m) and various measures to increase volatility buffers (EUR 29m). Q2 2020 benefited from positive EUR 18m Corona impact

### Operating result (EBIT)



### EBIT margin in %



- 2.5% net return on investment in 6M back to normalised level after EUR 4m impairments in 6M 2020 (1.9%)
- Better technical result (+EUR 34m) and better investment result (+EUR 13m) drive 6M EBIT to EUR 102m
- Combined ratio of lower than 94% expected for FY 2021

**6M 2021 Corona impact (EBIT)**

- Claims: EUR -3m
- Run-off: EUR 1m
- Offsetting: EUR +27m
- Investments: -

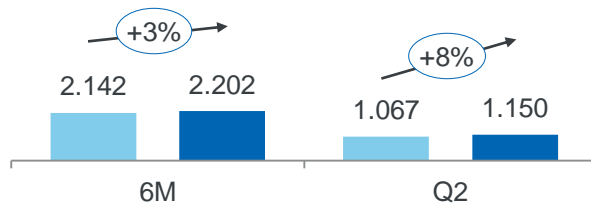
EUR +24m total technical impact

<sup>1</sup> Changes in cost ratios before reinsurance

## 2 Retail Germany Life: Premiums growing again, balance sheet strengthened

EURm, IFRS ■ 2020 ■ 2021

### Gross written premiums (GWP)

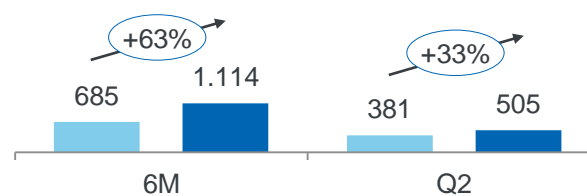


### Retention ratio in %



- GWP up 2.8% in 6M 2021 and 7.7% in Q2 2021 y/y, as previous year saw Corona-related decrease of approx. EUR 100m, especially in downtown Bancassurance and single premiums
- EUR 98m increase in single premiums in 6M overcompensated decrease in regular premiums (-EUR 35m) and premiums in biometric products<sup>1</sup> (-EUR 3m)
- New business increased 2.6% in 6M to EUR 183m (APE), 28% of which were in biometric products (31% in 6M 2020)

### Net investment income

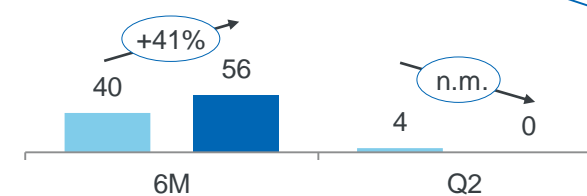


### Return on investment in %



- Net investment income and RoI benefit from exceptional level of net realised gains (EUR 531m in 6M, +402m y/y), to finance annual ZZR requirements
- 6M ZZR allocation under German accounting of EUR 216m (6M 2020: EUR 283m). Total stock of ZZR as of 30 June 2021 at EUR 4.7bn
- Remaining net realised gains and additional reserves transferred to provision for premium refunds (RfB)

### Operating result (EBIT)



### EBIT margin in %



- Black zero in Q2 EBIT reflects some balance-sheet strengthening after strong net investment income, and a few small technical effects (total of EUR -10m)
- As-if-merged Solvency 2 CAR for the four German life entities at 224% on 30 June 2021 (208% on 31 March 2021, 169% on 31 December 2020) without transitional measure<sup>2</sup>

6M 2021 Corona impact (EBIT)

- Claims: -
- Run-off: -
- Offsetting: -
- Investments: -

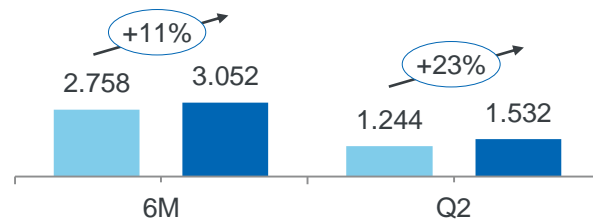
EUR 0m

<sup>1</sup> Largest biometric product is payment protection insurance (PPI). <sup>2</sup> Including transitional measure at 646%% as of 30 June 2021, 618% as of 31 March 2021 (31 December 2020: 562%)

## 2 Retail International: Strong growth and good results

EURm, IFRS 2020 2021

### Gross written premiums (GWP)



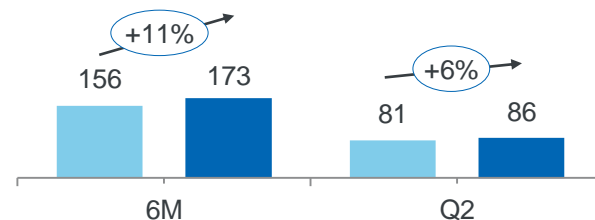
### Retention ratio in %



- Curr.-adj. GWP increase of 16.5%
- GWP in P/C up 7.6% (curr.-adj. +15.4%), especially in non-Motor. Life business up 17.1% (curr.-adj. +18.9%), driven by higher single premium business in Italy and growth at Warta
- Europe up 14.5% to EUR 2,356m (+18.9% curr.-adj.). 9.7% currency-adjusted growth in LatAm (-0.5% in EUR). Lower Motor business in Brazil offset by strong recovery in Chile and growth in Mexico

<sup>1</sup> EUR 11m in Life business

### Operating result (EBIT)

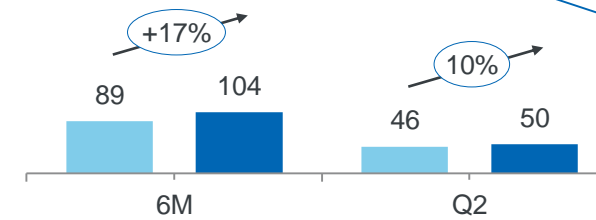


### Combined ratio P/C in %



- Increasing claims inflation overcompensated by EUR 20m non-recurrence of corona-related reserve strengthening in Q1 2020 as well as by still lower claims frequency
- EUR 11m corona-related claims in life business in 6M 2021 (EUR 7m thereof in Q2) from excess mortality, mainly in Poland

### Net income (after minorities)



### ROE in %



- Return on investment of 2.8% versus 2.7% in 6M 2020; non-recurrence of 6M 2020 corona-related impairments of EUR 9m
- Non-life acquisition in Italy fully included in Q2 numbers (closed on 1 April 2021); contributed EUR 71m GWP, small EBIT
- Normalisation of frequencies, increasing claims inflation and increasing price pressure expected for 2021; capital market environment remains challenging (interest rates, fx)

**6M 2021 Corona impact (EBIT)**

- Claims: EUR -12m<sup>1</sup>
- Run-off: EUR 0m
- Offsetting: EUR +59m
- Investments: EUR 0m

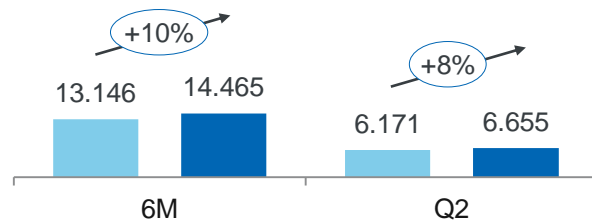
**EUR +47m**  
total technical impact (thereof +58m in P/C)



## 2 Reinsurance: Profitable premium growth continues

EURm, IFRS 2020 2021

### Gross written premiums (GWP)

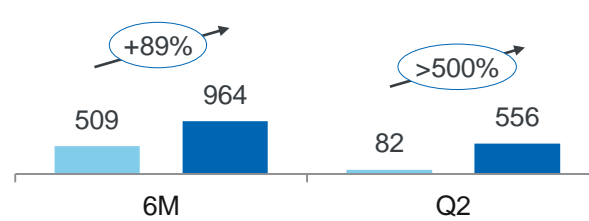


### Retention ratio in %



- GWP growth (currency-adj. +14.2%) driven by 11.9% increase in P/C in an improving market environment
- GWP in L/H up 5.7% (currency-adj. +7.3%), mainly from Financial Solutions and Longevity; promising new business pipeline for 2021
- Net premiums earned up 11.0%, 14.9% on a currency-adjusted basis

### Operating result (EBIT)

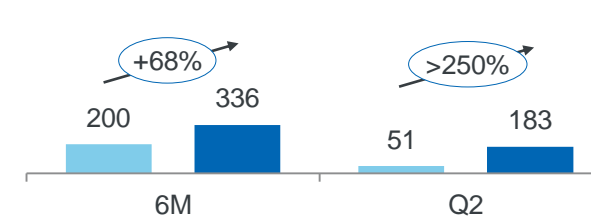


### Combined ratio P/C in %



- Combined ratio down significantly, as 6M 2020 Corona impact in P/C did not recur
- EUR 326m large losses, budget of EUR 476m not fully utilised
- Increasing ordinary investment income (+14.1%), extraordinary investment income down 43%, driven by lower unrealised gains than in 6M 2020 (portfolio changes)
- Assets under own management up 7.8% vs. 31 Dec 2020 to EUR 51.9bn

### Net income (after minorities)



### ROE (after minorities) in %



- EUR 263m Corona losses in L/H partly offset by positive one-off effect from restructuring within US mortality portfolio (EUR 129m)
- Net income attributable to Talanx up 68% to EUR 336m
- Return on equity continues to be above minimum target of 10%

**6M 2021 Corona impact (EBIT)**

- Claims: EUR -263m
- Run-off: -
- Offsetting: -
- Investments: EUR -20m

EUR -263m total technical impact (all in L/H)

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# 3 Net investment income

EURm, IFRS	6M 2020	6M 2021	Change	Q2 2020	Q2 2021	Change	Comments
<b>Ordinary investment income</b>	<b>1,613</b>	<b>1,778</b>	<b>+10%</b>	<b>751</b>	<b>880</b>	<b>+17%</b>	Increase in ordinary investment income in 6M driven by significant private equity gains in P/C Re and Industrial Lines; increasing income from investments in Ampega real estate fund in German Life
thereof current interest income	1,305	1,280	-2%	606	633	+5%	
thereof income from real estate	145	156	+8%	71	85	+20%	
<b>Extraordinary investment income</b>	<b>177</b>	<b>555</b>	<b>+213%</b>	<b>147</b>	<b>260</b>	<b>+76%</b>	Significant increase in realised net gains in 6M (+EUR 403m), driven by net gains in German Life (+EUR 402m) related to the front-loaded build-up of annual <i>Zinszusatzreserve</i> in German Life
Realised net gains / losses on investments	325	728	+124%	128	333	+161%	
Write-ups / write-downs on investments	-183	-135	+26%	-85	-68	-21%	
Unrealised net gains / losses on investments	36	-39	n.m.	105	-6	n.m.	
Other investment expenses	-133	-150	-13%	-63	-83	-32%	Non-recurrence of EUR 47m corona-related write-downs on equities in 6M 2020; line also includes regular depreciation of infrastructure and real estate investments
<b>Income from assets under own management</b>	<b>1,657</b>	<b>2,183</b>	<b>+32%</b>	<b>836</b>	<b>1,057</b>	<b>+27%</b>	
Interest income on funds withheld and contract deposits	127	165	+30%	46	38	-17%	
Income from investment contracts	0	2	+609%	-0	0	n.m.	Unrealised losses on derivatives in Q2 2021, mainly in L/H Reinsurance
<b>Total: Net investment income</b>	<b>1,785</b>	<b>2,350</b>	<b>+32%</b>	<b>882</b>	<b>1,096</b>	<b>+24%</b>	
Assets under own management at period end	125,807	132,650	+5%	125,807	132,650	+5%	3% increase in assets under own management versus 31 December 2020 (EUR 128.5bn), 1% versus 31 March 2021 (EUR 131.2bn)
Average assets under own management	124,223	130,476	+5%	124,243	131,939	+6%	
<b>Net return on investment<sup>1</sup></b>	<b>2.7%</b>	<b>3.3%</b>	<b>+0.6%pts</b>	<b>2.7%</b>	<b>3.2%</b>	<b>+0.5%pts</b>	
Current return on investment <sup>2</sup>	2.4%	2.5%	+0.1%pts	2.2%	2.4%	+0.2%pts	

1 Net return on investment: Income from assets under own management divided by average assets under own management

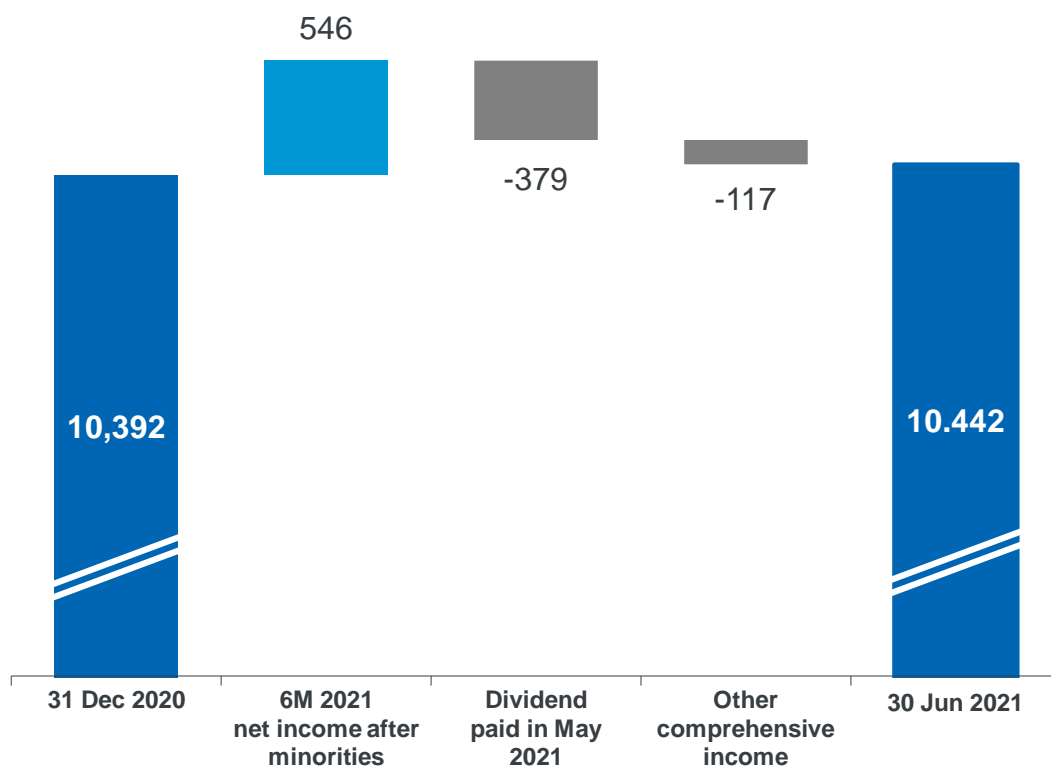
2 Current return on investment: Income from assets under own management excl. extraordinary investment income divided by average assets under own management

# 3

## Book value per share roughly flat versus 31 December 2020

### Shareholders' equity

in EURm



### Comments

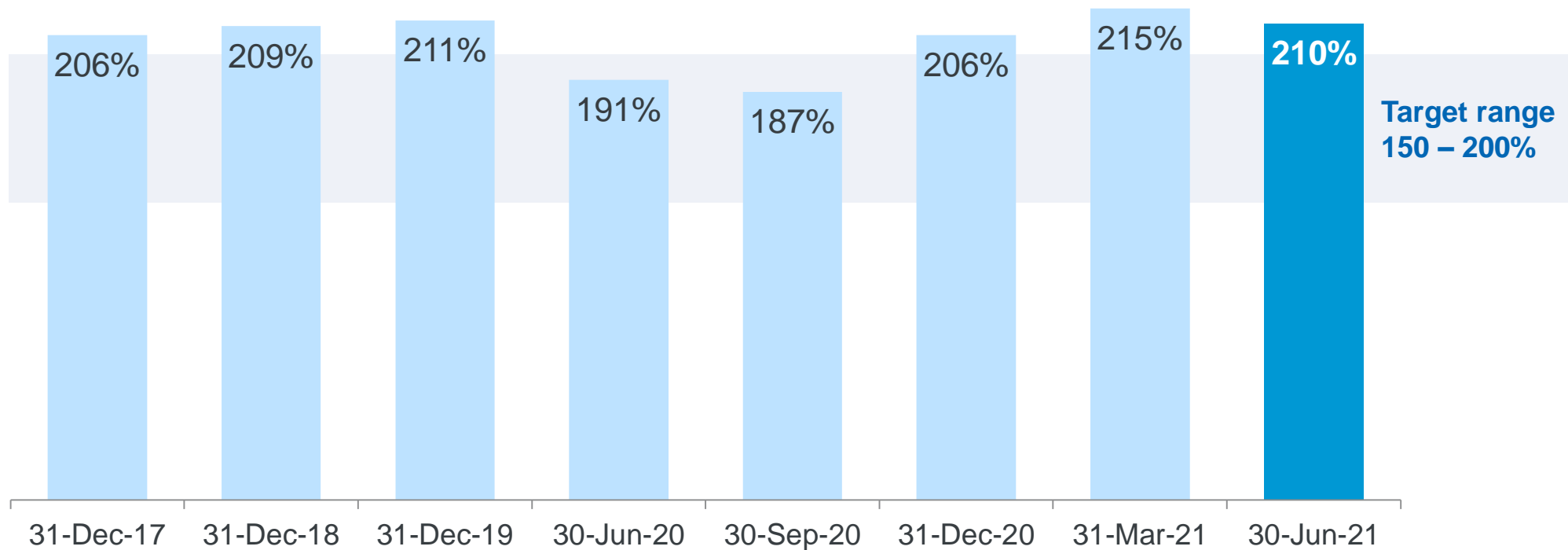
- Shareholders' equity at EUR 10,442m, roughly flat versus the level of Dec 2020
- In other comprehensive income, positive effects from currency translation cannot offset decrease in unrealised gains
- Book value per share up 7 cents versus 31 March 2021 due to positive currency impact on goodwill

### Book value per share

EUR	31 Dec 2020	31 Mar 2021	30 Jun 2021	Change in Q2	
				Abs.	%
Including goodwill	41.11	41.24	41.31	0.07	0.2
Excluding goodwill	37.00	37.17	37.13	-0.04	-0.1

### 3 Capital Adequacy Ratio remains robust per end June

#### Development of Solvency 2 capitalisation (Regulatory View, S2 CAR, excl. transitional)



Note: Solvency 2 ratio relates to HDI Group as the regulated entity. The chart does not contain the effect of transitional measure. Solvency 2 ratio including transitional measure as of 30 June 2021: 255%

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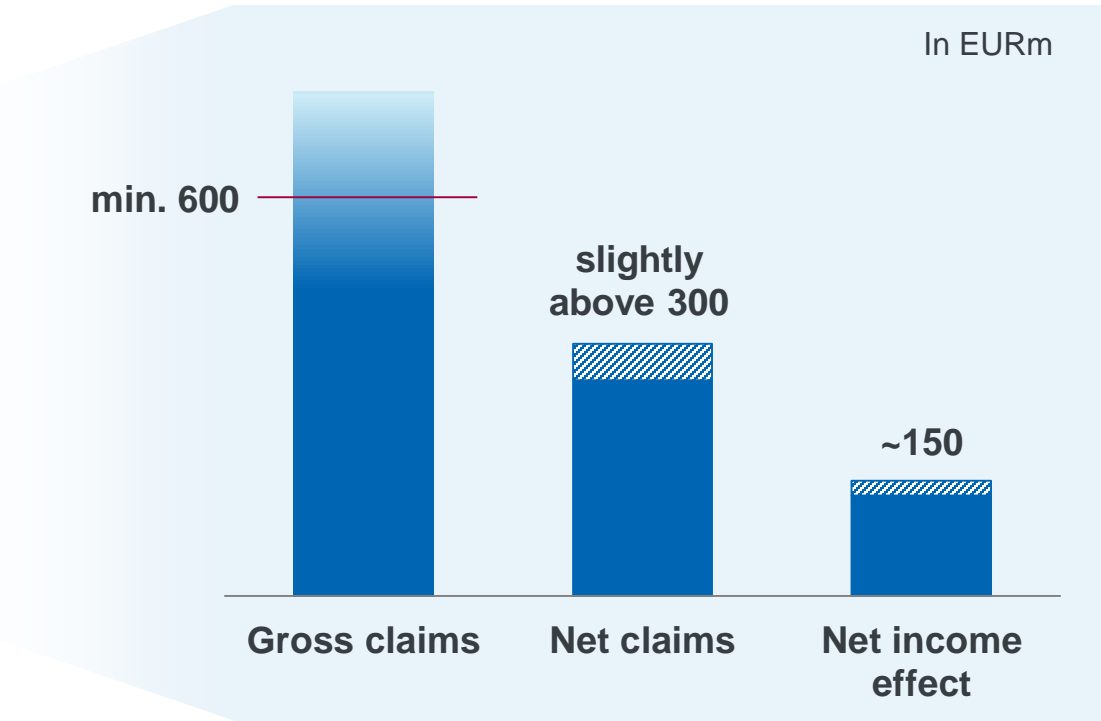
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Appendix

# 4 Current impact estimate for July 2021 floods in Europe

**GDV<sup>1</sup> estimate: EUR 4.5 – 5.5bn insured losses**

**Estimated impact on Talanx Group**

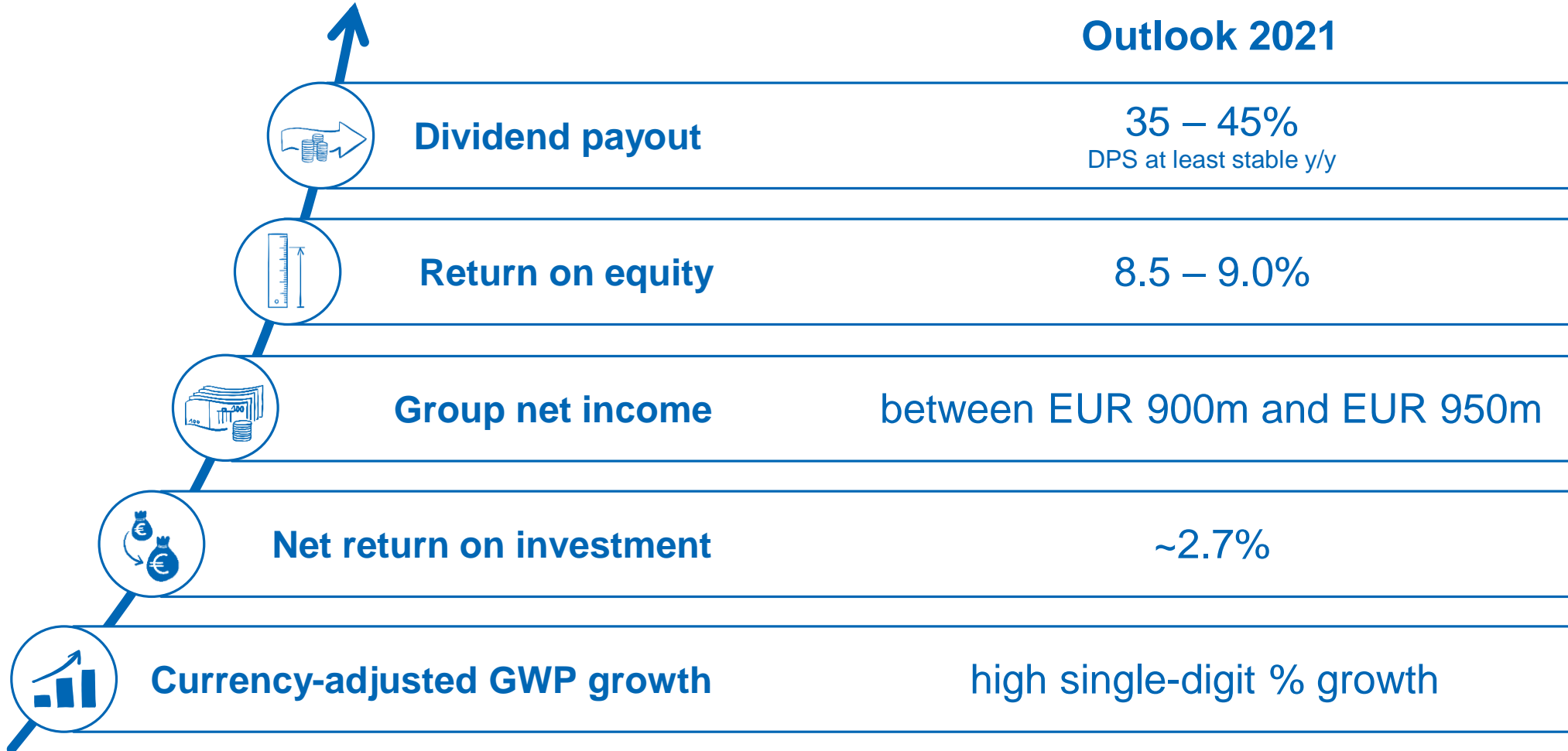


<sup>1</sup> German Insurance Association (Gesamtverband der deutschen Versicherungswirtschaft e.V.); photographs from [www.rnd.de](http://www.rnd.de)

# 4

## Outlook 2021 for Talanx Group

### Outlook 2021

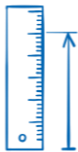




Note: All targets are subject to large losses not exceeding the large loss budget, no turbulences on capital markets and no material currency fluctuations. The targeted dividend payout is subject to the regulator's approval. The Outlook 2021 is based on a large loss budget of EUR 410m (2020: EUR 360m) in Primary Insurance, of which EUR 331m in Industrial Lines (2020: EUR 301m). The large loss budget in Reinsurance is EUR 1,100m (2020: EUR 975m)



# 4

## Strategy 2022: Mid-term target matrix

Targets	<p><b>Return on equity</b></p>  <p>High level of profitability</p> <p><b>≥ 800bp</b> above risk-free rate<sup>1</sup></p>	<p><b>EPS growth</b></p>  <p>Profitable growth</p> <p><b>≥ 5%</b> on average p.a.<sup>2</sup></p>	<p><b>Dividend payout ratio</b></p>  <p>Sustainable &amp; attractive payout</p> <p><b>35% - 45%</b> of IFRS earnings</p> <p>DPS at least stable y/y</p>
	<p><b>Strong capitalisation</b></p> <p>Solvency II target ratio 150 - 200%</p>	<p><b>Market risk limitation (low beta)</b></p> <p>Market risk ≤ 50% of Solvency Capital Requirement</p>	<p><b>High level of diversification</b></p> <p>targeting 2/3 of Primary Insurance premiums to come from outside of Germany</p>
	<p><b>Constraints</b></p>		

Note: All targets are subject to large losses not exceeding the large loss budget, no major turbulences on capital markets and no material currency fluctuations

<sup>1</sup> The risk-free rate is defined as the 5-year rolling average of the 10-year German Bund yield

<sup>2</sup> EPS CAGR 2018 to 2022 (base level: original Group net income Outlook of -EUR 850m for 2018)

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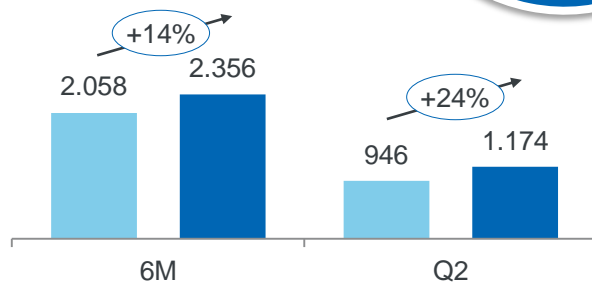
# 5

## Additional Information – Retail International Europe: Key financials

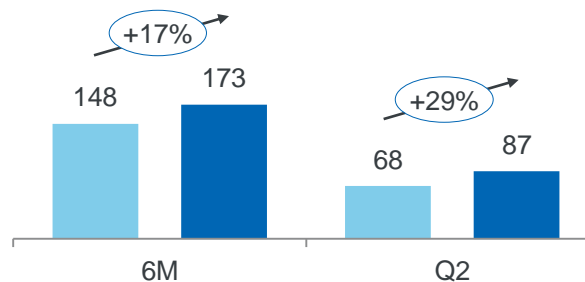
EURm, IFRS 2020 2021

6M 2021  
(currency adjusted)  
GWP: +18.9%

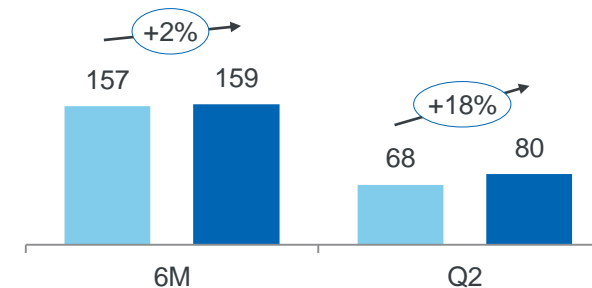
### Gross written premiums



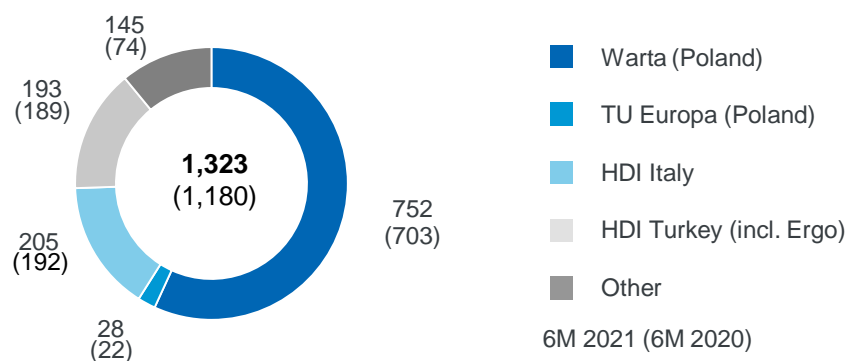
### Net investment income



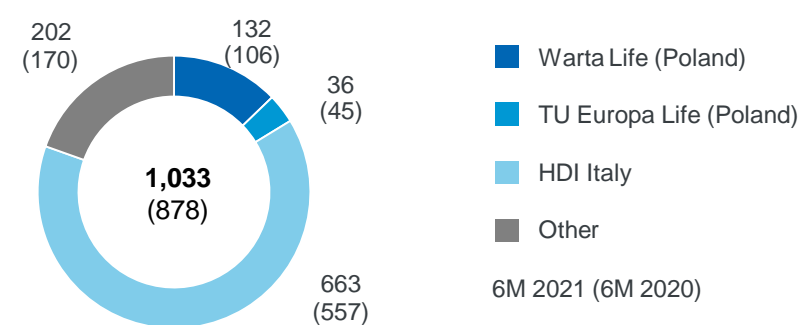
### Operating result (EBIT)



### GWP split by carriers (P/C)



### GWP split by carriers (Life)



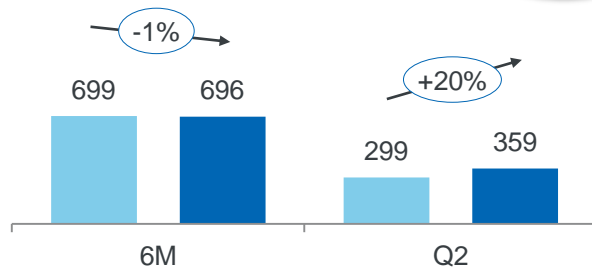
# 5

## Additional Information – Retail International LatAm: Key financials

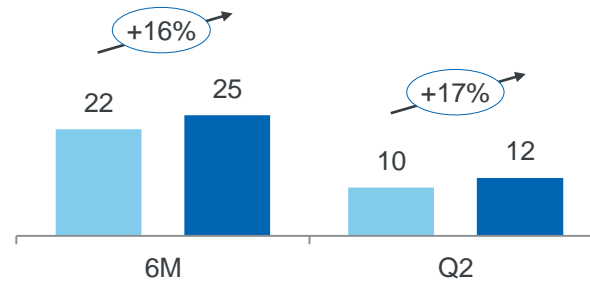
EURm, IFRS 2020 2021

6M 2021  
(currency adjusted)  
GWP: -9.7%

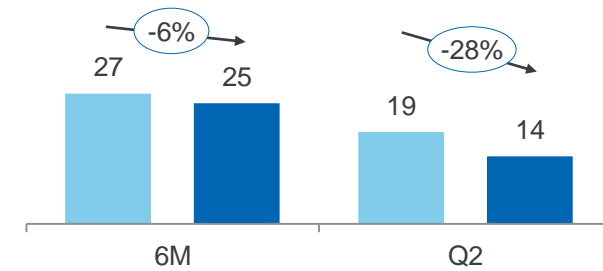
### Gross written premiums



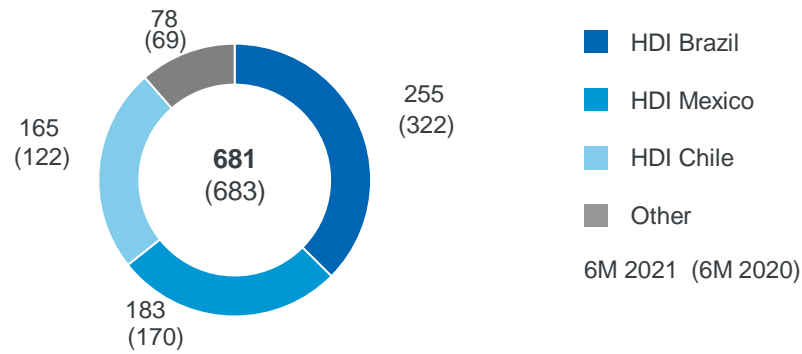
### Net investment income



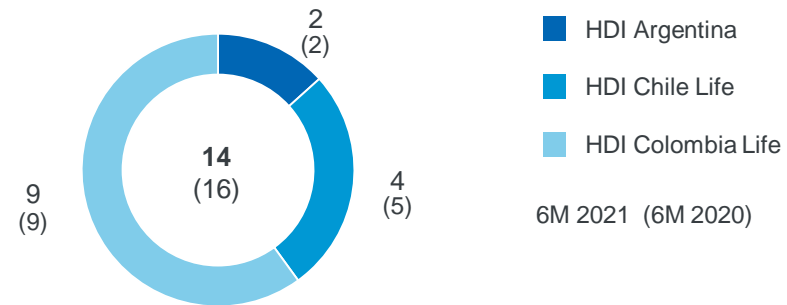
### Operating result (EBIT)



### GWP split by carriers (P/C)



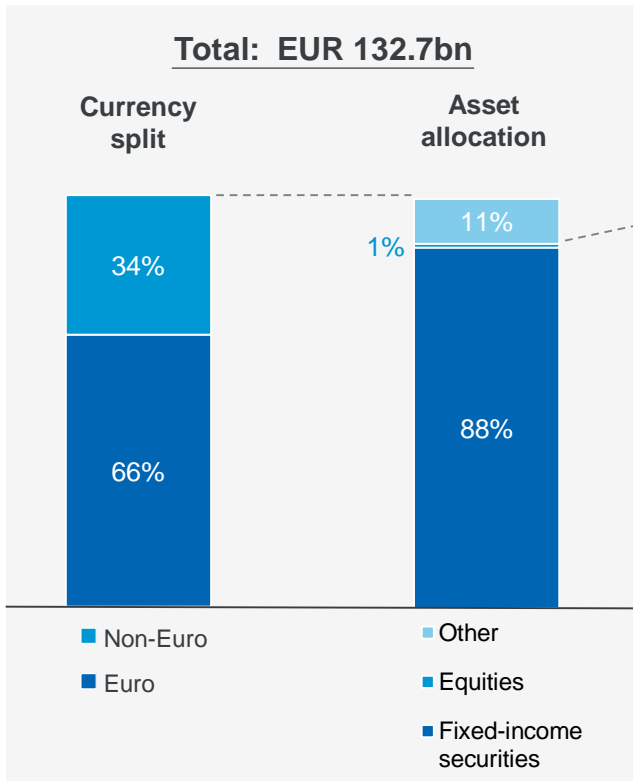
### GWP split by carriers (Life)



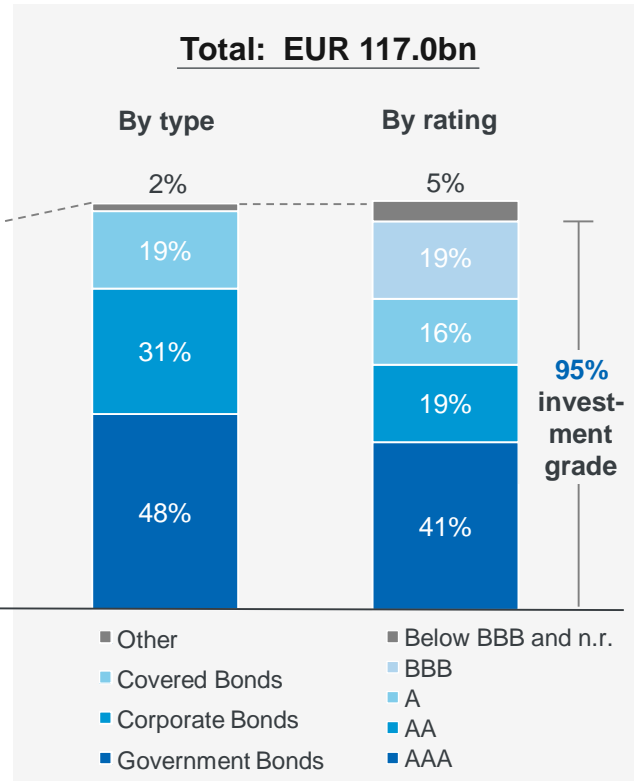
# 5

## Additional Information – Breakdown of investment portfolio

### Investment portfolio as of 30 Jun 2021



### Fixed-income portfolio split



### Comments

- Assets under own management increased by 3.3% to EUR 132.7bn compared to 31 Dec 2020 (EUR 128.3bn)
- Investment portfolio remains dominated by fixed-income securities: 88% portfolio share slightly down vs. 31 Dec 2020 (89%)
- Portion of fixed-income portfolio invested in “A” or higher-rated bonds (76%) slightly down vs. 31 Dec 2020 (77%). 95% of bonds are ‘investment grade’
- 18% of fixed-income portfolio is held in USD (31 Dec 2020: 17%); 34% overall in non-euro currencies (31 Dec 2020: 32%)

**Investment strategy unchanged – 95% of bonds are investment grade**

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

## 5

## Additional Information – Details on selected fixed-income country exposure

## Investments into issuers from countries with a rating below A- (in EURm), as of 30 June 2021

Country	Rating	Sovereign	Semi-Sovereign	Financial	Corporate	Covered	Other	Total
Italy	BBB	3,641	-	786	603	332	6	5,367
Mexico	BBB	261	-	162	347	-	-	770
Hungary	BBB	570	-	20	17	16	-	623
Brazil	BB-	275	-	96	234	-	14	619
Russia	BBB	292	11	56	189	-	-	549
South Africa	BB-	146	-	2	102	-	3	252
Portugal	BBB	122	-	24	20	-	-	166
Turkey	B+	75	-	14	37	-	-	126
Other BBB+		95	-	69	70	-	-	234
Other BBB		166	88	48	110	-	-	412
Other <BBB		345	68	106	285	-	-	803
<b>Total</b>		<b>5,998</b>	<b>167</b>	<b>1,383</b>	<b>2,013</b>	<b>348</b>	<b>23</b>	<b>9,922</b>
in % of total investments under own management		4.5%	0.1%	1.0%	1.5%	0.3%	0.0%	7.5%
in % of total Group assets		3.1%	0.1%	0.7%	1.0%	0.2%	0.0%	5.2%

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