

talanx.

Insurance. Investments.

FY 2021 Results

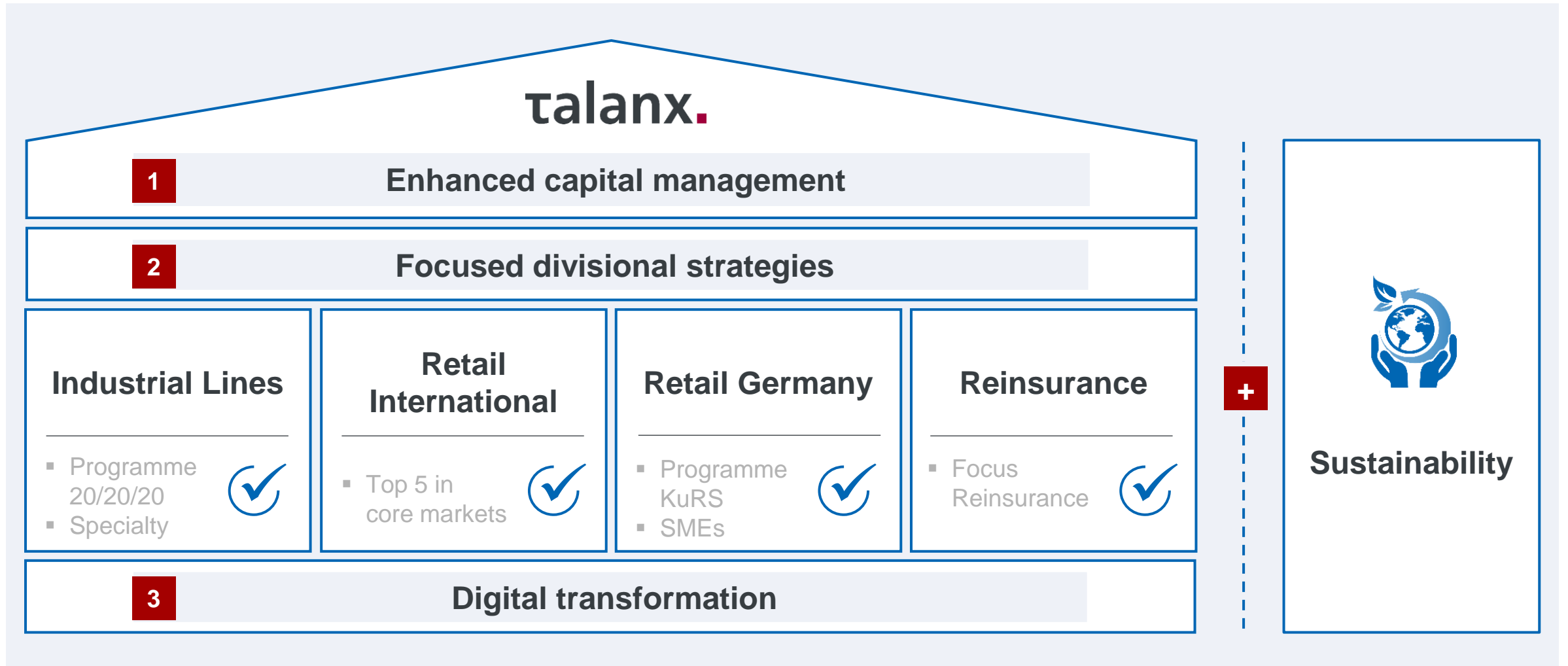
14 March 2022

Torsten Leue, CEO

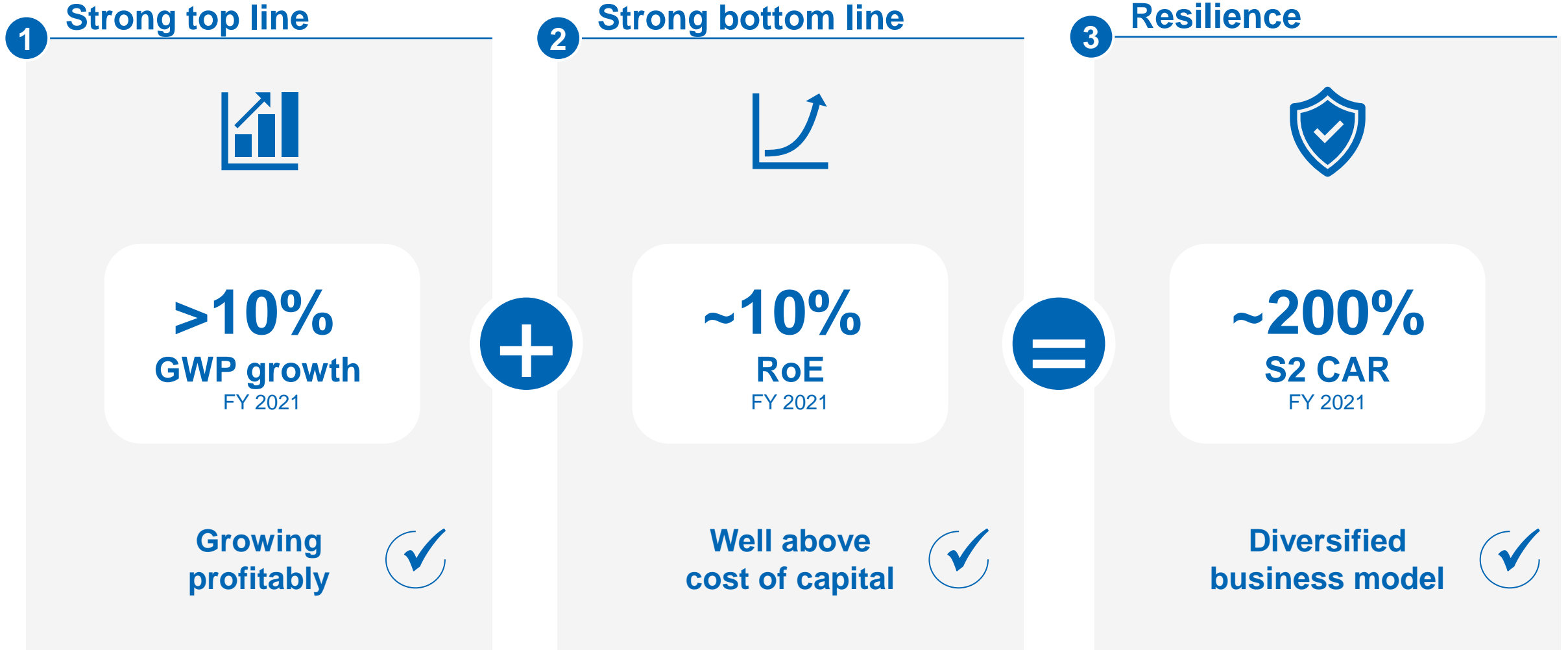
Jan Wicke, CFO



Strategy 2022 – A promise is a promise!



CEO 2021 results summary





Agenda

- 1** CEO highlights
- 2 Group financials
- 3 Segments
- 4 Investments and capital
- 5 Outlook
- 6 Appendix

1 Exceeding one billion EUR net income for the first time



Premiums growth



Earnings growth



Improved profitability



Achievements

GWP, in EURbn

+11%

41.1

45.5

2020

2021

Group net income, in EURm

+56%

648¹

1,011

2020

2021

Return on equity

+3.3% pts.

6.3%¹

9.6%

2020

2021

High single-digit percentage growth



Upper end of EUR 900 - EUR 950m²



~9.0% return on equity



Note: Talanx's mid-term ambition comprises a minimum target for return on equity of at least 800 bps over the risk-free rate, defined as the 5-year average of 10-year Bunds. Thus, for 2021, the minimum RoE target corresponds to 8.0%. 1 Adjusted in accordance with IAS 8. 2 Initial earnings guidance for 2021 was EUR 800 – 900m

1 Strong 2021 Group results despite strong headwinds

1 **Large loss impact (EBIT)**

Absorbing

EUR 235m

overshooting of large loss budget



2 **Corona impact (EBIT)**

Absorbing

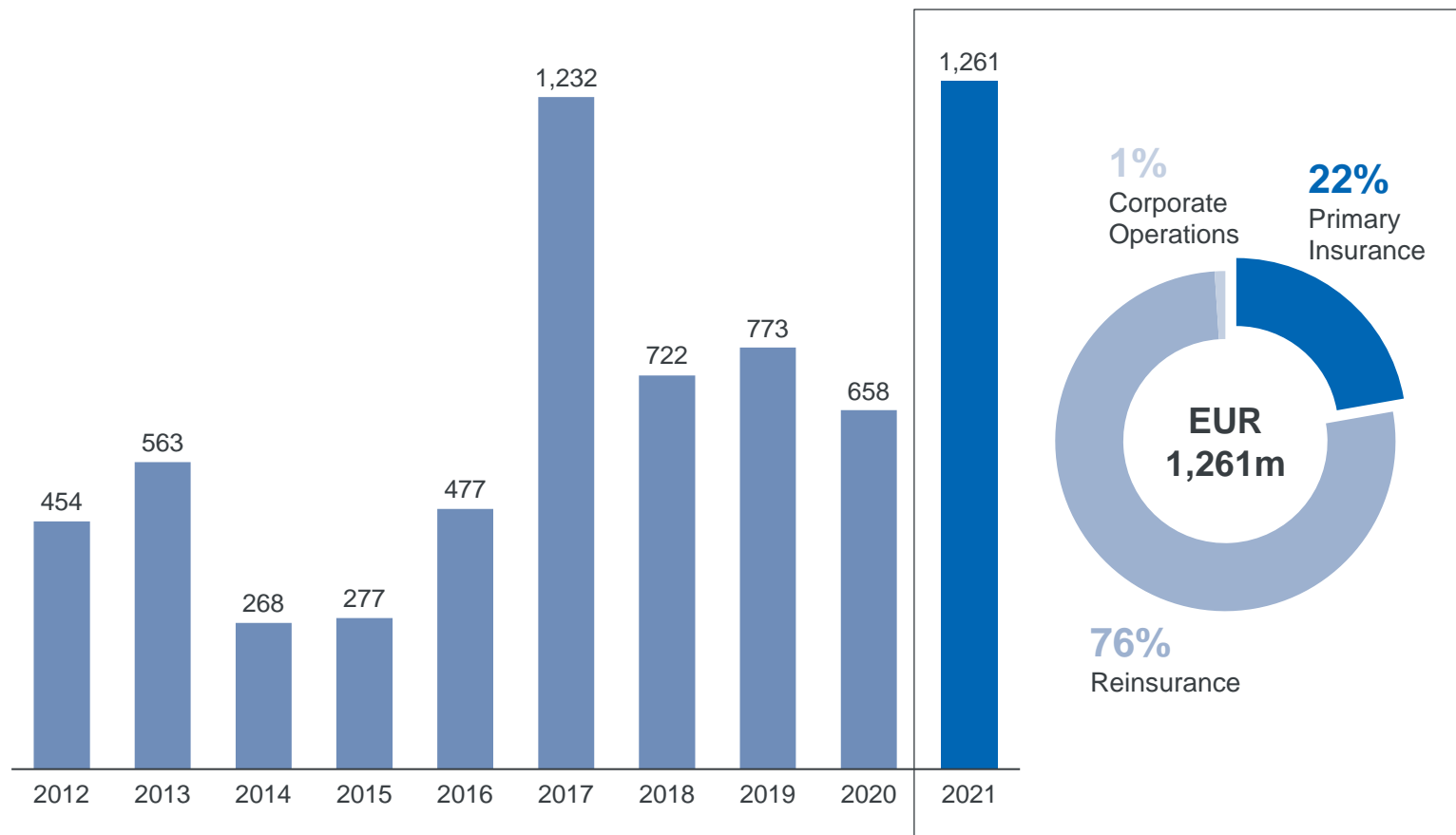
EUR 403m

net Corona impact



1 2021 with largest NatCat losses ever

Net large NatCat losses, in EURm



Note: Definition "large loss": In excess of EUR 10m gross in either Primary Insurance or Reinsurance
 1 Numbers are rounded

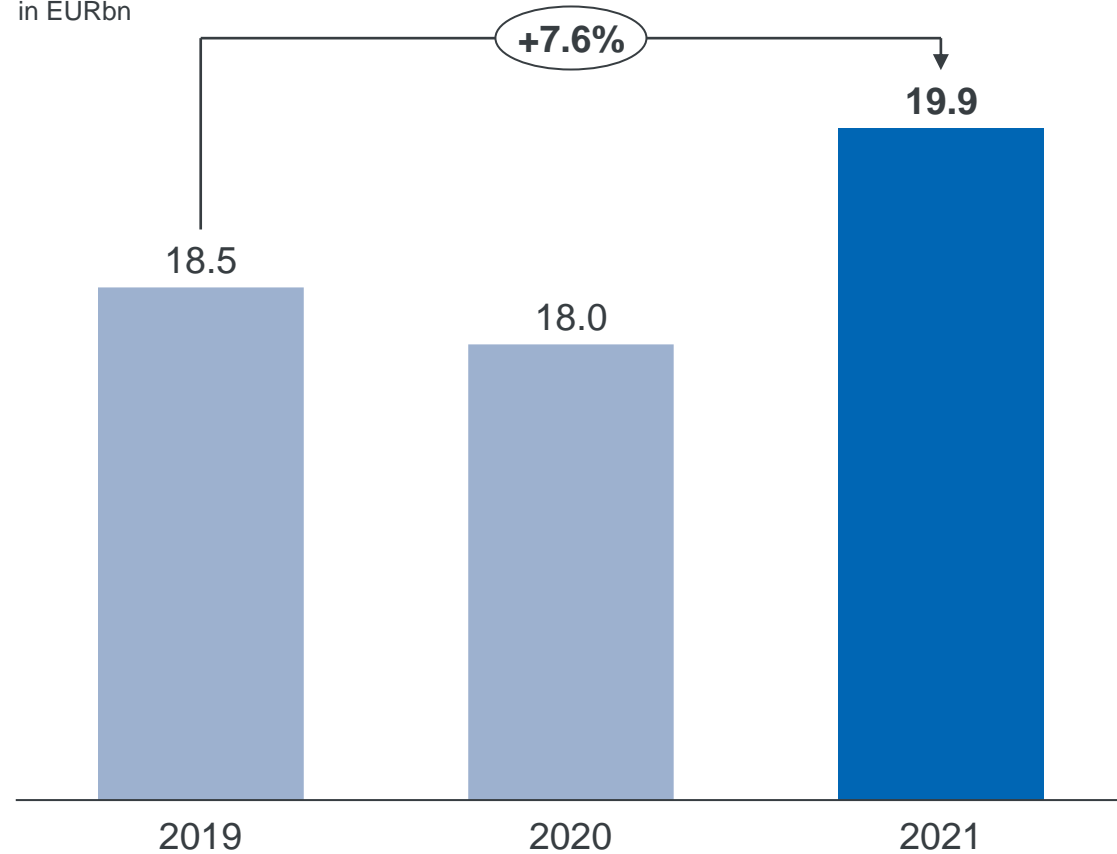
3 out of Top 10 NatCat losses since 2005 occurred in 2021

Event	Year	Net loss ¹ (in EURm)
Hurricane <i>Katrina</i>	2005	620
Hurricane <i>Irma</i>	2017	385
Hurricane <i>Rita</i>	2005	370
Hurricane <i>Ida</i>	2021	360
Hurricane <i>Maria</i>	2017	355
Flood <i>Bernd</i>	2021	320
Hurricane <i>Sandy</i>	2012	260
Flood <i>Thailand</i>	2011	240
Earthquake Japan	2011	220
Winterstorm Texas	2021	215

Primary insurance gaining momentum

Gross written premiums

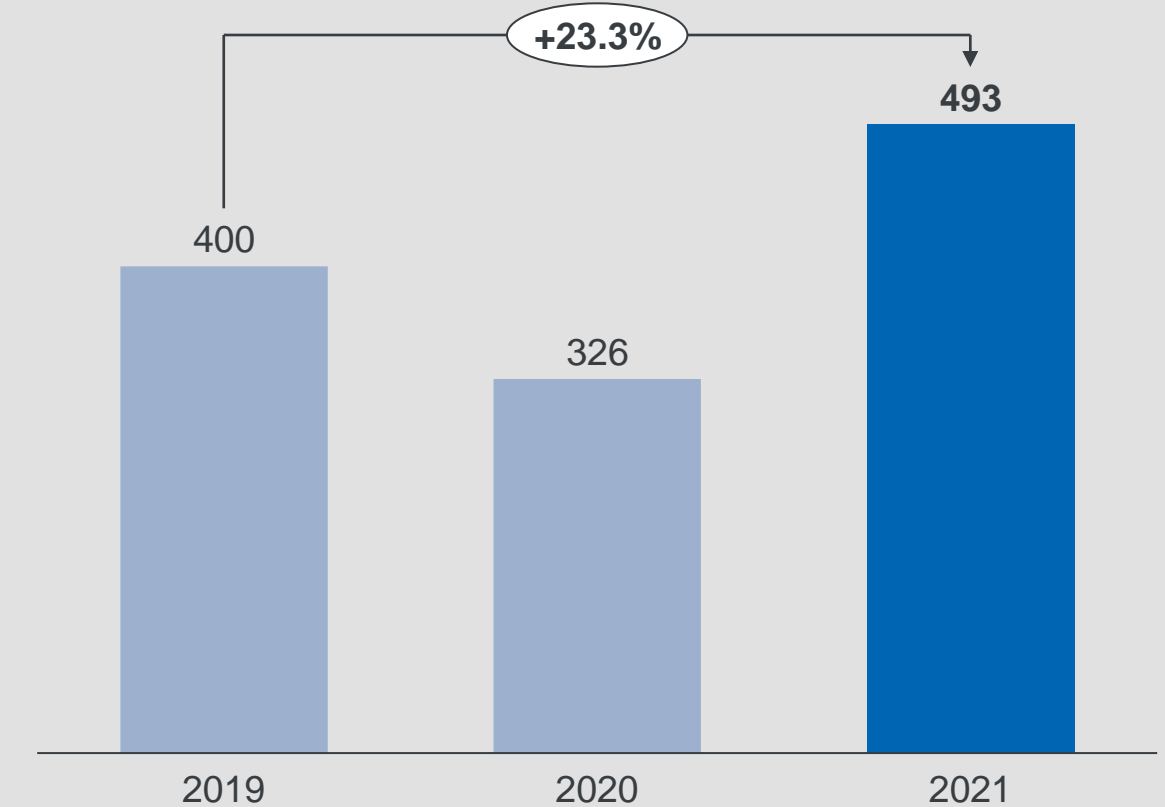
in EURbn



Note: All numbers refer to Primary Insurance, defined as the sum of Industrial Lines, Retail Germany and Retail International.

Net income

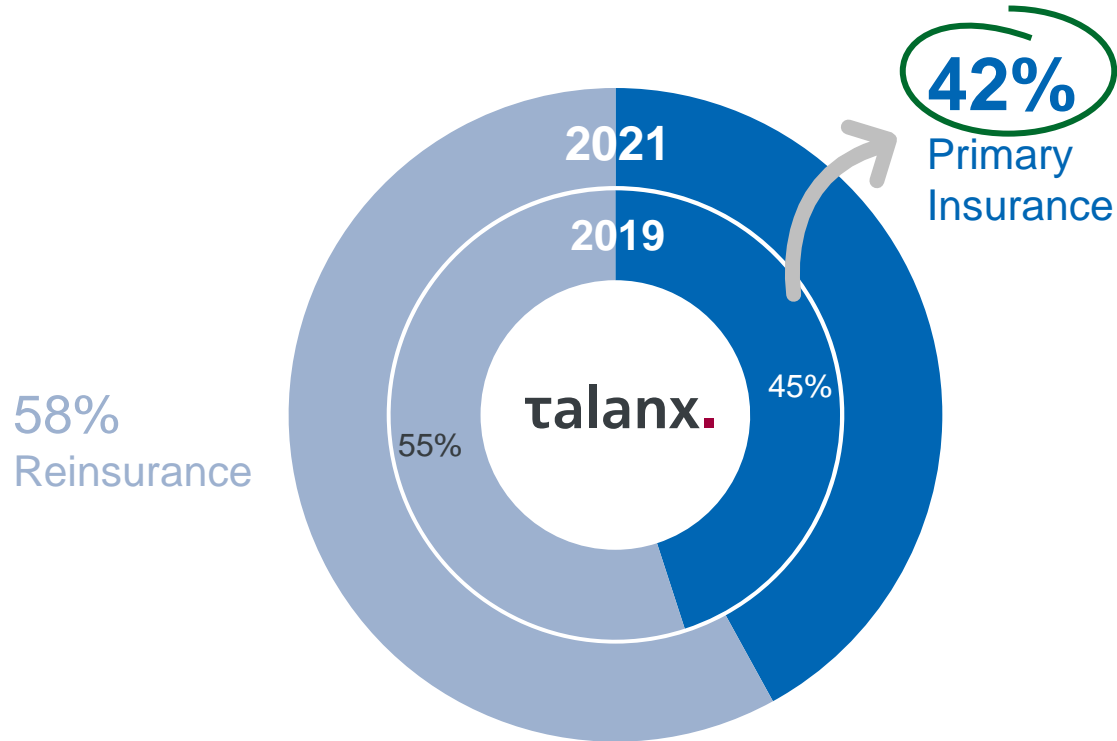
in EURm



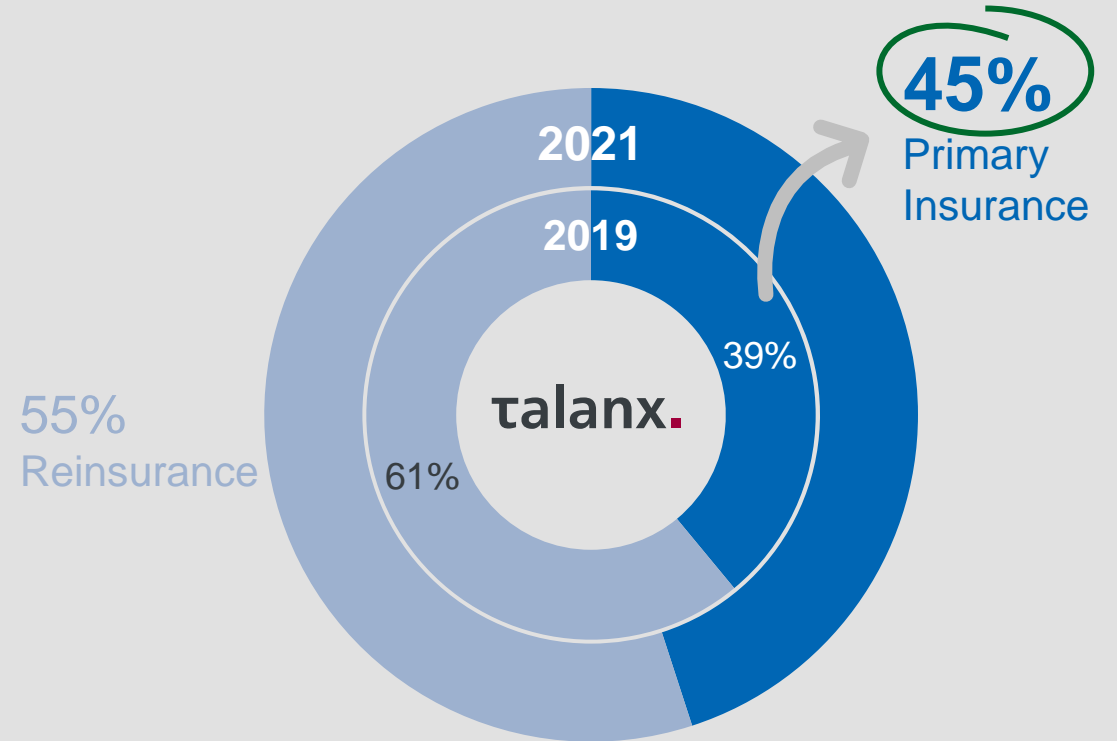
Growing profit contribution from primary insurance in 2021

Gross written premiums (% share Primary vs Reinsurance)

in % of total GWP

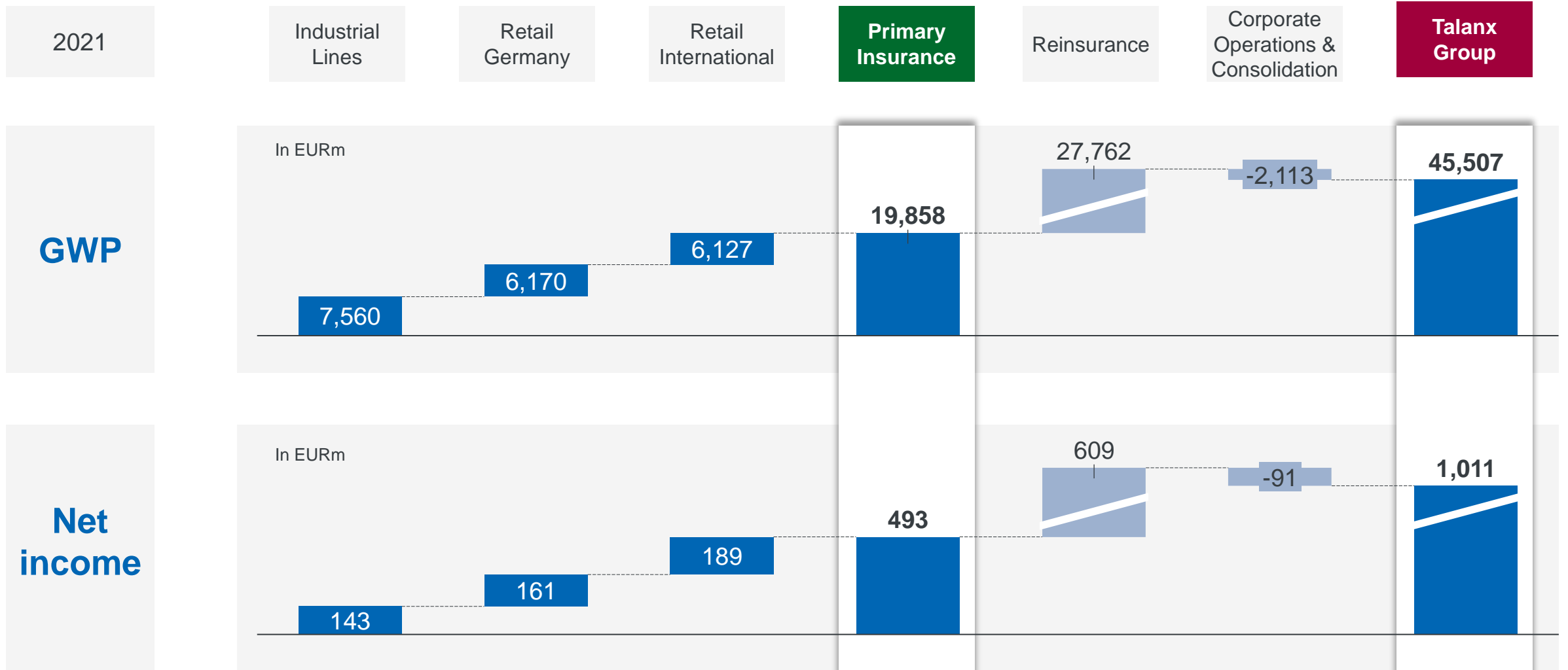


Net income (% share Primary vs Reinsurance)



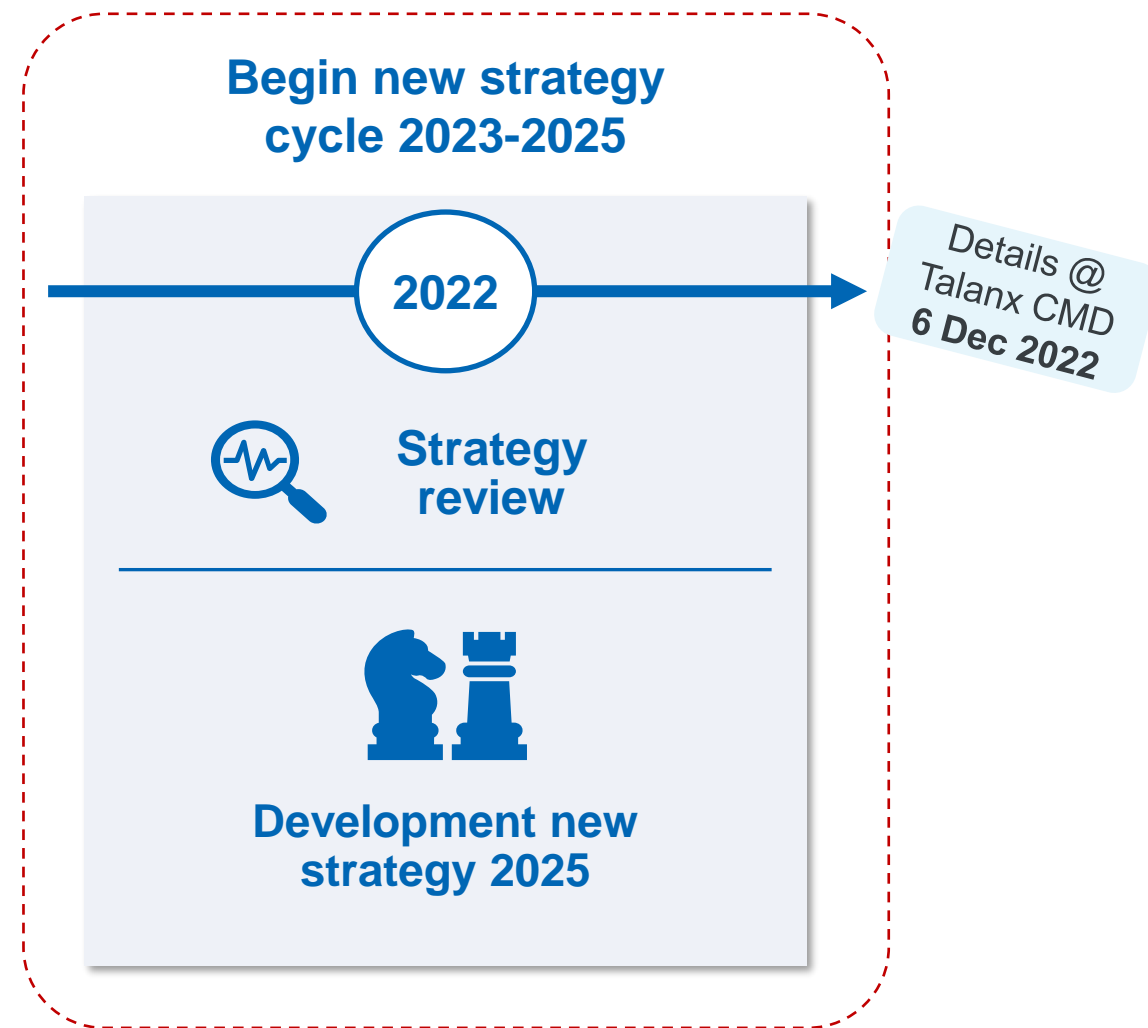
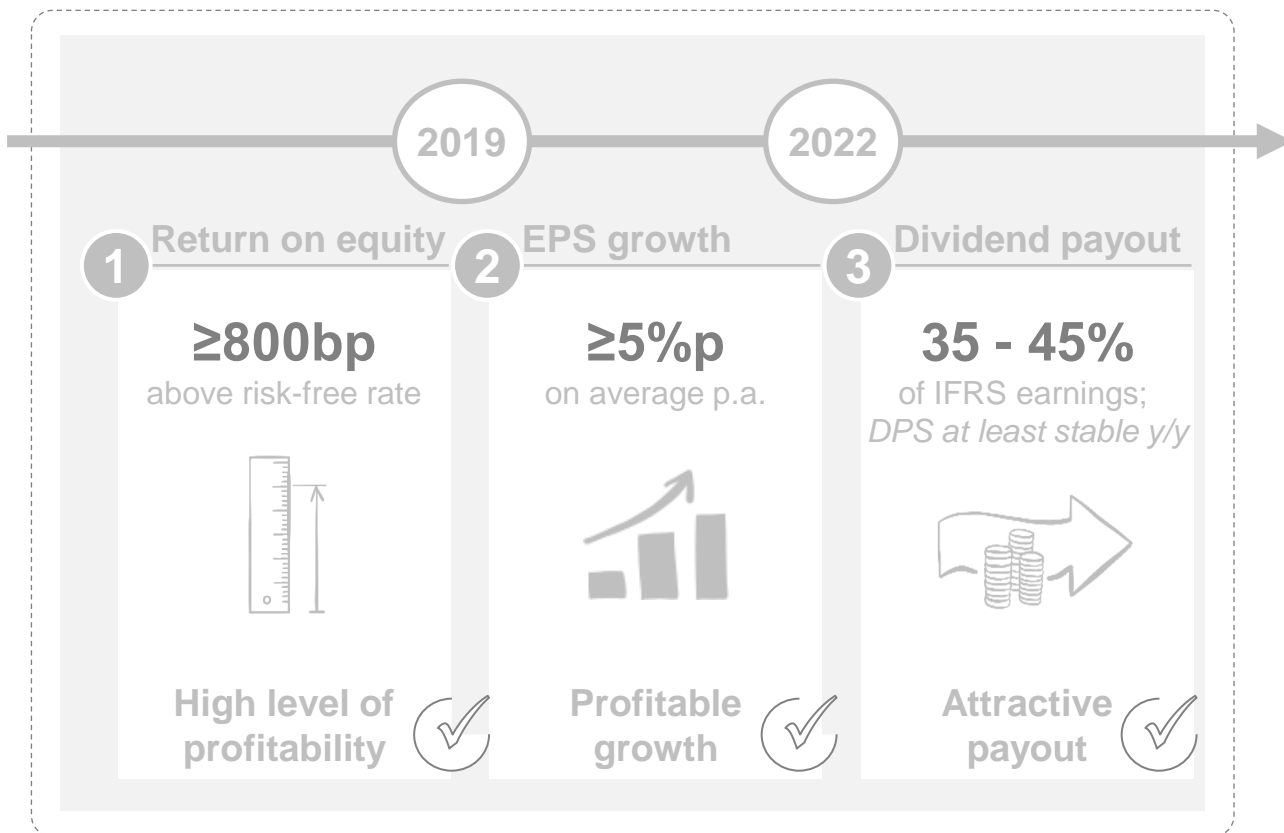
Note: Primary Insurance is the sum of Industrial Lines, Retail Germany and Retail International. Percentages are calculated excluding Corporate Operations and Consolidation

1 Well diversified portfolio with three strong primary insurance divisions



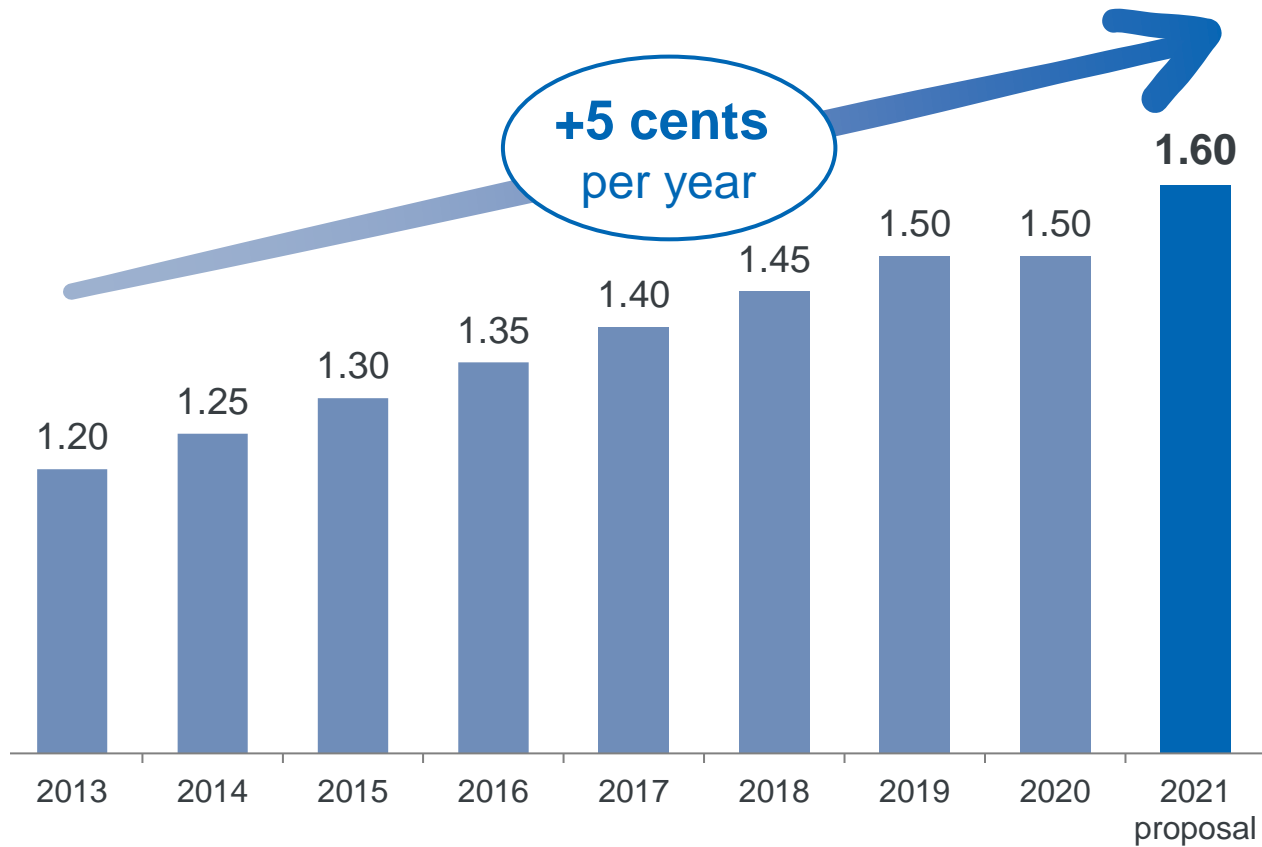
1 Strategy review in progress

Our three promises 2019 - 2022



1 Dividends: Stable or upward

Dividend per share (in EUR)

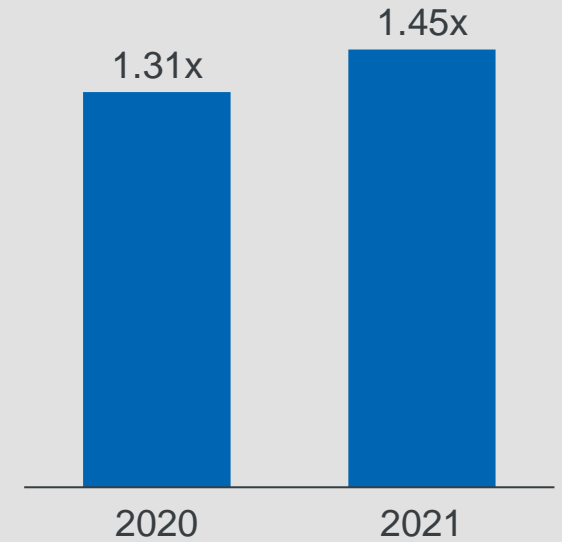


Note: 2021 dividend proposal implies a pay-out ratio of 40% of IFRS earnings

Dividend policy subject to review as part of general strategy update 2023-2025

Cash pool

Retained profits carried forward under German GAAP divided by annual dividend



Target cash pool of >1.5x dividend likely to be achieved for financial year 2023 at the latest



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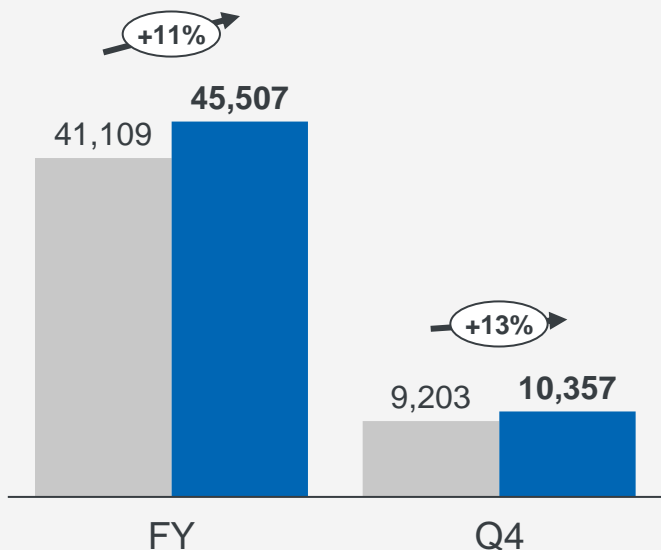
Appendix

Group key financial figures

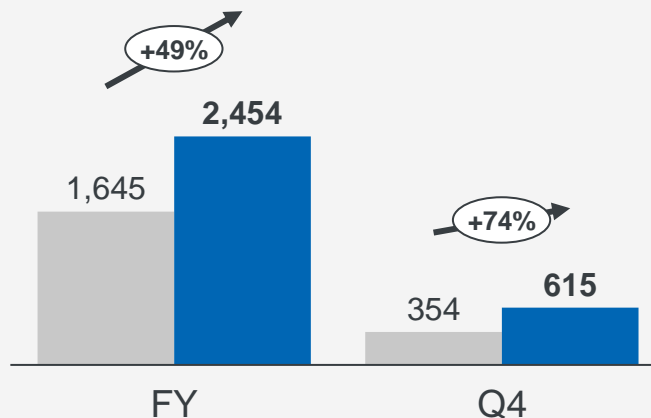
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EURm, IFRS ■ 2020 ■ 2021

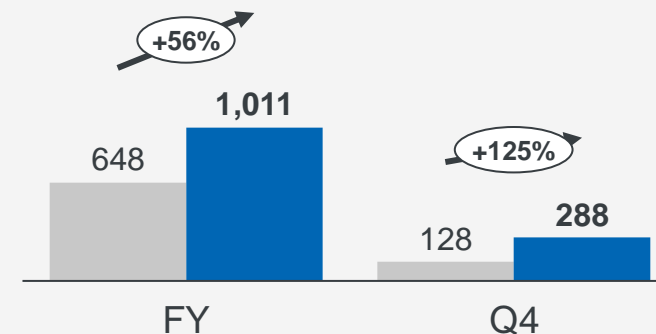
Gross written premiums (GWP)



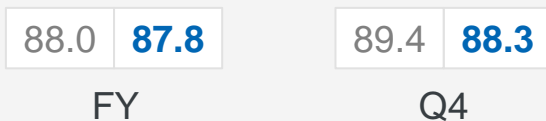
Operating result (EBIT)



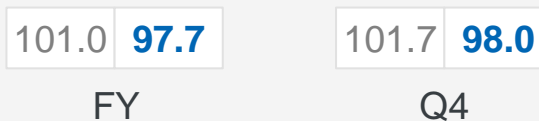
Net income



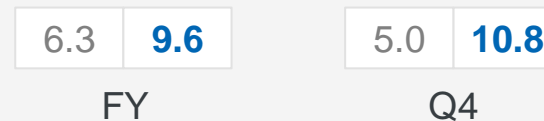
Retention ratio in %



Combined ratio in %

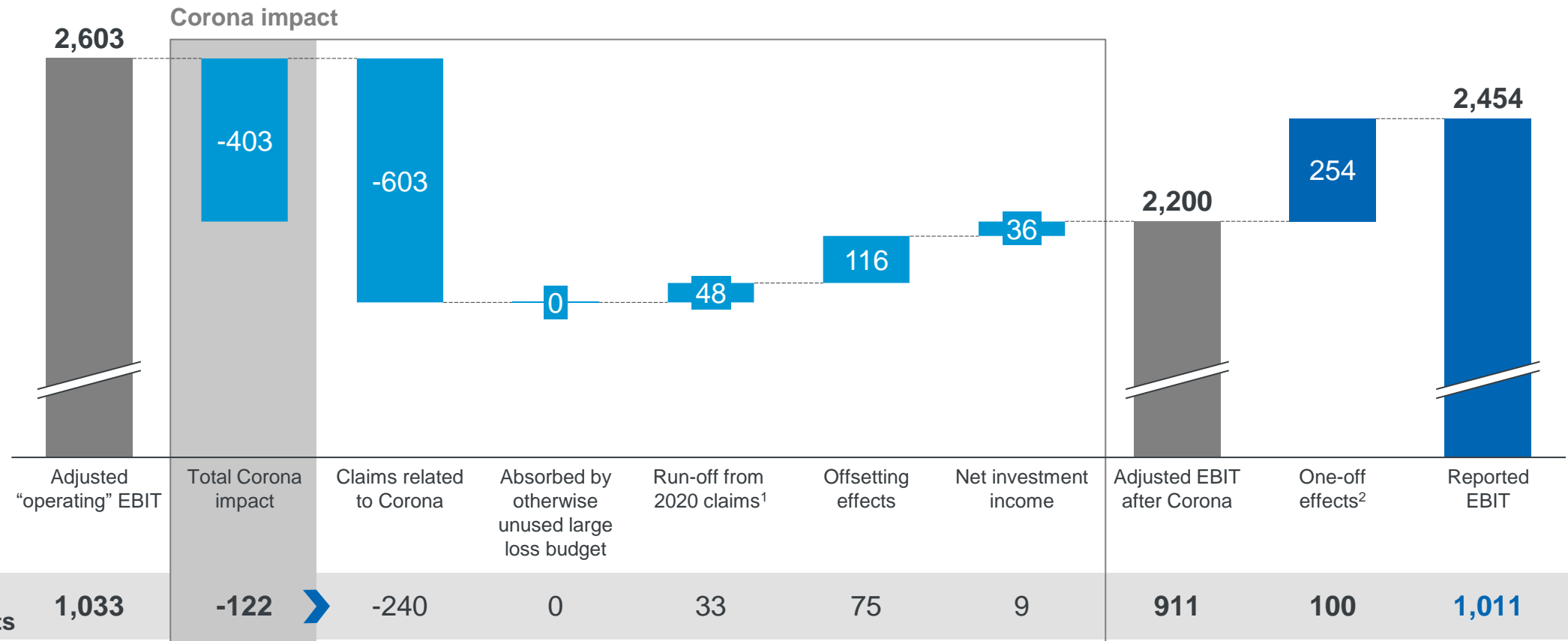


Return on equity in %



Corona effects in primary insurance fading out while L/H reinsurance results are still strongly affected

EBIT (before taxes and minorities) in FY 2021, in EURm



¹ Includes releases of reserves for premium reimbursement in Industrial Lines. ² Includes two effects in L/H Reinsurance: EUR 132m Voya gain in Q1 2021 and EUR 122m release in provisions for adverse deviations (longevity) in Q3 2021 (EUR 99m) and Q4 2021 (EUR 23m)

Corona details

2 L/H Reinsurance mortality claims, net offsets in Primary

See appendix for Q4 detail

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

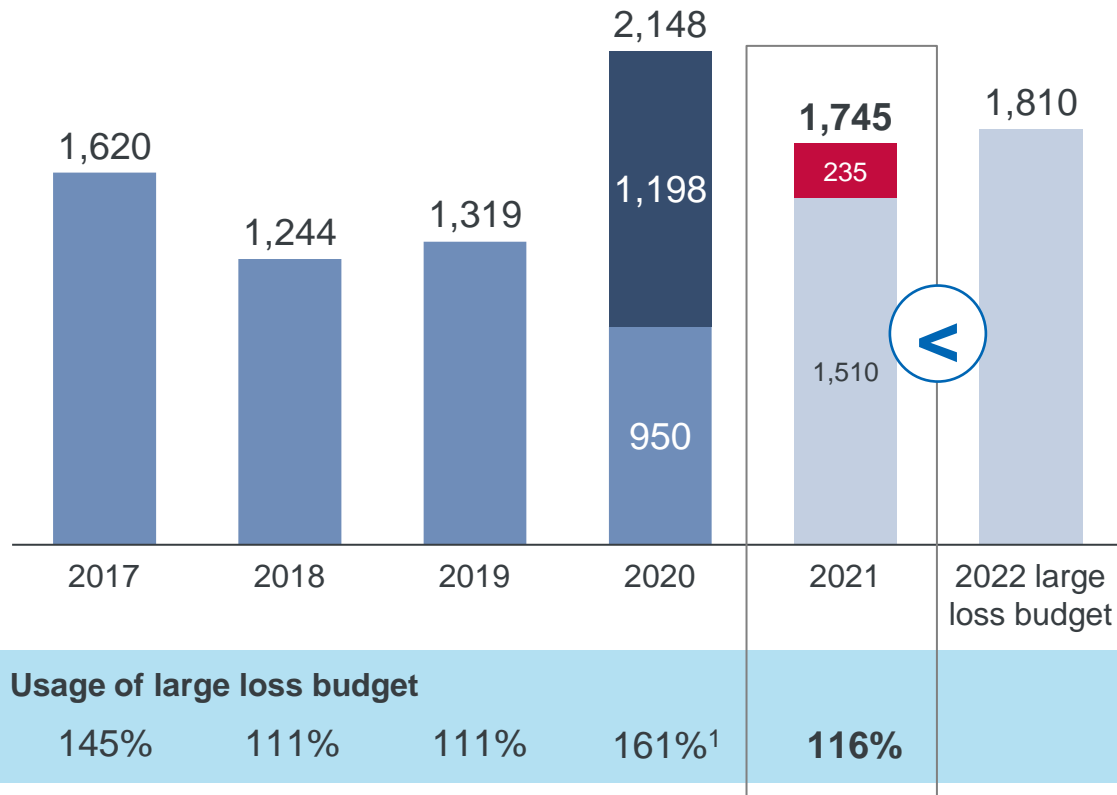
	1	2	3	4	5	6	7	8	9
	Industrial Lines	Retail Germany P/C	Retail Germany Life	Retail International	Σ Primary Insurance	P/C Reinsurance	Life/Health Reinsurance	Corporate Operations	Talanx Group
Corona-related claims (net) <small>Absorbed by otherwise unused large loss budget</small>	-2	-4		-15 ²	-21		-582		-603
Run-off from 2020 claims	47 ¹	1		0	48				48
Offsetting effects	35	10		71	116				116
Net investment income³	-6			-2	-8		44		36
Total EBIT impact	73	8	0	53	135		-538		-403
Group net income impact	51	5	0	32	89		-210		-122

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 Includes release of reserves for premium reimbursement. 2 EUR 14m related to excess mortality in life business, mainly in Poland. 3 Impairments only, except for the EUR 44m gain from the extreme mortality swap in Life/Health Reinsurance in Q4 2021.

Large loss budgeting reflects new NatCat reality

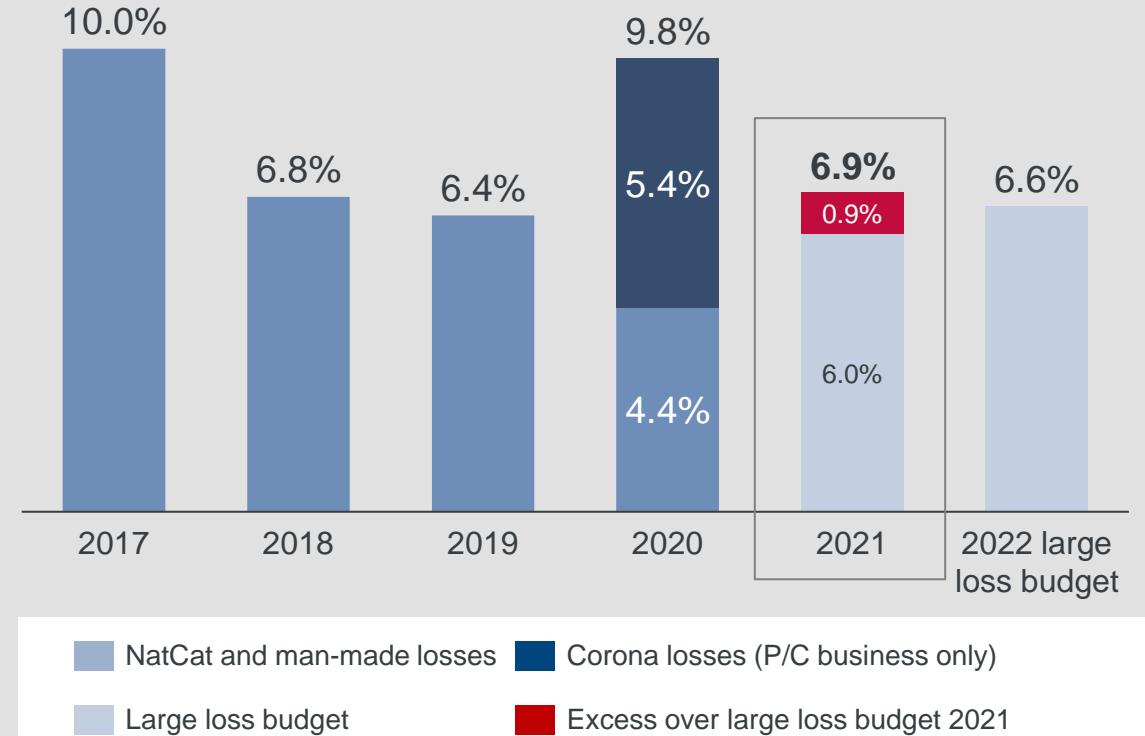
Net large losses, in EURm



Note: Definition "large loss": In excess of EUR 10m gross in either Primary Insurance or Reinsurance
 1 Ratio of 161% includes NatCat, man-made and Corona; usage was 71% excluding Corona

See appendix for further details on large losses

Net large losses, in % of net premiums earned (P/C business only)



■ NatCat and man-made losses ■ Corona losses (P/C business only)
 ■ Large loss budget ■ Excess over large loss budget 2021

2 Combined ratios

	Industrial Lines		Retail Germany P/C		Retail International		Primary Insurance		Reinsurance P/C		Talanx Group	
	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
FY	104.6%	98.7%	95.4%	99.2%	95.2%	94.8%	98.9%	97.1%	101.6%	97.7%	101.0%	97.7%
Ex Corona¹	98.7%	101.0%	94.6%	99.8%	97.4%	96.8%	97.2%	98.8%	97.4%	97.7%	97.6%	98.3%
Q4	103.8%	98.9%	93.7%	105.7%	96.1%	96.2%	98.9%	98.9%	102.1%	97.2%	101.7%	98.0%
Ex Corona¹	99.5%	100.7%	95.1%	101.4%	100.5%	97.0%	99.3%	99.2%	96.4%	97.2%	97.6%	98.1%



	Mexico		Chile		Brazil	
	2020	2021	2020	2021	2020	2021
FY	97.0%	97.2%	91.5%	94.3%	98.5%	104.9%
Q4	98.3%	97.3%	87.6%	96.4%	98.2%	114.2%

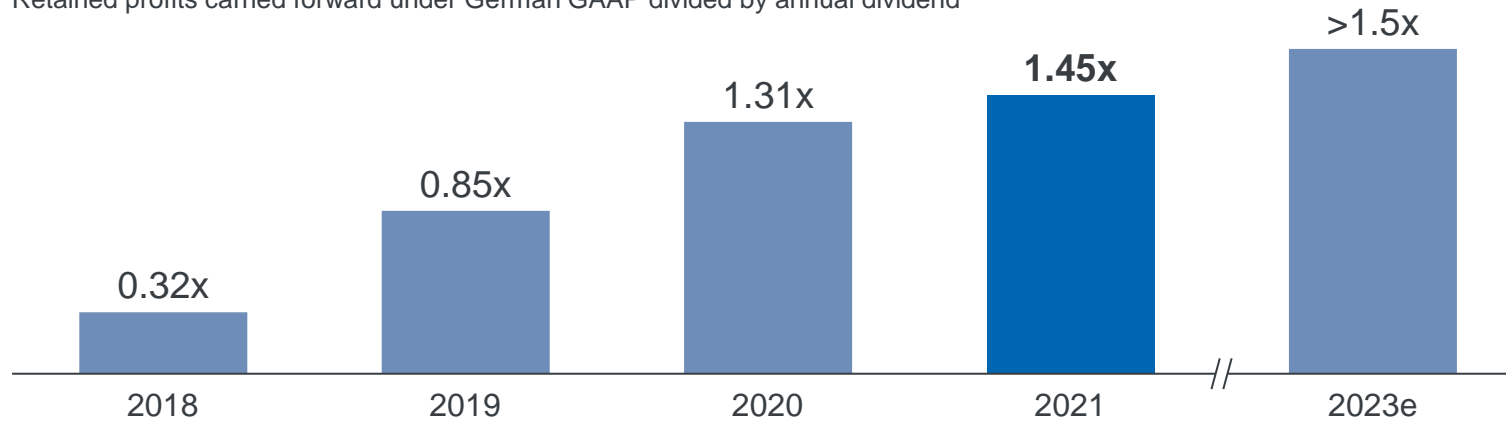
	Italy		Poland		Turkey	
	2020	2021	2020	2021	2020	2021
FY	85.5%	72.6%	92.1%	92.8%	109.9%	120.1%
Q4	84.9%	71.2%	97.1%	89.6%	108.8%	135.1%

Note: Non-life business. Primary Insurance excludes figures for Corporate Operations. For Retail International this page highlights only core markets plus Italy. Poland includes TUIR Warta only, which generates approx. 95% of P/C GWP in Poland | 1 Adjusted for corona-related claims and offsetting effects

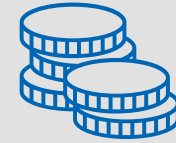
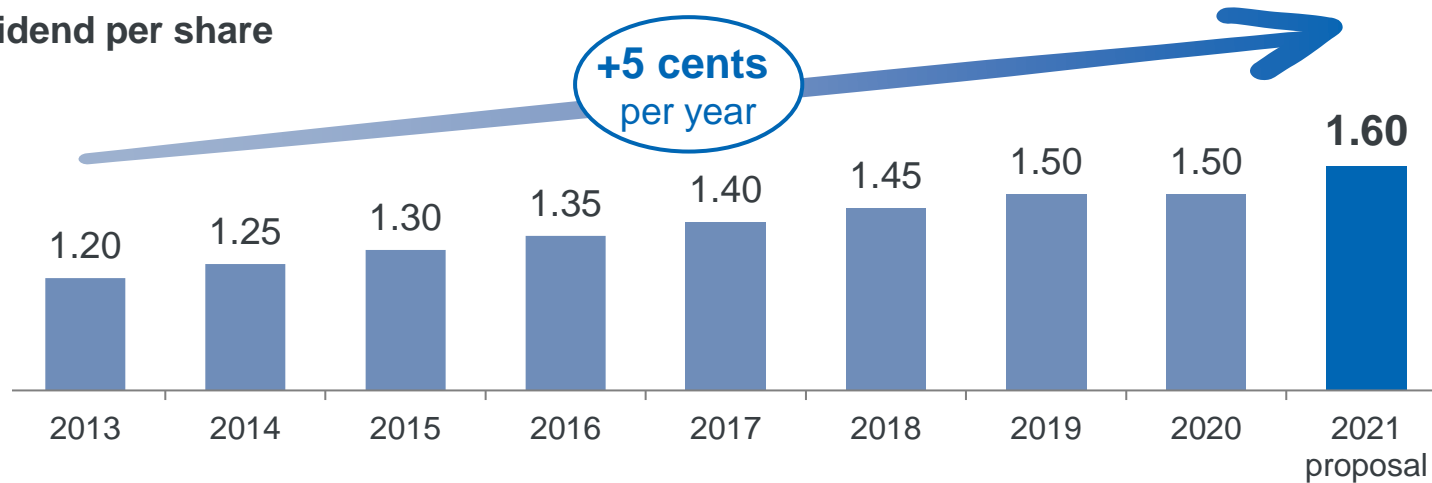
Minimum cash pool target likely to be achieved for financial year 2023 at the latest

Growing cash pool

Retained profits carried forward under German GAAP divided by annual dividend



Dividend per share



Target cash pool:
1.5x-2.0x dividend

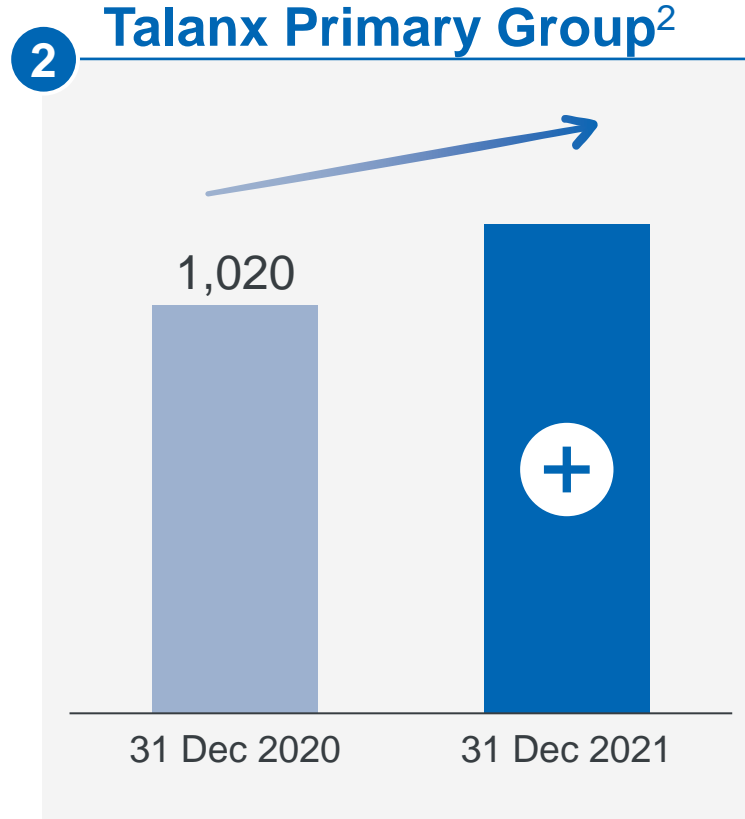
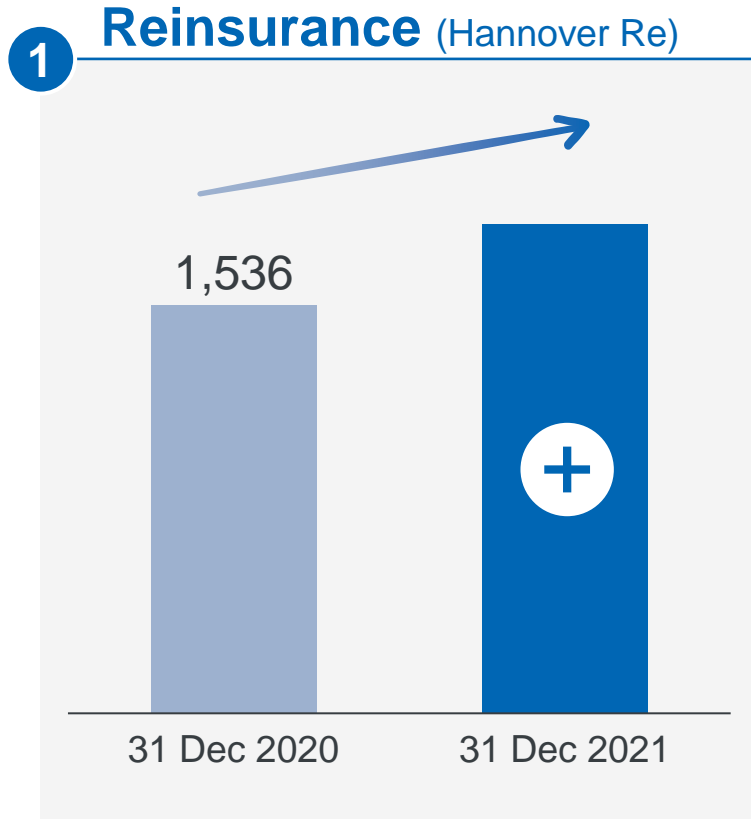


Dividend policy
to be reviewed

2 Prudent reserving policy continues

Resiliency reserves embedded in best estimate¹

31 Dec 2021 figures to be published on 5 May 2022 (AGM / Q1 2022 results)



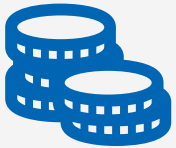
¹ Figures before taxes and minorities, in EURm; source: Willis Towers Watson calculation based on data provided by Talanx. The scope of the estimate includes 96.7% of reserves, as of 31 December 2020 (note: EUR 1,305m out of EUR 39,762m are not analysed). ² Talanx Primary Group, excluding Talanx AG. ³ Sum of Hannover Re, Talanx Primary Group, Talanx AG (not consolidated)

2 Low direct exposure to Russia and Ukraine



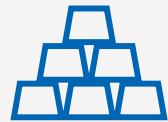
GWP 2021

EUR 94m



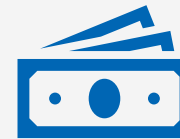
Investments

EUR 136m



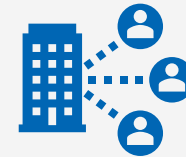
Dividend default risk

NA



Impairment risk¹

EUR 4m



Note: All data except GWP as of 21 February 2022. All data exclude CiV Life, which was sold to Sovcombank (purchase price received on 16 February 2022). A reliable and comprehensive assessment of the direct and indirect impact which the war in Ukraine might have on group profitability is not yet possible

¹ Relating to book value of HDI Global S.E. subsidiary in Russia



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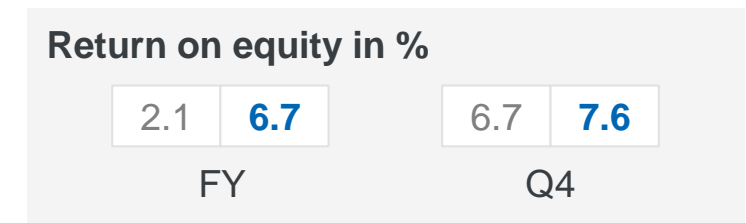
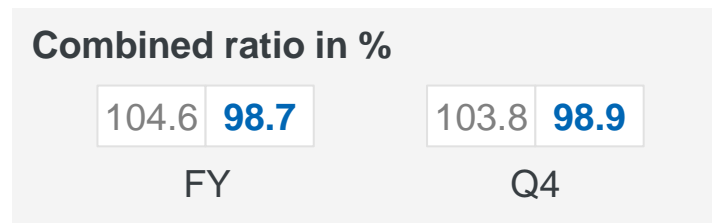
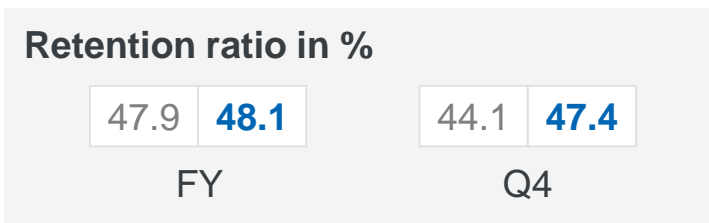
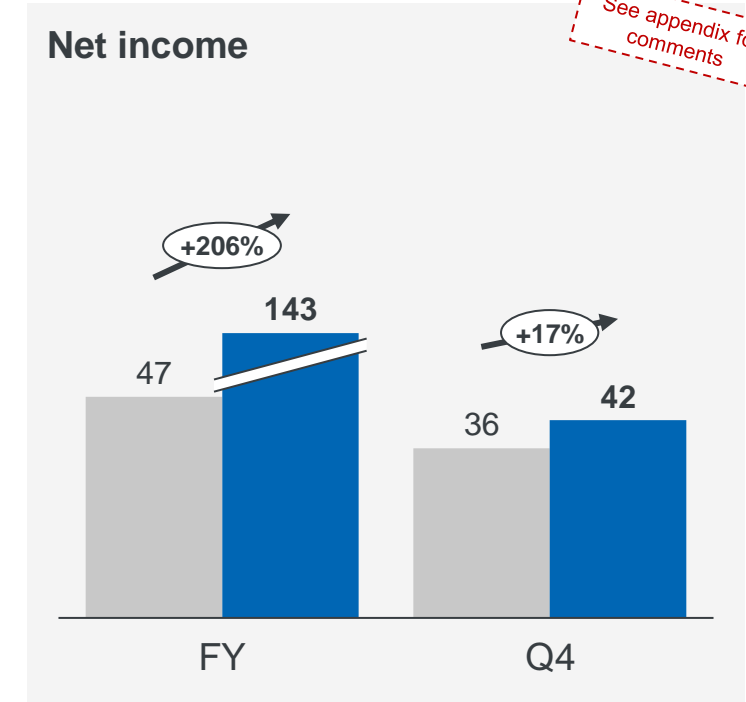
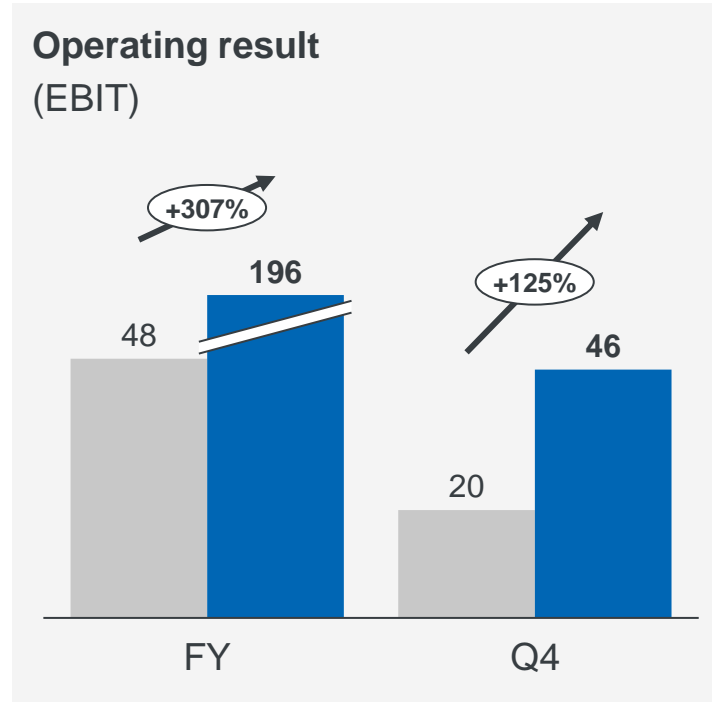
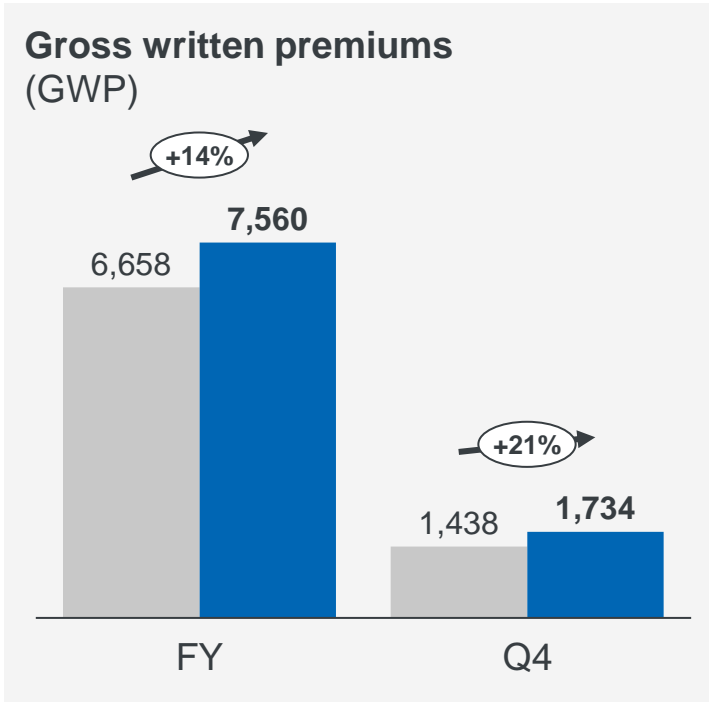
Appendix

Industrial Lines

3 Keeping growth momentum with full focus on <95% CoR

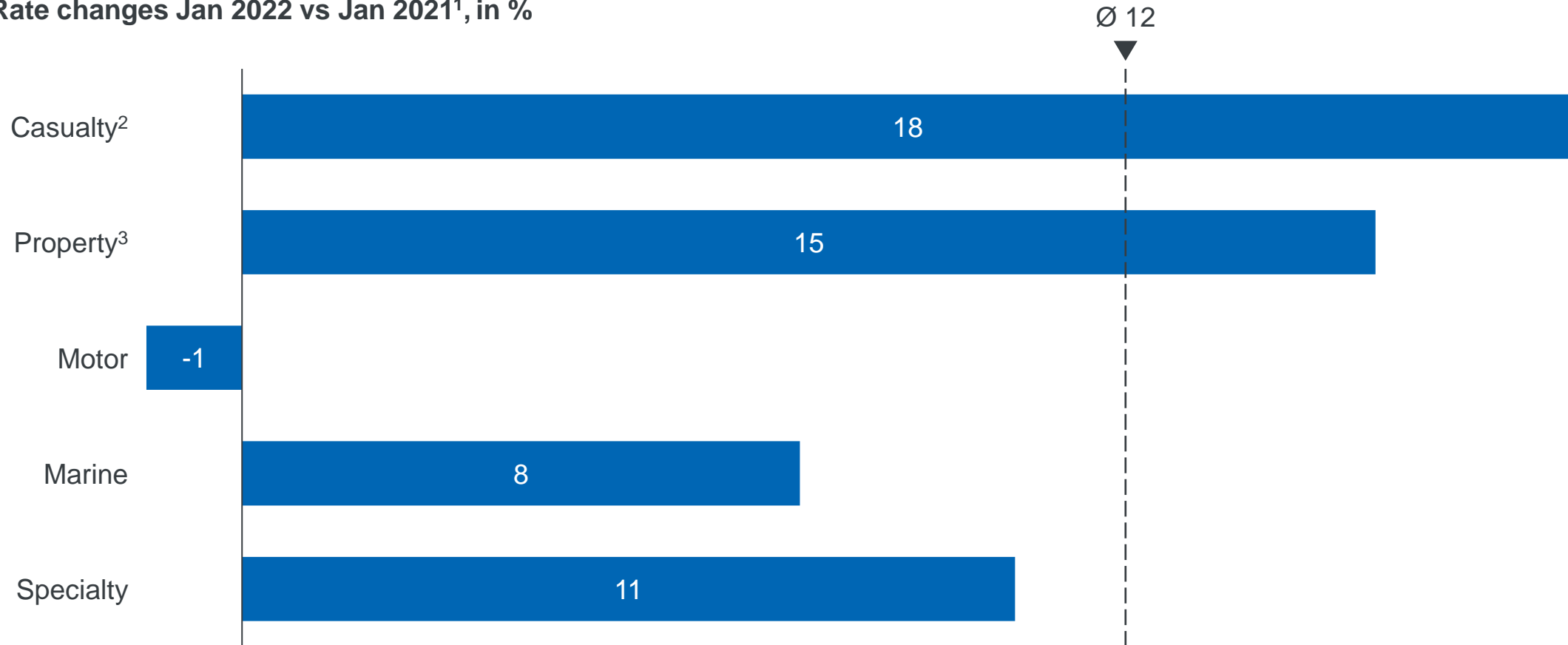
FY 2021 Corona impact (EBIT)		
Claims	EUR	-2
Run-off	EUR	47
Offsetting	EUR	35
Investments	EUR	-6

EURm, IFRS ■ 2020 ■ 2021



3 Industrial Lines: Rate changes comfortably above expected inflation

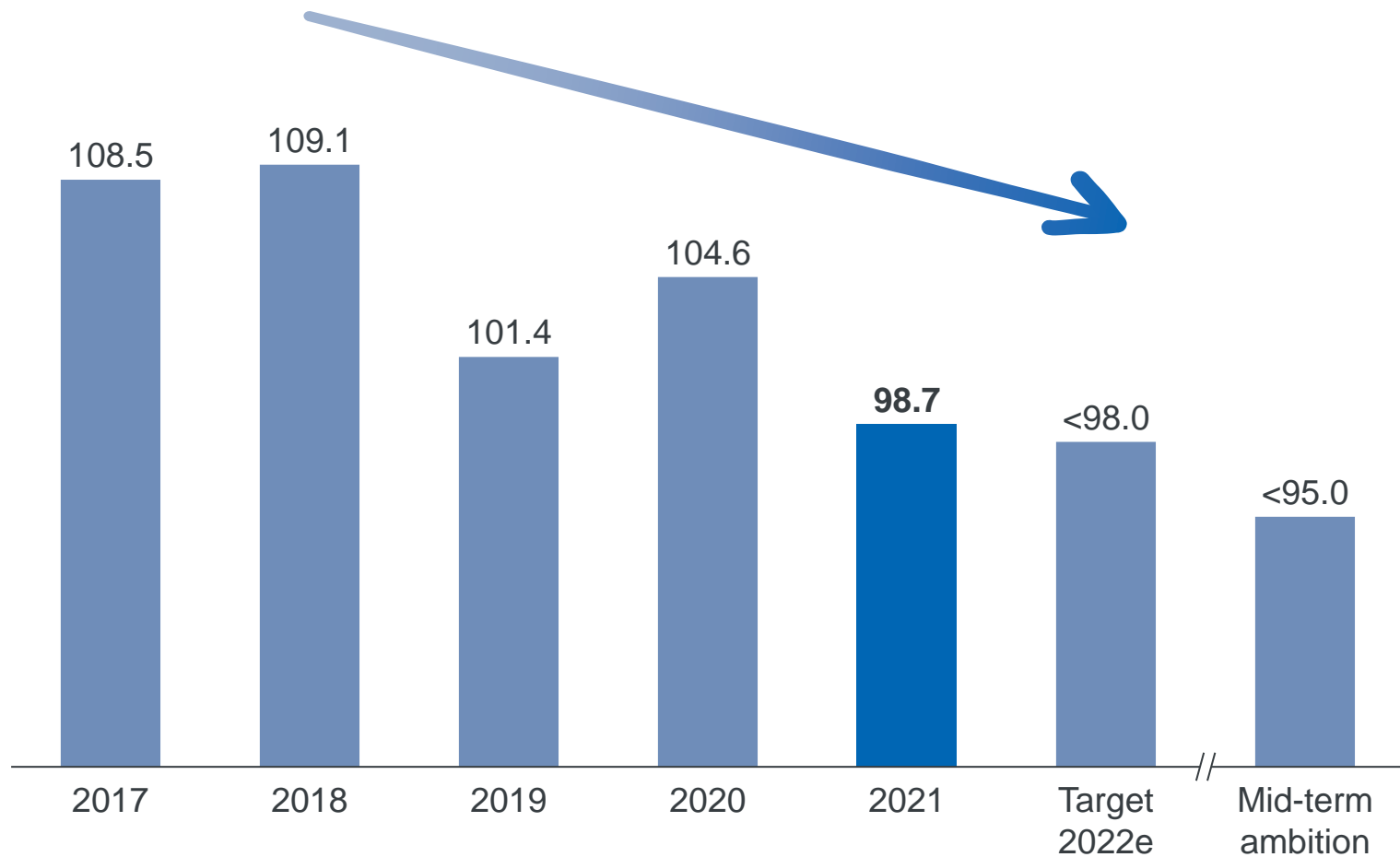
Rate changes Jan 2022 vs Jan 2021¹, in %



¹ Based on renewed premium (prior to central reinsurance after cancellations and change of share) and considering effects of premium, fees and equivalents. ² Including Liability and Cyber. ³ Including Fire and Engineering

3 Industrial Lines: On track to achieve 95% CoR

Combined ratio, in %

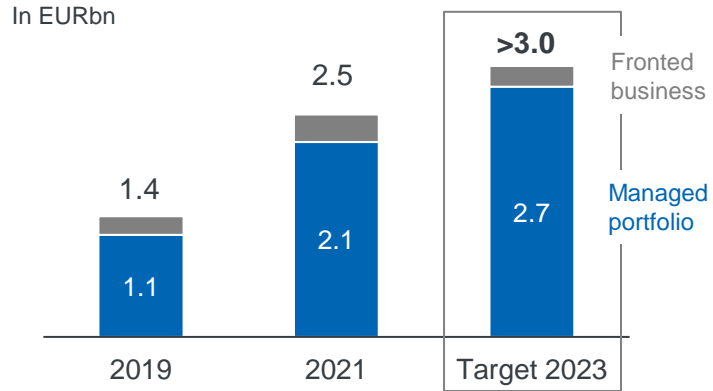


Comments

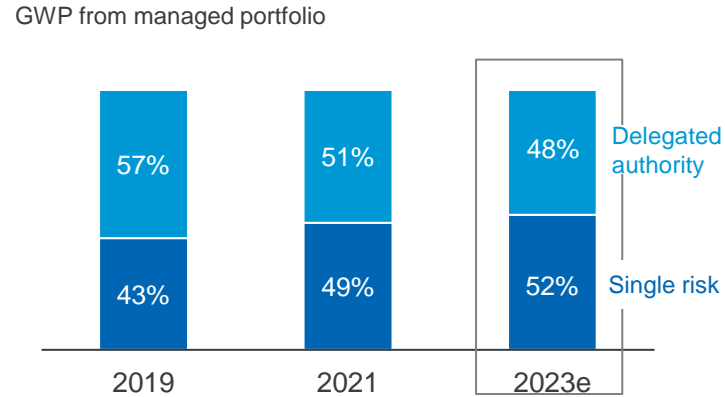
- Improvement driven by
 - Deliberate capacity management
 - Active rate management
 - Significant reduction in NatCat exposure
 - Strengthening of resiliency reserves

3 HDI Global Specialty grows profitably even faster than planned

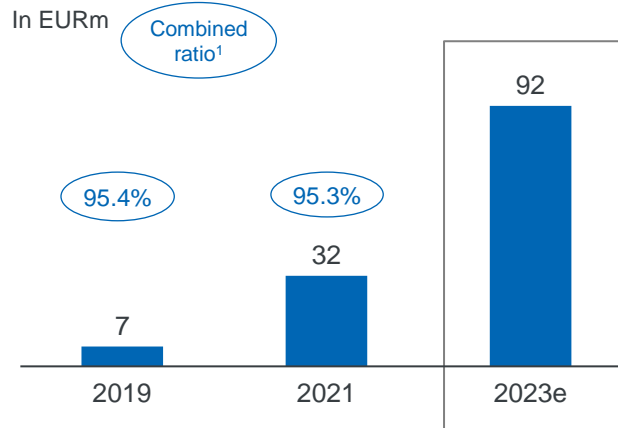
Gross written premiums



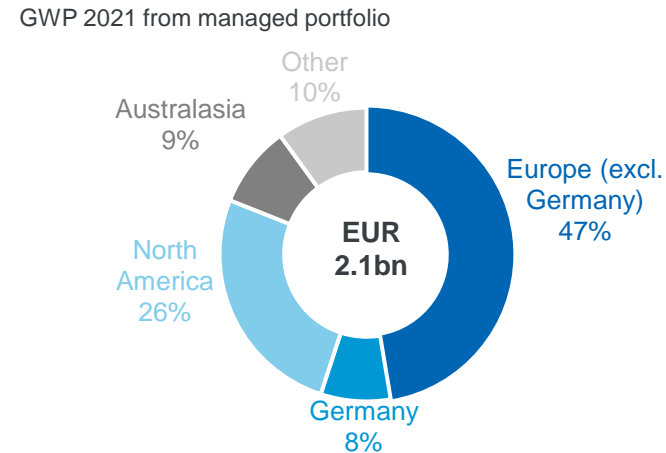
Portfolio structure



EBIT



Regional split



Comments

- The 2022 target of EUR 2.1bn GWP was already exceeded in 2021, raising the bar for 2022 and 2023
- EUR 27m total Corona-related claims in 2020 and 2021 absorbed
- Increasing share of single risk mandates with higher margins also enhances portfolio diversification
- Good regional balance with slight increase of European portion versus 2019
- In 2025 we expect Specialty to contribute roughly one third of Industrial Lines' operating profit (EBIT)

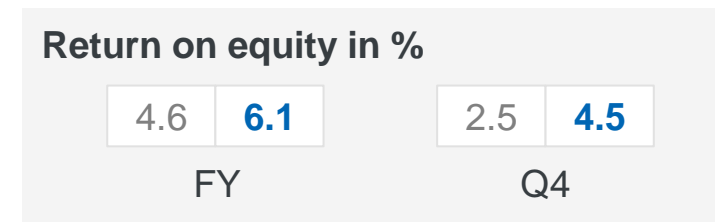
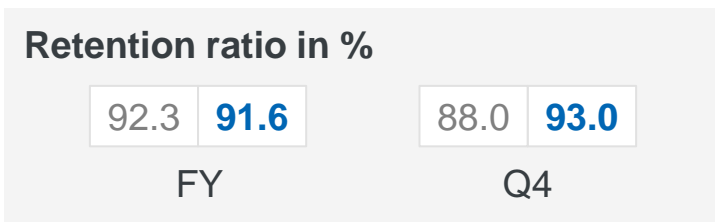
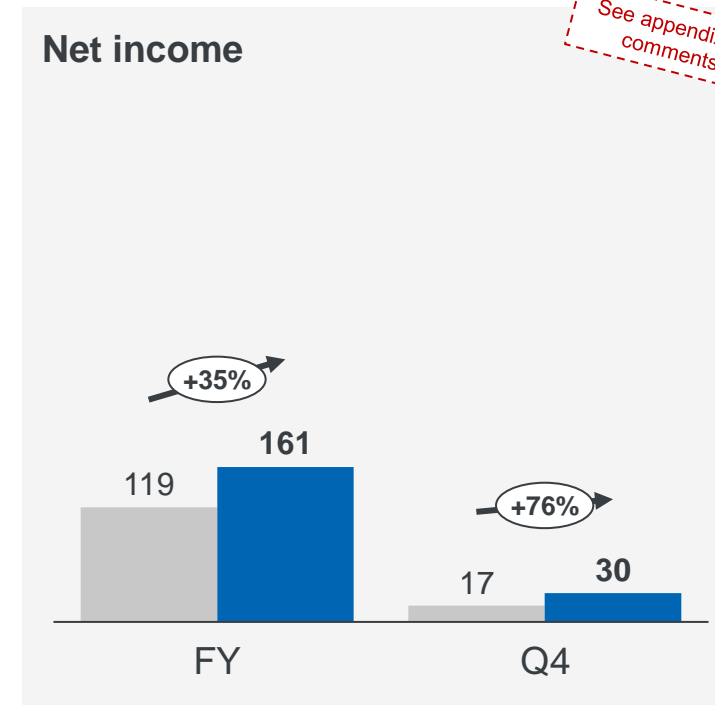
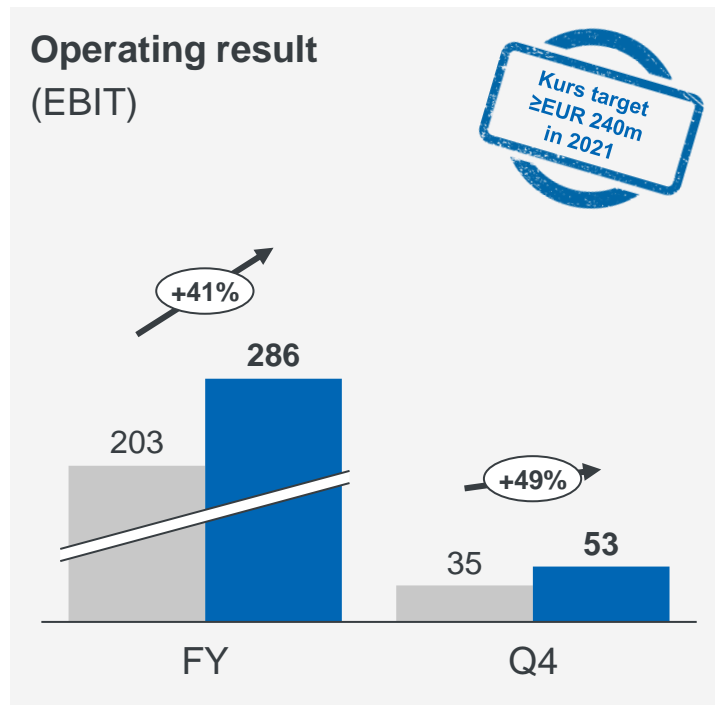
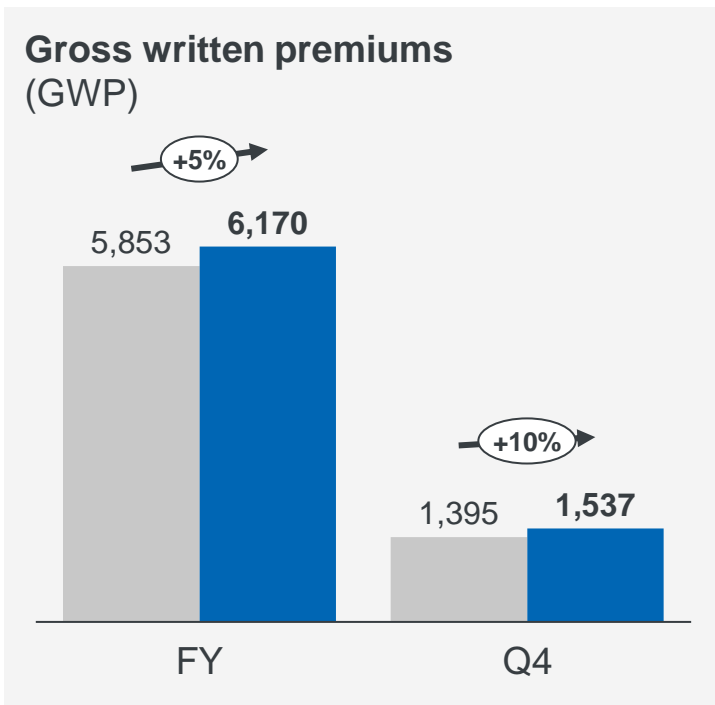
¹ Relates to managed portfolio before internal reinsurance and minorities; including cost reimbursement for fronted business

Retail Germany (total)

3 Restructuring completed – now focusing on profitable growth

FY 2021 Corona impact (EBIT)		
Claims	EUR	-4
Run-off	EUR	1
Offsetting	EUR	10
Investments	EUR	na

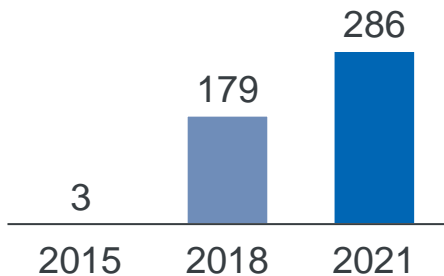
EURm, IFRS ■ 2020 ■ 2021



Retail Germany is now solid profit contributor to the group

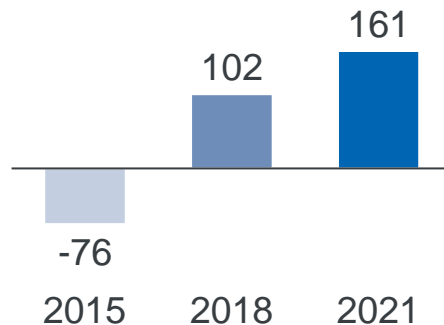
EBIT

EURmn



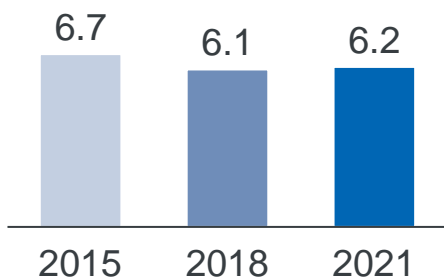
Net income

EURmn

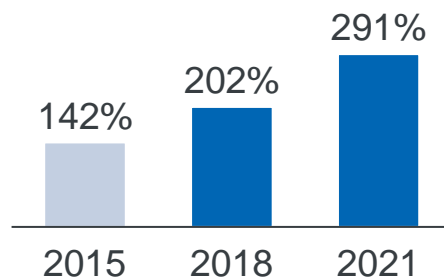


GWP

EURbn



S2 ratio Life¹

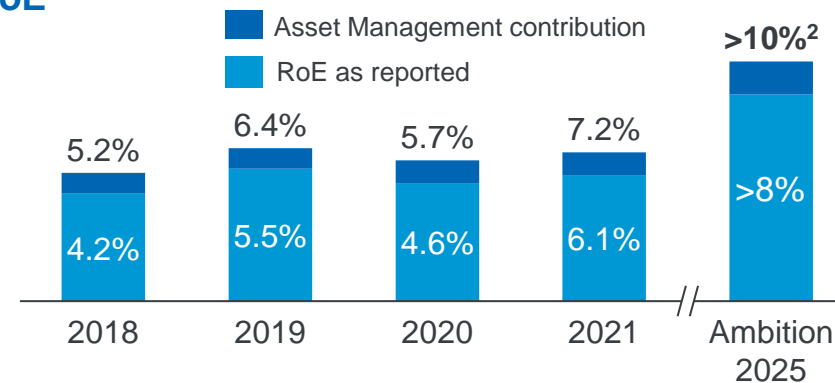


1 As-if-merged Solvency Capital Adequacy Ratio for the four German life entities, excluding transitional measure, as of period end. 2 RoE including Asset Management contribution



- Double-digit RoE
- Leading player for SME and bancassurance
- Focused life business and de-risking

RoE

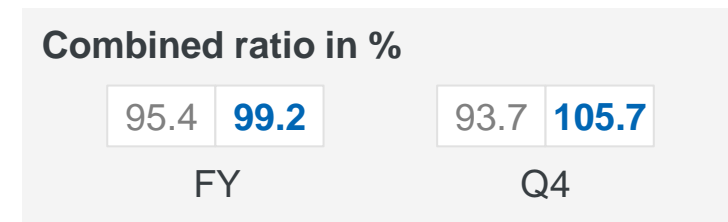
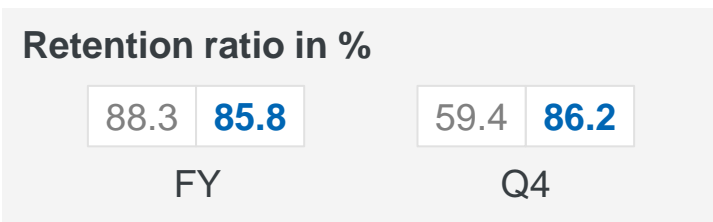
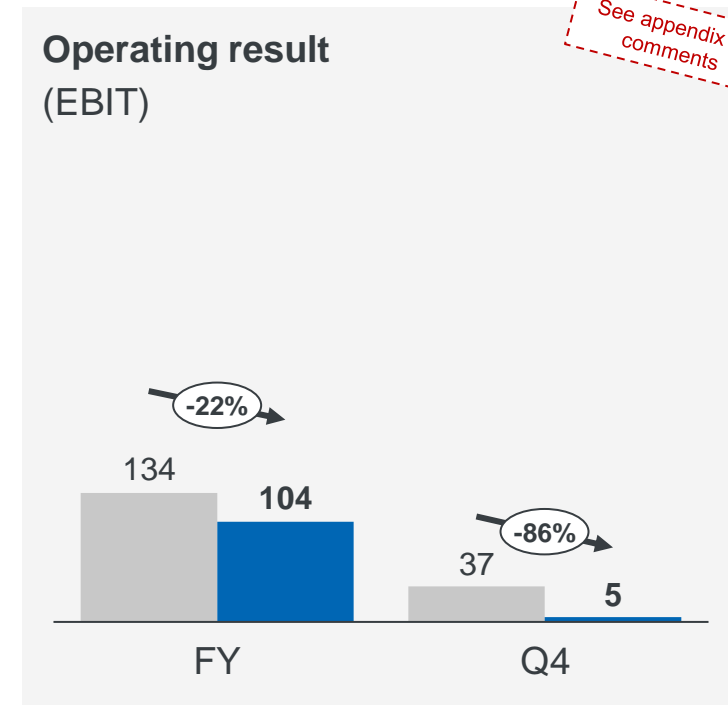
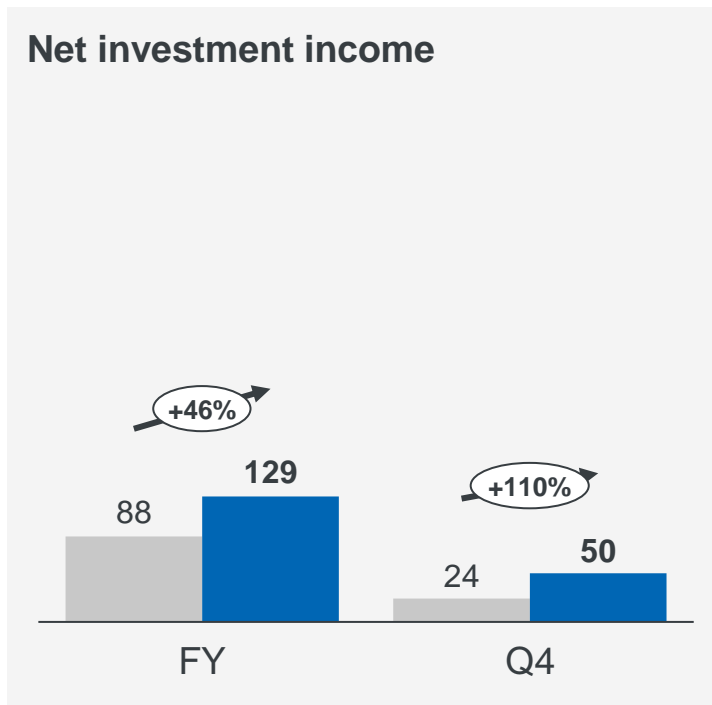
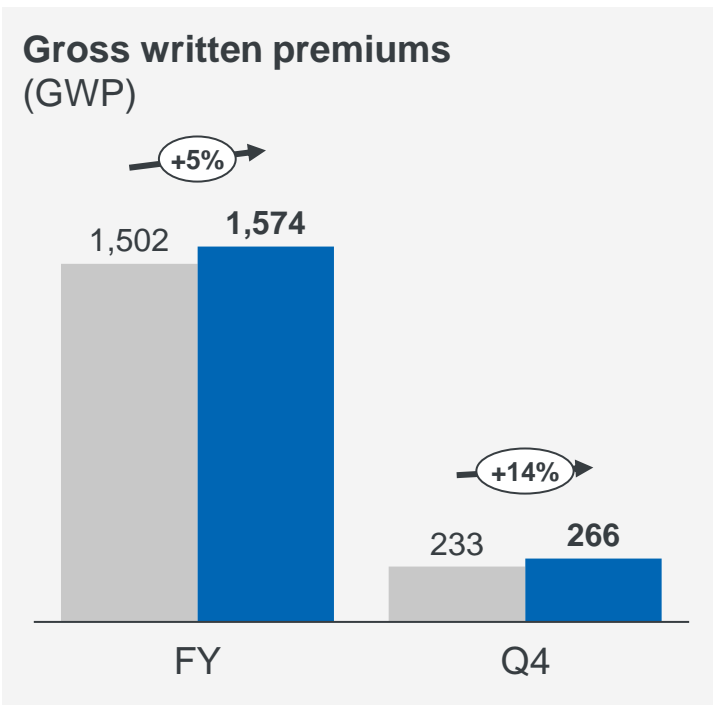


Retail Germany P/C

3 Floods impact weighs on full-year results

FY 2021 Corona impact (EBIT)		
Claims	EUR	-4
Run-off	EUR	1
Offsetting	EUR	10
Investments	EUR	na

EURm, IFRS ■ 2020 ■ 2021

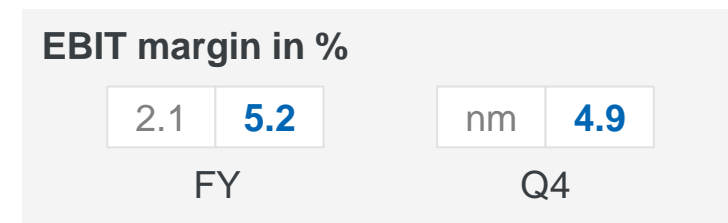
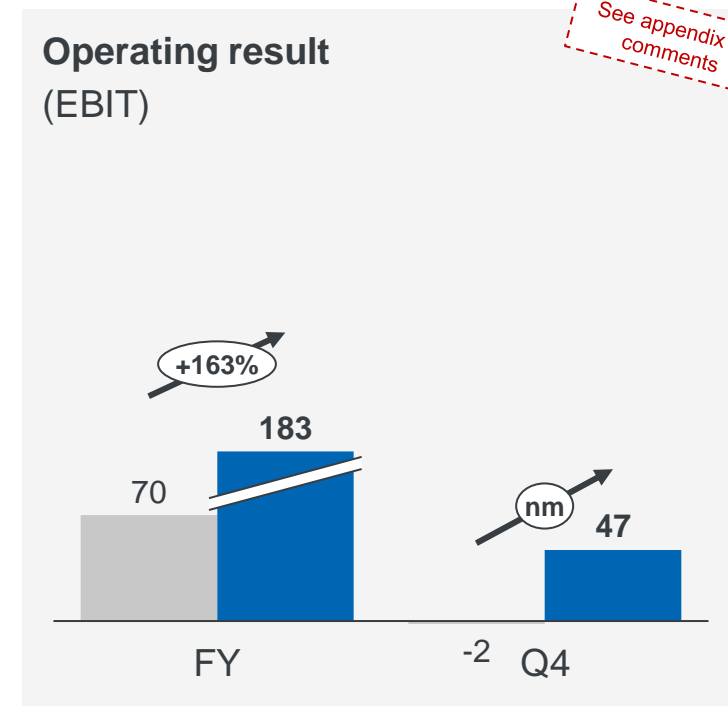
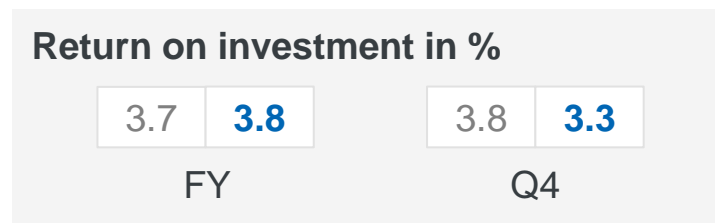
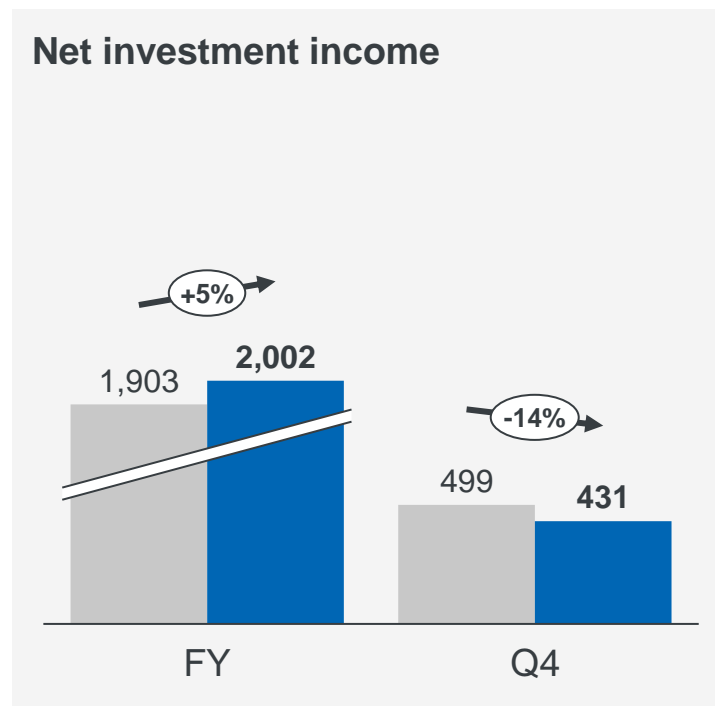
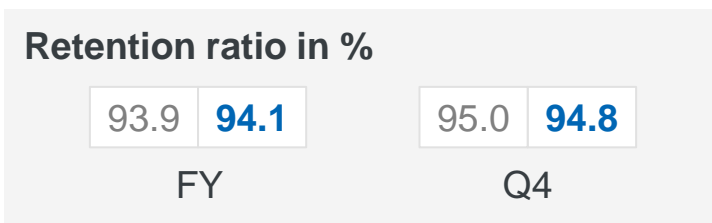
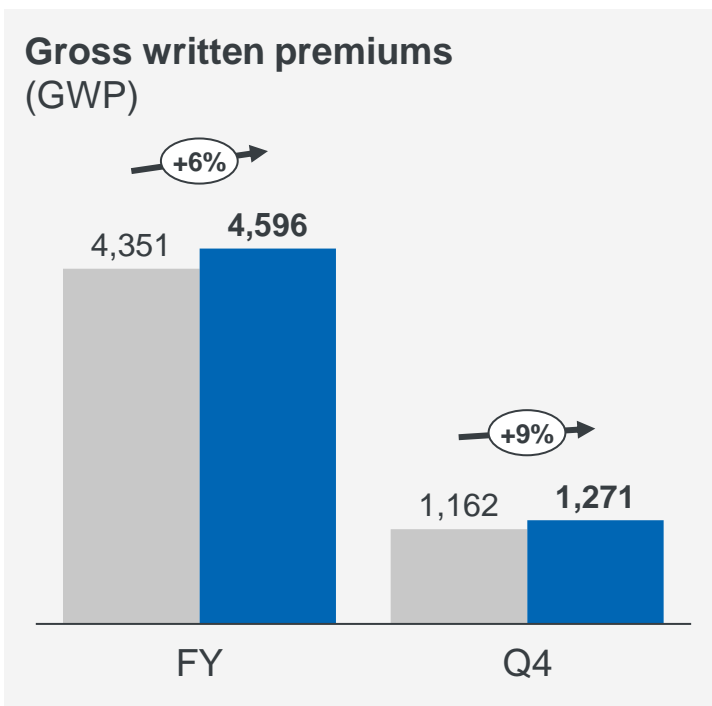


Retail Germany Life

3 Business picking up momentum

FY 2021 Corona impact (EBIT)	
Claims	--
Run-off	--
Offsetting	--
Investments	--

EURm, IFRS ■ 2020 ■ 2021



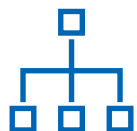
Retail Germany Life

3 Focus new business and further de-risk

1 Improve inforce business



Finance / ALM optimisation



IT consolidation and simplification



Cost reduction

2 Focus new business on products with >10% RoE¹



Unit-linked pensions



Occupational retirement pensions (bAV)

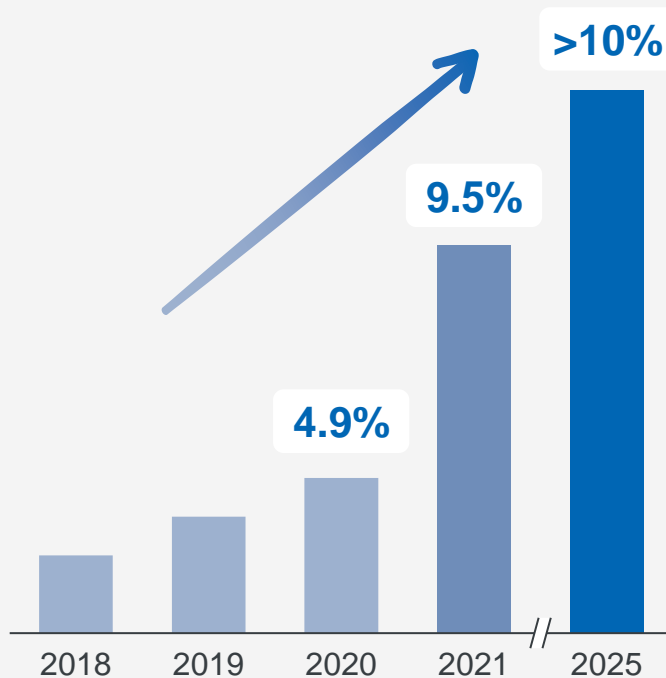


Biometrics

Product reduction

From 30 to <10

3 RoE Life (incl. AM contribution)



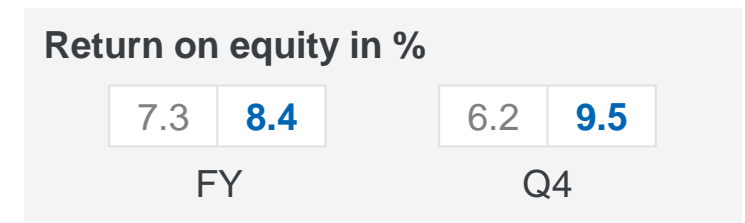
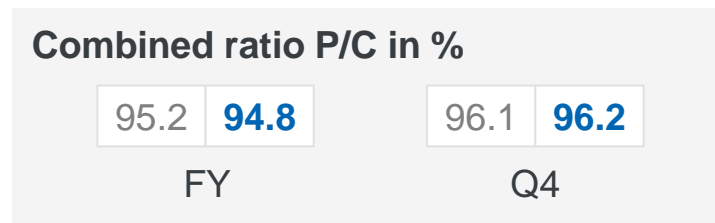
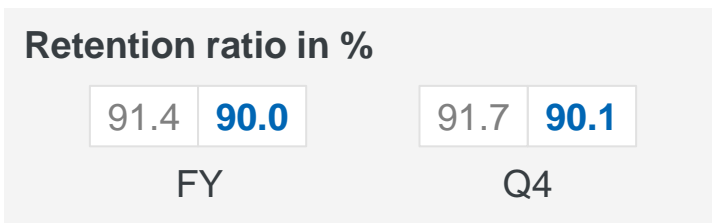
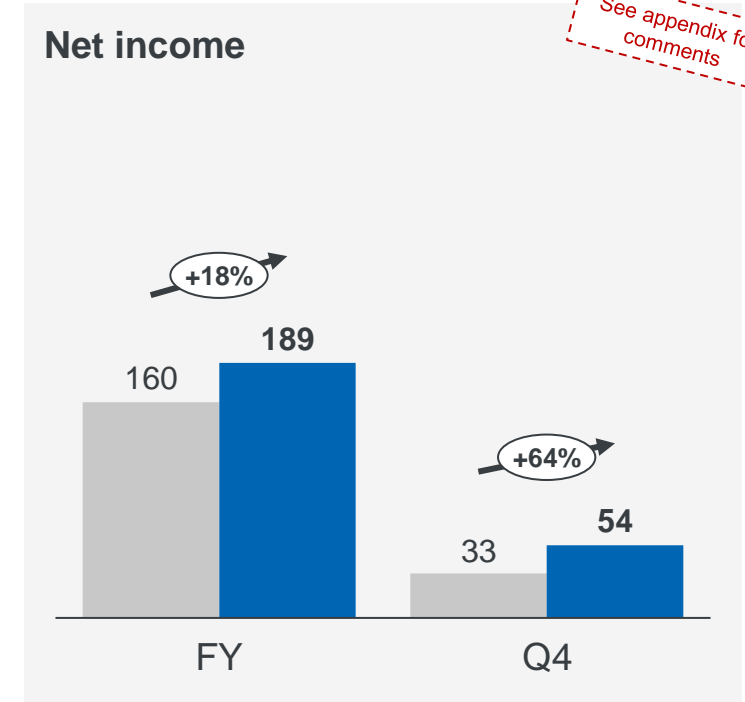
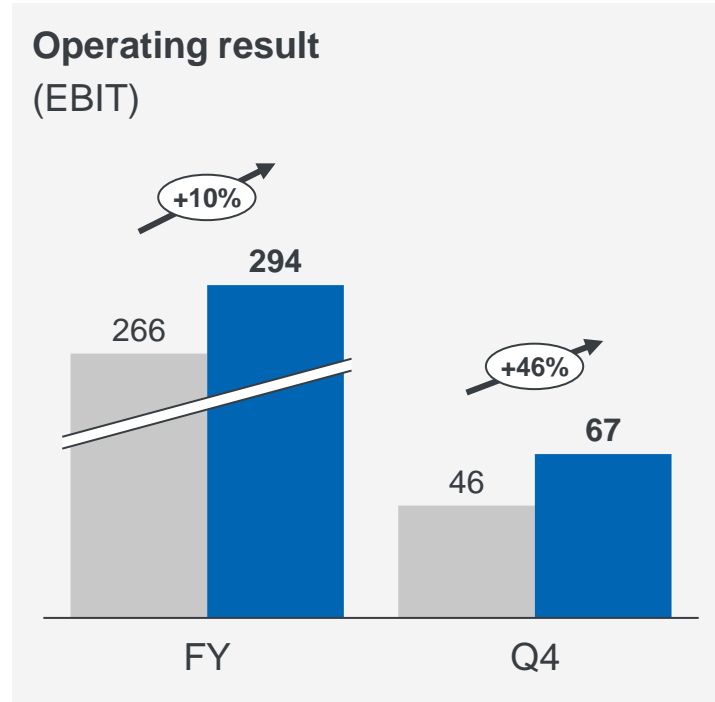
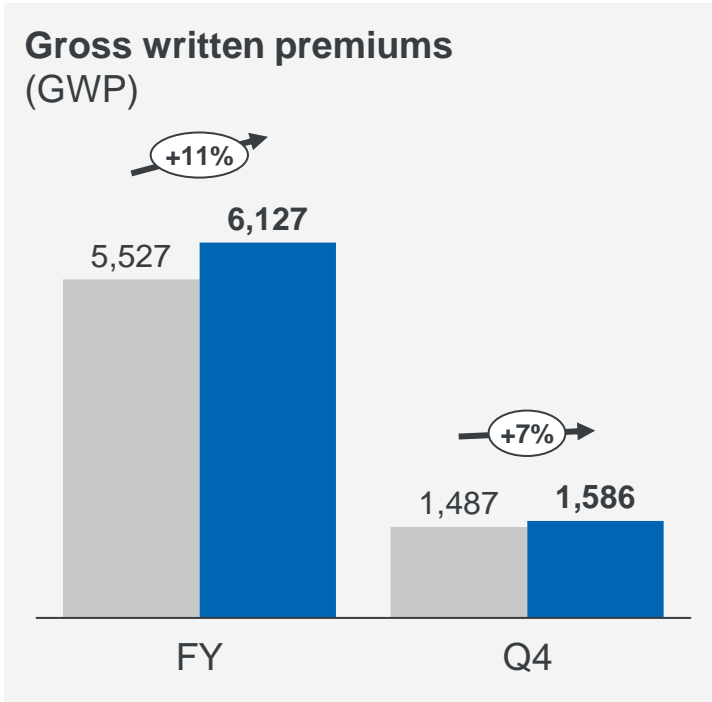
¹ Return on equity per annum

Retail International

3 Profitable growth despite normalising frequency and higher inflation

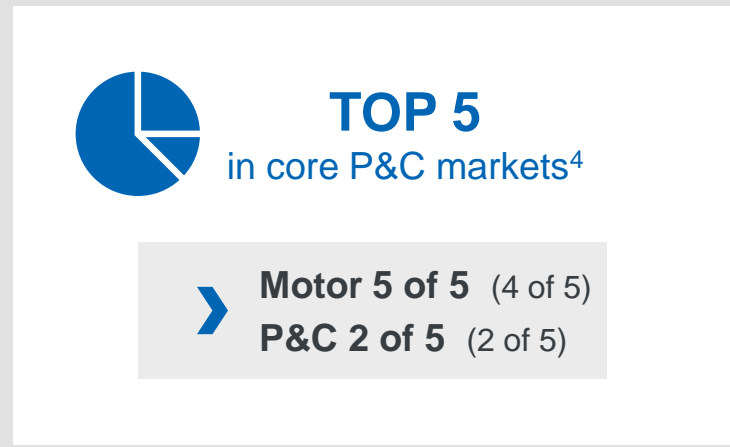
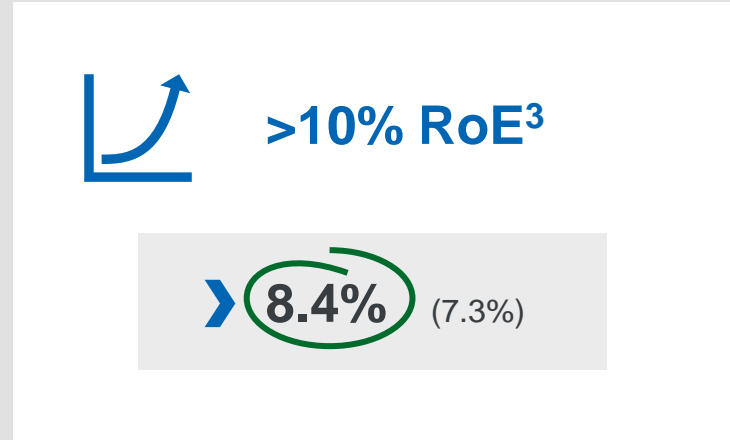
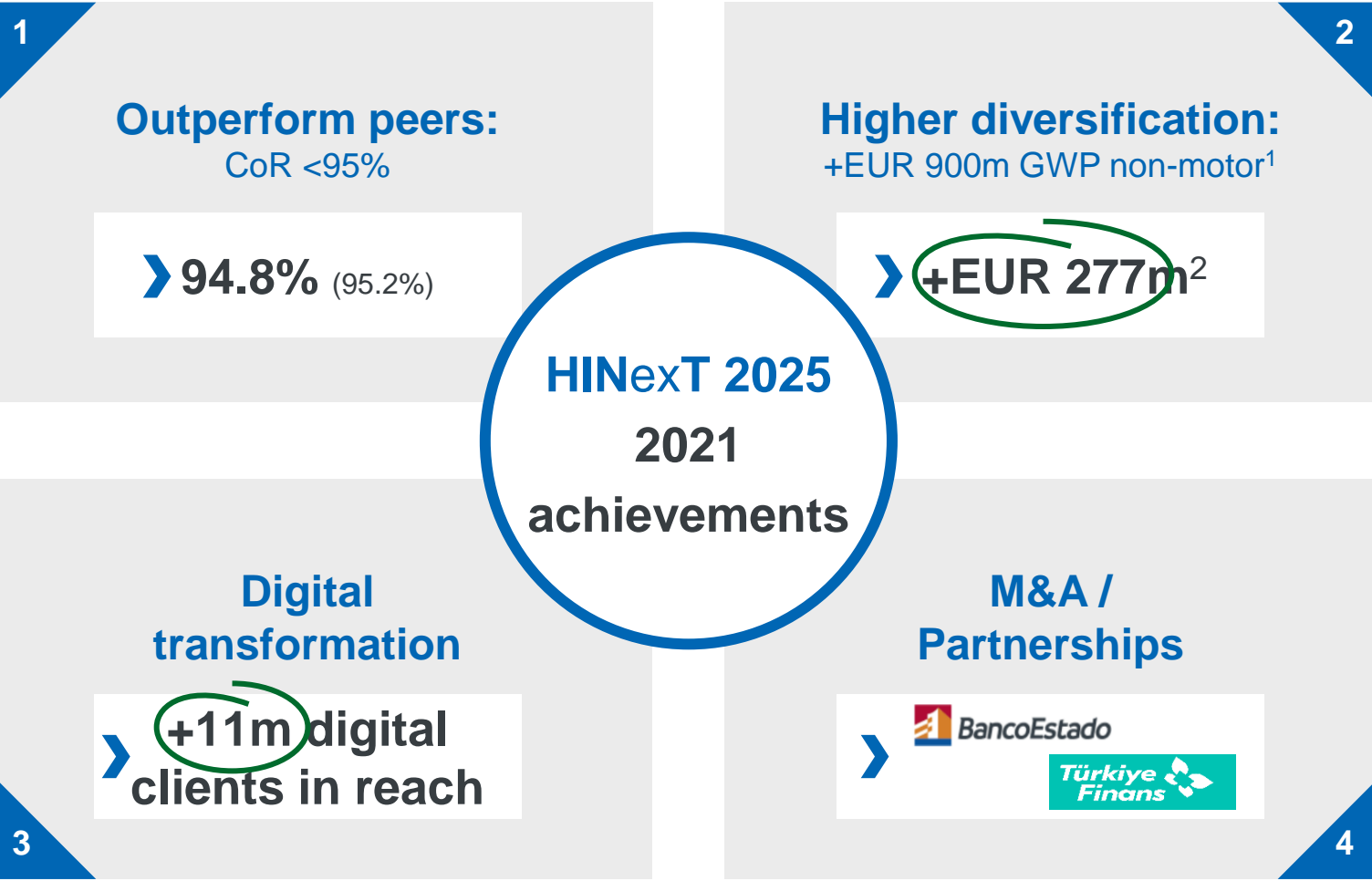
FY 2021 Corona impact (EBIT)		
Claims	EUR	-15
Run-off	EUR	0
Offsetting	EUR	71
Investments	EUR	-2

EURm, IFRS ■ 2020 ■ 2021



3

Retail International: HINexT 2025 – Good progress in all building blocks in 2021



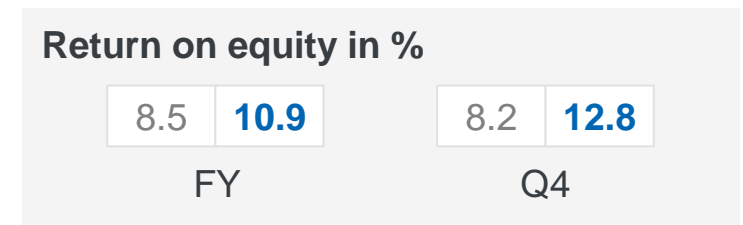
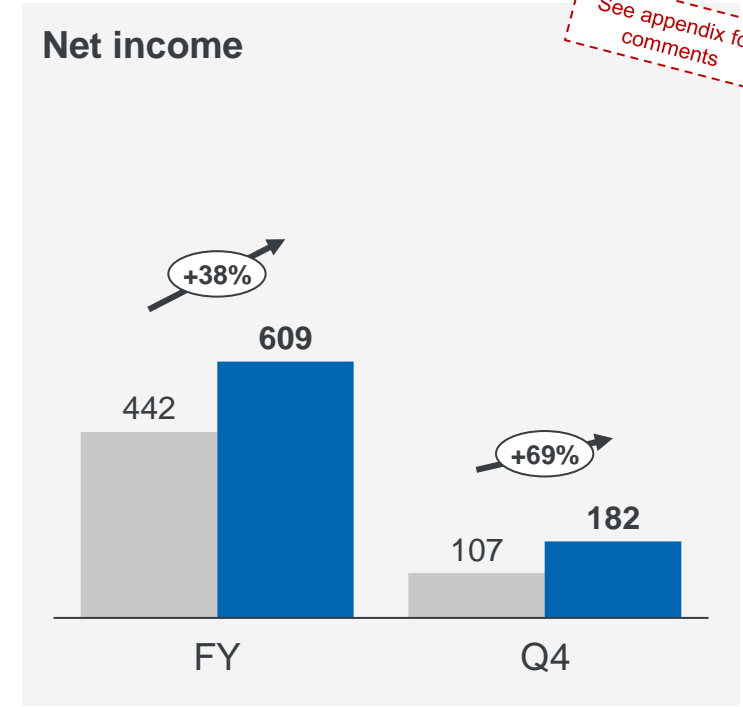
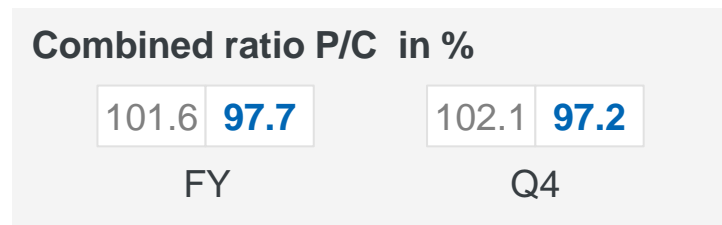
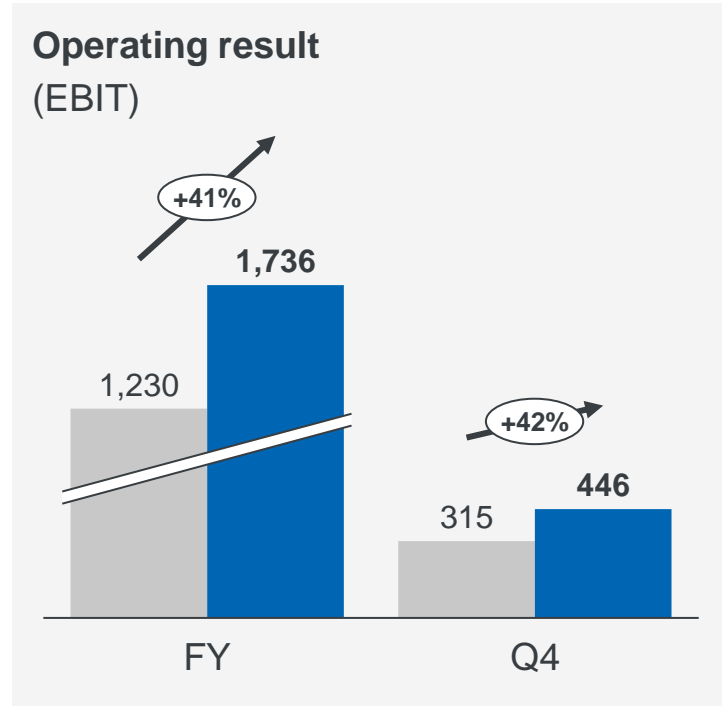
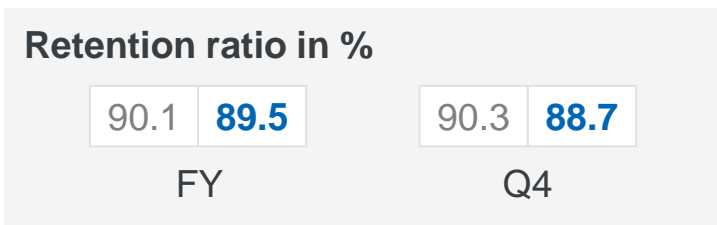
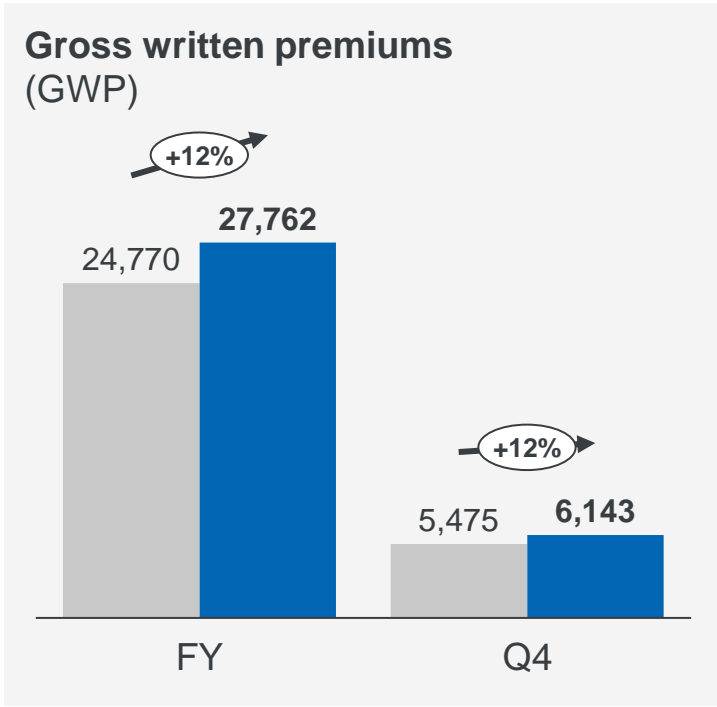
Numbers as of FY 2021 / 31 Dec 2021 (2020 numbers in brackets). 1 Versus 2020 starting point of EUR 1.1bn. 2 Thereof EUR 91m from Amissima acquisition in Italy, which was closed as of 1 April 2021. 3 Mid-term ambition without M&A. 4 Data as of 9M 2021

Reinsurance

3 Continued growth and outstanding profitability

FY 2021 Corona impact (EBIT)		
Claims	EUR	-582
Run-off	EUR	0
Offsetting	EUR	0
Investments	EUR	44

EURm, IFRS ■ 2020 ■ 2021





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4 Net investment income

EURm, IFRS	FY 2020	FY 2021	Change		Q4 2020	Q4 2021	Change
Ordinary investment income	3,333	3,706	+11%	1	872	1,022	+17%
▪ thereof current interest income	2,532	2,622	+4%		600	691	+15%
▪ thereof income from real estate	306	362	+18%		93	112	+20%
Extraordinary investment income	981	1,077	+10%		331	264	-20%
▪ Realised net gains/losses on investments	1,206	1,318	+9%	2	371	259	-30%
▪ Write-ups/write-downs on investments	-301	-265	-12%	3	-78	-70	-10%
▪ Unrealised net gains/losses on investments	77	25	-68%	4	37	75	+102%
Other investment expenses	-284	-323	+14%		-80	-96	+20%
Income from assets under own management	4,030	4,460	+11%		1,123	1,190	+6.0%
Interest income on funds withheld & contract deposits	210	255	+21%		59	50	-14%
Income from investment contracts	0	3	n.m.		-1	1	n.m.
Total: Net investment income	4,240	4,718	+11%		1,181	1,241	+5%
Assets under own management at period end	128,301	136,073	+6%		128,301	136,073	+6%
Average assets under own management	125,470	132,187	+5%		127,708	135,273	+6%
Net return on investment¹	3.2%	3.4%	+0.2%pts		3.5%	3.5%	±0.0%pts
Current return on investment ²	2.4%	2.6%	+0.2%pts		2.5%	2.7%	+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

Comments

- 1** Increase in ordinary investment income in FY driven by significant private equity returns in P/C Re and Industrial Lines; higher dividends from equities; increasing income from investments in Ampega real estate fund in German Life
- 2** Increase in realised net gains in FY (+EUR 112m), driven by net gains in German Life (+EUR 148m) partly related to the front-loaded build-up of annual *Zinszusatzreserve*
- 3** Non-recurrence of EUR 47m corona-related write-downs on equities in first half of 2020; line also includes regular depreciation of infrastructure and real estate investments
- 4** EUR 39m negative swing in unrealised gains / losses on fixed income securities in FY 2021
- 5** 1.2% increase in assets under own management versus 30 September 2021 (EUR 134.5bn)

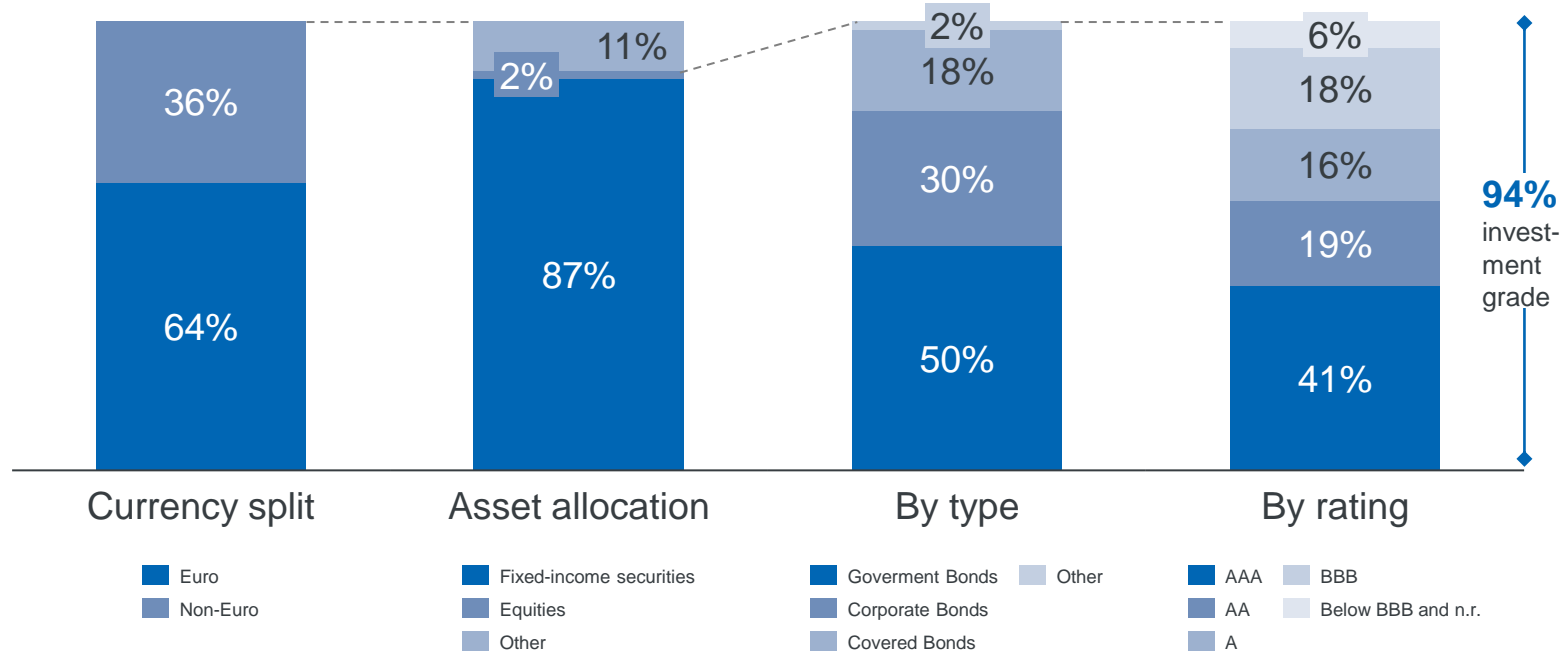
4 Our investment portfolio

Investment portfolio as of 31 Dec 2021

Total: **EUR 136.0bn**

Fixed-income portfolio split

Total: **EUR 118.6bn**



Comments

- Assets under own management increased by 5.9% to EUR 136.0bn compared to 31 Dec 2020 (EUR 128.3bn)
- Investment portfolio remains dominated by fixed-income securities: 87% 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%). 94% of bonds are ‘investment grade’
- 20% of fixed-income portfolio is held in USD (31 Dec 2020: 17%); 36% overall in non-euro currencies (31 Dec 2020: 32%)

Investment strategy unchanged – 94% of bonds are investment grade

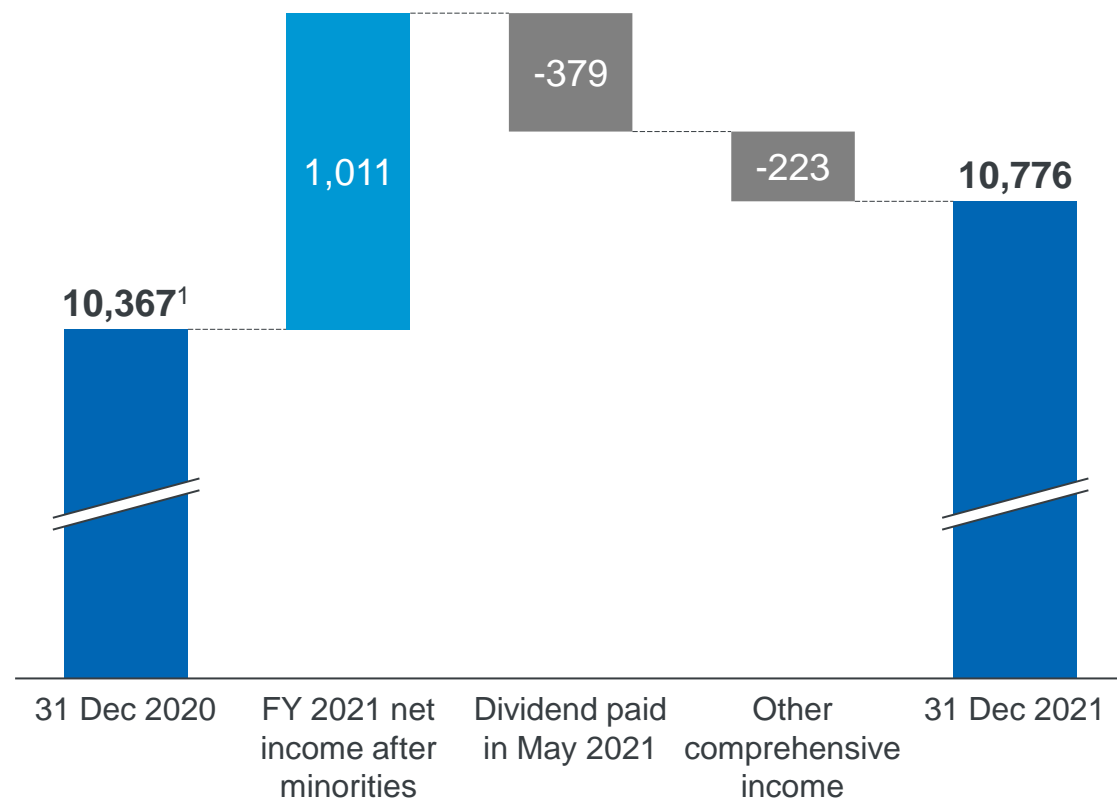
Note: “Below BBB and n.r.” includes non-rated bonds

4

Book value per share up 1.3% in Q4 2021

Shareholders' equity

in EURm



¹ Adjusted according to IAS 8

Comments

- Shareholders' equity at EUR 10,776m, up 3.9% versus the level of Dec 2020
- In other comprehensive income, positive effects from currency translation cannot fully offset decrease in unrealised gains
- Book value excl. goodwill per share up 48 cents versus 30 September 2021

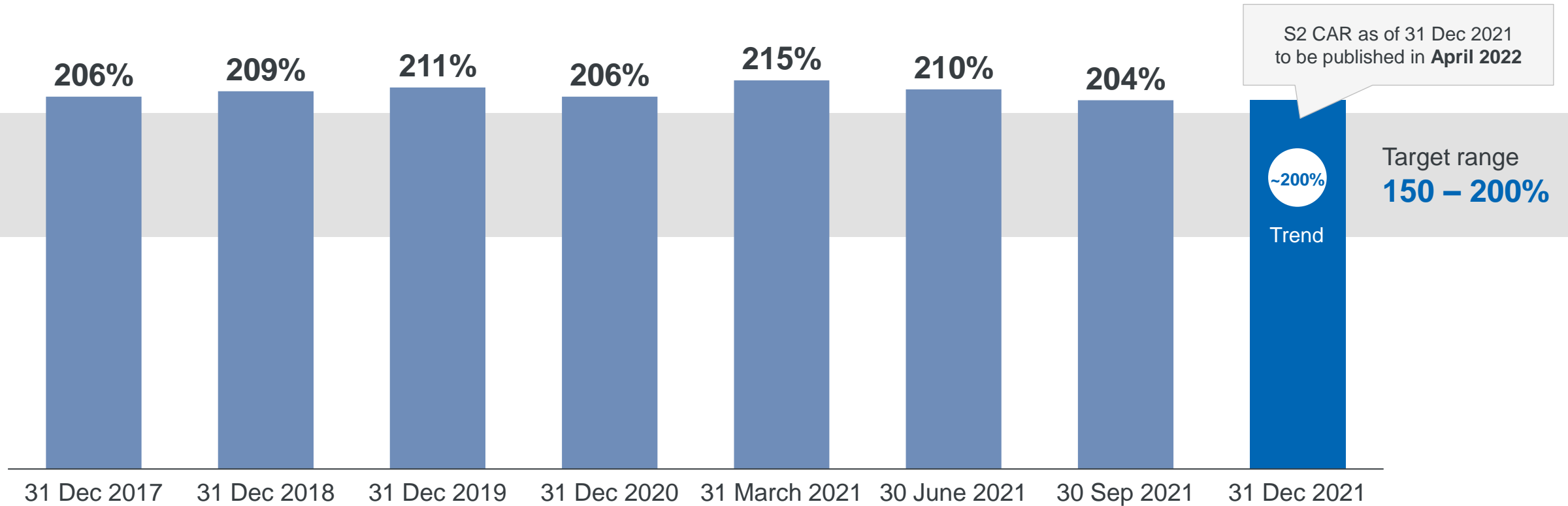
Book value per share

EUR	31 Dec	31 Mar	30 Jun	30 Sep	31 Dec	Change in Q4	
	2020	2021	2021	2021	2021	Abs.	%
Including goodwill	41.01	41.13	41.21	42.03	42.58	0.55	1.3
Excluding goodwill	37.00	37.17	37.13	38.03	38.51	0.48	1.3

4 Strong capital position

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 September 2021: 244%



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5 Outlook 2022 for Talanx Group



Currency-adjusted
GWP growth



Net return on
investment



Group
net income



Return
on equity



Dividend
payout



Dividend policy subject to review as part of general strategy update 2023-2025

Outlook
2022

Mid single-digit
% growth

~2.4%

EUR 1,050 - 1,150m

~10%

35 – 45% of IFRS earnings
DPS at least stable y/y

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 Outlook 2022 is based on a large loss budget of EUR 1,810m for Talanx Group, thereof EUR 410m in Primary Insurance, of which EUR 330m in Industrial Lines. The large loss budget in Reinsurance 2022 is EUR 1,400m. The geopolitical conflict in Ukraine is emerging as an uncertainty factor. It is currently too early to assess the impact on the current business year. The targeted dividend payout is subject to the regulator's approval.



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Talanx Primary Insurance and Reinsurance

Contributions to net income

Net income attributable to Talanx AG shareholders, in EURm

	1	2	3	4	5	6	7	8
	Industrial Lines	Retail Germany	Retail International	Σ Primary Insurance	Reinsurance	Corporate Operations	Consolidations	Talanx Group
2014	121	-84	122	159 24%	508 76%	132	-30	769
2015	127	-76	148	199 25%	606 75%	-51	-20	734
2016	241	68	124	433 42%	595 58%	-135	10	903
2017	91	102	138	331 41%	479 59%	-141	2	671
2018	-16	102	161	247 31%	540 69%	-80	-4	703
2019	103	133	164	400 39%	619 61%	-97	1	923
2020	47	119	160	326 42%	442 58%	-117	-3	648
2021	143	161	189	493 45%	609 55%	-105	+14	1,011

Note: Primary Insurance is the sum of Industrial Lines, Retail Germany and Retail International. Percentages are calculated in percent of Group net income adjusted for Corporate Operations and Consolidation (e.g. adding back EUR 105m to, and subtracting EUR 14m from, EUR 1,011m in 2021)

6 FY 2021 results overview

EURm	12M 2020	12M 2021	Delta	
Gross written premiums (GWP)	41,109	45,507	+11%	1
Net premiums earned	34,190	37,863	+11%	
Net technical result	-2,821	-2,195	-22%	
▪ thereof P/C	-266	530	n.m.	
▪ thereof Life	-2,555	-2,724	-7%	2
Net investment income	4,240	4,718	+11%	
Other income/expenses	226	-69	n.m.	3
Operating result (EBIT)	1,645	2,454	+49%	
Financing costs	-198	-176	-11%	
Taxes on income	-277	-548	+98%	
Net income before minorities	1,170	1,730	+48%	
Non-controlling interests	-522	-718	+38%	
Net income after minorities	648	1,011	+56%	
Earnings per share (EPS)	2.56	3.99		
Combined ratio (CR) in P/C	101.0%	97.7%	-3.3%pts	4
Tax ratio	19.1%	24.1%	+5.0%pts	
Return on equity	6.3%	9.6%	+3.3%pts	
Return on investment	3.2%	3.4%	+0.2%pts	5

Comments

- GWP growth in all segments, largest contributions from P/C Reinsurance (+EUR 2,480m), Industrial Lines (+EUR 902m), and Retail International (+EUR 600m). 11.8% growth in local currency
- EUR 335m increase in Corona-related mortality claims in L/H Re (+EUR 321m) and life business in Retail International (+EUR 14m)
- Negative swing in currency translation (EUR 243m), mainly from USD appreciation; EUR 63m restructuring expenses in Retail Germany; positive EUR 58m one-off effect from restructuring within US mortality portfolio in L/H Reinsurance in Q1 2021 (Voya)
- Technical result improvement driven by P/C Reinsurance; excluding net Corona impact CR at 98.3%, slightly up from 97.6%
- Significant net realised gains in German Life (EUR 780m, +148m; mainly ZZR funding); significant increase in private equity gains in Reinsurance and Industrial Lines

6 Q4 2021 results overview

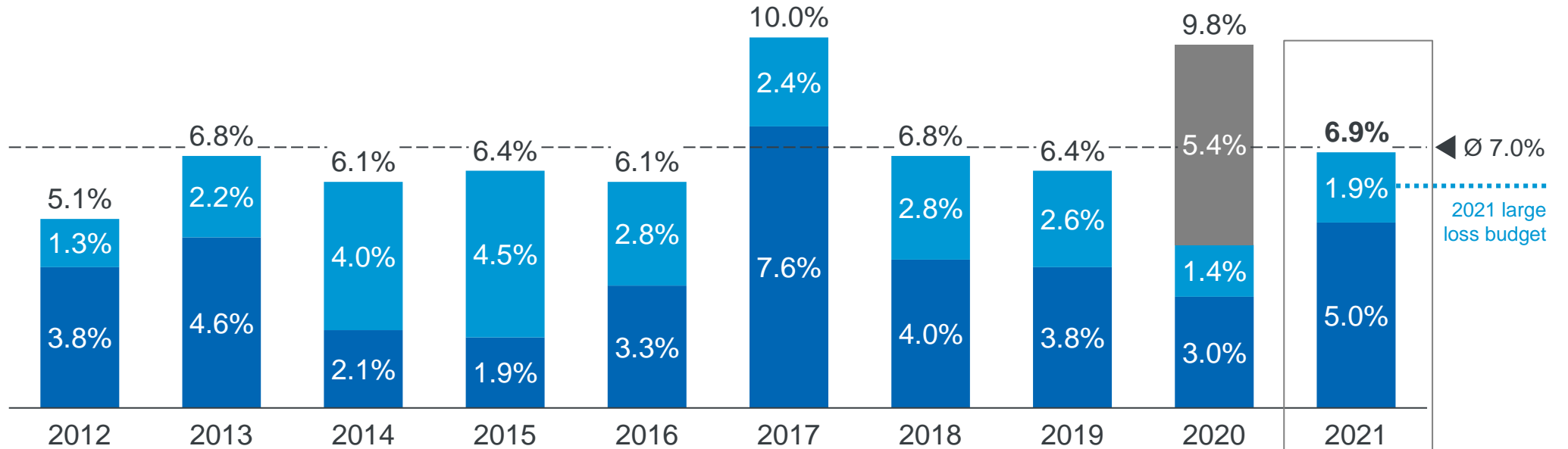
EURm	Q4 2020	Q4 2021	Delta	
Gross written premiums (GWP)	9,203	10,357	+13%	1
Net premiums earned	8,888	10,096	+14%	
Net technical result	-849	-590	-31%	
▪ thereof P/C	-110	120	n.m.	2
▪ thereof Life	-739	-710	-4%	
Net investment income	1,181	1,241	+5%	
Other income/expenses	22	-36	n.m.	3
Operating result (EBIT)	354	615	+74%	
Financing costs	-45	-41	-8%	
Taxes on income	-49	-67	+37%	
Net income before minorities	260	506	+95%	
Non-controlling interests	-132	218	+65%	
Net income after minorities	128	288	+125%	
Earnings per share (EPS)	0.51	1.14		
Combined ratio (CR) in P/C	101.7%	98.0%	-3.7%pts	4
Tax ratio	15.7%	11.7%	-4.1%pts	
Return on equity	6.0%	10.8%	+4.8%pts	
Return on investment	3.5%	3.5%	±0.0%pts	5

Comments

- 1** GWP growth in all segments, largest contributions from P/C Reinsurance (+EUR 558m) and Industrial Lines (+EUR 296m). 10.1% growth in local currency due to weakness of the euro against USD
- 2** Non-recurrence of Corona-related claims in P/C (EUR 300m in Q4 2020)
- 3** Negative swing in currency translation (EUR 67m), mainly from USD appreciation; EUR 63m restructuring expenses in Retail Germany
- 4** Excluding net Corona impact CR at 98.1%, slightly up from 97.6%
- 5** Decrease in net realised gains in German Life offset by gains on inflation-linked bonds and private equity

6 Large loss development

Net large losses, in % of net premiums earned (P/C business only)



In EURm	600	838	782	992	883	1,620	1,244	1,319	2,148	1,745
Usage of budget for NatCat and man-made	94%	119%	91%	94%	78%	145%	111%	111%	161% ¹	116%

■ NatCat ■ Man-made ■ Corona losses (P/C business only)

Note: Definition "large loss": In excess of EUR 10m gross in either Primary Insurance or Reinsurance | 1 Ratio of 161% includes NatCat, man-made and Corona

6 NatCat large loss details for 2021

Net losses in EURm, FY 2021 (FY 2020)	Industrial Lines	Retail Germany	Retail International	∑ Primary Insurance	Reinsurance	Corporate Operations	Talanx Group
Hurricane Ida (Aug./Sep.)	56.3			56.3	304.9		361.1
Heavy rain <i>Bernd</i> (Jul.)	84.9	16.1	0.5	101.4	208.4	10.0	319.8
Winterstorm Texas, USA (Feb.)	58.6			58.6	156.0	1.5	216.2
Storm <i>Volker</i> , Central Europe (Jun.)	3.1	1.9	10.4	15.5	69.6	6.8	91.9
Tornados, USA (Dec.)	20.8			20.8	65.6		86.3
Flood, China (Jul.)	~0.0			~0.0	34.8		34.8
Storm, Australia (Oct.)	0.4			0.4	23.1		23.5
Cyclone <i>Seroja</i> , Australia (Apr.)	5.7			5.7	13.4		19.1
Earthquake, Japan (Feb)	3.3			3.3	14.3		17.6
Storm <i>Filomena</i> , Spain (Jan.)	0.1			0.1	15.1		15.2
Flood, Australia (Mar.)	1.9			1.9	12.7		14.6
Storm, Poland (Jul.)			13.8	13.8			13.8
Drought, Canada (Apr.)				0.0	13.1		13.1
Storm <i>Xero</i> , Germany/Austria/Switzerland (Jul)	1.4			1.4	10.6		12.0
Forest fires, USA (Oct.)				0.0	11.5		11.5
Frost, France (Apr.)				0.0	10.6		10.6
Sum NatCat	236.6 (147.8)	18.0 (9.0)	24.7 (17.0)	279.3 (173.9)	963.6 (484.2)	18.3 (0.0)	1,261.1 (658.0)

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 603m in life and health businesses, EUR 582m thereof in L/H Reinsurance

Large loss detail in 2021

6 Budget exceeded due to significant NatCat events

Net losses in EURm, FY 2021 (FY 2020)	Industrial Lines	Retail Germany	Retail International	∑ Primary Insurance	Reinsurance	Corporate Operations	Talanx Group
Sum NatCat	236.6 (147.8)	18.0 (9.0)	24.7 (17.0)	279.3 (173.9)	963.6 (484.2)	18.3 (0.0)	1,261.1 (658.0)
Fire/Property	161.8			161.8	219.0	5.9	386.7
Marine	2.6			2.6	30.2		32.7
Casualty	22.1			22.1			22.1
Credit				0.0	21.5		21.5
Aviation	1.3			1.3	15.9		17.2
Cyber	3.0			3.0		0.7	3.7
Sum other large losses	190.9 (80.3)	0.0 (33.7)	0.0 (5.3)	190.9 (119.3)	286.6 (160.6)	6.5 (12.1)	484.0 (292.0)
Corona losses	0.0 (173.6)	0.0 (24.5)	0.0 (40.1)	0.0 (238.2)	0.0 (950.1)	0.0 (10.0)	0.0 (1,198.3)
Total large losses	427.4 (401.8)	18.0 (67.2)	24.7 (62.4)	470.1 (531.4)	1,250.2 (1,594.9)	24.8 (22.1)	1,745.1 (2,148.3)
Full year large loss budget	331.3	27.8	10.9	370.0	1,100.0	40.0	1,510.0

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 603m in life and health businesses, EUR 582m thereof in L/H Reinsurance

Corona details

6 Impact is fading out except for L/H Reinsurance

Total EBIT impact (before taxes and minorities) in Q4 2021, in EURm

	1	2	3	4	5	6	7	8	9
	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) <small>Absorbed by otherwise unused large loss budget</small>	-1	0		-3 ²	-4		-178		-182
Run-off from 2020 claims	8 ¹	-2		0	7				7
Offsetting effects	10	-13 ⁴		8	5				5
Net investment income³	-2			-1	-3	24	44		65
Total EBIT impact	15	-15	0	5	5	24	-135		-106
Group net income impact	11	-10	0	2	3	9	-52		-40

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 Includes releases of reserves for premium reimbursement. 2 EUR 2m related to excess mortality in life business, mainly in Poland. 3 Impairments only, except for the EUR 44m gain from the extreme mortality swap in Life/Health Reinsurance. 4 Negative impact in Q4 2021 due to reduction of initial FY estimates for offsetting effects

6 Details on selected fixed-income country exposure

Investments into issuers from countries with a rating below A- (in EURm), as of 31 December 2021

Country	Rating	1	2	3	4	5	6	7
		Sovereign	Semi-Sovereign	Financial	Corporate	Covered	Other	Total
Italy	BBB	3,790		797	560	295	6	5,448
Mexico	BBB	316		160	349			826
Russia	BBB	368	8	48	242			666 ³
Hungary	BBB	549		12	20	5		586
Brazil	BB-	191		86	214		13	504
South Africa	BB-	130		1	142		2	275
Portugal	BBB	119		11	30			171
Turkey	B+	54		20	9	11		83
Other BBB+		96		74	84			253
Other BBB		196	80	51	168			494
Other BBB-		350	68	111	271		~0	801
Total		6,158	157	1,372	2,089	312	21	10,109
In % of total investments under own management¹		4.5%	0.1%	1.0%	1.5%	0.2%	~0.0%	7.4%
In % of total Group assets²		3.1%	0.1%	0.7%	1.1%	0.2%	~0.0%	5.1%

Note: Percentages may not add up due to rounding. "Below BBB and n.r." includes non-rated bonds. 1 EUR 136,073m. 2 EUR 197,524bn. 3 EUR 182m excluding the Russian life entity, which was sold in February 2022

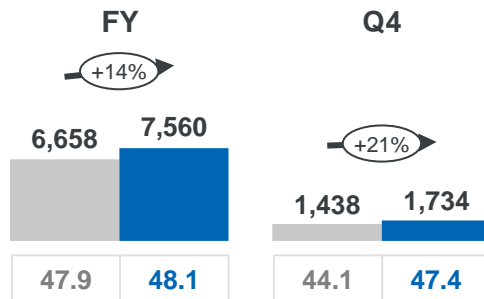
Industrial Lines

6

Keeping growth momentum with full focus on <95% CoR

FY 2021 Corona impact (EBIT)		
Claims	EUR	-2
Run-off	EUR	47
Offsetting	EUR	35
Investments	EUR	-6

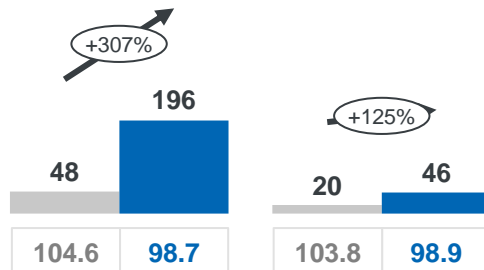
Gross written premiums (GWP)



Retention ratio in %



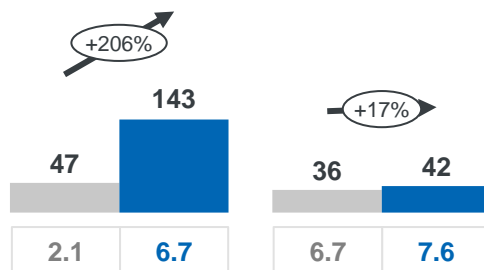
Operating result (EBIT)



Combined ratio in %



Net income



RoE in %



EURm, IFRS ■ 2020 ■ 2021

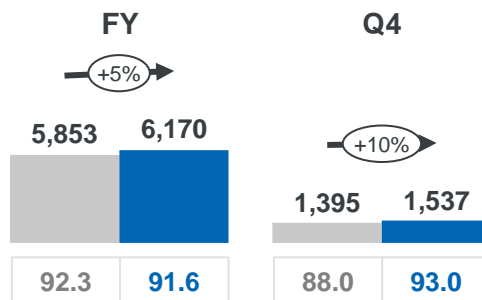
- Continued strong GWP growth momentum (currency-adjusted +14%)
- GWP growth split between Specialty (+EUR 463m) and commercial lines (+EUR 439m, supported by releases of Corona-related premium deficiency reserves built in 2020)
- Large losses EUR 96m above FY 2021 budget of 331m, mainly affected by EUR 162m losses in Property and several significant NatCat events (winter storm in Texas, heavy rain „Bernd“ and hurricane “Ida”)
- FY 2021 combined ratio at 98.7% despite high level of large losses reflects effectiveness of portfolio improvement measures; supported by EUR 79m net positive technical Corona impact (thereof EUR 17m in Q4)
- Adjusting for excess over large loss budget and Corona, combined ratio was 98.1% in FY 2021
- FY return on investment of 2.9% (FY 2020: 2.6%) positively impacted by EUR 45m increase in private equity gains
- Swing in other result to EUR -149m affected by EUR 55m change in currency fluctuations and growth in Specialty
- Other result of ~EUR -110m p.a. expected from FY2022
- Industrial Lines acquired remaining stake in Specialty entity from Hannover Re, effective 31 Dec 2021, to further increase synergies

Retail Germany (total)

6 Restructuring completed – now focusing on profitable growth

FY 2021 Corona impact (EBIT)		
Claims	EUR	-4
Run-off	EUR	1
Offsetting	EUR	10
Investments	EUR	n.a.

Gross written premiums (GWP)

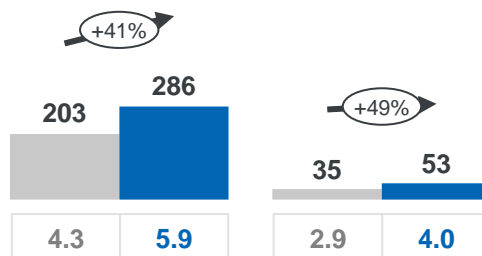


- FY gross written premiums up 4.8% in P/C and 5.6% in Life, reflecting more normalisation after lockdown in 2020 and continued increase in SME business
- Net premiums up 2.9% in FY, up 11.1% in Q4

Retention ratio in %



Operating result (EBIT)

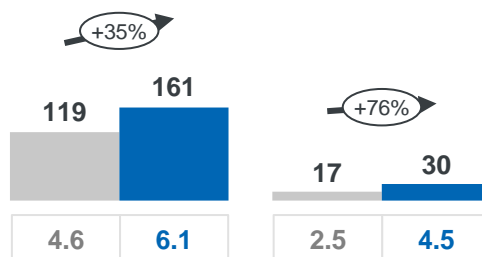


- FY EBIT increase due to development in Life
- Q4 EBIT: Significant increase in Life partially offset by decrease in P/C, which was impacted by the normalisation of frequency losses versus 2020 and by EUR 26m restructuring expenses (EUR 37m additional restructuring expenses in Life with no EBIT impact)
- FY 2021 EBIT target of EUR 240m outperformed by almost 20%

EBIT margin in %



Net income



- GO25 transformation, as presented at Capital Markets Day in November 2021, is in progress
- FY 2021 RoE of 7.2% including Asset Management contribution (5.7% in 2020)

RoE in %



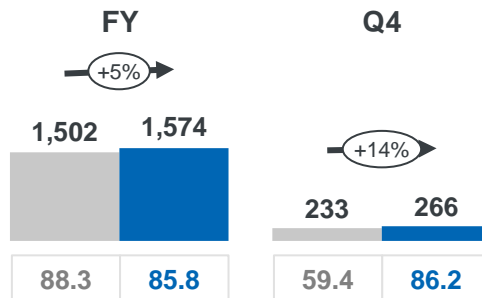
EURm, IFRS ■ 2020 ■ 2021

Retail Germany P/C

6 Floods impact weighs on full-year results

FY 2021 Corona impact (EBIT)		
Claims	EUR	-4
Run-off	EUR	1
Offsetting	EUR	10
Investments	EUR	na

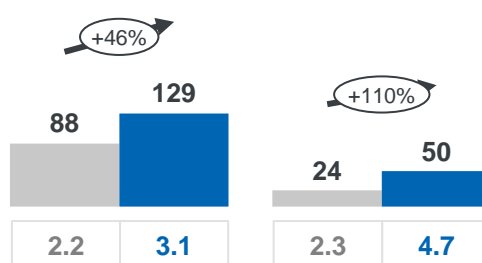
Gross written premiums (GWP)



Retention ratio in %



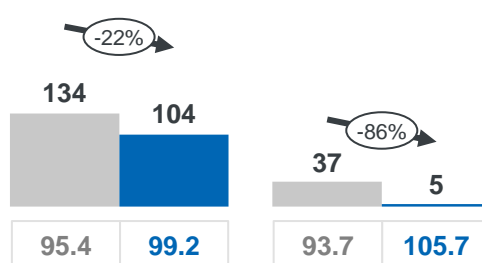
Net investment income



Return on investment in %



Operating result (EBIT)



Combined ratio in %



EURm, IFRS ■ 2020 ■ 2021

- 9% increase in FY GWP in target business with SMEs and self-employed professionals to EUR 475m; 10% increase in Q4
- Increase in SME and property partially offset by EUR 36m decline in Motor
- Net premiums earned down 0.3% in FY, impacted by change in the reinsurance structure in Q4 2020 (EBIT-neutral), and by EUR 20m reimbursement premium to reinsurers related to July flood event

- High 4.7% net return on investment in Q4 includes EUR 9m private equity gains
- Increase in FY net return on investment also impacted by non-recurrence of Corona-related impairments in 2020
- Decrease in FY technical result to EUR 11m (EUR 62m in FY 2020) impacted by flood event (total of EUR 36m losses) and higher claims frequency

- Q4 technical result (EUR -20m) reflects normalised frequency losses and higher distribution cost ratio due to shift to SME business
- FY combined ratio adjusted for Corona impact at 99.8% (FY 2020: 94.6%)
- FY 2021 combined ratio at 97.1% if adjusted for Corona and "Bernd"
- EBIT down in FY and Q4, despite increase in net investment income, mainly due to flood event and EUR 25m restructuring expenses in Q4 2021

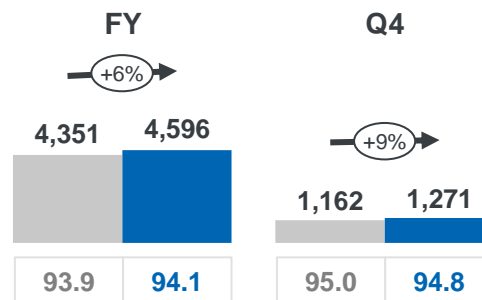
Retail Germany Life

Business picking up momentum

FY 2021 Corona impact (EBIT)

Claims	-
Run-off	-
Offsetting	-
Investments	-

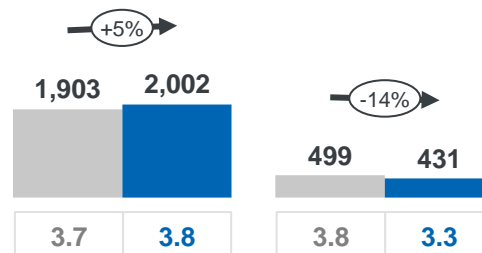
Gross written premiums (GWP)



Retention ratio in %



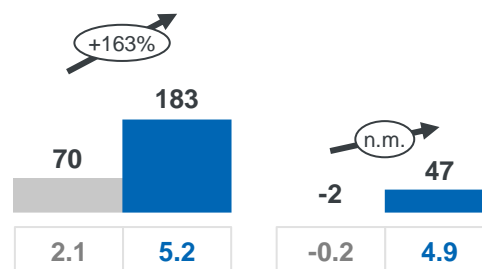
Net investment income



Return on investment in %



Operating result (EBIT)



EBIT margin in %



EURm, IFRS ■ 2020 ■ 2021

1 Largest biometric product is payment protection insurance (PPI)

- FY new business increased 11% to EUR 428m (APE), 28% of which in biometric products¹ (31% in FY 2020); EUR 14m in new fund-linked product CleverInvest
- Q4 new business increased 17% y/y to EUR 146m (APE)
- Due to focus on profitable products we expect low single-digit percentage decline of GWP 2022 versus 2021

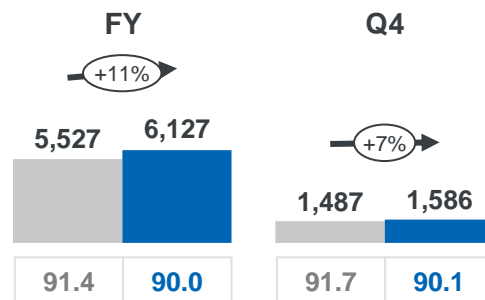
- FY net investment income and RoI up due to increase in net realised gains (+EUR 149m to EUR 928m), to finance ZZR requirements and restructuring expenses
- FY 2021 ZZR allocation under German accounting of EUR 493m, thereof EUR 169m in Q4 (FY 2020: EUR 626m, Q4 2020: EUR 189m). Total stock of ZZR as of 31 December 2021 at EUR 4.9bn

- Significant FY EBIT increase partly due to non-recurrence from EUR 16m negative Corona-related impact in 2020, and EUR 16m amortisation of investment in bank distribution platform in 2020
- As-if-merged Solvency 2 Capital Adequacy Ratio for the four German life entities as of 31 December 2021 (without transitional measure) at 291%

Profitable growth despite normalising frequency and more inflation

FY 2021 Corona impact (EBIT)		
Claims	EUR	-15
Run-off	EUR	0
Offsetting	EUR	71
Investments	EUR	-2

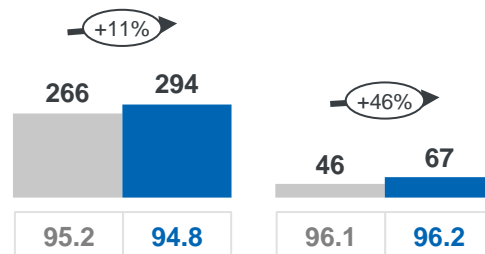
Gross written premiums (GWP)



Retention ratio in %



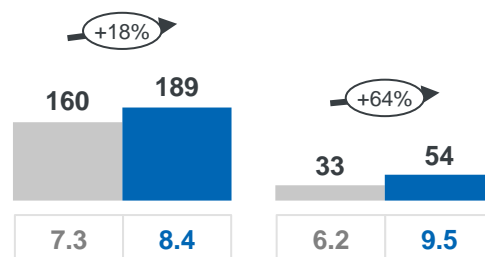
Operating result (EBIT)



Combined ratio P/C in %



Net income



RoE in %



EURm, IFRS ■ 2020 ■ 2021

- Curr.-adj. GWP increase of 15.3% in FY 2021, 10.7% in Q4
- GWP in P/C up 13.8% (curr.-adj. +19.8%), especially in non-Motor (Italy, Warta, Turkey, Chile). Life business up 4.5% (curr.-adj. +5.5%), driven by higher single premium business in Hungary and growth at Warta
- Europe up 12.1% to EUR 4,594m (+16.2% curr.-adj.). LatAm grew by 7.4% to EUR 1,533 (+12.6% curr.-adj.). Strong recovery in Chile, growth in Mexico, currency-related decrease in Brazil (slightly up in local currency)

- Increasing claims inflation as well as return to historical claims frequency, especially in Turkey and Brazil
- Adjusted for net positive technical Corona impact in P/C of EUR 69m (FY 2020: EURm 72), combined ratio was at 96.8%, down vs. FY 2020 (97.4%)
- EUR 14m corona-related claims in life business in FY 2021 (EUR 2m in Q4) from excess mortality, mainly in Poland

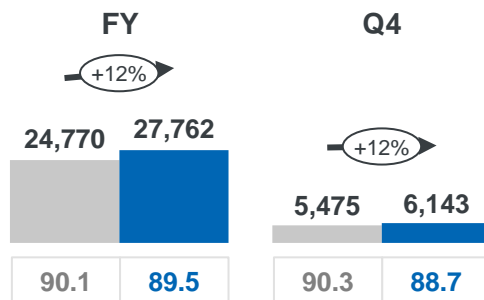
- Return on investment of 2.8% versus 2.6% in FY 2020; higher volumes and higher interest rates in Turkey and Brazil overcompensate negative currency effects
- Non-life acquisition in Italy (Amissima) included from 1 April 2021; contributed EUR 203m GWP in FY 2021; now renamed to HDI Italia S.p.A.
- Sale of Russian life entity closed in February 2022; EUR 23m de-consolidation charge in Q1 2022
- New distribution agreement with BancoEstado in Chile started successfully in January 2022

Reinsurance

6 Continued growth and outstanding profitability

FY 2021 Corona impact (EBIT)		
Claims	EUR	-582
Run-off	EUR	0
Offsetting	EUR	0
Investments	EUR	44

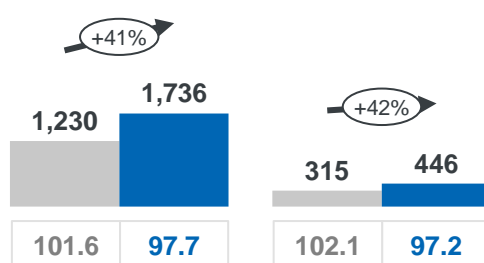
Gross written premiums (GWP)



Retention ratio in %



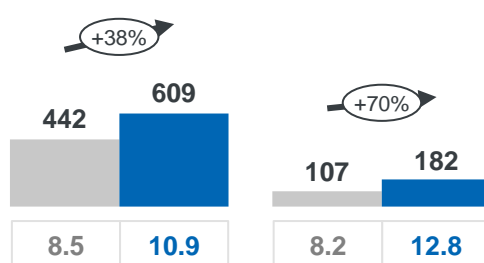
Operating result (EBIT)



Combined ratio P/C in %



Net income



RoE in %



EURm, IFRS ■ 2020 ■ 2021

- Strong GWP growth (currency-adj. +12.8%) driven by 14.8% increase in P/C (currency-adj. +16.3%) with diversified growth in traditional and structured reinsurance business
- GWP in L/H up 6.4% (currency-adj. +5.5%), with growth across all business lines
- Net premiums earned up 13.0%, 13.7% on a currency-adjusted basis

- EBIT impacted by Covid-19 mortality claims of EUR 582m partly offset by one-off effects from restructuring within US mortality portfolio in Q1 (EUR 132m) and from Longevity in Q3 and Q4 (EUR 122m)
- Combined ratio of 97.7% affected by large losses exceeding full-year budget by EUR 150m

- Net investment income up by 14.7% driven by very strong ordinary investment income and supported by contribution from inflation-linked bonds and alternative investments (RoI 3.2% with AuM up by 15.3% to EUR 55.6bn)
- Solid capitalization with S2 CAR of 243% well above target and hence supporting growth ambitions
- FY 2022 net income guidance confirmed in the range between EUR 1.4 and 1.5bn

6 Outlook 2022 for primary insurance segments



Currency-adjusted
GWP growth



Combined
ratio



Return
on equity



Industrial Lines

>7%

<98%

~8%

Retail Germany

Retail Germany P/C

High single-digit % growth

~96%

Retail Germany Life

Low single-digit % decline

Retail International

High single-digit % growth in P/C
business

<95%

~8%

¹ ~6.5% excluding Asset Management contribution



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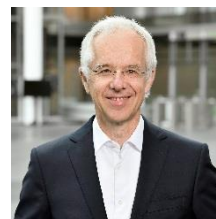


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15 March 2022

Morgan Stanley Financials Conference in London

22 March 2022

Roadshow in Frankfurt and virtual

05 May 2022

Annual General Meeting and Q1 2022 results

18 May 2022

Roadshow (virtual)

10 August 2022

6M 2022 results

14 November 2022

9M 2022 results

06 December 2022

Capital Markets Day in Frankfurt



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Details on reserve review by Willis Towers Watson (as per page 20 of presentation)

- Willis Towers Watson was separately engaged by Talanx AG and Hannover Rück SE to review certain parts of the held loss and loss adjustment expense reserve, net of outwards reinsurance, from the consolidated financial statements in accordance with IFRS as at each 31 December 2018, 2019 and 2020, and the implicit resiliency margin (excess over expected loss estimate), for the non-life business of Talanx Primary Group and Hannover Rück SE. Willis Towers Watson concludes that the reviewed loss and loss adjustment expense reserve, net of reinsurance, less the resiliency margin is reasonable in that it falls within Willis Towers Watson's range of reasonable estimates.
 - Life and health insurance and reinsurance business are excluded from the scope of this review.
 - Willis Towers Watson's review of non-life reserves as at 31 December 2020 covered 94.6% / 96.7% of the gross and net held non-life reserves before consolidation of €47.3 billion and €39.8 billion respectively.
 - The Willis Towers Watson results referenced in this presentation are based on a series of assumptions as to the future. It should be recognised that actual future claim experience is likely to deviate, perhaps materially, from Willis Towers Watson's estimates. This is because the ultimate liability for claims will be affected by future external events; for example, the likelihood of claimants bringing suit, the size of judicial awards, changes in standards of liability, and the attitudes of claimants towards the settlement of their claims.
 - The Willis Towers Watson results referenced are not intended to represent an opinion of market value and should not be interpreted in that manner. The Willis Towers Watson analysis does not purport to encompass all of the many factors that may bear upon a market value.
 - Willis Towers Watson's analysis was carried out based on data as at evaluation dates for each 31 December. Willis Towers Watson's analysis may not reflect claim development or all information that became available after the valuation dates and Willis Towers Watson's results, opinions and conclusions presented herein may be rendered inaccurate by developments after the valuation dates.
 - As is typical for insurance and reinsurance companies, claims reporting can be delayed due to late notifications by some claimants and cedents. This increases the uncertainty in the Willis Towers Watson results.
 - The reviewed reserves of Hannover Rück SE and Talanx AG include asbestos, environmental and other health hazard (APH) exposures which are subject to greater uncertainty than other general liability exposures. Willis Towers Watson's analysis of the APH exposures assumes that the reporting and handling of APH claims is consistent with industry benchmarks. However, there is wide variation in estimates based on these benchmarks. Thus, although the reviewed reserves of Hannover Rück SE's show some resiliency compared to Willis Towers Watson's indications, the actual losses could prove to be significantly different to both the held and indicated amounts.
 - Willis Towers Watson has not anticipated any extraordinary changes to the legal, social, inflationary or economic environment, or to the interpretation of policy language, that might affect the cost, frequency, or future reporting of claims. In addition, Towers Watson's estimates make no provision for potential future claims arising from causes not substantially recognised in the historical data (such as new types of mass torts or latent injuries, terrorist acts), except in so far as claims of these types are included incidentally in the reported claims and are implicitly developed.
 - In accordance with its scope Willis Towers Watson's estimates are on the basis that all of Talanx AG's and Hannover Rück SE's reinsurance protection will be valid and collectable. Further liability may exist for any reinsurance that proves to be irrecoverable.
 - Willis Towers Watson's estimates are in Euros based on the exchange rates provided by Talanx AG and Hannover Rück SE as at each 31 December evaluation date. However, a substantial proportion of the liabilities is denominated in foreign currencies. To the extent that the assets backing the reserves are not held in matching currencies, future changes in exchange rates may lead to significant exchange gains or losses.
 - Willis Towers Watson has not attempted to determine the quality of Talanx AG's and Hannover Rück SE's current asset portfolio, nor has Willis Towers Watson reviewed the adequacy of the balance sheet provisions except as otherwise disclosed herein.
- In its review, Willis Towers Watson has relied on audited and unaudited data and financial information supplied by Talanx AG, Hannover Rück SE and their respective subsidiaries, including information provided orally. Willis Towers Watson relied on the accuracy and completeness of this information without independent verification.
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