

**talanx.**

Insurance. Investments.

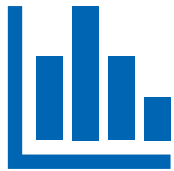
# 9M 2022 results

14 November 2022

Jan Wicke, CFO



# On track to deliver for FY 2022



**Continued growth  
momentum**



**Industrial Lines  
with growing profit  
contribution in  
primary insurance**



**Earnings guidance  
confirmed**  
(FY2022 net income of EUR 1.05 –1.15bn)



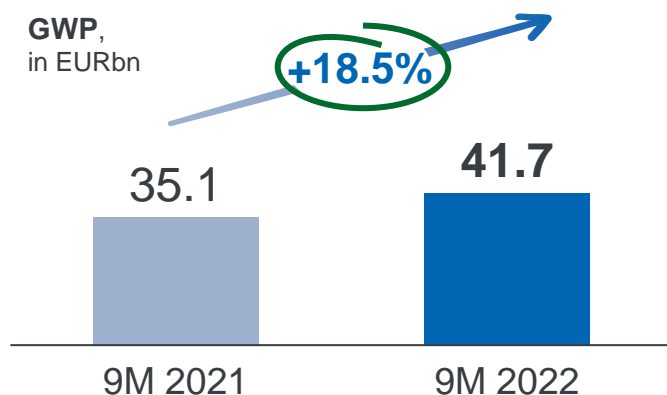
# Agenda

- 1** Group financials
- 2 Segments
- 3 Investments
- 4 Capital
- 5 Outlook
- 6 Appendix

# Double digit growth and double digit return on equity in 9M 2022



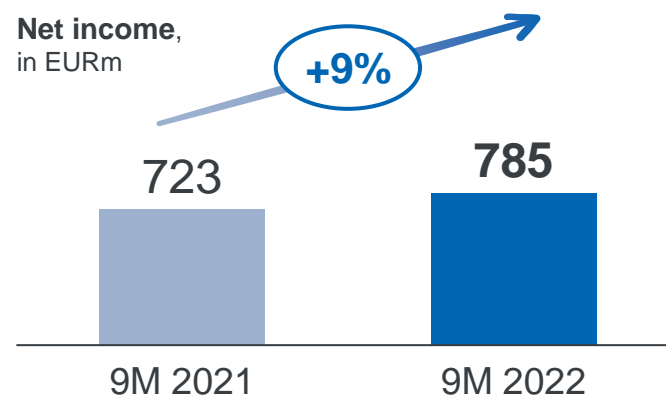
## Top line



- Growth momentum continues; currency-adjusted GWP up 14%
- Strong double-digit growth in all primary P/C segments significantly overcompensates lower top-line in life
- Now expecting GWP > EUR 50bn for FY 2022



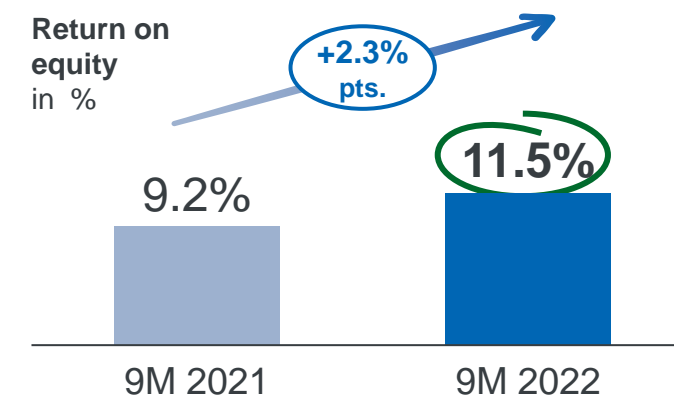
## Bottom line



- Combined ratio of 98.6% incl. EUR 361m Ukraine reserves and EUR 350m reserves for hurricane "Ian"; total pro-rata large loss overshoot of EUR 480m represents ~ 2%pts CoR
- Net income of Corporate Operations (incl. intragroup reinsurance) up EUR54m YoY due to improved technical result (CoR down to 96.4% vs. 112.7%)
- Earnings outlook FY 2022 in the range of EUR 1.05 - 1.15bn reaffirmed



## Profitability



- RoE improvement largely driven by reduced shareholders' equity due to accounting mismatch (i.e interest rates only reflected in market values of assets but not in liabilities)

# Primary insurance contributed 39% of GWP in 9M 2022 and....

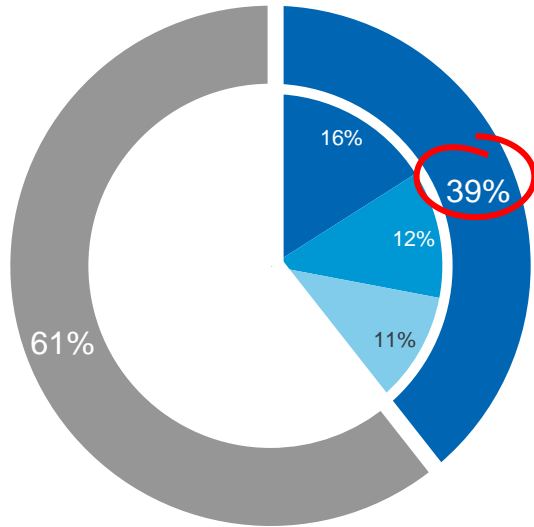
## Group GWP composition

9M 2022, GWP

### Outer circle

- Primary Insurance
- Reinsurance

EUR 41.7bn<sup>1</sup>



### Inner circle

- Industrial Lines
- Retail International
- Retail Germany

## Primary insurance premiums mix

9M 2022, GWP in EURm



Note: Primary Insurance is the sum of Industrial Lines, Retail Germany and Retail International

<sup>1</sup> Percentages are calculated in percent of Group GWP adjusted for Corporate Operations and Consolidation, i.e. in percent of EUR 42,902m

# 1 ...44% of total 9M 2022 net income

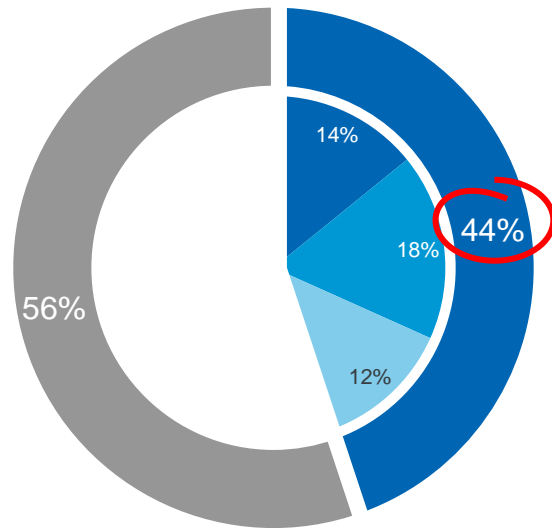
## Group earnings mix

9M 2022, net income attributable to Talanx shareholders<sup>1</sup>

### Outer circle

- Primary Insurance
- Reinsurance

EUR 785m<sup>1</sup>

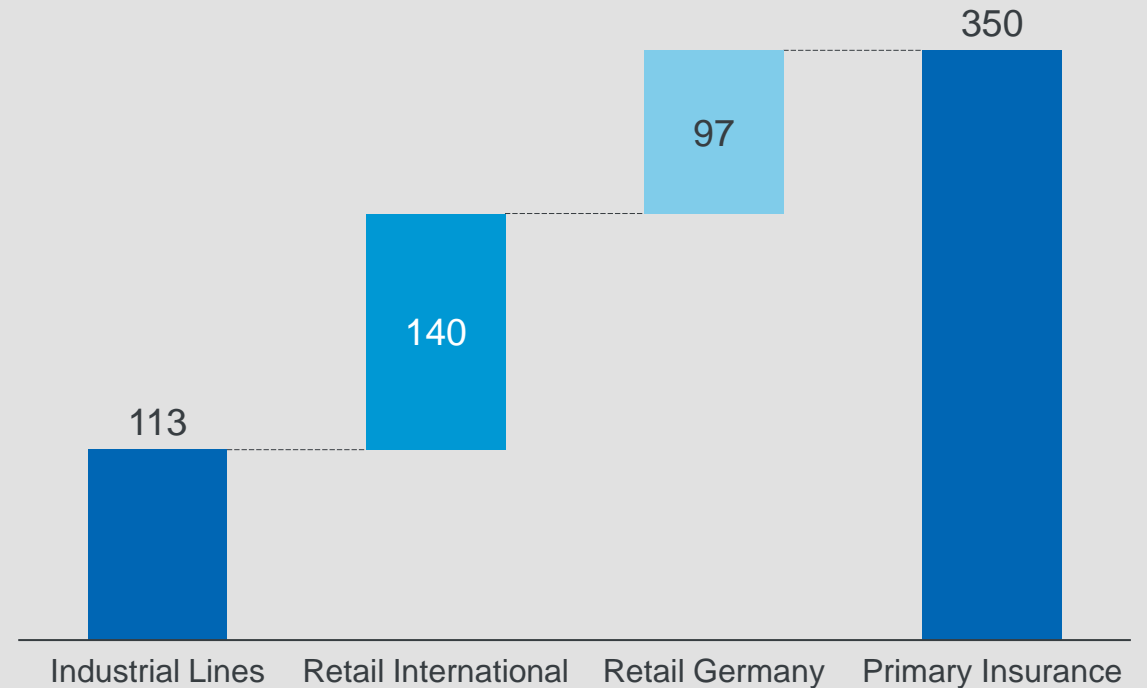


### Inner circle

- Industrial Lines
- Retail International
- Retail Germany

## Primary insurance earnings composition

9M 2022, net income attributable to Talanx shareholders<sup>1</sup>



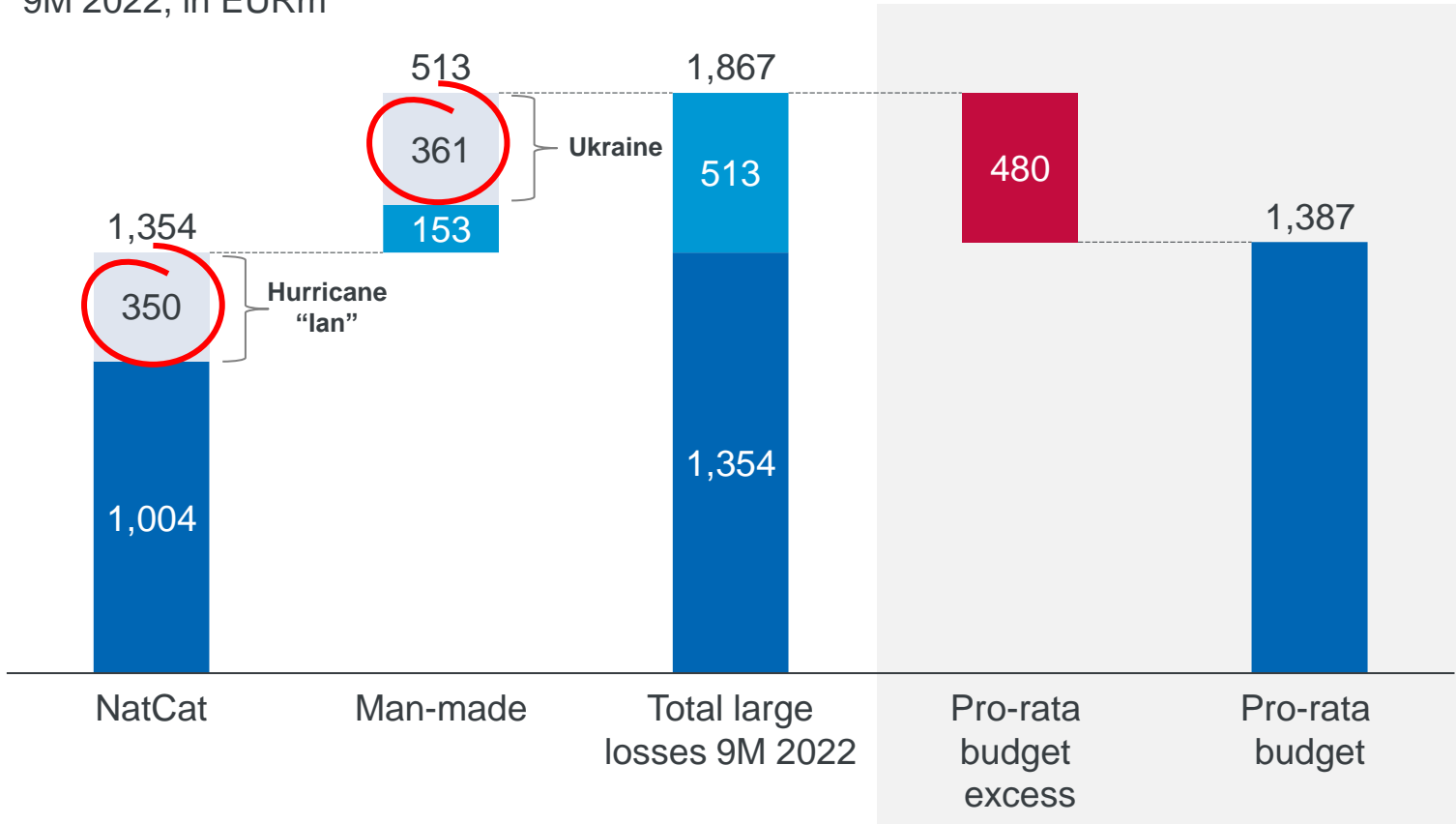
Note: Primary Insurance is the sum of Industrial Lines, Retail Germany and Retail International

<sup>1</sup> Percentages are calculated in percent of Group net income adjusted for Corporate Operations and Consolidation, i.e. in percent of EUR 788m net income attributable to Talanx shareholders

# Guidance for FY2022 confirmed despite significant large losses

## Large losses

9M 2022, in EURm



## Comments

- Moderate exposure to hurricane "Ian" due to underweighting of Florida business given pricing concerns
- Conservative reserving for Ukraine situation with high IBNR portion
- Favourable development of man-made losses helps reducing large loss overshoot
- Pro-rata large loss budget EUR 1,387m; overshoot of EUR 480m translates into ~2%pts combined ratio
- Total large losses attributable to Primary insurance EUR 383m ( ~ 20%)
- Top 5 large loss events totalling EUR 1,3bn
  1. Russian war in the Ukraine (EUR 361m)
  2. Hurricane "Ian" (EUR 350m)
  3. Floods in Australia (EUR 291)
  4. February storms in Europe (EUR 168m)
  5. Storm "Quiara" in France (EUR 107m)
- Outlook FY 2022 includes pro-rata large loss budget for Q4 of EUR 423m

Note: Definition "large loss": in excess of EUR 10m gross in either Primary Insurance or Reinsurance.



# Agenda

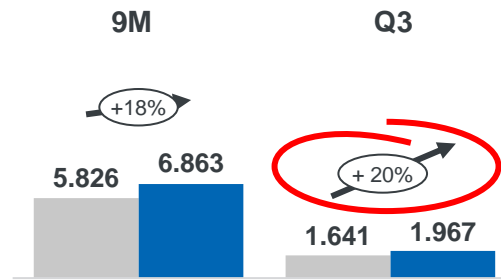
- 1 Group financials
- 2 **Segments**
- 3 Investments
- 4 Capital
- 5 Outlook
- 6 Appendix



# Primary insurance – Continued GWP momentum with double-digit growth

## Industrial Lines

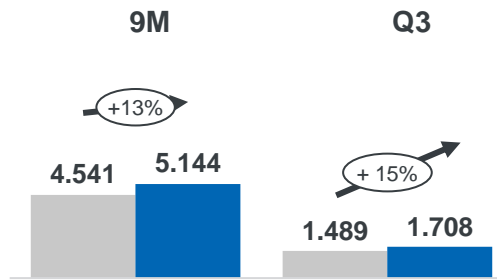
GWP in EURm



- Continued solid growth dynamic across all lines of business
- Specialty 9M GWP up by EUR 460m YoY represents ~45% of Industrial Lines growth
- Specialty GWP 9M contribution of EUR 2.2bn represents ~30% of total Industrial Lines GWP

## Retail International

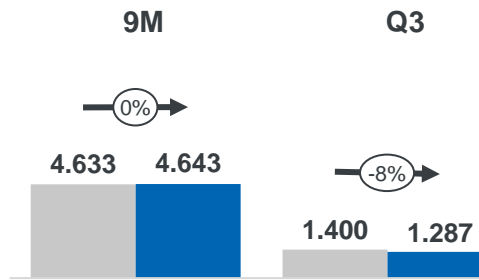
GWP in EURm



- Currency-adjusted GWP growth of 19.5%
- GWP in P/C up 26.7% (currency-adjusted +34.9%), especially in Turkey, Brazil and Poland. Growth mainly from price increases (esp. motor) and business expansion in non-motor (esp. Banco Estado Chile)
- Life business down 15.5% (currency-adjusted -13.5%), driven by intended lower single premium business in Italy (de-risking) and sale of Russian life entity in Q1

## Retail Germany

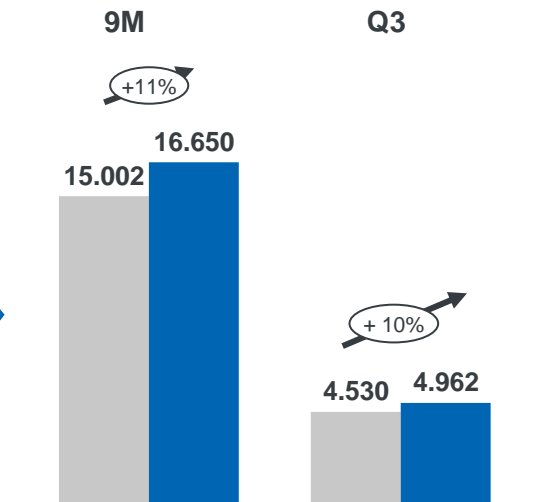
GWP in EURm



- 9M GWP up 10.3% in P/C to EUR 1,442m in line with SME growth strategy
- 3.6% 9M GWP decline in Life predominantly driven by lower single premium business in line with market
- 9M increase in biometric bancassurance business GWP by EUR 62m after post-pandemic recovery

## Primary Insurance

GWP in EURm



2021 2022

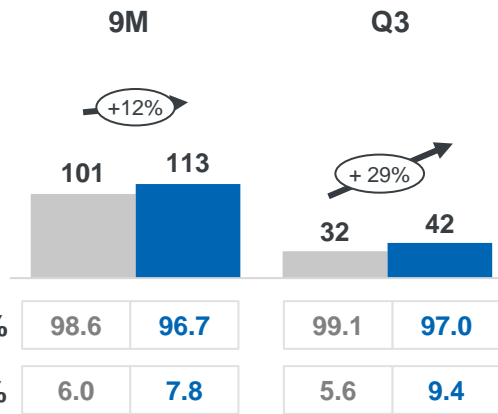
Note: Primary Insurance is the sum of Industrial Lines, Retail Germany and Retail International

9M 2022 results, 14 November 2022

## 2 Primary insurance – 13% net income growth in Q3

### Industrial Lines

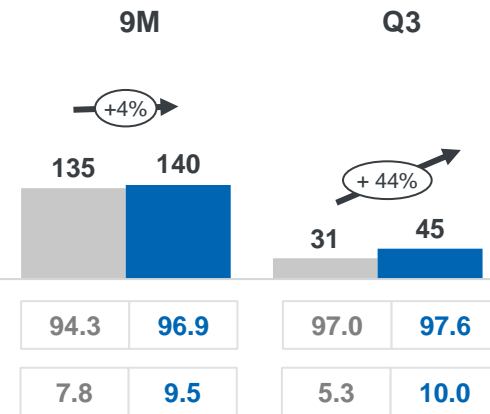
Net income in EURm



- Further improvement of CoR despite Ukraine reserving (EUR 30m) and severe NatCat events (total EUR 251m; thereof hurricane “Ian” EUR 73m)
- CoR impacted by claims inflation and EUR 69m pro-rata large loss overshoot
- Normalising investment income after excellent performance of private equity investments in previous year

### Retail International

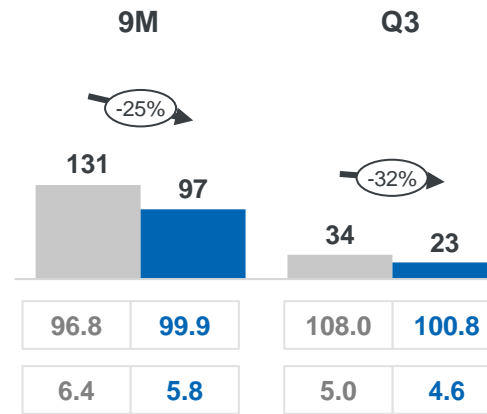
Net income in EURm



- Despite pressure in high inflation countries, overall strong resilience
- High claims inflation impact mitigated mainly through price increases and higher investment income
- Return on investments increased from 2.7% to 3.2%
- 9M net income would have been up 13% excluding scope changes in the consolidation group<sup>1</sup>

### Retail Germany

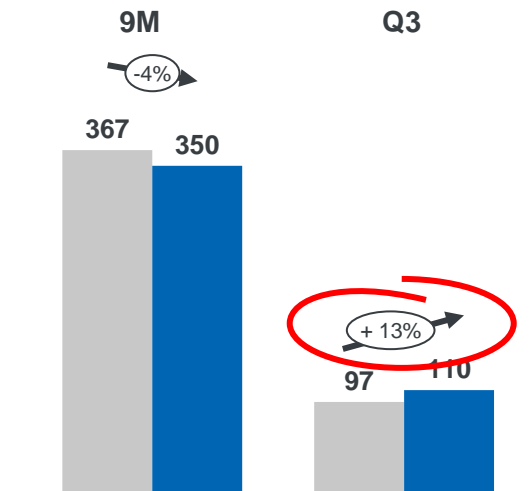
Net income in EURm



- Higher retention in P/C (up ~5%-pts YoY) due to change in reinsurance structure
- CoR in German P/C affected by NatCat events (EUR 26m February storms & EUR 10m storm “Emmelinde”), claims inflation and normalising claims frequency in motor
- 9M claims inflation impact ~3%pts
- Pro-rata large loss overshoot of EUR 14m represents 1.2%pts CoR

### Primary Insurance

Net income in EURm



CoR in %

	9M		Q3	
CoR in %	96.5	97.3	99.5	97.8

2021 2022

Note: Primary Insurance is the sum of Industrial Lines, Retail Germany and Retail International

<sup>1</sup> Deconsolidation loss of EUR23m in relation to the disposal of CiV Life in Russia and active realignment of shareholding structure in TU Europa (+EUR 11m)

9M 2022 results, 14 November 2022



# Agenda

- 1 Group financials
- 2 Segments
- 3 **Investments**
- 4 Capital
- 5 Outlook
- 6 Appendix

### 3 Net investment income

EURm	9M 2021	9M 2022	Change		Q3 2021	Q3 2022	Change
<b>Ordinary investment income</b>	<b>2,684</b>	<b>3,057</b>	<b>13,9%</b>	<b>1</b>	<b>906</b>	<b>1,071</b>	<b>18,1%</b>
▪ thereof current interest income	1,930	2,263	17,2%		650	820	26,1%
▪ thereof income from real estate	250	327	31,1%		94	116	23,7%
<b>Extraordinary investment income</b>	<b>813</b>	<b>-358</b>	<b>n.m.</b>		<b>258</b>	<b>-294</b>	<b>n.m.</b>
▪ Realised net gains/losses on investments	1,059	42	-96,1%	<b>2</b>	330	-102	n.m.
▪ Write-ups/write-downs on investments	-195	-316	61,7%		-60	-155	156,6%
▪ Unrealised net gains/losses on investments	-50	-84	67,1%		-11	-37	223,6%
Other investment expenses	-227	-251	10,5%		-77	-91	18,5%
<b>Income from assets under own management</b>	<b>3,270</b>	<b>2,448</b>	<b>-25,1%</b>		<b>1,088</b>	<b>686</b>	<b>-37,0%</b>
Interest income on funds withheld & contract deposits	204	148	-27,6%		39	26	-32,0%
Income from investment contracts	3	2	-30,4%		1	-1	n.m.
<b>Total: Net investment income</b>	<b>3,477</b>	<b>2,598</b>	<b>-25,3%</b>		<b>1,128</b>	<b>711</b>	<b>-36,9%</b>
Assets under own management at period end	134,473	129,118	-4,0%	<b>3</b>	134,473	129,118	-4,0%
Average assets under own management	131,387	132,595	0,9%		133,562	129,144	-3,3%
<b>Net return on investment<sup>1</sup></b>	<b>3.3%</b>	<b>2.5%</b>	<b>- 0.9%pts</b>	<b>4</b>	<b>3.3%</b>	<b>2.1%</b>	<b>- 1.1%pts</b>
Current return on investment <sup>2</sup>	2.5%	2.8%	+0.3%pts	<b>4</b>	2.5%	3.0%	+0.5%pts

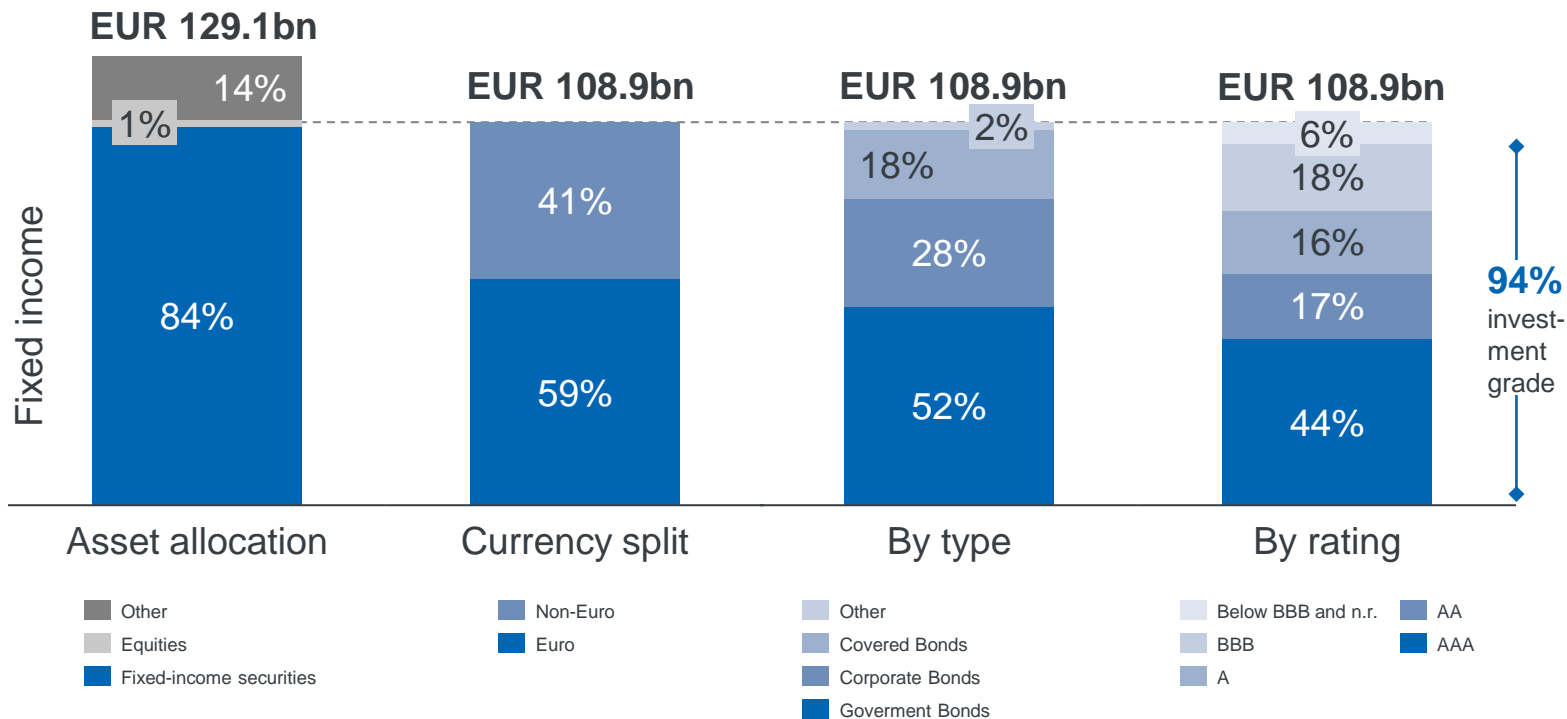
1 Net return on investment: Income from assets under own management (annualised) divided by average assets under own management.  
 2 Current return on investment: Income from assets under own management excl. extraordinary investment income (annualised) divided by average assets under own management

### Comments

- 1 Increase in ordinary investment income in 9M 2022 driven by EUR 371m gains from inflation-linked securities and EUR 78m from real estate investments
- 2 Significantly lower realised gains, as no additional ZZR funding was required based on change in interest rate levels.
- 3 Despite significant decline in prices (due to increase in interest rates), assets under own management decreased by only 4%, as a result of asset inflow from business growth
- 4 Increase in ordinary investment income offset by realised and unrealised losses, mainly on fixed income securities in Q3 2022

### 3 Structure of our low-beta investment portfolio

Assets under own management, as of 30 Sep 2022



### Comments

- Total volume of investment portfolio down by EUR 0.1 bn (+/- 0%) vs. 30 Jun 2022
- Portfolio remains dominated by fixed-income securities: 84% portfolio share (-1%) vs. 30 Jun 2022
- 23% of fixed-income portfolio is held in USD (30 Jun 2022: 21%)
- Portion of fixed-income portfolio invested in “A” or higher-rated bonds (77%) stable vs. 30 Jun 2022
- 94% of bonds are investment grade

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



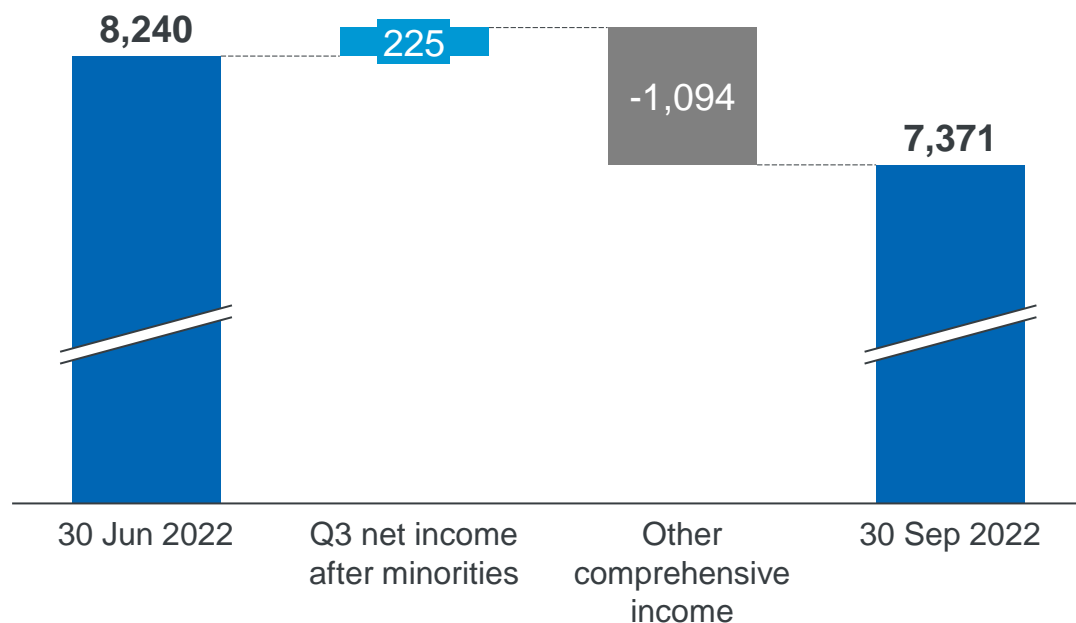
# Agenda

- 1 Group financials
- 2 Segments
- 3 Investments
- 4 **Capital**
- 5 Outlook
- 6 Appendix

# Equity down in Q3 mainly due to accounting mismatch

## Shareholders' equity

in EURm



## Comments

- Shareholders' equity at EUR 7,371m, down 11% versus the level of 30 June 2022
- In other comprehensive income, significant impact from interest rate increase on assets under own management, which is not offset by corresponding positive liabilities due to accounting mismatch under current IFRS regime
- As a result, book value excl. goodwill per share down EUR 3.40 versus 30 Jun 2022

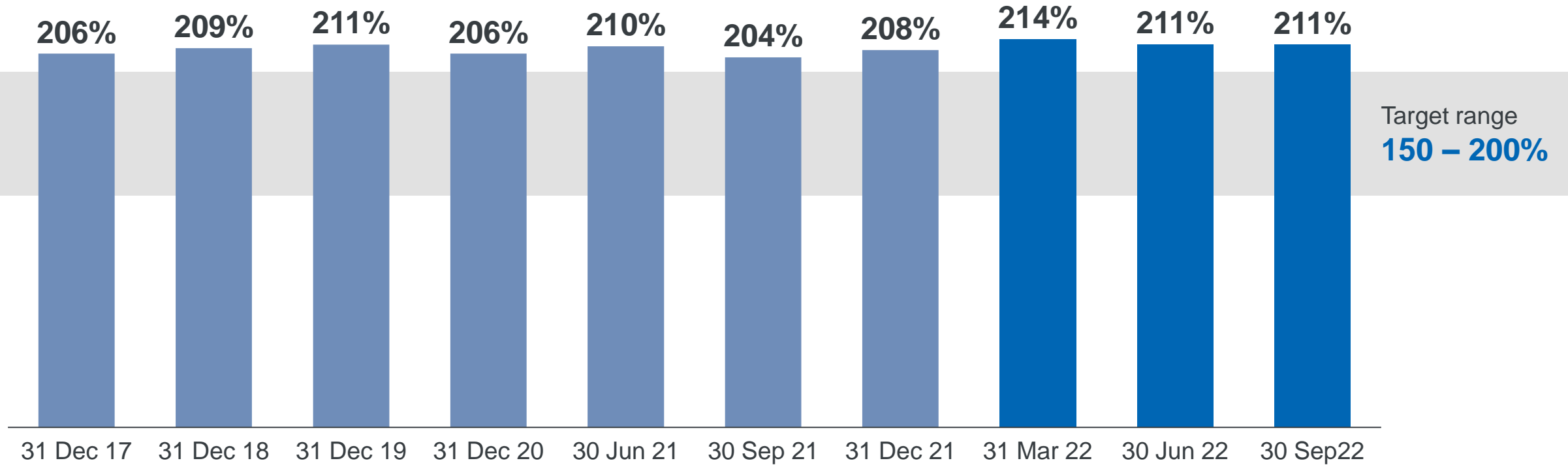
## Book value per share<sup>1</sup>

EUR	31 Dec	30 Jun	31 Dec	30 Jun	30 Sep	Change in Q3	
	2020	2021	2021	2022	2022	Abs.	%
Including goodwill	41.01	41.21	42.58	32.56	<b>29.12</b>	-3.44	-10.6
Excluding goodwill	37.00	37.13	38.51	28.52	<b>25.11</b>	-3.40	-11.9

<sup>1</sup> Total number of shares outstanding will increase by 250,811 shares from 253,100,132 to 253,350,943 as a result of most recent employee stock ownership scheme (likely to be effective before end 2022)

## 4 Ongoing strong capital position

Solvency 2 ratio HDI Group, excluding transitional



Note: Solvency 2 ratio including transitional measure as of 30 September 2022: 249%





# Agenda

- 1 Group financials
- 2 Segments
- 3 Investments
- 4 Capital
- 5 **Outlook**
- 6 Appendix

## Outlook 2022 for Talanx Group



Currency-adjusted  
GWP growth



Net return on  
investment



Group  
net income



Return  
on equity



Dividend  
payout



Outlook  
2022

~ 10%<sup>1</sup>  
(> EUR 50bn)

~2.5%

EUR 1,050 - 1,150m

>10%

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

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

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 Russian war in Ukraine has emerged as an additional uncertainty factor.

<sup>1</sup> Previous expectation was high single-digit % growth



# Agenda

- 1 Group financials
- 2 Segments
- 3 Investments
- 4 Capital
- 5 Outlook
- 6 **Appendix**

# 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	Consolidation	Talanx Group
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
9M 2022	113	97	140	350 44%	438 56%	-18	+15	785

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 18m to, and subtracting EUR 15m from, EUR 785m in 9M 2022)

## 6 9M results overview

EURm

	9M 2021	9M 2022	Delta	
<b>Gross written premiums (GWP)</b>	<b>35,150</b>	<b>41,661</b>	<b>18.5%</b>	1
Net premiums earned	27,767	32,658	17,6%	
Net technical result	-1,605	-615	-61.7%	2
▪ thereof P/C	409	272	-33.6%	
▪ thereof Life	-2,014	-886	56.0%	
Net investment income	3,477	2,598	-25.3%	3
Other income/expenses	-33	-17	48.4%	
<b>Operating result (EBIT)</b>	<b>1,839</b>	<b>1,966</b>	<b>6,9%</b>	
Financing costs	-135	-127	-5,7%	
Taxes on income	-481	-484	0.5%	
Net income before minorities	1,223	1,355	10.8%	
Non-controlling interests	-500	-570	14.0%	
<b>Net income after minorities</b>	<b>723</b>	<b>785</b>	<b>8.6%</b>	
<b>Earnings per share (EPS)</b>	<b>2.86</b>	<b>3.10</b>		
Combined ratio in P/C	97.6%	98.6%	+1.0%pts	4
Tax ratio	28.2%	26.3%	-1.9%pts	
Return on equity	9.2%	11.5%	+2.3%pts	5
Return on investment	3.3%	2.5%	-0.9%pts	3

### Comments

- Continued solid growth in all segments, currency-adjusted increase of 13.8%
- Technical result in P/C includes EUR 361m reserves related to Ukraine situation (thereof EUR 30m in primary insurance). EUR 228m Corona-related claims in L/H Reinsurance (mortality)
- Significantly lower realised gains, as no additional ZZR funding was required based on change in interest rate levels
- Combined ratio affected by EUR 480m overshooting of large loss budget (translating into ~2%pts of combined ratio), as well as by claims inflation in Retail Germany and Retail International
- RoE up 2.3%pts, mainly due to lower shareholders' equity as a result of the recent rise in interest rates

## Q3 2022 results overview

### EURm

	Q3 2021	Q3 2022	Delta	
<b>Gross written premiums (GWP)</b>	<b>11,075</b>	<b>13,329</b>	<b>20.4%</b>	<b>1</b>
Net premiums earned	9,495	11,460	20,7%	
Net technical result	-622	-117	-81.2%	
▪ thereof P/C	-71	70	198.0%	<b>2</b>
▪ thereof Life	-551	-187	66.1%	
Net investment income	1,128	711	-36.9%	
Other income/expenses	1	14	>999%	
<b>Operating result (EBIT)</b>	<b>506</b>	<b>608</b>	<b>20.1%</b>	
Financing costs	-46	-39	-15.7%	
Taxes on income	-173	-172	-0.7%	
Net income before minorities	288	398	38.3%	
Non-controlling interests	-111	-173	56.0%	
<b>Net income after minorities</b>	<b>177</b>	<b>225</b>	<b>27,1%</b>	
<b>Earnings per share (EPS)</b>	<b>0.70</b>	<b>0.89</b>		
Combined ratio in P/C	100.9%	99.1%	-1.8%pts	<b>2</b>
Tax ratio	37.5%	30.1%	-7.4%pts	
Return on equity	6,7%	11.5%	+4.8%pts	<b>3</b>
Return on investment	3.3%	2.1%	-1.1%pts	

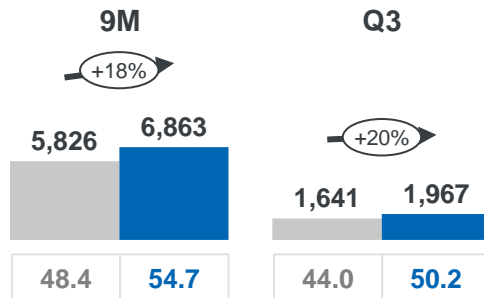
### Comments

- 1 YoY Growth is driven by Industrial Lines 19.9% (currency adjusted 12.0%) and Reinsurance 24.5%
- 2 YoY improvement mainly due to reduced attritional losses in Industrial Lines and overall reduced large losses (Q3 2021 was affected by Hurricane "Ida" and Storm "Bernd")
- 3 RoE up 4.8%pts, due to 27% increase in net income and lower shareholders' equity as a result of the recent rise in interest rates

# Industrial Lines

## 6 Continued solid growth dynamic across all lines of business

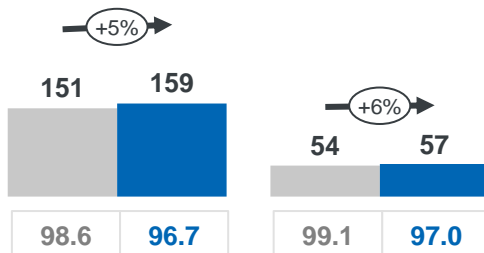
### Gross written premiums (GWP)



### Retention ratio in %



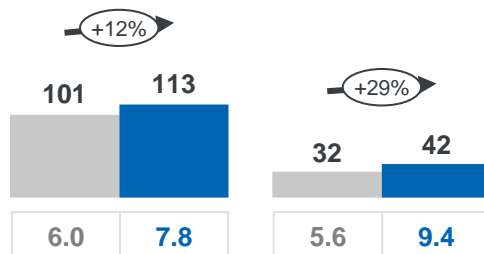
### Operating result (EBIT)



### Combined ratio in %



### Net income



### RoE in %



EURm, IFRS ■ 2021 ■ 2022

- Strongest growing primary insurance segment in Q3 and 9M (currency-adjusted 13% in 9M ; 12% in Q3)
- Specialty's GWP contribution of EUR 2.2bn in 9M (~ 1/3 of total Industrial Lines GWP) represents ~45% of Industrial Lines growth
- Higher retention due to reduced Reinsurance quota share in connection with realignment of shareholding structure of HDI Global Specialty SE effective 1 January 2022

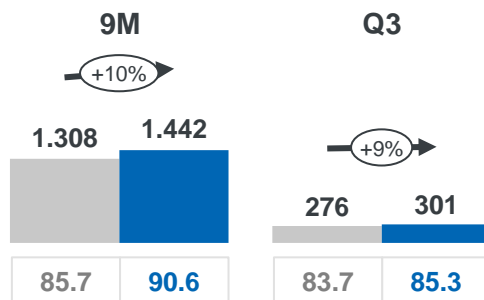
- Improvement of combined ratio in 9M as a result of continued portfolio restructuring
- Improvement in spite of overrunning EUR 248m pro-rata large loss budget by EUR 69m (represents 2%pts CoR), mainly due to Ukraine IBNR reserves (EUR 30m), Hurricane "Ian" (EUR 73m) in the U.S. and floods in Australia (EUR 78m)
- Q3 large losses of EUR 142m, mainly driven by Hurricane "Ian", with very low man-made losses recorded

- 9M return on investment of 2.0% vs. 2.8% in previous period reflects normalisation of private equity distributions and less realised gains from selling fixed income portfolio, which were exceptionally high in FY 2021
- 9M tax rate with 25.4% on a similar level as previous year (25.8%)

# Retail Germany P/C

## 6 Higher frequency claims and inflation weigh on profitability

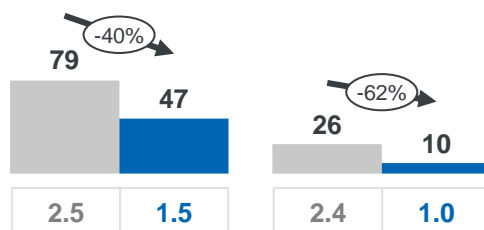
### Gross written premiums (GWP)



### Retention ratio in %



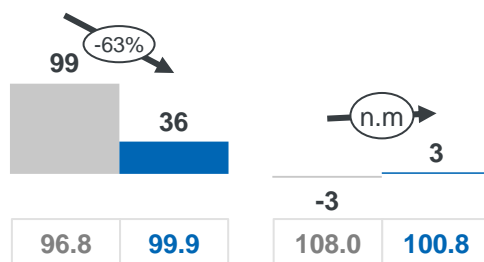
### Net investment income



### Return on investment in %



### Operating result (EBIT)



### Combined ratio in %



EURm, IFRS ■ 2021 ■ 2022

- 15% GWP increase in target business with SMEs and self-employed professionals to EUR 485m in 9M, thereof EUR 70m in Q3, which is an increase of 13% vs. Q3 2021 (most contracts renewed in Q1)
- Successful renewal campaign resulted in 6% motor GWP increase in 9M to EUR 478m, EUR 95m thereof in Q3
- Net premiums earned up 19.1% in 9M, 25% in Q3 y/y, partly impacted by change in the reinsurance structure versus 2021

- Declining return on investment reflects rising interest rates which affects market value of fixed income portfolio and reduces realised gains; some write-downs on equities
- Portfolio management measures resulted in EUR 23m extraordinary loss in 9M (EUR 10m thereof in Q3; 9M2021 gain of EUR 10m), while ordinary investment income was stable at EUR 77m

- 9M technical result (EUR 2m vs. EUR 31m in 9M 2021) mainly reflects
  - EUR 14m overshooting of large loss budget resulting from February and May 2022 storms
  - inflation-induced increase of average claims
  - normalisation of frequency losses in Motor to pre-pandemic level
- 9M combined ratio at 98.7% if adjusted for excess of large loss budget, on the same basis 9M 2021 CoR was at 96.2% (Q3 2021 was 103.9% on same basis)

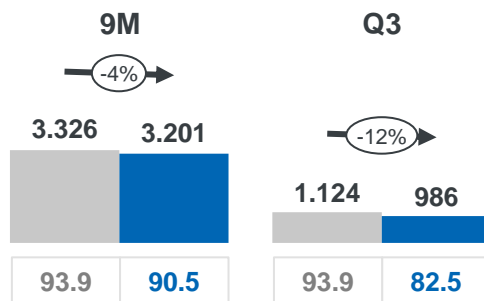


# Retail Germany Life

6

## GWP development in line with intended shift to capital-light products

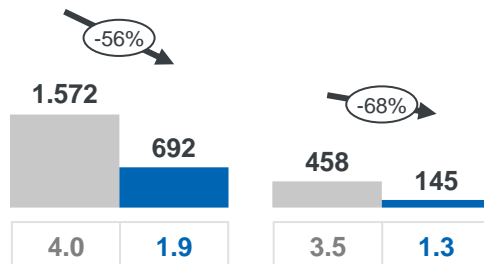
### Gross written premiums (GWP)



### Retention ratio in %



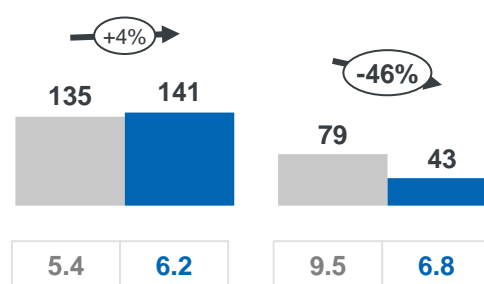
### Net investment income



### Return on investment in %



### Operating result (EBIT)



### EBIT margin in %



EURm, IFRS ■ 2021 ■ 2022

1 EUR 110m release in Q3 2022 (EUR 137m increase in Q3 2021)

- GWP decrease in 9M and Q3 in line with shift of product portfolio to unit-linked products and payment protection insurance
- New business generation up 5% to EUR 295m (APE) in 9M 2022, thereof EUR 90m in Q3, with market-induced decline in single premium business (excl. biometric products); market share in new business up to 4.4% (9M2021: 4.1%)
- Given ongoing streamlining of business mix and current market dynamics in single premium business, we continue to expect low single-digit percentage decline of GWP 2022 versus 2021

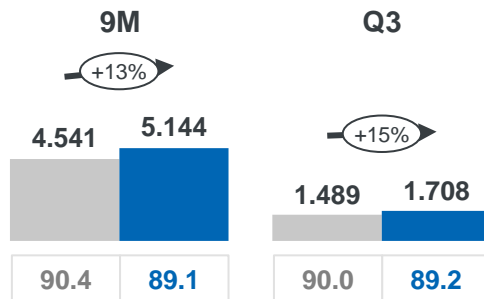
- Negative extraordinary investment income of EUR 180m, mainly due to unrealised losses on derivatives and write-downs on equities, after positive EUR 698m extraordinary income in 9M 2021
- EUR 139m release of ZZR reserves under German accounting in 9M 2022 (increase of EUR 324m in previous period).<sup>2</sup> Total stock of ZZR as of 30 September 2022 at EUR 5.0bn

- Q3 EBIT down significantly, mainly due to non-recurrence of positive effect from regular annual update of assumptions on interest rates, cancellations and costs in 9M 2021
- As-if-merged Solvency 2 Capital Adequacy Ratio for the four German life entities as of 30 Sep 2022, without transitional measure, at 380% (291% as of 31 Dec 2021)
- After end of dividend restriction, main Life carrier HDI Lebensversicherung AG will be able to upstream dividends again

# Retail International

## 6 Resilient performance compensating high inflation

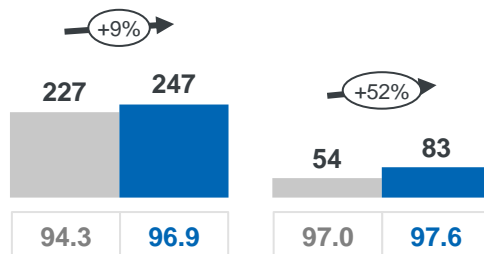
### Gross written premiums (GWP)



### Retention ratio in %



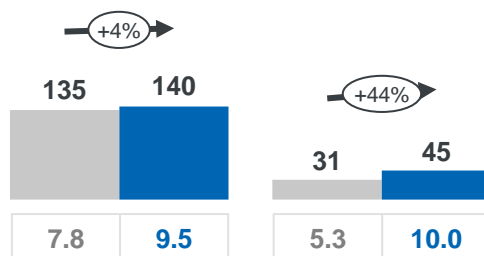
### Operating result (EBIT)



### Combined ratio P/C in %



### Net income (after minorities)



### RoE in %



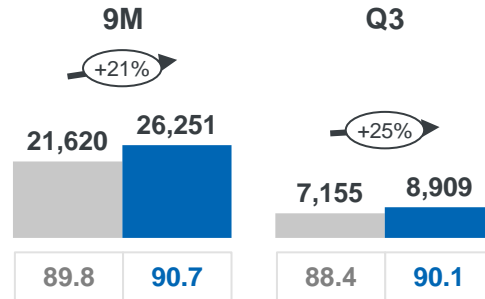
EURm, IFRS ■ 2021 ■ 2022

- Curr.-adj. GWP increase of 19.5% in 9M, 25.1% in Q3
- GWP in P/C up 26.7% in 9M (curr.-adj. +34.9%), especially in Turkey, Brazil, Poland and Chile. Life business down -15.5% in 9M (curr.-adj. -13.5%), driven by intended lower single premium business in Italy and sale of Russian life entity in Q1
- Europe up 6.8% in 9M to EUR 3,672m (+18.0% curr.-adj.). LatAm grew by 33.4% to EUR 1,472m (+24.2% curr.-adj.) with Chile also benefiting from the cooperation with Banco Estado starting 1 Jan 2022 (EUR 75m)

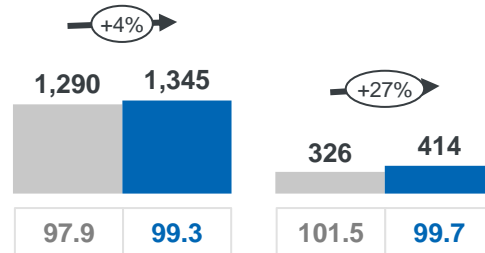
- 9M EBIT increase (+7% curr.-adj.) with price increases, strong technical performance at Warta, in Italy and Mexico as well as active investment management overcompensating high inflation effects
- 9M combined ratio increased 2.7%pts versus 9M 2021, which had benefited from positive COVID-19 impact (EUR 62m, or 2.4%pts)
- Further increase in investment income until year-end expected

- Return on investment of 3.2% in 9M versus 2.7% (9M 2021) due to higher interest rates offsetting negative currency effects; Q3 RoI at 3.5% versus 2.4% in Q3 2021
- Other result: EUR 23m negative deconsolidation effect from CiV Russia in Q1 overcompensated by positive one-off effect in Q2 related to active realignment of shareholding structure in TU Europa (EUR 16m), higher currency gains and gain on net monetary position Turkey due to inflation accounting in Q3
- Significant RoE increase in 9M and Q3 mainly due to reduced equity resulting from higher interest rates; Q3 increase also due to 44% net income increase

## Profitable growth continues

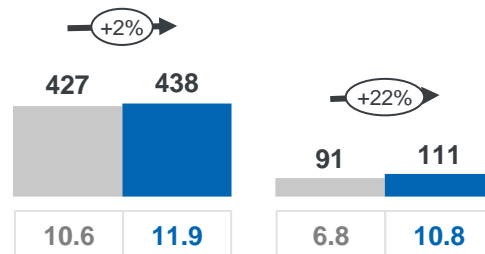
Gross written premiums  
(GWP)

## Retention ratio in %

Operating result  
(EBIT)

## Combined ratio P/C in %

## Net income



## RoE in %

EURm, IFRS ■ 2021 ■ 2022

- Strong and diversified GWP growth in 9M (currency-adj. +13.5%) with particularly strong growth in P/C (+27.6%; currency-adj. +18.6%), well diversified in both traditional and structured reinsurance business
  - GWP in L/H up 6.6% in 9M (currency-adj. +1.1%)
  - Net premiums earned up 22.4% in 9M (currency-adj. +14.6%)
- 
- EBIT in 9M impacted by EUR 331m precautionary reserves for potential losses related to Russian war in Ukraine and EUR 130m reserve strengthening for last year's drought in Brazil
  - Combined ratio of 99.3% in 9M is driven (besides precautionary reserves) by significant natural catastrophe expenditures with biggest net strain for Hurricane Ian (EUR 276m), floods in Australia (EUR 211m) and winter storm "Ylenia" in Europe (115m)
  - Corona-related mortality losses sharply lower than in previous year (9M 2022 EUR 228m vs EUR 404m in 9M 2021), anticipating it will further progressively diminish
- 
- Net investment income from assets under own management up by +6% supported by contribution from inflation-linked bonds, rising reinvestment yields and real estate
  - Solid capitalisation with S2 CAR of 232%
  - FY 2022 earnings guidance still achievable despite considerable major loss expenditure with expected gross written premium growth by more than 7.5% adjusted for exchange rate effects

# Large losses in 9M 2022

6

Budget exceeded due to Ukraine-related reserves and hurricane “Ian”

<b>Net losses</b> in EURm, 9M 2022 (9M 2021)	<b>Industrial Lines</b>	<b>Retail Germany</b>	<b>Retail International</b>	<b>∑ Primary Insurance</b>	<b>Reinsurance</b>	<b>Corporate Operations</b>	<b>Talanx Group</b>
<b>Sum NatCat</b>	<b>251.0</b> (203.4)	<b>36.3</b> (27.0)	<b>8.6</b> (24.3)	<b>295.9</b> (254.6)	<b>1,051.4</b> (818.9)	<b>6.2</b> (14.6)	<b>1,353.5</b> (1,088.1)
Fire/Property	20.0		4.3	24.3	70.1	10.6	105.0
Marine	15.3			15.3	14.8	0.6	30.7
Casualty							
Credit					16.9		16.9
Aviation							
Cyber							
<b>Sum other large losses</b>	<b>35.3</b> (136.3)	<b>0.0</b> (0.0)	<b>4.3</b> (0.0)	<b>39.6</b> (136.3)	<b>101.8</b> (251.4)	<b>11.2</b> (5.8)	<b>152.6</b> (393.5)
<b>Russian war in Ukraine</b>	<b>30.0</b>			<b>30.0</b>	<b>330.8</b>		<b>360.8</b>
<b>Total large losses</b>	<b>316.3</b> (339.7)	<b>36.3</b> (27.0)	<b>12.9</b> (24.3)	<b>365.5</b> (390.9)	<b>1484.0</b> (1070.2)	<b>17.4</b> (20.4)	<b>1,866.9</b> (1,481.6)
Pro-rata large loss budget	247.5	22.5	7.5	277.5	1079.3	30.0	1,386.8

Note: Definition "large loss": in excess of EUR 10m gross in either Primary Insurance or Reinsurance.

## 6 NatCat large loss detail for 9M 2022

Net losses in EURm, 9M 2022 (9M 2021)	Industrial Lines	Retail Germany	Retail International	∑ Primary Insurance	Reinsurance	Corporate Operations	Talanx Group
Hurricane "Ian", USA (September)	72,9			72,9	276,0	1,0	349,8
Flood Sydney, Australia (February/March)	78,4			78,4	210,6	1,9	291,0
Storms Central Europe (February)	16,7	26,3	8,6	51,6	114,8	2,1	168,5
Storm "Quiara" France (June)	22,6			22,6	84,1		106,7
Flood South Africa (April)	1,5			1,5	85,4		86,9
Taifun "Nanmandol" Japan (September)					64,5		64,5
Hurricane "Fiona" USA (September)	21,2			21,2	43,0		64,2
Storms and Tornados, USA (September)					49,3		49,3
Hail, France (June)	8,1			8,1	33,2		41,3
Flood, South Korea (August)					28,7		28,7
Storm Emmelinde, Germany (May)	17,3	10,0		27,3		1,2	28,5
Earthquake, Japan (March)	12,3			12,3	14,0		26,4
Taifun "Noru", Philippines (September)					15,0		15,0
Storms and Hail , USA (April)					10,3		10,3
Tornados and Hail, USA (May)					9,4		9,4
Derecho, Canada (May)					8,7		8,7
Storm and Hail "Florida", USA (June)					4,5		4,5
<b>Sum NatCat</b>	<b>251.0</b> (203.4)	<b>36.3</b> (27.0)	<b>8.6</b> (24.3)	<b>295.9</b> (254.6)	<b>1,051.4</b> (818.9)	<b>6.2</b> (14.6)	<b>1,353.5</b> (1,088.1)

Note: Definition "large loss": in excess of EUR 10m gross in either Primary Insurance or Reinsurance.

## 6 Details on selected fixed-income country exposure

Investments into issuers from countries with a rating below A- (in EURm), as of 30 September 2022

Country	Rating	1	2	3	4	5	6	7
		Sovereign	Semi-Sovereign	Financial	Corporate	Covered	Other	Total
Italy	BBB	3.672	-	621	465	213	1	4.972
Brazil	BB-	245	-	63	216	-	39	563
Mexico	BBB	386	-	154	265	-	-	805
Hungary	BBB	390	-	8	14	4	-	417
Russia	SD <sup>3</sup>	97	-	1	12	-	-	110
South Africa	BB-	104	-	5	132	-	2	243
Portugal	BBB	97	-	9	27	10	-	144
Turkey	B	109	-	9	11	-	-	128
Other BBB+		74	-	9	53	-	-	136
Other BBB		243	122	99	230	-	-	695
Other BBB-		342	138	82	193	-	0	754
<b>Total</b>		<b>5.760</b>	<b>260</b>	<b>1.059</b>	<b>1.619</b>	<b>228</b>	<b>43</b>	<b>8.968</b>
<b>In % of total investments under own management<sup>1</sup></b>		<b>4,5%</b>	<b>0,2%</b>	<b>0,8%</b>	<b>1,3%</b>	<b>0,2%</b>	<b>0,0%</b>	<b>6,9%</b>
<b>In % of total Group assets<sup>2</sup></b>		<b>2,9%</b>	<b>0,1%</b>	<b>0,5%</b>	<b>0,8%</b>	<b>0,1%</b>	<b>0,0%</b>	<b>4,6%</b>

Note: Percentages may not add up due to rounding. 1 EUR 129,170m. 2 EUR 196,975m  
3 selective default (ampega internal rating)

# Qualifications and caveats

This presentation contains forward-looking statements which are based on certain assumptions, expectations and opinions of the management of Talanx AG (the “Company”) or cited from third-party sources. These statements are, therefore, subject to certain known or unknown risks and uncertainties. A variety of factors, many of which are beyond the Company’s control, affect the Company’s business activities, business strategy, results, performance and achievements. Should one or more of these factors or risks or uncertainties materialise, actual results, performance or achievements of the Company may vary materially from those expressed or implied as being expected, anticipated, intended, planned, believed, sought, estimated or projected in the relevant forward-looking statement. The Company does not guarantee that the assumptions underlying such forward-looking statements are free from errors nor does the Company accept any responsibility for the actual occurrence of the forecasted developments. The Company neither intends, nor assumes any obligation, to update or revise these forward-looking statements in light of developments which differ from those anticipated.

Where any information and statistics are quoted from any external source, such information or statistics should not be interpreted as having been adopted or endorsed by the Company as being accurate.

Presentations of the company usually contain supplemental financial measures (e.g., return on investment, return on equity, gross/net combined ratios, solvency ratios) which the Company believes to be useful performance measures but which are not recognised as measures under International Financial Reporting Standards, as adopted by the European Union (“IFRS”). Therefore, such measures should be viewed as supplemental to, but not as substitute for, balance sheet, statement of income or cash flow statement data determined in accordance with IFRS. Since not all companies define such measures in the same way, the respective measures may not be comparable to similarly-titled measures used by other companies.

This presentation is dated as of 14 November 2022. Neither the delivery of this presentation nor any further discussions of the Company with any of the recipients shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since such date. This material is being delivered in conjunction with an oral presentation by the Company and should not be taken out of context.

Numbers and percentages may not add up due to rounding. For the same reason, percentage changes may not be consistent with the absolute numbers they relate to.

**tal anx.**

Insurance. Investments.