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Insurance. Investments.

Post Q2 Roadshow  
Frankfurt, 22 August 2013

Herbert K. Haas, CEO

# Agenda

I Group Highlights

II Segments

III Investments / Capital

IV Outlook

Appendix

## I 6M 2013 – Good underlying performance



6M result characterised by various major losses, disposal gains on the Swiss Life transaction and a good underlying business development



Charges from the severe flooding in Central Europe at net €232m, of which €95m occurred in primary insurance and €137m in reinsurance



€96m of post-tax capital gains from the partial disposal of our Swiss Life holding in 6M 2013, of which €74m have been accounted for in the second quarter



Significant improvement in EBIT and bottom-line result both on Q2 as well as 6M level



FY2013 outlook raised. New targets for Group net income ~€700m, return on equity ~10%

# I 6M 2013 results – Key financials

## Summary of 6M 2013

€m, IFRS	6M 2013	6M 2012	Change
Gross written premium	14,966	13,582	+10 %
Net premium earned	11,498	10,294	+12 %
Net underwriting result	(730)	(695)	(5) %
Net investment income	1,877	1,748	+7 %
Operating result (EBIT)	1,018	853	+19 %
Net income after minorities	407	353	+15 %
Key ratios	6M 2013	6M 2012	Change
Combined ratio non-life insurance and reinsurance	96.0%	98.0%	(2.0)%pts
Return on investment <sup>1</sup>	4.0%	4.1%	(0.1)%pts
Balance sheet	6M 2013	FY 2012	Change
Investments under own management	85,670	84,052	+2 %
Goodwill	1,121	1,152	(3) %
Total assets	132,663	130,350	+2 %
Technical provisions	91,919	89,484	+3 %
Total shareholders' equity	10,648	11,309	(6) %
Shareholders' equity	6,791	7,153	(5) %

## Comments

- 10% y/y growth in gross written premium (currency-adjusted +11%, organically +6%) and even somewhat higher momentum in net premium earned
- Combined ratio improved by 2.0%pts, reflecting the benefits of Group diversification
- Return on investment virtually flat y/y
- Decline in shareholders' equity of 5% reflects the dividend payout of €265m in Q2 as well as OCI effects from rates and currencies of ~€500m
- Solvency I ratio at comfortable 206% (Q1 2013: 222%)

<sup>1</sup> Annualised  
2012 numbers in this presentation adjusted on the basis of IAS8



**Higher EBIT and bottom-line result despite major losses**

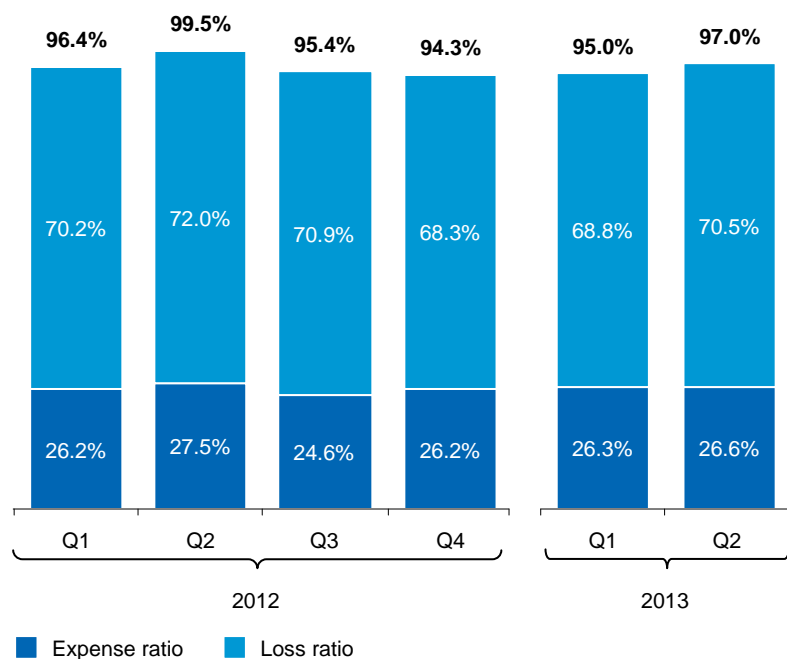
## I Material major loss burden in 6M 2013

(€m, net)		Primary insurance	Reinsurance	Talanx Group
US Tornados	19 - 20 May		15.6	15.6
Flood Europe	20 May – 21 June	95.4	136.9	232.3
Hail Germany	20 – 21 June	12.2	15.3	27.5
Flood Canada	21 June		23.8	23.8
<b>Total NatCat</b>		<b>107.6</b>	<b>191.6</b>	<b>299.2</b>
Aviation			13.2	13.2
Mining		27.6	10.2	37.8
Credit			32.5	32.5
Transport			12.0	12.0
Fire / Property		20.4		20.4
Other		3.6		3.6
<b>Total other large losses</b>		<b>51.6</b>	<b>67.9</b>	<b>119.5</b>
<b>Total major losses</b>		<b>159.2</b>	<b>259.5</b>	<b>418.7</b>
<b>Impact on Combined Ratio</b>				<b>6.8% pts</b>

- Net burden from major losses of €419m in 6M 2013 (6M 2012: €186m)
- These fall nearly exclusively into Q2 2013
- Central European flood represents around 55% of major losses
- Combined ratio impact of 6.8%pts in 6M 2013 vs. 3.3%pts last year
- 2013 Group Outlook takes major losses of slightly below €400m for H2 2013 into account

# I Combined ratios

## Development of net combined ratio<sup>1</sup>



<sup>1</sup> incl. net interest income on funds withheld and contract deposits

<sup>2</sup> Warta acquisition closed on 1 July 2012; numbers incl. HDI Asecuracia TU S.A. (legal merger on 28 Dec 2012)

<sup>3</sup> TU Europa acquisition closed on 1 June 2012

<sup>4</sup> numbers incl. Metropolitana

## Combined ratio by segment/selected carrier

	Q2 2013	Q2 2012	6M 2013	6M 2012
Industrial Lines	102.9%	101.8%	101.2%	92.6%
Retail Germany	104.6%	111.5%	99.9%	108.6%
Retail International	95.7%	97.8%	94.9%	99.0%
HDI Seguros S.A., Brazil	93.5%	99.2%	94.6%	99.7%
HDI Seguros S.A., Mexico <sup>4</sup>	97.3%	80.2%	87.6%	81.3%
TUiR Warta S.A., Poland <sup>2</sup>	95.6%	100.0%	94.6%	105.6%
TU Europa S.A., Poland <sup>3</sup>	86.6%	72.0%	77.2%	72.0%
HDI Sigorta A.Ş., Turkey	107.2%	118.1%	106.9%	115.8%
HDI Assicurazioni S.p.A., Italy	100.4%	99.3%	99.9%	99.0%
<b>Non-Life Reinsurance</b>	<b>94.3%</b>	<b>96.8%</b>	<b>94.2%</b>	<b>96.8%</b>

► Improved combined ratios in most businesses despite the effects from major losses in Q2 2013

# I Q2 2013 results – Key financials

## Summary of Q2 2013

€m, IFRS	Q2 2013	Q2 2012	Change
Gross written premium	6,508	5,977	+9 %
Net premium earned	5,783	5,329	+9 %
Net underwriting result	(467)	(406)	(15) %
Net investment income	1,002	787	+27 %
Operating result (EBIT)	502	315	+60 %
Net income after minorities	204	147	+39 %
Key ratios	Q2 2013	Q2 2012	Change
Combined ratio non-life insurance and reinsurance	97.0%	99.5%	-2.5%pts
Return on investment <sup>1</sup>	4.2%	3.6%	0.6%pts
Balance sheet	6M 2013	FY 2012	Change
Investments under own management	85,670	84,052	+2 %
Goodwill	1,121	1,152	(3) %
Total assets	132,663	130,350	+2 %
Technical provisions	91,919	89,484	+3 %
Total shareholders' equity	10,648	11,309	(6) %
Shareholders' equity	6,791	7,153	(5) %

<sup>1</sup> Annualised  
2012 numbers in this presentation adjusted on the basis of IAS8

## Comments

- Momentum in gross written premium and net premium earned growth continues in Q2 2013 (GWP currency-adjusted +10%)
- Combined ratio down by 2.5 %pts despite €405m major losses in the quarter
- The underwriting result benefits from the strength in Retail International and strong run-off results in Industrial Lines and Non-Life Reinsurance
- Decline in net underwriting result reflects the participation of policyholders in the strong net investment income of the quarter in life
- Material improvement in EBIT and bottom-line result



**Combined ratio in Q2 2013 at sound 97.0% despite the effect from major losses**

# I GWP trend

## GWP development (€bn)



■ Industrial Lines
 ■ Retail Germany
 ■ Retail International  
■ Non-Life Reinsurance
 ■ Life/Health Reinsurance
 ■ Corporate Functions and Consolidation

- Material growth pace of business continues in 6M 2013 (+10% y/y) as well as in Q2 (+9%)
- Momentum is driven by growth from all divisions over the first half of the year
- More balanced split of GWP contribution by division
- Typical seasonality of business continues to materialise

▶ Further business growth while improving the diversification of business



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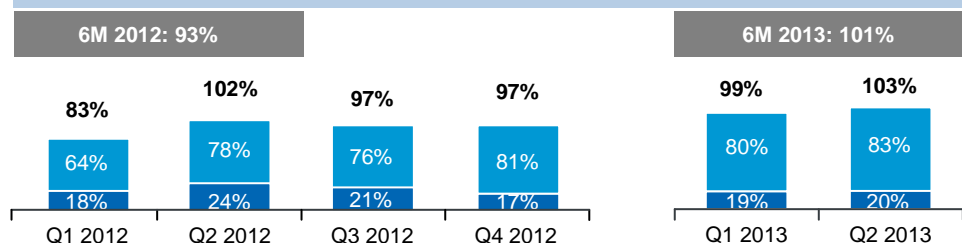
IV Outlook

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## P&amp;L for Industrial Lines

€m, IFRS	Q2 2013	Q2 2012	Δ	6M 2013	6M 2012	Δ
Gross written premium	664	637	+4%	2,399	2,246	+7%
Net premium earned	456	408	+12%	895	782	+14%
Net underwriting result	(13)	(7)	n.a.	(11)	58	n.a.
Net investment income	53	55	(4%)	108	113	(5%)
Operating result (EBIT)	45	60	(25%)	78	157	(50%)
Group net income	28	45	(39%)	47	99	(53%)
Return on investment	3.1%	3.4%	+0.3%pts	3.1%	3.4%	(0.3)%pts

## Combined ratio\*



■ Expense ratio ■ Loss ratio \*incl. net interest income on funds withheld and contract deposits

## Comments

- Strong top-line growth continues, at a somewhat lower pace in Q2 2013
- The momentum results both from growth in international programmes as well as rate increases in the domestic business
- Market hardening in fleet business continues in Q2 2013. Additional growth momentum from fire and liability lines
- Impact from large losses of ~15%pts on the 6M combined ratio (among which net claims of €83m from the flood in Central Europe)
- Following the negative one-off effect from reserve strengthening in Q1, HDI-Gerling Netherlands contributed €6m to the Q2 2013 EBIT result

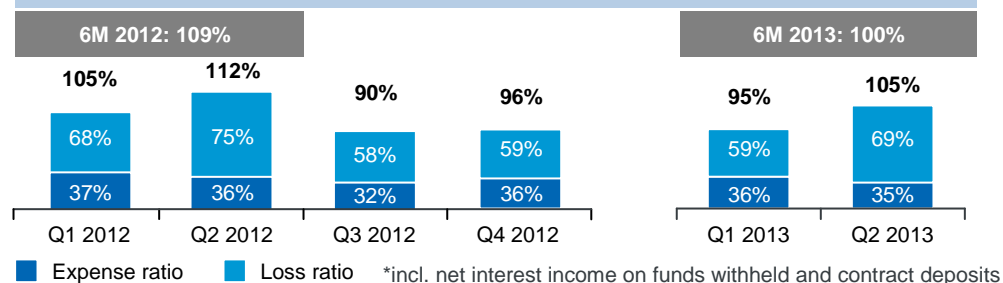


**Convincing underlying performance despite the exposure to net losses in the quarter**

## P&amp;L for Retail Germany

€m, IFRS	Q2 2013	Q2 2012	Δ	6M 2013	6M 2012	Δ
Gross written premium	1,510	1,487	+2%	3,623	3,516	+3%
of which Life	1,307	1,270	+3%	2,585	2,471	+5%
of which Non-Life	203	217	(6%)	1,038	1,045	(1%)
Net premium earned	1,340	1,362	(2%)	2,663	2,610	+2%
<b>Net underwriting result</b>	<b>(436)</b>	<b>(376)</b>	<b>(16)%</b>	<b>(732)</b>	<b>(711)</b>	<b>(3)%</b>
of which Life	(420)	(333)	(26)%	(734)	(652)	(12)%
of which Non-Life	(16)	(43)	+62%	1	(59)	n.a.
Net investment income	485	422	+15%	872	813	+7%
<b>Operating result (EBIT)</b>	<b>24</b>	<b>35</b>	<b>(31)%</b>	<b>90</b>	<b>73</b>	<b>+23%</b>
Group net income	9	32	(72%)	51	49	+4%
Return on investment	4.7%	4.3%	+0.4%pts	4.3%	4.3%	+0.0%pts

## Combined ratio\*



## Comments

- Moderate growth in life premiums both in Q2 as well as in 6M 2013 driven by the business momentum in bancassurance
- Life premium growth over-compensates premium decline in non-life, with the latter's focus on profitability improvement
- On 6M 2013 level, combined ratio for Retail Germany around 100% despite the €15m net losses taken from flood and hail in June
- In a year-on-year comparison, bottom-line contribution impacted by higher expenses for IT projects (SEPA, TOP) and a negative base effect from a 2012 tax relief
- ZZR forecast at ~€270m (HGB) for FY2013 (FY2012: €284m)

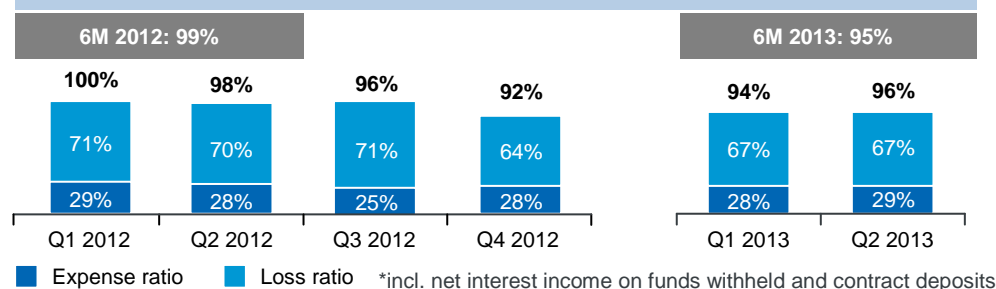


**Premium growth in bancassurance and profitability focus in non-life**

## P&amp;L for Retail International

€m, IFRS	Q2 2013	Q2 2012	Δ	6M 2013	6M 2012	Δ
Gross written premium	1,095	687	+59%	2,151	1,334	+61%
of which Life	369	203	+82%	712	368	+93%
of which Non-Life	726	484	+50%	1,439	966	+49%
Net premium earned	871	553	+58%	1,748	1,078	+62%
<b>Net underwriting result</b>	<b>(0)</b>	<b>(5)</b>	<b>(100%)</b>	<b>17</b>	<b>(21)</b>	<b>n.a.</b>
of which Life	(25)	(15)	(72)%	(42)	(29)	(47)%
of which Non-Life	25	9	+173%	59	8	+661%
Net investment income	72	42	+71%	146	118	+24%
<b>Operating result (EBIT)</b>	<b>47</b>	<b>17</b>	<b>+177%</b>	<b>113</b>	<b>52</b>	<b>+117%</b>
Group net income	28	9	+211%	66	31	+114%
Return on investment	4.9%	3.9%	+1.0%pts	5.1%	6.1%	(1.0)%pts

## Combined ratio\*



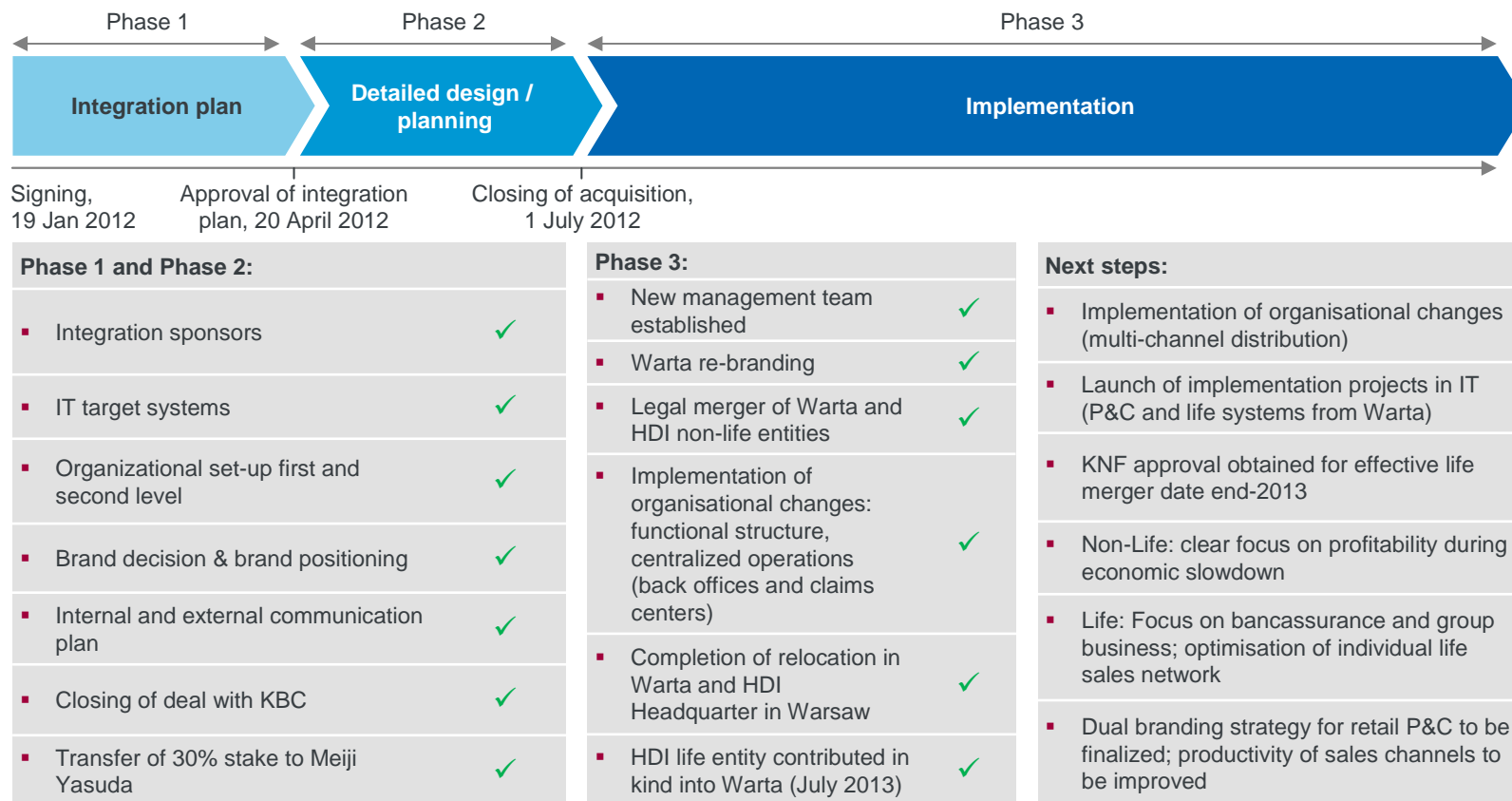
## Comments

- GWP growth (organically +16% y/y) driven to roughly 80% by Polish entities. Positive contribution from all target markets, with rising growth momentum in Brazil and Mexico
- Poland accounts for above 40% (6M 2013) of GWP in the segment. This corresponds to €866m gross written premium in the first half
- Combined ratio improved both in Q2 as well as 6M 2013 on the back of better loss ratios in Brazil, Turkey and from Poland (Warta)
- Brazilian and Turkish motor businesses benefit from substantial rate increases and a better business mix
- EBIT contribution to the Group rises from 6.1% in 6M 2012 to 11.1% in 6M 2013



**Increasing contribution to Group earnings – Warta on track to reach FY2013 targets**

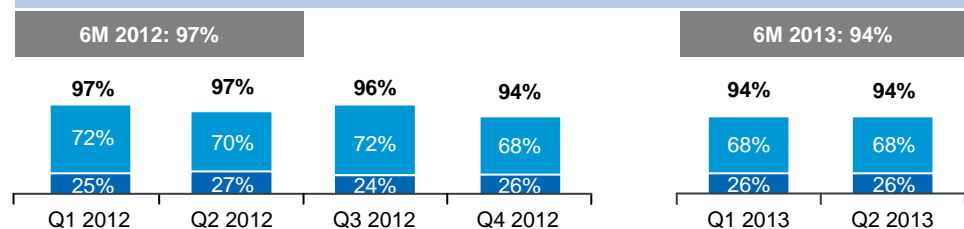
### Integration projects in Poland continue to make considerable progress



**► Ambitious integration process on track with current synergy realisation ahead of targets**

## P&amp;L for Non-Life Reinsurance

€m, IFRS	Q2 2013	Q2 2012	Δ	6M 2013	6M 2012	Δ
Gross written premium	1,899	1,963	(3%)	4,097	4,080	+0%
Net premium earned	1,712	1,749	(2%)	3,404	3,304	+3%
<b>Net underwriting result</b>	<b>93</b>	<b>53</b>	<b>+75%</b>	<b>191</b>	<b>100</b>	<b>+91%</b>
Net investment income	183	162	+14%	378	429	(12%)
<b>Operating result (EBIT)</b>	<b>301</b>	<b>173</b>	<b>+74%</b>	<b>567</b>	<b>449</b>	<b>+26%</b>
Group net income	87	60	+46%	166	143	+17%
Return on investment	2.9%	2.7%	+0.2%pts	3.2%	3.8%	(0.6)%pts

Combined ratio<sup>1</sup>

■ Expense ratio

■ Loss ratio

<sup>1</sup> incl. net interest income on funds withheld and contract deposits;<sup>2</sup> EBIT margins reflect a Talanx Group view

## Comments

- GWP marginally up in 6M 2013 (adjusted for currency effects: +1% y/y), with positive momentum mainly from US, Europe and specialty lines
- Net premium earned grow +3% y/y, and +4% when adjusted for currency-effects
- Major losses of €260m in 6M 2013 reflect 7.6%pts in the combined ratio. Net burden slightly ahead of budget of €247m
- Combined ratio improved due to reduced level of underlying losses
- Net investment income impacted by negative inflation swap result of €-40m in 6M 2013 (6M 12: €-30m) and €-38m in Q2 2013 (€-72m)
- EBIT margin<sup>2</sup> (16.6% in 6M 2013) well above target level

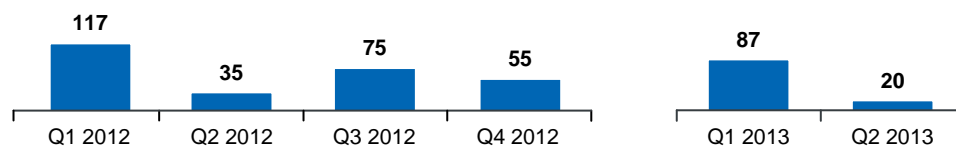


Strong underwriting result despite significant major losses

## P&amp;L for Life/Health Reinsurance

€m, IFRS	Q2 2013	Q2 2012	Δ	6M 2013	6M 2012	Δ
Gross written premium	1,570	1,415	+11%	3,130	2,809	+11%
Net premium earned	1,398	1,260	+11%	2,787	2,521	+11%
<b>Net underwriting result</b>	<b>(112)</b>	<b>(71)</b>	<b>(58)%</b>	<b>(194)</b>	<b>(121)</b>	<b>(60)%</b>
Net investment income	153	109	+40%	315	286	+10%
<b>Operating result (EBIT)</b>	<b>21</b>	<b>36</b>	<b>(42)%</b>	<b>108</b>	<b>153</b>	<b>(29)%</b>
Group net income	8	14	(43%)	40	62	(36%)
Return on investment	3.8%	2.2%	+1.6%pts	3.2%	3.8%	(0.6)%pts

## EBIT (€m)



<sup>1</sup> EBIT margins reflect a Talanx Group view

## Comments

- Currency-adjusted GWP growth of 13.4% in 6M 2013, mainly from China, US (Senior Markets and mortality business) and longevity business
- Technical result impacted by Australian disability and US mortality business
- Net investment income supported by increase of income from funds withheld
- ModCo contribution to net investment income of €1m in 6M 2013 down from €11m in 6M 2012; in Q2 2013 €-5m vs. €-26m last year
- EBIT margins<sup>1</sup> at 4.0% for both the financial solutions/longevity business as well as for the mortality and morbidity business



**Top-line growth outperformed the 2013 target of ~ +5-7%**

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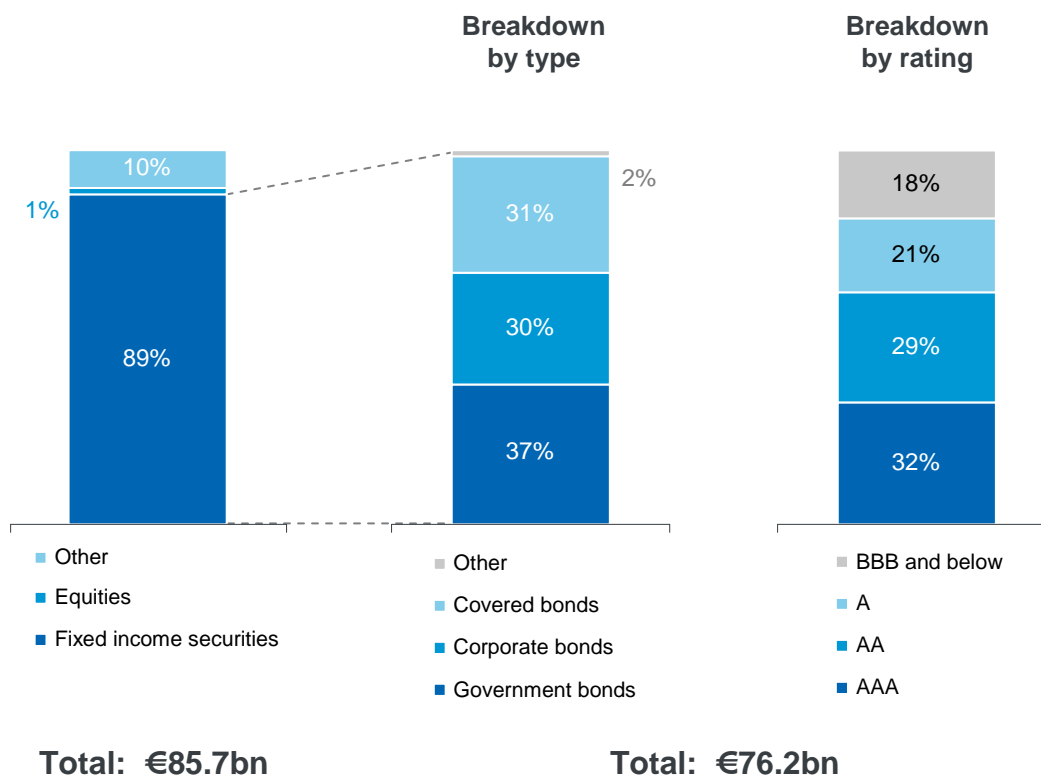


## Investments – Breakdown of investment portfolio

Asset allocation  
as of 30 June 2013

Fixed-income-portfolio split

Comments



- Investment portfolio remains strongly dominated by fixed-income securities
- 82% of fixed-income portfolio invested in A or higher-rated bonds
- 15% of fixed-investments are held in USD, the largest foreign-currency position
- Investments under own management slightly down from Q1 2013 level (-1%) due to currency and yield movement, but above FY2012 (+2%)
- Reduction of share holding in Swiss Life from 9.26% to 5.03% finalized in Q2 2013



**Robust investment portfolio**



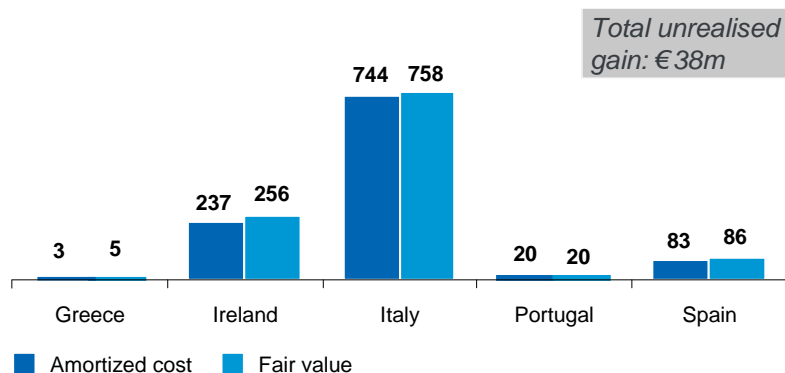
## Investments – Details on GIIPS exposure

### Total GIIPS exposure (30 Jun 2013)

€m	Government bonds		Corporate bonds				
GIIPS exposure	Sovereign	Semi-Sovereign	Financial	Corporate	Covered	Other	Total
Greece	5	-	-	-	-	-	5
Ireland	256	-	6	27	170	224	683
Italy	758	-	229	259	836	19	2,101
Portugal	20	-	-	1	8	-	29
Spain	86	268	68	228	477	-	1,127
<b>Total</b>	<b>1,125</b>	<b>268</b>	<b>303</b>	<b>515</b>	<b>1,491</b>	<b>243</b>	<b>3,945</b>

### Details on sovereign exposure in €m

Total: €1,087m (amortized cost), €1,125m (fair value)



### Comments

- Total GIIPS exposure incl. private sector assets continue to stand at below 3.0% of total assets
- GIIPS sovereign exposure represents 0.8% of total assets (Q1 2013: 0.7%), or 1.3% of assets under own management (1.1%)
- We have made a slight addition to our Italian bond exposure via our Italian subsidiary which is more than compensated by a decline in other categories, namely Italian and Spanish covered bonds
- 86% of Spanish banking exposure held in Spanish covered bonds. €113m of these issued by non-Spanish subsidiaries of Spanish banks



**Continuously low GIIPS exposure**



## Net investment income

### Net investment income Talanx Group

€m, IFRS	Q2 2013	Q2 2012	Δ	6M 2013	6M 2012	Δ
<b>Ordinary investment income</b>	<b>790</b>	<b>787</b>	<b>+0%</b>	<b>1,553</b>	<b>1,547</b>	<b>+0%</b>
"thereof current investment income from interest"	722	709	+2%	1,434	1,429	+0%
"thereof profit/loss from shares in associated companies"	5	2	+129%	6	4	+52%
Realised net gains on investments	245	78	+212%	320	140	+128%
"Write-ups/write-downs on investments"	(22)	(13)	(60)%	(35)	(24)	(46)%
"Unrealised net gains/losses on investments"	(51)	(71)	+29%	(47)	42	n.a.
Investment expenses	(50)	(60)	+16%	(93)	(98)	+5%
<b>"Income from investments under own management"</b>	<b>913</b>	<b>721</b>	<b>+27%</b>	<b>1,697</b>	<b>1,607</b>	<b>+6%</b>
<b>Income from investment contracts</b>	<b>1</b>	<b>2</b>	<b>n.a.</b>	<b>4</b>	<b>2</b>	<b>+79%</b>
<b>"Interest income on funds withheld and contract deposits"</b>	<b>87</b>	<b>65</b>	<b>+34%</b>	<b>176</b>	<b>139</b>	<b>+26%</b>
<b>Total</b>	<b>1,002</b>	<b>788</b>	<b>+27%</b>	<b>1,877</b>	<b>1,748</b>	<b>+7%</b>

### Comments

- "Ordinary investment income" continuously dominates the "income from investment under own management": 87% contribution in Q2 2013 and 92% in 6M 2013
- Solid return on investment of 4.0% in 6M 2013 (6M 2012: 4.1%) helped by a good investment result of 4.2% in Q2 2013
- Realised net gains of €320m in 6M 2013 contain overall €69m capital gain from the Swiss Life transaction (Q2 2013: €53m). Another €28m (Q2: €22m) have been booked as "other income" for currency gains
- At the same time, burden from unrealised losses in reinsurance derivatives: ModCo €-5m and inflation swaps €-38m in Q2; +€1m and €-40m in 6M 2013

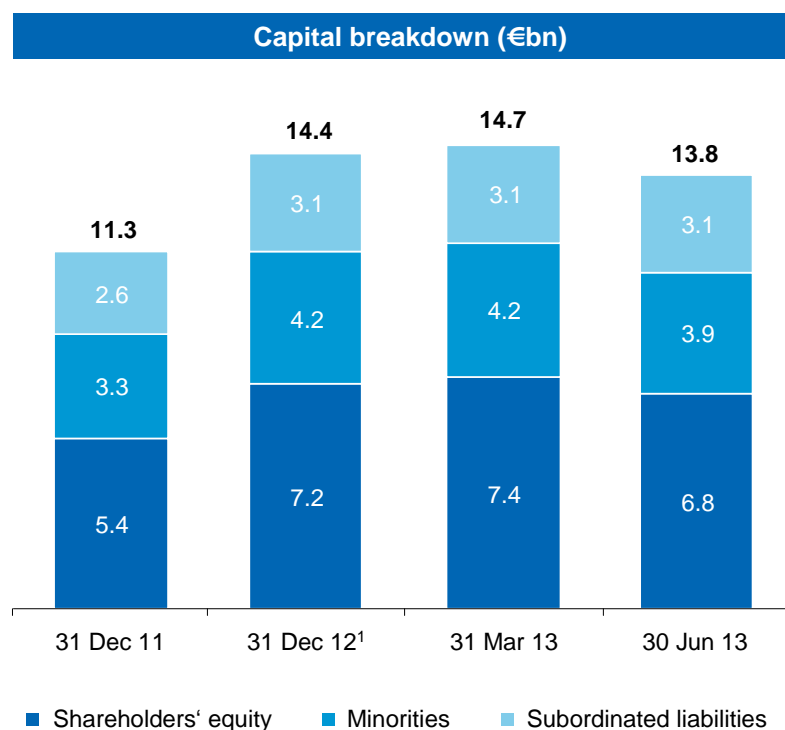


**Sound investment result backed by good underlying momentum and by Swiss Life gains**



## Equity and capitalization – Solid equity base

### Optimized capital structure



<sup>1</sup> adjusted due to IAS8

<sup>2</sup> NAV calculated as shareholders' equity minus shareholder share in goodwill

- Decline in shareholders' equity in 6M 2013 reflects the dividend payout of €265m in Q2 as well as OCI effects from rates and currencies of ~€500m
- Goodwill stands at €1,121m and is slightly down because of currency effects. After deducting non-controlling interests, the amount reduces to €1,088m
- On this base, the book value per share stands at €26.88 and the NAV<sup>2</sup> per share at €22.57
- The latter does not yet contain off-balance sheet reserves, as presented on the next page, which stand at ~€3.3bn, or roughly €1.40 per share (shareholder share)
- Under the revised insurance criteria of Standard & Poors', all Group-wide ratings have been affirmed

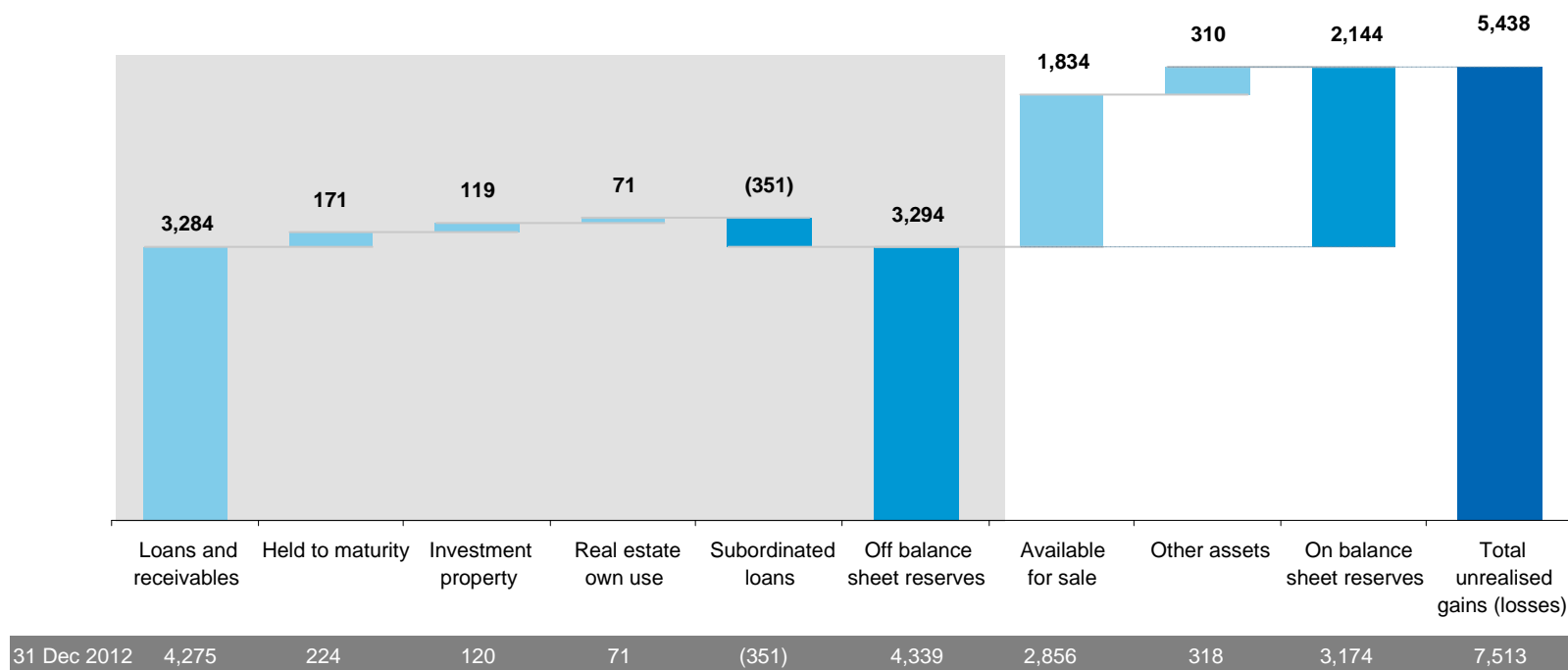


**Strong bottom-line partially compensates for negative effects on equity**



## Equity and capitalisation – Unrealised gains

### Unrealised gains and losses (off and on balance sheet) as of 30 June 2013 (€m)



### Δ market value vs. book value



**Talanx's off-balance sheet reserves stand at around €3.3bn end of June 2013**

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## IV Outlook for Talanx Group 2013

### Gross Written Premium

≥ +4%

• Industrial Lines	~ +4-6%
• Retail Germany	flat
• Retail International	~ +17-20%
• Non-Life Reinsurance	~ +3-5%
• Life and Health Reinsurance	~ +5-7%

### Return on investment

> 3.5%

### Group net income

~ €700m

### Return on equity

~ 10%

### Dividend payout ratio

35-45% target range



Targets are subject to no major losses exceeding budget (**cat**), no turbulences on capital markets (**capital**), and no material currency fluctuations (**currency**).

## IV Mid-term target matrix

Segments	Key figures	Strategic targets
<b>Group</b>	Return on equity	≥ 750 bps above risk free <sup>1</sup>
	Group net income growth	~ 10%
	Dividend payout ratio	35 - 45%
	Return on investment <sup>2</sup>	≥ 3.5%
<b>Industrial Lines</b>	Gross premium growth <sup>3</sup>	3 - 5%
	Combined ratio	≤ 96%
	EBIT margin <sup>4</sup>	≥ 10%
	Retention rate	60 - 65%
<b>Retail Germany</b>	Gross premium growth	≥ 0%
	Combined ratio (non-life)	≤ 97%
	New business margin (life)	≥ 2%
	EBIT margin <sup>4</sup>	≥ 4.5%
<b>Retail International</b>	Gross premium growth <sup>3</sup>	≥ 10%
	Combined ratio (non-life)	≤ 96%
	Value of New Business (VNB) growth	5 - 10%
	EBIT margin <sup>4</sup>	≥ 5%
<b>Non-life reinsurance</b>	Gross premium growth	3 - 5%
	Combined ratio	≤ 96%
	EBIT margin <sup>4</sup>	≥ 10%
<b>Life &amp; health reinsurance</b>	Gross premium growth <sup>3</sup>	5 - 7%
	Value of New Business (VNB) growth	≥ 10%
	EBIT margin <sup>4</sup> financing and longevity business	≥ 2%
	EBIT margin <sup>4</sup> mortality and health business	≥ 6%

<sup>1</sup> Risk-free rate is defined as the 5-year rolling average of the 10-year German government bond yield

<sup>2</sup> Derived from actual asset duration. Currently ~ 6.5 years, therefore the minimum return is the 13-year average of 13-year German government bond yield.

Annually rolling

<sup>3</sup> Organic growth only; currency neutral

<sup>4</sup> EBIT/net premium earned

Note: growth targets are on p.a. basis



# Agenda

I Group Highlights

II Segments

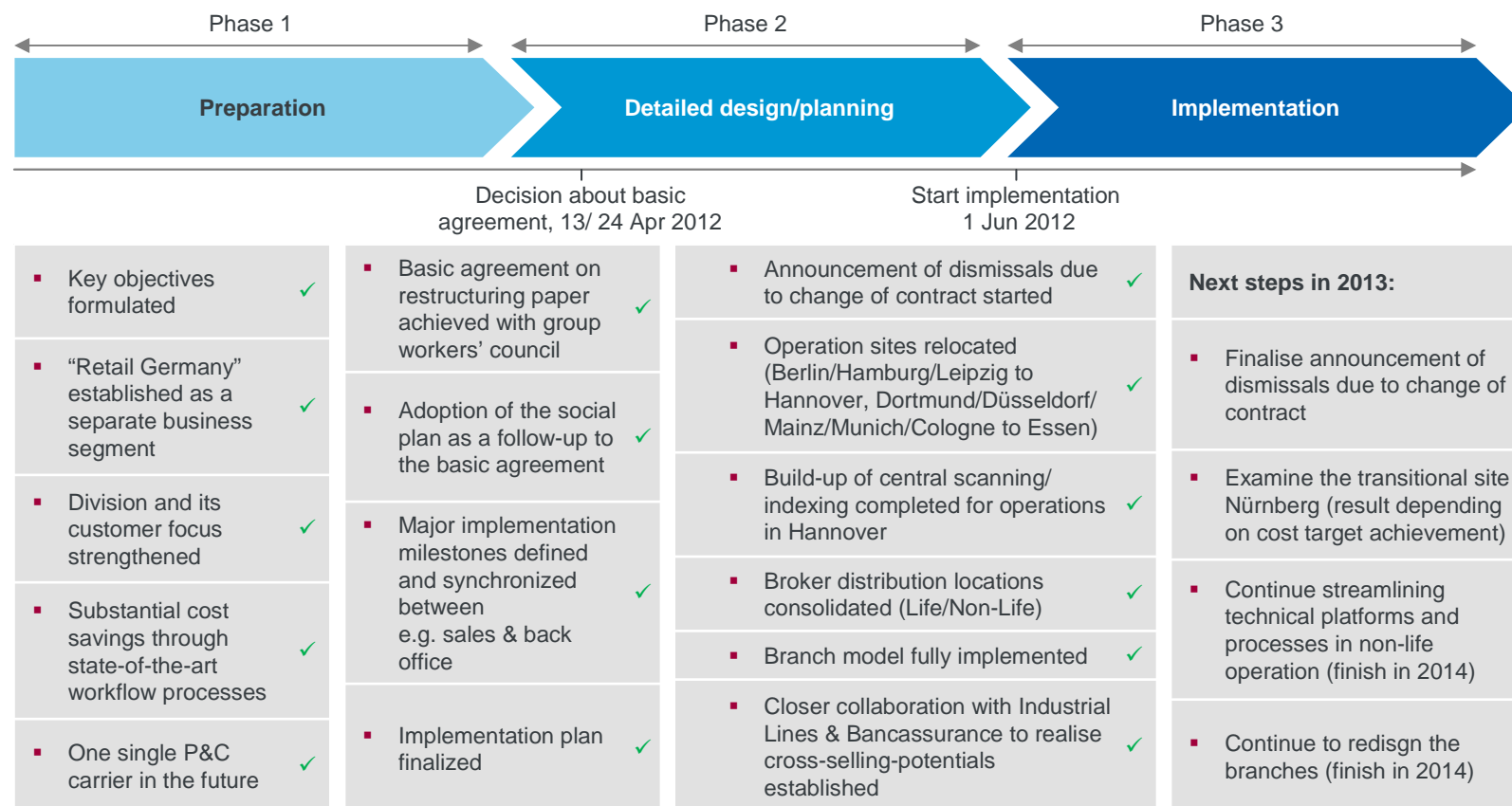
III Investments / Capital

IV Outlook

Appendix

## APPENDIX: Status WIR - Further milestones reached

### Implementation in 2013 on track



**WIR programme implementation on track to deliver total ~€140m run-rate saving p.a. by 2016 (before taxes and policyholders' share). Programme process on track.**

## APPENDIX: Key financials – 6M 2013

	Industrial Lines			Retail Germany			Retail International		
€m, IFRS	6M 2013	6M 2012	Change	6M 2013	6M 2012	Change	6M 2013	6M 2012	Change
<b>P&amp;L</b>									
Gross written premium	2,399	2,246	+7%	3,623	3,516	+3%	2,151	1,334	+61%
Net premium earned	895	782	+14%	2,663	2,610	+2%	1,748	1,078	+62%
Net underwriting result	(11)	58	n.a.	(732)	(711)	n.a.	17	(21)	n.a.
Net investment income	108	113	(5%)	872	813	+7%	146	118	+24%
Operating result (EBIT)	78	157	(50%)	90	73	+23%	113	52	+117%
Net income after minorities	47	99	(53%)	51	49	+4%	66	31	+114%
<b>Key ratios</b>									
Combined ratio non-life insurance and reinsurance	101.2%	92.6%	8.5%pts	99.9%	108.6%	(8.8)%pts	94.9%	99.0%	(4.1)%pts
Return on investment <sup>1</sup>	3.1%	3.4%	(0.3)%pts	4.3%	4.3%	0.0%pts	5.1%	6.1%	(1.0)%pts

<sup>1</sup> Annualised

Note: Differences due to rounding may occur.

## APPENDIX: Key financials – 6M 2013 (continued)

	Non-Life Reinsurance			Life and Health Reinsurance			Group		
€m, IFRS	6M 2013	6M 2012	Change	6M 2013	6M 2012	Change	6M 2013	6M 2012	Change
<b>P&amp;L</b>									
Gross written premium	4,097	4,080	+0%	3,130	2,809	+11%	14,966	13,582	+10%
Net premium earned	3,404	3,303	+3%	2,787	2,521	+11%	11,498	10,294	+12%
Net underwriting result	191	100	+91%	(194)	(121)	(60)%	(730)	(695)	(5)%
Net investment income	378	429	(12)%	315	286	+10%	1,877	1,748	+7%
Operating result (EBIT)	567	448	+26%	108	153	(29)%	1,018	853	+19%
Net income after minorities	166	143	+17%	40	62	(36)%	407	353	+15%
<b>Key ratios</b>									
Combined ratio non-life insurance and reinsurance	94.2%	96.8%	(2.6)%pts	---	---	---	96.0%	98.0%	(2.0)%pts
Return on investment <sup>1</sup>	3.2%	3.8%	(0.6)%pts	3.2%	3.8%	(0.6)%pts	4.0%	4.1%	(0.1)%pts

<sup>1</sup> Annualised

Note: Differences due to rounding may occur.

## APPENDIX: 6M 2013 results – GWP of main risk carriers

### Retail Germany

GWP, €m, IFRS	6M 2013	6M 2012	Change
<b>Non-life Insurance</b>	<b>1,038</b>	<b>1,045</b>	<b>(1%)</b>
HDI Versicherungs AG <sup>1</sup>	965	977	(1%)
<b>Life Insurance</b>	<b>2,585</b>	<b>2,471</b>	<b>+5%</b>
HDI Lebensversicherung AG	1,101	1,116	(1%)
neue leben Lebensversicherung AG <sup>2</sup>	525	499	+5%
TARGO Lebensversicherung AG	476	429	+11%
PB Lebensversicherung AG	384	354	+9%
<b>Total</b>	<b>3,623</b>	<b>3,516</b>	<b>+3%</b>

<sup>1</sup> Entity results from Sept 2012 merger of HDI Direkt Versicherung AG and HDI-Gerling Firmen und Privat Versicherung AG

<sup>2</sup> Talanx ownership 67.5%

<sup>3</sup> includes HDI Asekuracja TU S.A., Poland; Talanx ownership of 75.74%

<sup>4</sup> Talanx ownership 50% + 1 share; closed on 1 June 2012

<sup>5</sup> includes Metropolitana

Numbers for main carriers represent data entry values

### Retail International

GWP, €m, IFRS	6M 2013	6M 2012	Change
<b>Non-life Insurance</b>	<b>1,439</b>	<b>966</b>	<b>+49%</b>
HDI Seguros S.A., Brazil	421	390	+8%
TUIR Warta S.A. <sup>3</sup> , Poland	444	127	n.a.
TU Europa S.A. <sup>4</sup> , Poland	76	10	n.a.
HDI Assicurazioni S. p. A., Italy (P&C)	172	162	+6%
HDI Seguros S.A. De C.V., Mexico <sup>5</sup>	87	67	+30%
HDI Sigorta A.Ş., Turkey	97	79	+22%
<b>Life Insurance</b>	<b>712</b>	<b>368</b>	<b>+93%</b>
TU Warta Zycie S.A., Poland	67	-	n.a.
TU Europa <sup>4</sup> , Poland	194	7	n.a.
Open Life <sup>4</sup>	9	1	n.a.
HDI-Gerling Zycie, Poland	84	44	+91%
HDI Assicurazioni S. p. A., Italy (Life)	153	111	+37%
<b>Total</b>	<b>2,151</b>	<b>1,334</b>	<b>+61%</b>

## APPENDIX: HDI V.a.G. placement strengthens position in MDAX

### MDAX ranking free-float market cap – July 2013

Rank	Group
	...
38	Peer 1
39	Peer 2
40	Peer 3
41	Peer 4
42	Peer 5
43	Peer 6
44	Peer 7
45	Peer 8
46	Peer 9
47	Peer 10
48	Peer 11
49	Peer 12
50	<b>tal anx.</b>
	...



Rank - pro forma	Group
	...
38	Peer 1
39	Peer 2
40	Peer 3
41	Peer 4
42	Peer 5
43	<b>tal anx.</b>
44	Peer 6
45	Peer 7
46	Peer 8
47	Peer 9
48	Peer 10
49	Peer 11
50	Peer 12
	...

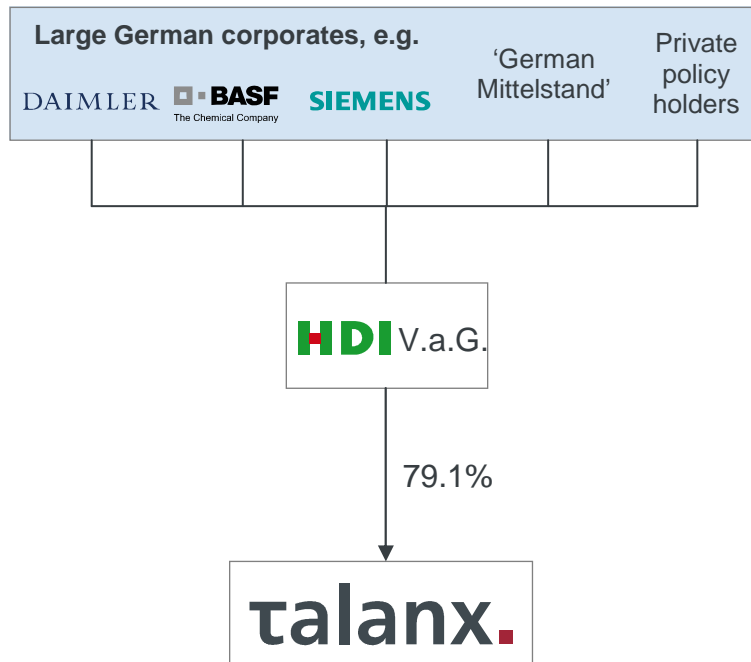
### Comments

- In July, HDI V.a.G. placed 8.2m shares (3.2% of Talanx's share capital) at €23.25 per share
- The transaction has reduced HDI V.a.G.'s share in Talanx to 79.1% while raising the free-float from 11.2 to 14.4%
- Based on Talanx-internal analysis, the transaction pushed Talanx from #50 in the free-float market cap ranking to pro-forma #43 in July
- With respect to turnover, Talanx reached #34 in the July ranking

Source: Talanx analysis based on July 2013 MDAX statistics.

## APPENDIX: HDI V.a.G. structure

### Members of HDI V.a.G.



### Relationship HDI V.a.G. – Talanx AG

- HDI V.a.G. is a mutual insurance company and majority-owner of the holding company Talanx AG; commitment to remain long-term majority shareholder post IPO
- Alignment of interests of HDI V.a.G. and Talanx Group through
  - Providing efficient and reliable insurance to mutual members at market rates, often syndicate-based
  - Same decision makers: Mr Haas, Dr Hinsch, Dr Querner
  - HDI V.a.G. has no other investments besides Talanx and is interested to further strengthen and enable Talanx to provide stable insurance capacity to industrial clients
  - Talanx and HDI V.a.G. committed to capital market oriented dividend policy
- No financial liabilities on mutual level
- Very limited business relations / intercompany contracts between HDI V.a.G. and Talanx



**Strong and reliable anchor shareholder with aligned interests**

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