

talanx.

Insurance. Investments.

Opportunities



Results Presentation FY2013

24 March 2014

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Agenda

I Group Highlights

II Segments

III Investments / Capital

IV Outlook

Appendix

I FY2013 – Robust results

- ▶ Talanx has continued to turn top-line growth into higher profits, leading to a Group net income of €762m (+21.7% y/y) in FY2013 – Talanx's highest profit ever
- ▶ FY2013 results have also been marked by special items: large losses of €838m for the Group compare with an initial budget of €705m; the Group benefitted from ~€100m capital gains from the Swiss Life sale and a positive tax effect in Reinsurance, the latter in Q4
- ▶ End-2013, shareholders' equity stood at €7,214m (FY2012: €7,153m) or €28.54 per share. Solvency I ratio at 210% (FY2012: 225%)
- ▶ Dividend proposal of €1.20 per share to the AGM (FY2012 dividend: €1.05), implying an increase of ~+15% y/y. Dividend payout ratio at 39.8% (FY2012: 42.1%)
- ▶ Talanx confirms its FY2014 outlook to achieve net income of at least €700m

I FY2013 results – Key financials

Summary of FY2013

€m, IFRS	FY2013	FY2012	Change
Gross written premium	28,151	26,659	+6 %
Net premium earned	23,113	21,999	+5 %
Net underwriting result	(1,601)	(1,447)	(11) %
Net investment income	3,792	3,795	(0) %
Operating result (EBIT)	1,784	1,748	+2 %
Net income after minorities	762	626	+22 %
Key ratios	FY2013	FY2012	Change
Combined ratio non-life insurance and reinsurance	96.9%	96.4%	0.6 %pts
Return on investment	4.0%	4.3%	(0.3)%pts
Balance sheet	FY2013	FY2012	Change
Investments under own management	86,310	84,052	+3 %
Goodwill	1,105	1,153	(4) %
Total assets	132,863	130,350	+2 %
Technical provisions	91,697	89,484	+2 %
Shareholders' equity	7,214	7,153	+1 %

Comments

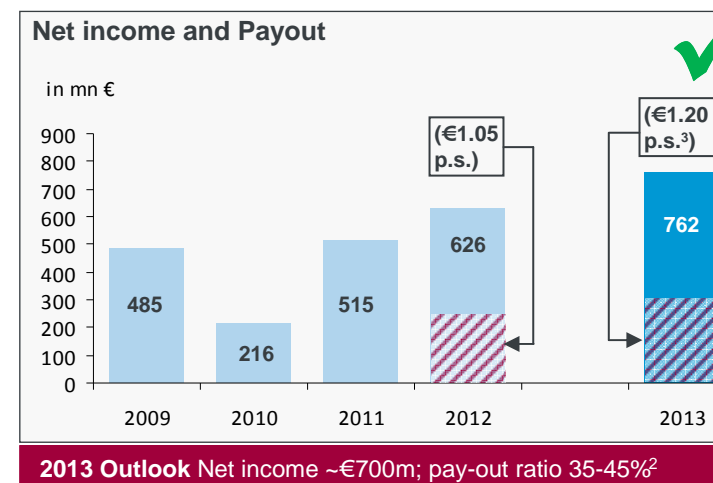
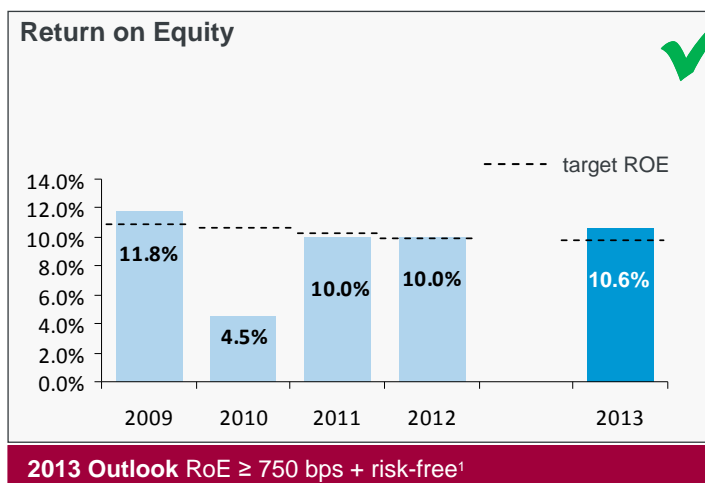
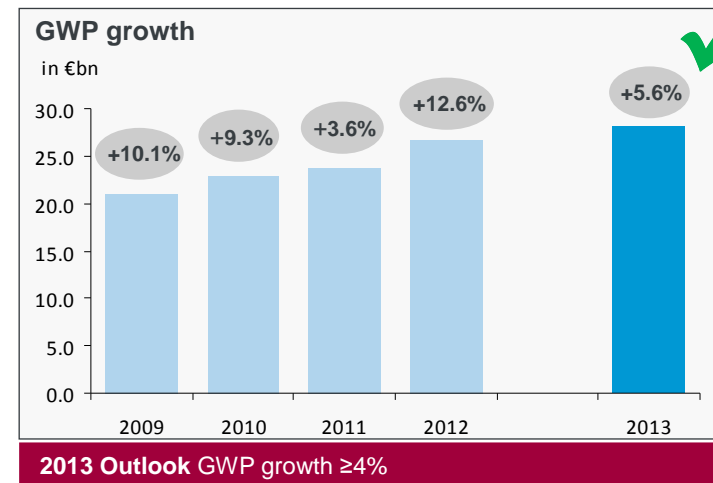
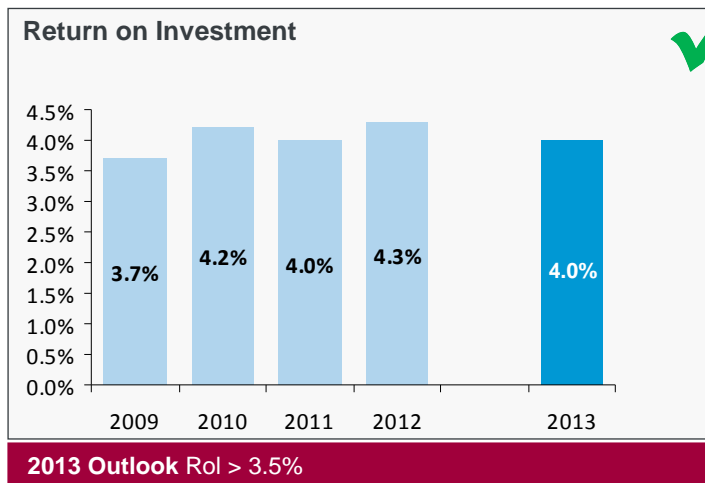
- 6% y/y growth in gross written premium (currency-adjusted +7.8%, organically +3.5%) and comparable growth pace in net premium earned
- Combined ratio rises by just 0.5%pts to 96.9% despite the significantly higher loss burden of €838m in FY2013 vs. €600m in FY2012
- Net investment income virtually unchanged y/y. Return on investment slightly down from 4.3% to 4.0%
- Return on investment slightly down, but still at 4.0% level. EBIT increases by 2% y/y
- 2013 net income includes positive “Swiss Life” effect (~€100m). FY2013 tax rate of 18.8% compares with 26.8% in FY2012
- Shareholders' equity up to €7,214m, or €28.54 per share. Solvency I ratio remains strong at 210% (FY2012: 225%)

2012 numbers in this presentation adjusted on the basis of IAS8



Solid combined ratio despite major burden from large losses

I FY2013 - Target achievement



¹ Risk-free rate is defined as the 5-year rolling average of the 10-year German government bond yield (ROE target 2013: 9.8%)

² Actual pay-out ratio based on AGM proposal: 39.8% for 2013 (was 42.1% for 2012) ³ proposal to AGM

Note: 2012 figures restated on the base of IAS8; 2013 Outlook reflects increased targets as presented in Aug 2013

I Very material large loss* burden in FY2013

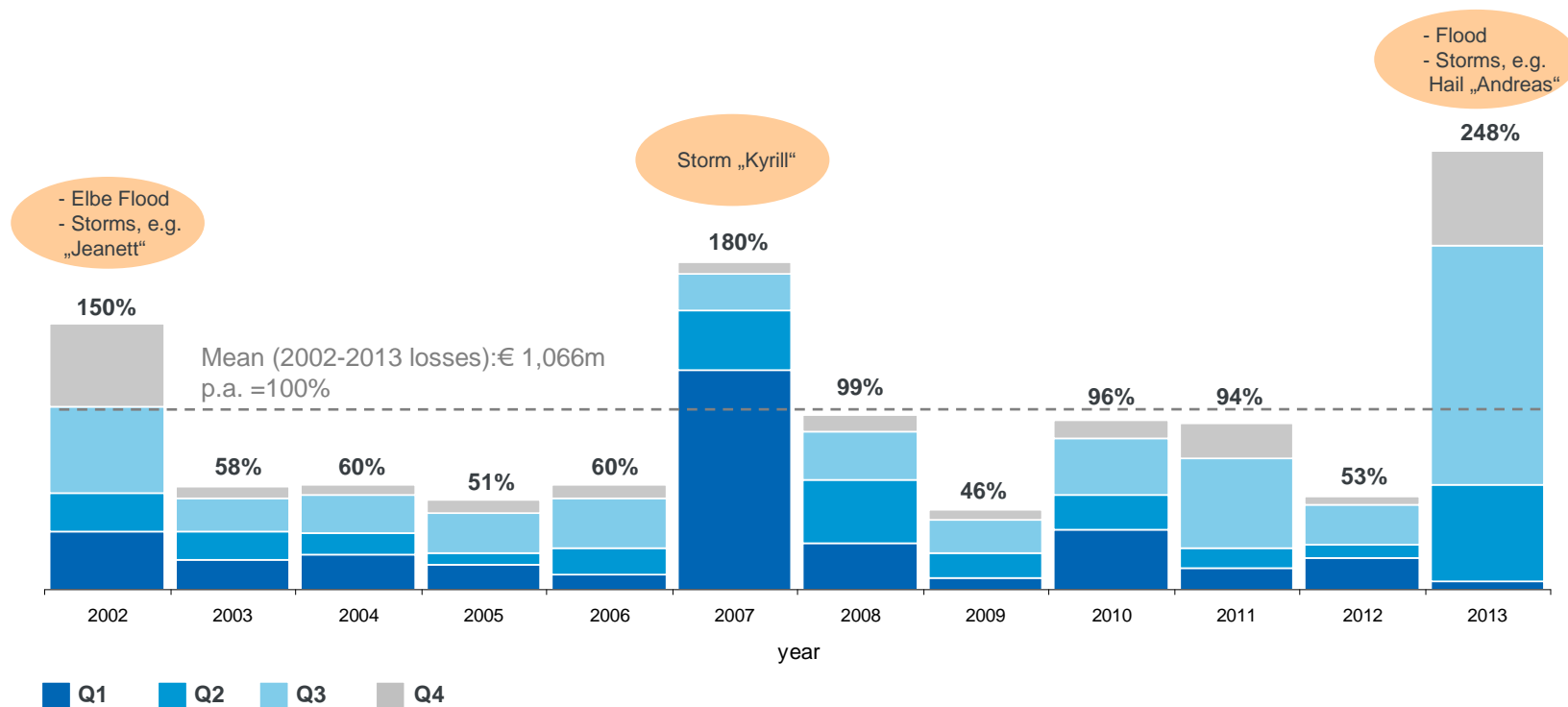
(€m, net)		Primary insurance	Reinsurance	Talanx Group
US TORNADOS	19 - 20 May		11.0	11.0
Flood Europe	20 May – 04 June	83.1	92.5	175.6
Hail Germany/CH/A	19 – 20 June	14.7	37.7	52.4
Flood Canada	19 – 21 June		45.9	45.9
Flood Canada	08 - 09 July		15.0	15.0
Hail Germany	27 - 28 July	56.8	99.3	156.1
Storm Germany	28 October	8.5	33.7	42.2
Typhoon Philippines	09 November		18.5	18.5
Storm Germany	05 December	18.5	27.5	46.0
Total Nat Cat		181.6	381.1	562.7
Aviation			33.5	33.5
Credit		2.9	28.7	31.6
Transport		5.1	18.5	23.6
Property		67.5	115.8	183.3
Others		3.6		3.6
Total man-made losses		79.1	196.5	275.6
Total large losses		260.7	577.6	838.3
Impact on Combined Ratio		4.7% pts	8.4% pts	6.8% pts
Total large losses (2012)		121.7	477.8	599.5

* definition „large loss“: in excess of €10m gross

- Net burden from large losses of overall €838m in FY2013 (FY2012: €600m)
- Q4 net burden of €40m in Primary and €131m in Reinsurance
- Q4 Nat Cat losses of ~€100m, mainly from storms “Christian” and “Xaver”. Additional burden from Property claims
- Combined ratio impact by large losses of 6.8%pts in FY2013 (FY2012: 5.1%pts)

I Germany suffers from an exceptional Nat Cat year 2013

Losses from Nat Cat events in residential property (Germany)




Source: Industry numbers from GDV (German Insurance Association)

Record level of insured Nat Cat losses in Germany in 2013

I Large loss budget derived from single risks

Nat Cat risk landscape of Primary Insurance

€m, net loss after premium, before tax		Primary Insurance single event	Key risks	resulting large loss budget ²
Diversified risk	200-year-event net loss	379		 185 €m
Regional risk¹	Europe Earthquake	234	D, TUR	
	200-year event net loss			
	Europe Winterstorm	175	D, F, Benelux	
	Europe Flood	173	D, PL, UK	
	Atlantic Hurricane	124	USA	
	United States Earthquake	124	California	
	Asia Pacific Tropical Cyclone	119	Japan, AUS	
	Japan Earthquake	108		
	other Nat Cat	each below €100m		
	man-made			


Comments

- Within Talanx Group, a central view on Nat Cat risk is established by following a high-consistency approach
- Central assessment in line with Talanx's internal model, the Talanx Enterprise Risk Model (TERM)
- The Nat Cat risk landscape in Primary Insurance is still dominated by European risks, but evolving in line with the international growth strategy
- For seven global Nat Cat events, a 200-year event (99.5% confidence level) would be expected to trigger an above €100m net loss; all others are considered well below €100m each

The figures are based on latest available data: SCR2013 (Retail International) & SCR2012 (update pending for Q2 2014) (Industrial Lines and Retail Germany).

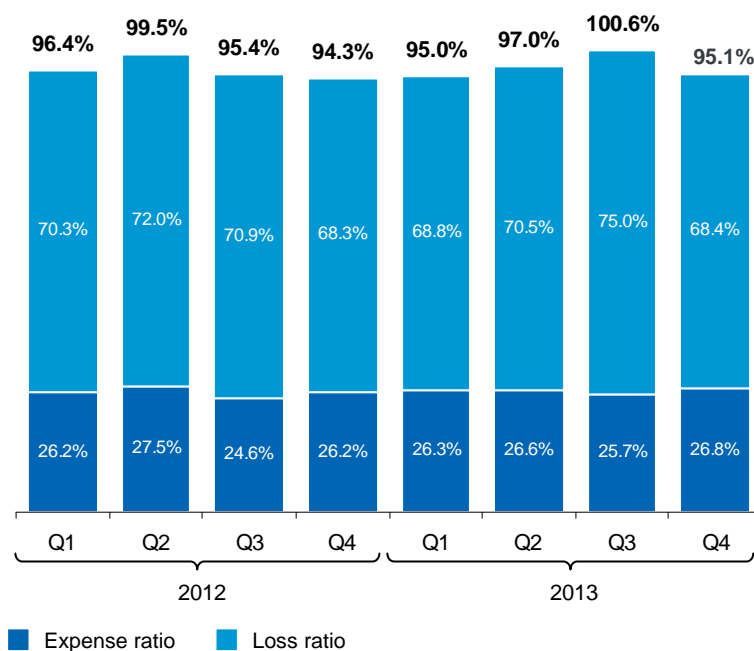
¹ regional risks > €100m, 200-year annual aggregate net loss after premium, before tax

² comprising natural catastrophe and man-made losses. plan adjustment towards 2014

 Nat Cat risk within the growing Primary Insurance segments is manageable and actively taken

I Combined ratios

Development of net combined ratio¹



¹ Talanx Group; incl. net interest income on funds withheld and contract deposits

² Warta acquisition closed on 1 July 2012; numbers incl. HDI Asekuracia TU S.A. (legal merger on 28 Dec 2012)

³ TU Europa acquisition closed on 1 June 2012

⁴ numbers incl. Metropolitana

Combined ratio by segment/selected carrier

	FY2013	FY2012	Q4 2013	Q4 2012
Industrial Lines	101.3%	95.1%	85.1%	97.4%
Retail Germany	102.4%	100.6%	104.8%	95.6%
Retail International	95.8%	96.2%	95.9%	92.1%
HDI Seguros S.A., Brazil	96.7%	97.9%	97.5%	96.2%
HDI Seguros S.A., Mexico ⁴	90.6%	82.2%	89.3%	84.0%
TUiR Warta S.A., Poland ²	94.3%	94.9%	94.3%	90.9%
TU Europa S.A., Poland ³	87.0%	85.8%	99.4%	72.6%
HDI Sigorta A.Ş., Turkey	105.9%	115.1%	101.6%	108.3%
HDI Assicurazioni S.p.A., Italy	98.8%	97.5%	95.6%	94.1%
Non-Life Reinsurance	94.9%	95.8%	94.8%	94.1%
Talanx Group	96.9%	96.4%	95.1%	94.3%

FY2013: Solid combined ratio levels despite major burden from large losses

I Group – Key quarterly financials

Summary of Q4 2013

€m, IFRS	Q4 2013	Q4 2012	Change
Gross written premium	6,771	6,813	(1) %
Net premium earned	6,010	6,148	(2) %
Net underwriting result	(383)	(299)	(28) %
Net investment income	978	978	(0) %
Operating result (EBIT)	398	435	(8) %
Net income after minorities	227	76	+198 %
Key ratios	Q4 2013	Q4 2012	Change
Combined ratio non-life insurance and reinsurance	95.1%	94.3%	0.8%pts
Return on investment	4.1%	4.2%	-0.1%pts
Balance sheet	FY2013	FY2012	Change
Investments under own management	86,310	84,052	+3 %
Goodwill	1,105	1,153	(4) %
Total assets	132,863	130,350	+2 %
Technical provisions	91,697	89,484	+2 %
Shareholders' equity	7,214	7,153	+1 %

Comments

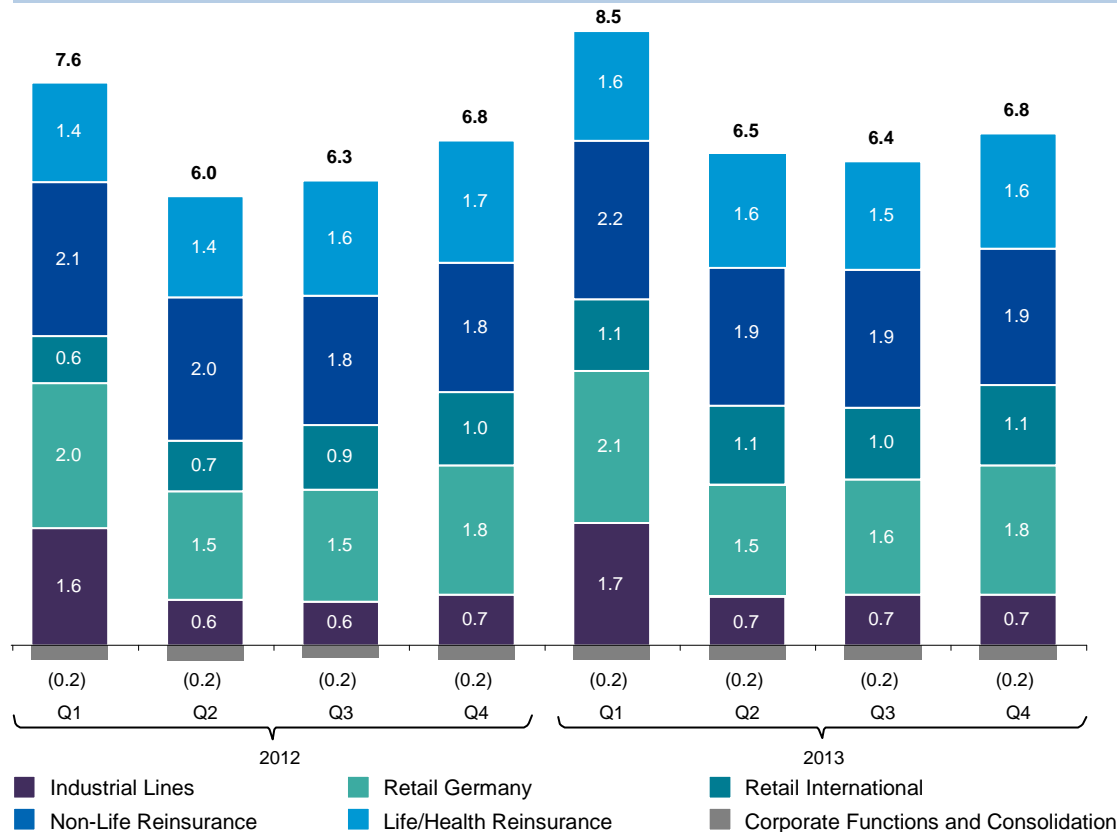
- Top-line marginally down y/y, primarily triggered by the premium decline in Life/Health Reinsurance
- Combined ratio at 95.1% in Q4 2013 well below the 96.9% for FY2013
- Positive tax contribution of €25m on Group level, largely driven by two positive tax effects in Reinsurance
- On the back of the strong performance in Poland and in Reinsurance, minorities in Q4 2013 up to €144m vs. €111m last year



Solid combined ratio in the quarter – bottom-line boosted by positive tax effects in Reinsurance

I GWP trend

GWP development (€bn)



- Seasonal pattern remains intact
- In FY2013, GWP growth of 6% y/y, while Q4 2013 has been virtually flat y/y
- Recent decline in premium growth triggered by lower momentum in Life/Health Re as well as by like-for-like comparison in Poland since July

▶ **Top-line growth of 6% in FY2013 – Seasonal pattern intact**

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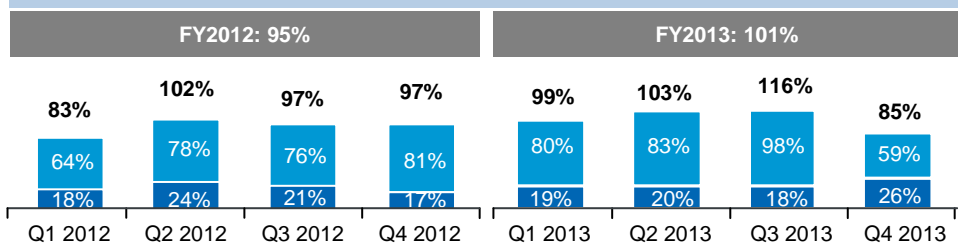
IV Outlook

Appendix

P&L for Industrial Lines

€m, IFRS	FY2013	FY2012	Δ	Q4 2013	Q4 2012	Δ
Gross written premium	3,835	3,572	+7%	707	724	(2%)
Net premium earned	1,744	1,608	+8%	399	426	(6%)
Net underwriting result	(24)	79	n.a.	59	10	+475%
Net investment income	240	246	(3%)	73	65	+11%
Operating result (EBIT)	147	258	(43%)	87	46	+90%
Group net income	109	157	(31%)	74	23	+221%.
Return on investment	3.6%	3.7%	(0.1)%pts	4.4%	3.8%	0.6%pts

Combined ratio*



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

Comments

- GWP grew 7.4% in FY2013 (currency-adjusted: +8.6%). Q4 2013 impacted by a shift of premium recognition between quarters
- Main contribution for FY2013 premium growth from business in France and Italy as well as market hardening in German lines
- FY2013 combined ratio significantly impacted by large losses (combined ratio impact of 12.1%pts vs. 6.8%pts in FY2012)
- Q4 results benefited from year-end review of necessary IBNR reserves



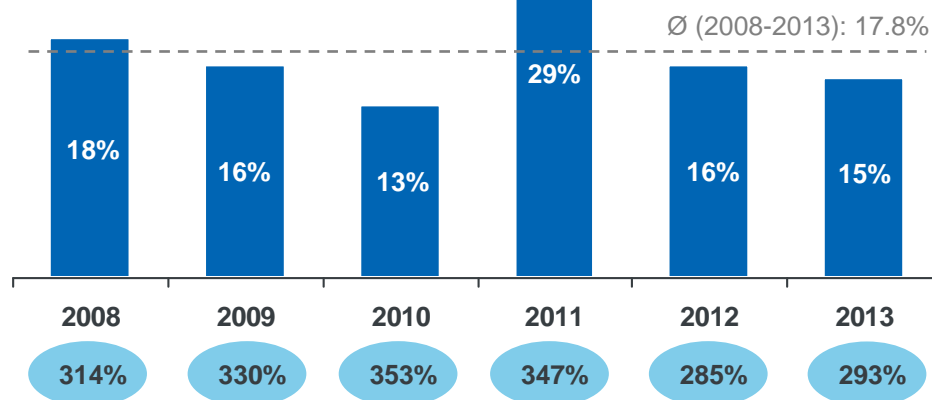
Q4 partly compensates for burden from Nat Cat & man-made losses from first nine months

II Industrial Lines – Run-off results

Run-off results and reserve coverage (IFRS)

Annual reserve reviews

- Talanx actuaries ✓
- Auditor KPMG ✓
- S&P / A.M.Best ✓
- Towers Watson ✓



Data for main carrier HDI-Gerling Industrie Versicherung AG, representing 85% of Industrial Lines' GWP in 2013 (IFRS)

- ratio of segmental run-off result to net premium earned
- ratio of technical reserves to net premium earned

Comments

- In 2013, the Primary Insurance has contributed a net positive run-off result of €334m (FY2012: €378m). The major share of €232m (€249m) relates to the Industrial Lines division
- Historically, run-off results have proven a substantial earnings stabiliser for Industrial Lines
- At the same time, the divisions' reserve position remains at a comfortable level
- Relative to net premium earned, the 2013 run-off result stands at the lower end of range for the 2008-2013 observation period (the years post Gerling integration)
- High ratio of technical reserves to net premium earned compares favourably with peer levels



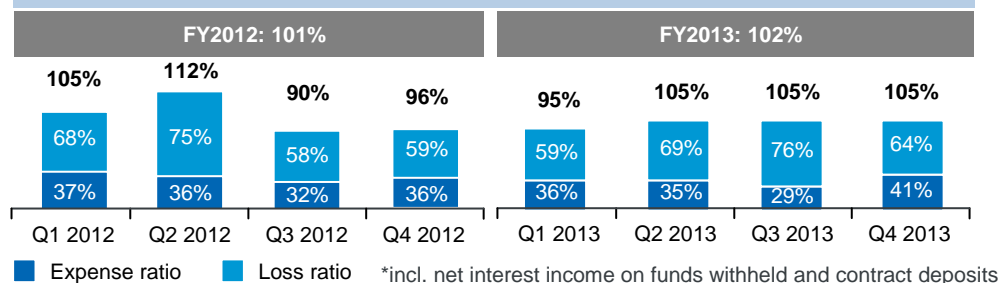
Historically, run-off results have proven a very steady contributor to Industrial Lines results

II Segments – Retail Germany

P&L for Retail Germany

€m, IFRS	FY2013	FY2012	Δ	Q4 2013	Q4 2012	Δ
Gross written premium	6,954	6,829	+2%	1,758	1,774	(1%)
of which Life	5,425	5,299	+2%	1,548	1,560	(1%)
of which Non-Life	1,529	1,530	(0%)	210	214	(2%)
Net premium earned	5,605	5,501	+2%	1,568	1,593	(2%)
Net underwriting result	(1,515)	(1,425)	(6%)	(386)	(303)	(27%)
of which Life	(1,481)	(1,419)	(4%)	(368)	(318)	(16%)
of which Non-Life	(34)	(6)	(457%)	(17)	16	n.a.
Net investment income	1,786	1,621	+10%	467	386	+21%
Operating result (EBIT)	161	100	+61%	50	36	+38%
Group net income	78	120	(35%)	15	14	+3%
Return on investment	4.4%	4.2%	+0.2%pts	4.5%	3.9%	+0.6%pts

Combined ratio*



Large losses affect combined ratio by ~3%pts in FY2013

Comments

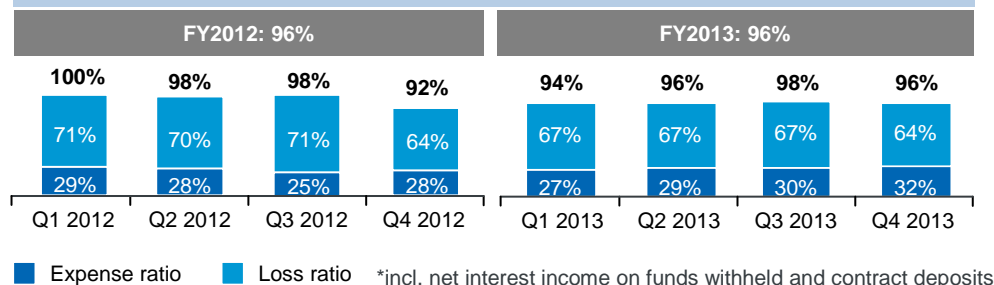
- Moderate premium growth in Life business in FY2013 driven by single premium and credit risk protection business
- Non-life premiums virtually flat y/y
- Large losses of €40m affect 2013 combined ratio by ~3%pts (2012: 0%pts)
- ZZR at €313m (HGB) for FY2013 (FY2012: €284m); total stock of ZZR up to €709m
- Realisation of capital gains to finance ZZR boosts return on investment, but with limited impact on EBIT

II Segments – Retail International

P&L for Retail International

€m, IFRS	FY2013	FY2012	Change	Q4 2013	Q4 2012	Change
Gross written premium	4,220	3,260	+29%	1,087	1,029	+6%
of which Life	1,416	953	+49%	386	330	+17%
of which Non-Life	2,804	2,307	+22%	701	699	+0%
Net premium earned	3,513	2,621	+34%	916	820	+12%
Net underwriting result	32	3	+990%	10	28	(65%)
of which Life	(65)	(73)	+10%	(14)	(17)	+20%
of which Non-Life	97	76	+28%	24	45	(48%)
Net investment income	284	281	+1%	69	81	(14%)
Operating result (EBIT)	185	107	+73%	28	32	(12%)
Group net income	101	42	+143%	9	3	+200%
Return on investment	4.7%	6.1%	(1.4%)pts	4.4%	5.7%	(1.3%)pts

Combined ratio*



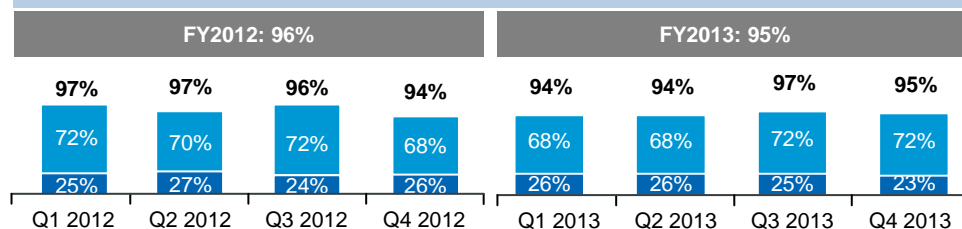
Comments

- FY2013 top-line growth of 29.4% is boosted by acquisitions, but also burdened by currency effects (currency adj. +35.4%). Strong organic growth of 14.2% (FY2013) and 6.1% (Q4 2013)
- Net underwriting result benefits from strong combined ratios in Poland, Brazil and Mexico
- Warta contributed €72m EBIT, beating its €70m target with integration ahead of schedule
- Turkey further improved to its 2013 interim combined ratio target of 106%
- In FY2013 as well as in Q4 2013, investment income is burdened by lower extraordinary result

 **Strong FY2013 results: Good combined ratio, excellent progress in Poland**

P&L for Non-Life Reinsurance

€m, IFRS	FY2013	FY2012	Change	Q4 2013	Q4 2012	Change
Gross written premium	7,818	7,717	+1%	1,861	1,820	+2%
Net premium earned	6,866	6,854	+0%	1,773	1,837	(3%)
Net underwriting result	332	273	+22%	87	104	(16%)
Net investment income	811	982	(17%)	211	252	(16%)
Operating result (EBIT)	1,097	1,133	(3%)	264	336	(21%)
Group net income	377	325	+16%	130	76	+71%
Return on investment	3.2%	4.1%	(0.9%)pts	3.3%	4.0%	(0.7%)pts

Combined ratio¹

■ Expense ratio ■ Loss ratio

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

Comments

- 2013 GWP slightly up by 1.3% y/y (adj. for currency effects: +3.5%); mainly from US and specialty lines
- Net premium earned grew +0.2% y/y (+2.3% currency-adj.)
- Large losses of €578m in FY2013 reflect 8.4%pts in combined ratio, below budget of €625m
- Investment income decline due to lower realised gains and change in fair value of inflation swap (FY2013: €-41 vs. FY2012: €28m; Q4 2013: €-14m vs. Q4 2012 €+17m)
- EBIT margin² of 16.0% in FY2013 slightly deteriorated (FY2012: 16.5%), but above target level
- Positive effect from adjustments on deferred taxes on equalisation reserves (~€90m)



Underwriting result in non-life overcompensates decline in ordinary investment income

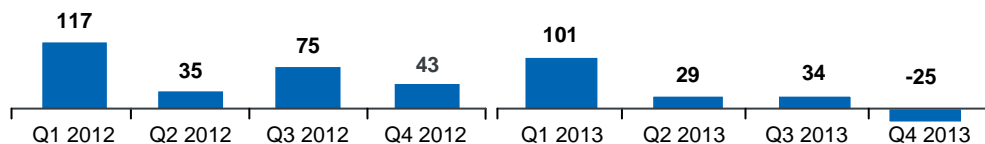
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Segments – Life/Health Reinsurance

P&L for Life/Health Reinsurance

€m, IFRS	FY2013	FY2012	Change	Q4 2013	Q4 2012	Change
Gross written premium	6,145	6,058	+1%	1,564	1,659	(6%)
Net premium earned	5,360	5,426	(1%)	1,336	1,484	(10%)
Net underwriting result	(422)	(377)	(12%)	(150)	(138)	(8%)
Net investment income	610	684	(11%)	151	198	(24%)
Operating result (EBIT)	139	270	(49%)	(25)	43	n.a.
Group net income	76	104	(27%)	2	15	(87%)
Return on investment	4.2%	5.5%	(1.3%)pts	4.0%	5.7%	(1.7%)pts

EBIT (€m)



¹ EBIT margins reflect a Talanx Group view

Comments

- 1.4% top-line growth in FY2013 (currency-adjusted: +5.1%), driven by US mortality solutions, China and longevity business
- Net underwriting result affected by Australian disability business (€~100m before taxes); counter-effect on taxes
- Net investment income reduced mainly due to decreased realized gains and normalized results from ModCo derivatives
- ModCo contribution to net investment income of €7m in FY2013 vs. €52m in FY2012; in Q4 2013 €2m vs. €6m in Q4 2012



Australian disability business burdens result – improvement in US mortality business

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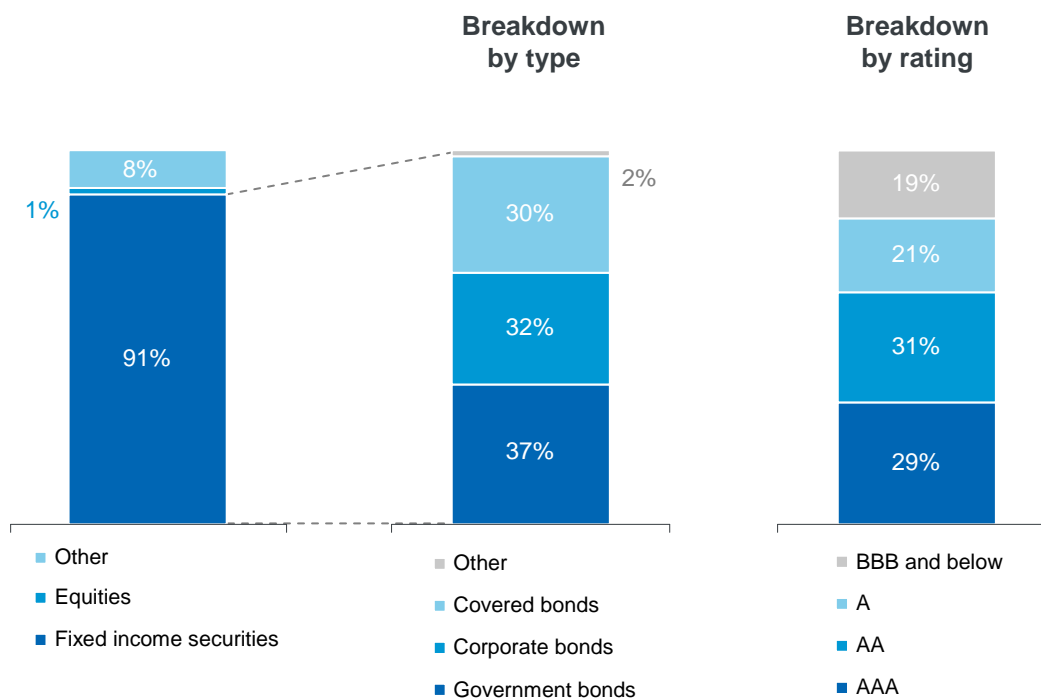


Investments – Breakdown of investment portfolio

Asset allocation
as of 31 Dec 2013

Fixed-income-portfolio split

Comments



Total: €86.3bn

Total: €78.5bn

- Dominating share of fixed-income investments at 91% (FY2012: 91%) portfolio share
- 81% (FY2012: 83%) of fixed-income portfolio invested in A or higher-rated bonds
- 15% of fixed-investments are held in USD, 26% overall in non-euro currencies
- Investments under own management up by +2.7% y/y
- Share of equity investments at around 1%



Robust and conservative investment portfolio



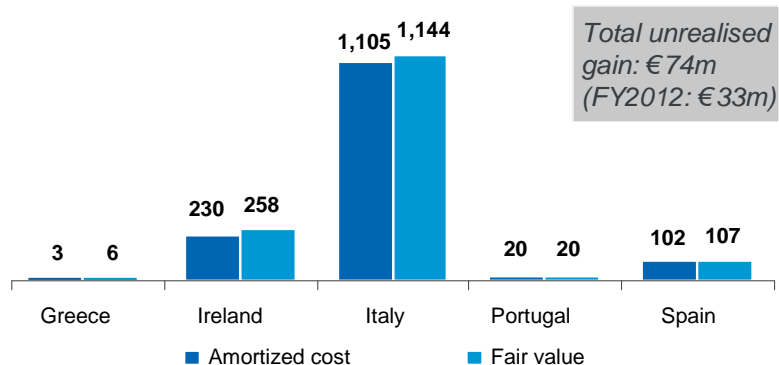
Investments – Details on GIIPS exposure

Total GIIPS exposure (31 Dec 2013)

€m	Government bonds		Corporate bonds				
GIIPS exposure	Sovereign	Semi-Sovereign	Financial	Corporate	Covered	Other	Total
Greece	6	-	-	-	-	-	6
Ireland	258	-	10	49	137	234	688
Italy	1,144	-	335	386	854	19	2,738
Portugal	20	-	2	3	8	-	33
Spain	107	282	123	203	402	-	1,117
Total	1,535	282	470	641	1,401	253	4,582

Details on sovereign exposure in €m

Total: €1,461m (amortized cost), €1,535m (fair value)



Comments

- Total GIIPS exposure incl. private sector assets at ~3.4% of total assets
- GIIPS sovereign exposure at 1.2% of total assets (Q3 2013: 0.9%, FY2012: 0.8%)
- As indicated with its 9M results presentation, Talanx may top up its sovereign exposure to selected GIIPS government issuers to up to 2.0% of total assets during the course of 2014
- Q4 increase in GIIPS exposure stems to more than 90% from an increase in Italian bonds, primarily sovereign issues
- It remains an integral part of Talanx's strategy to limit its exposure to market risks to well below 50% of risk capital



Slight increase in GIIPS investments – increase in unrealised gains



Net investment income

Net investment income Talanx Group

€m, IFRS	FY2013	FY2012	Change	Q4 2013	Q4 2012	Change
Ordinary investment income	3,146	3,166	(1%)	792	800	(1%)
"thereof current investment income from interest"	2,875	2,927	(2%)	716	753	(5%)
"thereof profit/loss from shares in associated companies"	13	7	+104%	4	3	+60%
Realised net gains on investments	606	372	+63%	181	124	+45%
"Write-ups/write-downs on investments"	(91)	(76)	(19%)	(26)	(44)	40%
"Unrealised net gains/losses on investments"	(22)	183	n.a.	(1)	52	n.a.
Investment expenses	(194)	(180)	(8%)	(57)	(59)	3%
"Income from investments under own management"	3,446	3,464	(1%)	890	874	+2%
Income from investment contracts	13	8	+55%	4	3	+44%
"Interest income on funds withheld and contract deposits"	334	322	+3%	84	101	(17%)
Total	3,792	3,795	(0%)	978	978	(0%)

Comments

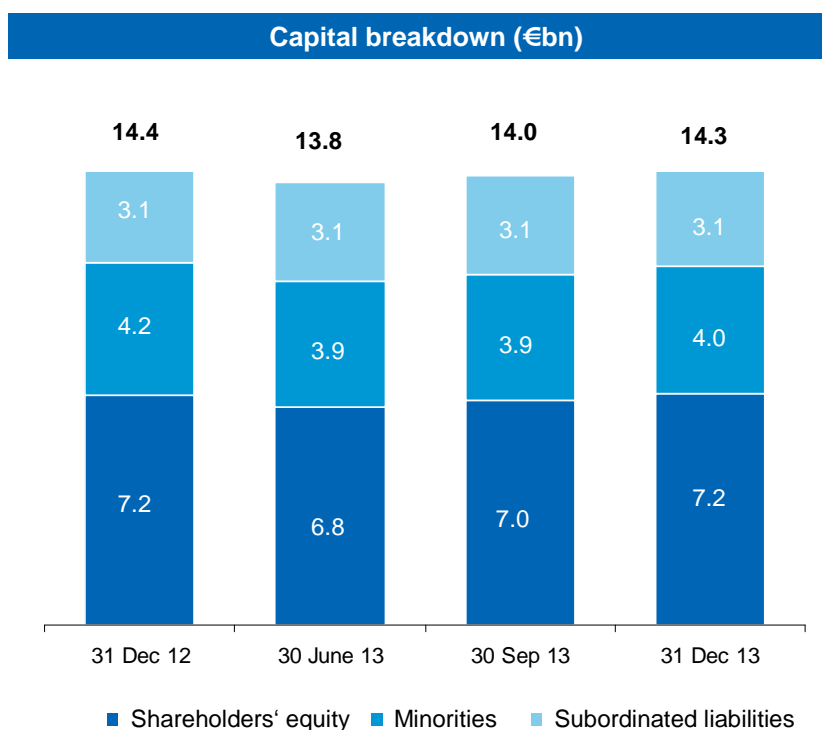
- "Ordinary investment income" continuously dominates the "income from investment under own management": 89% contribution in Q4 2013 and 91% in FY2013
- Solid return on investment of 4.0% in FY2013 (FY2012: 4.3%)
- Realised net gains of €606m in FY2013 benefit from the capital gains from the Swiss Life transaction (contribution of slightly more than 10%)
- Materially lower contribution from unrealised results in reinsurance derivatives when compared to last year: delta in ModCo €-4m and inflation swaps €-31m in Q4; €-45m and €-69m in FY 2013



Investment yield resilient at 4.0% in FY2013 (FY2012: 4.3%) and 4.1% in Q4 2013 (FY2012: 4.2%)

III Equity and capitalization – Solid equity base

Optimized capital structure



¹ adjusted due to IAS8

² NAV calculated as shareholders' equity minus shareholder share in goodwill

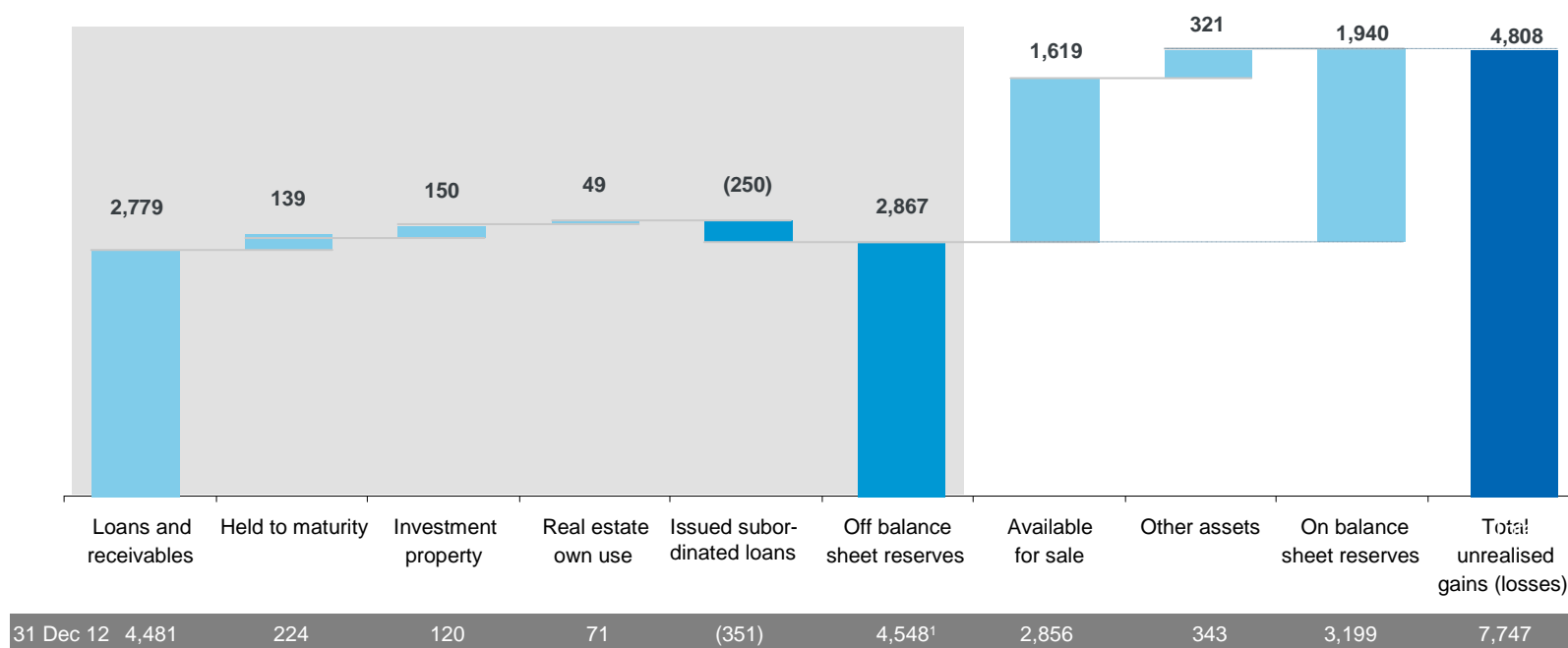
- Shareholders' equity is up by 1% year-on-year (+3% q/q). The increase is despite the dividend payout of €265m in Q2 and the OCI effects from rates and currencies of ~€-450m
- Goodwill stands at €1,105m. After deducting non-controlling interests, the amount reduces to €1,098m
- On this base, the book value per share stands at €28.54 and the NAV² per share at €24.19
- The latter does not yet contain off-balance sheet reserves, as presented on the next page, which stand at ~€2.9bn, or roughly 1.19 per share (shareholder share)
- In Q4, all ratings of carriers reviewed by rating agencies have been affirmed. For HDI Leben, Standard & Poor's has re-confirmed the "A+" Financial Strength Rating with stable outlook in February 2014

Shareholders' equity marginally up despite dividend payout and negative OCI effects



Equity and capitalization – Unrealised gains

Unrealised gains and losses (off and on balance sheet) as of 31 December 2013 (€m)



Δ market value vs. book value

¹ incl. €3m from other financial investments



Talanx's off-balance sheet reserves stand at around €2.9bn end of December 2013

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IV Outlook for Talanx Group 2014¹

Gross written premium ²	+2-3%
Return on investment	~ 3.4%
Group net income	≥ €700m
Return on equity	~ 10%
Dividend payout ratio	35 - 45% target range

¹ The targets are based on an increased large loss budget of €185m (from €80m) in Primary Insurance and €670m (from €625m) in Reinsurance

² On divisional level, Talanx expects gross written premium growth of +3-5% in Industrial Lines, -(1-2)% in Retail Germany, +4-8% in Retail International and a flat to low single-digit growth rate in Reinsurance

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

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APPENDIX: Mid-term target matrix

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

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

² 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

³ Organic growth only; currency neutral

⁴ EBIT/net premium earned

Note: growth targets are on p.a. basis. They are based on 2012 results.

APPENDIX: Q4 2013 results

€m, IFRS	Q4 2013	Q4 2012	Change
Gross written premium including premiums from unit-linked life and annuity insurance	6,771	6,813	(0.6%)
Savings elements of premiums from unit linked life and annuity insurance	(284)	(328)	13.3%
Ceded written premium	(783)	(784)	0.1%
Change in gross unearned premium	416	567	(26.7%)
Change in ceded unearned premium	(109)	(120)	9.0%
Net premium earned	6,010	6,148	(2.2%)
Claims and claims expenses (gross)	(5,709)	(5,705)	(0.1%)
Reinsurers' share	653	672	(2.8%)
Claims and claims expenses (net)	(5,056)	(5,033)	(0.5%)
Acquisition costs and administrative expenses (gross)	(1,452)	(1,484)	2.1%
Reinsurers' share	136	154	(11.3%)
Acquisition costs and administrative expenses (net)	(1,316)	(1,330)	1.1%
Other technical income	12	10	22.9%
Other technical expenses	(32)	(93)	65.1%
Other technical result	(21)	(83)	75.2%
Net technical result	(383)	(299)	(27.9%)
<i>(to be continued on the r.h.s)</i>			

€m, IFRS (continued)	Q4 2013	Q4 2012	Change
Income from investments	1,030	1,015	1.5%
Expenses for investments	(140)	(141)	0.6%
Net income from investments under own management	890	874	1.8%
Income/expense from investment contracts	4	3	43.6%
Net interest income from funds withheld and contract deposits	84	101	(17.1%)
Net investment income	978	978	0.0%
Income/expense from associated companies and joint ventures recognised using the equity method	4	3	60.1%
Other income	256	136	87.7%
Other expenses	(453)	(380)	(19.1%)
Other income/expenses	(197)	(244)	19.2%
Profit before goodwill impairments	398	435	(8.4%)
Operating profit/loss (EBIT)	398	435	(8.4%)
Financing costs	(51)	(46)	(11.9%)
Taxes on income	25	(201)	n.a.
Net income	372	188	98.0%
thereof to non-controlling interests	(144)	(111)	(29.7%)
thereof to Talanx AG shareholders	227	76	197.7%

Note: Differences due to rounding may occur.

APPENDIX: Key financials – FY2013

	Industrial Lines			Retail Germany			Retail International		
€m, IFRS	FY2013	FY2012	Change	FY2013	FY2012	Change	FY2013	FY2012	Change
P&L									
Gross written premium	3,835	3,572	+7%	6,954	6,829	+2%	4,220	3,260	+29%
Net premium earned	1,744	1,608	+8%	5,605	5,501	+2%	3,513	2,621	+34%
Net underwriting result	(24)	79	n.a.	(1,515)	(1,425)	(6%)	32	3	+990%
Net investment income	240	246	(3%)	1,786	1,621	+10%	284	281	+1%
Operating result (EBIT)	147	258	(43%)	161	100	+61%	185	107	+73%
Net income after minorities	109	157	(31%)	78	120	(35%)	101	42	+143%
Key ratios									
Combined ratio non-life insurance and reinsurance	101.3%	95.1%	6.2%pts	102.5%	100.6%	1.9%pts	95.8%	96.2%	-0.3%pts
Return on investment	3.6%	3.7%	-0.1%pts	4.4%	4.2%	0.2%pts	4.7%	6.1%	-1.4%pts

Note: Differences due to rounding may occur.

APPENDIX: Key financials – FY2013 (continued)

	Non-Life Reinsurance			Life and Health Reinsurance			Group		
€m, IFRS	FY2013	FY2012	Change	FY2013	FY2012	Change	FY2013	FY2012	Change
P&L									
Gross written premium	7,818	7,717	+1%	6,145	6,058	+1%	28,151	26,659	+6%
Net premium earned	6,866	6,854	+0%	5,360	5,426	(1%)	23,113	21,999	+5%
Net underwriting result	332	273	+22%	(422)	(377)	+12%	(1,601)	(1,447)	+11%
Net investment income	811	982	(17%)	610	684	(11%)	3,792	3,795	(0%)
Operating result (EBIT)	1,097	1,133	(3%)	139	270	(49%)	1,784	1,748	+2%
Net income after minorities	377	325	+16%	76	104	(27%)	762	626	+22%
Key ratios									
Combined ratio non-life insurance and reinsurance	94.9%	95.8%	-0.9%pts	---	---	---	96.9%	96.4%	0.6%pts
Return on investment	3.2%	4.1%	-0.9%pts	4.2%	5.5%	-1.3%pts	4.0%	4.3%	-0.3%pts

Note: Differences due to rounding may occur.

APPENDIX: FY2013 results – GWP of main risk carriers

Retail Germany

GWP, €m, IFRS	FY2013	FY2012	Change
Non-life Insurance	1,529	1,530	(0%)
HDI Versicherungs AG ¹	1,385	1,386	(0%)
Life Insurance	5,425	5,299	+2%
HDI Lebensversicherung AG	2,314	2,364	(2%)
neue leben Lebensversicherung AG ²	1,123	1,088	+3%
TARGO Lebensversicherung AG	935	894	+5%
PB Lebensversicherung AG	832	781	+7%
Total	6,954	6,829	+2%

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

² Talanx ownership 67.5%

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

⁴ Talanx ownership 50% + 1 share; closed on 1 June 2012

⁵ includes Metropolitana

⁶ includes HDI-Gerling Zycie, Poland; Talanx ownership of 75.74%

Numbers for main carriers represent data entry values, fully consolidated

Retail International

GWP, €m, IFRS	FY2013	FY2012	Change
Non-life Insurance	2,804	2,307	+22%
HDI Seguros S.A., Brazil	865	827	+5%
TUIR Warta S.A. ³ , Poland	800	523	+53%
TU Europa S.A. ⁴ , Poland	169	61	+180%
HDI Assicurazioni S. p. A., Italy (P&C)	329	329	+0%
HDI Seguros S.A. De C.V., Mexico ⁵	174	136	+28%
HDI Sigorta A.Ş., Turkey	187	171	+9%
Life Insurance	1,416	953	+49%
TU Warta Zycie S.A., Poland ⁶	332	229	+45%
TU Europa Zycie ⁴ , Poland	331	109	+204%
Open Life ⁴	23	35	(35%)
HDI Assicurazioni S. p. A., Italy (Life)	388	228	+70%
Total	4,220	3,260	+29%

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