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PERFORMANCE AND RESULTS

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Quarterly Statement as at 31 March 2017

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Insurance. Investments.

THE TALANX GROUP AT A GLANCE

GROUP KEY FIGURES

	UNIT	Q1 2017	Q1 2016	+/-%
Gross written premiums	EUR MILLION	9,752	8,995	+8.4
by region				
Germany	%	33	36	-3.0 pt.
United Kingdom	%	7	8	-1.0 pt.
Central and Eastern Europe (CEE), including Turkey	%	8	7	+1.0 pt.
Rest of Europe	%	17	16	+1.0 pt.
USA	%	15	13	+2.0 pt.
Rest of North America	%	2	2	— pt.
Latin America	%	8	7	+1.0 pt.
Asia and Australia	%	9	9	— pt.
Africa	%	1	2	-1.0 pt.
Net premiums earned	EUR MILLION	6,692	6,266	+6.8
Underwriting result	EUR MILLION	-415	-422	-1.6
Net investment income	EUR MILLION	1,011	1,022	-1.1
Net return on investment¹⁾	%	3.5	3.7	-0.2 pt.
Operating profit (EBIT)	EUR MILLION	576	573	+0.5
Net income (after financing costs and taxes)	EUR MILLION	398	381	+4.4
of which attributable to shareholders of Talanx AG	EUR MILLION	238	222	+7.2
Return on equity²⁾	%	10.3	10.6	-0.3 pt.
Earnings per share				
Basic earnings per share	EUR	0.94	0.88	+6.8
Diluted earnings per share	EUR	0.94	0.88	+6.8
Combined ratio in property/casualty primary insurance and Property/Casualty Reinsurance³⁾	%	96.3	96.3	— pt.
Combined ratio of property/casualty primary insurers ⁴⁾	%	97.6	98.4	-0.8 pt.
Combined ratio of Property/Casualty Reinsurance	%	95.6	94.7	+0.9 pt.
EBIT margin primary insurance and Reinsurance				
EBIT margin primary insurance ⁴⁾	%	6.0	6.6	-0.6 pt.
EBIT margin Property/Casualty Reinsurance	%	14.6	15.8	-1.2 pt.
EBIT margin Life/Health Reinsurance	%	5.5	6.5	-1.0 pt.

		31.3.2017	31.12.2016	+/-%
Policyholders' surplus	EUR MILLION	17,115	16,671	+2.7
Equity attributable to shareholders of Talanx AG	EUR MILLION	9,368	9,078	+3.2
Non-controlling interests	EUR MILLION	5,764	5,610	+2.8
Hybrid capital	EUR MILLION	1,983	1,983	—
Assets under own management	EUR MILLION	107,810	107,174	+0.6
Total investments	EUR MILLION	119,696	118,855	+0.7
Total assets	EUR MILLION	160,061	156,571	+2.2
Carrying amount per share at end of period	EUR	37.06	35.91	+3.2
Share price at end of period	EUR	33.06	31.77	+4.1
Market capitalisation of Talanx AG at end of period	EUR MILLION	8,357	8,031	+4.1
Employees	FULL-TIME EQUIVALENTS	19,862	20,039	-0.9

¹⁾ Ratio of annualised net investment income excluding interest income on funds withheld and contract deposits and profit on investment contracts to average assets under own management (31 March 2017 and 31 December 2016).

²⁾ Ratio of annualised net income for the reporting period excluding non-controlling interests to average equity excluding non-controlling interests.

³⁾ Combined ratio taking into account interest income on funds withheld and contract deposits, before elimination of intra-Group cross-segment transactions.

⁴⁾ Excluding figures from the Corporate Operations segment.

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QUARTERLY STATEMENT

BUSINESS DEVELOPMENT

PERFORMANCE OF THE GROUP

- Gross premiums increased by around 8%
- High major loss burden in the first quarter
- Group net income increased by 7%

GROUP KEY FIGURES

EUR MILLION

	Q1 2017	Q1 2016	+/- %
Gross written premiums	9,752	8,995	+8.4
Net premiums earned	6,692	6,266	+6.8
Underwriting result	-415	-422	+1.6
Net investment income	1,011	1,022	-1.1
Operating profit/loss (EBIT)	576	573	+0.5
Combined ratio (net, property/ casualty only) in %	96.3	96.3	—

MANAGEMENT METRICS

%

	Q1 2017	Q1 2016	+/- %
Gross premium growth (adjusted for currency effects)	7.4	-3.0	+10.4 pt.
Group net income in EUR million	238	222	+7.2
Return on equity ¹⁾	10.3	10.6	-0.3 pt.
Net return on investment ²⁾	3.5	3.7	-0.2 pt.

¹⁾ Ratio of annualised net income for the reporting period excluding non-controlling interests to average equity excluding non-controlling interests.

²⁾ Annualised ratio of net investment income excluding interest income on funds withheld and contract deposits and profit on investment contracts to average assets under own management.

PREMIUM VOLUME

The gross premiums written for the Talanx Group increased by 8.4% (adjusted for currency effects: by 7.4%) in the first quarter, and amounted to EUR 9.8 (9.0) billion. The Retail International Division recorded strong premium growth of 29.2%, followed by the Property/Casualty Reinsurance segment (+12.5%). Higher premium income from branches outside Germany contributed to moderate premium

growth in the Industrial Lines Division (4.3%). Premium income in the other segments remained almost constant. The net premiums earned were EUR 6.7 (6.3) billion; they were therefore 6.8% higher year-on-year. The retention ratio increased to 85.6% (85.2%).

UNDERWRITING RESULT

The underwriting result increased by 1.6% to EUR -415 (-422) million. The major loss burden in the Group was EUR 153 (123) million which was higher than in the previous year; however, it stayed within the budget for the period of EUR 243 million. In the Property/Casualty Reinsurance segment, major losses were particularly high at EUR 134 (56) million: Cyclone "Debbie" in Australia was one of the largest single losses and was reflected in the budget at around EUR 50 million. A single loss in Chile in the Retail International Division also impacted earnings. The net loss ratio, which increased by 0.3%, was offset by a slightly improved net expense ratio; the Group's combined ratio remained at the same level year-on-year, at 96.3% (96.3%).

NET INVESTMENT INCOME

Net investment income fell by 1.1% to EUR 1,011 (1,022) million. An increase in the ordinary net investment income was unable to offset declining extraordinary investment income as well as a lower interest income on funds withheld and contract deposits. The Group net return on investment was 3.5% (3.7%) in the first quarter of 2017, and was therefore only slightly lower than in the same period of the previous year.

OPERATING PROFIT AND GROUP NET INCOME

The operating profit (EBIT) increased slightly by 0.5% to EUR 576 (573) million; the slightly declining investment income was offset by the improved underwriting result and improved other income/expenses. The Group net income increased by 7.2% to EUR 238 (222) million; the most significant portion came from the Industrial Lines Division. Although the return on equity of 10.3% (10.6%) was slightly below the figure for the same quarter the previous year, it was above the 8% figure forecast for the entire 2017 year.

DEVELOPMENT OF THE DIVISIONS WITHIN THE GROUP

At a strategic level, Talanx divides its business into seven reportable segments: Industrial Lines, Retail Germany – Property/Casualty Insurance and Life Insurance – Retail International, Property/Casualty Reinsurance, Life/Health Reinsurance and Corporate Operations. Please refer to the section entitled “Segment reporting” in the Notes of the 2016 Annual Report to the consolidated financial statements for details of these segments’ structure and scope of business.

INDUSTRIAL LINES

KEY FIGURES FOR THE INDUSTRIAL LINES DIVISION

EUR MILLION

	Q1 2017	Q1 2016	+/-%
Gross written premiums	2,004	1,921	+4.3
Net premiums earned	552	537	+2.8
Underwriting result	19	13	+46.2
Net investment income	69	50	+38.0
Operating profit/loss (EBIT)	80	74	+8.1

MANAGEMENT METRICS FOR THE INDUSTRIAL LINES DIVISION

%

	Q1 2017	Q1 2016	+/-%
Gross premium growth (adjusted for currency effects)	3.1	2.5	+0.6 pt.
Retention	56.4	55.5	+0.9 pt.
Combined ratio (net) ¹⁾	96.5	97.6	-1.1 pt.
EBIT margin ²⁾	14.6	13.8	+0.8 pt.
Return on equity ³⁾	10.8	9.2	+1.6 pt.

¹⁾ Including net interest income on funds withheld and contract deposits.

²⁾ Operating profit (EBIT)/net premiums earned.

³⁾ Ratio of annualised net income for the reporting period excluding non-controlling interests to average equity excluding non-controlling interests.

PREMIUM VOLUME

Gross written premiums for the division amounted to EUR 2.0 (1.9) billion as at 31 March 2017, an increase of around 4.3% (3.1% after adjustment for currency effects). The international branches of HDI Global SE in France and in Belgium in particular recorded increases in premiums. The US subsidiary HDI Global Insurance Company also made a significant contribution to the development of premiums.

The retention ratio in the division was above the level of the previous year, at 56.4% (55.5%). This development was largely due to lower payments to external reinsurers in the liability insurance line. Net premiums earned rose by 2.8% compared with the previous-year quarter to EUR 552 (537) million, corresponding to the gross growth.

UNDERWRITING RESULT

The division's net underwriting result increased to EUR 19 (13) million. At 20.6% (20.2%), the net expense ratio was slightly higher year-on-year, whereby this was due to higher project expenditure resulting from the growth recorded. The loss ratio (net) improved to 75.9% (77.3%). Losses declined noticeably, particularly in the marine line. The combined ratio for the Industrial Lines Division amounted to 96.5% (97.6%).

NET INVESTMENT INCOME

Net investment income rose by 38.0% to EUR 69 (50) million. It was possible to over-compensate for the lower interest rates for new and reinvestments through higher income from private equity vehicles. In comparison to the previous-year period, higher net gains from the disposal of investments were generated at HDI Global SE at the same time.

OPERATING PROFIT AND GROUP NET INCOME

As a result of the developments stated above, the division's operating profit was higher in the first three months of 2017 (EUR 80 million) than in the first quarter of the prior year (EUR 74 million). Group net income amounted to EUR 59 (48) million.

RETAIL GERMANY

Since the second quarter of 2016, the Talanx Group has managed the Retail Germany Division on the basis of the Property/Casualty and Life segments, and has reported accordingly about the performance of these two segments.

PROPERTY/CASUALTY INSURANCE

- Premium growth due to unemployment insurance in the context of residual debt business
- Combined ratio significantly improved
- Operating profit above the level of the prior year due to positive claim trends

KEY FIGURES FOR THE RETAIL GERMANY DIVISION – PROPERTY/CASUALTY INSURANCE SEGMENT

EUR MILLION

	Q1 2017	Q1 2016	+/- %
Gross written premiums	759	749	+1.3
Net premiums earned	340	341	-0.3
Underwriting result	-6	-13	+53.8
Net investment income	25	22	+13.6
Operating profit/loss (EBIT)	13	6	+116.7

MANAGEMENT METRICS FOR THE PROPERTY/CASUALTY INSURANCE SEGMENT

%

	Q1 2017	Q1 2016	+/- %
Gross premium growth	+1.3	-1.7	+3.0 pt.
Combined ratio (net) ¹⁾	101.7	103.8	-2.1 pt.
EBIT margin ²⁾	3.8	1.6	+2.2 pt.

¹⁾ Including net interest income on funds withheld and contract deposits.

²⁾ Operating profit (EBIT)/net premiums earned.

MARKET DEVELOPMENT

Continued growth of up to 2.8% is to be assumed in property/casualty insurance for the current year. Increases are expected in particular in motor insurance and comprehensive homeowners insurance.

PREMIUM VOLUME AND NEW BUSINESS

A 1.3% increase in premium income to EUR 759 (749) million was recorded in the Property/Casualty Insurance segment. The higher premium income was in particular due to the expansion of unemployment insurance in the context of residual debt business. Overall, the share of the total Retail Germany Division attributable to the property/casualty insurers therefore increased to 39.8% (39.3%).

UNDERWRITING RESULT

The underwriting result increased from EUR -13 million to EUR -6 million in the current financial year. This was due to positive loss trends. Burdens from natural catastrophes and major losses remained at the same level year-on-year.

The positive trend in the underwriting result resulted in a 2.1 percentage point decline in the combined ratio (net), from 103.8% to 101.7%

NET INVESTMENT INCOME

Net investment income increased to EUR 25 (22) million due to higher disposal gains.

OPERATING PROFIT/LOSS

At EUR 13 (6) million, the EBIT was higher year-on-year due to the improvement with respect to losses compared with the previous year. In line with this, the EBIT margin increased to 3.8% (1.6%).

LIFE INSURANCE

- Premiums stable despite switching to capital-efficient and risk products
- Growth in residual debt insurance
- EBIT decline due to lower realisation of unrealised gains to finance the additional interest reserve

KEY FIGURES FOR THE RETAIL GERMANY DIVISION – LIFE INSURANCE SEGMENT

EUR MILLION

	Q1 2017	Q1 2016	+/- %
Gross written premiums	1,147	1,155	-0.7
Net premiums earned	844	876	-3.7
Underwriting result	-416	-465	+10.5
Net investment income	435	513	-15.2
Operating profit/loss (EBIT)	21	41	-48.8
New business measured in annual premium equivalent	94	97	-3.1
Single premiums	345	312	+10.6
Regular premiums	59	66	-10.6
New business by product in annual premium equivalent	94	97	-3.1
Capital-efficient products ¹⁾	33	n.a.	
Capital-inefficient products ¹⁾	27	n.a.	
Biometric products ¹⁾	34	n.a.	

¹⁾ Comparison with prior year not possible due to new product structure.

MANAGEMENT METRICS FOR THE LIFE INSURANCE SEGMENT

%

	Q1 2017	Q1 2016	+/- %
Gross premium growth	-0.7	-15.8	+15.1 pt.
EBIT margin ¹⁾	2.5	4.7	-2.2 pt.

¹⁾ Operating profit (EBIT)/net premiums earned.

MARKET DEVELOPMENT

The current financial year continues to be influenced by persistently low and even negative capital market interest rates and a low tendency for consumers to save. Due to these circumstances, a decline in premiums in life insurance of around –0.5% and an increase in premiums for new business measured in APE of approximately +0.2% is expected.

PREMIUM VOLUME AND NEW BUSINESS

The Life Insurance segment registered a slight decline in premiums of 0.7% down to EUR 1.1 (1.2) billion in the first three months of the year – including the savings elements of premiums from unit-linked life insurance. As was expected, there was a decline in regular premiums due to an increase in policies maturing in 2016, by EUR 42 million. In contrast, single premium business increased by EUR 33 million due to growth in residual debt insurance. The retention ratio in the Life Insurance business remained stable at 95.5% (95.6%). Allowing for the savings elements under our unit-linked products and the change in the unearned premium reserve, the net premiums earned in the Life segment decreased by 3.7% to EUR 844 (876) million. The Life Insurance segment share in the overall Retail Germany Division declined slightly to 60.2% (60.7%).

New business in life insurance products – measured in the internationally applied metric of the annual premium equivalent (APE) – reduced slightly from EUR 97 million to EUR 94 million due to the switch to capital-efficient and risk products. The APE for capital-inefficient products was EUR 27 million in the first quarter of 2017, and is influenced by the dynamic in the existing stock.

UNDERWRITING RESULT

In the current financial year, the underwriting result improved to EUR –416 (–465) million. This was partly due to the unwinding of discounts on technical provisions and policyholder participation in net investment income. These expenses are offset by investment income, which is not recognised in the underwriting result.

NET INVESTMENT INCOME

Net investment income fell by 15.2% to EUR 435 (513) million. The decline results in particular from the year-on-year lower realisation of unrealised gains to finance the additional interest reserve. The extraordinary net investment income decreased accordingly by –56.1% to EUR 71 (161) million.

OPERATING PROFIT/LOSS

The operating profit (EBIT) in the life insurance segment in the Retail Germany Division reduced to EUR 21 (41) million, particularly due to lower investment income.

RETAIL GERMANY DIVISION OVERALL**RETURN ON EQUITY FOR THE RETAIL GERMANY DIVISION OVERALL**

%			
	Q1 2017	Q1 2016	+/- %
Return on equity ¹⁾	3.0	4.4	–1.4 pt.

¹⁾ Ratio of annualised net income for the reporting period excluding non-controlling interests to average equity excluding non-controlling interests.

After adjustment for taxes on income, financing costs and non-controlling interests, Group net income decreased to EUR 19 (29) million, causing the return on equity to fall by 1.4 percentage points to 3.0%.

RETAIL INTERNATIONAL

- 29.2% growth in gross written premiums
- Positive effects on the expense ratio from cost optimisation methods
- Increase in the combined ratio for property insurance companies, driven by a major loss event in Chile

KEY FIGURES FOR THE RETAIL INTERNATIONAL DIVISION

EUR MILLION

	Q1 2017	Q1 2016	+/- %
Gross written premiums	1,483	1,148	+29.2
Net premiums earned	1,217	986	+23.4
Underwriting result	7	8	-12.5
Net investment income	87	80	+8.8
Operating profit/loss (EBIT)	63	61	+3.3

MANAGEMENT METRICS FOR THE RETAIL INTERNATIONAL DIVISION

%

	Q1 2016	Q1 2015	+/- %
Gross premium growth (adjusted for currency effects)	25.8	3.5	+22.3 pt.
Combined ratio (net, property/casualty only) ¹⁾	96.6	96.2	+0.4 pt.
EBIT margin ²⁾	5.1	6.2	-1.1 pt.
Return on equity ³⁾	7.5	7.3	+0.2 pt.

¹⁾ Including net interest income on funds withheld and contract deposits.

²⁾ Operating profit/loss (EBIT)/net premiums earned.

³⁾ Ratio of annualised net income for the reporting period excluding non-controlling interests to average equity excluding non-controlling interests.

This division bundles the activities of the international retail business in the Talanx Group and is active in both Europe and Latin America.

PREMIUM VOLUME

The division's gross written premiums (including premiums from unit-linked life and annuity insurance) increased by 29.2% compared to the first quarter of 2016 to EUR 1.5 (1.1) billion. Adjusted for currency effects, gross premiums increased by 25.8% on the comparison period.

The premium volume increased in both regions in the reporting period. In the Latin America region, the gross written premiums increased by 27.4% compared to the same period in the previous year to EUR 414 million. There was an increase of 12.9% when adjusted for currency effects, which was essentially due to the Mexican company, HDI Seguros S. A. The premium volume for the company increased, particularly in motor insurance and from bank sales, which resulted both from an increased number of insured vehicles and from higher average premiums. Chile, where the premium volume was similarly increased in motor insurance as well as through a new bank sales channel, also had positive effects on the gross written premiums for the Latin America region. In addition, there was also increased demand here for building insurance as a result of natural disasters. Of the premium volume generated in the region, 54% was attributable to the Brazilian company HDI Seguros S. A. The performance of the Brazilian motor insurance market was heavily defined in the first quarter of 2017 by the continued decline in the sales of new cars in the country. However, taking into account currency effects, gross premiums written for HDI Seguros S. A. increased by 29.5% to EUR 223 million, primarily in the course of ongoing price rises; after adjustment for currency effects, the increase was 1.4%. According to local accounting, the company increased its gross written premiums from motor insurance by 8.4% as at the end of February 2017, while the Brazilian motor insurance market gained 3.3%.

In the Europe region, there was growth in gross written premiums of 30.2%, to EUR 1.1 billion; this was driven primarily by taking into account the life insurance premiums for the Italian company CBA Vita S. p. A., acquired on June 30, 2016, at around EUR 148 million for the first quarter of 2017. The decline in the premium volume from life insurance in the Italian company HDI Assicurazioni was therefore more than compensated for as a result of the declining trend in single premium business from other bank sales channels. The Polish motor insurance market has been in a "hard" market cycle since the second half of 2016; this has resulted in an increase in average premiums in motor liability insurance. Together with the increase in the number of insured vehicles to more than 4 (around 3.6) million, this resulted in premium growth of 35.0% to EUR 296 million with the Polish property insurer TUIR WARTA S. A. Turkey also reported positive effects on the gross written premiums for the region; as well as increasing the number of insured vehicles, it was possible here to increase the average premiums for motor insurance. Adjusted for currency effects, the growth in premium volume in Europe stood at 31.4%.

UNDERWRITING RESULT

The combined ratio from property insurance companies increased by 0.4 percentage points year-on-year to 96.6%, whereby a major loss in Chile at the beginning of 2017 had a 0.4 percentage point impact on the loss ratio. Overall, the loss ratio increased by 2.0 percentage points, essentially driven by higher costs for foreign replacement parts in the course of the devaluation of local currencies against the US dollar and the euro, and therefore increased claims inflation in Mexico and Turkey in particular. In contrast, the expense ratio for the division was 1.6 percentage points lower than the previous year (31.2%), at 29.6%. This resulted from a decline in both the acquisition expense ratio and the administrative expense ratio (by 1.0 percentage points to 5.6%, from 6.6% in the prior year) due to cost optimisations, primarily in the Polish company TUIR WARTA S.A. as well as in Brazil.

Overall, the underwriting result recorded in this division was EUR 7 million, which was slightly below the level of the prior year (EUR 8 million).

NET INVESTMENT INCOME

The division's net investment income amounted to EUR 87 million in the first quarter of 2017, a year-on-year rise of 8.8%. The investment portfolios, which were higher overall year-on-year, were offset by the decline in average returns from assets under own management of 0.3 percentage points to 3.7%. The division's ordinary net investment income increased accordingly by 9.0%. Net investment income includes EUR –1 (+2) million in net income from investment contracts. These are policies that provide insufficient risk cover to be classified as insurance contracts in accordance with IFRS.

OPERATING PROFIT AND GROUP NET INCOME

In the first quarter of 2017, operating profit (EBIT) in the Retail International Division rose by 3.3% compared with the prior-year period to EUR 63 million. While the Europe region, with an EBIT that was stable year-on-year, contributed EUR 47 (47) million to the operating profit of the segment, EUR 15 (16) million of the EBIT was generated in the Latin America region. The decline in the EBIT in Latin America resulted primarily from the major loss in Chile, specified above. Group net income after minority interests rose by 11.1% to EUR 40 (36) million. The return on equity rose by 0.2 percentage points to 7.5% compared to the same period in the previous year.

ADDITIONAL KEY FIGURES

RETAIL INTERNATIONAL DIVISION BY LINE OF BUSINESS AT A GLANCE

EUR MILLION	Q1 2017	Q1 2016	+/- %
Gross written premiums	1,483	1,148	+29.2
Property/casualty	934	758	+23.2
Life	549	390	+40.8
Net premiums earned	1,217	986	+23.4
Property/casualty	754	640	+17.8
Life	463	346	+33.8
Underwriting result	7	8	–12.5
Property/casualty	25	24	+4.2
Life	–18	–16	+12.5
Others	—	—	—
Net investment income	87	80	+8.8
Property/casualty	54	45	+20.0
Life	34	35	–2.9
Others	–1	—	—
New business by product in annual premium equivalent (life)	61	54	+13.0
Single premiums	434	329	+31.9
Regular premiums	18	21	–14.3
New business by product in annual premium equivalent (life)	61	54	+13.0
Capital-efficient products ¹⁾	28	n.a.	
Capital-inefficient products ¹⁾	17	n.a.	
Biometric products ¹⁾	16	n.a.	

¹⁾ Comparison with prior year not possible due to new product structure.

RETAIL INTERNATIONAL DIVISION BY REGION AT A GLANCE

EUR MILLION	Q1 2017	Q1 2016	+/- %
Gross written premiums	1,483	1,148	+29.2
of which Europe	1,064	817	+30.2
of which Latin America	414	325	+27.4
Net premiums earned	1,217	986	+23.4
of which Europe	856	685	+25.0
of which Latin America	361	301	+19.9
Underwriting result	7	8	–12.5
of which Europe	–1	1	–200.0
of which Latin America	2	7	–71.43
Net investment income	87	80	+8.8
of which Europe	60	60	—
of which Latin America	28	21	+33.3
Operating profit/loss (EBIT)	63	61	+3.3
of which Europe	47	47	—
of which Latin America	15	16	–6.25

REINSURANCE

PROPERTY/CASUALTY REINSURANCE

- Continued competition in the property/casualty reinsurance business
- Solid results for treaty renewals as at 1 January 2017
- Major loss burden significantly higher in the first quarter as compared to the same period in the prior year

KEY FIGURES FOR THE REINSURANCE DIVISION – PROPERTY/CASUALTY REINSURANCE SEGMENT

EUR MILLION

	Q1 2017	Q1 2016	+/- %
Gross written premiums	2,815	2,502	+12.5
Net premiums earned	2,166	1,961	+10.5
Underwriting result	91	100	-9.0
Net investment income	250	213	+17.4
Operating profit/loss (EBIT)	315	310	+1.6

MANAGEMENT METRICS FOR THE PROPERTY/CASUALTY REINSURANCE SEGMENT

%

	Q1 2017	Q1 2016	+/- %
Gross premium growth (adjusted for currency effects)	11.3	-3.7	+15.0 pt.
Combined ratio (net) ¹⁾	95.6	94.7	+0.9 pt.
EBIT margin ²⁾	14.6	15.8	-1.2 pt.

¹⁾ Including net interest income on funds withheld and contract deposits.²⁾ Operating profit/loss (EBIT)/net premiums earned.

Property/Casualty Reinsurance portfolio. Here we continued with our strict underwriting discipline and focused on our high-value existing business, which we supplemented with new opportunities from niche and specialised areas. We were also able to benefit once again from our excellent financial ratings and our long-standing customer relationships. Attractive opportunities for expanding our portfolio presented themselves in North America in particular – for example in the area of cyber-risk cover. In general, the pressure on rates in North America subsided and indications of a bottoming out could be observed across all lines. The development of treaty renewals was very positive in Canada, where significant rate increases were achieved in nearly all property business programmes. This development was mainly due to the large losses resulting from the devastating fires in the Canadian province of Alberta in the prior year.

We reduced our market share in the aviation business and in parts of Eastern Europe and China due to inadequate prices. Developments in the treaty renewal round for credit and surety reinsurance were positive on the other hand. In the area of credit reinsurance in particular, we were able to expand our large-scale existing customer relationships and acquire new major customers, which led to an increase in premium volumes in this line. Demand in the area of structured reinsurance for reinsurance solutions that improve solvency developed very positively. Here, we recorded significant premium growth in Europe, North America and Latin America.

PREMIUM DEVELOPMENT

Given these developments, gross premiums in the Property/Casualty Reinsurance segment rose by 12.5% to EUR 2.8 (2.5) billion. At constant exchange rates, growth would have amounted to 11.3%. Retention increased to 88.6% (87.9%). Net premiums earned increased by 10.5% to EUR 2.2 (2.0) billion; adjusted for currency effects, growth would have amounted to 8.8%.

BUSINESS DEVELOPMENT

The situation in the global property/casualty reinsurance market changed little year-on-year. The higher number of losses recorded in 2016 only had a positive effect on ceded written premiums on the local level, which means the fierce competition on markets largely continued. The supply of reinsurance capacity continues to far exceed demand, although the drop in prices was less pronounced than in the prior year. This was also reflected in the treaty renewal round as at 1 January 2017 in which we renegotiated around 64% of our

UNDERWRITING RESULT

The first quarter of 2017 was much more loss-intensive than the same period in the prior year. The net major loss burden amounted to EUR 134 (56) million, which was below the allocated quarterly budget, however. The largest single loss (approx. EUR 50 million) was Cyclone “Debbie”, which caused devastation and flooding in Australia.

The insurance industry was also negatively affected by the decision of the British government to reduce the discount rate for compensation payments for personal injury ("Ogden Rate") from 2.5% to -0.75% from March 2017. This will lead to a significant increase in compensation payments in cases where a one-time payment is made to the injured party to settle a compensation claim marked by a continual financial burden – e.g. to cover care measures. Cases of serious personal injury (e.g. following a car accident) might therefore become substantially more expensive, leading to higher payments from liability insurance coverage, which will have a particularly strong impact on non-proportional reinsurance. This aspect relates not only to future damage claims but also to past claims not yet processed, which means substantial additional reserves will have to be established at the primary insurers and reinsurers. In the first quarter we booked additional loss reserves of EUR 126 million for this purpose. In view of the very adequate IBNR reserves, however, this did not result in run-off losses. It can be assumed that additional reserves will be required later in the year in response to the change in the Ogden Rate, but these should also be absorbed by the IBNR reserves established.

Due to higher claims, the underwriting result for the Property/Casualty Reinsurance segment was below the very good figure recorded in the first quarter of 2016 and stood at EUR 91 (100) million as at 31 March 2017. The combined ratio amounted to 95.6% (94.7%) and thus lies within our forecast of a figure below 96%.

NET INVESTMENT INCOME

Net investment income in the Property/Casualty Reinsurance segment rose by 17.4 % to EUR 250 (213) million.

OPERATING PROFIT/LOSS

EBIT in the Property/Casualty Reinsurance segment once again increased slightly from the very good figure recorded in the first quarter of 2016 and stood at EUR 315 (310) million as at 31 March 2017. The EBIT margin reached 14.6% (15.8%), thus exceeding the forecast of at least 10%.

LIFE/HEALTH REINSURANCE

- Gross premium income developing as planned
- Extensive interest in reinsurance solutions for optimising the higher capital requirements resulting from the solvency requirements stipulated by supervisory authorities

KEY FIGURES FOR THE REINSURANCE DIVISION – LIFE/HEALTH REINSURANCE SEGMENT

EUR MILLION

	Q1 2017	Q1 2016	+/- %
Gross written premiums	1,732	1,761	-1.6
Net premiums earned	1,567	1,581	-0.9
Underwriting result	-114	-68	-67.6
Net investment income	148	157	-5.7
Operating profit/loss (EBIT)	86	103	-16.5

MANAGEMENT METRICS

%

	Q1 2017	Q1 2016	+/- %
Gross premium growth (adjusted for currency effects)	-1.7	0.3	-2.0 pt.
EBIT margin ¹⁾ financial solutions	33.0	17.9	+15.1 pt.
EBIT margin ¹⁾ longevity solutions	2.0	3.2	-1.2 pt.
EBIT margin ¹⁾ mortality/morbidity	0.9	5.3	-4.4 pt.

¹⁾ Operating profit (EBIT)/net premiums earned.

BUSINESS DEVELOPMENT

The Life/Health Reinsurance segment developed as expected in the first quarter of 2017. The insurance market environment in Germany remained challenging in terms of both life and health and longevity coverage. The guaranteed interest rate, which had last been adjusted in 2015, was lowered from 1.25% to 0.9% on 1 January 2017, which led to a further decline in the attractiveness of traditional life insurance products. A new long-term care system with five care degrees was introduced in Germany at the beginning of 2017. During the 2016 reporting year, we worked extensively on the development of a new care chart, which we were able to present to our customers to coincide with the introduction of the new system. As a result of the stricter solvency regulations stipulated by Solvency II, several primary insurers continue to require financing for the additional interest reserves they need to accumulate. We have been conducting a dialogue with our primary insurance customers concerning the use of reinsurance solutions for the purpose of obtaining capital relief.

During the reporting period, policies from past underwriting years in our US mortality business once again had a negative effect on earnings due to higher than expected mortality rates. On the other hand, our financial solutions business developed very well, as was expected, and made a significant positive contribution to earnings. In the UK, price pressures continued to dominate the life insurance market, particularly in the mortality business. Nevertheless, our longevity business developed positively in the UK. We were able to close new contracts while at the same time securing further new business with our existing portfolio. Demand by British primary insurers and pension funds remains high as a result of the obligation to meet the high Solvency II capital requirements for the longevity business. At the same time, the market is also extremely competitive and price-sensitive. On the international level, we have been seeing numerous enquiries on the part of life and pension insurers in need of capital relief. The longevity market developed very dynamically in Canada and Japan in particular. We have also noticed increased interest in the Scandinavian countries, Germany, Israel, South Korea and South Africa. Our many years of experience and accumulated expertise – particularly in the longevity business – have enabled us to successfully transfer reinsurance solutions to international markets in the past, and we expect the global longevity business to develop positively in future.

We have observed extremely dynamic development in the various insurance markets in Asia. Demand and business opportunities in the morbidity segment look very promising in Malaysia and Shanghai, among other places. We were able to successfully underwrite life insurance business in South Korea. Our new branch in India has now launched its business operations.

From a holistic perspective, our Life/Health Reinsurance operations have developed in the expected manner in Australia, Africa, the Middle East and Scandinavia. We have also received very positive feedback from our customers on our hr|ReFlex and hr|Quirc underwriting tools.

PREMIUM DEVELOPMENT

Gross premium income in the Life/Health Reinsurance segment amounted to EUR 1.7 (1.8) billion as at 31 March 2017. This corresponds to a slight decrease of 1.6%; at constant exchange rates, the decrease would have amounted to 1.7%. Retention amounted to 91.3% (90.5%). Net premiums earned thus declined slightly, by 0.9% to EUR 1.6 (1.6) billion. At constant exchange rates, the decline would have amounted to 1.3%.

NET INVESTMENT INCOME

Net investment income fell by 5.7% to EUR 148 (157) million. At EUR 68 (79) million, income from capital investments held on our behalf by cedants was slightly lower than the figure recorded in the first quarter of the prior year.

OPERATING PROFIT/LOSS

Operating profit (EBIT) declined by 16.5% from the solid figure recorded in the prior year, amounting to EUR 86 (103) million as at 30 March 2017. This decline was mainly due to the comparatively poorer results of our mortality business in the USA. At 33.0%, the financial solutions business significantly exceeded the EBIT margin forecast of 2%. The longevity business achieved the 2% EBIT margin forecast figure by recording a 2.0% EBIT margin. The mortality and morbidity business recorded an EBIT margin of 0.9% and thus failed to achieve the forecast figure of 6%.

REINSURANCE DIVISION OVERALL

THE RETURN ON EQUITY MANAGEMENT METRIC FOR THE REINSURANCE DIVISION OVERALL

%	Q1 2017	Q1 2016	+/- %
Return on equity ¹⁾	12.0	14.8	-2.8 pt.

¹⁾ Ratio of annualised net income for the reporting period excluding non-controlling interests to average equity excluding non-controlling interests.

Group net income in the Reinsurance Division declined by 7.0% in the first quarter to EUR 132 (142) million. This also led to a decline in return on equity of 2.8 percentage points to 12.0% (14.8%).

CORPORATE OPERATIONS

- Group assets under own management up 0.6%

OPERATING PROFIT/LOSS

The operating profit in the Corporate Operations segment increased in the first three months of 2017 to EUR 5 (–2) million. On the one hand, the underwriting result for the section of the Talanx Reinsurance Plc., Dublin business shown here, increased due to lower losses. On the other, a write-down on equities was undertaken in the corresponding quarter of the prior year. Group net income attributable to shareholders of Talanx AG for this segment amounted to EUR –14 (–24) million in the first three months of 2017.

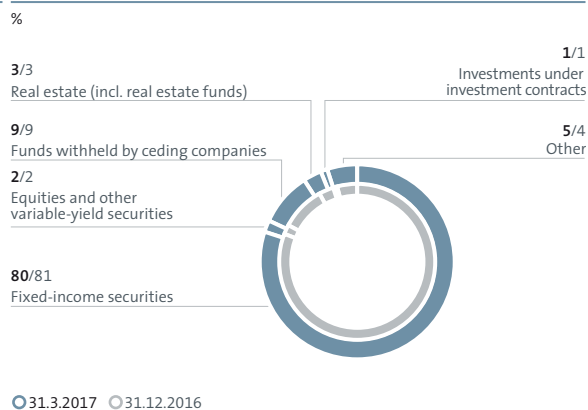
INVESTMENTS AND FINANCIAL POSITION

The total investment portfolio increased by 0.7% over the course of the first quarter of 2017 and amounted to EUR 119.7 (118.9) billion. The portfolio of assets under own management rose by 0.6% to EUR 107.8 (107.2) billion, while the funds withheld by ceding companies increased by 1.6% to EUR 10.8 (10.6) billion. Growth in the portfolio of assets under own management was largely due to cash inflows from underwriting business, which were reinvested in accordance with the respective corporate guidelines.

Fixed-income investments were again the most significant asset class in the first quarter of 2017. Most reinvestments were made in this class, reflecting the existing investment structure. This asset class contributed EUR 0.7 (0.7) billion to earnings, which was reinvested as far as possible in the year under review.

The equity allocation ratio after derivatives (equity ratio) was 1.7% (1.5%) at the end of the quarter.

BREAKDOWN OF THE INVESTMENT PORTFOLIO



BREAKDOWN OF ASSETS UNDER OWN MANAGEMENT BY ASSET CLASS

EUR MILLION

	31.3.2017		31.12.2016	
Investment property	2,418	2%	2,480	2%
Shares in affiliated companies and participating interests	144	< 1%	139	<1%
Investments in associates and joint ventures	293	< 1%	290	<1%
Loans and receivables				
Loans incl. mortgage loans	549	1%	567	1%
Loans and receivables due from government or quasi-governmental entities, together with fixed-income securities	28,695	27%	28,858	27%
Financial instruments held to maturity	577	1%	744	1%
Available for sale				
Fixed-income securities	65,852	61%	65,435	61%
Variable-yield securities	2,705	2%	2,615	2%
Financial assets at fair value through profit or loss				
Financial liabilities classified at fair value through profit or loss				
Fixed-income securities	1,181	1%	1,087	1%
Variable-yield securities	43	< 1%	19	<1%
Financial assets held for trading				
Fixed-income securities	0	< 1%	3	<1%
Variable-yield securities	148	< 1%	174	<1%
Derivatives ¹⁾	104	< 1%	69	<1%
Other investments	5,101	5%	4,694	4%
Assets under own management	107,810	100%	107,174	100%

¹⁾ Only derivatives with positive fair values.**FIXED-INCOME SECURITIES**

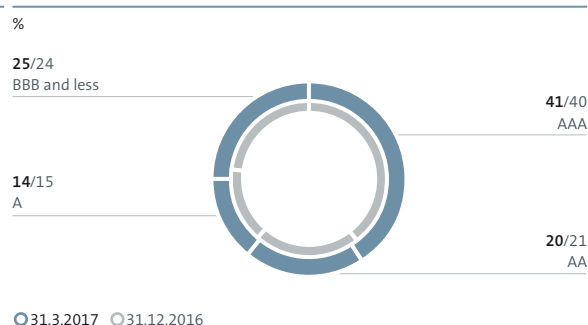
The portfolio of fixed-income investments (excluding mortgage and policy loans) remained at nearly the prior year's level in the first quarter of 2017 to total EUR 96.3 (96.1) billion at the quarter's end. At 80% (81%) of total investments, this asset class continues to represent the most significant share of our investments by volume. Fixed-income investments were primarily divided into the investment categories of "Loans and receivables" and "Financial assets available for sale".

"Fixed-income securities available for sale", whose volatility impacts equity, increased further by EUR +0.5 billion to EUR 65.9 (65.4) billion, or 68% (68%) of total investments in the fixed income portfolio. German covered bonds (Pfandbriefe) and corporate bonds accounted for the majority of these investments. Valuation reserves – i.e. the balance of unrealised gains and losses – have declined from EUR 3.8 billion to EUR 3.4 billion since the end of 2016 due to the further increase in interest rates for long terms.

In the "Loans and receivables" category, investments were primarily held in government securities or securities with a similar level of security. Pfandbriefe still represent the largest item in the portfolio. Total holdings in fixed-income securities within the category "Loans and receivables" amounted to EUR 29.2 (29.4) billion at the end of the quarter and thus represent 30% of total holdings in the asset class of fixed-income investments. Off-balance-sheet valuation reserves of "Loans and receivables" (including mortgage and policy loans) decreased from EUR 4.9 billion to EUR 4.6 billion.

Investments in fixed-income securities continue to focus in 2017 on government bonds with good ratings or securities from issuers with a similar credit quality. At the reporting date, holdings of AAA-rated bonds amounted to EUR 39.5 (39.0) billion. This represents 41% (40%) of the total portfolio of fixed-income securities and loans.

RATING STRUCTURE OF THE FIXED-INCOME SECURITIES



The Group pursues a conservative investment policy. As a result, 75% (76%) of instruments in the fixed-income securities asset category have a minimum A rating.

The Group has only a small portfolio of investments in government bonds from countries with a rating lower than A-. These holdings have a fair value of EUR 4.5 (4.4) billion.

As far as matching currency cover is concerned, US dollar-denominated investments continue to account for the largest share (20%/20%) of the Talanx Group's foreign currency portfolio. Sizeable positions are also held in pound sterling and Australian dollars, totalling 5% (7%) of all investments. The total share of assets under own management in foreign currencies was 33% (33%) as at 31 March 2017.

EQUITIES AND EQUITY FUNDS

Net unrealised gains and losses on equity holdings within the Group (excluding "Other investments") increased by EUR 87 million to EUR 338 million.

REAL ESTATE INCLUDING SHARES IN REAL ESTATE FUNDS

Investment property totalled EUR 2.4 (2.5) billion at the reporting date. An additional EUR 827 (830) million is held in real estate funds, which are recognised as "Financial assets available for sale".

Depreciation of EUR 12 (11) million was recognised on investment property in the reporting period. There were no impairment losses. Depreciation on real estate funds stood at EUR 5 (1) million. These impairments were not offset by any reversals of impairment losses.

The real estate ratio including investments in real estate funds was unchanged at 3%.

INFRASTRUCTURE INVESTMENTS

In the reporting period, Talanx again expanded its direct investments in infrastructure. The portfolio comprises both equity and external funding investments in wind farms, electricity networks, water companies, solar parks and public-private partnership projects (PPP) in Germany and the rest of Europe. Currently, Talanx has approximately EUR 1.5 (1.5) billion invested in total. We are aiming for an investment volume in the amount of about EUR 2 billion by the end of 2017.

NET INVESTMENT INCOME

CHANGES IN NET INVESTMENT INCOME

EUR MILLION	Q1 2017	Q1 2016
Ordinary investment income	867	783
of which current income from interest	705	690
of which gain/loss on investments in associates	5	2
Realised net gains on disposal of investments	137	221
Write-downs/reversals of write-downs of investments	-32	-40
Unrealised net gains from investments	25	31
Other investment expenses	54	54
Income from assets under own management	943	941
Net interest income from funds withheld and contract deposits	69	79
Net income from investment contracts	-1	2
Total	1,011	1,022

Net investment income for the first quarter was EUR 1.0 billion, down slightly on the previous year. Current interest income, which amounted to EUR 0.7 billion, continues to account for the majority of investment income. Realised gains/losses on disposal of investments was EUR 137 million. In addition, impairment losses amounting to EUR 32 million were made.

Ordinary investment income totalled EUR 867 million at the end of the first quarter, an increase of EUR 84 million from the first quarter of 2016. This development is in part due to income from private equity and real estate funds, which was very high for a first quarter result. Falling interest rates on the capital markets led to an average coupon in the fixed-income securities portfolio of 3.1%, down on the previous year's value of 3.3%.

Total realised net gains on the disposal of investments in the first quarter of the financial year were down on the previous-year figure, amounting on balance to EUR 137 million. The positive net gains resulted from regular portfolio turnover in all segments, as well as

from the requirement to realise unrealised gains in order to finance the additional interest reserve for life insurance and occupational pension plans required by the HGB.

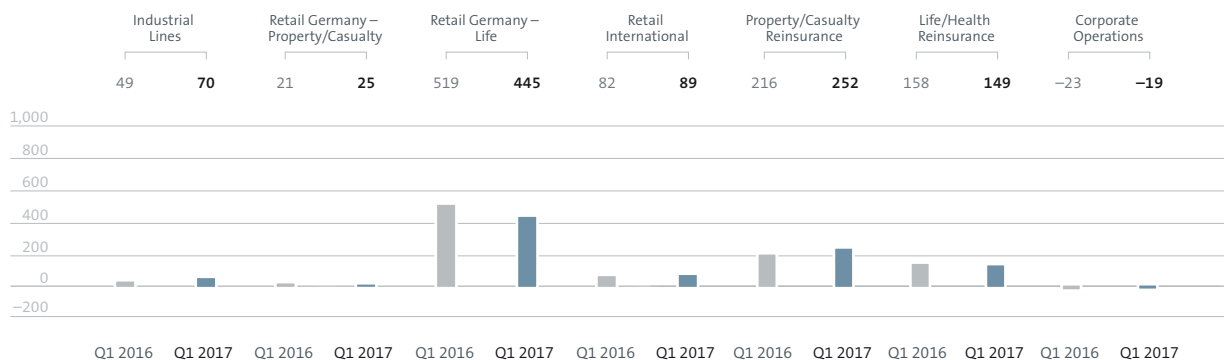
In comparison to the previous year, lower depreciations on balance were required in the first quarter of this year. These amounted to EUR 32 million in total, net of reversals of write-downs.

Unrealised net gains/losses declined on balance from EUR 31 million to EUR 25 million.

Net interest income from funds withheld and contract deposits totalled EUR 69 (79) million.

NET INVESTMENT INCOME BY GROUP SEGMENT¹⁾

EUR MILLION



¹⁾ After elimination of intra-Group transactions between the segments.

CHANGES IN EQUITY

CHANGES IN EQUITY

EUR MILLION

	31.3.2017	31.12.2016	Change	+/- %
Subscribed capital	316	316	—	—
Capital reserve	1,373	1,373	—	—
Retained earnings	6,906	6,668	238	+3.6
Accumulated other comprehensive income and other reserves	773	721	52	+7.2
Group equity	9,368	9,078	290	+3.2
Non-controlling interests	5,764	5,610	154	+2.7
Total	15,132	14,688	444	+3.0

The slight increase in Group equity of EUR 290 million (+3.2 %) particularly relates to the net profit for the period, EUR 238 (222) million of which is attributable to our shareholders and was allocated in full to retained earnings. The increase in accumulated other comprehensive income of EUR 52 million is due to a number of partially offsetting effects. On the one hand, in line with the slight increase in interest rates, the unrealised gains on investments declined by EUR 355 million and the reserve for cash flow hedges decreased by a further EUR 43 million. On the other hand, this effect was significantly overcompensated primarily by the positive development of policyholder participations/shadow accounting (+EUR 412 million), the improvement to cumulative currency translation gains (+EUR 21 million) and the decline in pension provisions (+EUR 15 million).

EQUITY BY DIVISION¹⁾ INCLUDING NON-CONTROLLING INTERESTS

EUR MILLION

	31.3.2017	31.12.2016
Industrial Lines	2,215	2,189
of which non-controlling interests	—	—
Retail Germany	2,518	2,558
of which non-controlling interests	48	51
Retail International	2,374	2,263
of which non-controlling interests	224	206
Reinsurance	10,001	9,702
of which non-controlling interests	5,493	5,354
Corporate Operations	–1,994	–2,041
of which non-controlling interests	—	—
Consolidation	18	17
of which non-controlling interests	–1	–1
Total equity	15,132	14,688
Group equity	9,368	9,078
Non-controlling interests in equity	5,764	5,610

¹⁾ Equity per division is defined as the difference between the assets and liabilities of each division.

OUTLOOK

We are making the following assumptions:

- moderate global economic growth
- steady inflation rates
- continuing very low interest rates
- no sudden upheavals on the capital markets
- no significant fiscal or regulatory changes
- catastrophe losses in line with expectations

We provide forecast figures at year-end for the key figures at the Talanx Group and its divisions that the Group uses to control its business operations. With this outlook, we are basically confirming the forecasts for 2017 for the Talanx Group and its divisions that were published in the 2016 Group Annual Report.

TALANX GROUP

MANAGEMENT METRICS

%

	Outlook for 2017 on the basis of Q1 2017	Forecast for 2017 from the 2016 Annual Report
Gross premium growth (adjusted for currency effects)	> 1	> 1
Group net income in EUR million	approx. 800	approx. 800
Net return on investment	≥ 3	≥ 3
Payout rate	35–45	35–45
Return on equity	> 8	> 8

INDUSTRIAL LINES

MANAGEMENT METRICS FOR THE INDUSTRIAL LINES DIVISION

%

	Outlook for 2017 on the basis of Q1 2017	Forecast for 2017 from the 2016 Annual Report
Gross premium growth (adjusted for currency effects)	≥ 2	≥ 2
Retention	> 53	> 53
Combined ratio (net)	~ 96	~ 96
EBIT margin	~ 10	~ 10
Return on equity	7–8	7–8

RETAIL GERMANY

PROPERTY/CASUALTY INSURANCE

MANAGEMENT METRICS FOR THE RETAIL GERMANY DIVISION –
PROPERTY/CASUALTY INSURANCE SEGMENT

%

	Outlook for 2017 on the basis of Q1 2017	Forecast for 2017 from the 2016 Annual Report
Gross premium growth	–1 to –2	–1 to –2
Combined ratio (net)	~103	~103
EBIT margin	1–2	1–2

LIFE

MANAGEMENT METRICS FOR THE RETAIL GERMANY DIVISION –
LIFE INSURANCE SEGMENT

%

	Outlook for 2017 on the basis of Q1 2017	Forecast for 2017 from the 2016 Annual Report
Gross premium growth	0	0
EBIT margin	2–3	2–3

RETAIL GERMANY OVERALL

RETURN ON EQUITY MANAGEMENT METRIC
FOR THE RETAIL GERMANY DIVISION OVERALL

%

	Outlook for 2017 on the basis of Q1 2017	Forecast for 2017 from the 2016 Annual Report
Return on equity	2–3	2–3

RETAIL INTERNATIONAL

MANAGEMENT METRICS FOR THE RETAIL INTERNATIONAL DIVISION

%

	Outlook for 2017 on the basis of Q1 2017	Forecast for 2017 from the 2016 Annual Report
Gross premium growth (adjusted for currency effects)	~10	~10
Growth in value of new business (life) ¹⁾	5–10	5–10
Combined ratio (net, property/casualty)	~96	~96
EBIT margin	5–6	5–6
Return on equity	6–7	6–7

¹⁾ Excluding non-controlling interests

REINSURANCE

PROPERTY/CASUALTY REINSURANCE

MANAGEMENT METRICS FOR THE PROPERTY/CASUALTY REINSURANCE SEGMENT

%

	Outlook for 2017 on the basis of Q1 2017	Forecast for 2017 from the 2016 Annual Report
Gross premium growth (adjusted for currency effects)	slight growth	slight growth
Combined ratio (net)	< 96	< 96
EBIT margin	≥ 10	≥ 10

REINSURANCE DIVISION OVERALL

RETURN ON EQUITY MANAGEMENT METRIC FOR THE REINSURANCE DIVISION OVERALL

%

	Outlook for 2017 on the basis of Q1 2017	Forecast for 2017 from the 2016 Annual Report
Return on equity	~ 11	~ 11

LIFE/HEALTH REINSURANCE

MANAGEMENT METRICS FOR THE LIFE/HEALTH REINSURANCE SEGMENT

%

	Outlook for 2017 on the basis of Q1 2017	Forecast for 2017 from the 2016 Annual Report
Gross premium growth (adjusted for currency effects)	moderate growth	moderate growth
Value of new business ¹⁾ in EUR million	> 110	> 110
EBIT margin financial solutions	≥ 2	≥ 2
EBIT margin longevity solutions	≥ 2	≥ 2
EBIT margin mortality/morbidity	≥ 6	≥ 6

¹⁾ Excluding non-controlling interests.

CONSOLIDATED BALANCE SHEET OF TALANX AG AS AT 31 MARCH 2017

CONSOLIDATED BALANCE SHEET – ASSETS

EUR MILLION

	31.3.2017	31.12.2016
A. Intangible assets		
a. Goodwill	1,060	1,039
b. Other intangible assets	890	903
	1,950	1,942
B. Investments		
a. Investment property	2,418	2,480
b. Shares in affiliated companies and participating interests	144	139
c. Investments in associates and joint ventures	293	290
d. Loans and receivables	29,244	29,425
e. Other financial instruments		
i. Held to maturity	577	744
ii. Available for sale	68,557	68,050
iii. At fair value through profit or loss	1,476	1,352
f. Other investments	5,101	4,694
Assets under own management	107,810	107,174
g. Investments under investment contracts	1,130	1,091
h. Funds withheld by ceding companies	10,756	10,590
Investments	119,696	118,855
C. Investments for the benefit of life insurance policyholders who bear the investment risk	11,010	10,583
D. Reinsurance recoverables on technical provisions	8,264	7,958
E. Accounts receivable on insurance business	7,356	6,192
F. Deferred acquisition costs	5,356	5,240
G. Cash at banks, cheques and cash-in-hand	3,200	2,589
H. Deferred tax assets	587	577
I. Other assets	2,627	2,620
J. Non-current assets and assets of disposal groups classified as held for sale	15	15
Total assets	160,061	156,571

CONSOLIDATED BALANCE SHEET – LIABILITIES

EUR MILLION

	31.3.2017		31.12.2016
A. Equity			
a. Subscribed capital	316		316
Nominal value: 316 (prior year: 316)			
Contingent capital: 104 (prior year: 104)			
b. Reserves	9,052		8,762
Equity excluding non-controlling interests	9,368		9,078
c. Non-controlling interests	5,764		5,610
Total equity		15,132	14,688
B. Subordinated liabilities	1,983		1,983
C. Technical provisions			
a. Unearned premium reserve	9,564		7,624
b. Benefit reserve	55,003		54,758
c. Loss and loss adjustment expense reserve	42,095		41,873
d. Provision for premium refunds	5,533		5,765
e. Other technical provisions	423		409
	112,618		110,429
D. Technical provisions for life insurance policies where the investment risk is borne by the policyholders	11,010		10,583
E. Other provisions			
a. Provisions for pensions and other post-employment benefits	2,157		2,183
b. Provisions for taxes	922		833
c. Miscellaneous other provisions	889		940
	3,968		3,956
F. Liabilities			
a. Notes payable and loans	1,459		1,505
b. Funds withheld under reinsurance treaties	5,035		5,129
c. Other liabilities	6,669		6,150
	13,163		12,784
G. Deferred tax liabilities	2,187		2,148
H. Liabilities included in disposal groups classified as held for sale	—		—
Total liabilities/provisions		144,929	141,883
Total equity and liabilities		160,061	156,571

CONSOLIDATED STATEMENT OF INCOME OF TALANX AG FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2017

CONSOLIDATED STATEMENT OF INCOME

EUR MILLION

	Q1 2017	Q1 2016
1. Gross written premiums including premiums from unit-linked life and annuity insurance	9,752	8,995
2. Savings elements of premiums from unit-linked life and annuity insurance	281	261
3. Ceded written premiums	1,366	1,295
4. Change in gross unearned premiums	-1,883	-1,618
5. Change in ceded unearned premiums	-470	-445
Net premiums earned	6,692	6,266
6. Claims and claims expenses (gross)	5,966	5,715
Reinsurers' share	486	481
Claims and claims expenses (net)	5,480	5,234
7. Acquisition costs and administrative expenses (gross)	1,792	1,626
Reinsurers' share	173	162
Acquisition costs and administrative expenses (net)	1,619	1,464
8. Other technical income	25	16
Other technical expenses	33	6
Other technical result	-8	10
Net technical result	-415	-422
9. a. Investment income	1,111	1,120
b. Investment expenses	168	179
Net income from assets under own management	943	941
Net income from investment contracts	-1	2
Net interest income from funds withheld and contract deposits	69	79
Net investment income	1,011	1,022
of which share of profit or loss of equity-accounted associates and joint ventures	5	2
10. a. Other income	396	462
b. Other expenses	416	489
Other income/expenses	-20	-27
Profit before goodwill impairments	576	573
11. Goodwill impairments	—	—
Operating profit (EBIT)	576	573
12. Financing costs	36	37
13. Taxes on income	142	155
Net income	398	381
of which attributable to non-controlling interests	160	159
of which attributable to shareholders of Talanx AG	238	222
Earnings per share		
Basic earnings per share (EUR)	0.94	0.88
Diluted earnings per share (EUR)	0.94	0.88

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF TALANX AG FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2017

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR MILLION

	Q1 2017	Q1 2016
Net income	398	381
Items that will not be reclassified to profit or loss		
Actuarial gains (losses) on pension provisions		
Gains (losses) recognised in other comprehensive income for the period	21	-257
Tax income (expense)	-7	79
	14	-178
Changes in policyholder participation/shadow accounting		
Gains (losses) recognised in other comprehensive income for the period	-1	11
Tax income (expense)	—	—
	-1	11
Total items that will not be reclassified to profit or loss, net of tax	13	-167
Items that may be reclassified subsequently to profit or loss		
Unrealised gains and losses on investments		
Gains (losses) recognised in other comprehensive income for the period	-195	1,576
Reclassified to profit or loss	-170	-124
Tax income (expense)	34	-197
	-331	1,255
Exchange differences on translating foreign operations		
Gains (losses) recognised in other comprehensive income for the period	2	-266
Reclassified to profit or loss	—	—
Tax income (expense)	—	6
	2	-260
Changes in policyholder participation/shadow accounting		
Gains (losses) recognised in other comprehensive income for the period	465	-891
Tax income (expense)	-11	17
	454	-874
Changes from cash flow hedges		
Gains (losses) recognised in other comprehensive income for the period	-26	110
Reclassified to profit or loss	-25	-3
Tax income (expense)	1	-4
	-50	103
Changes from equity method measurement		
Gains (losses) recognised in other comprehensive income for the period	2	-1
Reclassified to profit or loss	—	—
Tax income (expense)	—	—
	2	-1
Miscellaneous other changes		
Gains (losses) recognised in other comprehensive income for the period	—	—
Reclassified to profit or loss	—	—
Tax income (expense)	—	—
	—	—
Total items that may be reclassified subsequently to profit or loss, net of tax	77	223
Other comprehensive income for the period, net of tax	90	56
Total comprehensive income for the period	488	437
of which attributable to non-controlling interests	198	187
of which attributable to shareholders of Talanx AG	290	250

CONSOLIDATED CASH FLOW STATEMENT OF TALANX AG FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2017

CONSOLIDATED CASH FLOW STATEMENT

EUR MILLION

	Q1 2017	Q1 2016
I. 1. Net income	398	381
I. 2. Changes in technical provisions	2,343	1,937
I. 3. Changes in deferred acquisition costs	-69	-71
I. 4. Changes in funds withheld and in accounts receivable and payable	-1,088	-387
I. 5. Changes in other receivables and liabilities	228	90
I. 6. Changes in investments and liabilities under investment contracts	12	4
I. 7. Changes in financial assets held for trading	-34	10
I. 8. Gains/losses on disposal of investments and property, plant and equipment	-145	-221
I. 9. Change in technical provisions for life insurance policies where the investment risk is borne by the policyholders ¹⁾	403	-414
I. 10. Other non-cash expenses and income (including income tax expense/income)	154	139
I. Cash flows from operating activities²⁾	2,202	1,468
II. 1. Cash inflow from the sale of consolidated companies	—	2
II. 2. Cash outflow from the purchase of consolidated companies	—	9
II. 3. Cash inflow from the sale of real estate	73	1
II. 4. Cash outflow from the purchase of real estate	-28	-12
II. 5. Cash inflow from the sale and maturity of financial instruments	5,699	6,077
II. 6. Cash outflow from the purchase of financial instruments	-6,362	-6,886
II. 7. Changes in investments for the benefit of life insurance policyholders who bear the investment risk	-403	414
II. 8. Changes in other investments	-444	260
II. 9. Cash outflows from the acquisition of tangible and intangible assets	-27	-22
II. 10. Cash inflows from the sale of tangible and intangible assets	12	3
II. Cash flows from investing activities	-1,480	-154
III. 1. Cash inflow from capital increases	—	—
III. 2. Cash outflow from capital reductions	—	—
III. 3. Dividends paid	-44	-39
III. 4. Net changes attributable to other financing activities	-62	-12
III. Cash flows from financing activities	-106	-51
Net change in cash and cash equivalents (I. + II. + III.)	616	1,263
Cash and cash equivalents at the beginning of the reporting period	2,589	2,243
Effect of exchange rate changes on cash and cash equivalents	-5	-10
Effect of changes in the basis of consolidation on cash and cash equivalents³⁾	—	-2
Cash and cash equivalents at the end of the reporting period⁴⁾	3,200	3,494
Additional information		
Taxes paid ²⁾	80	114
Interest paid ⁵⁾	96	79
Dividends received ²⁾	79	29
Interest received ²⁾	1,014	1,036

¹⁾ As opposed to the previous year, item I. 9 „Change in technical provisions for life insurance policies where the investment risk is borne by the policyholders“ is reported separately; in the same period of the previous year, the effects were reported in item I. 10 „Other non-cash expenses and income (including income tax expense/income)“.

²⁾ Income taxes paid as well as dividends and interest received are allocated to cash flows from operating activities.

Dividends received also comprise dividend-equivalent distributions from investment funds and private equity companies.

³⁾ This item relates primarily to changes in the basis of consolidation, excluding disposals and acquisitions.

⁴⁾ „Cash and cash equivalents at the end of the reporting period“ also include changes in the portfolio of disclosed disposal groups in the amount of EUR 0 (4) million.

⁵⁾ EUR 20 (20) million of interest paid is attributable to cash flows from financing activities and EUR 76 (59) million to cash flows from operating activities.

SEGMENT REPORTING

CONSOLIDATED BALANCE SHEET BY DIVISION AS AT 31 MARCH 2017

EUR MILLION

Assets	Industrial Lines		Retail Germany	
	31.3.2017	31.12.2016	31.3.2017	31.12.2016
A. Intangible assets				
a. Goodwill	153	153	248	248
b. Other intangible assets	8	8	511	520
	161	161	759	768
B. Investments				
a. Investment property	97	77	985	984
b. Shares in affiliated companies and participating interests	14	12	7	13
c. Investments in associates and joint ventures	154	150	52	53
d. Loans and receivables	1,033	1,054	24,995	25,092
e. Other financial instruments				
i. Held to maturity	73	77	166	170
ii. Available for sale	5,655	5,625	21,305	21,420
iii. At fair value through profit or loss	118	72	328	346
f. Other investments	757	684	1,635	1,532
Assets under own management	7,901	7,751	49,473	49,610
g. Investments under investment contracts	—	—	—	—
h. Funds withheld by ceding companies	19	20	3	3
Investments	7,920	7,771	49,476	49,613
C. Investments for the benefit of life insurance policyholders who bear the investment risk	—	—	10,112	9,727
D. Reinsurance recoverables on technical provisions	5,309	5,014	2,301	2,170
E. Accounts receivable on insurance business	1,895	1,259	389	331
F. Deferred acquisition costs	81	45	2,217	2,179
G. Cash at banks, cheques and cash-in-hand	613	478	797	633
H. Deferred tax assets	71	69	81	78
I. Other assets	391	387	939	1,226
J. Non-current assets and assets of disposal groups classified as held for sale	—	—	—	—
Total assets	16,441	15,184	67,071	66,725

Retail International		Reinsurance		Corporate Operations		Consolidation		Total	
31.3.2017	31.12.2016	31.3.2017	31.12.2016	31.3.2017	31.12.2016	31.3.2017	31.12.2016	31.3.2017	31.12.2016
639	618	20	20	—	—	—	—	1,060	1,039
156	156	125	128	90	91	—	—	890	903
795	774	145	148	90	91	—	—	1,950	1,942
17	17	1,319	1,402	—	—	—	—	2,418	2,480
—	—	106	97	17	17	—	—	144	139
—	—	114	114	—	—	-27	-27	293	290
713	700	2,487	2,564	16	15	—	—	29,244	29,425
261	305	363	485	2	2	-288	-295	577	744
7,663	7,373	33,766	33,478	168	154	—	—	68,557	68,050
707	636	323	298	—	—	—	—	1,476	1,352
293	327	3,235	3,235	472	261	-1,291	-1,345	5,101	4,694
9,654	9,358	41,713	41,673	675	449	-1,606	-1,667	107,810	107,174
1,130	1,091	—	—	—	—	—	—	1,130	1,091
—	—	12,106	11,844	1	1	-1,373	-1,278	10,756	10,590
10,784	10,449	53,819	53,517	676	450	-2,979	-2,945	119,696	118,855
898	856	—	—	—	—	—	—	11,010	10,583
880	832	2,741	2,843	5	—	-2,972	-2,901	8,264	7,958
1,285	1,142	3,980	3,678	14	2	-207	-220	7,356	6,192
609	589	2,219	2,198	1	—	229	229	5,356	5,240
579	455	1,015	814	196	209	—	—	3,200	2,589
64	59	132	127	239	244	—	—	587	577
460	471	1,442	1,286	490	738	-1,095	-1,488	2,627	2,620
—	—	15	15	—	—	—	—	15	15
16,354	15,627	65,508	64,626	1,711	1,734	-7,024	-7,325	160,061	156,571

CONSOLIDATED BALANCE SHEET BY DIVISION AS AT 31 MARCH 2017

EUR MILLION

Liabilities	Industrial Lines		Retail Germany	
	31.3.2017	31.12.2016	31.3.2017	31.12.2016
B. Subordinated liabilities	200	200	161	161
C. Technical provisions				
a. Unearned premium reserve	2,055	1,094	1,617	1,160
b. Benefit reserve	—	—	39,637	39,515
c. Loss and loss adjustment expense reserve	9,275	9,353	3,127	3,098
d. Provision for premium refunds	15	19	5,281	5,473
e. Other technical provisions	42	42	3	2
	11,387	10,508	49,665	49,248
D. Technical provisions for life insurance policies where the investment risk is borne by the policyholders	—	—	10,112	9,727
E. Other provisions				
a. Provisions for pensions and other post-employment benefits	605	612	148	150
b. Provisions for taxes	121	97	133	118
c. Miscellaneous other provisions	88	84	331	372
	814	793	612	640
F. Liabilities				
a. Notes payable and loans	16	16	102	104
b. Funds withheld under reinsurance treaties	59	49	1,879	1,748
c. Other liabilities	1,582	1,257	1,750	2,251
	1,657	1,322	3,731	4,103
G. Deferred tax liabilities	168	172	272	288
Total liabilities/provisions	14,226	12,995	64,553	64,167

Retail International		Reinsurance		Corporate Operations		Consolidation		Total	
31.3.2017	31.12.2016	31.3.2017	31.12.2016	31.3.2017	31.12.2016	31.3.2017	31.12.2016	31.3.2017	31.12.2016
42	42	1,681	1,683	530	530	-631	-633	1,983	1,983
2,345	2,199	3,735	3,341	12	1	-200	-171	9,564	7,624
5,332	5,124	10,204	10,290	—	—	-170	-171	55,003	54,758
2,656	2,592	28,296	28,130	41	41	-1,300	-1,341	42,095	41,873
237	273	—	—	—	—	—	—	5,533	5,765
11	10	373	362	—	—	-6	-7	423	409
10,581	10,198	42,608	42,123	53	42	-1,676	-1,690	112,618	110,429
898	856	—	—	—	—	—	—	11,010	10,583
22	21	182	181	1,200	1,219	—	—	2,157	2,183
131	109	431	409	106	100	—	—	922	833
96	100	201	199	174	185	-1	—	889	940
249	230	814	789	1,480	1,504	-1	—	3,968	3,956
21	21	770	810	1,475	1,535	-925	-981	1,459	1,505
166	163	5,481	5,532	—	—	-2,550	-2,363	5,035	5,129
1,917	1,752	2,536	2,425	165	161	-1,281	-1,696	6,669	6,150
2,104	1,936	8,787	8,767	1,640	1,696	-4,756	-5,040	13,163	12,784
106	102	1,617	1,562	2	3	22	21	2,187	2,148
13,980	13,364	55,507	54,924	3,705	3,775	-7,042	-7,342	144,929	141,883
Equity ¹⁾								15,132	14,688
Total equity and liabilities								160,061	156,571

¹⁾ Equity attributable to Group shareholders and non-controlling interests.

**CONSOLIDATED STATEMENT OF INCOME BY DIVISION/REPORTABLE SEGMENT
FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2017¹⁾**

EUR MILLION

	Industrial Lines		Retail Germany	
	Q1 2017	Q1 2016	Q1 2017	Q1 2016
1. Gross written premiums including premiums from unit-linked life and annuity insurance	2,004	1,921	1,906	1,904
of which attributable to other divisions/segments	27	19	11	15
with third parties	1,977	1,902	1,895	1,889
2. Savings elements of premiums from unit-linked life and annuity insurance	—	—	203	219
3. Ceded written premiums	875	856	81	71
4. Change in gross unearned premiums	–958	–914	–456	–408
5. Change in ceded unearned premiums	–381	–386	–18	–11
Net premiums earned	552	537	1,184	1,217
6. Claims and claims expenses (gross)	703	693	1,322	1,433
Reinsurers' share	279	275	17	14
Claims and claims expenses (net)	424	418	1,305	1,419
7. Acquisition costs and administrative expenses (gross)	240	232	327	298
Reinsurers' share	126	124	26	26
Acquisition costs and administrative expenses (net)	114	108	301	272
8. Other technical income	11	3	8	6
Other technical expenses	6	1	8	10
Other technical result	5	2	—	–4
Net technical result	19	13	–422	–478
9. a. Investment income	79	70	544	600
b. Investment expenses	10	20	80	61
Net income from assets under own management	69	50	464	539
Net income from investment contracts	—	—	—	—
Net interest income from funds withheld and contract deposits	—	—	–4	–4
Net investment income	69	50	460	535
of which share of profit or loss of equity-accounted associates and joint ventures	—	2	1	4
10. a. Other income	29	59	54	62
b. Other expenses	37	48	58	72
Other income/expenses	–8	11	–4	–10
Profit before goodwill impairments	80	74	34	47
11. Goodwill impairments	—	—	—	—
Operating profit (EBIT)	80	74	34	47
12. Financing costs	2	2	2	3
13. Taxes on income	19	24	13	13
Net income	59	48	19	31
of which attributable to non-controlling interests	—	—	—	2
of which attributable to shareholders of Talanx AG	59	48	19	29

¹⁾ With the exception of the Retail Germany Division and the Reinsurance Division, the statements of income of the other divisions are the same as those of the reportable segments.

Retail International		Reinsurance		Corporate Operations		Consolidation		Total	
Q1 2017	Q1 2016	Q1 2017	Q1 2016	Q1 2017	Q1 2016	Q1 2017	Q1 2016	Q1 2017	Q1 2016
1,483	1,148	4,547	4,263	20	14	-208	-255	9,752	8,995
—	—	149	209	20	14	-208	-257	-1	—
1,483	1,148	4,398	4,054	—	—	—	2	9,753	8,995
78	42	—	—	—	—	—	—	281	261
141	127	471	471	6	7	-208	-237	1,366	1,295
-88	-24	-400	-303	-12	-8	31	39	-1,883	-1,618
-41	-31	-57	-53	-5	-5	32	41	-470	-445
1,217	986	3,733	3,542	7	4	-1	-20	6,692	6,266
1,011	776	3,012	2,917	2	1	-84	-105	5,966	5,715
78	37	193	261	—	—	-81	-106	486	481
933	739	2,819	2,656	2	1	-3	1	5,480	5,234
288	251	991	906	1	1	-55	-62	1,792	1,626
20	20	55	55	—	—	-54	-63	173	162
268	231	936	851	1	1	-1	1	1,619	1,464
5	6	1	—	—	—	—	1	25	16
14	14	2	3	—	—	3	-22	33	6
-9	-8	-1	-3	—	—	-3	23	-8	10
7	8	-23	32	4	2	—	1	-415	-422
104	93	394	373	3	3	-13	-19	1,111	1,120
16	15	69	86	20	23	-27	-26	168	179
88	78	325	287	-17	-20	14	7	943	941
-1	2	—	—	—	—	—	—	-1	2
—	—	73	83	—	—	—	—	69	79
87	80	398	370	-17	-20	14	7	1,011	1,022
—	—	4	1	—	—	—	-5	5	2
40	31	261	298	184	181	-172	-169	396	462
71	58	235	287	166	165	-151	-141	416	489
-31	-27	26	11	18	16	-21	-28	-20	-27
63	61	401	413	5	-2	-7	-20	576	573
—	—	—	—	—	—	—	—	—	—
63	61	401	413	5	-2	-7	-20	576	573
1	1	20	19	20	21	-9	-9	36	37
16	17	95	102	-1	1	—	-2	142	155
46	43	286	292	-14	-24	2	-9	398	381
6	7	154	150	—	—	—	—	160	159
40	36	132	142	-14	-24	2	-9	238	222

CONDENSED CONSOLIDATED STATEMENT OF INCOME FOR THE REPORTABLE SEGMENTS RETAIL GERMANY – PROPERTY/CASUALTY AND LIFE – AS WELL AS PROPERTY/CASUALTY AND LIFE/HEALTH REINSURANCE FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2017

EUR MILLION

	Retail Germany – Property/Casualty		Retail Germany – Life		Property/Casualty Reinsurance		Life/Health Reinsurance	
	Q1 2017	Q1 2016	Q1 2017	Q1 2016	Q1 2017	Q1 2016	Q1 2017	Q1 2016
1. Gross written premiums including premiums from unit-linked life and annuity insurance	759	749	1,147	1,155	2,815	2,502	1,732	1,761
of which attributable to other segments	—	—	11	15	113	174	36	35
with third parties	759	749	1,136	1,140	2,702	2,328	1,696	1,726
2. Savings elements of premiums from unit-linked life and annuity insurance	—	—	203	219	—	—	—	—
3. Ceded written premiums	38	30	43	41	320	303	151	168
4. Change in gross unearned premiums	–400	–392	–56	–16	–386	–291	–14	–12
5. Change in ceded unearned premiums	–19	–14	1	3	–57	–53	—	—
Net premiums earned	340	341	844	876	2,166	1,961	1,567	1,581
6. Claims and claims expenses (gross)	223	232	1,099	1,201	1,524	1,418	1,488	1,499
Reinsurers' share	4	1	13	13	51	102	142	159
Claims and claims expenses (net)	219	231	1,086	1,188	1,473	1,316	1,346	1,340
7. Acquisition costs and administrative expenses (gross)	129	125	198	173	646	588	345	318
Reinsurers' share	4	3	22	23	44	43	11	12
Acquisition costs and administrative expenses (net)	125	122	176	150	602	545	334	306
8. Other technical income	1	1	7	5	1	—	—	—
Other technical expenses	3	2	5	8	1	—	1	3
Other technical result	–2	–1	2	–3	—	—	–1	–3
Net technical result	–6	–13	–416	–465	91	100	–114	–68
9. a. Investment income	28	26	516	574	294	278	100	95
b. Investment expenses	3	4	77	57	49	69	20	17
Net income from assets under own management	25	22	439	517	245	209	80	78
Net income from investment contracts	—	—	—	—	—	—	—	—
Net interest income from funds withheld and contract deposits	—	—	–4	–4	5	4	68	79
Net investment income	25	22	435	513	250	213	148	157
of which share of profit or loss of equity-accounted associates and joint ventures	—	1	1	3	4	1	—	—
10. a. Other income	15	19	39	43	41	202	220	96
b. Other expenses	21	22	37	50	67	205	168	82
Other income/expenses	–6	–3	2	–7	–26	–3	52	14
Profit before goodwill impairments	13	6	21	41	315	310	86	103
11. Goodwill impairments	—	—	—	—	—	—	—	—
Operating profit (EBIT)	13	6	21	41	315	310	86	103

OTHER DISCLOSURES

This document is a quarterly statement in accordance with section 51a of the Exchange Rules for the Frankfurter Wertpapierbörse.

The consolidated balance sheet, the consolidated statement of income, the consolidated statement of comprehensive income and the consolidated cash flow statement were prepared in accordance with the International Financial Reporting Standards (IFRSs), as adopted by the European Union. The statement was prepared in compliance with the requirements of IAS 34 "Interim Financial Reporting". The same accounting policies were applied as for the consolidated financial statements as at 31 December 2016.

The interim financial statements were prepared in euros (EUR). The amounts shown have been rounded to millions of euros (EUR million). This may give rise to rounding differences in the tables presented in this report. As a rule, amounts in brackets refer to the previous year.

Prepared by the Board of Management and hence authorised for publication in Hannover on 4 May 2017.

EVENTS AFTER THE END OF THE REPORTING PERIOD

On 5 April 2017, Talanx Infrastructure France 2 GmbH (Retail Germany Division) concluded a purchase agreement for 100% of the shares of the wind farm company Le Louveng S.a.r.l., Lille, France (acquisition price: approx. EUR 22 million). The transaction is expected to be completed in the second half of 2017.

EXCHANGE DIFFERENCES ON TRANSLATING FOREIGN OPERATIONS

Talanx AG's reporting currency is the euro (EUR).

EXCHANGE RATES FOR OUR KEY FOREIGN CURRENCIES

EUR 1 corresponds to	Balance sheet (reporting date)		Statement of income (average)	
	31.3.2017	31.12.2016	Q1 2017	Q1 2016
AUD Australia	1.3969	1.4591	1.4136	1.5103
BRL Brazil	3.3652	3.4292	3.3547	4.2830
CAD Canada	1.4259	1.4191	1.4116	1.5001
CNY China	7.3604	7.3206	7.3381	7.1914
GBP United Kingdom	0.8559	0.8553	0.8562	0.7701
MXN Mexico	20.0246	21.7854	21.2927	19.5518
PLN Poland	4.2204	4.4097	4.3181	4.3222
TRY Turkey	3.8908	3.7194	3.8795	3.2150
USD USA	1.0685	1.0540	1.0640	1.1031
ZAR South Africa	14.2357	14.4632	14.2317	17.1500

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This is a translation of the original German text; the German version shall be authoritative in case of any discrepancies in the translation.

Quarterly Statement online:

www.talanx.com/investor-relations

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FINANCIAL CALENDAR 2017

14 August

Interim Report as at 30 June 2017

13 November

Quarterly Statement as at 30 September 2017

23 November

Capital Markets Day

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