

*somewhat
different*



Conference Call on Q1/2021 financial results

Hannover, 5 May 2021

hannover **re**[®]

Agenda

- 1 Group overview

- 2 Property & Casualty reinsurance

- 3 Life & Health reinsurance

- 4 Investments

- 5 Target Matrix

- 6 Outlook 2021

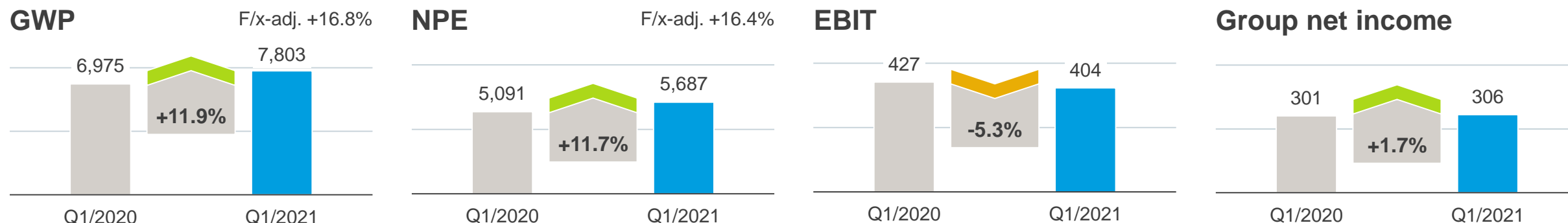
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Group net income in line with full-year guidance

Strong premium growth of 12%; RoE well above target



11.1%
Return on Equity

EUR 91.57
Book value per share
+0.4%

252%
Solvency II ratio
31.03.2021

P&C R/I

EBIT: 324 m.

- Diversified premium growth +14.2% (f/x adjusted +20.1%)
- Combined ratio 96.2%, in line with target
- Large losses of EUR 193 m. within budget for Q1/2021 (EUR 214 m.)
- Covid-19 net loss estimate unchanged vs. year-end 2020

L&H R/I

EBIT: 80 m.

- Diversified premium growth +6.1% (f/x adjusted +8.6%)
- EBIT includes Covid-19 losses of EUR 151 m., partly offset by positive one-off effect from restructuring within US mortality portfolio (EUR 129 m.)

Investments

NII: 444 m.

- AuM increased by +6.7% to EUR 52.5 bn. due to very strong operating cash flow
- RoI from AuM 2.5%, exceeding target of ~2.4%
- Decrease in net investment income mainly driven by lower realised gains and negative impact from fair value of life insurance derivatives

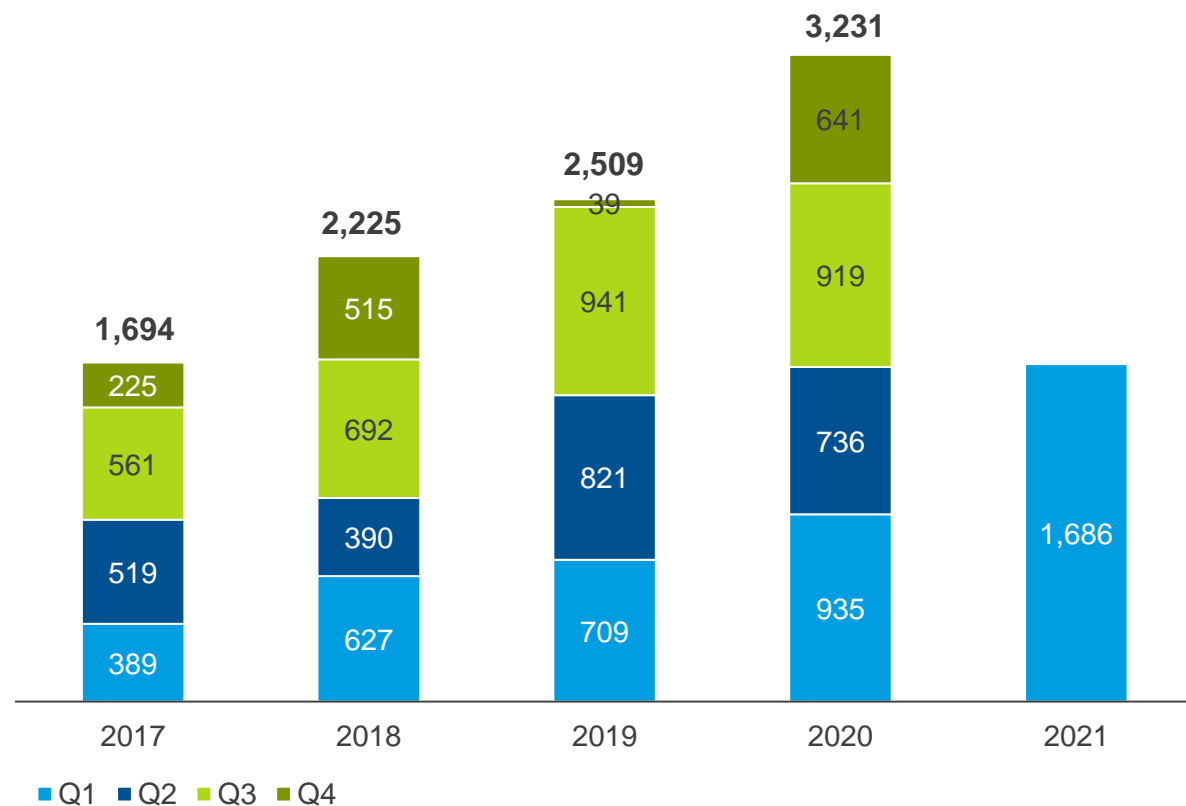
Figures in m. EUR, unless otherwise stated

Very strong operating cash flow driven by profitable premium growth

AuM +6.7%, cash flow and f/x effects more than offset lower asset valuation

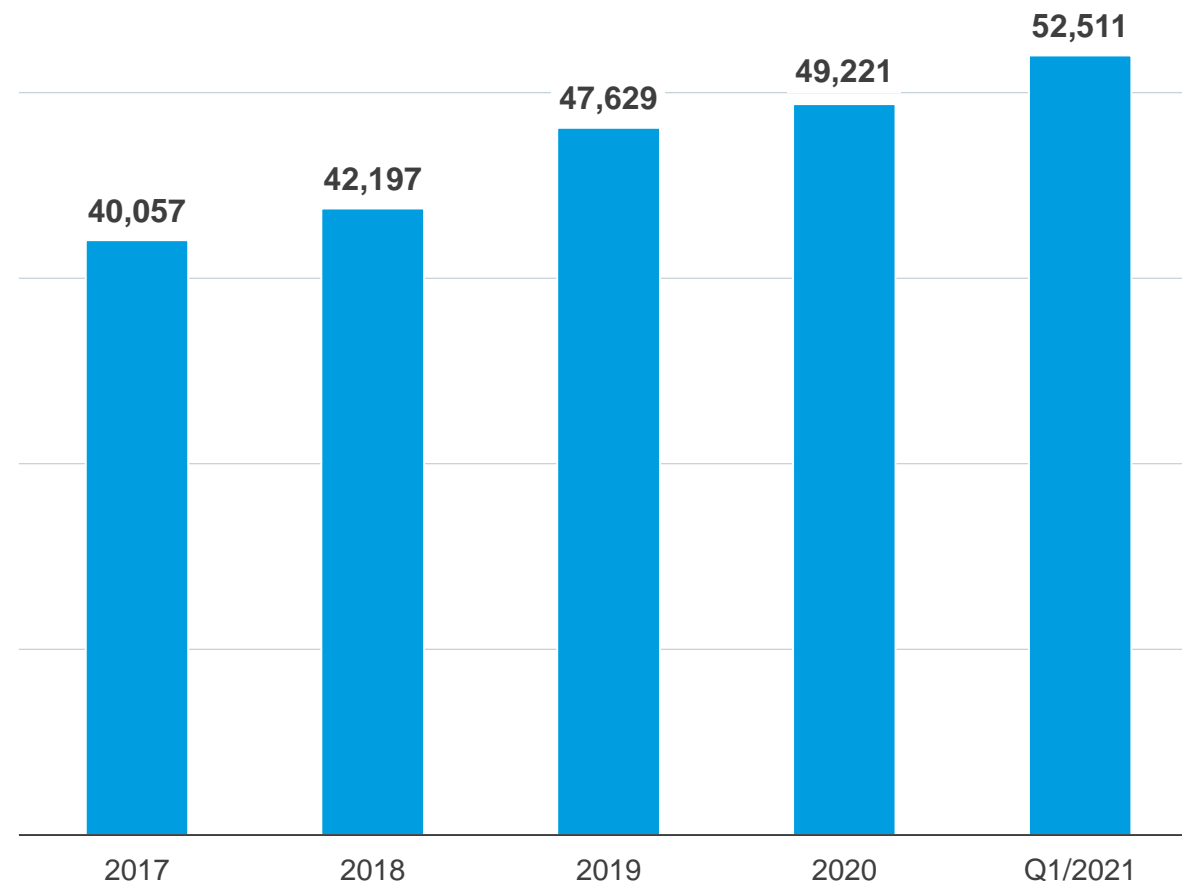
Operating cash flow

in m. EUR



Assets under own management (AuM)

in m. EUR



Shareholders' equity slightly up by 0.4%

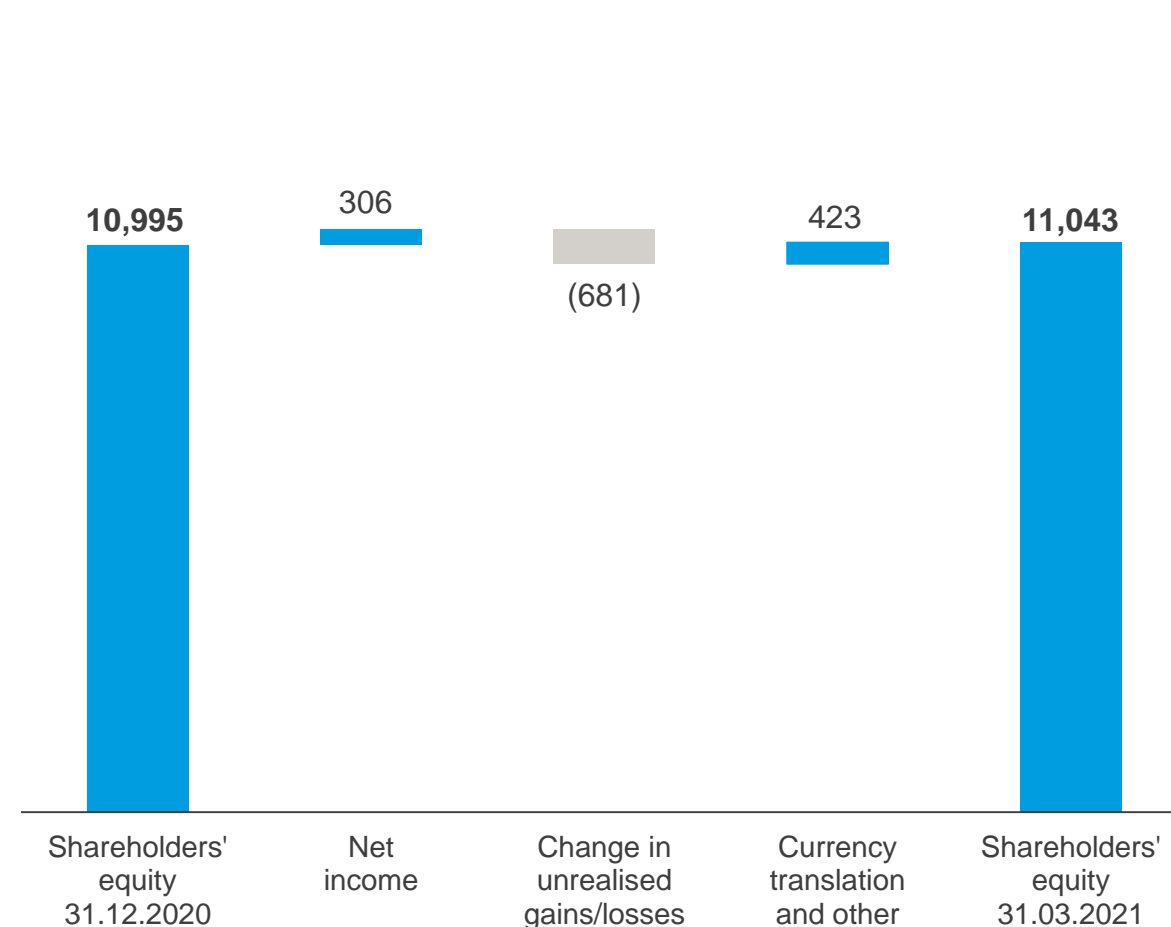
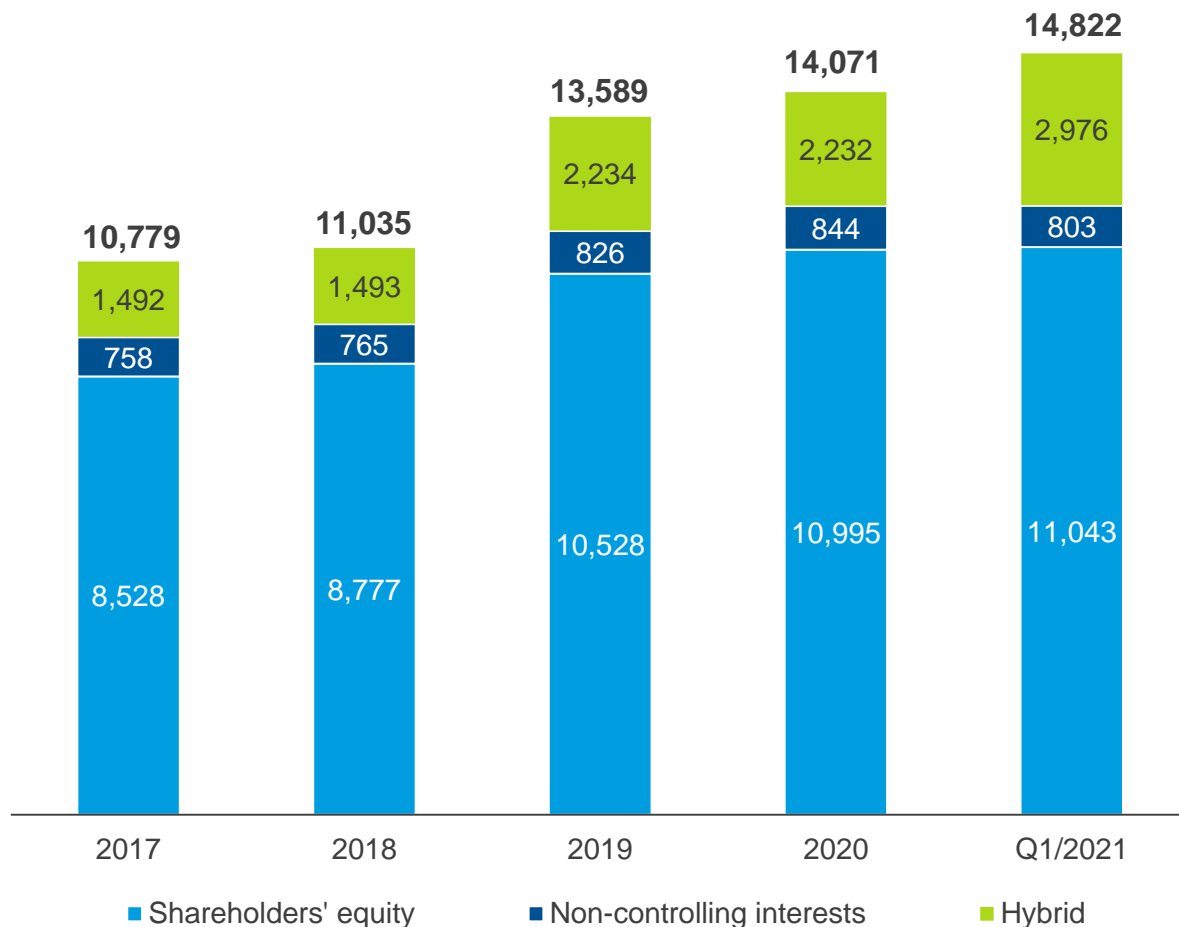
Net income and positive currency translation offset decreased valuation reserves

Policyholders' surplus

in m. EUR

Change in shareholders' equity

in m. EUR



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Continued strong growth in an improving market environment

Underwriting result in line with expectation, Covid-19 net loss estimate unchanged

Property & Casualty R/I in m. EUR	Q1/2020	Q1/2021	Δ
Gross written premium	4,986	5,693	+14.2%
Net premium earned	3,338	3,863	+15.7%
Net underwriting result incl. funds withheld	7	147	-
Combined ratio incl. interest on funds withheld	99.8%	96.2%	-
Net investment income from assets under own management	286	268	-6.3%
Other income and expenses	11	(91)	-
Operating profit/loss (EBIT)	305	324	+6.3%
Tax ratio	29.4%	12.9%	-
Group net income	207	269	+29.9%
Earnings per share (in EUR)	1.72	2.23	+29.9%

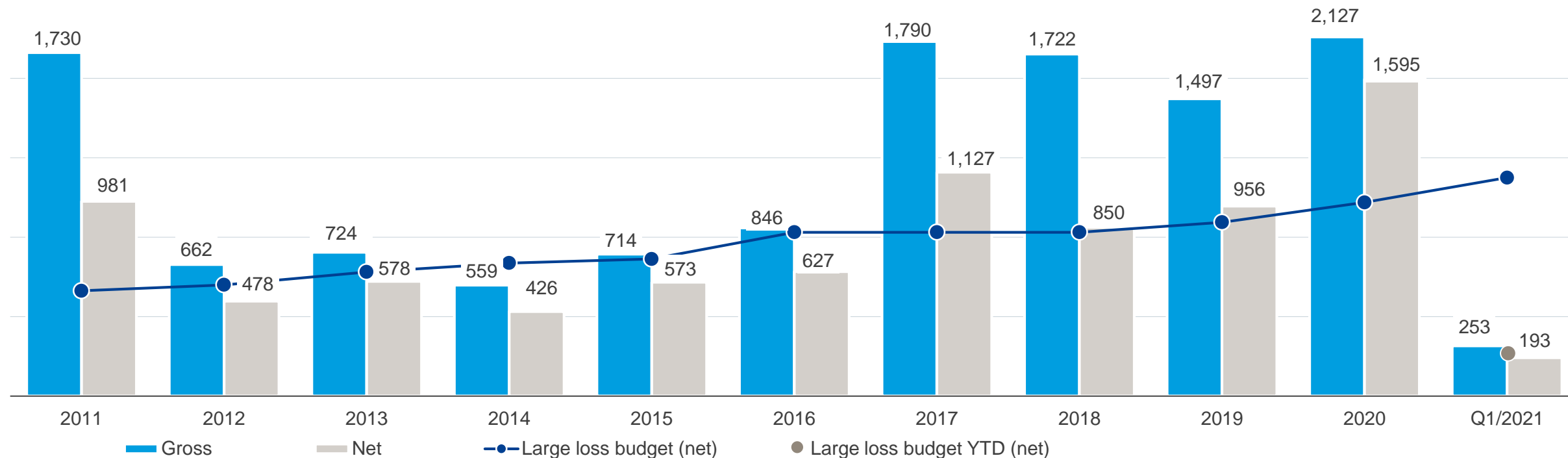
YTD

- GWP f/x-adjusted +20.1%, diversified growth from traditional and Structured Reinsurance business; growth supported by strong premium run-off from U/Y 2020
- NPE f/x-adjusted +21.5%
- Major losses of EUR 193 m. (5.0% of NPE) below budget of EUR 214 m. for Q1/2021; Covid-19 net loss estimates unchanged vs. year-end 2020
- Unchanged conservative reserving approach
- Net investment income decreased primarily due to lower realised gains
- Other income and expenses mainly impacted by negative currency effects (Q1/2021: EUR -82 m.)
- Lower tax ratio predominantly due to favourable earnings contribution from lower-tax subsidiaries

Large losses of EUR 193 m. within budget of EUR 214 m. for Q1/2021

Natural and man-made catastrophe losses¹⁾

in m. EUR



Natural and man-made catastrophe losses in % of Property & Casualty premium

25%	16%	9%	7%	9%	8%	7%	6%	8%	7%	9%	8%	17%	12%	14%	8%	10%	7%	13%	11%	4%	5%
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Large loss budget (net) in m. EUR

530	560	625	670	690	825	825	825	875	975	1,100
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1) Up to 2011 claims over EUR 5 m. gross, from 2012 onwards claims over EUR 10 m. gross

Q1/2021 mainly impacted by Texas winter storm and man-made losses

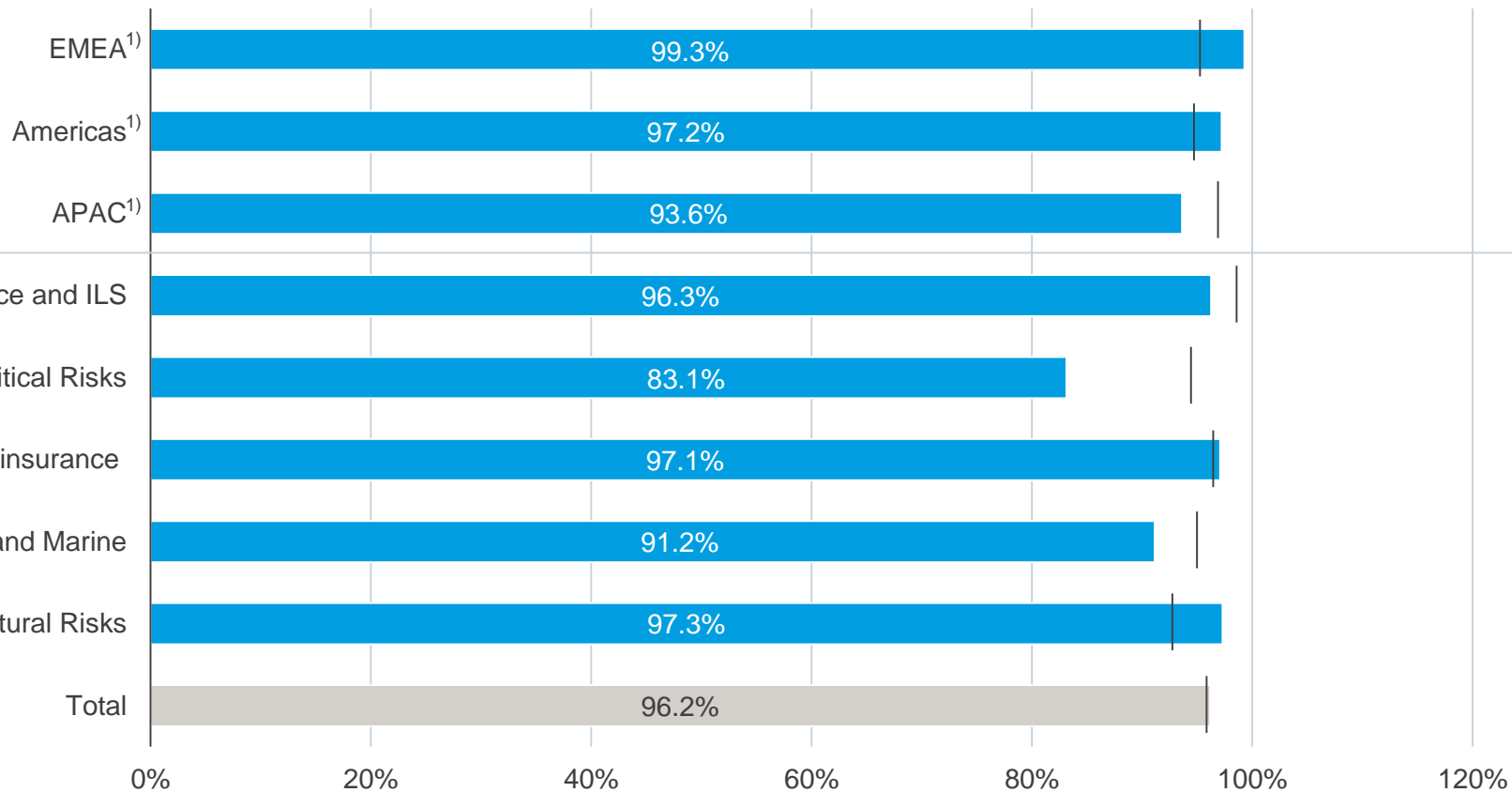
Catastrophe losses ¹⁾ in m. EUR	Date	Gross	Net
Storm "Filomena", Spain	7 - 8 Jan	10.1	10.1
Texas winter storm/freeze, USA	11 - 21 Feb	135.4	75.4
Floods, Australia	18 - 23 Mar	19.5	19.5
3 Natural catastrophes		164.9	105.0
1 Aviation loss		13.5	13.5
4 Property losses		74.6	74.6
5 Man-made losses		88.2	88.2
8 Major losses		253.1	193.2

1) Natural catastrophes and other major losses in excess of EUR 10 m. gross
 Large loss budget 2021: EUR 1,100 m. thereof EUR 225 m. man-made and EUR 875 m. NatCat

Combined ratios in line with expectations

Q1/2021: Combined Ratio vs. target combined ratios

Regional markets



Worldwide markets

■ Combined ratio

| Target combined ratio

1) All lines of Property & Casualty reinsurance except those stated separately; EMEA incl. CIS

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Favourable premium growth

Results impacted by Covid-19 pandemic; partly offset by one-off effect of EUR 129 m.

Life & Health R/I in m. EUR	Q1/2020	Q1/2021	Δ
Gross written premium	1,989	2,110	+6.1%
Net premium earned	1,753	1,824	+4.0%
Net underwriting result incl. funds withheld	(52)	(125)	+140.2%
Net investment income from assets under own management	99	45	-54.7%
Other income and expenses	77	160	+108.2%
Operating profit/loss (EBIT)	124	80	-35.6%
EBIT margin	7.1%	4.4%	-
Tax ratio	10.5%	37.9%	-
Group net income	110	49	-55.7%
Earnings per share (in EUR)	0.91	0.40	-55.7%

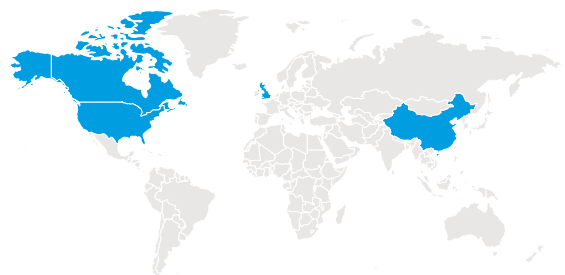
YTD

- GWP f/x-adjusted +8.6%, mainly from APAC and Longevity
- NPE f/x-adjusted growth +6.7%
- Technical result impacted by Covid-19 losses of EUR 151 m. (thereof US: EUR 105 m.), positive one-off from restructuring within US mortality portfolio (EUR 86 m.)
- Net investment income decreased primarily due to negative impact from fair value of derivatives and negative one-off effect from restructuring within US mortality portfolio (EUR -14 m.)
- Other income and expenses increased due to positive one-off effect from restructuring within US mortality portfolio (EUR 58 m.) and strong contribution from deposit accounted treaties of EUR 90 m. (Q1/2020: EUR 85 m.)
- High tax ratio driven by extraordinary effect and relatively low relief from subsidiaries in countries with lower tax ratios

Promising new business pipeline for 2021

Q1/2021 new and pipeline business¹⁾

New business



Financial Solutions



Mortality



Longevity

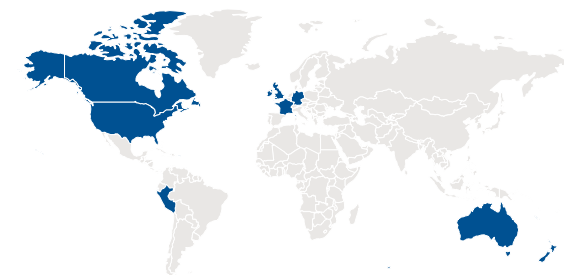


Morbidity



- Solvency relief (China, USA) – Financial Solutions
- Business financing (USA) – Financial Solutions
- Reserve relief (USA) – Financial Solutions
- Risk relief (UK) – Longevity
- Risk relief (Canada) – Mortality
- Risk relief (USA) – Morbidity

Pipeline business



Financial Solutions



Mortality



Longevity



Morbidity



- Solvency relief (France, Isle of Man, USA) – Financial Solutions
- Business financing (Germany, New Zealand) – Financial Solutions
- Risk relief (Canada, Ireland, UK) – Longevity
- Risk relief (Germany, Peru, USA) – Mortality
- Risk relief (Australia, France, Germany, Peru) – Morbidity



¹⁾ Focus on most important deals and opportunities

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Return on Investment slightly above expectations

NII mainly decreased due to lower realised gains and negative derivative valuation

in m. EUR	Q1/2020	Q1/2021	RoI
Ordinary investment income ¹⁾	333	325	2.6%
Realised gains/losses	102	90	0.7%
Impairments/appreciation & depreciation	(29)	(21)	-0.2%
Change in fair value of financial instruments (through P&L)	12	(50)	-0.4%
Investment expenses	(32)	(31)	-0.2%
NII from assets under own management	386	313	2.5%
NII from funds withheld	86	131	
Total net investment income	472	444	

YTD

- Returns from alternative investments almost compensate for lower ordinary income from fixed-income securities (partially from inflation-linked bonds due to lower inflation)
- Realised gains include disposal of parts of listed-equity portfolio as well as some reallocations due to regular portfolio adjustments
- Stable depreciation of direct real estate investments; impairments of private equity and high yield funds as well as real estate funds slightly higher, but on very moderate level
- Decrease in valuation reserves due to significantly higher minimal-risk yield curves, credit spreads on corporates rather stable; higher valuations in alternative investments

Unrealised gains/losses on investments	31 Dec 20	31 Mar 21
On-balance sheet	3,019	2,154
thereof Fixed income AFS	2,347	1,364
Off-balance sheet	557	645
thereof Fixed income HTM, L&R	217	163
Total	3,576	2,799

1) Incl. results from associated companies

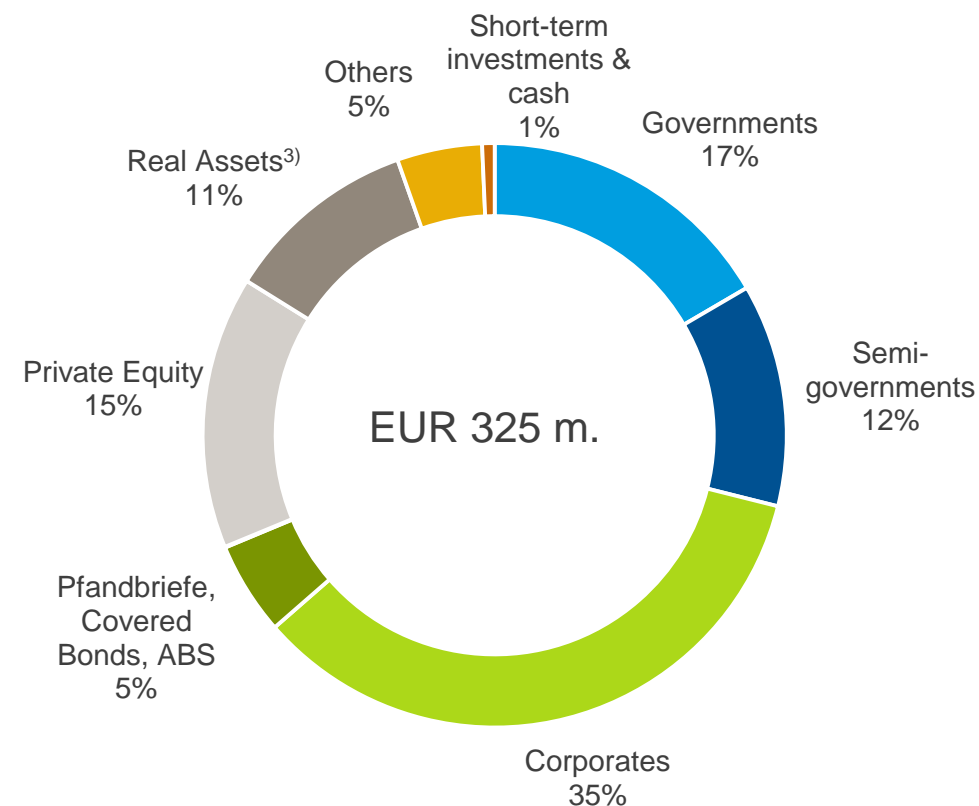
Ordinary return continuously supported by alternative assets

Slightly higher share of corporates, partial disposal of listed equities

Asset allocation¹⁾

Investment category	2017	2018	2019	2020	Q1/2021
Fixed-income securities	87%	87%	87%	85%	85%
- Governments	30%	35%	35%	34%	33%
- Semi-governments	17%	16%	15%	15%	14%
- Corporates	32%	29%	31%	30%	32%
Investment grade	27%	25%	26%	25%	27%
Non-investment grade	5%	4%	4%	5%	5%
- Pfandbriefe, Covered bonds, ABS	8%	7%	7%	6%	6% ²⁾
Equities	2%	2%	3%	3%	3%
- Listed equity	<1%	<1%	<1%	1%	1%
- Private equity	2%	2%	2%	3%	3%
Real Assets	5%	6%	5%	5%	5%
Others	1%	1%	2%	3%	3%
Short-term investments & cash	4%	4%	3%	3%	4%
Total market values in bn. EUR	40.5	42.7	48.2	49.8	53.2

Ordinary income split



1) Economic view based on market values without outstanding commitments for Private Equity and Alternative Real Estate as well as fixed-income investments of EUR 1,343.3 m. (EUR 1,275.6 m.) as at 31 March 2021

2) Of which Pfandbriefe and Covered Bonds = 64.8%

3) Before real estate-specific costs. Economic view based on market values as at 31 March 2021

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Target Matrix: Q1/2021

Strategy cycle 2021 - 2023

Business group	Key figures	Strategic targets	Q1/2021	
Group	Return on equity ¹⁾	900 bps above risk-free	11.1%	✓
	Solvency ratio ²⁾	≥ 200%	252%	✓
Property & Casualty reinsurance	Gross premium growth ³⁾	≥ 5%	+20.1%	✓
	EBIT growth ⁴⁾	≥ 5%	+6.3%	✓
	Combined ratio	≤ 96%	96.2%	
	xRoCA ⁵⁾	≥ 2%	n.a. yet	
Life & Health reinsurance	Gross premium growth ³⁾	≥ 3%	+8.6%	✓
	EBIT growth ⁴⁾	≥ 5%	-35.6%	
	Value of New Business (VNB) ⁶⁾	≥ EUR 250 m.	n.a. yet	
	xRoCA ⁵⁾	≥ 2%	n.a. yet	

1) After tax; risk-free: 5-year average return of 10-year German government bonds

3) Average annual growth at constant f/x rates

5) Excess return (one-year economic profit in excess of the cost of capital) on allocated economic capital

2) According to our internal capital model and Solvency II requirements

4) Average annual growth

6) Based on Solvency II principles; pre-tax reporting

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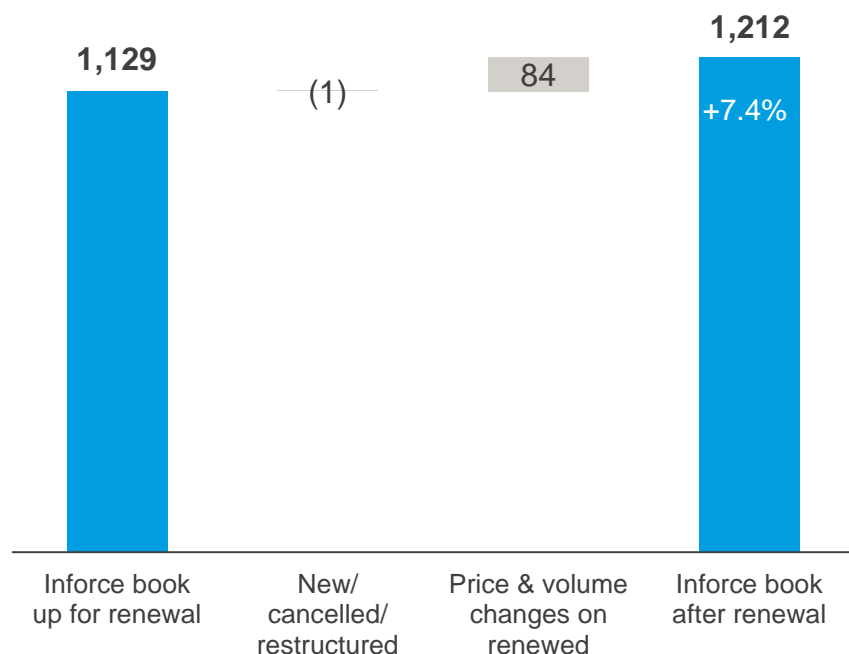
Positive renewal trends lead to continued premium growth

Risk-adjusted price increase of 9.0% in non-proportional business

2 Jan - 1 Apr 2021

in m. EUR

Change in shares: +0.6%
Change in price: +5.0%
Change in volume: +1.9%



Americas¹⁾

- Double-digit increase in premium in North America
 - Strong (double-digit) primary rate movement continues in targeted segments (Excess & Surplus lines, large accounts, engineered risks)
 - Reinsurers' margin on proportional business has improved as underlying rate trends outweigh loss cost and commission developments
- Stable to improved conditions in the Caribbean

Japan

- Successful renewal in line with our expectations. Portfolio has been renewed with a single-digit growth rate
- We were able to continue and partially increase our participation on business that has seen 3 successive rounds of rate increases

Aviation & Marine

- Aviation: Positive price momentum continued with risk-adjusted price increases averaging around 25% and in line with 1/1 renewals
- Marine: Single-digit price increases on loss-free and higher on loss-affected business. Cyber and Communicable Disease exclusionary language incorporated successfully

Agricultural Risks

- Renewals still underway; premium growth expected from new accounts

Underwriting year figures at unchanged f/x rates (31 December 2020)

1) Excluding specialty business mentioned separately

Growing Property & Casualty portfolio at attractive profitability

Financial year 2021

	Reporting categories	Volume ¹⁾	Profitability ²⁾
Regional markets	EMEA ³⁾		+
	Americas ³⁾		+
	APAC ³⁾		+/-
Worldwide markets	Structured Reinsurance and ILS		++
	Credit, Surety and Political Risks		+/-
	Facultative Reinsurance		+
	Aviation and Marine		+
	Agricultural Risks		+

1) In EUR, development in original currencies can be different





2) ++ = well above CoC; + = above CoC; +/- = CoC earned; - = below Cost of Capital (CoC)

3) All lines of business except those stated separately; EMEA incl. CIS

Profitability in Life & Health still impacted by Covid-19

Financial year 2021

Reporting categories

Reporting categories	Volume ¹⁾	Profitability ²⁾
Financial solutions	 ³⁾	++
Longevity		+
Mortality		-
Morbidity		+/-

1) In EUR, development in original currencies can be different

2) ++ = well above CoC; + = above CoC; +/- = CoC earned; - = below Cost of Capital (CoC)

3) Business volume including contracts not reflected in premium income

Guidance for 2021

Hannover Re Group

- Gross written premium¹⁾ _____ high single-digit growth
- Return on investment^{2) 3)} _____ ~ 2.4%
- Group net income²⁾ _____ EUR 1.15 - 1.25 bn.
- Ordinary dividend pay-out ratio⁴⁾ _____ 35% - 45%
- Special dividend _____ additional pay-out if profit target is reached and capitalisation is comfortable

1) At unchanged f/x rates

2) Subject to no major distortions in capital markets and/or major losses in 2021 not exceeding the large loss budget of EUR 1.1 bn.

3) Excluding effects from ModCo derivatives

4) Relative to Group net income according to IFRS

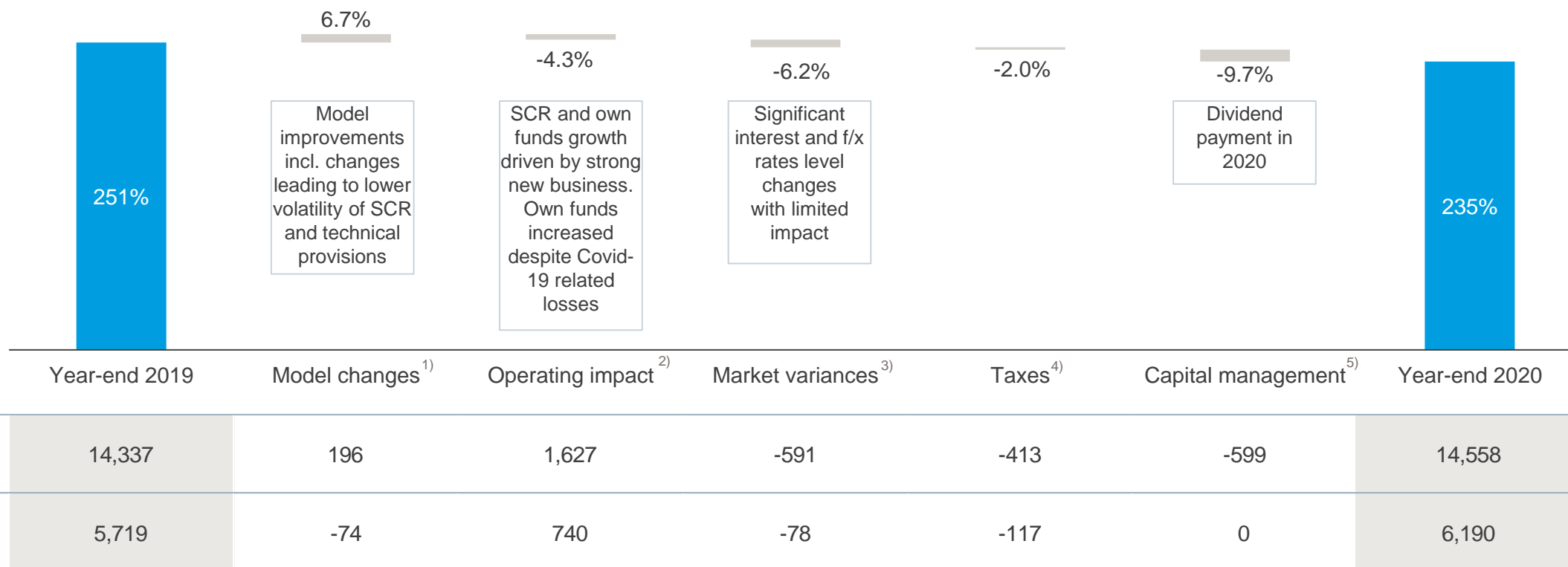
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Strong capital generation despite Covid-19 impacts

Solvency II ratio declines but remains at high level

Solvency II movement analysis



Figures in m. EUR. SCR – Solvency Capital Requirements according to Solvency II internal model

1) Model changes (pre-tax) in terms of own funds relate to the calculation of technical provisions. A number of minor model changes, with each of them having a rather small impact, affect the SCR.

2) Operating earnings and assumption changes (pre-tax). The own funds increase includes the L&H new business value of EUR 778 m. The SCR increases due to strong business growth.

3) Changes due to movements in foreign exchange rates, in particular the depreciation of the US Dollar, lower interest rates, increased credit spreads and changes in other financial market indicators (pre-tax).

4) Incl. tax payments and changes in deferred taxes

5) Incl. dividend payments and changes in foreseeable dividends. The hybrid bond with call date in 2020 has been replaced.

Our strategic business groups at a glance

Q1/2021 vs. Q1/2020

in m. EUR	Property & Casualty R/I		Life & Health R/I		Total	
	Q1/2020	Q1/2021	Q1/2020	Q1/2021	Q1/2020	Q1/2021
Gross written premium	4,986	5,693	1,989	2,110	6,975	7,803
Net premium earned	3,338	3,863	1,753	1,824	5,091	5,687
Net underwriting result	(3)	144	(127)	(252)	(130)	(108)
Net underwriting result incl. funds withheld	7	147	(52)	(125)	(45)	22
Net investment income	296	271	175	172	472	444
From assets under own management	286	268	99	45	386	313
From funds withheld	10	4	75	127	86	131
Other income and expenses	11	(91)	77	160	85	68
Operating profit/loss (EBIT)	305	324	124	80	427	404
Financing costs	(1)	(1)	(0)	(0)	(23)	(19)
Net income before taxes	304	323	124	80	403	385
Taxes	(89)	(42)	(13)	(30)	(94)	(66)
Net income	215	282	111	49	309	319
Non-controlling interest	8	13	1	1	8	13
Group net income	207	269	110	49	301	306
Retention	91.7%	92.6%	89.4%	88.6%	91.1%	91.5%
Combined ratio (incl. interest on funds withheld)	99.8%	96.2%	-	-	-	-
EBIT margin (EBIT / Net premium earned)	9.1%	8.4%	7.1%	4.4%	8.4%	7.1%
Tax ratio	29.4%	12.9%	10.5%	37.9%	23.4%	17.1%
Earnings per share (in EUR)	1.72	2.23	0.91	0.40	2.49	2.54

Stress tests on assets under own management

Focus still on credit exposures with ambitious spread tightenings

Portfolio	Scenario	Change in market value in m. EUR	Change in OCI before tax in m. EUR
Equity (listed and private equity)	-10%	-170	-170
	-20%	-341	-341
Fixed-income securities	+50 bps	-1,306	-1,243
	+100 bps	-2,538	-2,417
Credit spreads	+50%	-753	-738

As at 31 March 2021

High-quality fixed-income book well balanced

Geographical allocation mainly in accordance with our broad business diversification

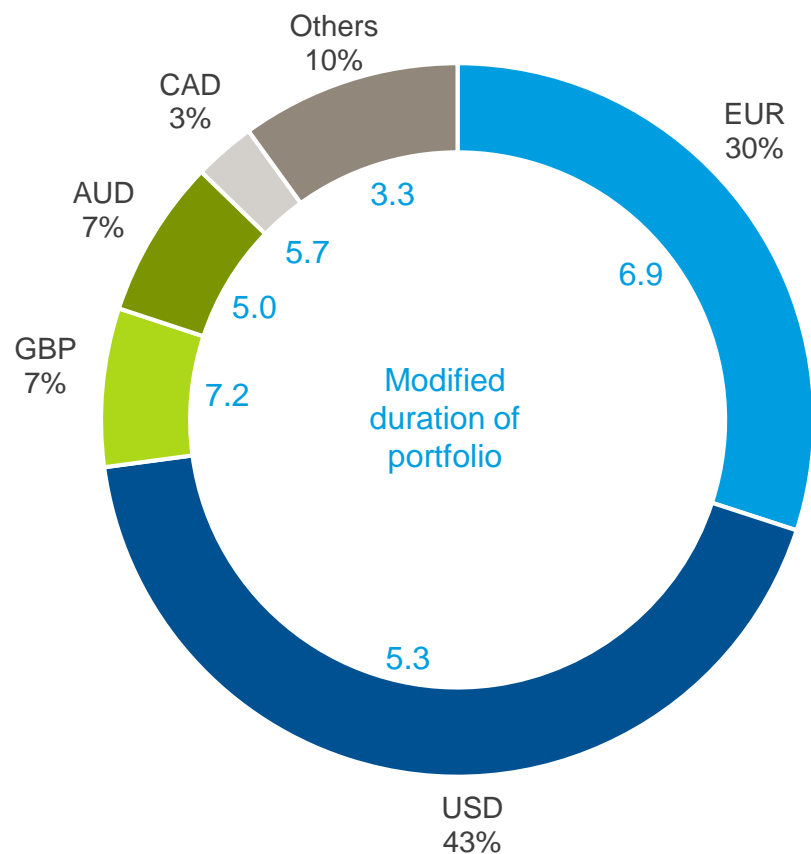
	Governments	Semi-governments	Corporates	Pfandbriefe, Covered bonds, ABS	Short-term investments, cash	Total
AAA	75%	60%	1%	59%	-	44%
AA	8%	24%	12%	17%	-	13%
A	11%	7%	33%	13%	-	19%
BBB	4%	2%	45%	8%	-	19%
<BBB	2%	8%	11%	2%	-	6%
Total	100%	100%	100%	100%	-	100%
Germany	18%	32%	4%	18%	22%	16%
UK	6%	2%	7%	8%	16%	6%
France	1%	1%	7%	7%	1%	4%
GIIPS	1%	1%	4%	5%	0%	2%
Rest of Europe	4%	18%	14%	25%	3%	11%
USA	48%	14%	32%	14%	16%	33%
Australia	5%	6%	6%	11%	10%	6%
Asia	13%	9%	10%	1%	22%	11%
Rest of World	4%	16%	15%	11%	9%	11%
Total	100%	100%	100%	100%	100%	100%
Total b/s values in m. EUR	17,284	7,605	16,318	3,182	2,045	46,433

IFRS figures as at 31 March 2021

Currency allocation matches modelled liability profile

Strict duration-neutral strategy continued

Currency split of investments



- Modified duration of fixed-income mainly congruent with liabilities and currencies
- GBP's higher modified duration predominantly due to life business; EUR driven by hybrid bond issuance

Modified duration

Q1/2021	5.7
2020	5.8
2019	5.7
2018	4.8
2017	4.8

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