Conference Call on 1 January 2023 P&C Treaty Renewals
8 February 2023

Jean-Jacques Henchoz, Chief Executive Officer
Sven Althoff, Member of the Executive Board – Property & Casualty
Important note

- Unless otherwise stated, the renewals part of the presentation is based on Underwriting-Year (U/Y) figures. This basis is only remotely comparable with Financial-Year (FY) figures, which are the basis of quarterly and annual accounts.

- The situation shown in this presentation mainly reflects the developments in Hannover Re's Property & Casualty reinsurance portfolio, which may not be indicative of the market development.

- Premium developments are measured at constant foreign exchange rates as at 31 December 2022 and include cedents' and Hannover Re's expectation.

- Internal pricing models include changes in risk-adjusted exposure and interest rates as well as assumption changes for claims inflation.

- Reported risk-adjusted price change includes changes in risk-adjusted exposure and claims inflation. Improvements in T&C are not fully reflected, changes in interest rates are not reflected in price change.
Reinsurance markets
Reinsurance market shifted gears up in 1 Jan 2023 renewals
Strongest price momentum since 2005

• **Imbalance** of reinsurance **supply and demand** led to significant upward pressure on reinsurance prices and terms
  - Strong demand due to **inflation and elevated NatCat exposure**
  - **Decline in available** market capacity:
    - Less capital allocated to property reinsurance
    - Interest rate increases driving down deployable capital
    - Only **marginal capital inflows** into ILS markets due to trapped capital and alternative return opportunities
    - Tighter retrocession markets
  - **Increasing profitability** requirements driven by higher loss activity in recent years

• Strong reinsurance **price increase across multiple lines** of business
  - Highest rate increases in NatCat exposed business, per risk and some specialty classes
  - Moderate price momentum in casualty reinsurance
  - Price increases in reinsurance significantly outgrowing primary markets

• **T&C firmed significantly**: higher retentions, more risk-mitigating features like AAD, significantly less supply for aggregate protections, more restrictions in underlying coverage
2 Our results
Hannover Re’s risk-return profile improved considerably (1)
Increased retrocession capacity reduces volatility of future earnings

Successful renewal
… supported by superior financial strength, favourable market positioning and long-standing customer relationships

Expansion of retro coverage
… for NatCat and cyber exposure as price increases in reinsurance markets attracted long-term partners

Volume development impacted by
• disciplined underwriting and portfolio steering
• shifting towards non-proportional reinsurance
• portfolio pruning of least performing treaties
Hannover Re’s risk-return profile improved considerably (2)
Terms & Conditions tightening leads to durable improvement of portfolio quality

**Quality of P&C portfolio improved substantially**
- Price increases combined with T&C tightening
- Improving terms and conditions – not fully reflected in risk-adjustments (i.e. higher retentions, annual aggregate deductibles, result-dependent conditions, limitation of coverage, change in reinstatement provisions)

**Improved pricing across highly diversified portfolio**
- Non-proportional business rates increased significantly
- Broader-based price correction beyond NatCat
- Less pronounced increases in long-tail classes due to a more attractive interest rate environment
- Stable to improving commission levels for proportional business in a less dynamic insurance pricing environment
Our portfolio
63% of traditional treaty reinsurance up for renewal at 1 January 2023
Equates to 42% of the total P&C inforce premium

Estimated premium income U/Y by reporting lines

<table>
<thead>
<tr>
<th>Reporting Lines</th>
<th>2022 (m EUR)</th>
<th>2021 (m EUR)</th>
<th>Change (2021-2022)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>23,261</td>
<td>14,805</td>
<td>8,456</td>
</tr>
<tr>
<td>EMEA</td>
<td>6,611</td>
<td>3,375</td>
<td>3,236</td>
</tr>
<tr>
<td>Americas</td>
<td>1,107</td>
<td>771</td>
<td>336</td>
</tr>
<tr>
<td>APAC</td>
<td>1,444</td>
<td>610</td>
<td>834</td>
</tr>
<tr>
<td>Credit, Surety and Political Risks</td>
<td>769</td>
<td>700</td>
<td>69</td>
</tr>
<tr>
<td>Aviation and Marine</td>
<td>319</td>
<td>348</td>
<td>-39</td>
</tr>
<tr>
<td>Agricultural Risks</td>
<td>693</td>
<td>685</td>
<td>8</td>
</tr>
</tbody>
</table>

All figures in m. EUR
1) All lines of business except those stated separately
Portfolio enhanced significantly in quality and pricing

**Total treaty reinsurance** in m. EUR

<table>
<thead>
<tr>
<th></th>
<th>Inforce book before 1 Jan 2023</th>
<th>Cancelled/restructured</th>
<th>Renewed</th>
<th>Changes</th>
<th>New business/restructured</th>
<th>Inforce book after 1 Jan 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Jan renewal</td>
<td>9,870</td>
<td>8,494</td>
<td>727</td>
<td>576</td>
<td></td>
<td>9,798</td>
</tr>
<tr>
<td>Later renewals</td>
<td>5,673</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5,673</td>
</tr>
</tbody>
</table>

% on renewed:

- [100.0%] 15,543
- [-13.9%] (1,376)
- [86.1%] 8,494
- [+7.4%] 727
- [+5.8%] 576
- [99.3%] 15,471

Change in Hannover Re shares: -4.4%
Change in price: +8.0%
Change in volume: +3.8%

Change in Hannover Re shares: -4.4%
Change in price: +8.0%
Change in volume: +3.8%
### Increase of overall prices by +8.0% across all reporting lines
Structural terms & conditions improvements are underestimated in price changes

<table>
<thead>
<tr>
<th>Reporting lines</th>
<th>Premium 1/1/2022</th>
<th>Premium 1/1/2023</th>
<th>Premium changes</th>
<th>Price changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMEA&lt;sup&gt;1)&lt;/sup&gt;</td>
<td>4,184</td>
<td>4,288</td>
<td>+2.5%</td>
<td>+7.2%</td>
</tr>
<tr>
<td>Americas&lt;sup&gt;1)&lt;/sup&gt;</td>
<td>2,460</td>
<td>2,625</td>
<td>+6.7%</td>
<td>+12.9%</td>
</tr>
<tr>
<td>APAC&lt;sup&gt;1)&lt;/sup&gt;</td>
<td>1,444</td>
<td>1,131</td>
<td>-21.6%</td>
<td>+4.5%</td>
</tr>
<tr>
<td>Credit, Surety and Political risks</td>
<td>769</td>
<td>759</td>
<td>-1.3%</td>
<td>+3.7%</td>
</tr>
<tr>
<td>Aviation and Marine</td>
<td>319</td>
<td>312</td>
<td>-2.1%</td>
<td>+17.2%</td>
</tr>
<tr>
<td>Agricultural Risks</td>
<td>693</td>
<td>682</td>
<td>-1.6%</td>
<td>+3.2%</td>
</tr>
<tr>
<td><strong>Total 1 January renewals</strong></td>
<td><strong>9,870</strong></td>
<td><strong>9,798</strong></td>
<td><strong>-0.7%</strong></td>
<td><strong>+8.0%</strong></td>
</tr>
</tbody>
</table>

1) All lines of business except those stated separately (excl. Structured R/I and ILS as well as Facultative R/I)
Very strong non-proportional renewal in property and some specialty lines
Disciplined underwriting in proportional as primary rates increased less strongly

<table>
<thead>
<tr>
<th>Reporting lines</th>
<th>Proportional</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th>Non-proportional</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Premium 1/1/2023</td>
<td>Premium changes</td>
<td>Price changes</td>
<td>Premium 1/1/2023</td>
<td>Premium changes</td>
<td>Price changes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EMEA 1)</td>
<td>3,091</td>
<td>-4.7%</td>
<td>+2.8%</td>
<td>1,197</td>
<td>+27.2%</td>
<td>+22.3%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Americas 1)</td>
<td>1,111</td>
<td>-9.2%</td>
<td>+4.5%</td>
<td>1,514</td>
<td>+22.5%</td>
<td>+21.3%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>APAC 1)</td>
<td>966</td>
<td>-27.6%</td>
<td>+3.6%</td>
<td>165</td>
<td>+52.3%</td>
<td>+15.0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Credit, Surety and Political risks</td>
<td>622</td>
<td>-4.5%</td>
<td>+2.6%</td>
<td>137</td>
<td>+16.4%</td>
<td>+9.9%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aviation and Marine</td>
<td>206</td>
<td>+19.5%</td>
<td>+11.8%</td>
<td>106</td>
<td>-27.5%</td>
<td>+23.5%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agricultural Risks</td>
<td>639</td>
<td>+0.2%</td>
<td>+2.9%</td>
<td>44</td>
<td>-21.4%</td>
<td>+6.6%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total 1 January renewals</strong></td>
<td><strong>6,636</strong></td>
<td><strong>-8.7%</strong></td>
<td><strong>+3.4%</strong></td>
<td><strong>3,162</strong></td>
<td><strong>+21.4%</strong></td>
<td><strong>+20.7%</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Premium estimates in m. EUR
1) All lines of business except those stated separately (excl. Structured R/I and ILS as well as Facultative R/I)
Sixth consecutive year with price increases in Hannover Re's XL portfolio

Non-proportional (XL) price changes at 1 January renewals

As reported in the February renewal calls
Strong price momentum achieved in all regions … most pronounced in the Americas and EMEA

**EMEA**

- Significant price increases in European Cat programmes, most notably for loss-affected business in Germany and France
- Overall increase in volume despite cancellation of large proportional treaties
- Germany and France: profitability expectation of the portfolio clearly improved
- Renewed proportional Cyber written at improved terms and conditions

**Americas**

- Property: most significant rate increases in total portfolio, volume growth less pronounced due to higher retentions
- Casualty: moderate rate increases
- Rate increases in non-proportional compensate volume effect due to substantial shift to non-proportional

**APAC**

- Reduced participation or cancelled proportional treaties not meeting our requirements on rates or exclusions
- Improved portfolio quality in a hardening market
- Regional differences in pricing based on loss experience

New/cancelled/restructured  Changes
### Worldwide markets: further increase in quality and pricing

#### Credit, Surety and Political Risks

<table>
<thead>
<tr>
<th>Inforce book before 1/1/2023</th>
<th>Δ in share:</th>
<th>Δ in price:</th>
<th>Δ in volume:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,063</td>
<td>-2.2%</td>
<td>+3.7%</td>
<td>-1.1%</td>
</tr>
<tr>
<td>1,053</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Stable renewal despite low loss ratios in previous years
- Profitability improved by reducing less profitable business and increased deductibles in non-proportional business

#### Aviation and Marine

<table>
<thead>
<tr>
<th>Inforce book before 1/1/2023</th>
<th>1 Jan renewal</th>
<th>Later renewals</th>
<th>Δ in share:</th>
<th>Δ in price:</th>
<th>Δ in volume:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,017</td>
<td>(69)</td>
<td>58</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1,006</td>
<td></td>
<td>525</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Substantial improvements on pricing
- Political violence written on stand-alone basis at attractive pricing
- Strict limitations on provided coverage for specific war-related business led to some discontinuations

#### Agricultural Risks

<table>
<thead>
<tr>
<th>Inforce book before 1/1/2023</th>
<th>1 Jan renewal</th>
<th>Later renewals</th>
<th>Δ in share:</th>
<th>Δ in price:</th>
<th>Δ in volume:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,063</td>
<td>(13)</td>
<td>3</td>
<td>-2.2%</td>
<td>+17.2%</td>
<td>+5.1%</td>
</tr>
<tr>
<td>1,053</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Largely stable in pricing and terms and conditions
- Volume reductions mainly in Asia due to insufficient margin of proportional treaties
- De-risking in selected natural perils, e.g. draught and frost
Further growth outside 1/1 renewal lines and in later renewals expected

Exceptional reporting on Structured R/I, Facultative R/I and NatCat business

• Stronger demand for tailor-made reinsurance solutions expected due to global reduction in reinsurance capacity
• Further premium growth expected with a focus on non-proportional structured reinsurance solutions
• Significant improvement of terms and conditions reflecting market developments in traditional reinsurance
• **Strong pipeline for further growth in 2023**

**Structured R/I[1]**

• Demand for facultative reinsurance remains high. Significantly increased cedents retentions will strengthen the facultative demand even further
• Significant rate increases in cat exposed business
• Average rate increase in the high single digit range coupled with additional premium from adjustment of sums insured lead to double digit premium growth
• **Expected premium development for U/Y 2023: > +10%**

**Facultative R/I[1]**

• Risk-adjusted pricing increased by 30% on average
• Heavy loss activity along with inflationary trends provided strong momentum for price increases
• Risk-adjusted rate increases most pronounced in North America
• Net risk-appetite remains unchanged, higher retro protection allows additional capacity to be offered to clients
• **Diversified premium growth (1 Jan 2023): ~ +30% and expected further growth with April and mid-year renewals**

**NatCat business[2]**

1) Renewal activity in Structured R/I and Facultative R/I is not characterised by peak renewal dates such as 1/1 or 1/7 but rather year-round renewal activity
2) Additional reporting on NatCat-exposed business which is included in regional and worldwide markets
Increase in NatCat retrocession from EUR 0.86 to 1.34 bn.
Long-term partners sought to participate in reinsurance rate improvements

- Increase in retrocession programmes:
  - Offering additional NatCat capacity to our clients
  - Defined net-risk appetite in NatCat not exceeded
  - New cyber quota share retrocession facility of USD 100m.
  - Improves our volatility profile further

- Large loss budget from EUR 1.4 to 1.725 bn.:
  - Growth in 2022 was significantly higher than anticipated when NatCat budget 2022 was set
  - 2022 UW year growth will also influence growth in cat claims exposure in FY 2023
  - Ongoing updates in NatCat models

---

1) Plus expected premium  
As at January 2023
4

Guidance 2023
Guidance for 2023
based on new accounting standards IFRS 17/9

Hannover Re Group

• Reinsurance revenue\(^1\) \(\geq 5\%\) growth

• Return on investment \(^2\) \(\geq 2.4\%\)

• Group net income\(^2\) \(\geq EUR\ 1.7\ bn.\)

• Ordinary dividend \(\geq\) prior year

• Special dividend if capitalisation exceeds capital requirements for future growth and profit targets are achieved

---

\(^1\) At unchanged f/x rates
\(^2\) Subject to no major distortions in capital markets and/or major losses not exceeding the large loss budget of EUR 1.725 bn. in 2023 and no further significant impact from Covid-19 on L&H result
Appendix
### Decreased volume of proportional business at improved profitability

#### Treaty reinsurance - proportional in m. EUR

<table>
<thead>
<tr>
<th></th>
<th>Inforce book before 1 Jan 2023</th>
<th>Cancelled/restructured</th>
<th>Renewed</th>
<th>Changes</th>
<th>New business/restructured</th>
<th>Inforce book after 1 Jan 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>% on renewed:</strong></td>
<td>[100.0%]</td>
<td>[-13.2%]</td>
<td>[86.8%]</td>
<td>[+0.4%]</td>
<td>[+4.2%]</td>
<td>[91.3%]</td>
</tr>
<tr>
<td><strong>1 Jan renewal</strong></td>
<td>11,074</td>
<td>(958)</td>
<td>6,307</td>
<td>27</td>
<td>302</td>
<td>10,445</td>
</tr>
<tr>
<td><strong>Later renewals</strong></td>
<td>7,265</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>6,636</td>
</tr>
</tbody>
</table>

- Change in Hannover Re shares: -6.5%
- Change in price: +3.4%
- Change in volume: +3.4%

Decreased volume of proportional business at improved profitability.
Stronger emphasis on non-proportional business due to higher expected profitability supported by an average rate increase of +20.7%

Treaty reinsurance - non-proportional in m. EUR

% on renewed:

- [100.0%]
- [-16.0%]
- [84.0%]
- [+26.9%]
- [+10.5%]
- [121.4%]

<table>
<thead>
<tr>
<th></th>
<th>1 Jan renewal</th>
<th>Later renewals</th>
<th>Inforce book before 1 Jan 2023</th>
<th>Cancelled/ restructured</th>
<th>Renewed</th>
<th>Changes</th>
<th>New business/ restructured</th>
<th>Inforce book after 1 Jan 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Jan renewal</td>
<td>4,469</td>
<td>(417)</td>
<td>2,605</td>
<td>2,187</td>
<td>701</td>
<td>274</td>
<td>3,162</td>
<td>5,026</td>
</tr>
<tr>
<td>Later renewals</td>
<td>1,864</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Change in Hannover Re shares: +1.3%
Change in price: +20.7%
Change in volume: +4.9%
37% of traditional treaty reinsurance comes up for renewal later in a favourable market environment

Estimated premium income U/Y by regions

Traditional treaty R/I U/Y 2022

1) All lines of business except those stated separately
Disclaimer

This presentation does not address the investment objectives or financial situation of any particular person or legal entity. Investors should seek independent professional advice and perform their own analysis regarding the appropriateness of investing in any of our securities.

While Hannover Re has endeavoured to include in this presentation information it believes to be reliable, complete and up-to-date, the company does not make any representation or warranty, express or implied, as to the accuracy, completeness or updated status of such information.

Some of the statements in this presentation may be forward-looking statements or statements of future expectations based on currently available information. Such statements naturally are subject to risks and uncertainties. Factors such as the development of general economic conditions, future market conditions, unusual catastrophic loss events, changes in the capital markets and other circumstances may cause the actual events or results to be materially different from those anticipated by such statements.

This presentation serves information purposes only and does not constitute or form part of an offer or solicitation to acquire, subscribe to or dispose of, any of the securities of Hannover Re.

© Hannover Rück SE. All rights reserved. Hannover Re is the registered service mark of Hannover Rück SE.
## Financial calendar and our Investor Relations contacts

- **8 February 2023**
  - 1 January P&C Treaty Renewals
  - Karl Steinle
  - General Manager
  - Phone: +49 511 5604 - 1500
  - karl.steinle@hannover-re.com

- **9 March 2023**
  - Press Conference and Analysts’ Conference
  - Axel Bock
  - Senior Investor Relations Manager
  - Phone: +49 511 5604 - 1736
  - axel.bock@hannover-re.com

- **3 May 2023**
  - Annual General Meeting
  - Rebekka Brust
  - Investor Relations Manager
  - Phone: +49 511 5604 - 1530
  - rebekka.brust@hannover-re.com

- **11 May 2023**
  - Quarterly Statement as at 31 March 2023

- **9 August 2023**
  - Half-yearly report as at 30 June 2023

Hannover Rück SE | Karl-Wiechert-Allee 50 | 30625 Hannover, Germany | www.hannover-re.com