



somewhat
different

Strategic positioning in a competitive market

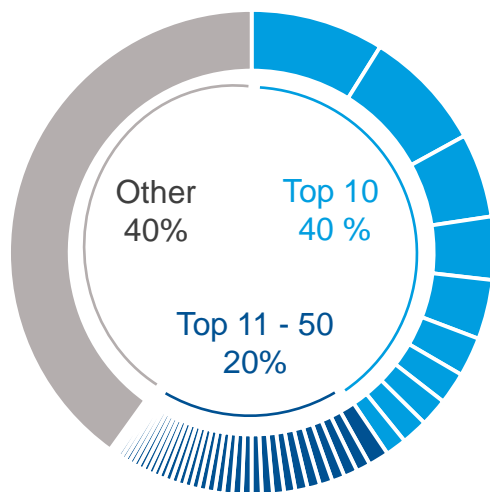
Initiatives for long-term success

Ulrich Wallin, Chief Executive Officer

Property & Casualty reinsurance in a global perspective

Hannover Re outperforms the market

Market size and concentration 2014



in bn. EUR	2010	2014	Δ	CAGR
Top 10	62	76	14	5.3%
Top 11 - 50	38	37	-1	-0.5%
Other	59	75	16	6.1%
R/I market	159	188	29	4.3%
Hannover Re	6.3	7.9	1.6	5.7%

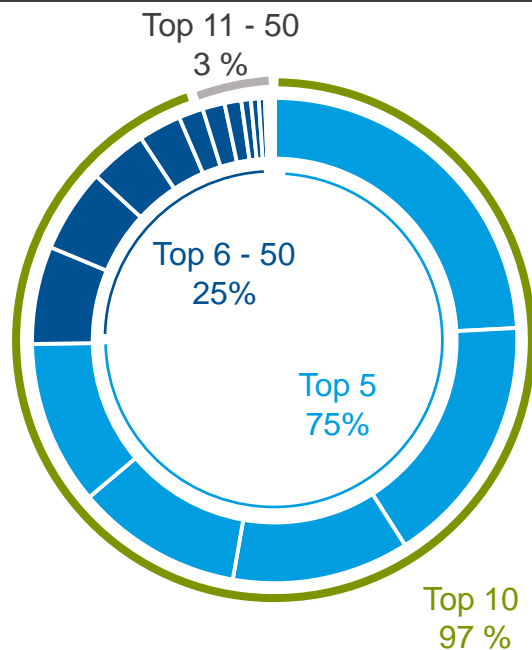
Source: Own research (global market size based on estimate of total ceded premiums by primary insurers)
 Top 10: Munich Re, Swiss Re, Lloyd's, Hannover Re, Berkshire, SCOR, China Re, PartnerRe, Everest Re, KoreanRe

Concentration on the Top 10 proceeds, Top 11 - 50 stagnating

Life & Health reinsurance in a global perspective

Development of Hannover Re in line with the market

Market size and concentration 2014



in bn. EUR	2010	2014	Δ	CAGR
Top 5	31	42	10	7.4%
Top 6 - 10	9	12	3	7.6%
Top 11 - 50	5	3	-2	-11.5%
R/I market	45	57	12	5.9%
Hannover Re	5.1	6.5	1.4	6.1%

Source: Own research

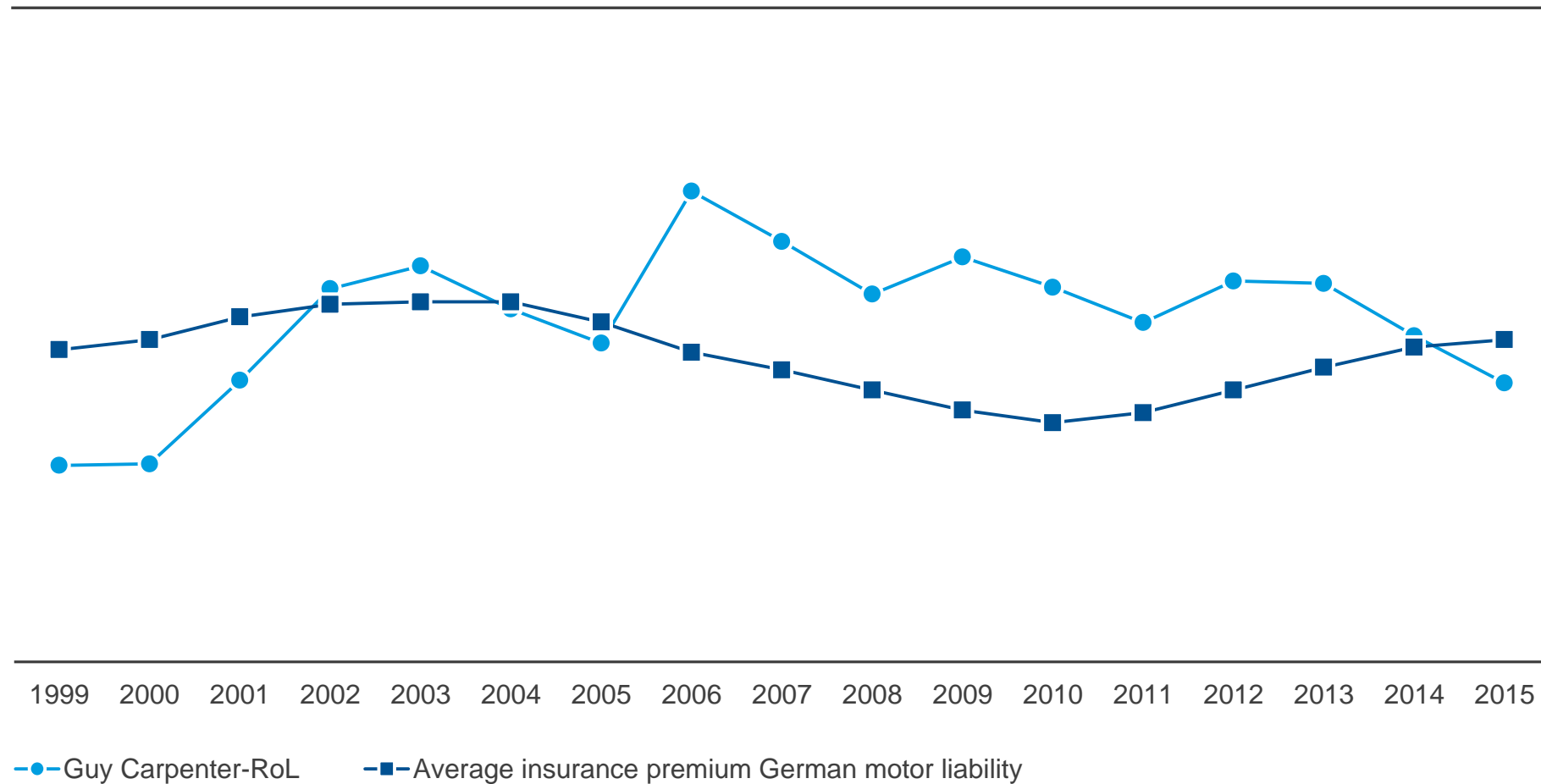
Top 10: Munich Re, Swiss Re, RGA, Hannover Re, SCOR, Berkshire (incl. GenRe), Great West Lifeco, China Re, Korean Re, PartnerRe

Concentration on the Top 5/Top 10 continues, Top 11 - 50 contracting

Different cycles in different market segments

As a diversified reinsurer we can offset price pressures in specific markets

Comparison of Cat business and German motor business



As a worldwide, well diversified reinsurer we were and remain well positioned to cope with the current market environment

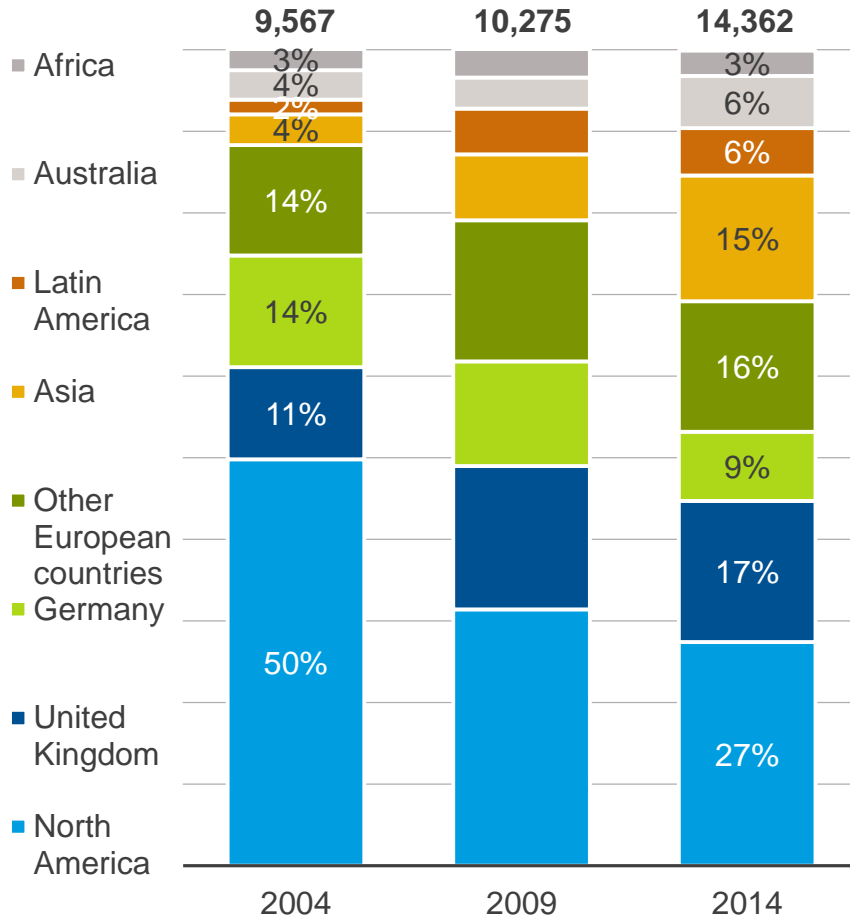
- + Third-largest reinsurer in the world (bigger companies grow faster than smaller ones) yet fast and flexible enough to be innovative and able to react to market developments
Value proposition and long-standing client relationship
- + Diversification leading to reduced cost of capital and improved risk profile
- + Alternative capital not necessarily a threat but also a partner for our ILS and retro activities; better diversification a key differentiator
- + Favourable new business opportunities in P&C and L&H
- + We have always developed initiatives to get access to profitable growth

Good positioning of Hannover Re in the market

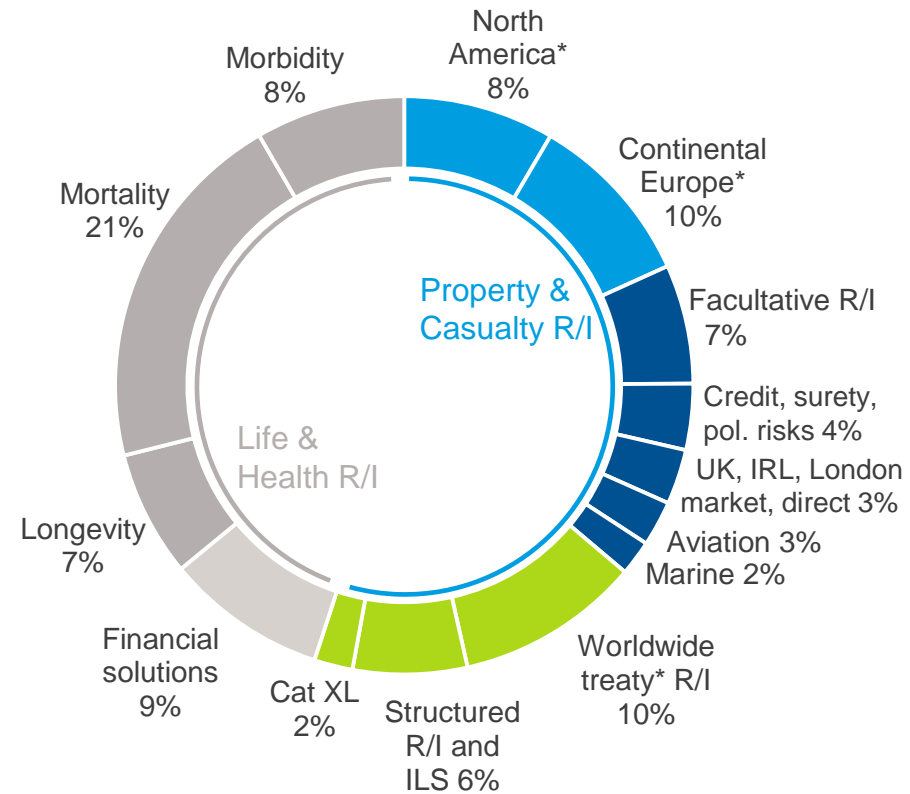
Diversification is core value to clients and investors

Hannover Re has improved its diversification in the past decade

GWP by region



GWP 2014 by line of business/reporting category

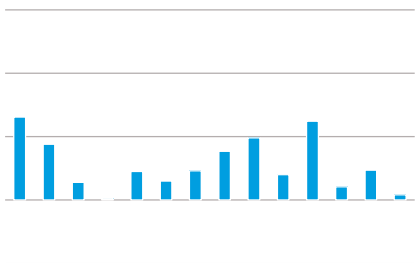


* All lines of business except those stated separately

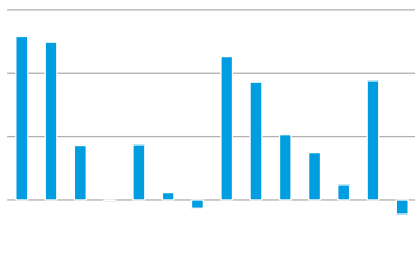
High diversification reduces earnings volatility

EBIT by line of business/reporting category*

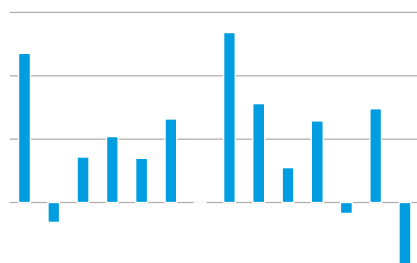
EBIT 1H/2015 EUR 789.4 m.



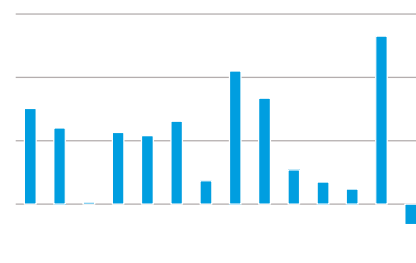
EBIT 2014 EUR 1,466.4 m.



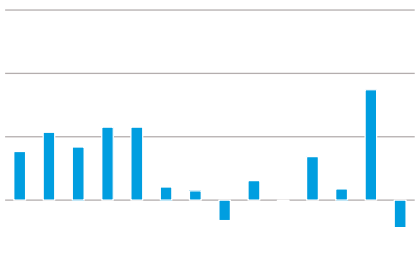
EBIT 2013 EUR 1,229.1 m.



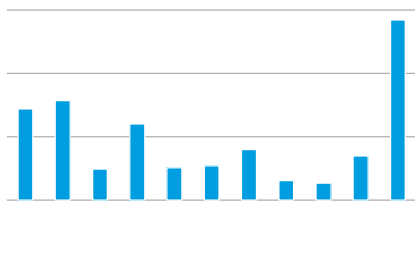
EBIT 2012 EUR 1,393.9 m.



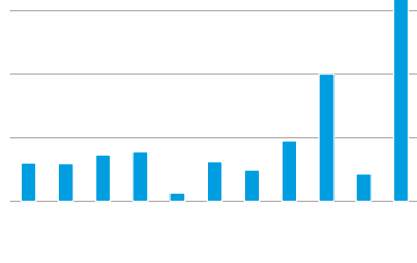
EBIT 2011 EUR 841.4 m.



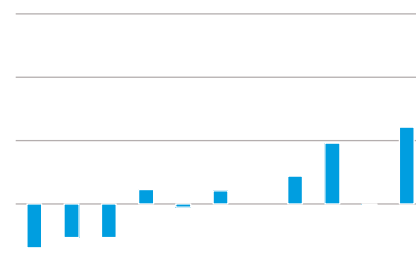
EBIT 2010 EUR 1,177.9 m.



EBIT 2009 EUR 1,142.5 m.



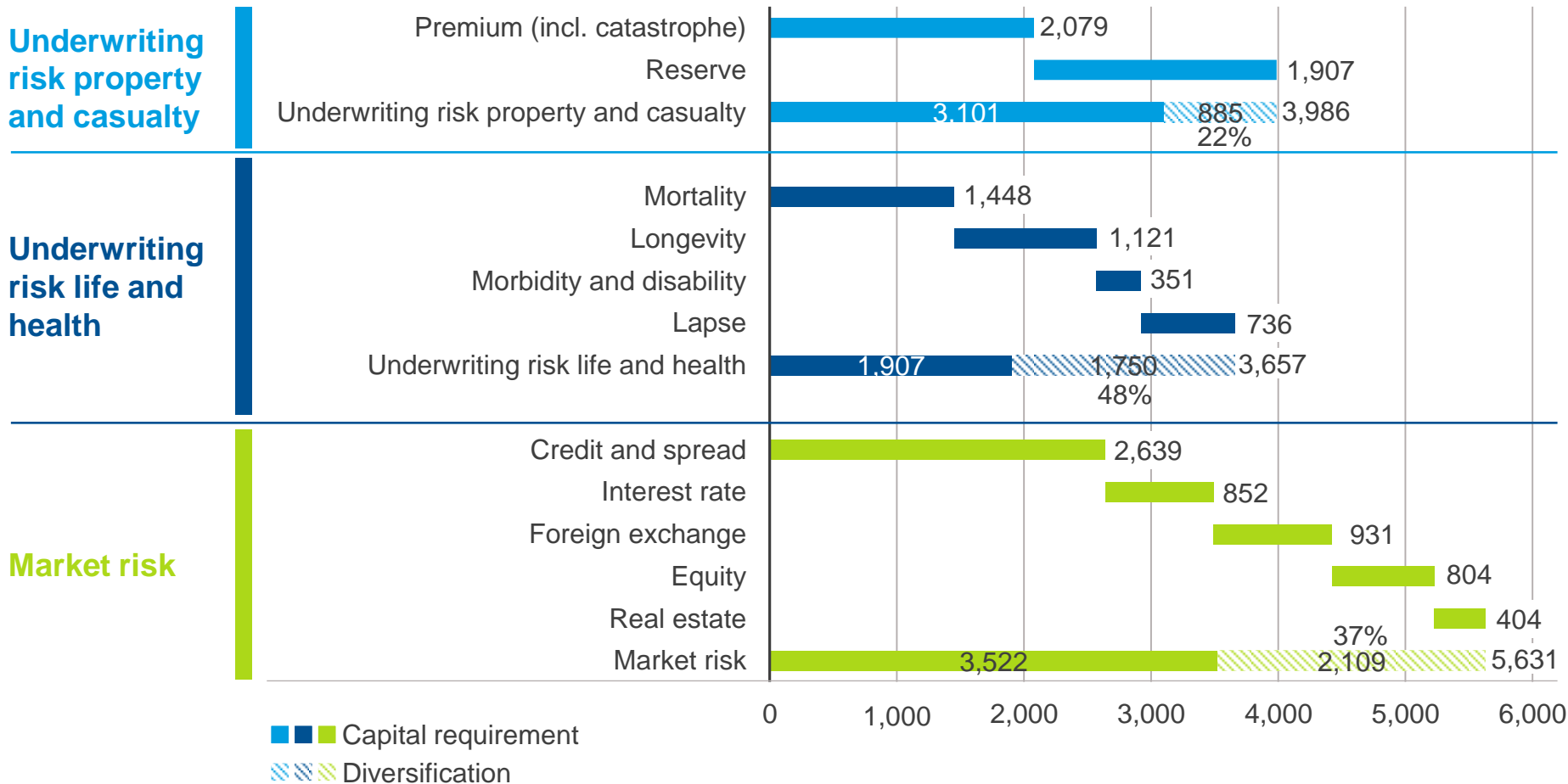
EBIT 2008 EUR 148.1 m.



Hannover Re is well diversified within each risk category and has a well balanced asset and liability portfolio

Risk capital for the 99.5% VaR (according to economic capital model)

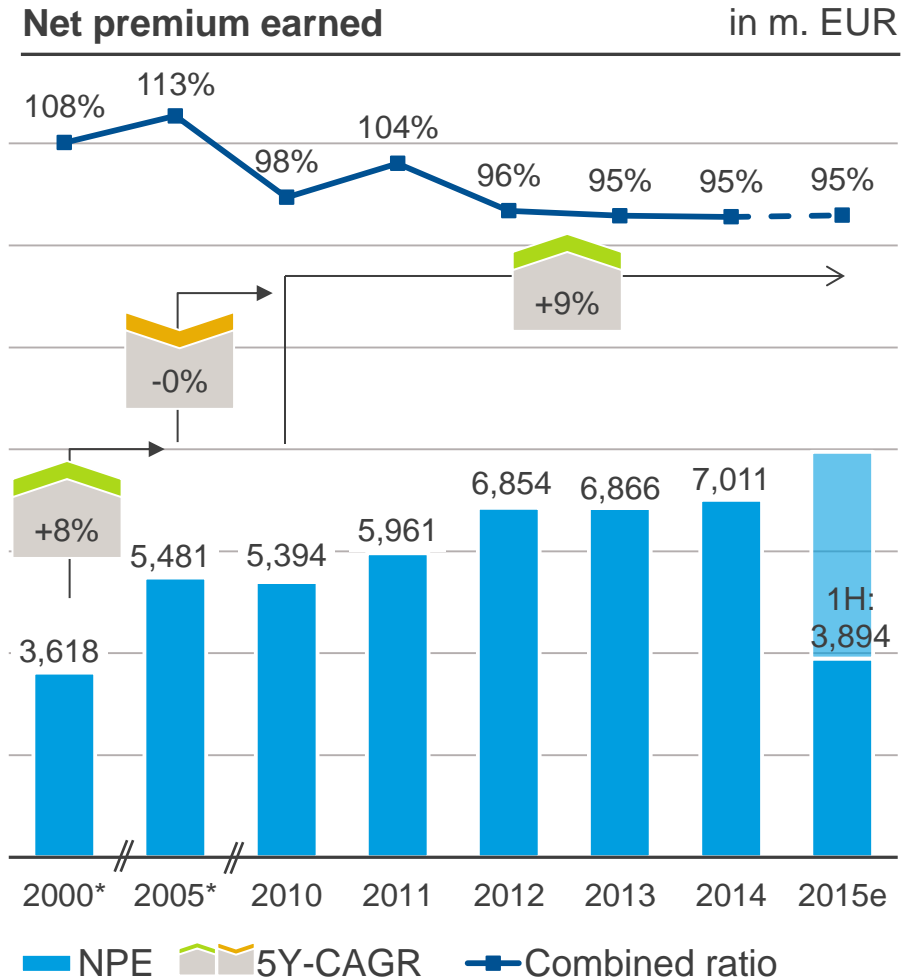
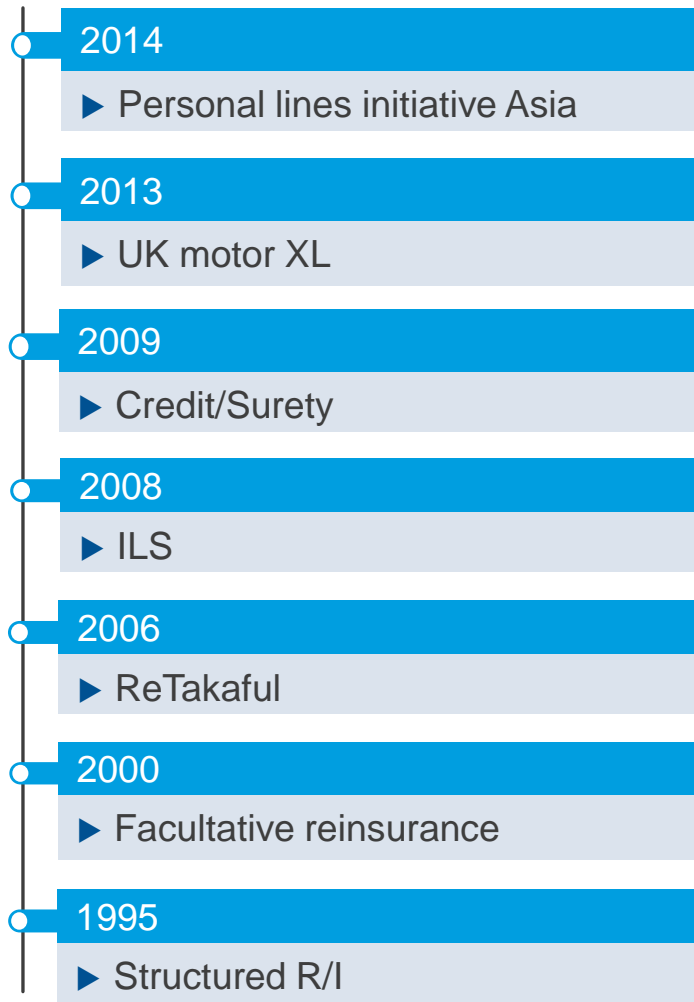
in m. EUR



As at December 2014

Profitable growth of our P&C business group ...

... supported by past initiatives

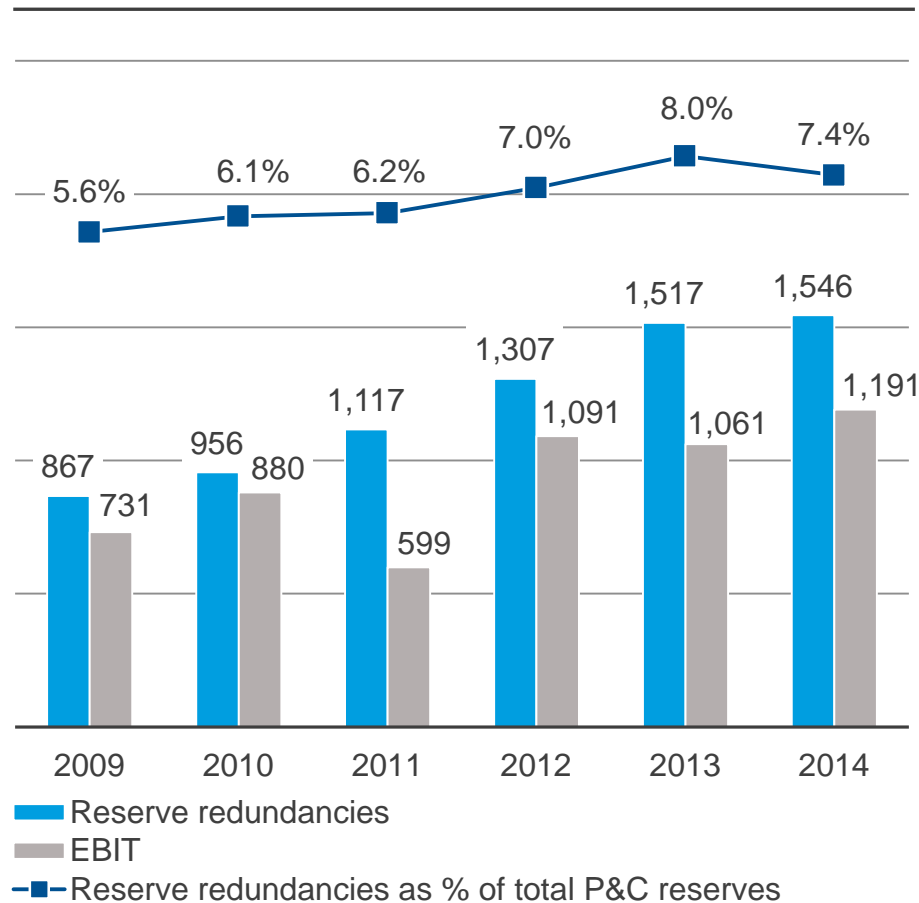


* Based on previous segment reporting (GWP: Group excl. L&H, C/R: P&C R/I)

High profitability safeguarded by conservative reserving

Continued attractive business opportunities despite competitive markets

P&C EBIT/reserve redundancies in m. EUR

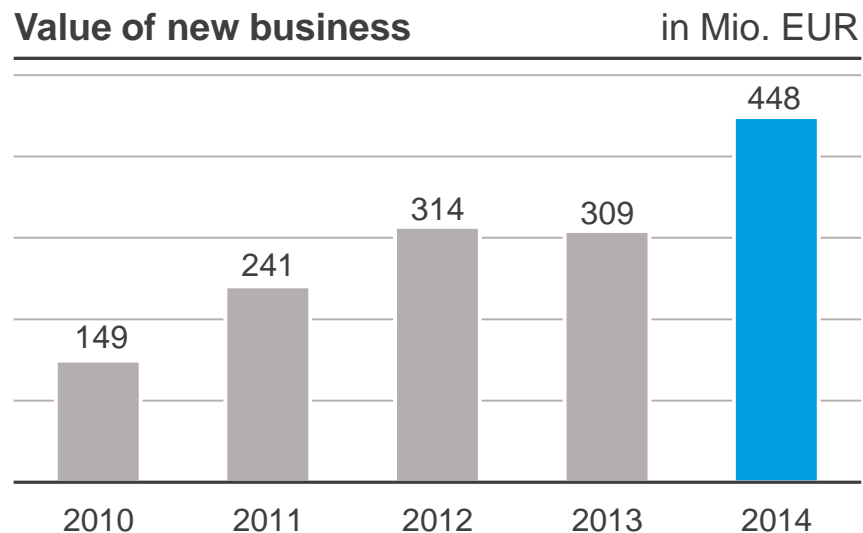


- ▶ Rating and long-standing client relationships are key, Hannover Re is an attractive counterparty
- ▶ Profitable growth opportunities in reinsurance with continued selective approach in underwriting
- ▶ Profitability is safeguarded by continued high-quality portfolio and conservative reserving in past years
- ▶ Growth opportunities in 2015:
 - Currency effects, large individual treaties, Agro, Asia (esp. motor business), ILS, US Casualty

* Redundancy of loss and loss adjustment expense reserve for its property & casualty business against held IFRS reserves, before tax and minority participations. Towers Watson reviewed these estimates - more details shown in the appendix

Previous initiatives supporting successful development in L&H

- 2015
▶ Canadian Branch
- 2009
▶ US Financial Solutions
- 2009
▶ Acquisition of Scottish Re portfolio
- 1993/1998
▶ Longevity BATs

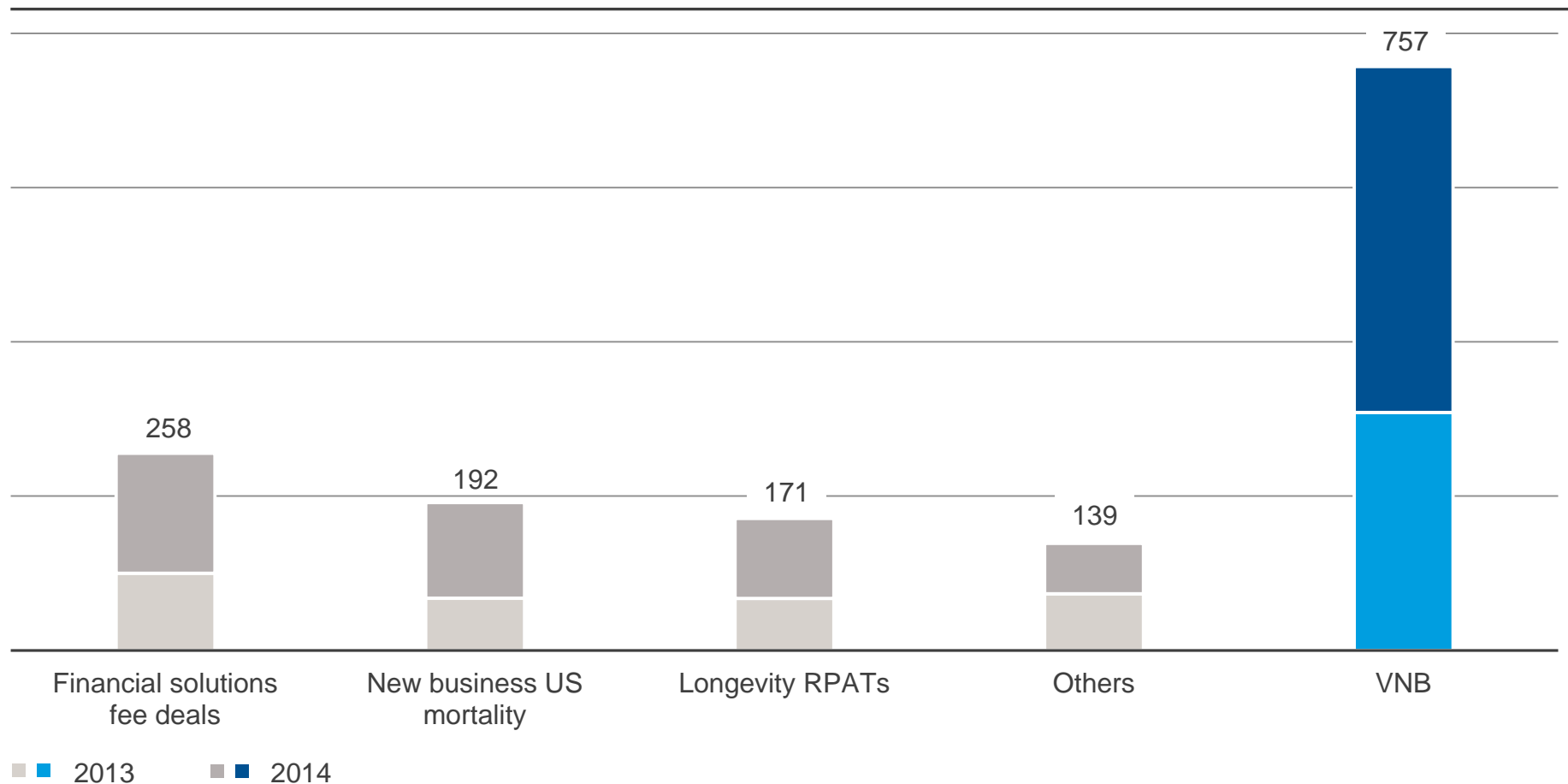


Strong VNB points to increasing profits in the future

VNB 2013 and 2014

VNB 2013 + 2014

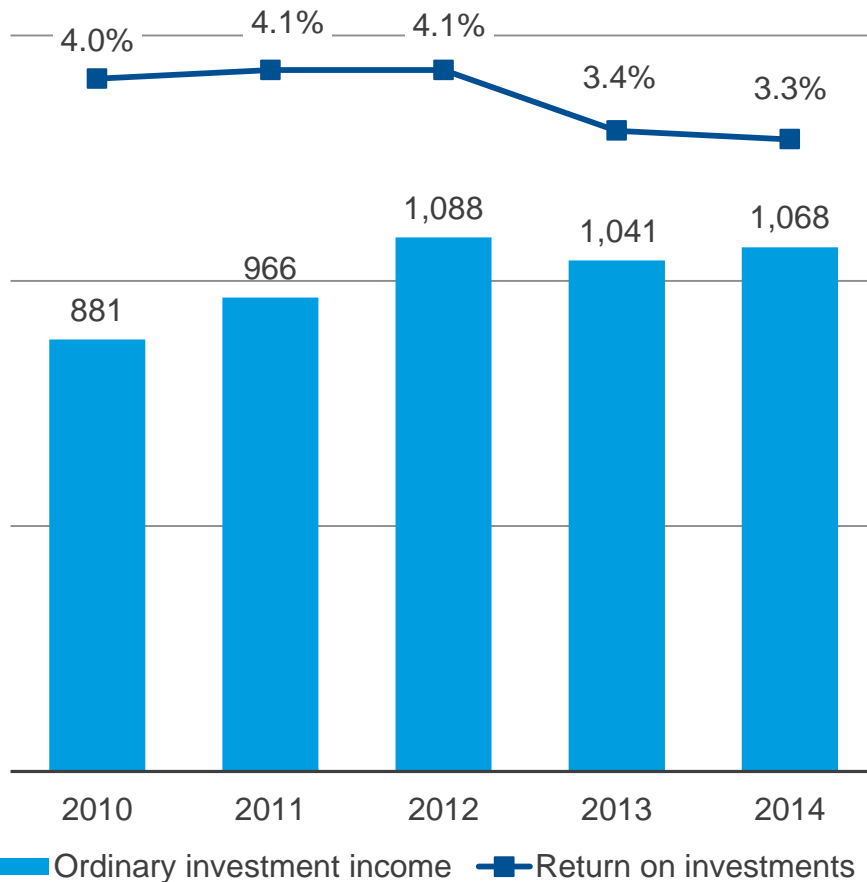
in m. EUR



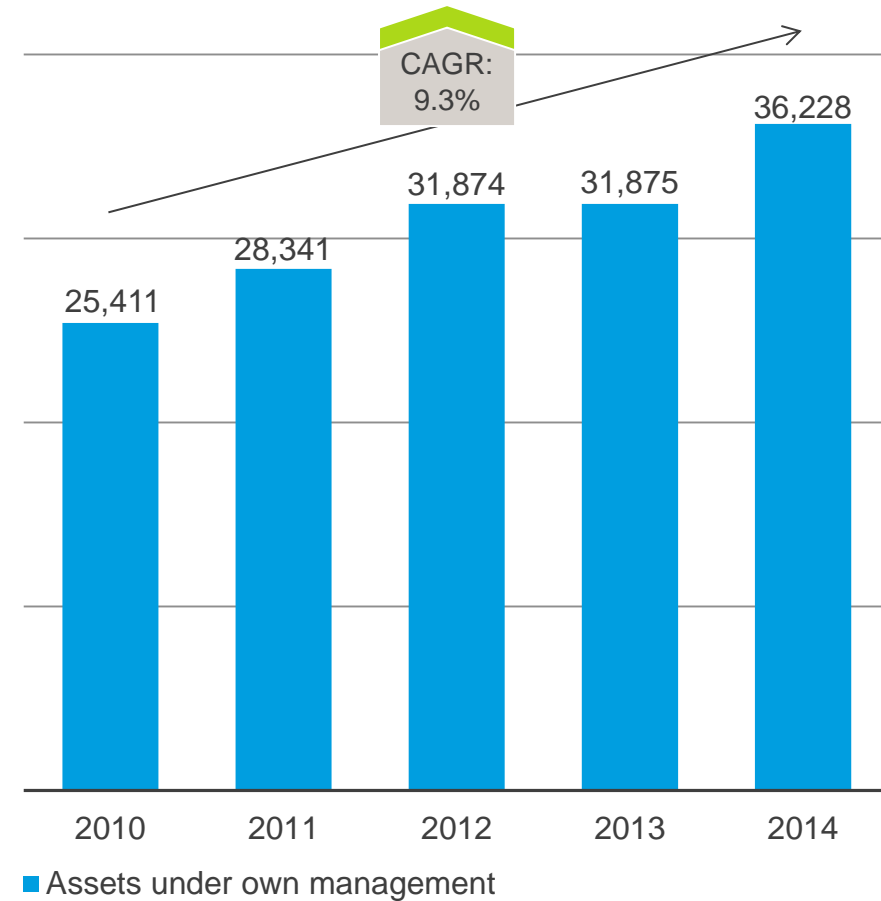
RPATS = Regular Premium Annuity Treaties

Stable ordinary investment income despite declining Rol on the back of an increased investment volume

Ordinary investment income/Rol in m. EUR










Assets under own management in m. EUR



Rationale for the 2015 profit guidance

Long-term success in a competitive business

-  We expect a further increase in profits from our Life & Health business group
-  We expect a largely unchanged technical profit from our Property & Casualty business
 -  Continued high-quality portfolio due to selective underwriting and concentration on renewal business
 -  Due to IFRS accounting constraints it will be difficult to further increase the confidence level of our loss reserves, which may result in a positive effect on our C/R
 -  Improved terms and conditions of our retrocessions should have a positive effect on our net margin
-  We expect to achieve a largely stable absolute NII on the back of an increased investment volume (from a further positive cash flow) despite a deteriorating Rol
-  We expect to maintain our competitive advantage of low administrative expenses

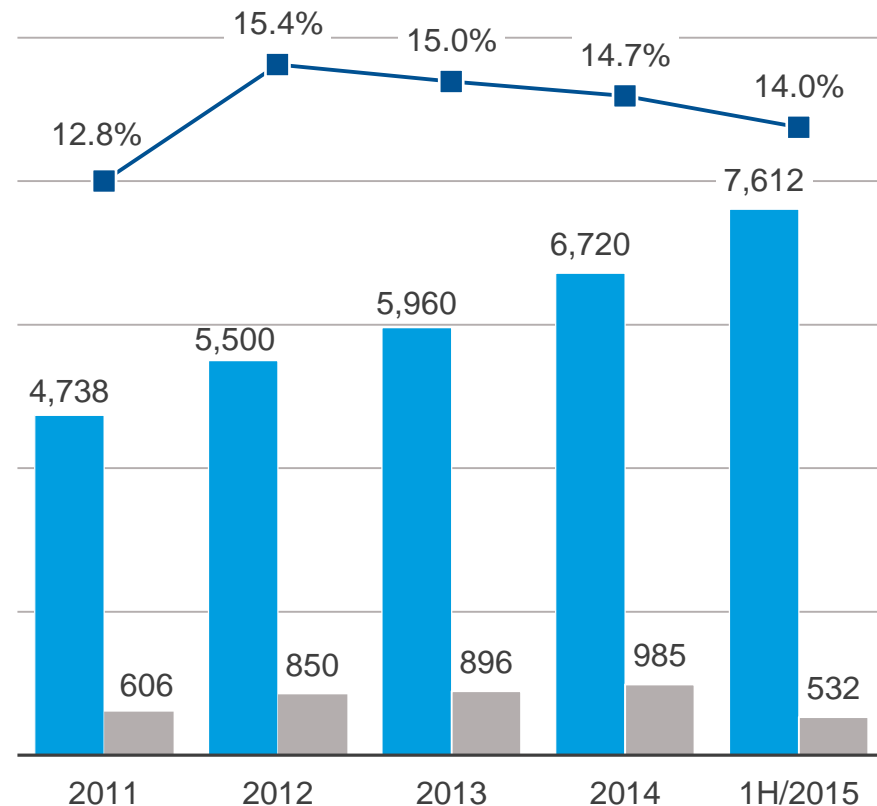
Subject to no major distortions in capital markets and/or major losses in 2015 not exceeding approx. EUR 690 m.

We are confident of achieving the guidance

Profit growth largely mirrors capital growth

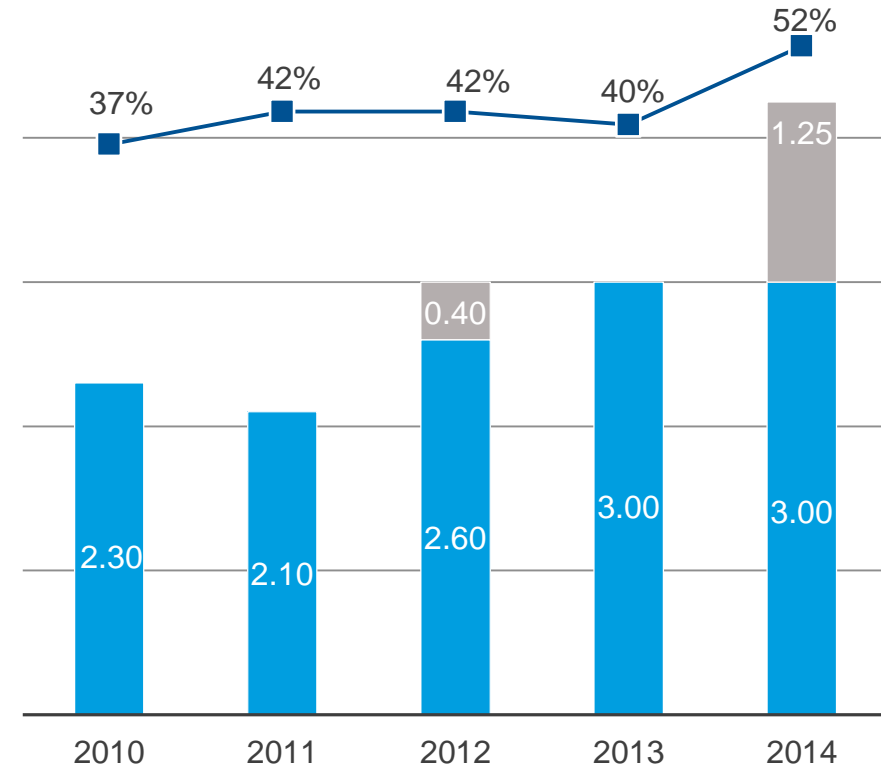
Attractive shareholder return

Shareholders' equity and RoE in m. EUR



■ Average shareholders' equity
■ Group net income
■ Return on Equity (RoE)

Dividend per share in EUR

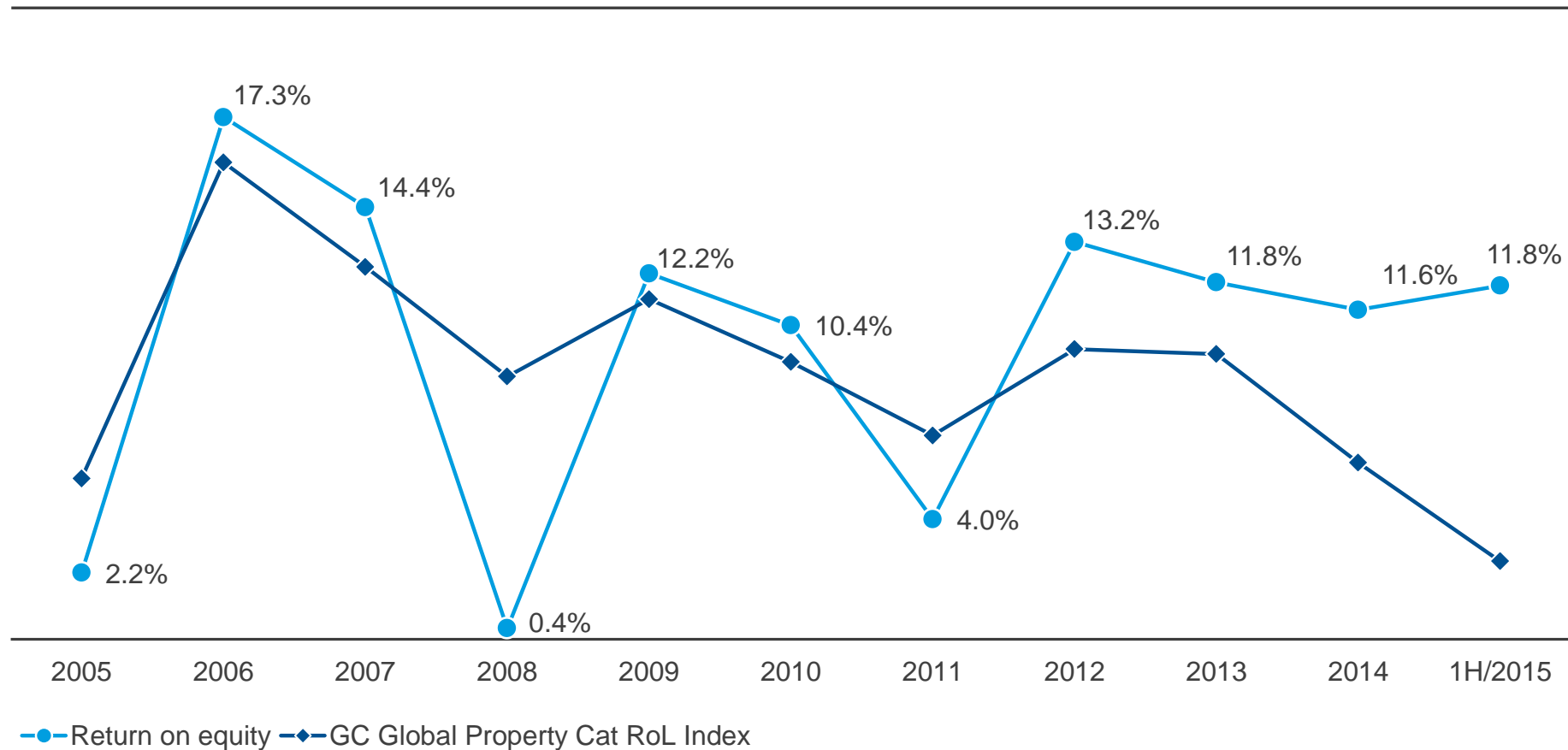


■ DPS
■ Special DPS
■ Payout ratio

Reinsurance market conditions will improve ...

... when the RoE is sufficiently low

Development of return on equity and Guy Carpenter Global Property Cat RoL Index



Source: Guy Carpenter

Return on equity based on company data (Top 10 of the Global Reinsurance Index (GloRe) with more than 50% reinsurance business), own calculation

Medium-term trends affecting the reinsurance sector

— Strong capitalisation/abundant capacity

— Intense competition

— Prevailing low yield environment

— Pressure on investment returns will continue to be challenging

↘ Increasing pressure for reinsurers to achieve attractive earnings promised to shareholders

+ Continued solid demand for reinsurance, based on the ability to reduce the volatility of earnings and regulatory capital requirements of primary insurers

↗ Reinsurance pricing is going to bottom out and improve in the medium term

Hannover Re is positioned to achieve its medium-term earnings growth target