



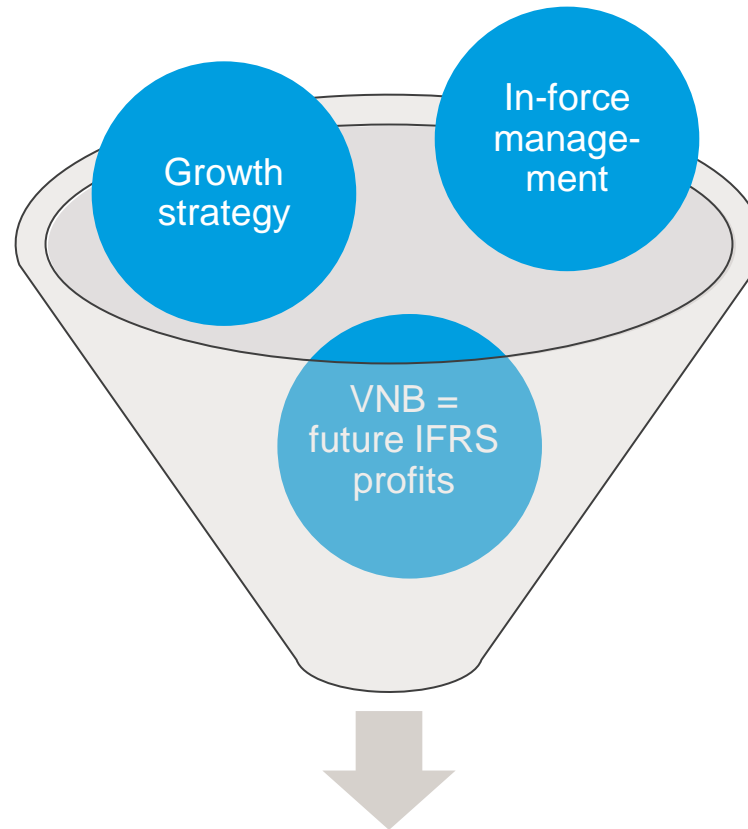
somewhat
different

Medium-term growth and profitability in L&H

Dr. Klaus Miller, Member of the Executive Board

Drivers of future profitability and growth

Life & Health reinsurance

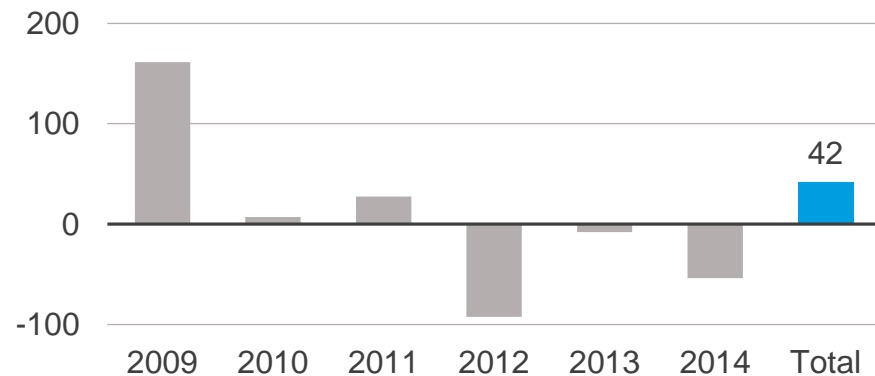


Increasing profits expected from our
Life & Health business group

Overall positive impact from Scottish Re acquisition

US mortality - review of past experience

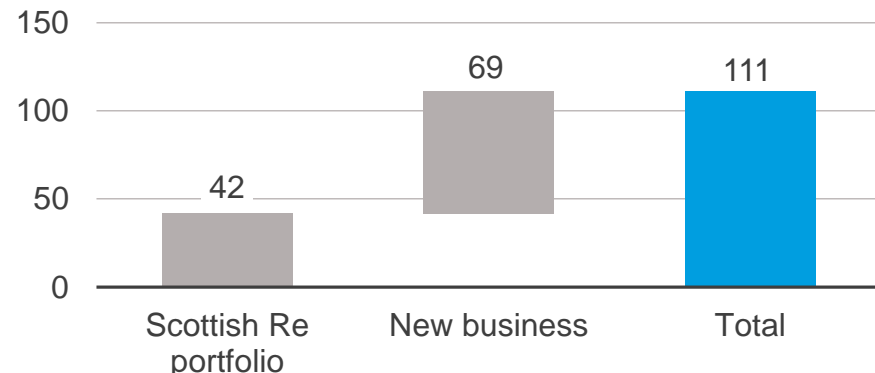
EBIT* Scottish Re portfolio in m. USD



Overall positive EBIT contribution

- ▶ VoBA of USD 143 m. in 2009
- ▶ Deterioration in 2012 – 2014 due to
 - problematic pre 2005 underwriting years
 - increased suicide rates after the financial crisis
 - higher PLT lapse experience
- ▶ Positive effect from recapture in 2013

Cumulative EBIT* 2009 - 2014 in m. USD



Attractive profitability of the mortality solutions business

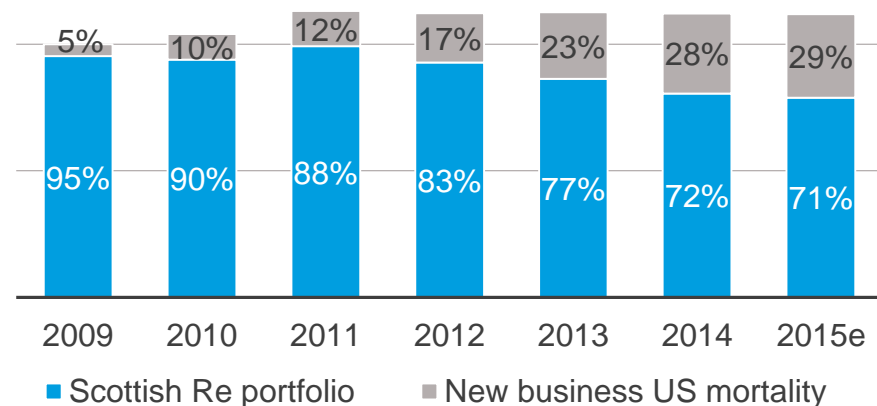
- ▶ Grow new profitable business
- ▶ In-force management actions for Scottish Re portfolio

* Excl. impact from ModCo derivatives

Improving profitability expected for US mortality business

Increasing contribution from new business combined with in-force management

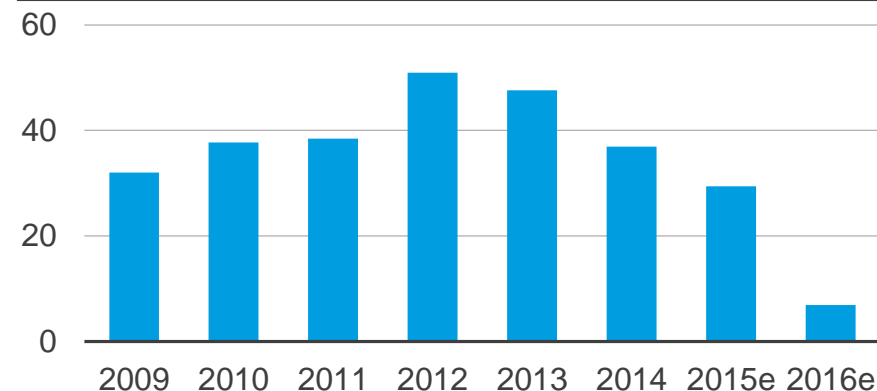
Net amount at risk



Shift in business mix

- ▶ New profitable business is gradually improving the results
- ▶ Recapture 2013: positive IFRS effect USD 60 m. (pre-tax), overall MCEV effect of USD 182 m. (post tax)
- ▶ YRT rate increases: low- to mid-double-digit million positive effect p.a. from 2015/2016 onwards

Collateral costs Scottish Re portfolio in m. USD



Reducing collateral costs

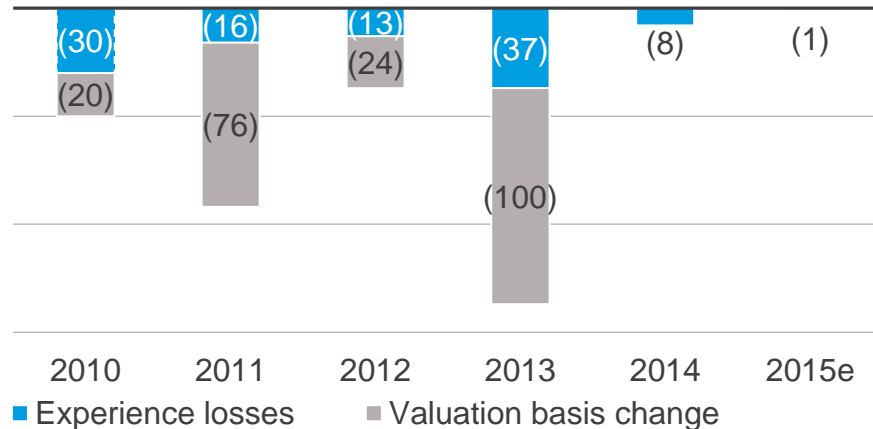
- ▶ Increase in 2012 due to expected contractual changes and growth in the LOC nominal amount
- ▶ Reduction of USD 18 m. p.a. in Q3/2013, full effect visible from 2014
- ▶ Reduction of USD ~30 m. p.a., full effect visible from 2016 onwards

Adverse development in group business creates opportunities

Australian disability business - review of past experience

Technical result legacy DII

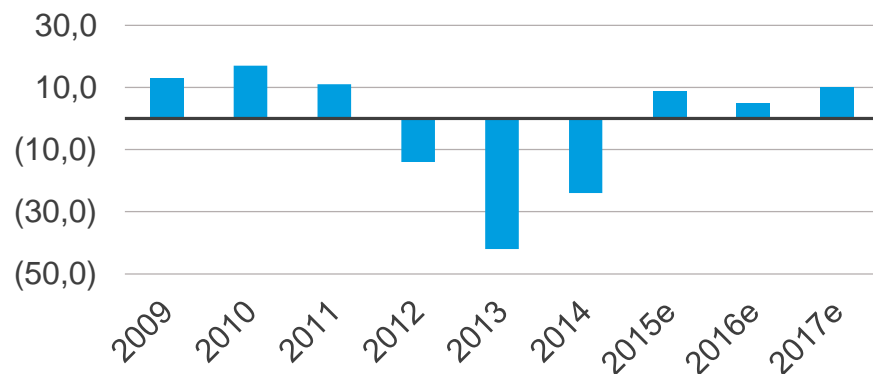
in m. AUD ▶ Legacy DII business



- In run-off since 2009, repricing only possible if the ceding company increases its rates
- Adverse claim termination experience caused valuation basis changes over the period, which led to reserve strengthening
- Current experience in line with the latest reserving level

Technical result group business (TPD) in m. AUD

▶ Group business (TPD)

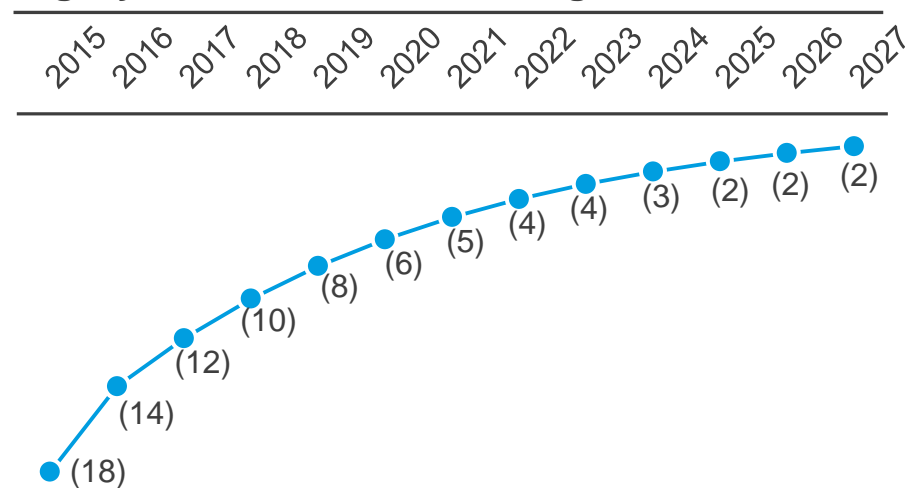


- Historically profitable business
- Margins decreased, claims inflated (workers comp. coverage in AUS has been limited in recent years + claims farming by lawyers)

Improving profitability expected for AUS disability business

Increasing profits from group business and reduced impact from DII

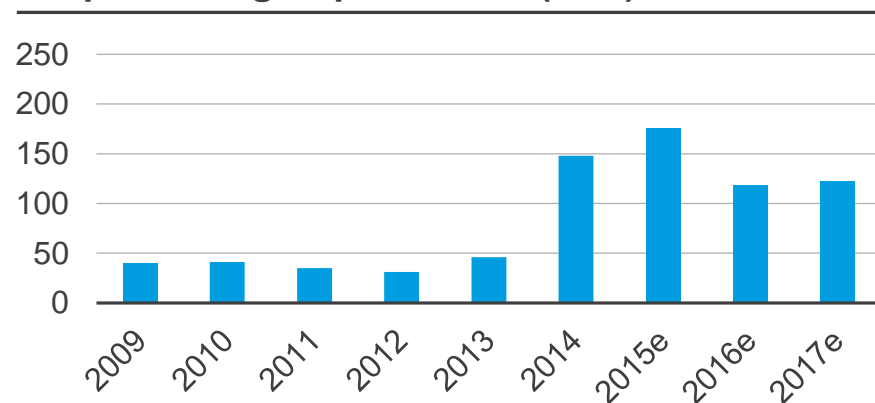
Legacy DII – reserved loss recognition in m. AUD



► Legacy DII business

- Claim termination reserving basis appears to be at least adequate (even slightly conservative)
- Premium rate increases possible in some cases
- Claim audit resulted in closure of several large claims, positive impact on profitability
- Treaty management results in an increase in premium payable

Net premium group business (TPD) in m. AUD



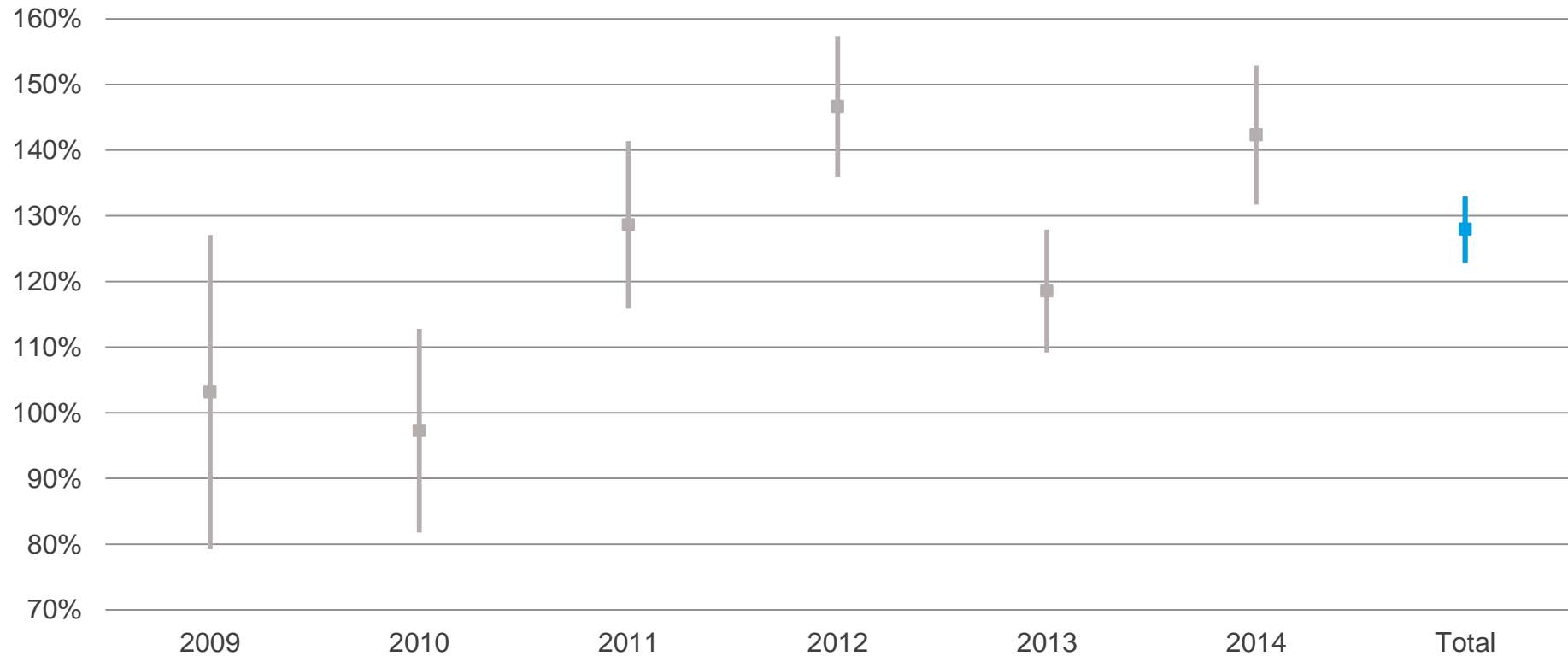
► Group business (TPD)

- Significant repricing opportunities following the adverse industry results in 2013/2014
- Portfolio is expected to return to profitable levels (and exceeding our minimum margin)

Good performance for our EA business in recent years

Longevity experience

Actual/expected - Results for Enhanced Annuities (EA)

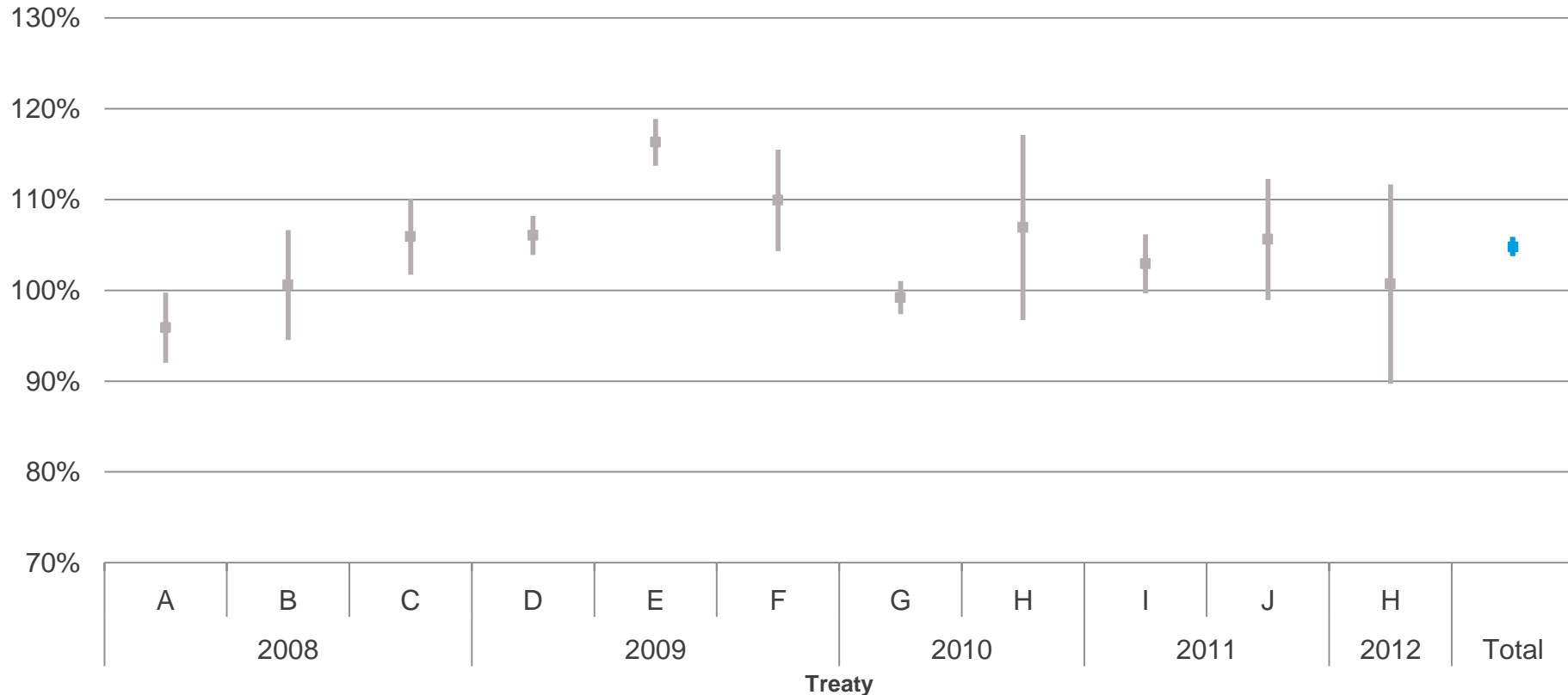


Upward trend and smaller confidence intervals

Good pension block business written since 2008

Longevity experience

Actual/expected (lives) - 95% confidence interval

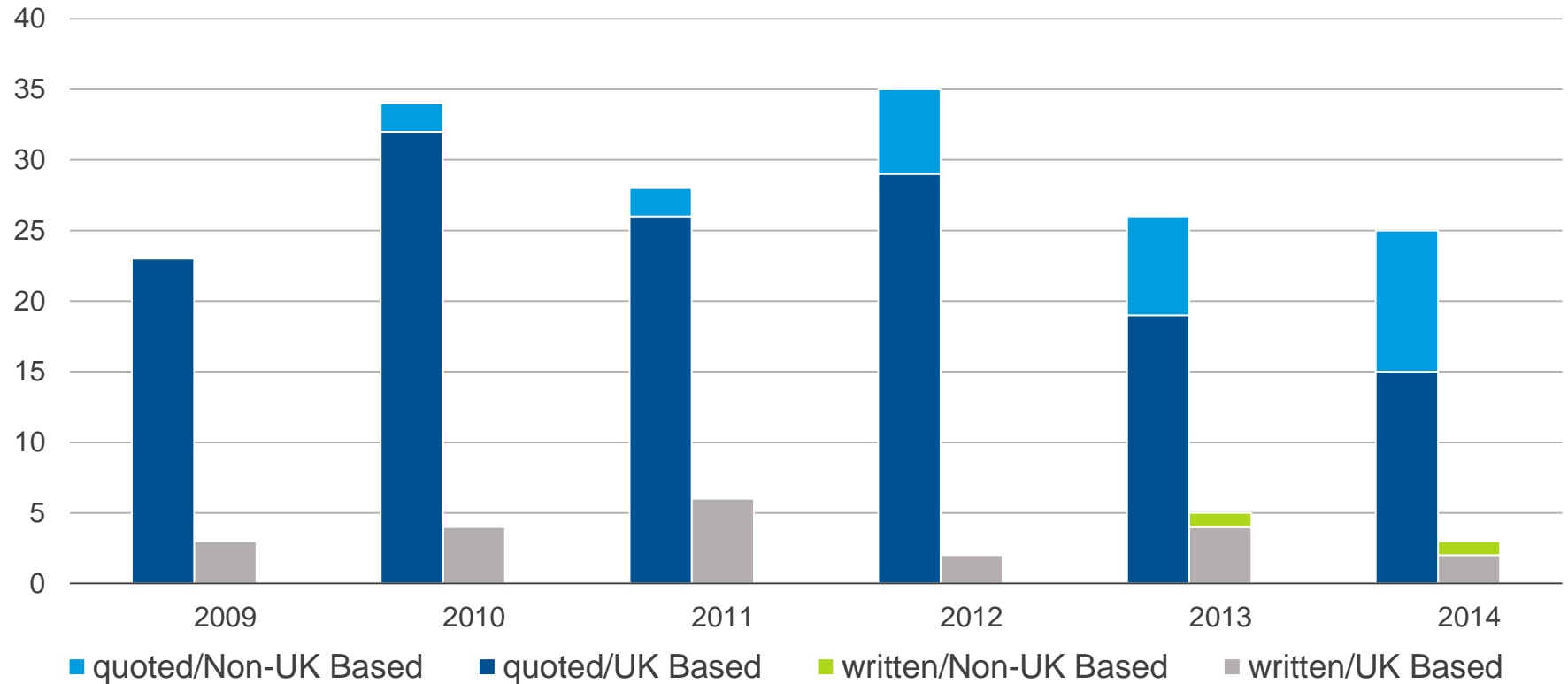


Good results for the whole portfolio

Quoted Pension Block Transactions

Selective underwriting approach: 1 out of 7 deals is finally closed

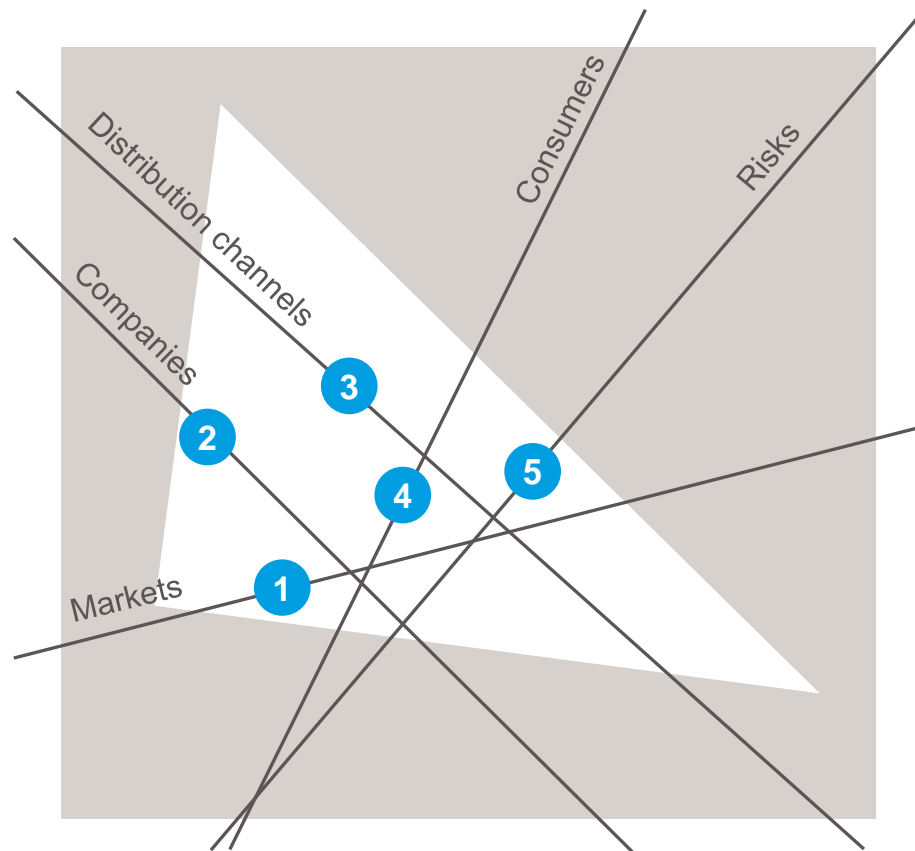
Number of blocks quoted and written



Increased marketing activities in non-UK markets

Hannover Re L&H strategy

Focus is key



- 1 High growth markets
- 2 Companies in transition
- 3 Alternative distribution channels
- 4 Underserved consumers
- 5 Hard-to-quantify risks

▶ Vitality (2, 4, 5)

▶ Digitalisation (1, 3)

▶ Microinsurance (1, 3, 4)

■ L/H reinsurance universe ▲ Attractive part of L/H reinsurance universe

Vitality

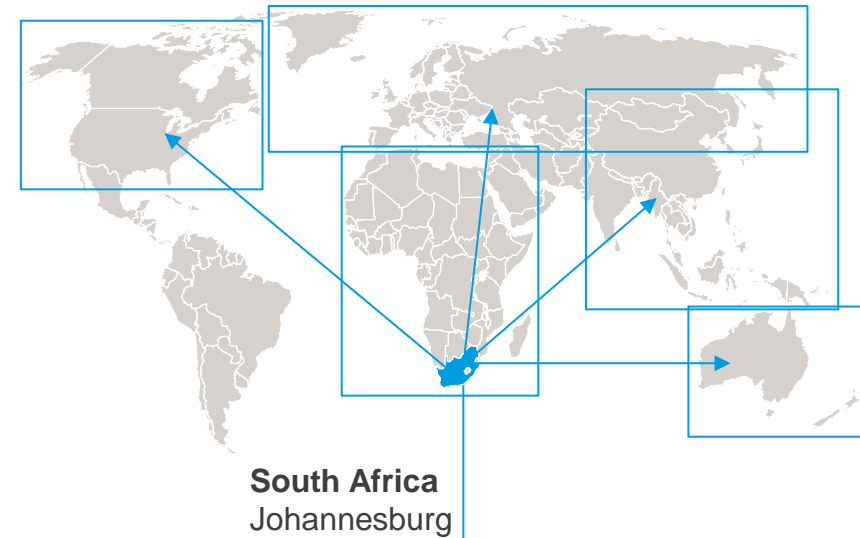
Getting and remaining healthy: a modern lifestyle

Incentivise members to improve quality of life and to reduce long-term medical costs

The world's largest scientific incentive-based wellness program

Vitality members ...

- ... enjoy the rewards
- ... improve their health
- ... know their health



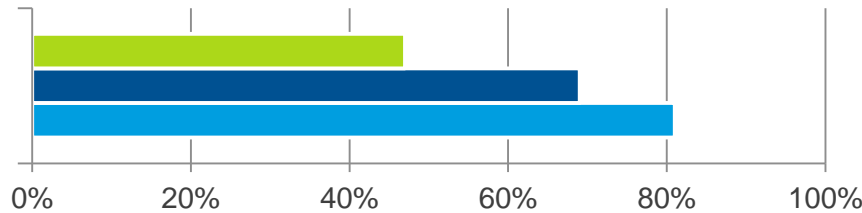
Encourage policyholders to actively manage & improve their health

Vitality

Impact on mortality, critical illness, lapses

Mortality

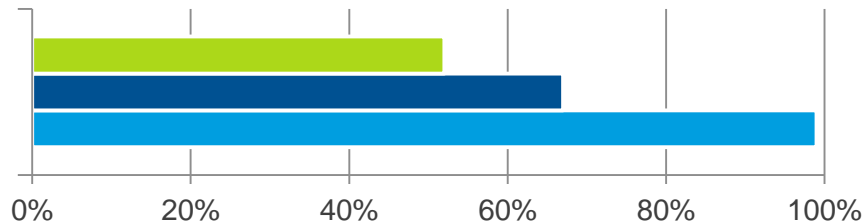
in %



- Blue – Unengaged
- Bronze – Moderately engaged
- Silver/Gold/Diamond – Highly engaged

Severe illness claims

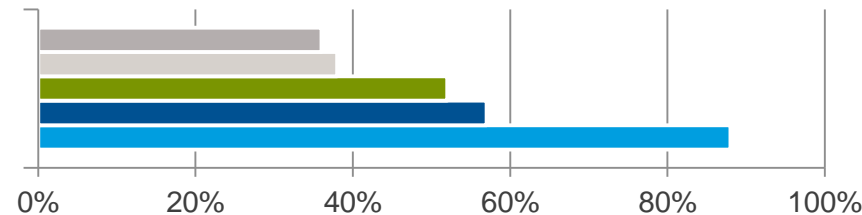
in %



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Life lapses

in %

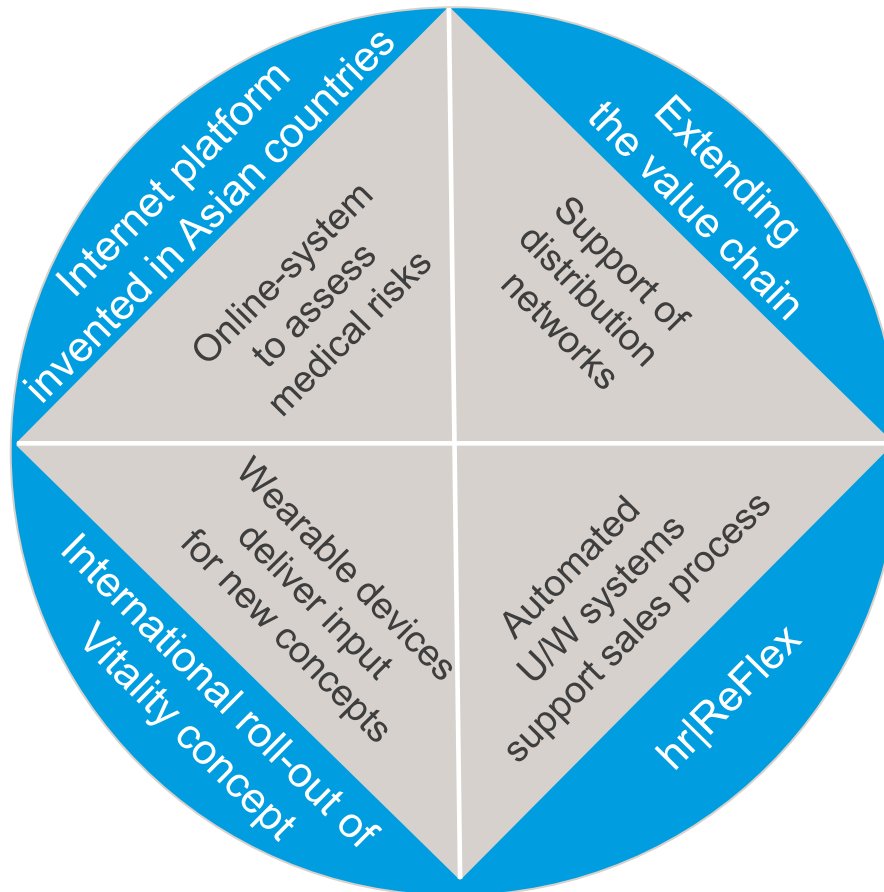


- Blue – Unengaged
 - Bronze – Moderately engaged
 - Silver
 - Gold
 - Diamond
- } Highly engaged

Figures from Discovery, Performance Reviews for 2012, Integrated Annual Report 2012

Digitalisation in insurance


Sale and underwriting support for life insurance policies



Integrated automatic process without compromising on business quality

ReFlex: a new generation of automated underwriting systems

Key features at a glance

- 
- Risk assessment across multiple products and lines of business
 - Full transparency – all rules are **easily** adaptable
 - **Advanced reporting and analytical tools** – standard reports and web-based dash boards
 - Fully multilingual and multicurrency enabled
 - Full migration of existing proprietary knowledge

ReFlex - a construction kit for U/W solutions around the world

Growth potential in microinsurance in Asia and Oceania

Health microinsurance growing strongly



▶ India

- Population in 2012: 1,236.7 m
- Estimated potential microinsurance market* in 2012: 755.4 m.
- 14.7% of microinsurance potential covered
- 2010 - 2012 coverage CAGR 30.6%
- 66% of all microinsurance premiums of the Asian market

▶ Pakistan

- Population in 2012: 179.1 m.
- Estimated potential microinsurance market* in 2012: 129.0 m.
- 4.1% of microinsurance potential covered
- 2010 - 2012 coverage CAGR 19.4%

Source: "The Landscape of Microinsurance in Asia and Oceania 2013", Munich Re Foundation

* People living on more than USD 1.25 but less than USD 4 / day

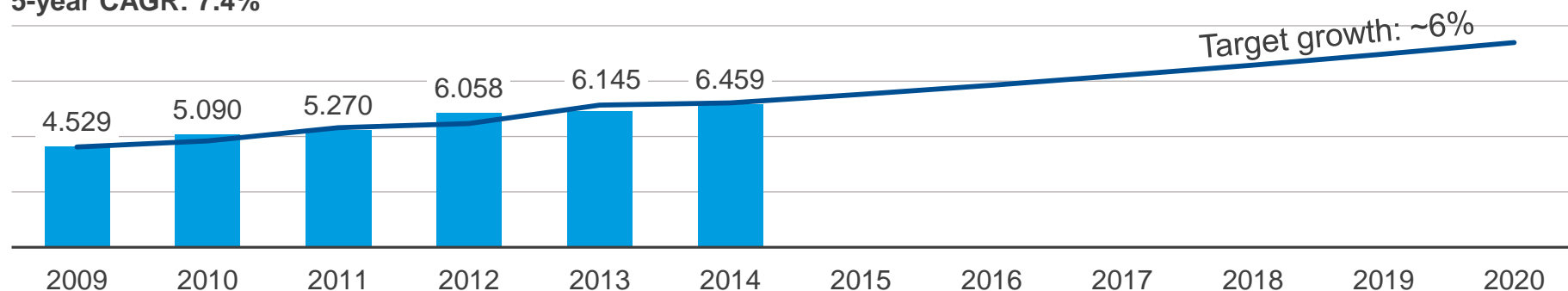
We will continue on our growth path ...

... and deliver increasing profitability in the future

Premium development

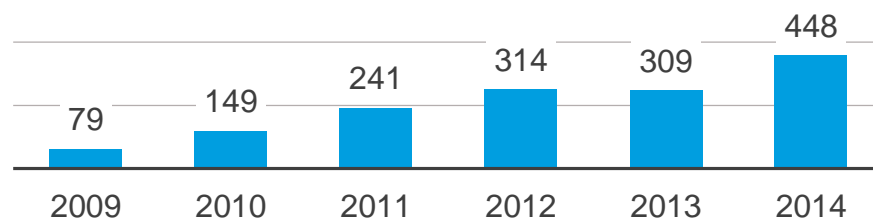
in m. EUR

5-year CAGR: 7.4%



Value of New Business (VNB)

in m. EUR



- ▶ Close to EUR 1.5 bn. of VNB over the last 5 years
- ▶ IFRS profits will additionally include the capital costs
- ▶ Additional profits come from a conservative calculation of the PVFP

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