



somewhat
different

Conference Call on Interim Report 3/2015

Hannover, 4 November 2015

hannover **re**[®]

Strong nine-month result

Group net income increased by 13%

Group

▶ Gross written premium: EUR 12,946 m. (+20.9%)	▶ Remarkable GWP growth of 10.0% (f/x adjusted), fuelled by both business groups
▶ Net premium earned: EUR 10,830 m. (+20.8%)	
▶ EBIT: EUR 1,190 m.	▶ EBIT increased by 9.1%, mainly driven by favourable U/W result in P&C and increased investment returns
▶ Group net income: EUR 786 m.	
▶ RoE: 13.7%	▶ RoE remains well above our minimum target
▶ Book value per share: EUR 64.15	▶ Shareholders' equity up by 2.5%, mainly driven by strong earnings
▶ Shareholders' equity: EUR 7,736 m.	

Property & Casualty R/I

EBIT: EUR 936 m.

- ▶ Strong profitability (EBIT margin of 15.7%) driven by favourable U/W result (C/R of 95.5%)
- ▶ Net major losses of EUR 436 m. well above last year's number but within budget (7.3% of NPE)
- ▶ Pleasing f/x-adjusted growth of 9.8% despite continued selective U/W approach

Life & Health R/I

EBIT: EUR 246 m.

- ▶ Improved operating profit (+5.3%)
- ▶ Technical result from our US mortality business (impacted by one single large claim) and French branch below expectation
- ▶ Attractive f/x-adjusted growth of 10.1% mainly from Longevity, Emerging Markets and Australia

Investments

NI: EUR 1,225 m.
RoI from AuM: 3.4%

- ▶ RoI well above full-year target of 3.0%
- ▶ Increased ordinary investment income supported by one-off effect in L&H and strong USD as well as higher income from real estate
- ▶ Assets under own management increased by 4.1%

Pleasing operating result fuelled by both business groups

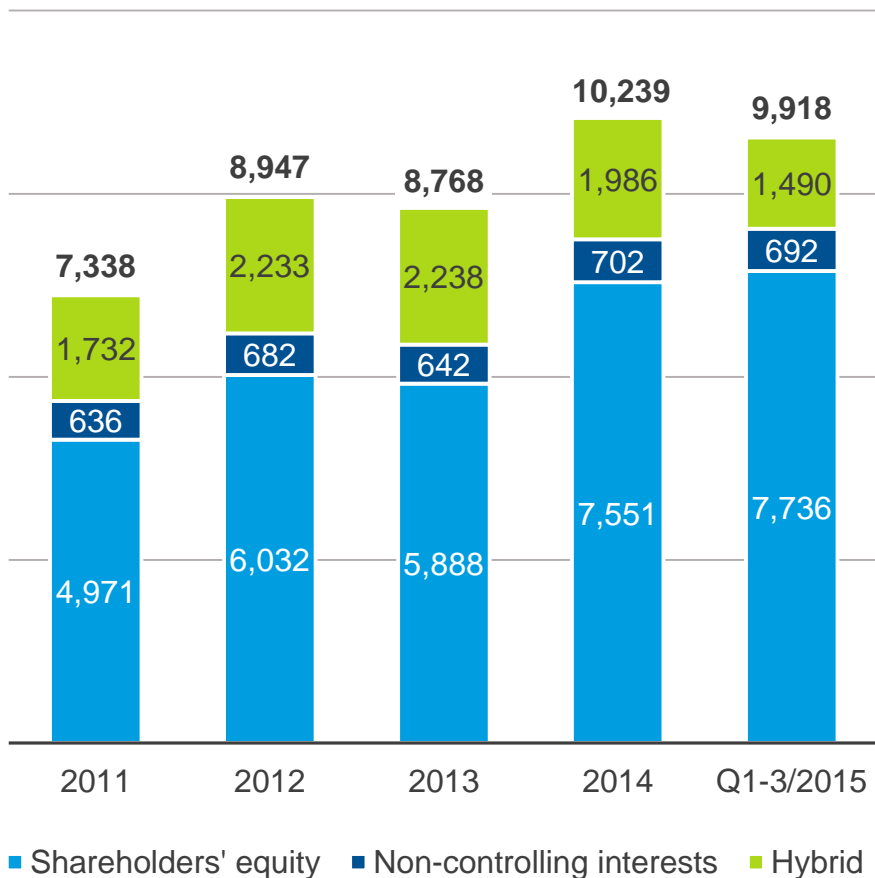
Remarkable increase in premiums and earnings

Group figures in m. EUR	Q3/2014	Q3/2015	Q1-3/2014	Q1-3/2015	YTD
Gross written premium	3,640	4,359	10,704	12,946	▶ GWP f/x-adjusted growth +10.0%
Net premium earned	3,127	3,811	8,966	10,830	▶ NPE f/x-adjusted growth +10.0%
Net underwriting result	(26)	(33)	(12)	(73)	▶ Other income and expenses, y-o-y improvement mainly due to positive currency effects
- Incl. funds withheld	84	63	273	220	
Net investment income	414	426	1,121	1,225	▶ EPS growth of 13.0% exceeds target of 6.5%
- From assets under own mgmt.	303	330	836	932	
- From funds withheld	110	95	285	293	
Other income and expenses	20	8	(19)	38	
Operating profit/loss (EBIT)	407	401	1,091	1,190	
Interest on hybrid capital	(22)	(18)	(70)	(66)	
Net income before taxes	385	383	1,020	1,124	
Taxes	(105)	(114)	(260)	(298)	
Net income	281	269	760	826	
- Non-controlling interests	30	15	65	40	
Group net income	251	254	695	786	
Retention	85.7%	87.3%	87.0%	87.9%	
EBIT margin (EBIT/Net premium earned)	13.0%	10.5%	12.2%	11.0%	
Tax ratio	27.1%	29.7%	25.5%	26.5%	
Earnings per share (in EUR)	2.08	2.11	5.77	6.52	

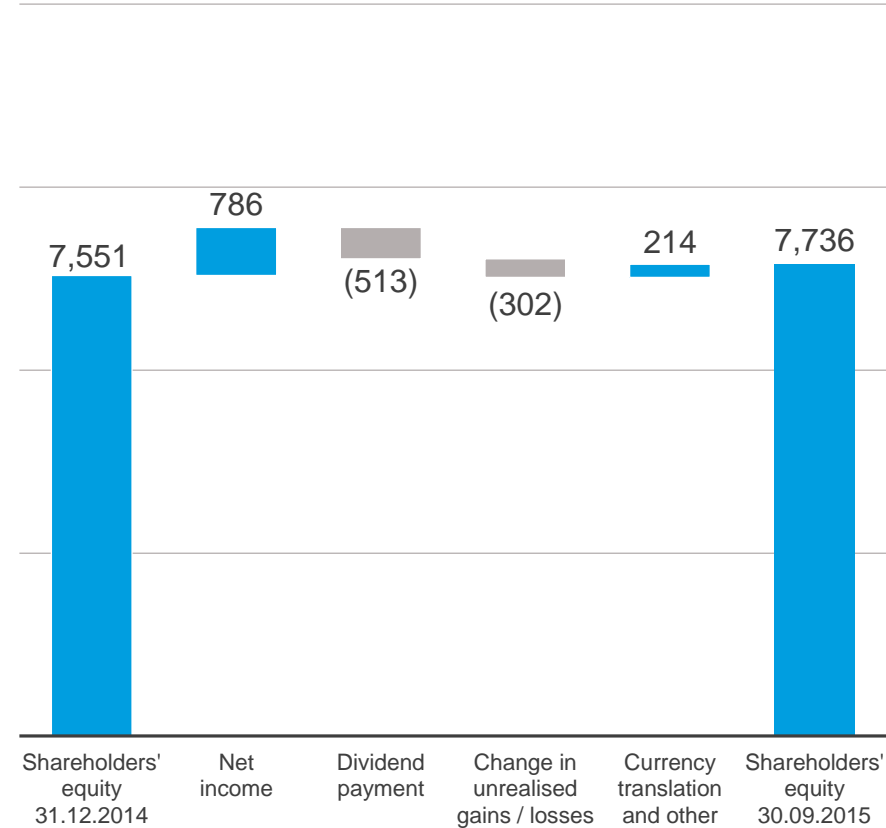
Shareholders' equity increased despite dividend payment

Driven by strong earnings and weakening of EUR

Policyholders' surplus in m. EUR



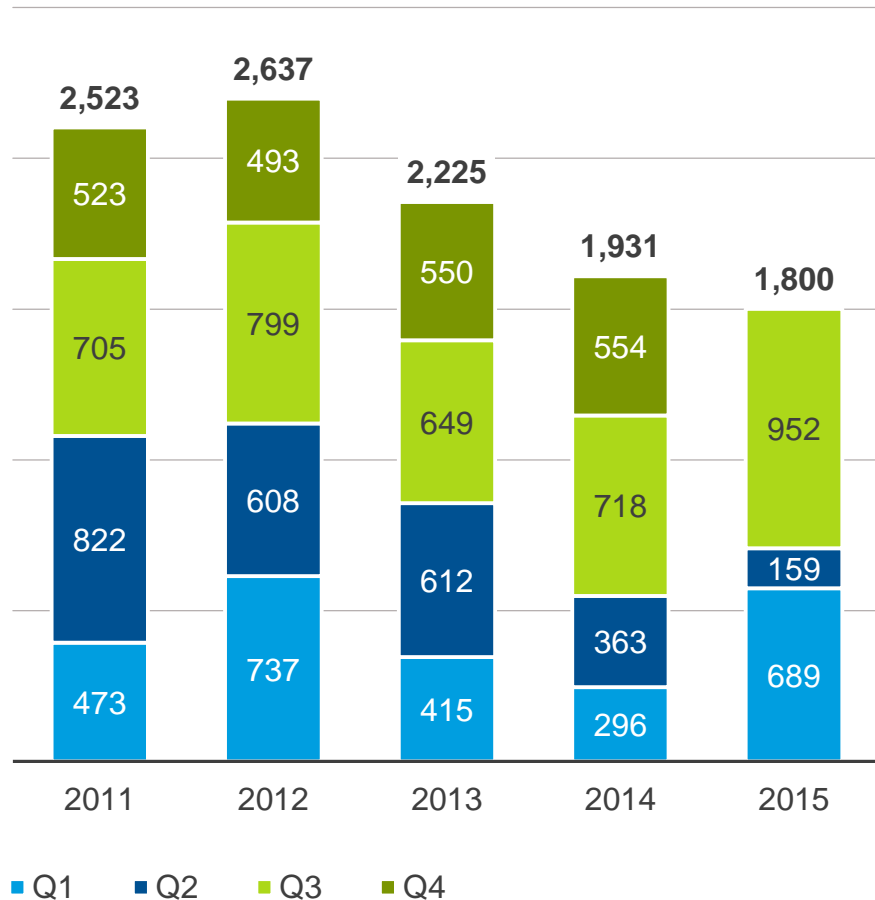
Change in shareholders' equity in m. EUR



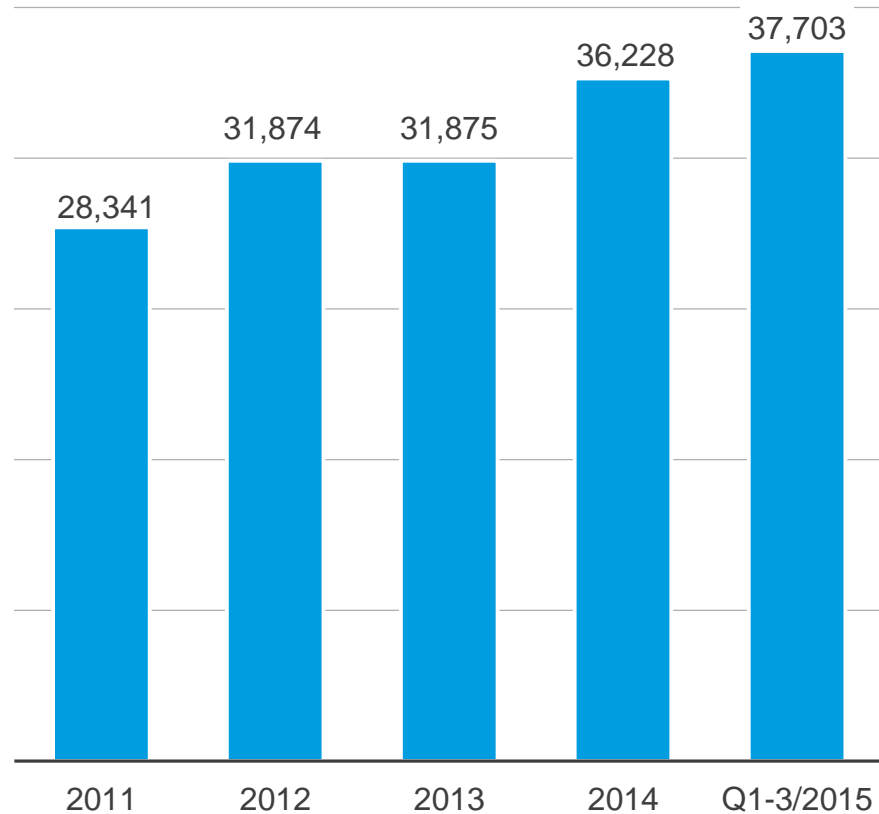
Strong cash flow driven by premium growth

Increase of 4.1% in AuM helped by strong USD

Operating cash flow in m. EUR



Assets under own management (AuM) in m. EUR



Favourable underwriting result in a competitive environment

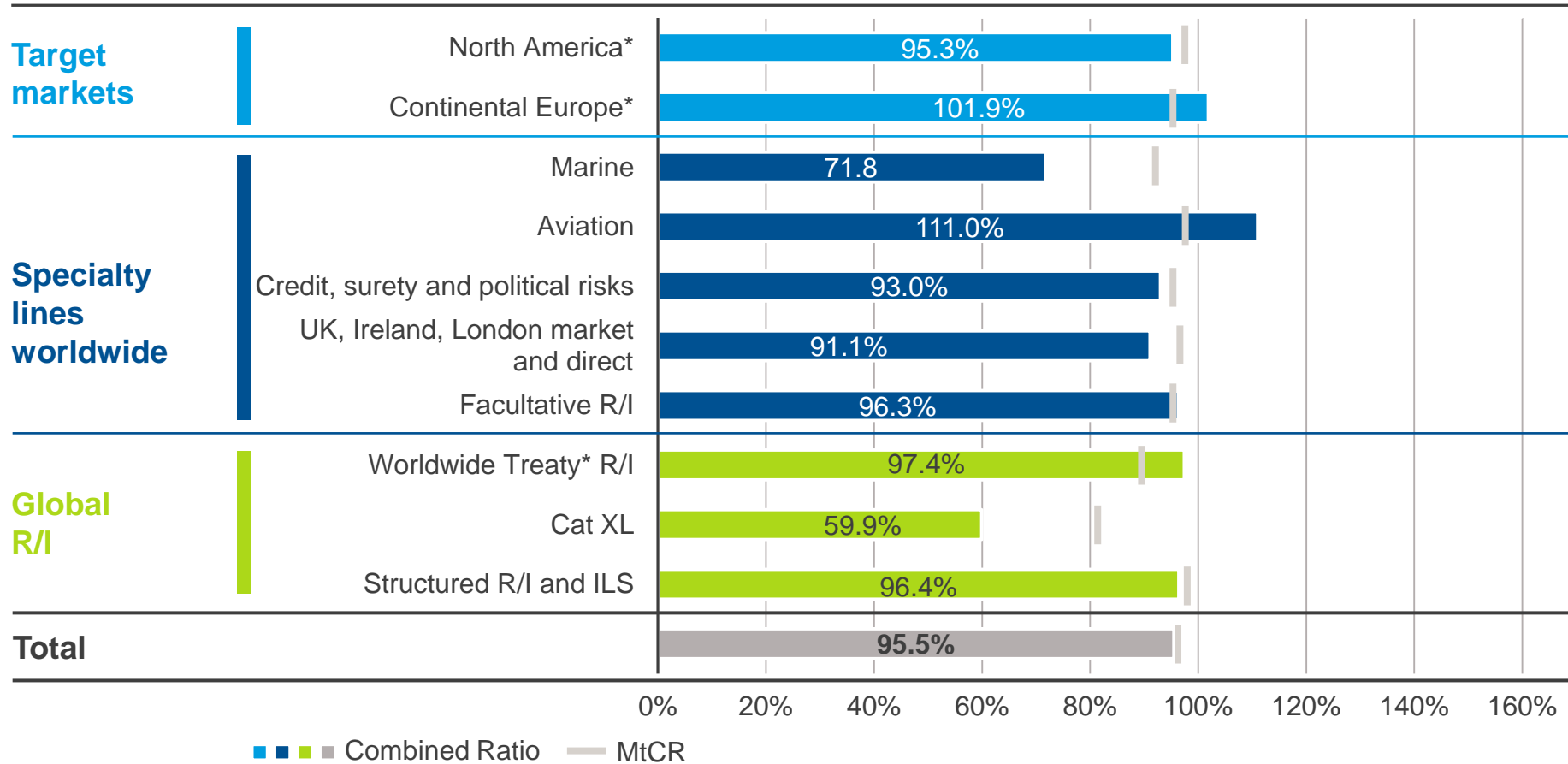
Attractive top line growth despite continued selective underwriting approach

Property & Casualty R/I in m. EUR	Q3/2014	Q3/2015	Q1-3/2014	Q1-3/2015	YTD
Gross written premium	1,982	2,347	6,060	7,319	▶ GWP f/x-adjusted growth +9.8%; mainly from US, Asia, Speciality lines and Agro business
Net premium earned	1,734	2,071	5,104	5,965	▶ NPE f/x-adjusted growth +6.7%
Net underwriting result incl. funds withheld	73	87	241	268	▶ Major losses of EUR 436 m. (7.3% of NPE) below budget of EUR 519 m. for Q1-3/2015
Combined ratio incl. interest on funds withheld	95.8%	95.8%	95.3%	95.5%	▶ Expected run-off reserves without extraordinary effects
Net investment income from assets under own management	243	242	632	657	▶ Increased ordinary investment income despite low yield environment
Other income and expenses	10	25	(26)	12	▶ Other income & expenses improved due to positive currency effects
Operating profit/loss (EBIT)	326	353	847	936	▶ Favourable EBIT margin of 15.7% (Q1-3/2014: 16.6%), well above target
Tax ratio	25.9%	30.0%	27.5%	26.4%	▶ Net income increased by 16.1%
Group net income	213	233	561	651	
Earnings per share (in EUR)	1.77	1.93	4.65	5.40	

Diversified portfolio outperforms the MtCR

Combined Ratio Q1-3/2015 vs. MtCR

in %



MtCR = Maximum tolerable Combined Ratio

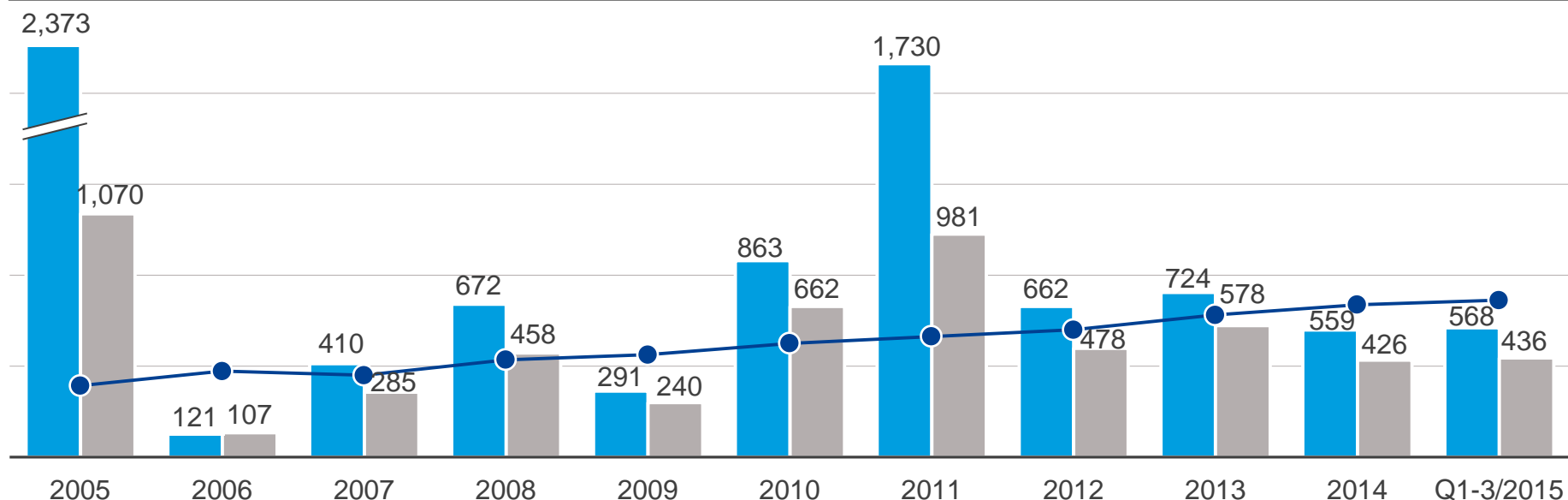
* All lines of Property & Casualty reinsurance except those stated separately

Major losses below budget for Q1-3/2015

Remaining large loss budget (EUR 254 m.) provides comfortable cushion for Q4/15

Natural and man-made catastrophe losses¹⁾

in m. EUR



Natural and man-made catastrophe losses in % of Property & Casualty premium²⁾

34%	2%	8%	13%	5%	14%	25%	9%	9%	7%	8%
20%	2%	6%	11%	5%	12%	16%	7%	8%	6%	7%

Expected large losses (net) in m. EUR

314	377	360	428	450	500	530	560	625	670	690
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— Gross — Net —●— Expected large losses (net)

1) Up to 2011 claims over EUR 5 m. gross, from 2012 onwards claims over EUR 10 m. gross

2) 2005 - 2006 adjusted to new segmentation

High level of man-made large losses

Benign large loss experience in Q1-3/2015 from NatCat

Catastrophe losses* in m. EUR	Date	Gross	Net
Storm, Northern Europe	08 - 11 Jan	10.5	7.4
Winter storm, USA	1 - 22 Feb	17.7	12.8
Cyclone "Marcia", Australia	20 Feb	12.1	8.2
Storm "Niklas", Germany, Switzerland, Austria	31 Mar - 1 Apr	37.3	28.5
Storm, Australia	19 - 25 Apr	21.8	13.7
Storm/floods, USA	24 May - 14 Jun	10.3	7.0
Storm "Siegfried", Germany	5 - 6 Jul	20.4	14.2
Storm "Erika", Caribbean	25 - 31 Aug	11.1	11.1
Earthquake, Chile	16 Sep	43.6	43.6
9 Natural catastrophes		184.8	146.5
5 Aviation claims		68.8	49.4
4 Marine claims		134.9	77.1
5 Property claims		67.6	67.6
Tianjin port explosions, China		112.4	95.9
24 Major losses		568.5	436.4

* Natural catastrophes and other major losses in excess of EUR 10 m. gross

Attractive premium growth and improved earnings

Net income increased by 6.9%

Life & Health R/I in m. EUR	Q3/2014	Q3/2015	Q1-3/2014	Q1-3/2015	YTD
Gross written premium	1,658	2,012	4,645	5,627	▶ GWP f/x-adjusted growth +10.1%, mainly from Longevity, Emerging Markets, especially China as well as Australia
Net premium earned	1,392	1,739	3,861	4,864	▶ NPE f/x-adjusted growth +14.3%
Net underwriting result incl. funds withheld	11	(24)	32	(48)	▶ Technical result from US mortality and French Branch below expectation
Net investment income from assets under own management	58	87	192	266	▶ Improved NII supported by one-off in Q1/2015; EUR -18.9 m. effect from ModCo derivatives
Other income and expenses	11	(17)	10	28	▶ Other income improved due to f/x effects
Operating profit/loss (EBIT)	79	46	234	246	▶ EBIT margins:
EBIT margin	5.7%	2.7 %	6.1%	5.1 %	• Financial solutions/Longevity: 9.4% (target 2%)
Tax ratio	33.9%	28.4 %	23.9%	26.9 %	• Mortality/Morbidity 2.9% (target 6%)
Group net income	51	32	166	178	
Earnings per share (in EUR)	0.42	0.27	1.38	1.47	

Return on Investments clearly above target

Pleasing rise in ordinary income boosts net investment income

in m. EUR	Q3/2014	Q3/2015	Q1-3/2014	Q1-3/2015	RoI	YTD
Ordinary investment income*	303	318	797	921	3.3%	<ul style="list-style-type: none"> ▶ Significant rise in ordinary income due to higher results from fixed-income securities, real estate and one-off effect from L&H business as well as f/x effects ▶ Realised gains driven by preparation for change of balance sheet currency at our Irish subsidiary effective 1.1.2016 as well as slight adjustments to asset allocation ▶ Increase in regular depreciations due to higher real estate volume ▶ Change in fair value of financial instruments impacted by ModCo derivatives (EUR -18.9 m) ▶ Valuation reserves lower than year-end levels due to higher credit spreads and realizations
Realised gains/losses	49	58	137	124	0.4%	
Impairments/appreciations & depreciations	(6)	(9)	(16)	(24)	-0.1%	
Change in fair value of financial instruments (through P&L)	(19)	(8)	(9)	(9)	0.0%	
Investment expenses	(24)	(28)	(74)	(80)	-0.3%	
NII from assets under own mgmt.	304	330	836	932	3.4%	
NII from funds withheld	110	95	285	293		
Total net investment income	414	426	1,121	1,225		

Unrealised gains/losses of investments	31 Dec 14	30 Sep 15
On Balance-sheet	1,724	1,336
thereof Fixed income AFS	1,246	828
Off Balance-sheet	558	505
thereof Fixed income HTM, L&R	497	430
Total	2,282	1,841

* Incl. results from associated companies

Increase in Governments and HY-bonds at expense of covereds

Moderate re-entry into listed equity

Tactical asset allocation¹⁾

Investment category	2011	2012	2013	2014	30 Sep 15
Fixed-income securities	90%	92%	90%	90%	87%
- Governments	19%	19%	19%	21%	25%
- Semi-governments	23%	23%	20%	19%	17%
- Corporates	31%	33%	36%	36%	34%
Investment grade	29%	30%	33%	33%	30%
Non-investment grade ³⁾	3%	3%	3%	3%	4%
- Pfandbriefe, Covered Bonds, ABS	16%	17%	15%	14%	11% ²⁾
Equities	2%	2%	2%	2%	3%
- Listed	<1%	<1%	<1%	< 1 %	1%
- Private Equity	2%	2%	2%	2%	2%
Real estate/real estate funds	2%	2%	4%	4%	4%
Others³⁾	<1%	1%	1%	1%	1%
Short-term investments & cash	5%	3%	4%	4%	5%
Total balance sheet values in bn. EUR	28.3	31.9	31.9	36.2	37.7

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 864,4 m. (EUR 716.3 m.) as at 30 September 2015

2) Of which Pfandbriefe and Covered Bonds = 79.9%

3) Reallocation of High Yield Funds from Others to Corporates – Non-investment grade retrospective from 2011 onwards

Target Matrix 2015

Most targets achieved

Business group	Key figures	Strategic targets for 2015	Q1-3/2015
Group	Return on investment ¹⁾	≥3.0%	3.5%
	Return on equity ²⁾	≥10.2%	13.7%
	Earnings per share growth (y-o-y)	≥6.5%	13.0%
	Value creation per share ³⁾	≥7.5%	n.a.
Property & Casualty R/I	Gross premium growth ⁴⁾	3% - 5%	9.8%
	Combined ratio	≤96% ⁵⁾	95.5%
	EBIT margin ⁶⁾	≥10%	15.7%
	xRoCA ⁷⁾	≥2%	n.a.
Life & Health R/I	Gross premium growth ⁸⁾	5% - 7%	10.1%
	Value of New Business (VNB)	≥EUR 180 m.	n.a.
	EBIT margin ⁶⁾ Financial solutions/Longevity	≥2%	9.4%
	EBIT margin ⁶⁾ Mortality/Morbidity	≥6%	2.9%
	xRoCA ⁷⁾	≥3%	n.a.

1) Excl. inflation swaps and ModCo

3) Growth of book value + paid dividend

5) Incl. expected net major losses of EUR 690 m.

7) Excess return on the allocated economic capital

2) After tax; target: 900 bps above 5-year rolling average of 10-year German government-bond rate ("risk free")

4) At unchanged f/x-rates; multi-year average

6) EBIT/net premium earned

8) At unchanged f/x-rates; multi-year average; organic growth only

Outlook 2015

Guidance for 2015

Hannover Re Group

- ▶ Gross written premium _____ 5% - 10% premium growth at unchanged f/x-rates
- ▶ Return on investment^{1) 2)} _____ ~ 3.0%
- ▶ Group net income¹⁾ _____ ~ EUR 950 m.
- ▶ Dividend payout ratio³⁾ _____ 35% - 40%
(The ratio may increase in light of capital management considerations)

1) Subject to no major distortions in capital markets and/or major losses in 2015 not exceeding the large loss budget of EUR 690 m.

2) Excluding effects from derivatives (ModCo/inflation swaps)

3) Relative to Group net income according to IFRS

Property & Casualty R/I overall profitable

Financial year 2015e

	Lines of business	Volume ¹⁾	Profitability ²⁾
Target markets	North America ³⁾	↗	+
	Continental Europe ³⁾	→	-
Specialty lines worldwide	Marine	↗	++
	Aviation	↗	-
	Credit, surety and political risks	↗	+
	UK, Ireland, London market and direct	↗	+
	Facultative R/I	↗	+/-
Global R/I	Worldwide Treaty R/I ³⁾	↗	+/-
	Cat XL	↗	+
	Structured R/I and ILS	↗	+

1) In EUR; premium growth supported by strengthening of foreign currencies

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

3) All lines of business except those stated separately

Increasing earnings expected for Life & Health R/I

Financial year 2015e

	Reporting categories	Volume ¹⁾	Profitability ²⁾
Financial solutions	Financial solutions	→	++
	Longevity	↗	+/-
Risk solutions	Mortality	↗	+
	Morbidity	↗	+/-

1) In EUR; premium growth supported by strengthening of foreign currencies

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

Guidance for 2016

New large loss budget: EUR 825 m. driven by currencies and model changes

Hannover Re Group

- ▶ Gross written premium¹⁾ _____ stable to small reduction
- ▶ Return on investment^{2) 3)} _____ ~ 2.9%
- ▶ Group net income²⁾ _____ ~ EUR 950 m.
- ▶ Dividend pay-out ratio⁴⁾ _____ 35% - 40%
(The ratio may increase in light of capital management considerations)

1) At unchanged f/x rates

2) Subject to no major distortions in capital markets and/or major losses in 2016 not exceeding the large loss budget

3) Excluding effects from ModCo derivatives

4) Related to group net income according to IFRS

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Appendix

Our strategic business groups at a glance

Q1-3/2015 vs. Q1-3/2014

in m. EUR	Property & Casualty R/I			Life & Health R/I			Total		
	Q1-3/2014	Q1-3/2015	Δ	Q1-3/2014	Q1-3/2015	Δ	Q1-3/2014	Q1-3/2015	Δ
Gross written premium	6,060	7,319	+20.8%	4,645	5,627	+21.1%	10,704	12,946	+20.9%
Net premium earned	5,104	5,965	+16.9%	3,861	4,864	+26.0%	8,966	10,830	+20.8%
Net underwriting result	225	251	+11.6%	(237)	(325)	+36.7%	(12)	(73)	-
Net underwriting result incl. funds withheld	241	268	+11.2%	32	(48)	-	273	220	-19.5%
Net investment income	648	673	+3.9%	462	543	+17.6%	1,121	1,225	+9.2%
From assets under own management	632	657	+3.9%	192	266	+38.8%	836	932	+11.5%
From funds withheld	15	16	+5.2%	270	277	+2.5%	285	293	+2.7%
Other income and expenses	(26)	12	-	10	28	+189.2%	(19)	38	-
Operating profit/loss (EBIT)	847	936	+10.6%	234	246	+5.3%	1,091	1,190	+9.1%
Interest on hybrid capital	(0)	(0)	-	(0)	0	-	(70)	(66)	-5.7%
Net income before taxes	847	936	+10.6%	234	246	+5.3%	1,020	1,124	+10.1%
Taxes	(233)	(247)	+6.2%	(56)	(66)	+18.4%	(260)	(298)	+14.4%
Net income	614	689	+12.2%	178	180	+1.2%	760	826	+8.7%
Non-controlling interest	53	38	-28.5%	12	2	-81.1%	65	40	-38.0%
Group net income	561	651	+16.1%	166	178	+6.9%	695	786	+13.0%
Retention	89.6%	88.8%		83.7%	86.8%		87.0%	87.9%	
Combined ratio (incl. interest on funds withheld)	95.3%	95.5%		99.2%	101.0%		97.0%	98.0%	
EBIT margin (EBIT / Net premium earned)	16.6%	15.7%		6.1%	5.1%		12.2%	11.0%	
Tax ratio	27.5%	26.4%		23.9%	26.9%		25.5%	26.5%	
Earnings per share (in EUR)	4.65	5.40		1.38	1.47		5.77	6.52	

Our strategic business groups at a glance

Q3 stand-alone

in m. EUR	Property & Casualty R/I			Life & Health R/I			Total		
	Q3/2014	Q3/2015	Δ	Q3/2014	Q3/2015	Δ	Q3/2014	Q3/2015	Δ
Gross written premium	1,982	2,347	+18.4%	1,658	2,012	+21.4%	3,640	4,359	+19.8%
Net premium earned	1,734	2,071	+19.4%	1,392	1,739	+24.9%	3,127	3,811	+21.9%
Net underwriting result	67	80	+20.2%	(94)	(113)	+21.2%	(26)	(33)	+25.0%
Net underwriting result incl. funds withheld	73	87	+18.7%	11	(24)	-	84	63	-25.5%
Net investment income	249	248	-0.5%	162	176	+8.6%	414	426	+2.9%
From assets under own management	243	242	-0.5%	58	87	+50.1%	303	330	+8.9%
From funds withheld	6	6	+2.0%	104	89	-14.4%	110	95	-13.5%
Other income and expenses	10	25	+143.1%	11	(17)	-	20	8	-60.1%
Operating profit/loss (EBIT)	326	353	+8.2%	79	46	-41.6%	407	401	-1.5%
Interest on hybrid capital	(0)	0	-	0	(0)	-	(22)	(18)	-16.8%
Net income before taxes	326	353	+8.2%	79	46	-41.6%	385	383	-0.7%
Taxes	(84)	(106)	+25.3%	(27)	(13)	-51.2%	(105)	(114)	+8.7%
Net income	241	247	+2.3%	52	33	-36.6%	281	269	-4.1%
Non-controlling interest	28	14	-49.9%	1	1	-33.2%	30	15	-49.1%
Group net income	213	233	+9.3%	51	32	-36.7%	251	254	+1.2%
Retention	86.6%	87.3%		84.7%	87.2%		85.7%	87.3%	
Combined ratio (incl. interest on funds withheld)	95.8%	95.8%		99.2%	101.4%		97.3%	98.4%	
EBIT margin (EBIT / Net premium earned)	18.8%	17.0%		5.7%	2.7%		13.0%	10.5%	
Tax ratio	25.9%	30.0%		33.9%	28.4%		27.1%	29.7%	
Earnings per share (in EUR)	1.77	1.93		0.42	0.27		2.08	2.11	

Stress tests on assets under own management

Unchanged focus on yields and spreads while relevance of equities rises

Portfolio	Scenario	Change in market value in m. EUR	Change in shareholders' equity before tax in m. EUR
Equity (listed and private equity)	-10%	-122	-122
	-20%	-244	-244
Yield curves	+50 bps	-757	-657
	+100 bps	-1,480	-1,283
Credit spreads	+50%	-848	-804
Real estate	-10%	-148	-89
	+10%	148	34

As at 30 September 2015

Fixed-income book well balanced

More than 80% rated A or better

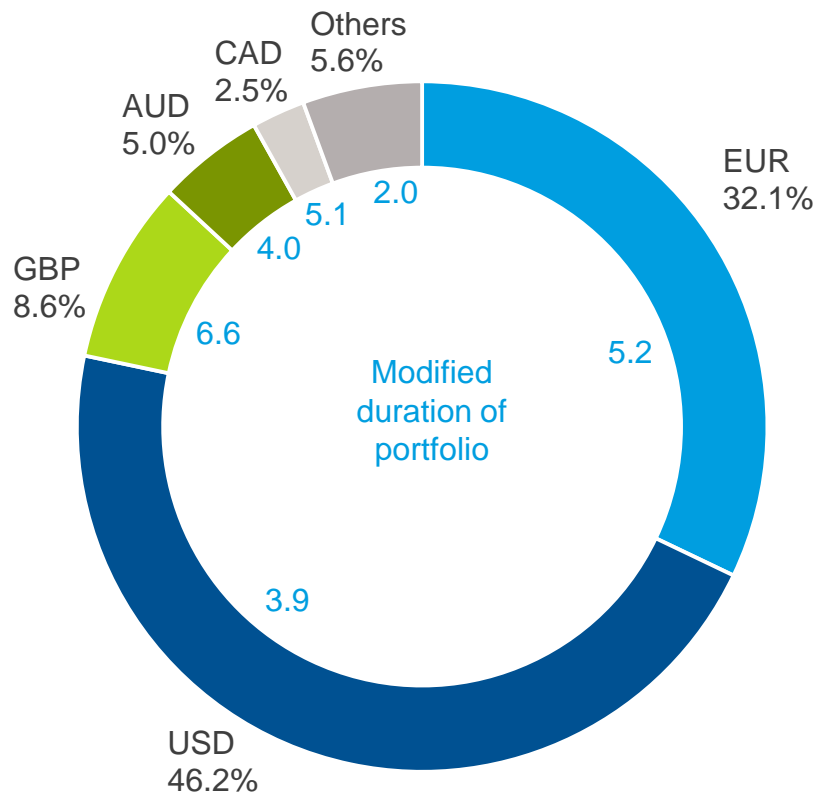
	Governments	Semi-governments	Corporates	Pfandbriefe, Covered Bonds, ABS	Short-term investments, cash	Total
AAA	72.0%	60.2%	1.7%	65.7%	-	41.9%
AA	14.3%	35.1%	15.5%	14.4%	-	18.8%
A	8.0%	3.0%	41.6%	7.5%	-	19.8%
BBB	4.9%	1.3%	33.8%	7.7%	-	15.6%
<BBB	0.9%	0.5%	7.4%	4.8%	-	3.8%
Total	100.0%	100.0%	100.0%	100.0%	-	100.0%
Germany	12.1%	42.5%	4.4%	25.9%	16.4%	16.9%
UK	7.7%	3.4%	8.2%	9.3%	5.6%	7.2%
France	3.0%	3.3%	6.6%	6.7%	1.2%	4.7%
GIIPS	1.6%	1.0%	4.3%	11.4%	0.0%	3.6%
Rest of Europe	6.3%	20.9%	16.9%	21.6%	5.9%	14.7%
USA	53.5%	7.3%	37.6%	5.2%	20.2%	31.5%
Australia	3.2%	7.7%	7.7%	10.4%	8.5%	6.8%
Asia	8.2%	2.3%	4.7%	0.0%	33.2%	6.1%
Rest of World	4.5%	11.6%	9.7%	9.5%	9.1%	8.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total b/s values in m. EUR	9,429	6,323	12,389	4,215	1,729	34,085

As at 30 September 2015

Currency allocation matches liability profile of balance sheet

Active asset/liability management ensures durational match to a large extent

Currency split of investments



- ▶ Modified duration of fixed-income mainly congruent with liabilities
- ▶ GBP's higher modified duration predominantly due to life business

Modified duration

2014	4.6
2013	4.4
2012	4.5
2011	4.2

Modified duration as at 30 September 2015: 4.5

Market sensitivity of inflation hedges

- ▶ Inflation-linked bonds held as inflation hedges with volume of EUR 1,433 m (thereof EUR 348 m.; 1,085 m. EUR of USD)
- ▶ Average time to maturity 5.4 years (thereof 6.0 years EUR; 5.3 years USD)
- ▶ Average hedged inflation level of 1.46 % EUR and 2.14 % USD p.a.
- ▶ OCI effect of the inflation component YTD EUR -34.8 m. (thereof EUR -1.8 m.; -33.1 m. EUR of USD)
- ▶ Sensitivity to inflation risk:

in m. EUR	Change in market value of the inflation component through OCI
Inflation expectation*: +100 bps	+79
Inflation expectation*: -100 bps	-75
Inflation expectation*: +400 bps	+339

* CPI - Consumer Price Index (US inflation index)

HICP - Harmonised Indices of Consumer Prices (EU inflation index; actually traded is the sub-index HICP ex tobacco)

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