

somewhat
different

Welcome to Hannover Re's Analysts' Conference

Annual Results 2016

London, 9 March 2017

hannover **re**[®]

Hannover Re posts fifth consecutive record result

Dividend proposal increased to EUR 5.00 in total

Group

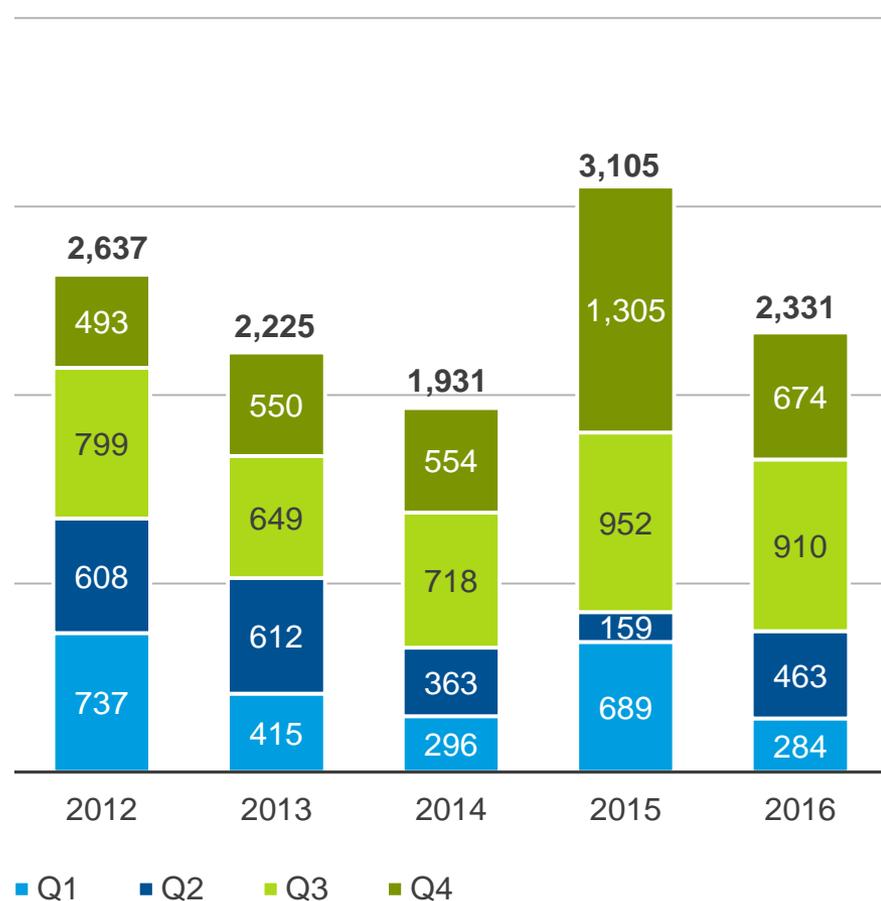
▶ Gross written premium:	EUR 16,354 m. (-4.2%)	▶ GWP in line with guidance (f/x adjusted -2.1%)
▶ Net premium earned:	EUR 14,418 m. (-1.2%)	▶ NPE f/x-adj. growth of +1.0%
▶ EBIT:	EUR 1,689 m.	▶ Good performance in U/W result and net investment income
▶ Group net income:	EUR 1,171 m.	
▶ RoE:	13.7%	▶ RoE remains well above our minimum target
▶ BVPS:	EUR 74.61	▶ BVPS +11.5%, driven by strong earnings
▶ Dividend proposal:	EUR 3.50 + 1.50	
▶ Solvency II ratio:	230%	

Property & Casualty R/I	Life & Health R/I	Investments
EBIT: EUR 1,340 m.	EBIT: EUR 343 m.	NII: EUR 1,550 m. RoI from AuM: 3.0%
<ul style="list-style-type: none"> ▶ Strong EBIT margin of 16.8% driven by favourable U/W result (C/R: 93.7%) ▶ Major losses of EUR 627 m. higher than 2015 but below expected level ▶ Premium development in line with selective underwriting approach 	<ul style="list-style-type: none"> ▶ EBIT in line with expectation; 2015 benefited from positive one-off effect ▶ Strong profit contribution from financial solutions; technical result from US mortality below expectation ▶ F/x-adj. GWP -4.3% mainly due to discontinuation of large-volume treaties 	<ul style="list-style-type: none"> ▶ RoI above full-year target of 2.9% ▶ Ordinary investment income remains at attractive level in view of current interest environment ▶ AuM increased by 6.2%

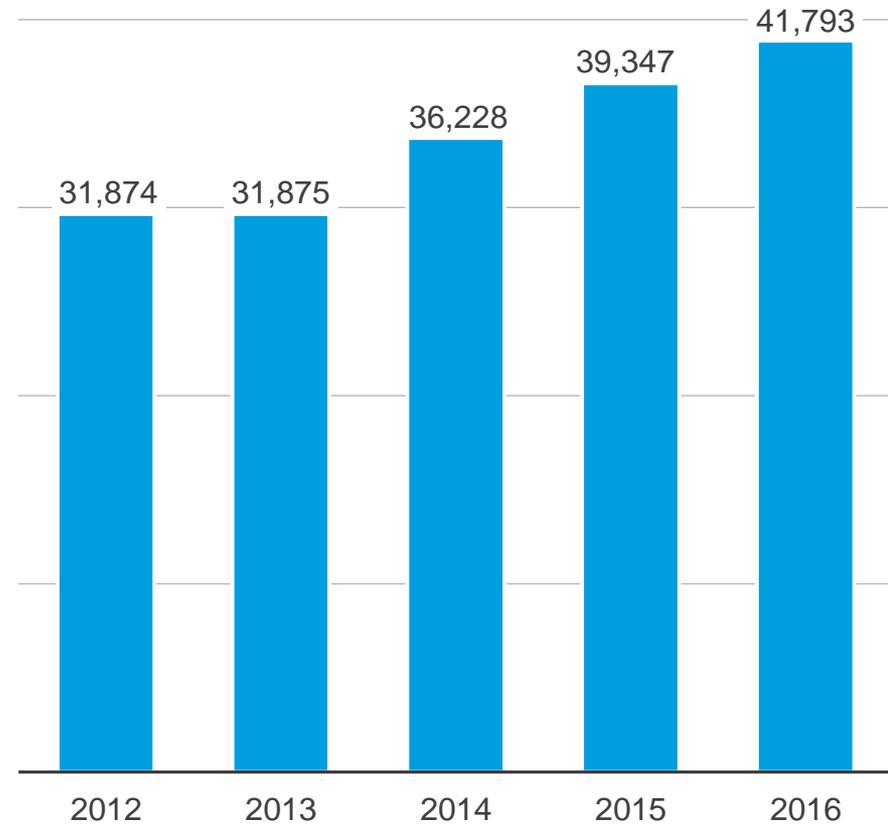
Continued increase in AuM (+6.2%) ...

... supported by positive cash flow

Operating cash flow in m. EUR



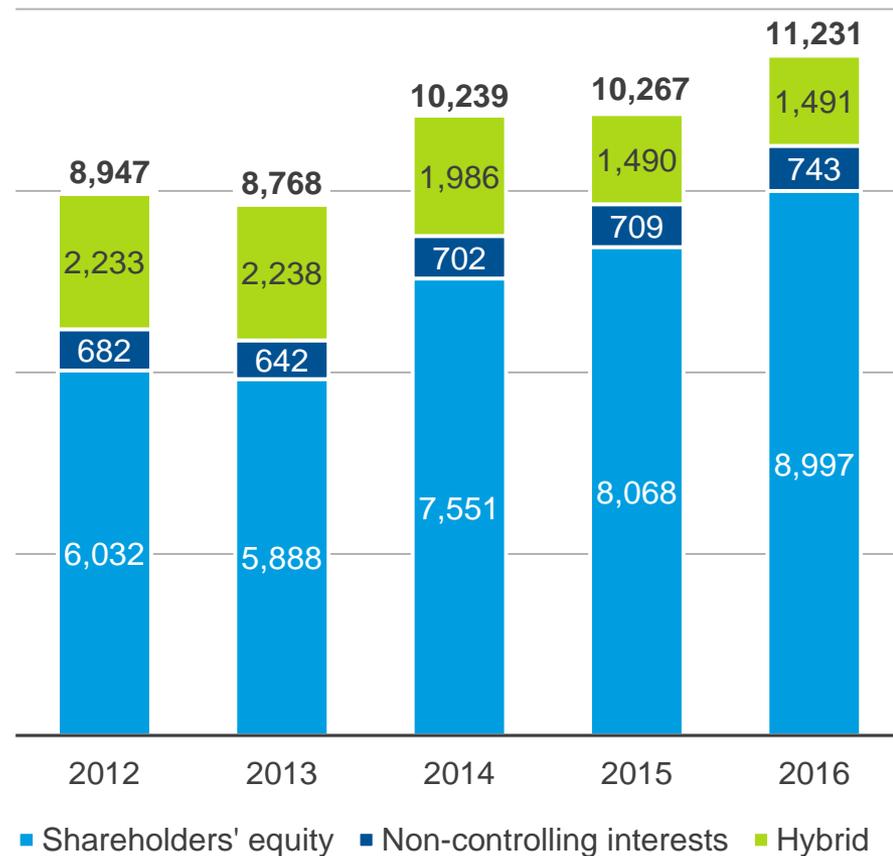
Assets under own management (AuM) in m. EUR



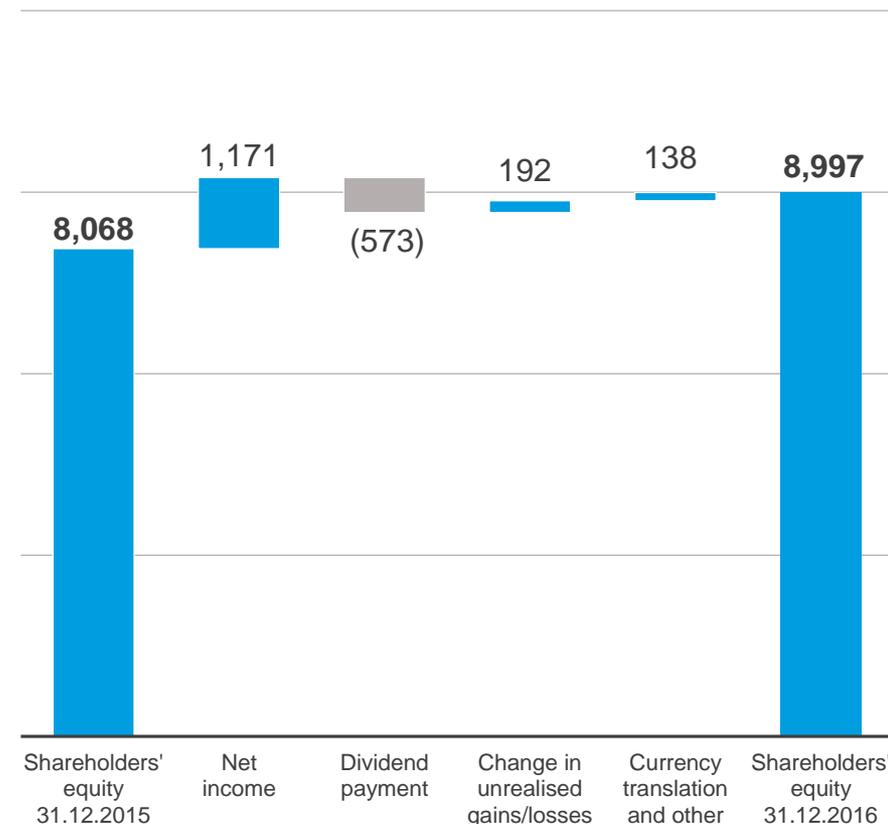
Shareholders' equity up by 11.5%

Higher dividend payment offset by strong earnings and increasing OCI

Policyholders' surplus in m. EUR



Change in shareholders' equity in m. EUR



Growth in ordinary dividend reflects strong earnings power

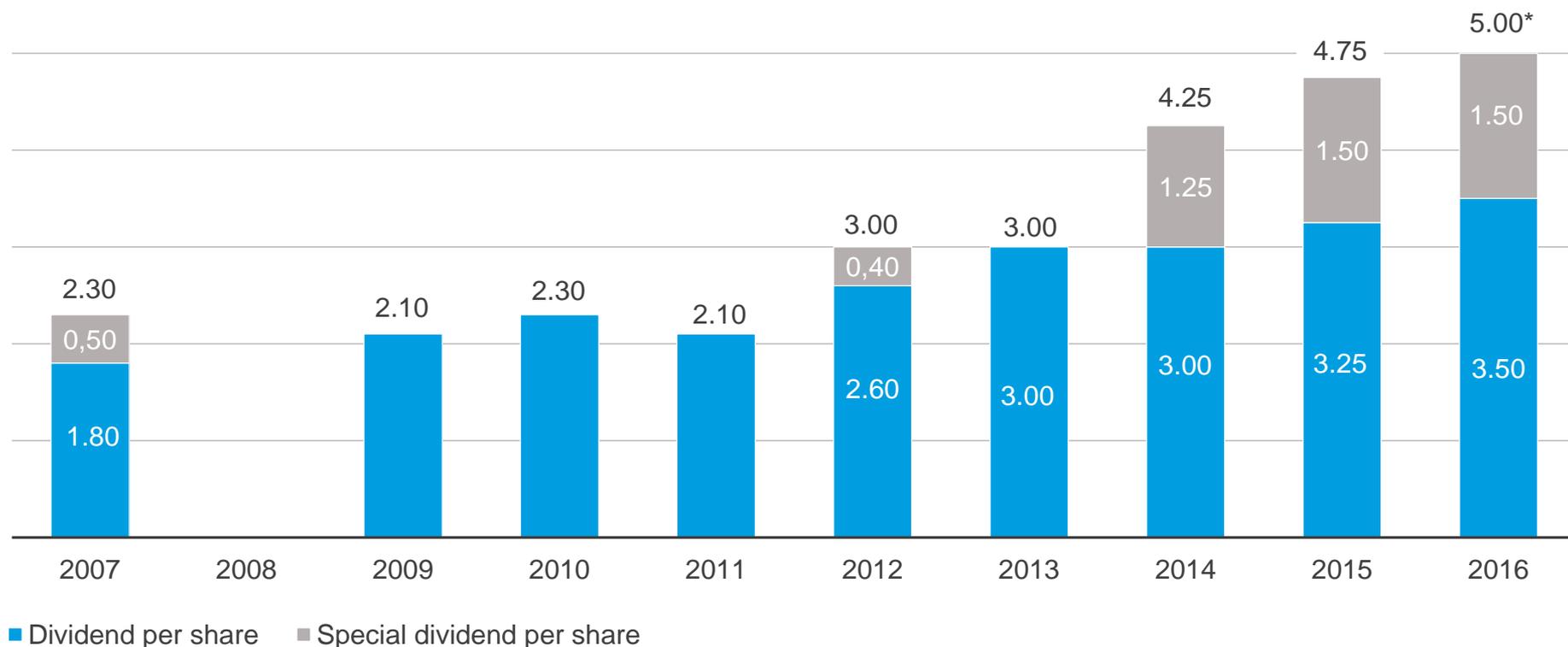
Payout: EUR 3.50 ordinary dividend + EUR 1.50 special dividend per share

Dividend per share

in EUR

Payout ratio:

[38%] [-] [35%] [37%] [42%] [43%] [40%] [52%] [50%] [51%]

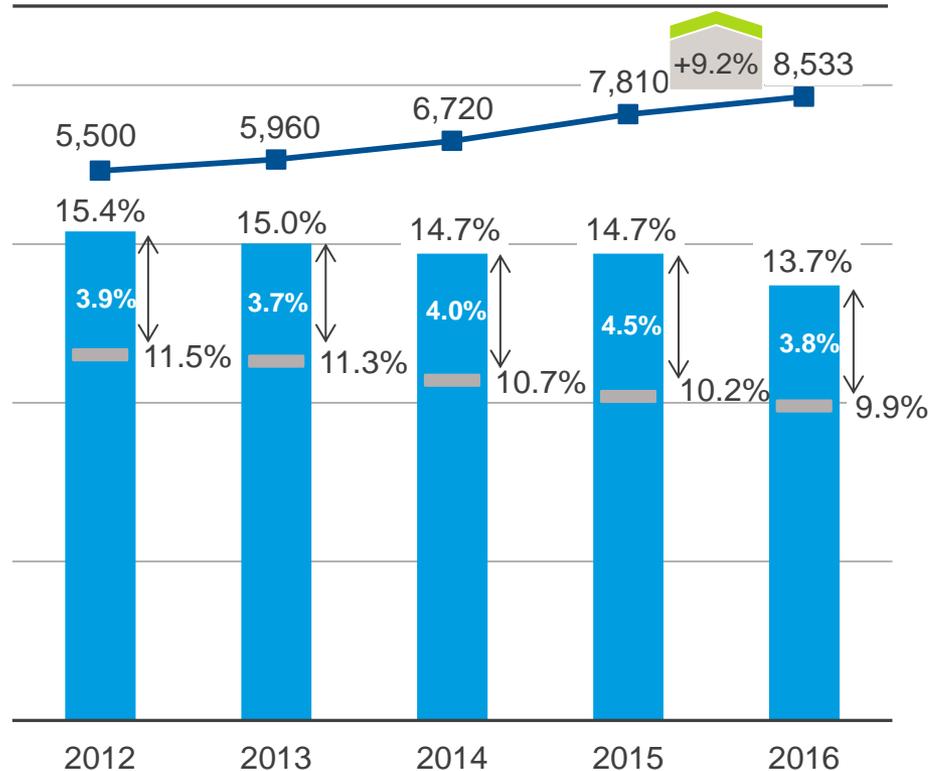


* Subject to consent of AGM

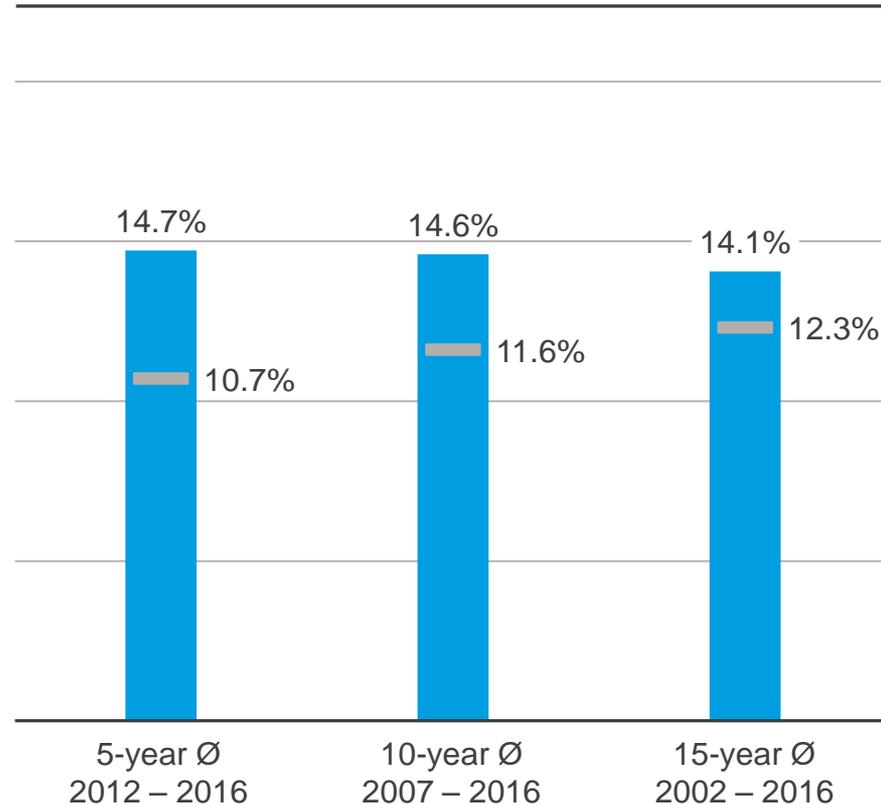
RoE on very attractive level, despite continued capital growth

Continuous outperformance of minimum RoE target

Return on Equity: yearly



Return on Equity: average



■ Actual
■ Minimum target*
—■ Average shareholders' equity \updownarrow Spread over minimum target

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

Hannover Re is one of the most profitable reinsurers

Company	2012		2013		2014		2015		2016		2012 - 2016	
	RoE	Rank	avg. RoE	Rank								
Peer 5, Bermuda, Property & Casualty	17.5%	1	17.1%	2	16.6%	1	13.0%	3	12.7%	2	15.4%	1
Hannover Re	15.4%	3	15.0%	3	14.7%	2	14.7%	1	13.7%	1	14.7%	2
Peer 8, Bermuda, Property & Casualty	15.9%	2	18.0%	1	13.7%	3	9.5%	7	10.0%	5	13.4%	3
Peer 3, Switzerland, Composite	13.4%	5	13.7%	4	10.5%	7	13.7%	2	10.6%	3	12.4%	4
Peer 2, Germany, Composite	12.6%	6	12.5%	5	11.3%	5	10.2%	6	8.3%	7	11.0%	5
Peer 7, Bermuda Property & Casualty	8.8%	9	11.8%	6	13.2%	4	10.3%	5	7.7%	8	10.4%	6
Peer 6, France, Composite	9.1%	8	11.2%	7	9.6%	9	10.7%	4	9.3%	6	10.0%	7
Peer 1, US, Property & Casualty	15.2%	4	9.4%	9	9.4%	10	7.5%	10	5.9%	10	9.5%	8
Peer 4, US, Life & Health	9.9%	7	6.5%	10	10.6%	6	7.6%	9	10.6%	4	9.0%	9
Peer 9, Bermuda Property & Casualty	4.9%	10	10.0%	8	10.4%	8	7.7%	8	6.8%	9	8.0%	10

List shows the Top 10 of the Global Reinsurance Index (GloRe)
Data based on company data, own calculation

Group net income at record level

Favourable earnings contribution from both underwriting and investments

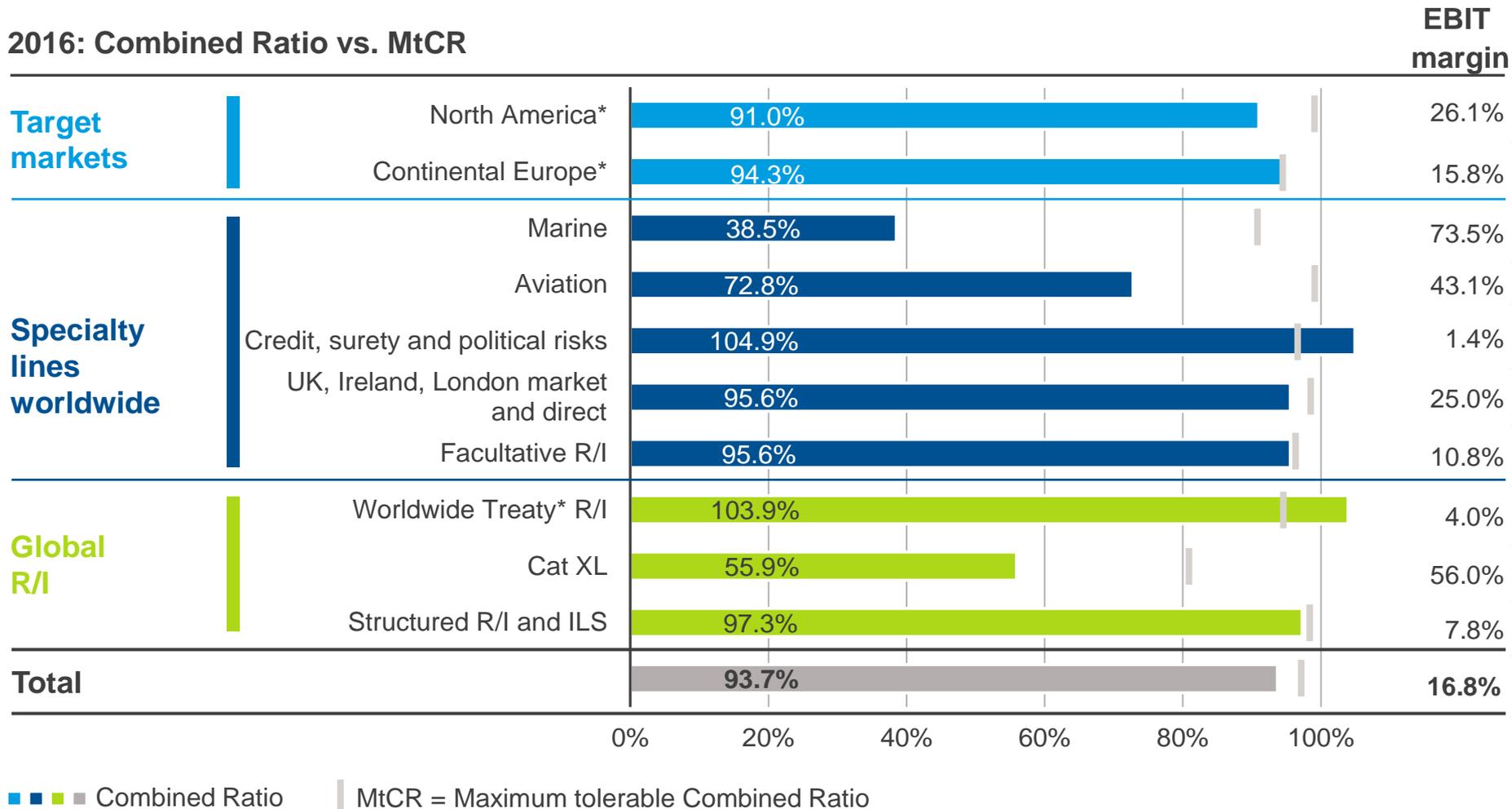
Group figures in m. EUR	Q4/2015	Q4/2016	2015	2016	YTD
Gross written premium	4,123	3,900	17,069	16,354	▶ GWP f/x-adjusted growth -2.1%
Net premium earned	3,763	3,651	14,593	14,418	▶ NPE f/x-adjusted growth +1.0%
Net underwriting result	167	71	94	116	▶ Satisfactory EBIT margin of 11.7%
- Incl. funds withheld	269	154	489	448	▶ Decrease in outstanding hybrid capital leads to lower leverage and savings in interest
Net investment income	440	404	1,665	1,550	▶ Tax ratio within normal range
- From assets under own mgmt.	338	322	1,270	1,218	
- From funds withheld	102	82	395	332	
Other income and expenses	(42)	25	(4)	23	
Operating profit/loss (EBIT)	565	500	1,755	1,689	
Interest on hybrid capital	(18)	(18)	(84)	(72)	
Net income before taxes	547	482	1,671	1,618	
Taxes	(158)	(84)	(456)	(391)	
Net income	389	398	1,215	1,226	
- Non-controlling interests	24	17	64	55	
Group net income	365	381	1,151	1,171	
Retention	84.0%	88.2%	87.0%	89.3%	
EBIT margin (EBIT/Net premium earned)	15.0%	13.7%	12.0%	11.7%	
Tax ratio	29.0%	17.5%	27.3%	24.2%	
Earnings per share (in EUR)	3.02	3.16	9.54	9.71	

Underwriting result increased by 11%

Premium development in line with selective underwriting approach

Property & Casualty R/I in m. EUR	Q4/2015	Q4/2016	2015	2016	YTD
Gross written premium	2,019	2,084	9,338	9,205	▶ GWP f/x adjusted -0.2%; growth mainly from structured R/I and US, reduced volume from China motor business and specialty lines
Net premium earned	2,134	2,060	8,100	7,985	▶ NPE f/x-adjusted +0.0%
Net underwriting result incl. interest on funds withheld	185	209	452	503	▶ Major losses of EUR 627 m. below budget
Combined ratio incl. interest on funds withheld	91.3%	89.9%	94.4%	93.7%	▶ Conservative reserving of the most recent U/Y leads to positive run-off; confidence level of loss reserves largely stable
Net investment income from assets under own management	268	253	925	877	▶ Satisfactory ordinary investment income
Other income and expenses	(48)	(15)	(36)	(40)	▶ Other income and expenses within normal range, decreased positive f/x effects
Operating profit/loss (EBIT)	405	447	1,341	1,340	▶ EBIT margin of 16.8% (2015: 16.6%), well above target (10%)
Tax ratio	29.9%	21.2%	27.5%	25.3%	▶ Net income increased by 3.8%
Group net income	264	336	915	950	
Earnings per share (in EUR)	2.19	2.79	7.58	7.88	

Diversified reinsurance portfolio outperforms the MtCR

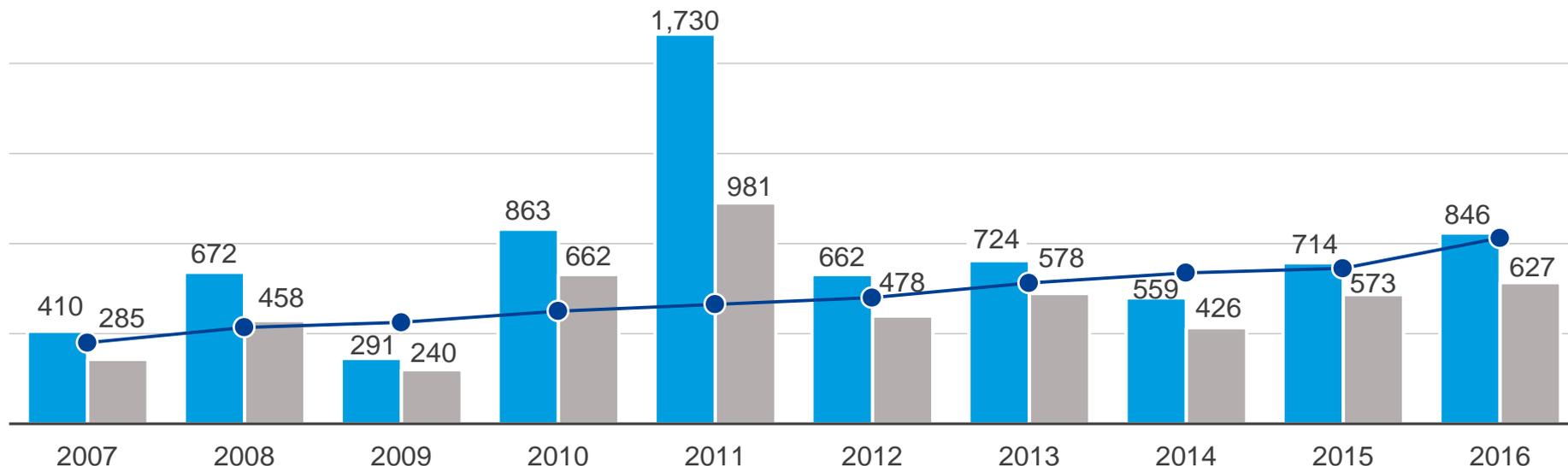


* All lines of Property & Casualty reinsurance except those stated separately

Major losses below budget

Natural and man-made catastrophe losses*

in m. EUR



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

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

Expected large losses (net) in m. EUR

360	428	450	500	530	560	625	670	690	825
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■ Gross
 ■ Net
 —●— Expected large losses (net)

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

Large losses above 2015 level

Catastrophe losses* in m. EUR	Date	Gross	Net
Earthquake, Taiwan	6 Feb	21.6	19.2
Storm / Hail, USA	10 - 16 Apr	11.4	8.4
Earthquake, Japan	14 Apr	21.7	20.3
Earthquake, Ecuador	16 - 17 Apr	59.3	58.3
Wildfires, Canada	30 Apr - 5 May	190.8	127.9
Storm "Elvira", Germany, France	27 - 28 May	18.5	11.9
Storm / Flood, China	1 Jun - 31 Jul	13.2	13.2
Storm / Hail, Netherlands, Germany	22 - 23 Jun	18.2	9.2
Hail, Canada	30 Jul	15.1	9.1
Typhoon "Meranti", Taiwan, China	13 - 14 Sep	12.2	12.2
Hurricane "Matthew" Caribbean, USA	3 - 8 Oct	91.3	70.3
Earthquake, New Zealand	13 Nov	85.2	56.3
12 Natural catastrophes		558.3	416.4
4 Marine claims		124.6	66.5
4 Property claims		116.0	97.3
1 Aviation claim		12.3	11.1
1 Credit claim		35.2	35.2
22 Major losses		846.5	626.6

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

Favourable earnings contribution from L&H business

Lower EBIT mainly due to positive one-off effect in previous year

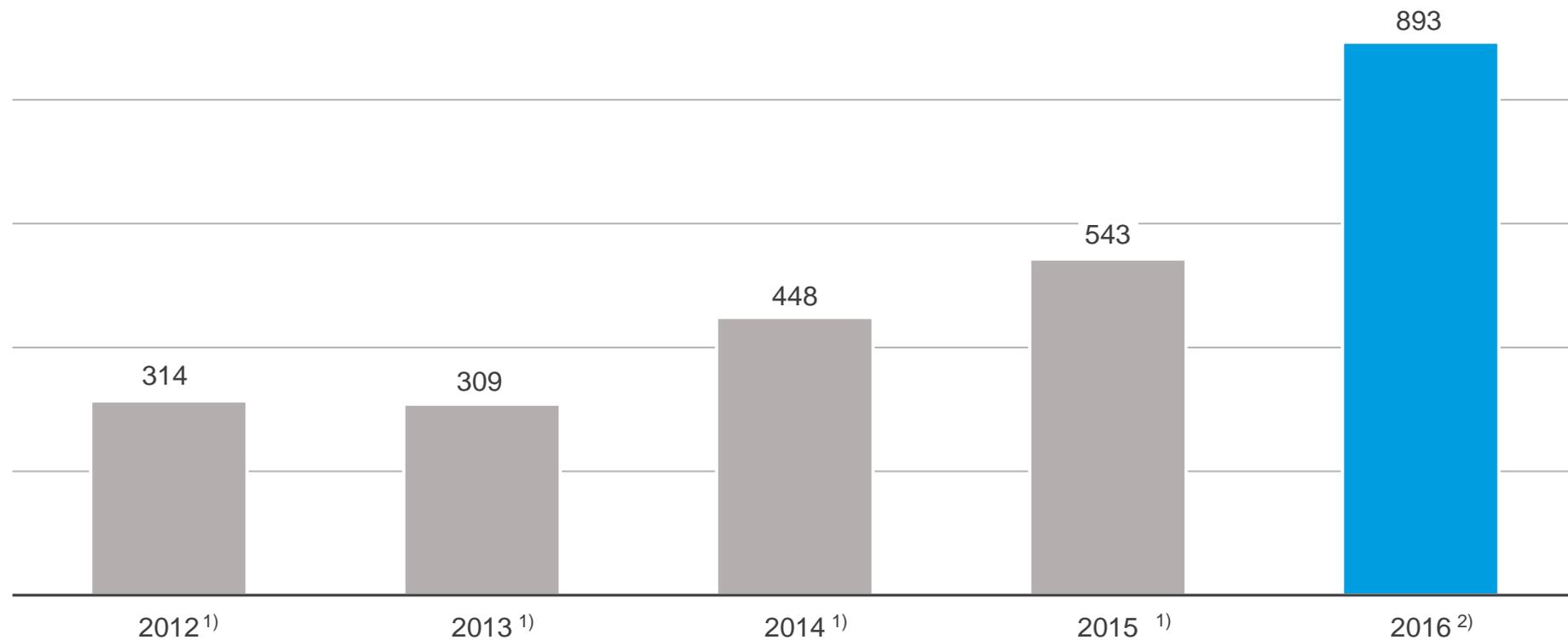
Life & Health R/I in m. EUR	Q4/2015	Q4/2016	2015	2016	YTD
Gross written premium	2,104	1,816	7,731	7,149	▶ GWP f/x adj. -4.3%, decrease in premium due to discontinued large-volume treaties in Australia and China; reduced volume from UK annuities; NPE f/x-adjusted growth +2.2%
Net premium earned	1,628	1,591	6,492	6,432	
Net underwriting result incl. interest on funds withheld	83	(55)	35	(55)	▶ Negative impact from legacy US mortality business masks positive underlying trend
Net investment income from assets under own management	68	67	334	331	▶ Ordinary investment income in line with expectation
Other income and expenses	8	41	36	67	▶ Improved other income mainly driven by positive f/x effects and reduced LoC costs
Operating profit/loss (EBIT)	159	53	405	343	▶ EBIT margins:
EBIT margin	9.8%	3.3%	6.2%	5.3%	• Financial solutions: 18.5% (target: 2%)
Tax ratio	27.3%	15.6%	27.1%	25.2%	• Longevity: 2.2% (target: 2%)
Group net income	112	44	290	253	• Mortality/Morbidity 3.4% (target: 6%)
Earnings per share (in EUR)	0.93	0.37	2.40	2.10	

Strong increase in Value of New Business mainly driven by Financial Solutions business

Value of New Business development

in m. EUR

Target \geq EUR 220 m.



1) Based on MCEV principles and post-tax reporting (in 2015 cost of capital already increased from 4.5% to 6% in line with Solvency II)

2) Based on Solvency II principles and pre-tax reporting

Rol target outperformed

Equities, RE and realisations largely compensate for lower ordinary income from FIS

in m. EUR	Q4/2015	Q4/2016	2015	2016	Rol	YTD
Ordinary investment income*	351	317	1,273	1,171	2.9%	▶ Decrease in ordinary income due to challenging yield environment and last year's one-off effect from L&H business; higher contribution from dividends and real estate
Realised gains/losses	12	53	136	206	0.5%	
Impairments/appreciations & depreciations	(14)	(15)	(38)	(76)	-0.2%	
Change in fair value of financial instruments (through P&L)	10	(3)	1	26	0.1%	▶ Realised gains up mainly due to private equity and last year's one-off burden from inflation swaps
Investment expenses	(21)	(29)	(101)	(109)	-0.3%	
NII from assets under own mgmt.	338	322	1,270	1,218	3.0%	▶ Increasing impairments driven by listed equities as well as regular depreciation on real estate
NII from funds withheld	102	82	395	332		
Total net investment income	440	404	1,665	1,550		
Unrealised gains/losses of investments			31 Dec 15	31 Dec 16		▶ Valuation reserves up year-on-year – driven by equities as well as narrowing credit spreads
On Balance-sheet			1,146	1,355		
thereof Fixed income AFS			636	728		
Off Balance-sheet			497	509		
thereof Fixed income HTM, L&R			411	370		
Total			1,643	1,864		

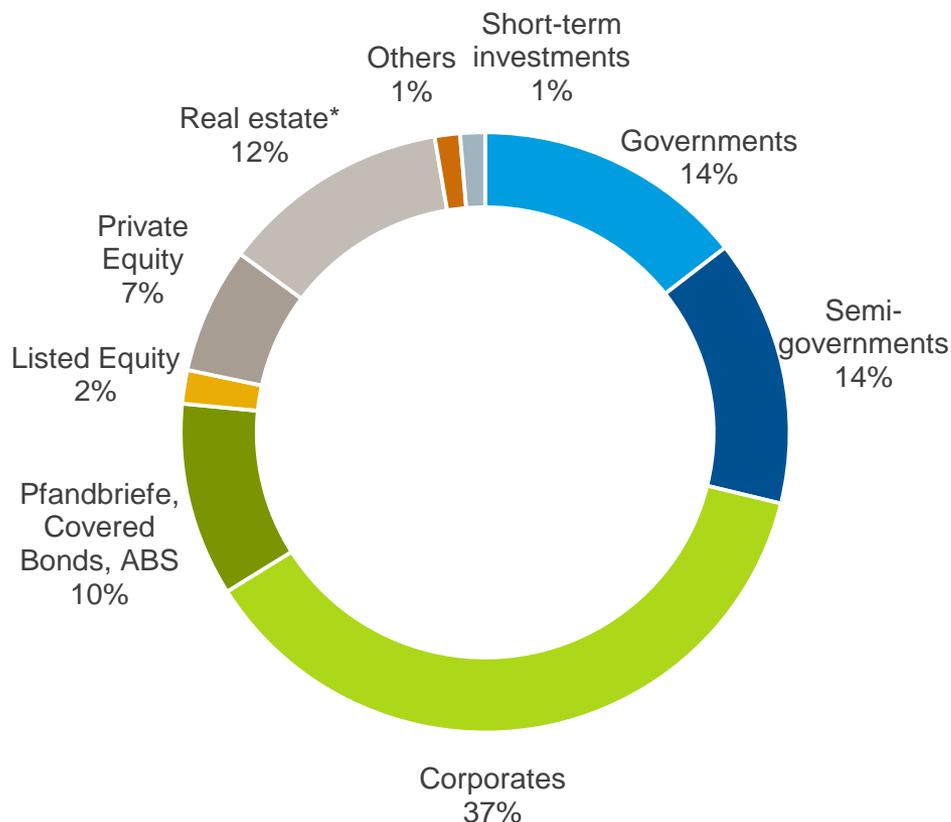
* Incl. results from associated companies

Ordinary income supported by asset classes with higher risk

Diverging contribution to investment income from different asset classes

Ordinary income split

EUR 1,171 m.



Asset allocation

Investment category	31 Dec 16
Fixed-income securities	87%
- Governments	28%
- Semi-governments	17%
- Corporates	33%
Investment grade	28%
Non-investment grade	4%
- Pfandbriefe, Covered Bonds, ABS	9%
Equities	4%
- Listed Equity	2%
- Private Equity	2%
Real estate/real estate funds	5%
Others	1%
Short-term investments & cash	4%
Total market values in bn. EUR	42.3

Economic view based on market values as at 31 December 2016

* Before real estate-specific costs

Barbell strategy visible in fixed income composition

Moderate increase in listed equities and real estate portfolios

Asset allocation¹⁾

Investment category	2012	2013	2014	2015	2016
Fixed-income securities	92%	90%	90%	87%	87%
- Governments	19%	19%	21%	26%	28%
- Semi-governments	23%	20%	19%	17%	18%
- Corporates	33%	36%	36%	34%	33%
Investment grade	30%	33%	33%	30%	28%
Non-investment grade ³⁾	3%	3%	3%	4%	4%
- Pfandbriefe, Covered bonds, ABS	17%	15%	14%	10%	9% ²⁾
Equities	2%	2%	2%	3%	4%
- Listed equity	<1%	<1%	<1%	1%	2%
- Private equity	2%	2%	2%	2%	2%
Real estate/real estate funds	2%	4%	4%	4%	5%
Others³⁾	1%	1%	1%	1%	1%
Short-term investments & cash	3%	4%	4%	5%	4%
Total market values in bn. EUR	32.5	32.2	36.8	39.8	42.3

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 1,036.8 m. (EUR 837.1 m.) as at 31 December 2016

2) Of which Pfandbriefe and Covered Bonds = 76.3%

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

Solvency II reporting as at 31 December 2016

Hannover Re Group maintains comfortable capital position

Capital adequacy above target with substantial excess capital

in m. EUR	31.12.2016 economic		31.12.2016 Solvency II	31.12.2015 Solvency II
Available Economic Capital / Own Funds	13,485		12,859*	11,983
Confidence Level	99.97%	99.5%	99.5%	99.5%
Required Capital / Solvency Capital Requirements	10,382	5,150	5,586	5,433
Excess Capital	3,103	8,335	7,273	6,549
Capital Adequacy Ratio	130%	262%	230%	221%
Minimum Target Ratio (Limit)	100%	200%	180%	180%
Minimum Target Ratio (Threshold)	110%	n/a	200%	200%

* The figure is based on the Solvency II reporting as of 31 December 2016. The related audits are at present (not fully) completed.

Hannover Re Group is well capitalised under Solvency II

From economic view to regulatory view

in m. EUR	Available Capital	Required Capital	CAR
Internal Model at VaR 99.97%	13,485	10,382	130%
		↓ -5,232	
Internal Model at VaR 99.5%	13,485	5,150	262%
Haircut for Minority Interests ¹⁾	↓ -626		
	12,859 ²⁾	5,150	250%
Add-On, Standard Formula OpRisk		↓ +436	
Regulatory View at VaR 99.5%	12,859 ²⁾	5,586	230%

▶ Economic view: internal target confidence level at 99.97%, full internal model

▶ Regulatory view: partial internal model with standard formula for operational risk, confidence level at 99.5%, transferability restrictions on minority interests

1) Non-available minority interests mostly consist of non-controlling interests in E+S Rückversicherung AG

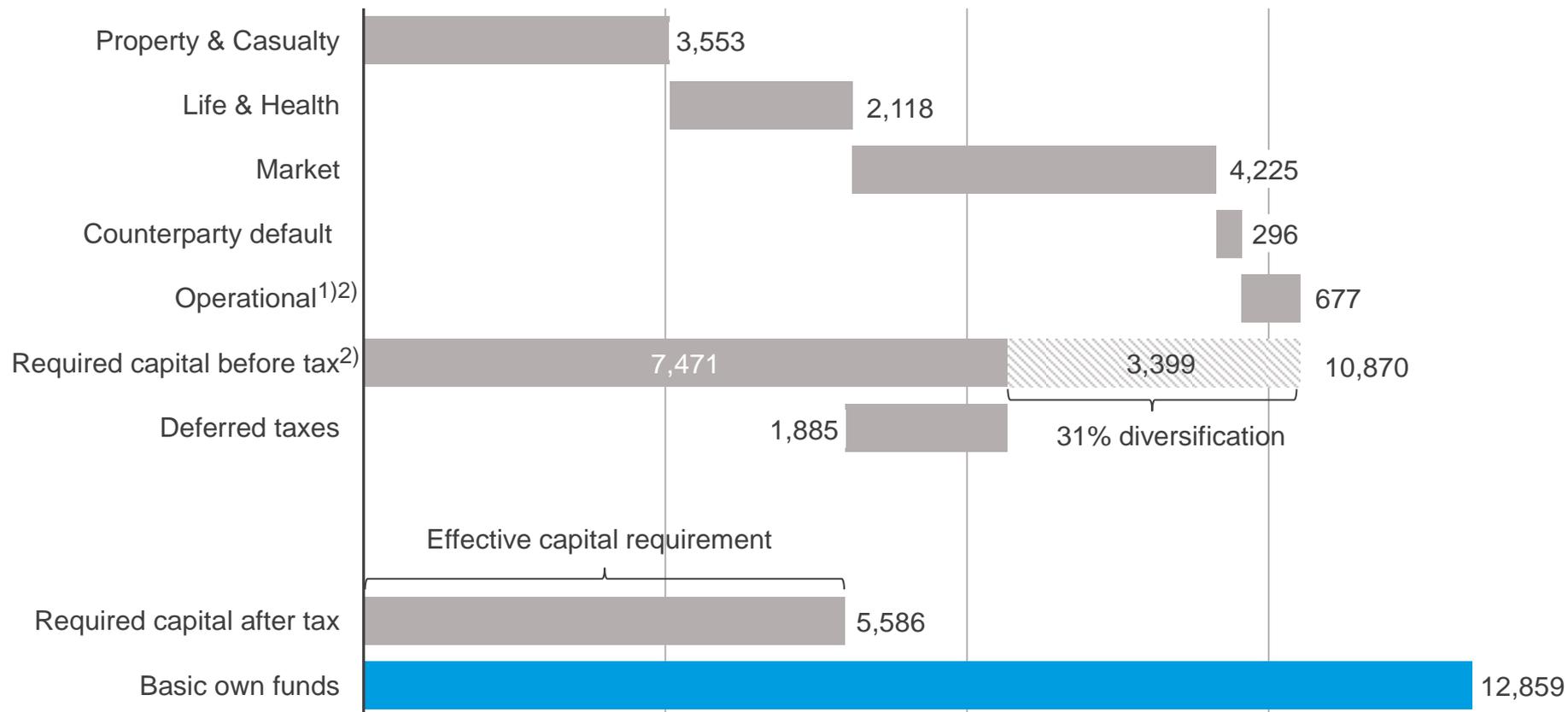
2) The figures are based on Solvency II reporting as of 31 December 2016. The related audits are at present (not fully) completed

Capital efficiency supported by high diversification

Breakdown of Solvency II capital requirements

Risk capital for the 99.5% VaR (according to Solvency II)

in m. EUR



As at 31 December 2016

1) Operational risk according to standard formula

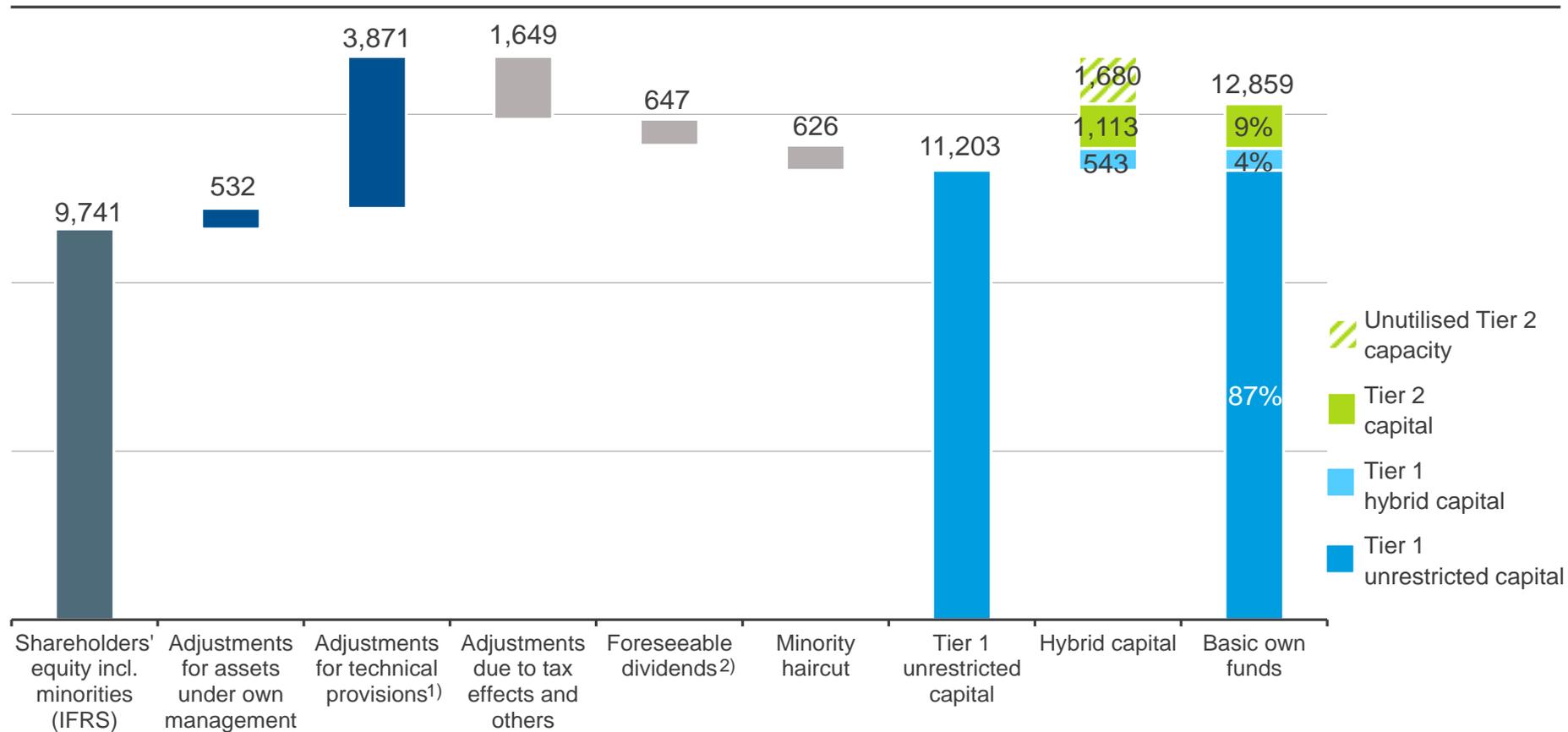
2) Including differences stemming from diversification effects considered in the full internal model

High-quality capital base

Own funds largely dominated by Tier 1 capital supplemented by hybrid capital

Reconciliation (IFRS Shareholders' Equity/Solvency II Own Funds)

in m. EUR



As at 31 December 2016

1) Adjustments for technical provisions incl. risk margin

2) Foreseeable dividends and distributions refer to Hannover Rück SE dividend as well as dividends to minorities within Hannover Re Group

Target Matrix 2016

Profit targets largely achieved

Business group	Key figures	Strategic targets for 2016	2016	
Group	Return on investment ¹⁾	≥2.9%	3.0%	✓
	Return on equity ²⁾	≥9.9%	13.7%	✓
	Earnings per share growth (y-o-y)	≥6.5%	1.8%	
	Value creation per share ³⁾	≥7.5%	18.6%	✓
Property & Casualty R/I	Gross premium growth	3% - 5% ⁴⁾	-0.2%	
	Combined ratio	≤96% ⁵⁾	93.7%	✓
	EBIT margin ⁶⁾	≥10%	16.8%	✓
	xRoCA ⁷⁾	≥2%	7.1%	✓
Life & Health R/I	Gross premium growth	5% - 7% ⁸⁾	-4.3%	
	Value of New Business (VNB) ⁹⁾	≥ EUR 220 m.	EUR 893 m.	✓
	EBIT margin ⁶⁾ Financial solutions/Longevity	≥2%	9.4%	✓
	EBIT margin ⁶⁾ Mortality/Morbidity	≥6%	3.4%	
	xRoCA ⁷⁾	≥3%	3.5%	✓

1) Excl. effects from ModCo derivatives

3) Growth in book value per share + paid dividend

5) Incl. expected net major losses of EUR 825 m.

7) Excess return on allocated economic capital

9) Based on a cost of capital of 6% (until 2014: 4.5%)

2) After tax; target: 900 bps above 5-year average return of 10-year German government bonds

4) On average throughout the R/I cycle; at unchanged f/x rates

6) EBIT/net premium earned

8) Organic growth only; annual average growth (5 years), at unchanged f/x rates

Outlook 2017

Overall profitability still above margin requirements

Property & Casualty reinsurance: mixed picture by line of business

	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 reinsurance		+
Global reinsurance	Worldwide treaty ³⁾ reinsurance		+/-
	Cat XL		-
	Structured reinsurance and ILS		+/-

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

Improving profitability driven by Financial Solutions business

Life & Health reinsurance: stable to promising outlook

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

1) In EUR

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

Guidance for 2017

Hannover Re Group

- ▶ Gross written premium¹⁾ _____ low single-digit increase
- ▶ Return on investment^{2) 3)} _____ ~2.7%
- ▶ Group net income²⁾ _____ more than EUR 1 bn.
- ▶ Dividend payout ratio⁴⁾ _____ 35% - 40%
(If comfortable level of capitalisation remains unchanged, this ratio will increase through payment of another special dividend)

1) At unchanged f/x rates

2) Subject to no major distortions in capital markets and/or major losses in 2017 not exceeding the large loss budget of EUR 825 m.

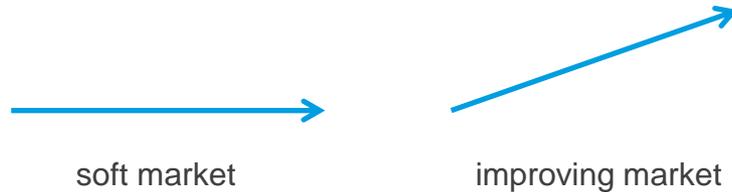
3) Excluding effects from ModCo derivatives

4) Relative to group net income according to IFRS

Increasing earnings in the medium term

Short-term stable earnings and payment of extraordinary dividends

Property & Casualty reinsurance results



Positioned to outperform

- ▶ High confidence level of reserves supporting stable earnings despite soft market (C/R ≤96%)
- ▶ Strong market position and financial strength enable us to outgrow the market when market conditions improve
- ▶ Better conditions for our increased retro coverage

Life & Health reinsurance results



Increasing profits (EBIT) in the medium term

- ▶ New Financial Solutions transactions may increase IFRS earnings in excess of EUR 350 m. as early as 2017
- ▶ Favourable trends from positive VNB are the basis for further increases

Investments



Stable absolute NII in low yield environment

- ▶ Pressure from low interest rates and declining return on investments offset by ...
- ▶ ... increasing investment volume from further positive cash flow

somewhat
different

Appendix

Our strategic business groups at a glance

2016 vs. 2015

in m. EUR	Property & Casualty R/I			Life & Health R/I			Total		
	2015	2016	Δ	2015	2016	Δ	2015	2016	Δ
Gross written premium	9,338	9,205	-1.4%	7,731	7,149	-7.5%	17,069	16,354	-4.2%
Net premium earned	8,100	7,985	-1.4%	6,492	6,432	-0.9%	14,593	14,418	-1.2%
Net underwriting result	432	479	+10.8%	(340)	(363)	+6.7%	94	116	+23.6%
Net underwriting result incl. funds withheld	452	503	+11.2%	35	(55)	-	489	448	-8.3%
Net investment income	945	901	-4.7%	709	639	-9.9%	1,665	1,550	-6.9%
From assets under own management	925	877	-5.2%	334	331	-1.1%	1,270	1,218	-4.1%
From funds withheld	20	24	+19.2%	375	308	-17.8%	395	332	-15.9%
Other income and expenses	(36)	(40)	+10.6%	36	67	+86.9%	(4)	23	-
Operating profit/loss (EBIT)	1,341	1,340	-0.1%	405	343	-15.3%	1,755	1,689	-3.8%
Interest on hybrid capital	0	(0)	-	(0)	0	-	(84)	(72)	-15.0%
Net income before taxes	1,341	1,340	-0.1%	405	343	-15.3%	1,671	1,618	-3.2%
Taxes	(368)	(339)	-8.0%	(110)	(87)	-21.1%	(456)	(391)	-14.2%
Net income	973	1,001	+2.9%	295	257	-13.1%	1,215	1,226	+1.0%
Non-controlling interest	58	51	-11.8%	6	4	-33.3%	64	55	-13.7%
Group net income	915	950	+3.8%	290	253	-12.7%	1,151	1,171	+1.8%
Retention	89.3%	88.5%		84.2%	90.4%		87.0%	89.3%	
Combined ratio (incl. interest on funds withheld)	94.4%	93.7%		99.5%	100.8%		96.7%	96.9%	
EBIT margin (EBIT / Net premium earned)	16.6%	16.8%		6.2%	5.3%		12.0%	11.7%	
Tax ratio	27.5%	25.3%		27.1%	25.2%		27.3%	24.2%	
Earnings per share (in EUR)	7.58	7.88		2.40	2.10		9.54	9.71	

Our strategic business groups at a glance

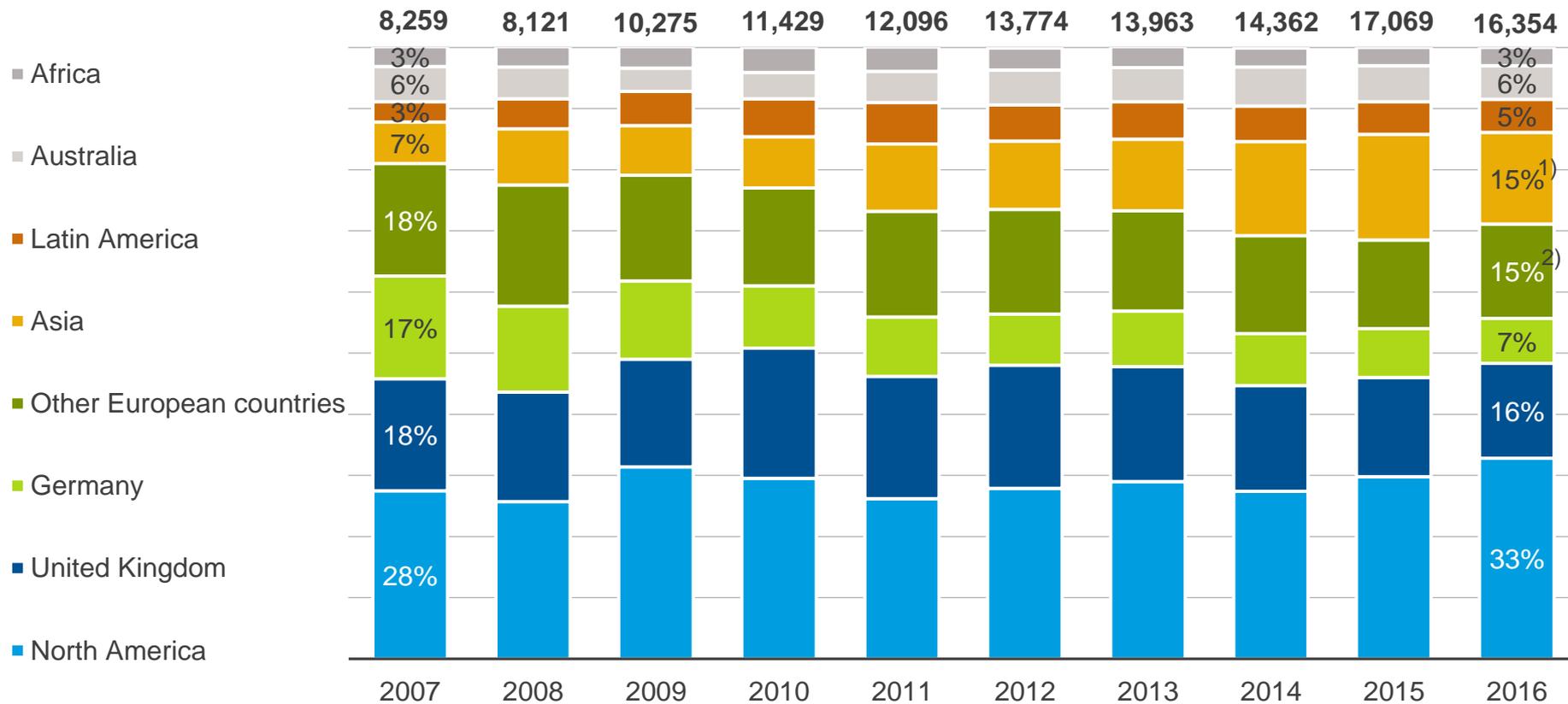
Q4 stand-alone

in m. EUR	Property & Casualty R/I			Life & Health R/I			Total		
	Q4/2015	Q4/2016	Δ	Q4/2015	Q4/2016	Δ	Q4/2015	Q4/2016	Δ
Gross written premium	2,019	2,084	+3.2%	2,104	1,816	-13.7%	4,123	3,900	-5.4%
Net premium earned	2,134	2,060	-3.5%	1,628	1,591	-2.3%	3,763	3,651	-3.0%
Net underwriting result	181	204	+12.5%	(15)	(132)	-	167	71	-
Net underwriting result incl. funds withheld	185	209	+13.1%	83	(55)	-	269	154	-
Net investment income	272	258	-5.0%	166	144	-13.2%	440	404	-8.3%
From assets under own management	268	253	-5.7%	68	67	-0.9%	338	322	-4.9%
From funds withheld	4	5	+39.3%	98	77	-21.8%	102	82	-19.5%
Other income and expenses	(48)	(15)	-	8	41	-	(42)	25	-
Operating profit/loss (EBIT)	405	447	+10.5%	159	53	-	565	500	-11.5%
Interest on hybrid capital	0	(0)	-	(0)	(0)	-	(18)	(18)	-0.2%
Net income before taxes	405	447	+10.5%	159	53	-	547	482	-11.8%
Taxes	(121)	(95)	-	(43)	(8)	-	(158)	(84)	-
Net income	284	353	+24.1%	115	45	-61.4%	389	398	+2.4%
Non-controlling interest	20	16	-20.6%	4	1	-83.8%	24	17	-30.1%
Group net income	264	336	+27.6%	112	44	-60.6%	365	381	+4.5%
Retention	91.1%	89.1%		77.2%	87.2%		84.0%	88.2%	
Combined ratio (incl. interest on funds withheld)	91.3%	89.9%		94.9%	103.5%		92.9%	95.8%	
EBIT margin (EBIT / Net premium earned)	19.0%	21.7%		9.8%	3.3%		15.0%	13.7%	
Tax ratio	29.9%	21.2%		27.3%	15.6%		29.0%	17.5%	
Earnings per share (in EUR)	2.19	2.79		0.93	0.37		3.02	3.16	

Well balanced international portfolio

Gross written premium (Group)

in m. EUR

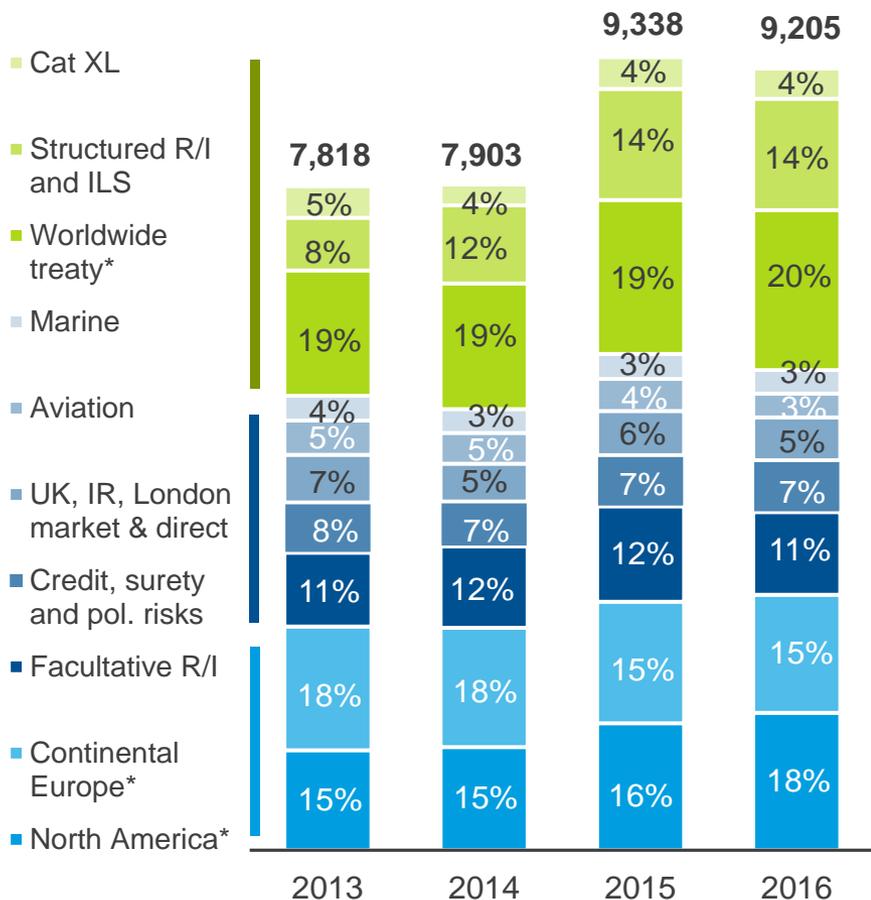


1) Japan 2%
2) CEE and Russia 2%

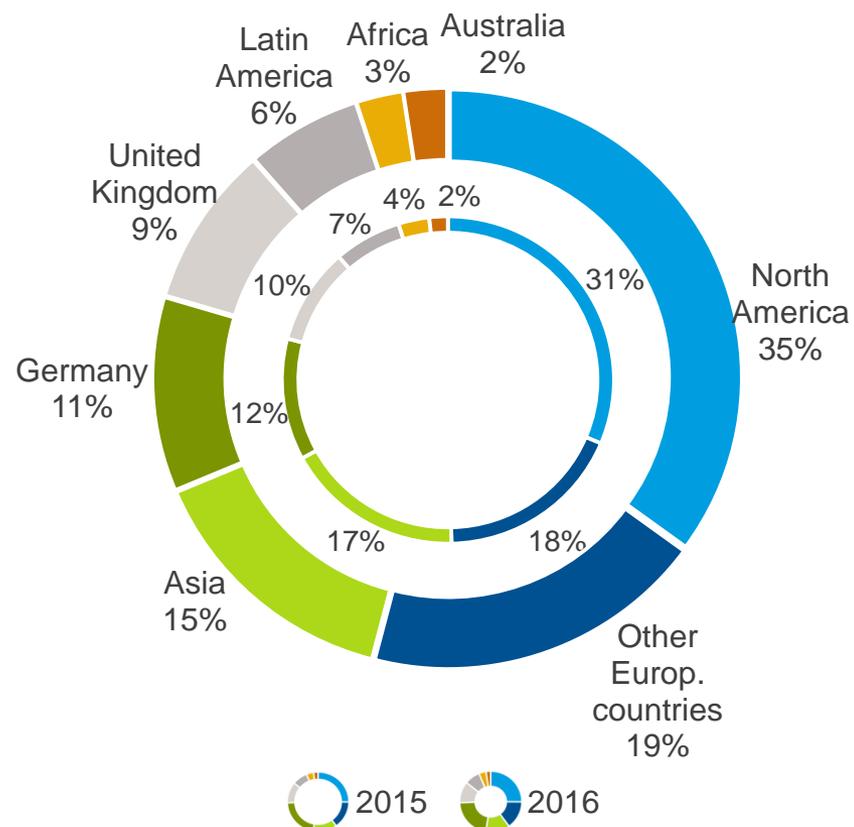
Property & Casualty reinsurance: selective growth

GWP split by line of business

in m. EUR



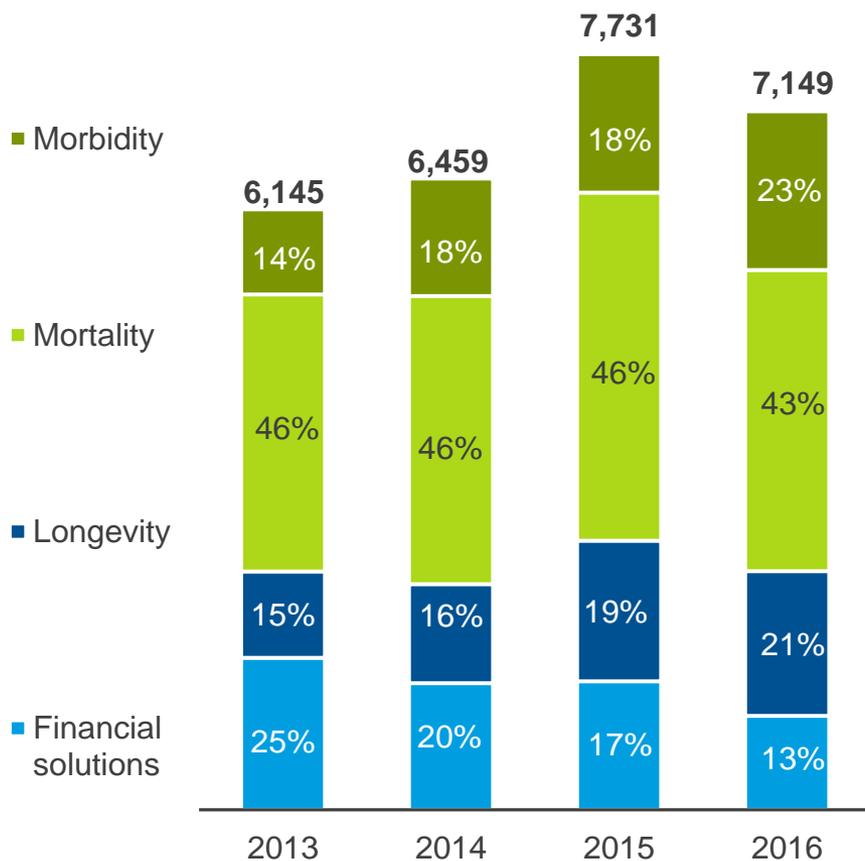
GWP split by regions



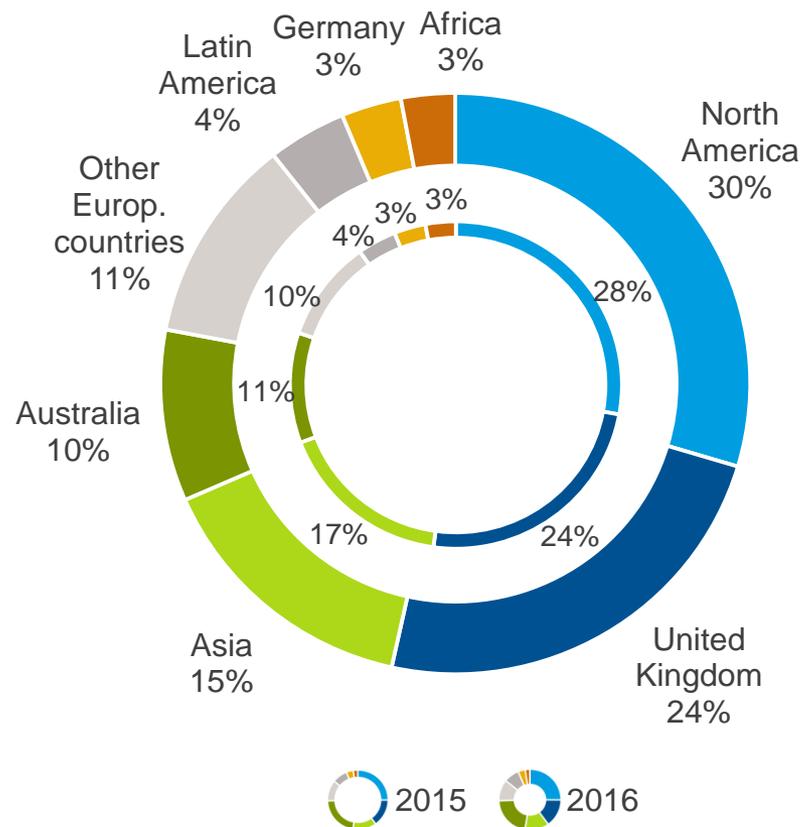
* All lines of business except those stated separately

Life & Health reinsurance: a well diversified portfolio

GWP split by reporting categories in m. EUR



GWP split by regions



Stress tests on assets under own management

Unchanged focus on spreads while relevance of equities rises

Portfolio	Scenario	Change in market value in m. EUR	Change in OCI before tax in m. EUR
Equity (listed and private equity)	-10%	-169	-169
	-20%	-339	-339
Fixed-income securities	+50 bps	-903	-808
	+100 bps	-1,760	-1,575
Credit spreads	+50%	-865	-832
Real estate	-10%	-194	-73
	+10%	194	44

As at 31 December 2016

Fixed-income book well balanced

Geographical allocation mainly in accordance with our business diversification

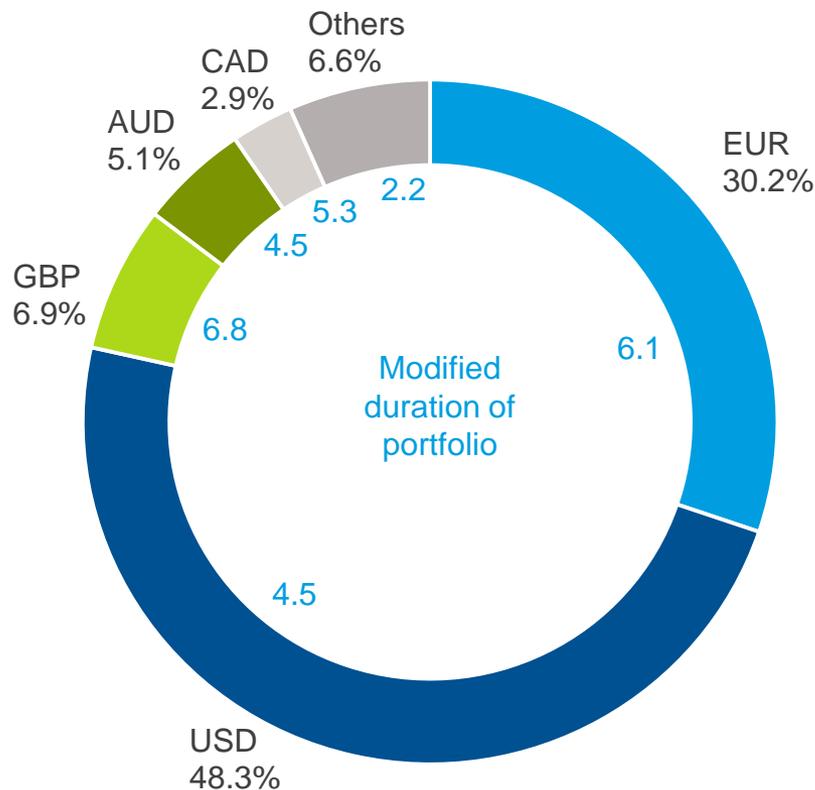
	Governments	Semi-governments	Corporates	Pfandbriefe, Covered bonds, ABS	Short-term investments, cash	Total
AAA	76.8%	65.7%	1.0%	67.1%	-	45.8%
AA	11.4%	27.9%	13.4%	14.1%	-	15.7%
A	6.2%	2.3%	35.5%	5.4%	-	16.1%
BBB	4.1%	1.2%	41.6%	9.4%	-	17.8%
<BBB	1.4%	3.0%	8.5%	4.0%	-	4.6%
Total	100.0%	100.0%	100.0%	100.0%	-	100.0%
Germany	10.1%	49.5%	3.9%	27.3%	38.1%	18.5%
UK	5.4%	2.7%	7.8%	9.4%	3.6%	6.1%
France	1.9%	2.3%	7.8%	7.0%	1.0%	4.5%
GIIPS	1.2%	0.9%	4.6%	4.2%	0.0%	2.6%
Rest of Europe	4.4%	15.9%	16.7%	23.4%	2.7%	12.7%
USA	61.0%	5.0%	36.0%	5.4%	14.7%	33.9%
Australia	3.7%	8.0%	6.9%	11.8%	6.4%	6.6%
Asia	7.6%	4.6%	4.8%	0.0%	21.4%	5.9%
Rest of World	4.7%	11.0%	11.5%	11.5%	12.1%	9.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total b/s values in m. EUR	11,655	7,173	12,977	3,666	1,688	37,158

IFRS figures as at 31 December 2016

Currency allocation matches liability profile of balance sheet

Investment portfolio adjusted to increased duration of liabilities

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

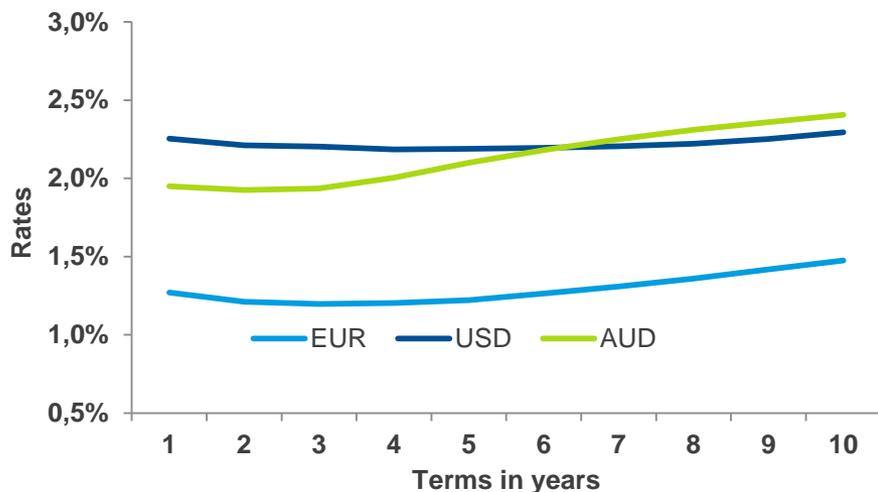
2015	4.4
2014	4.6
2013	4.4
2012	4.5
2011	4.2

Modified duration as at 31 December 2016: 5.0

Partial inflation hedge: inflation expectation still low...

...but especially in US higher inflation trend anticipated from 2018 onwards

Zero coupon inflation rates (31 Dec 2016)



Hedge level

Average hedged inflation levels:

- ▶ 1.44% EUR p.a.
- ▶ 2.12% USD p.a.
- ▶ 2.34% AUD p.a.

Sensitivity to inflation

in m. EUR	Inflation-linked bonds: Change in market value through OCI
Inflation expectation*: +100 bps	+94
Inflation expectation*: -100 bps	-87
Inflation expectation*: +400 bps	+423

Bond volume

Nominal value of inflation-linked bonds

- ▶ USD: EUR 1,146 m.
- ▶ EUR: EUR 347.9 m.
- ▶ AUD: EUR 124.0 m.
- ▶ Total amount: EUR 1,618.2 m.

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