

*somewhat
different*



Conference Call on Q1/2019 results

Hannover, 7 May 2019

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Agenda

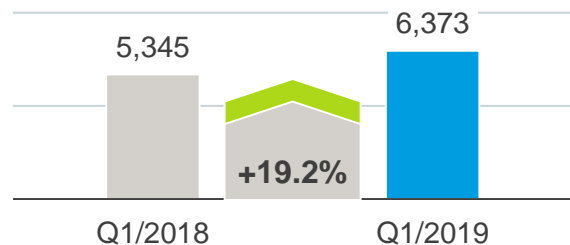
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Favourable start to 2019

RoE well above target, despite increase of EUR 1.1 bn. in shareholders' equity

GWP

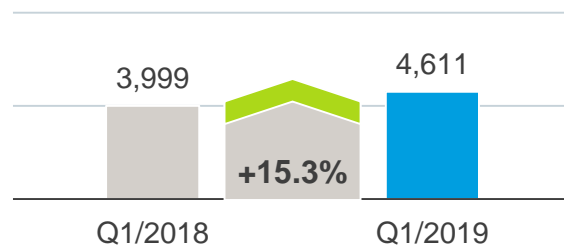
F/x-adj. +16.1%



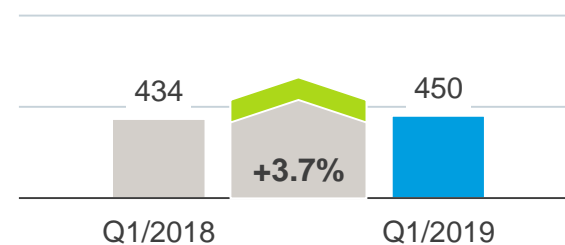
Growth driven by increased demand for reinsurance

NPE

F/x-adj. +12.7%

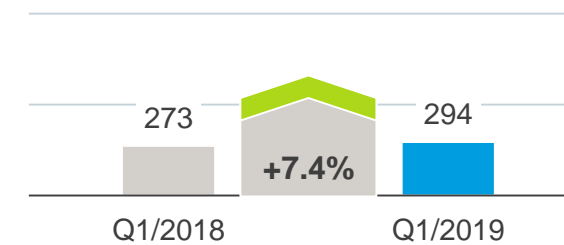


EBIT



Supported by strong technical result in P&C and favourable investment income

Group net income



12.6%

Return on Equity

Well above minimum target of 9.4%

EUR 81.69

Book value per share

+12.2% driven by strong earnings and increased valuation reserves

246%

Solvency II ratio

31.12.2018



P&C R/I

EBIT: 334 m.

- Satisfying EBIT margin (11.4%) supported by strong underwriting result
- C/R of 95.7% below maximum target of 97%
- Strong premium growth (f/x-adj. +19.4%) driven by Structured R/I and diversified growth in traditional business



L&H R/I

EBIT: 116 m.

- EBIT increased by 21.3%
- Improved result in US mortality business but weak performance of Australian disability business
- Attractive premium growth (f/x-adj. +9.6%) mainly from Greater China



Investments

NII: 399 m.

- RoI from AuM: 3.0%, exceeds minimum target (≥ 2.8%)
- Increased ordinary investment income
- AuM up by +6.1% to more than EUR 44 bn.

Figures in EUR millions, unless otherwise stated

Improved result driven by increased contribution from Life & Health reinsurance as well as favourable net investment income

Group figures in m. EUR

	Q1/2018	Q1/2019	Δ
Gross written premium	5,345	6,373	+19.2%
Net premium earned	3,999	4,611	+15.3%
Net underwriting result	37	5	-87.9%
- Incl. funds withheld	96	75	-21.6%
Net investment income	391	399	+1.9%
- From assets under own mgmt.	333	328	-1.3%
- From funds withheld	59	71	+20.3%
Other income and expenses	5	47	-
Operating profit/loss (EBIT)	434	450	+3.7%
Financing costs	(18)	(21)	+18.2%
Net income before taxes	416	429	+3.1%
Taxes	(117)	(114)	-2.2%
Net income	299	315	+5.2%
- Non-controlling interests	26	21	-18.3%
Group net income	273	294	+7.4%
Retention	91.3%	90.4%	
EBIT margin (EBIT/Net premium earned)	10.8%	9.8%	
Tax ratio	28.1%	26.6%	
Earnings per share (in EUR)	2.27	2.43	

Continued positive operating cash flow fuels growth of AuM (+6.1%)

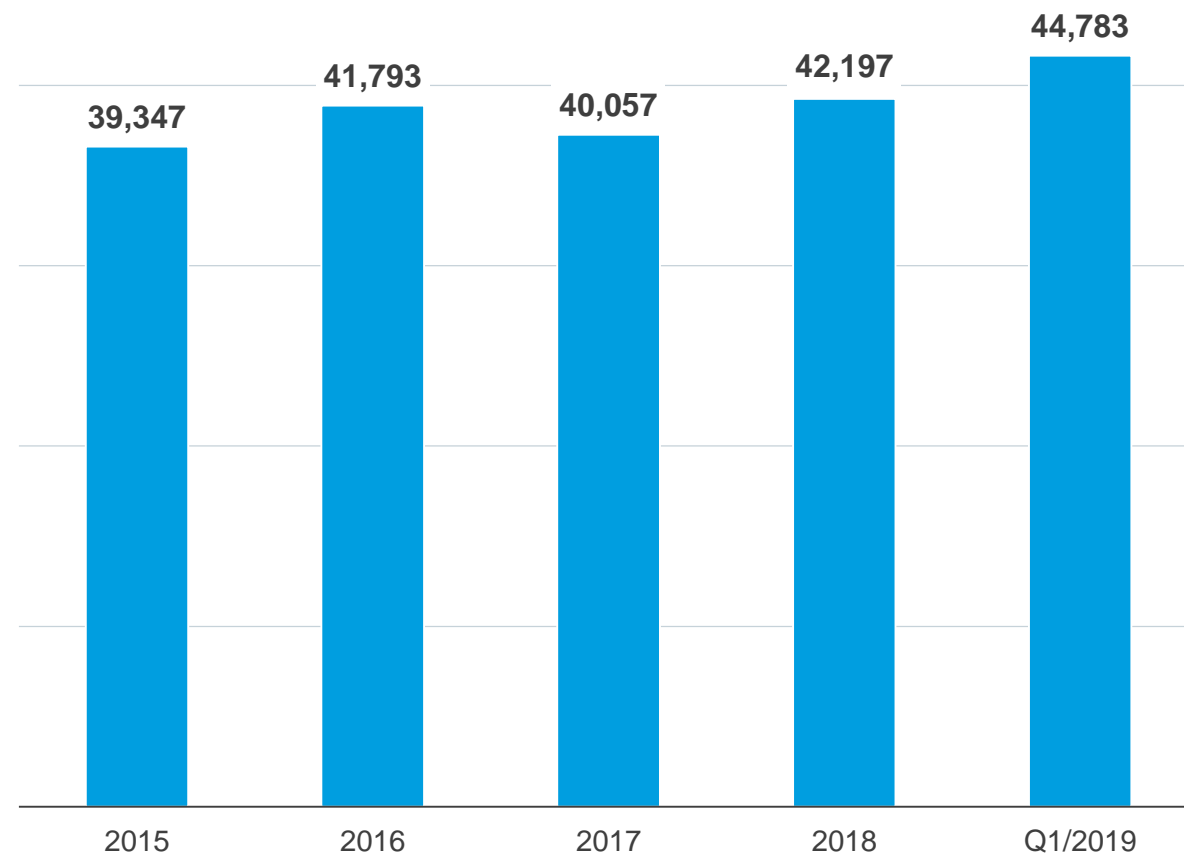
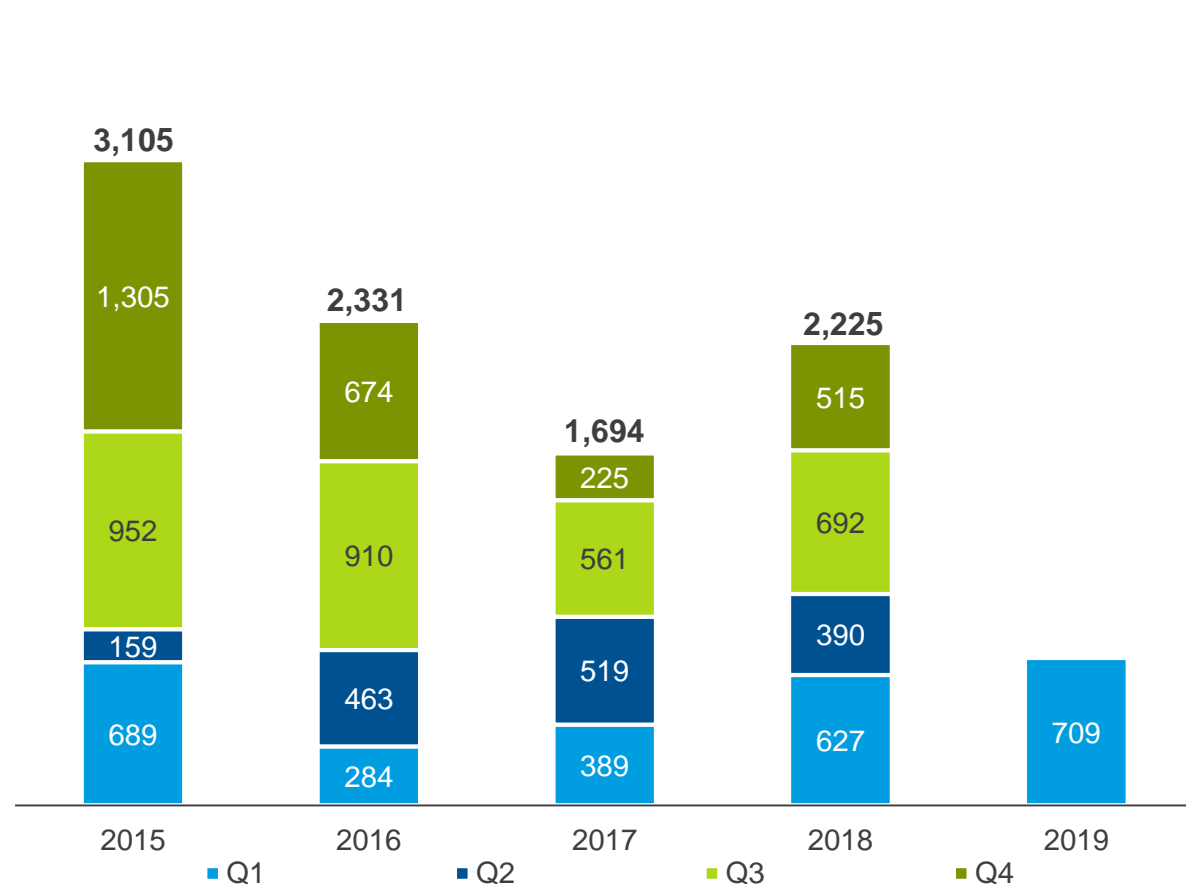
AuM growth also supported by increase in valuation reserves and currency effects

Operating cash flow

in m. EUR

Assets under own management (AuM)

in m. EUR



Shareholders' equity up by 12.2%

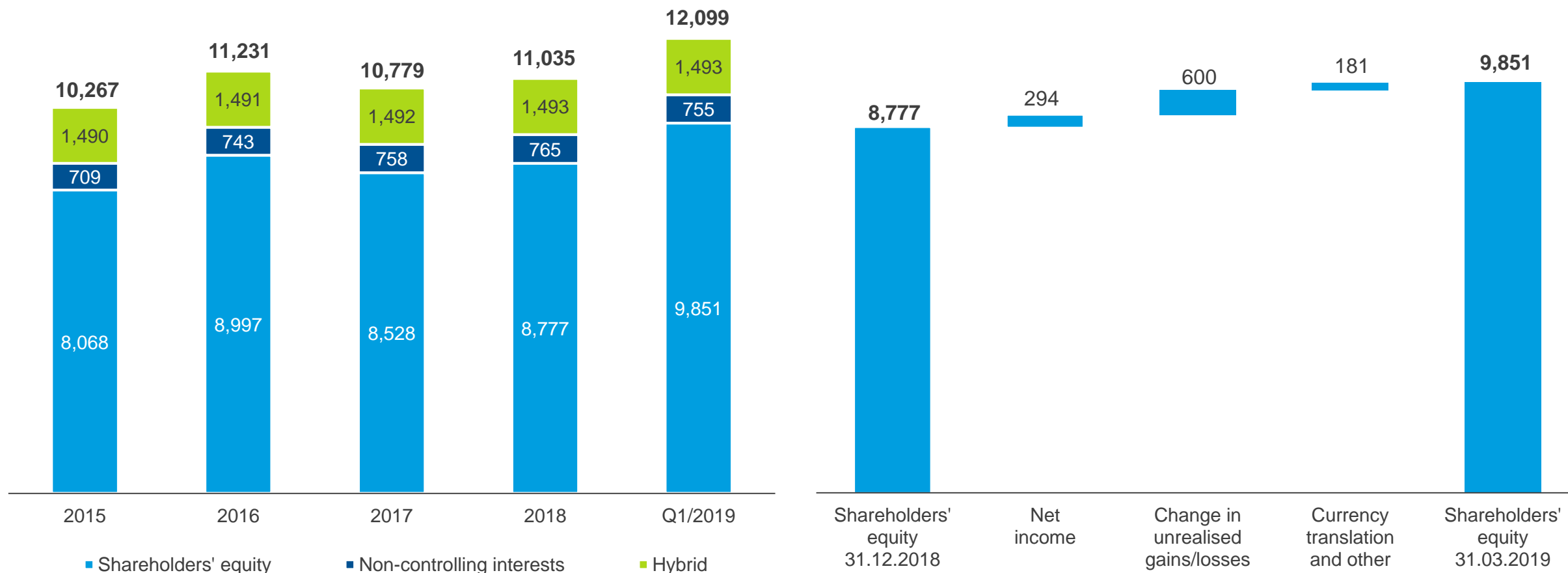
Strong earnings and increased valuation reserves lead to all time-high

Policyholders' surplus

in m. EUR

Change in shareholders' equity

in m. EUR



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Good profitability supported by 25% increase in underwriting result

Strong growth helped by increased demand for reinsurance

Property & Casualty R/I in m. EUR	Q1/2018	Q1/2019	Δ
Gross written premium	3,579	4,394	+22.8%
Net premium earned	2,425	2,930	+20.8%
Net underwriting result incl. funds withheld	100	125	+25.3%
Combined ratio incl. interest on funds withheld	95.9%	95.7%	-0.2%p
Net investment income from assets under own management	260	223	-14.1%
Other income and expenses	(21)	(14)	-33.3%
Operating profit/loss (EBIT)	339	334	-1.3%
Tax ratio	23.3%	28.3%	+5.0%p
Group net income	235	219	-6.7%
Earnings per share (in EUR)	1.95	1.82	-6.7%

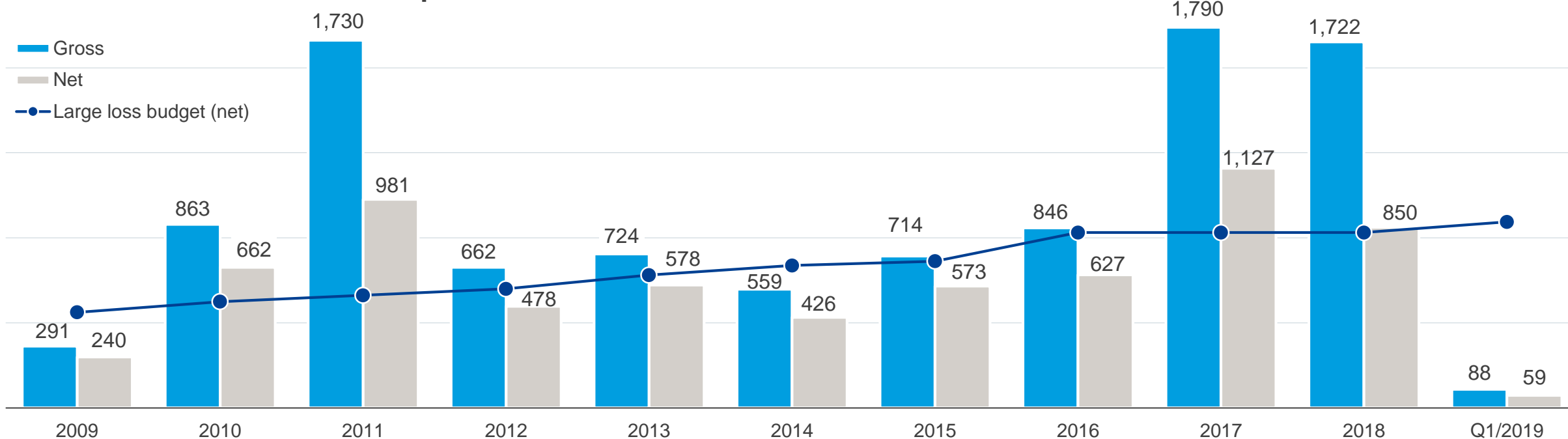
YTD

- GWP f/x-adjusted +19.4%, growth from Structured R/I as well as traditional reinsurance
- NPE f/x-adjusted +18.0%
- Major losses of EUR 59 m. (2.0% of NPE) well below budget of EUR 175 m. for Q1/2019 but large loss budget reserved as usual
- Positive overall run-off result despite negative development from typhoon Jebi (EUR 48 m.) in 2018
- Favourable ordinary investment income; lower level of realised gains leads to decrease in net investment income
- EBIT margin of 11.4% above target of 10%
- Tax ratio slightly higher due to decreased result from low-tax subsidiaries

Large losses well below budget of EUR 175 m. for Q1/2019

Natural and man-made catastrophe losses¹⁾

in m. EUR



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

5%	5%	14%	12%	25%	16%	9%	7%	9%	8%	7%	6%	8%	7%	9%	8%	17%	12%	14%	8%	2%	2%
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Large loss budget (net) in m. EUR

450	500	530	560	625	670	690	825	825	825	825	875
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1) Up to 2011 claims over EUR 5 m. gross, from 2012 onwards claims over EUR 10 m. gross

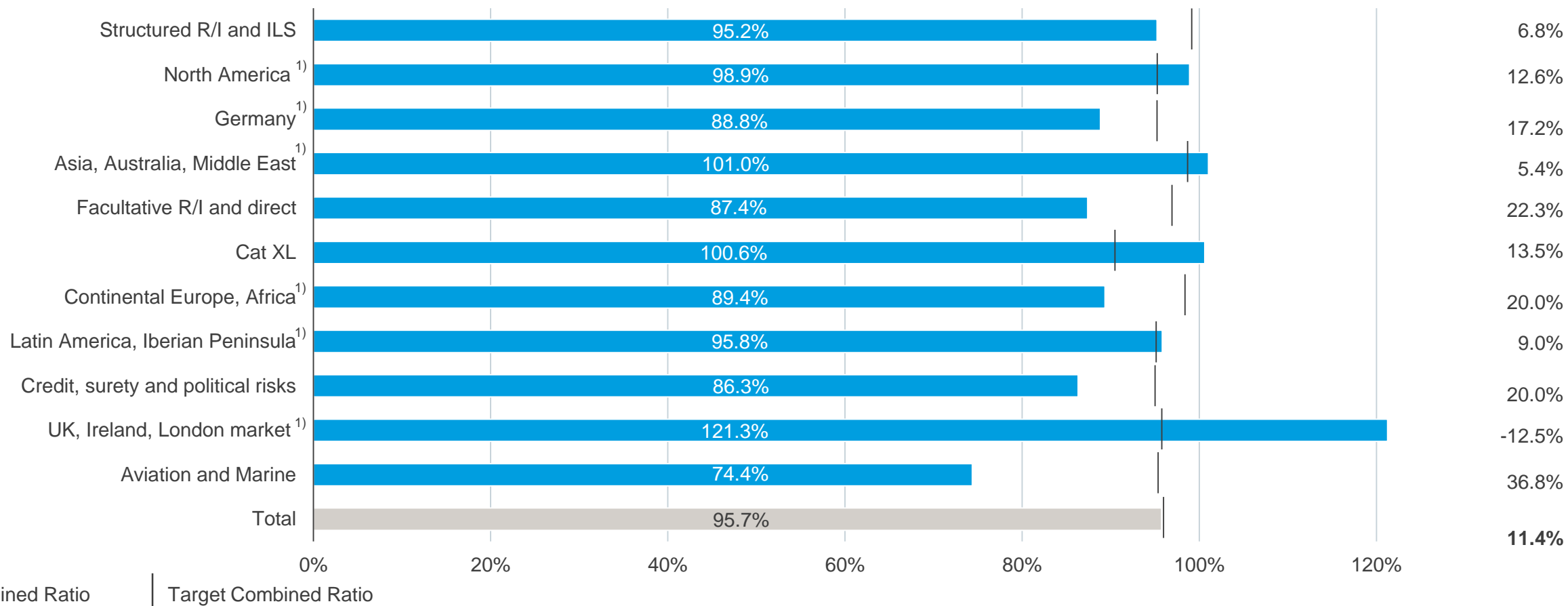
Very benign large loss experience overall in Q1/2019

Catastrophe losses ¹⁾ in m. EUR	Date	Gross	Net
Flood, Australia	26 Jan - 7 Feb	30.5	25.2
Storm "Eberhard", Germany	10 - 11 Mar	26.0	15.2
2 Natural catastrophes		56.5	40.3
1 Marine claim		14.5	6.9
1 Aviation claim		16.6	11.7
4 Large losses		87.6	59.0

1) Natural catastrophes and other large losses in excess of EUR 10 m. gross

Diversified portfolio delivers Combined Ratio better than target

2019: Combined Ratio vs. Target Combined Ratio



¹⁾ All lines of Property & Casualty reinsurance except those stated separately
 Lines of business ordered by GWP

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EBIT growth of 21% outperforms premium growth of 12%

US mortality business with improved result according to expectation

Life & Health R/I in m. EUR	Q1/2018	Q1/2019	Δ
Gross written premium	1,766	1,979	+12.0%
Net premium earned	1,574	1,681	+6.7%
Net underwriting result incl. funds withheld	(4)	(50)	-
Net investment income from assets under own management	72	104	+44.6%
Other income and expenses	28	62	+122.8%
Operating profit/loss (EBIT)	96	116	+21.3%
EBIT margin	6.1%	6.9%	+0.8%p
Tax ratio	45.9%	22.8%	-23.1%p
Group net income	51	89	+73.2%
Earnings per share (in EUR)	0.42	0.73	+73.2%

YTD

- GWP f/x-adjusted +9.6%, mainly from Greater China
- NPE f/x-adjusted growth +4.6%
- Better than expected claims experience based on our actuarial (reboot) assumptions led to improved US mortality result but technical result impacted by losses from Australian disability business
- NII supported by favourable ordinary investment income and change in fair value of financial instruments (ModCo EUR + 5.3 m.)
- Other income and expenses is mainly the result of strong contribution from deposit accounted treaties of EUR 61 m. (Q1/2018: EUR 45 m.)
- EBIT growth of 21.3% outperforms 5% EBIT growth target
- Tax ratio at normal level; previous year impacted by US tax reform

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Favourable Return on Investment based on increased ordinary income

in m. EUR	Q1/2018	Q1/2019	RoI
Ordinary investment income ¹⁾	317	326	3.0%
Realised gains/losses	49	22	0.2%
Impairments/appreciations & depreciations	(11)	(17)	-0.2%
Change in fair value of financial instruments (through P&L)	6	27	0.3%
Investment expenses	(28)	(30)	-0.3%
NII from assets under own management	333	328	3.0%
NII from funds withheld	59	71	
Total net investment income	391	399	
Unrealised gains/losses of investments	31 Dec 18	31 Mar 19	
On-balance sheet	500	1.309	
thereof Fixed income AFS	91	799	
Off-balance sheet	498	478	
thereof Fixed income HTM, L&R	227	244	
Total	998	1.786	

YTD

- Rise in ordinary income from fixed-income securities and again strong results from real estate and private equity investments
- Realised gains driven by an attractive disposal of a real estate investment; lower contribution from fixed-income investments due to decreased portfolio turnover
- Positive development of fair value changes through P&L (ModCo derivative EUR +5.3 m.)
- Significant rise in valuation reserves due to lower credit spreads on corporates as well as lower EUR, USD and GBP yields

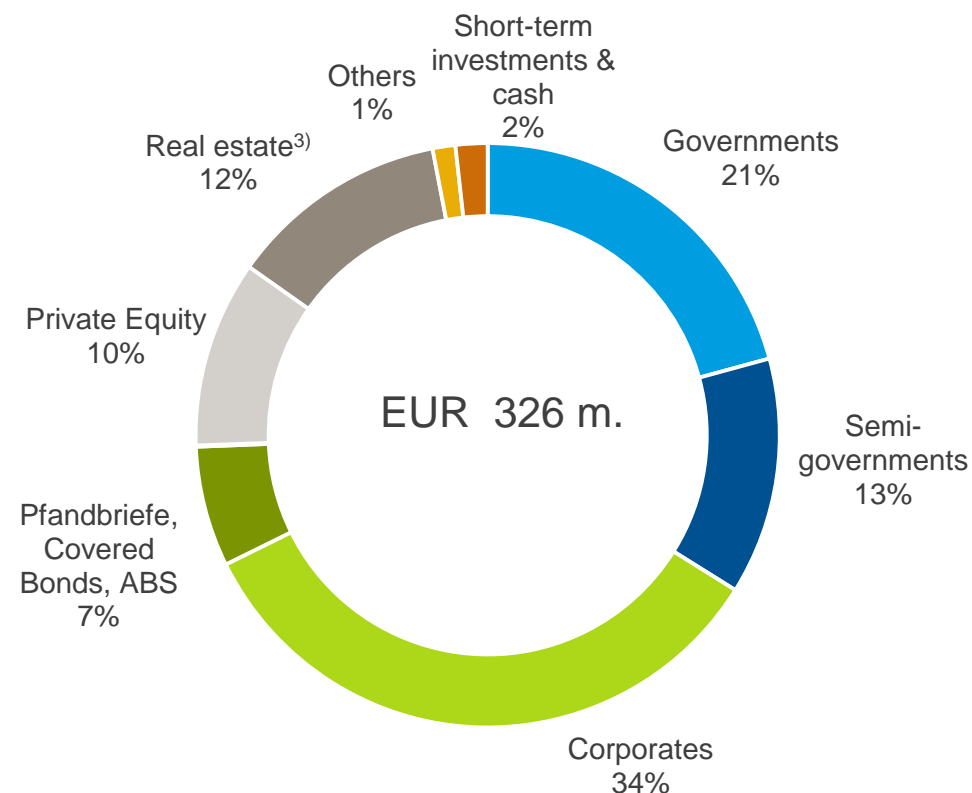
1) Incl. results from associated companies

Ordinary income well supported by alternative asset classes

Asset allocation¹⁾

Investment category	2015	2016	2017	2018	31 Mar 2019
Fixed-income securities	87%	87%	87%	87%	87%
- Governments	26%	28%	30%	35%	35%
- Semi-governments	17%	18%	17%	16%	16%
- Corporates	34%	33%	32%	29%	29%
Investment grade	30%	28%	27%	25%	25%
Non-investment grade	4%	4%	5%	4%	4%
- Pfandbriefe, Covered bonds, ABS	10%	9%	8%	7%	7% ²⁾
Equities	3%	4%	2%	2%	2%
- Listed equity	1%	2%	<1%	<1%	<1%
- Private equity	2%	2%	2%	2%	2%
Real estate/real estate funds	4%	5%	5%	6%	5%
Others	1%	1%	1%	1%	2%
Short-term investments & cash	5%	4%	4%	4%	4%
Total market values in bn. EUR	39.8	42.3	40.5	42.7	45.3

Ordinary income split



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 1,384.4 m. (EUR 1,326.4 m.) as at 31 March 2019

2) Of which Pfandbriefe and Covered Bonds = 71.2%

3) Before real estate-specific costs. Economic view based on market values as at 31 March 2019

Target Matrix

All targets in Q1/2019 achieved

Business group	Key figures	Targets for 2019	Q1/2019	
Group	Return on investment ¹⁾	≥ 2.8%	3.0%	✓
	Return on equity ²⁾	≥ 9.4%	12.6%	✓
	Earnings per share growth (y-o-y)	≥ 5%	7.4%	✓
	Economic value creation ³⁾	≥ 6.4%	n.a.	
	Solvency ratio ⁴⁾	≥ 200%	246.0%	✓
Property & Casualty R/I	Gross premium growth ⁵⁾	3 - 5%	19.4%	✓
	Combined ratio ⁶⁾	≤ 97%	95.7%	✓
	EBIT margin ⁷⁾	≥ 10%	11.4%	✓
	xRoCA ⁸⁾	≥ 2%	n.a.	
Life & Health R/I	Gross premium growth ⁹⁾	3 - 5%	9.6%	✓
	Value of New Business (VNB) ¹⁰⁾	≥ EUR 220 m.	n.a.	
	EBIT growth ¹¹⁾	≥ 5%	21.3%	✓
	xRoCA ⁸⁾	≥ 2%	n.a.	

1) Excl. effects from ModCo derivatives

3) Growth in economic equity + paid dividend; target: 600 bps above 5-year average return of 10-year German government bonds

5) On average throughout the R/I cycle at constant f/x rates

7) EBIT/net premium earned

9) Organic growth only; target: annual average growth over a 3-year period, at constant f/x rates

11) Annual average growth over a 3-year period

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

4) According to our internal capital model and Solvency II requirements as of 31 December 2018

6) Incl. large loss budget of EUR 875 m.

8) Excess return on allocated economic capital

10) Based on Solvency II principles; pre-tax reporting

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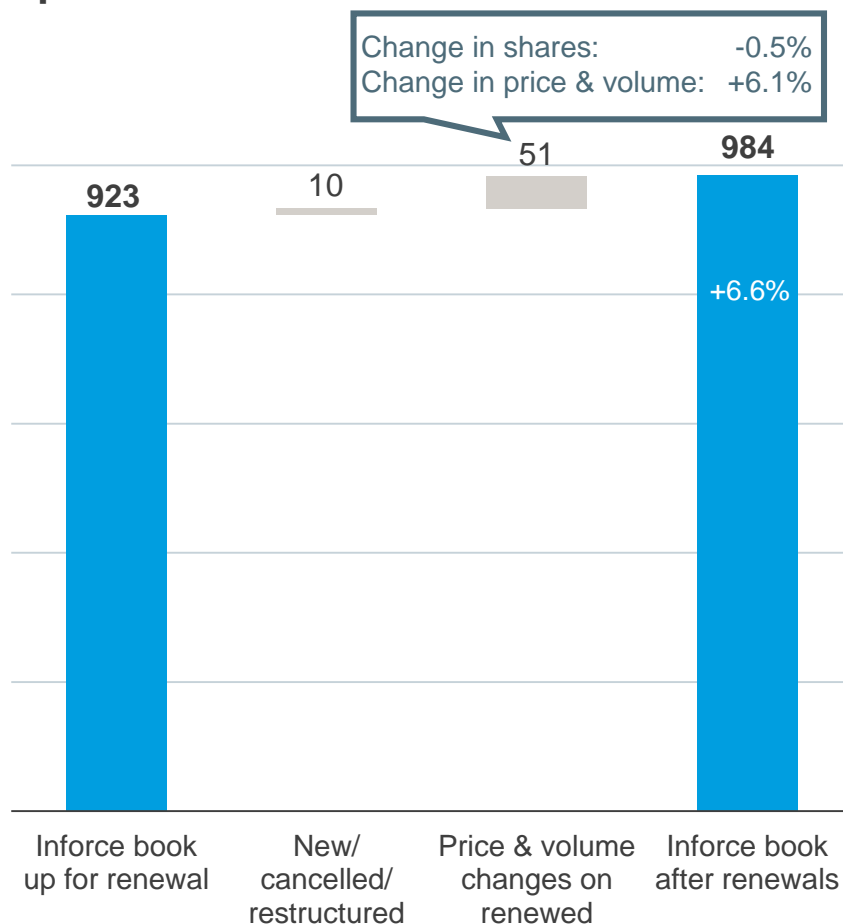
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Sustained trend since 1 Jan renewals - further growth in premium

Property & Casualty treaty renewals: 2 January 2019 - 1 April 2019

April renewals

in m. EUR



- Japan
 - Cat XL: Maintained position in Japan after the series of significant events in 2018 with increasing prices (+9.5%)
 - Other lines of business up by 8% in premium income

- North America¹⁾
 - Premium increased by 18%, mainly from new business opportunities based on improved pricing

- Cat XL worldwide
 - Stable renewals in cat business worldwide (outside Japan and US)

- Agricultural business: decreased premium income
 - Reduced shares in renewed portfolio in some cases due to selective underwriting

- Marine
 - Generally flat market with stable conditions resulting in almost unchanged premium income for Hannover Re
 - Loss-impacted treaties saw rises in premium - depending on the impact - ranging from +5% to more than +20%

Underwriting year figures at unchanged f/x rates (31 December 2018)

1) Excluding specialty business

Guidance for 2019

Hannover Re Group

- Gross written premium¹⁾ _____ growth within a single-digit percentage range
- Return on investment^{2) 3)} _____ at least 2.8%
- Group net income²⁾ _____ in the region of EUR 1.1 bn.
- Ordinary dividend payout ratio⁴⁾ _____ 35% - 45%
- Special dividend _____ additional payout if profit target is reached and capitalisation remains comfortable

1) At unchanged f/x rates












2) Subject to no major distortions in capital markets and/or major losses in 2019 not exceeding the large loss budget of EUR 875 m.

3) Excluding effects from ModCo derivatives

4) Relative to group net income according to IFRS

Overall profitability above margin requirement

Property & Casualty reinsurance: financial year 2019

Lines of business	Volume ¹⁾	Profitability ²⁾
Structured reinsurance and ILS		+/-
North America ³⁾		+
Germany ³⁾		+
Asia, Australia, Middle East ³⁾		+/-
Facultative reinsurance and direct		+
Cat XL		+/-
Continental Europe, Africa ³⁾		+
Latin America, Iberian Peninsula ³⁾		+
Credit, surety and political risks		+
UK, Ireland, London market ³⁾		+/-
Aviation and Marine		+/-

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

Lines of business ordered by GWP

L&H business improving profitability in 2019 expected

Due to significantly reduced burden from US mortality business

Reporting categories

Volume¹⁾

Profitability²⁾

Financial solutions



++

Longevity



+

Mortality



+/-

Morbidity



+/-

1) In EUR, development in original currencies can be different

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

Creating value through reinsurance is our strategic driver



P&C reinsurance

- Market growth in line with or slightly below primary P&C market
- Structurally competitive due to low entrance hurdle resulting in a supply and demand imbalance; however, competition is rational because participants are disciplined
- We are confident of growing our market share top and bottom line based on our competitive advantages

Positioned to outperform



L&H reinsurance

- We enjoy excellent profitability on our US Financial Solutions business and good profitability on business outside the US
- US mortality had masked the positive underlying profitability in previous years
- We expect significantly increased EBIT growth from 2019 onwards as the negative impact from US mortality legacy book has diminished significantly

Growing EBIT contribution



Investments

- AuM are expected to rise further due to continued positive cash flow from operations
- Return on investment should achieve targets in the medium term
- Rising interest rates will contribute to increasing ordinary investment income in the medium to long term due to higher reinvestment yields

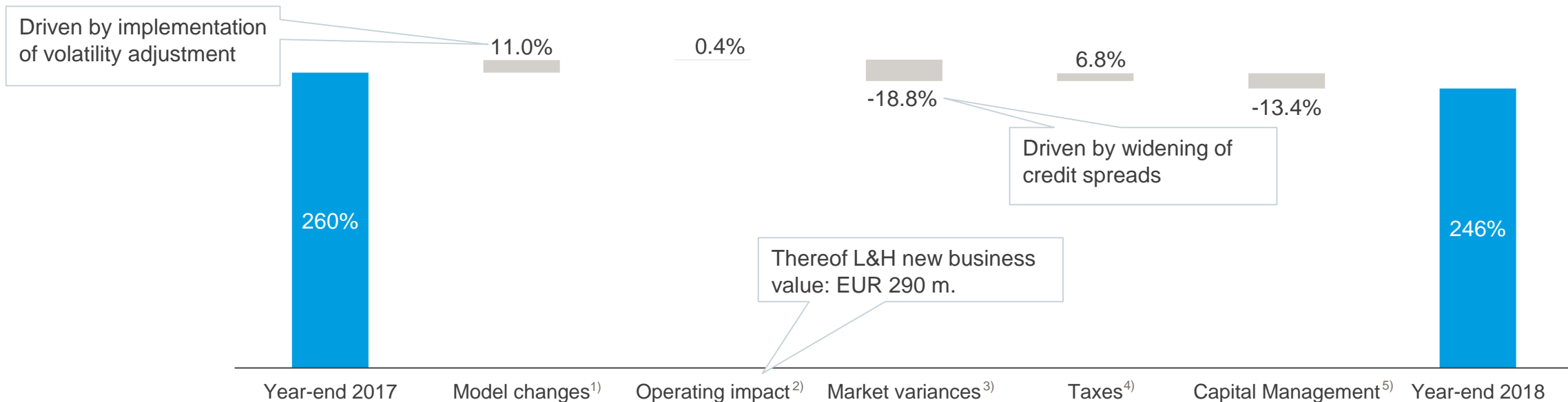
Stable Net Investment Income

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Solvency II capital generation: review 2018

Solvency II eligible own funds and SCR movement analysis



	Year-end 2017	Model changes ¹⁾	Operating impact ²⁾	Market variances ³⁾	Taxes ⁴⁾	Capital Management ⁵⁾	Year-end 2018
Eligible own funds	12,296	393	1,037	-282	-123	-686	12,635
SCR	4,729	-46	376	264	-188	0	5,135

Figures in m. EUR. SCR – Solvency Capital Requirements according to Solvency II internal model

1) Model changes, main effect from first-time application of volatility adjustment

2) Operating earnings and assumption changes; pre-tax

3) Changes due to changes of foreign exchange rates, interest rates, credit spreads and other financial market indicators; pre-tax

4) Incl. tax payments and changes in deferred taxes

5) Incl. minor changes in foreseeable dividends

Our strategic business groups at a glance

Q1/2019 vs. Q1/2018

in m. EUR	Property & Casualty R/I		Life & Health R/I		Total	
	Q1/2018	Q1/2019	Q1/2018	Q1/2019	Q1/2018	Q1/2019
Gross written premium	3,579	4,394	1,766	1,979	5,345	6,373
Change in GWP	-	+22.8%	-	+12.0%	-	+19.2%
Net premium earned	2,425	2,930	1,574	1,681	3,999	4,611
Net underwriting result	92	113	(55)	(108)	37	5
Net underwriting result incl. funds withheld	100	125	(4)	(50)	96	75
Net investment income	268	236	123	163	391	399
From assets under own management	260	223	72	104	333	328
From funds withheld	8	12	51	58	59	71
Other income and expenses	(21)	(14)	28	62	5	47
Operating profit/loss (EBIT)	339	334	96	116	434	450
Financing costs	0	(1)	0	0	(18)	(21)
Net income before taxes	339	334	96	116	416	429
Taxes	(79)	(95)	(44)	(26)	(117)	(114)
Net income	260	239	52	90	299	315
Non-controlling interest	25	20	1	1	26	21
Group net income	235	219	51	89	273	294
Retention	91.6%	91.9%	90.7%	87.0%	91.3%	90.4%
Combined ratio (incl. interest on funds withheld)	95.9%	95.7%	100.2%	102.9%	97.6%	98.4%
EBIT margin (EBIT / Net premium earned)	14.0%	11.4%	6.1%	6.9%	10.8%	9.8%
Tax ratio	23.3%	28.3%	45.9%	22.8%	28.1%	26.6%
Earnings per share (in EUR)	1.95	1.82	0.42	0.73	2.27	2.43

Stress tests on assets under own management

Unchanged focus on yields and credit spreads

Portfolio	Scenario	Change in market value in m. EUR	Change in OCI before tax in m. EUR
Equity (listed and private equity)	-10%	-96	-96
	-20%	-193	-193
Fixed-income securities	+50 bps	-980	-910
	+100 bps	-1,911	-1,773
Credit spreads	+50%	-660	-651

As at 31 March 2019

High-quality fixed-income book well balanced

Geographical allocation mainly in accordance with our broad business diversification

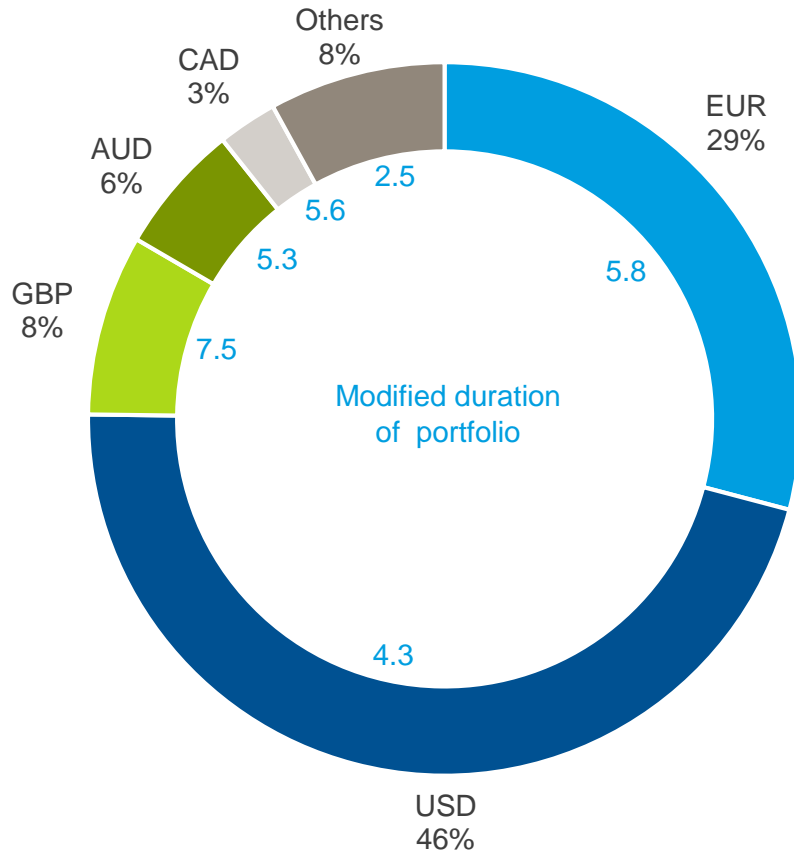
	Governments	Semi-governments	Corporates	Pfandbriefe, Covered bonds, ABS	Short-term investments, cash	Total
AAA	78%	58%	1%	62%	-	48%
AA	13%	26%	14%	24%	-	16%
A	5%	8%	31%	11%	-	14%
BBB	3%	1%	46%	3%	-	16%
<BBB	2%	7%	8%	1%	-	5%
Total	100%	100%	100%	100%	-	100%
Germany	19%	40%	4%	21%	19%	18%
UK	8%	3%	8%	10%	13%	7%
France	1%	2%	8%	5%	0%	4%
GIIPS	1%	1%	4%	5%	0%	2%
Rest of Europe	2%	13%	15%	22%	4%	10%
USA	54%	9%	34%	13%	16%	35%
Australia	3%	11%	8%	12%	7%	7%
Asia	8%	10%	7%	1%	26%	8%
Rest of World	4%	13%	14%	12%	14%	10%
Total	100%	100%	100%	100%	100%	100%
Total b/s values in m. EUR	15,702	7,114	12,314	3,205	1,762	40,097

IFRS figures as at 31 March 2019

Currency allocation matches liability profile of balance sheet

Duration-neutral strategy continued

Currency split of investments



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

Modified duration

Q1/2019	4.9
2018	4.8
2017	4.8
2016	5.0
2015	4.4
2014	4.6

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