

*somewhat
different*



Conference Call on Q3/2019 results

Hannover, 6 November 2019

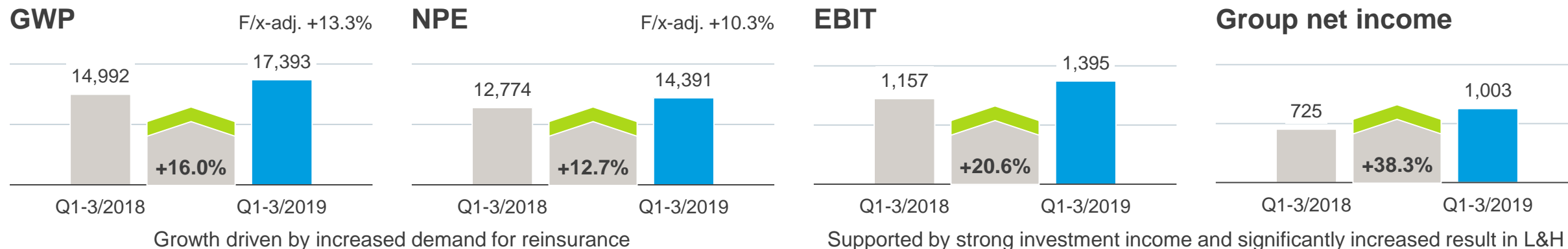
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Group net income increase of 38% outpaces top-line growth

RoE well above target, notwithstanding the increase in equity by 22%



13.7%

Return on Equity

Well above minimum target of 9.4%

EUR 88.97

Book value per share

+22.3% driven by strong earnings and increased valuation reserves

245%

Solvency II ratio

30.06.2019



P&C R/I

EBIT: 919 m.

- Satisfying EBIT margin (9.9%) supported by strong investment result
- C/R of 98.6% above maximum target of 97% due to higher losses and conservative reserving
- Strong premium growth (f/x-adj. +17.5%) driven by diversified growth in traditional business and Structured R/I

Figures in EUR millions, unless otherwise stated



L&H R/I

EBIT: 478 m.

- Strong earnings contribution based on overall favourable underlying profitability as well as positive one-off effect in Q2/2019 and absence of recapture charges for US mortality business in Q3/2019 lead to an EBIT increase of 207%
- Premium growth (f/x-adj. +5.8%) mainly from Asia



Investments

NII: 1,332 m.

- RoI from AuM: 3.5% exceeds minimum target (≥ 2.8%)
- Ordinary investment income increased by 4.8%
- AuM up by 13.3% to more than EUR 47 bn.

Increased result from Life & Health and favourable investment income

Tax ratio supported by one-off tax-privileged investment gains

Group figures in m. EUR

	Q3/2018	Q3/2019	Δ	Q1-3/2018	Q1-3/2019	Δ
Gross written premium	5,007	5,699	+13.8%	14,992	17,393	+16.0%
Net premium earned	4,428	5,036	+13.7%	12,774	14,391	+12.7%
Net underwriting result	(204)	(145)	-29.0%	(104)	(181)	+75.0%
- Incl. funds withheld	(155)	(91)	-41.2%	60	(33)	-156.0%
Net investment income	412	466	+13.2%	1,155	1,332	+15.3%
- From assets under own mgmt.	362	412	+13.8%	992	1,184	+19.4%
- From funds withheld	49	54	+8.9%	163	148	-9.5%
Other income and expenses	42	132	-	105	245	+132.4%
Operating profit/loss (EBIT)	250	453	+81.4%	1,157	1,395	+20.6%
Financing costs	(20)	(21)	+4.5%	(58)	(64)	+9.7%
Net income before taxes	229	432	+88.2%	1,099	1,332	+21.2%
Taxes	(37)	(59)	+61.2%	(310)	(266)	-14.3%
Net income	193	373	+93.4%	789	1,066	+35.1%
- Non-controlling interests	23	32	+41.1%	64	63	-1.1%
Group net income	170	341	+100.4%	725	1,003	+38.3%
Retention	89.7%	90.2%		90.8%	90.5%	
EBIT margin (EBIT/Net premium earned)	5.6%	9.0%		9.1%	9.7%	
Tax ratio	16.1%	13.8%		28.2%	20.0%	
Earnings per share (in EUR)	1.41	2.82		6.01	8.32	

Very strong operating cash flow fuels growth of AuM (+13.3%)

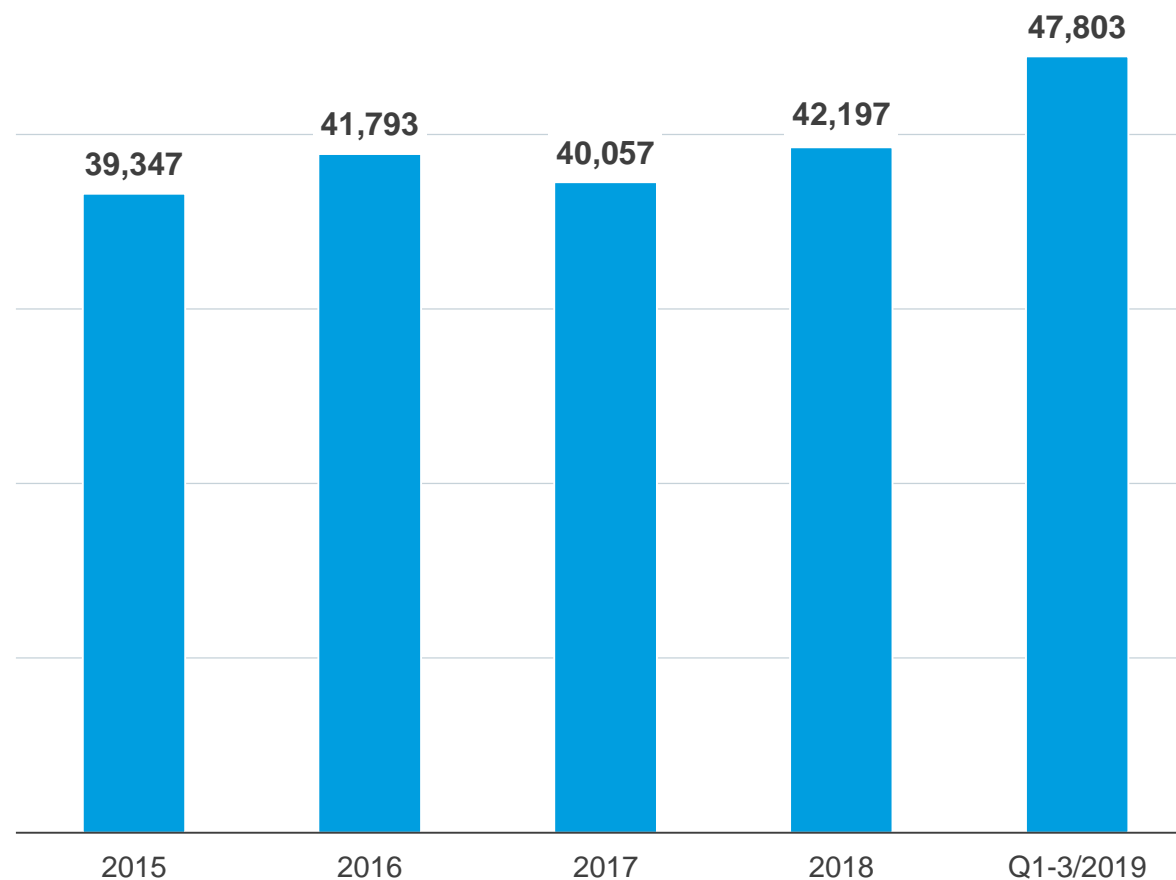
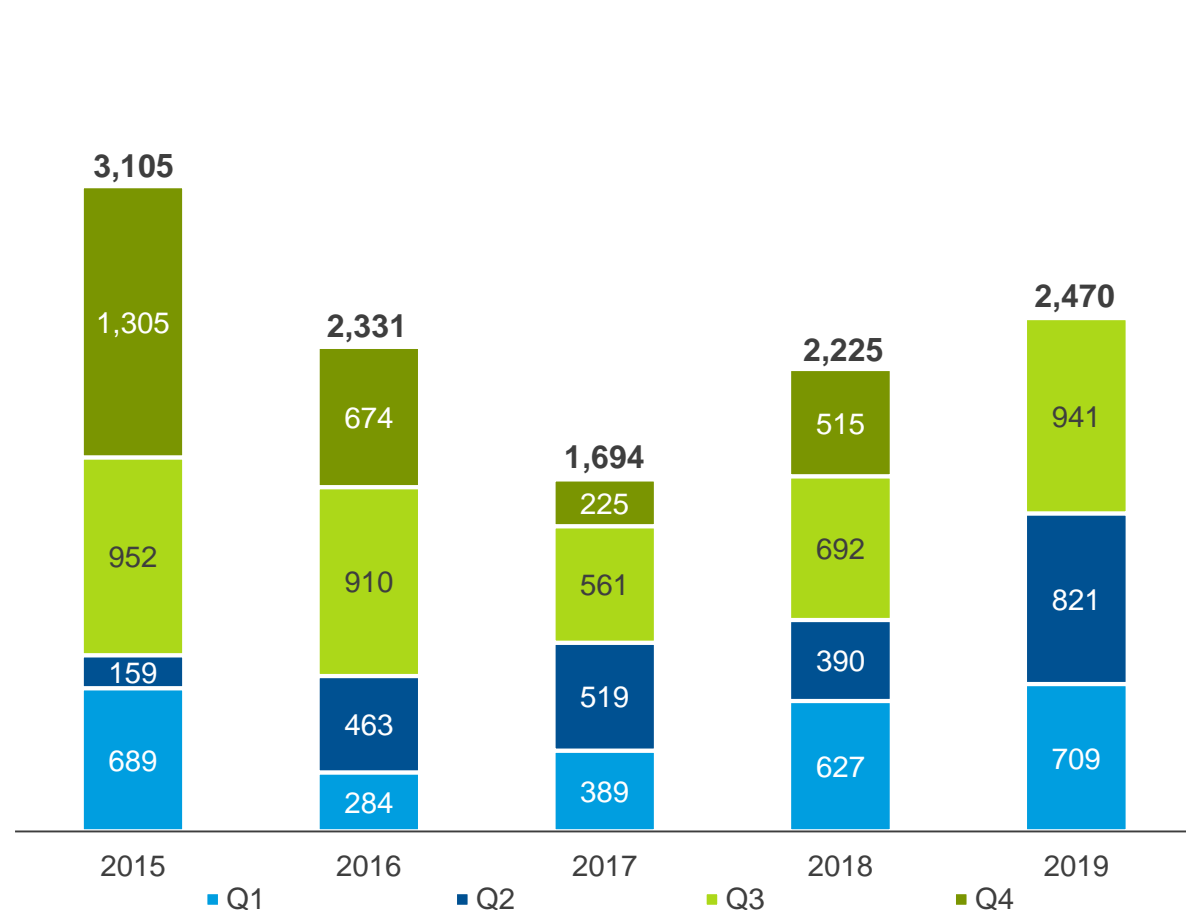
AuM growth further supported by increase in valuation reserves and currency effects

Operating cash flow

in m. EUR

Assets under own management (AuM)

in m. EUR

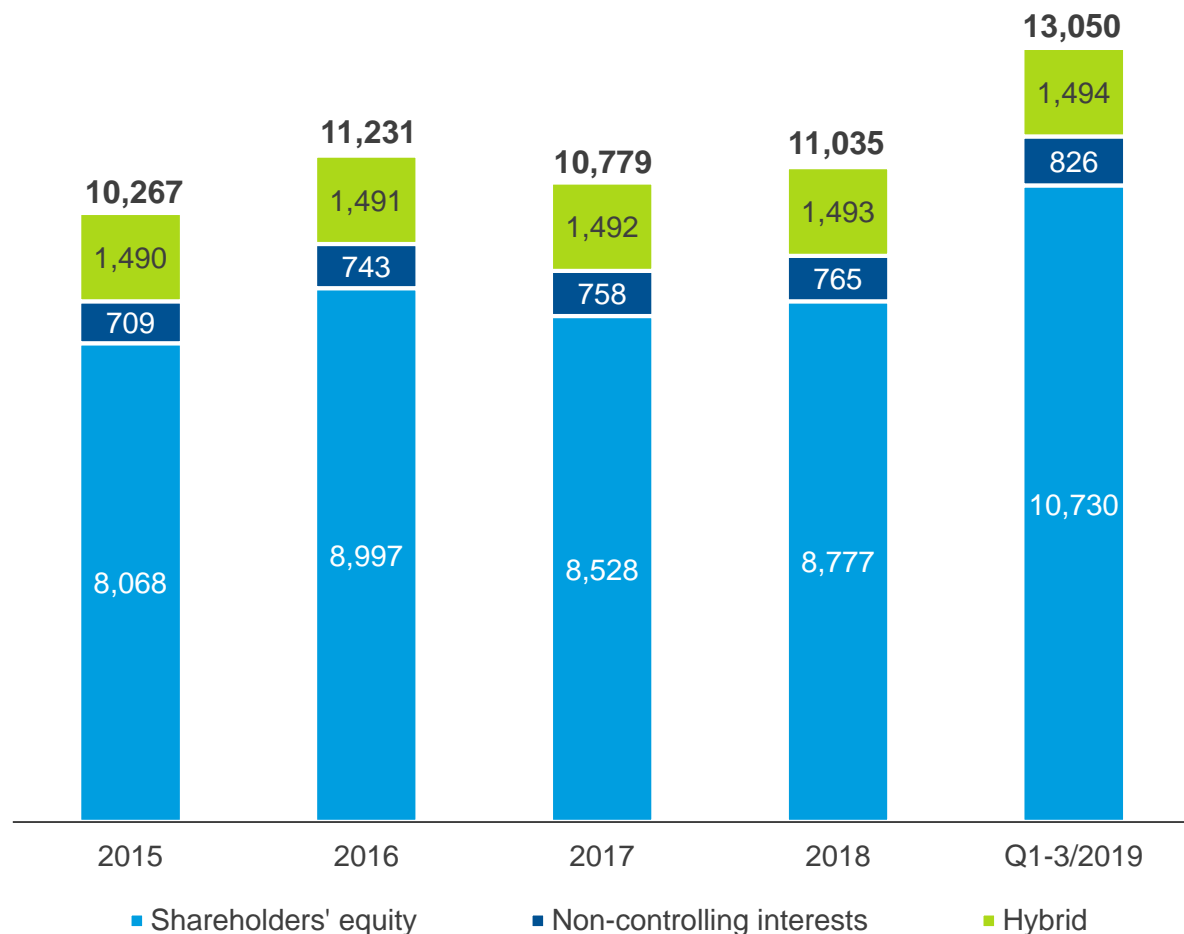


Shareholders' equity up by 22%

Driven by profits and asset valuation

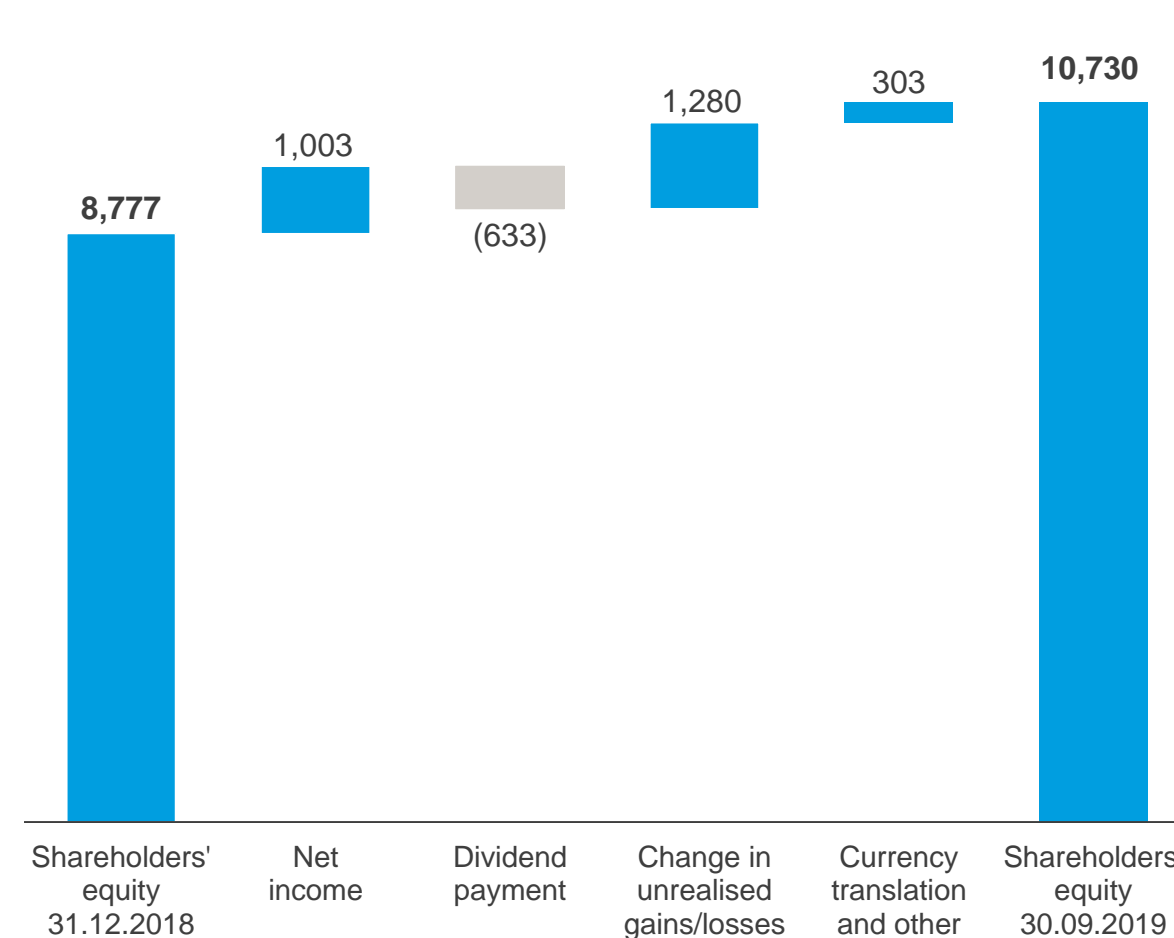
Policyholders' surplus

in m. EUR



Change in shareholders' equity

in m. EUR



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Strong growth based on increasing demand for reinsurance worldwide

Satisfactory results despite high large loss experience in Q3

Property & Casualty R/I in m. EUR	Q3/2018	Q3/2019	Q1-3/2018	Q1-3/2019
Gross written premium	3,190	3,806	9,658	11,653
Net premium earned	2,842	3,318	8,017	9,282
Net underwriting result incl. funds withheld	38	(70)	259	125
Combined ratio incl. interest on funds withheld	98.7%	102.1%	96.8%	98.6%
Net investment income from assets under own management	271	292	757	768
Other income and expenses	6	40	(13)	26
Operating profit/loss (EBIT)	315	262	1,004	919
Tax ratio	17.6%	8.3%	26.8%	23.6%
Group net income	238	209	672	640
Earnings per share (in EUR)	1.97	1.73	5.58	5.31

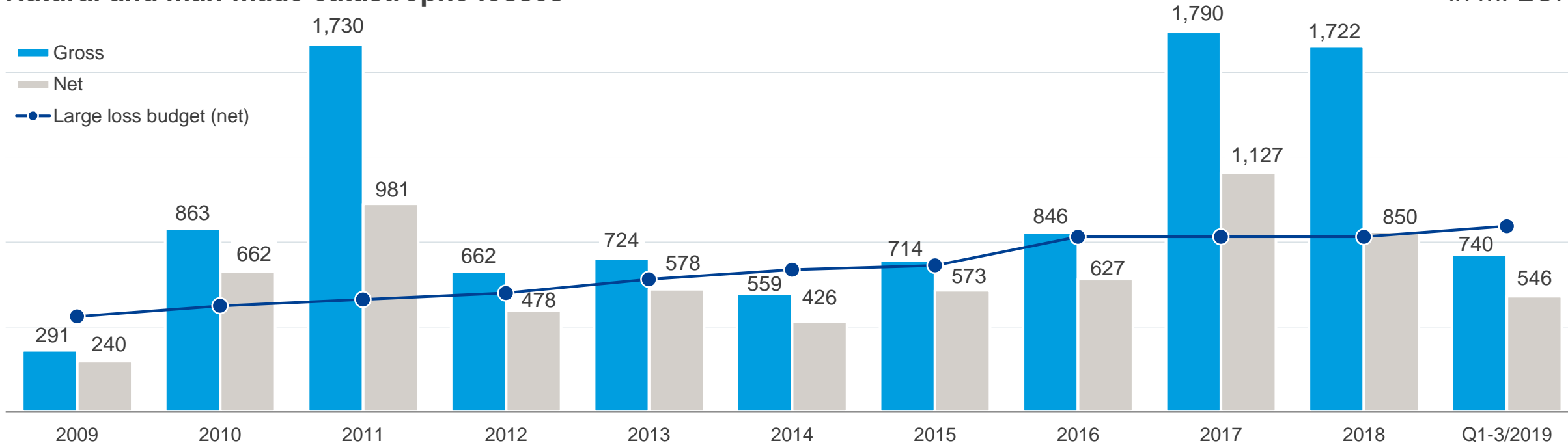
YTD

- GWP f/x-adjusted +17.5%, growth from traditional reinsurance as well as Structured R/I
- NPE f/x-adjusted +13.1%
- After heavy losses in Q3/2019 we are still within the budget for Q1-3/2019 of EUR 665 m.; large losses totalled EUR 546 m. (5.9% of NPE)
- High loss burden, negative development of Typhoon Jebi and conservative reserving impacted the combined ratio
- Increase in net investment income driven by strong ordinary investment result
- EBIT margin of 9.9% slightly below target of 10%
- Tax ratio slightly lower due to tax-privileged disposal gains from real estate and disposal of participation

Significantly increased large-loss experience in Q3/2019... ...after a very benign 1H/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%	6%	6%
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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

Remaining budget for the 4th quarter: 330 m. EUR

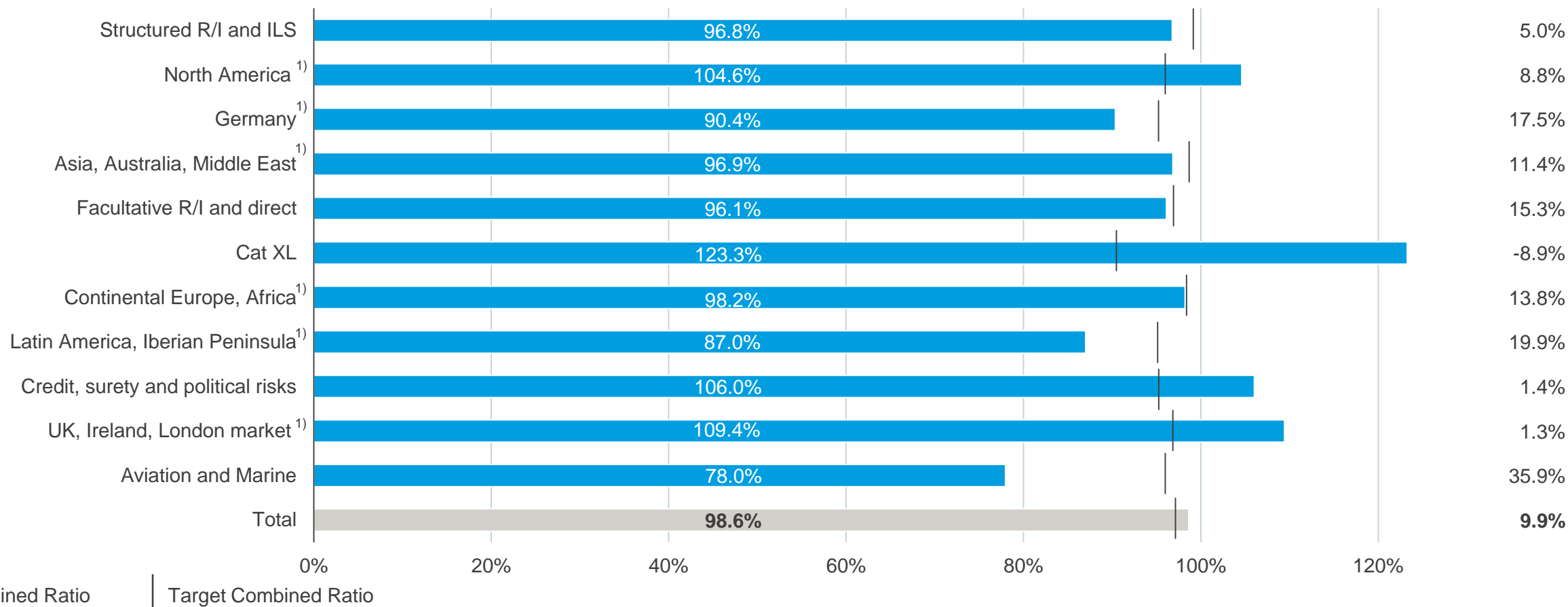
Catastrophe losses ¹⁾ in m. EUR	Date	Gross	Net
Earthquake, Chile	19 - 20 Jan	10.6	10.6
Flood, Australia	26 Jan - 7 Feb	37.2	28.3
Storm "Eberhard", Germany	10 - 11 Mar	17.3	11.3
Storm / flood, USA	12 - 13 Mar	15.2	14.1
Hailstorm "Jörn", Germany	10 Jun	15.5	10.7
Hurricane "Dorian", Bahamas, USA	1 Sep	207.7	186.6
Typhoon "Faxai", Japan	8 Sep	167.2	75.9
7 Natural catastrophes		470.8	337.5
1 Marine claim		16.1	7.8
2 Aviation claims		87.7	39.0
3 Property claims		52.6	49.2
1 Credit claim		112.4	112.4
14 Major losses		739.7	545.9

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

Higher loss experience and conservative reserving... ...lead to a Combined Ratio above target

Q1-3/2019: Combined Ratio vs. Target Combined Ratio

EBIT margin



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

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Strong earnings contribution from Life & Health reinsurance...

...US mortality performance is slightly better than expected

Life & Health R/I in m. EUR	Q3/2018	Q3/2019	Q1-3/2018	Q1-3/2019
Gross written premium	1,817	1,894	5,335	5,740
Net premium earned	1,586	1,717	4,757	5,109
Net underwriting result incl. funds withheld	(193)	(20)	(199)	(159)
Net investment income from assets under own management	91	119	232	414
Other income and expenses	38	93	122	222
Operating profit/loss (EBIT)	(64)	192	155	478
EBIT margin	(4.0%)	11.2%	3.3%	9.4%
Tax ratio	18.0%	23.8%	39.3%	15.1%
Group net income	(54)	145	93	403
Earnings per share (in EUR)	-0.45	1.20	0.77	3.34

YTD

- GWP f/x-adjusted +5.8%, mainly from Asia
- NPE f/x-adjusted growth +5.6%
- Result from US mortality improved significantly due to in-force management actions. Technical result still negatively impacted by Australian disability business and UK mortality business in 1H/2019
- Extraordinary gain from restructuring of participation in Q2/2019 (EUR 99.5 m.). Favourable ordinary investment income and change in fair value of financial instruments
- Other income and expenses mainly the result of strong contribution from deposit accounted treaties in US Financial Solutions in amount of EUR 211 m. (Q1-3/2018: EUR 144 m.)
- EBIT growth far above target
- Low tax ratio due to tax-reduced investment gains

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Very pleasing ordinary investment income

Realisations driven by one-off in L&H and profitable real estate transactions

in m. EUR	Q3/2018	Q3/2019	Q1-3/2018	Q1-3/2019	RoI	YTD
Ordinary investment income ¹⁾	360	349	994	1,051	3.1%	<ul style="list-style-type: none"> Rise in ordinary income from fixed-income securities and real estate as well as strong results from private equity investments
Realised gains/losses	47	72	101	200	0.6%	
Impairments/appreciations & depreciations	(16)	(12)	(37)	(53)	-0.2%	<ul style="list-style-type: none"> Realised gains driven by restructuring of participation in L&H and disposals of two real estate objects
Change in fair value of financial instruments (through P&L)	0	33	20	77	0.2%	
Investment expenses	(29)	(30)	(86)	(90)	-0.3%	<ul style="list-style-type: none"> RoI excl. L&H one-off effect still at a pleasing 3.2%
NII from assets under own management	362	412	992	1,184	3.5%	
NII from funds withheld	49	54	163	148		<ul style="list-style-type: none"> Positive development of fair value changes through P&L mostly due to financial derivatives
Total net investment income	412	466	1,155	1,332		
Unrealised gains/losses of investments			31 Dec 18	30 Sep 19		<ul style="list-style-type: none"> Significant rise in valuation reserves due to lower EUR, USD and GBP yields as well as lower credit spreads on corporates
On-balance sheet			500	2,281		
thereof Fixed income AFS			91	1,808		
Off-balance sheet			498	500		
thereof Fixed income HTM, L&R			227	287		
Total			998	2,781		

1) Incl. results from associated companies

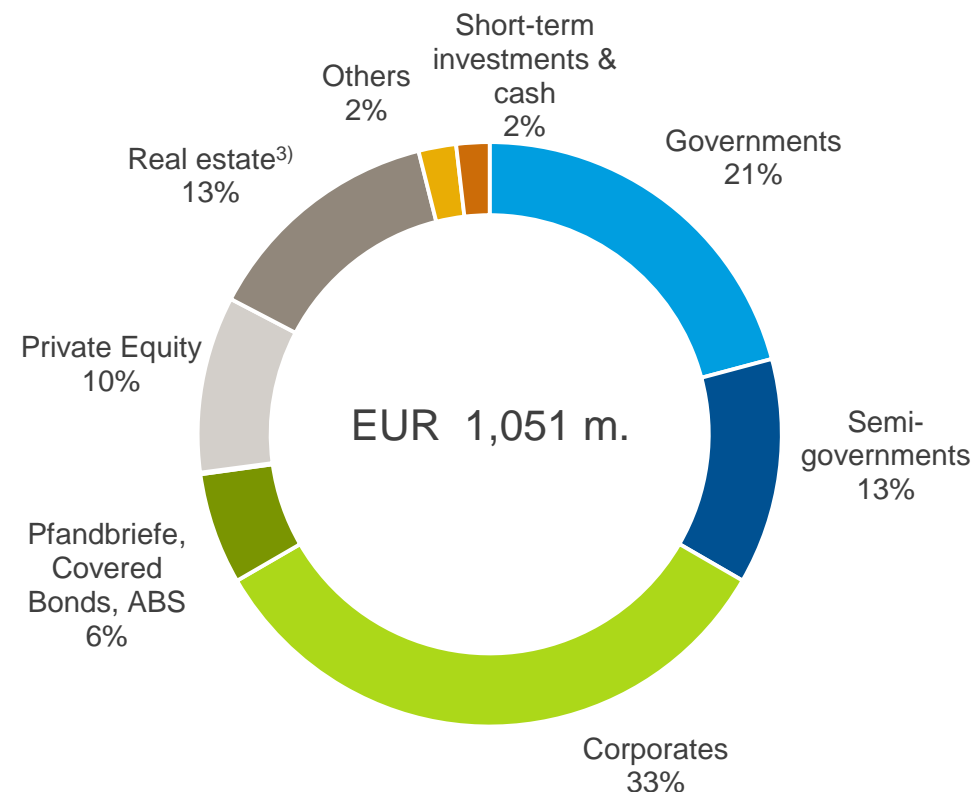
Ordinary investment income well supported by alternative asset classes

Slightly more defensive credit quality offset by shifts towards emerging markets

Asset allocation¹⁾

Investment category	2015	2016	2017	2018	30 Sep 2019
Fixed-income securities	87%	87%	87%	87%	86%
- Governments	26%	28%	30%	35%	34%
- Semi-governments	17%	18%	17%	16%	16%
- Corporates	34%	33%	32%	29%	30%
Investment grade	30%	28%	27%	25%	26%
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	48.3

Ordinary investment 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 1,427.1 m. (EUR 1,326.4 m.) as at 30 September 2019

2) Of which Pfandbriefe and Covered Bonds = 68.6%

3) Before real estate-specific costs. Economic view based on market values as at 30 September 2019

Target Matrix

Most targets achieved in Q1-3/2019

Business group	Key figures	Targets for 2019	Q1-3/2019
Group	Return on investment ¹⁾	≥ 2.8%	3.5% ✓
	Return on equity ²⁾	≥ 9.4%	13.7% ✓
	Earnings per share growth (y-o-y)	≥ 5%	38.3% ✓
	Economic value creation ³⁾	≥ 6.4%	n.a.
	Solvency ratio ⁴⁾	≥ 200%	245.0% ✓
Property & Casualty R/I	Gross premium growth ⁵⁾	3 - 5%	17.5% ✓
	Combined ratio ⁶⁾	≤ 97%	98.6%
	EBIT margin ⁷⁾	≥ 10%	9.9%
	xRoCA ⁸⁾	≥ 2%	n.a.
Life & Health R/I	Gross premium growth ⁹⁾	3 - 5%	5.8% ✓
	Value of New Business (VNB) ¹⁰⁾	≥ EUR 220 m.	n.a.
	EBIT growth ¹¹⁾	≥ 5%	207.7% ✓
	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 30 June 2019

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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Improved Guidance for 2019

Hannover Re Group

- Gross written premium¹⁾ _____ ~ 10% growth
- Return on investment^{2) 3) 5)} _____ at least 3.2%
- Group net income^{2) 5)} _____ > EUR 1.25 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

5) Including positive one-off effect in L&H of -EUR 100 million

Overall profitability in line with margin requirements in Property & Casualty

Financial year 2019

Reporting categories

Reporting categories	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

Improved profitability in L&H due to reduced burden from US mortality business

Financial year 2019

Reporting categories

Reporting categories	Volume ¹⁾	Profitability ²⁾
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)

Guidance for 2020

Hannover Re Group

- Gross written premium¹⁾ _____ ~ 5% growth
- Return on investment^{2) 3)} _____ ~ 2.7%
- Group net income²⁾ _____ ~ EUR 1.2 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 2020 not exceeding the large loss budget of EUR 975 m.

3) Excluding effects from ModCo derivatives

4) Relative to group net income according to IFRS

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Our strategic business groups at a glance

Q1-3/2019 vs. Q1-3/2018

in m. EUR	Property & Casualty R/I		Life & Health R/I		Total	
	Q1-3/2018	Q1-3/2019	Q1-3/2018	Q1-3/2019	Q1-3/2018	Q1-3/2019
Gross written premium	9,658	11,653	5,335	5,740	14,992	17,393
Change in GWP	-	+20.7%	-	+7.6%	-	+16.0%
Net premium earned	8,017	9,282	4,757	5,109	12,774	14,391
Net underwriting result	233	92	(336)	(272)	(104)	(181)
Net underwriting result incl. funds withheld	259	125	(199)	(159)	60	(33)
Net investment income	784	802	369	528	1,155	1,332
From assets under own management	757	768	232	414	992	1,184
From funds withheld	27	34	137	114	163	148
Other income and expenses	(13)	26	122	222	105	245
Operating profit/loss (EBIT)	1,004	919	155	478	1,157	1,395
Financing costs	(0)	(2)	0	(1)	(58)	(64)
Net income before taxes	1,004	917	155	477	1,099	1,332
Taxes	(269)	(216)	(61)	(72)	(310)	(266)
Net income	735	701	94	405	789	1,066
Non-controlling interest	62	61	1	2	64	63
Group net income	672	640	93	403	725	1,003
Retention	90.9%	90.8%	90.6%	89.9%	90.8%	90.5%
Combined ratio (incl. interest on funds withheld)	96.8%	98.6%	-	-	-	-
EBIT margin (EBIT / Net premium earned)	12.5%	9.9%	3.3%	9.4%	9.1%	9.7%
Tax ratio	26.8%	23.6%	39.3%	15.1%	28.2%	20.0%
Earnings per share (in EUR)	5.58	5.31	0.77	3.34	6.01	8.32

Our strategic business groups at a glance

Q3/2019 vs. Q3/2018

in m. EUR	Property & Casualty R/I		Life & Health R/I		Total	
	Q3/2018	Q3/2019	Q3/2018	Q3/2019	Q3/2018	Q3/2019
Gross written premium	3,190	3,806	1,817	1,894	5,007	5,699
Change in GWP	-	+19.3%	-	+4.2%	-	+13.8%
Net premium earned	2,842	3,318	1,586	1,717	4,428	5,036
Net underwriting result	28	(81)	(232)	(63)	(204)	(145)
Net underwriting result incl. funds withheld	38	(70)	(193)	(20)	(155)	(91)
Net investment income	281	303	130	162	412	466
From assets under own management	271	292	91	119	362	412
From funds withheld	10	11	39	43	49	54
Other income and expenses	6	40	38	93	42	132
Operating profit/loss (EBIT)	315	262	(64)	192	250	453
Financing costs	(0)	(1)	0	0	(20)	(21)
Net income before taxes	315	262	(64)	191	229	432
Taxes	(55)	(22)	12	(45)	(37)	(59)
Net income	259	240	(53)	146	193	373
Non-controlling interest	21	31	1	1	23	32
Group net income	238	209	(54)	145	170	341
Retention	89.9%	89.4%	89.4%	91.8%	89.7%	90.2%
Combined ratio (incl. interest on funds withheld)	98.7%	102.1%	-	-	-	-
EBIT margin (EBIT / Net premium earned)	11.1%	7.9%	(4.0%)	11.2%	5.6%	9.0%
Tax ratio	17.6%	8.3%	18.0%	23.8 %	16.1%	13.8%
Earnings per share (in EUR)	1.97	1.73	(0.45)	1.20	1.41	2.82

Stress tests on assets under own management

Unchanged focus on yields and credit risks

Portfolio	Scenario	Change in market value in m. EUR	Change in OCI before tax in m. EUR
Equity (listed and private equity)	-10%	-109	-109
	-20%	-218	-218
Fixed-income securities	+50 bps	-1,158	-1,092
	+100 bps	-2,249	-2,120
Credit spreads	+50%	-824	-815

As at 30 September 2019

High-quality fixed income book well balanced

Geographical allocation mainly in accordance with our broad business diversification

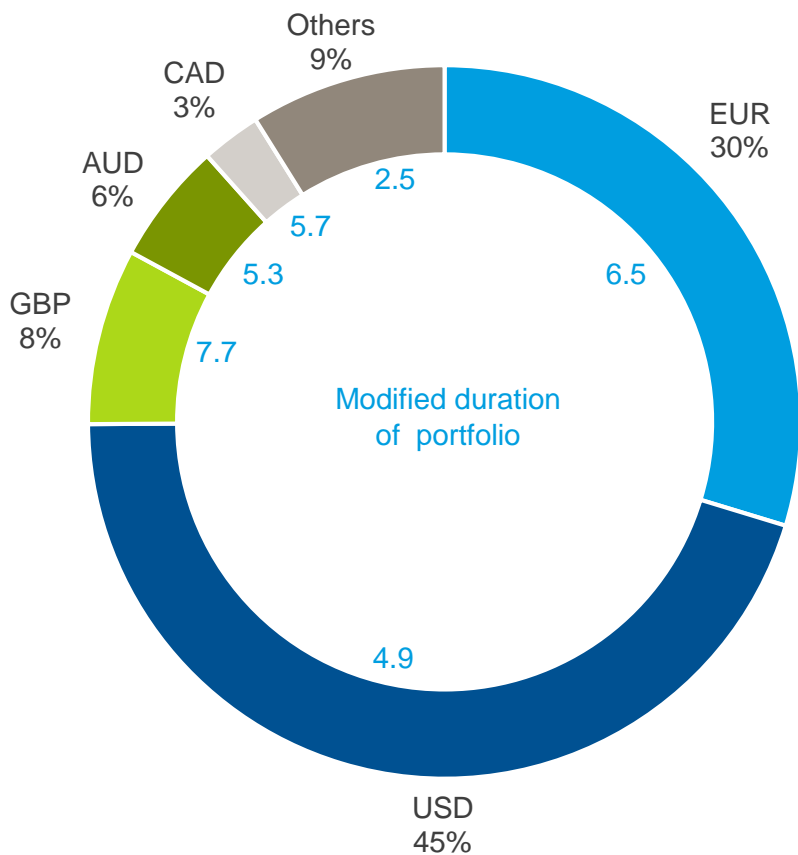
	Governments	Semi-governments	Corporates	Pfandbriefe, Covered bonds, ABS	Short-term investments, cash	Total
AAA	77%	56%	1%	59%	-	46%
AA	13%	26%	13%	24%	-	16%
A	6%	6%	29%	11%	-	14%
BBB	3%	1%	48%	5%	-	18%
<BBB	2%	10%	9%	1%	-	6%
Total	100%	100%	100%	100%	-	100%
Germany	21%	39%	4%	19%	22%	18%
UK	8%	3%	7%	10%	10%	7%
France	1%	2%	8%	5%	1%	4%
GIIPS	0%	2%	6%	6%	0%	3%
Rest of Europe	3%	12%	12%	21%	2%	9%
USA	51%	9%	34%	14%	16%	34%
Australia	2%	13%	4%	6%	6%	5%
Asia	13%	20%	15%	12%	37%	16%
Rest of World	2%	0%	10%	6%	7%	5%
Total	100%	100%	100%	100%	100%	100%
Total b/s values in m. EUR	16,273	7,391	13,700	3,291	2,103	42,759

IFRS figures as at 30 September 2019

Currency allocation matches liability profile of balance sheet

Duration-neutral strategy continued; slightly longer reserve profiles

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

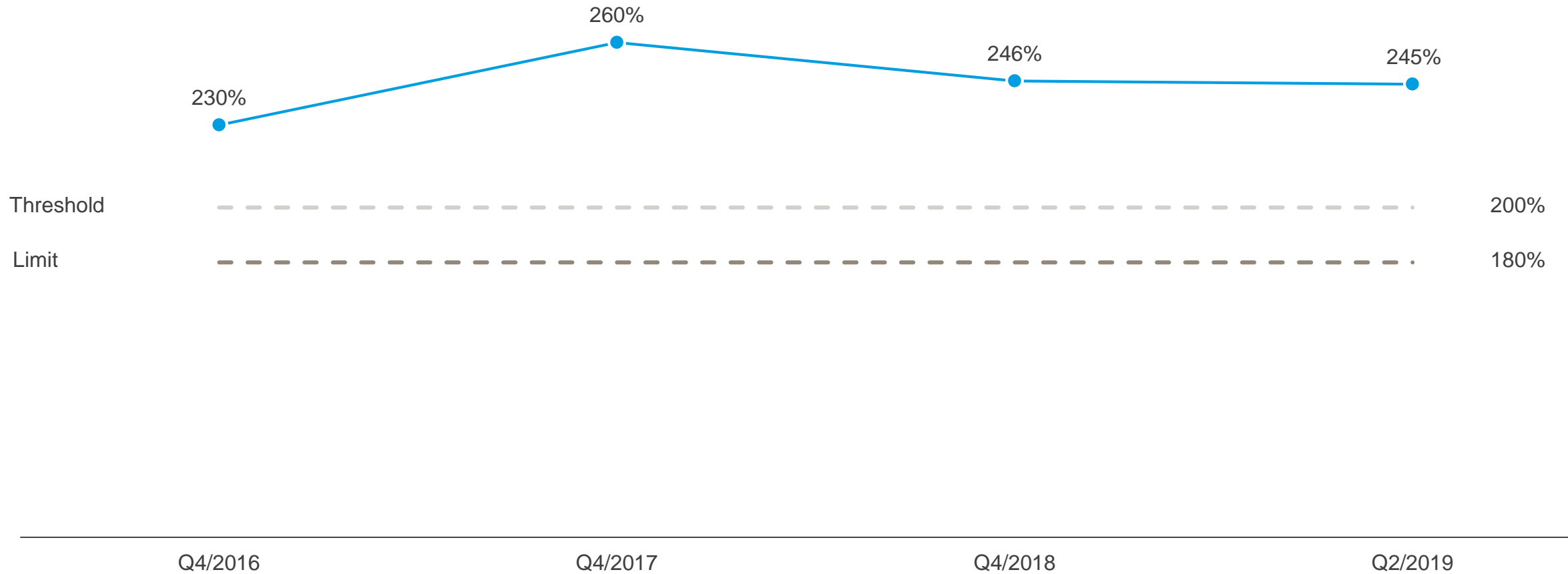
Modified duration

Q3/2019	5.4
2018	4.8
2017	4.8
2016	5.0
2015	4.4
2014	4.6

Solvency II ratio (regulatory view)

Hannover Re Group

Development of the Solvency II ratio (regulatory view)



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