



somewhat  
different

# Hannover Re: the somewhat different reinsurer

May 2022

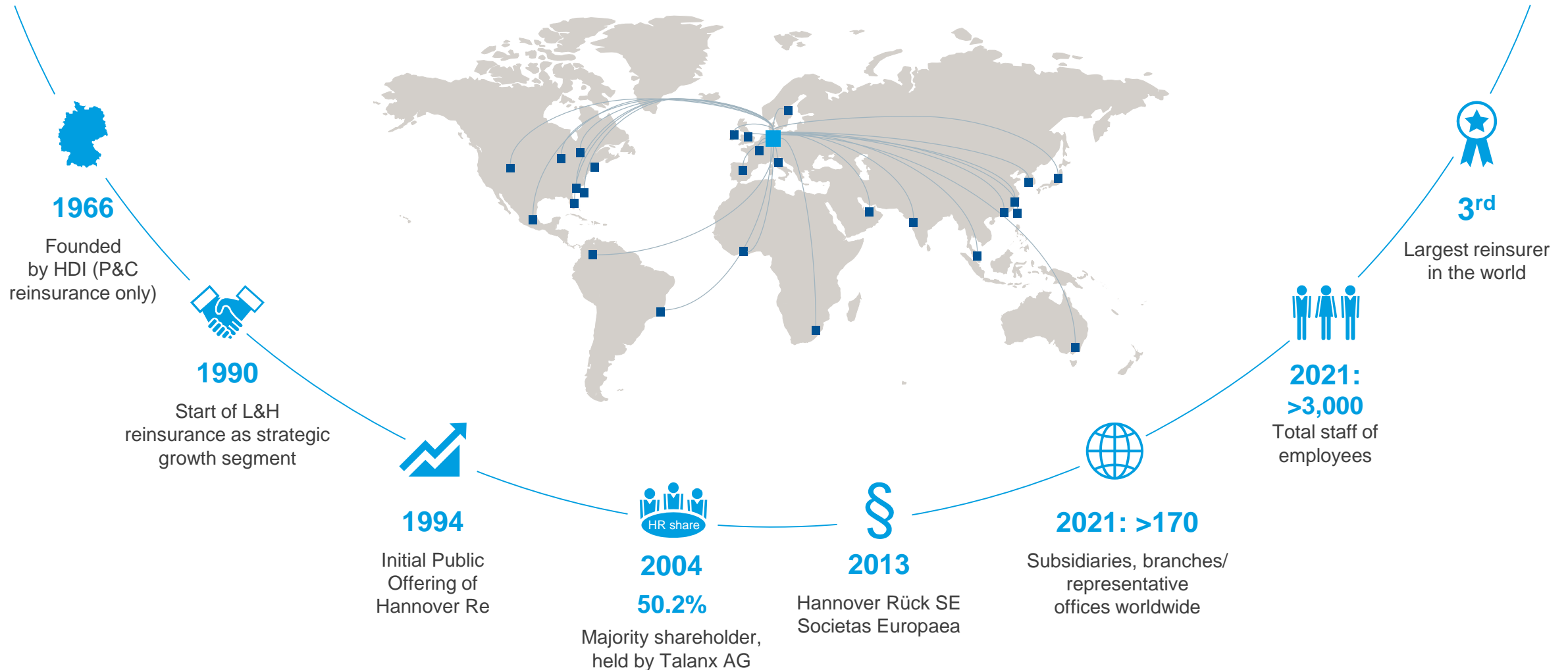
*hannover* **re**<sup>®</sup>

# Agenda

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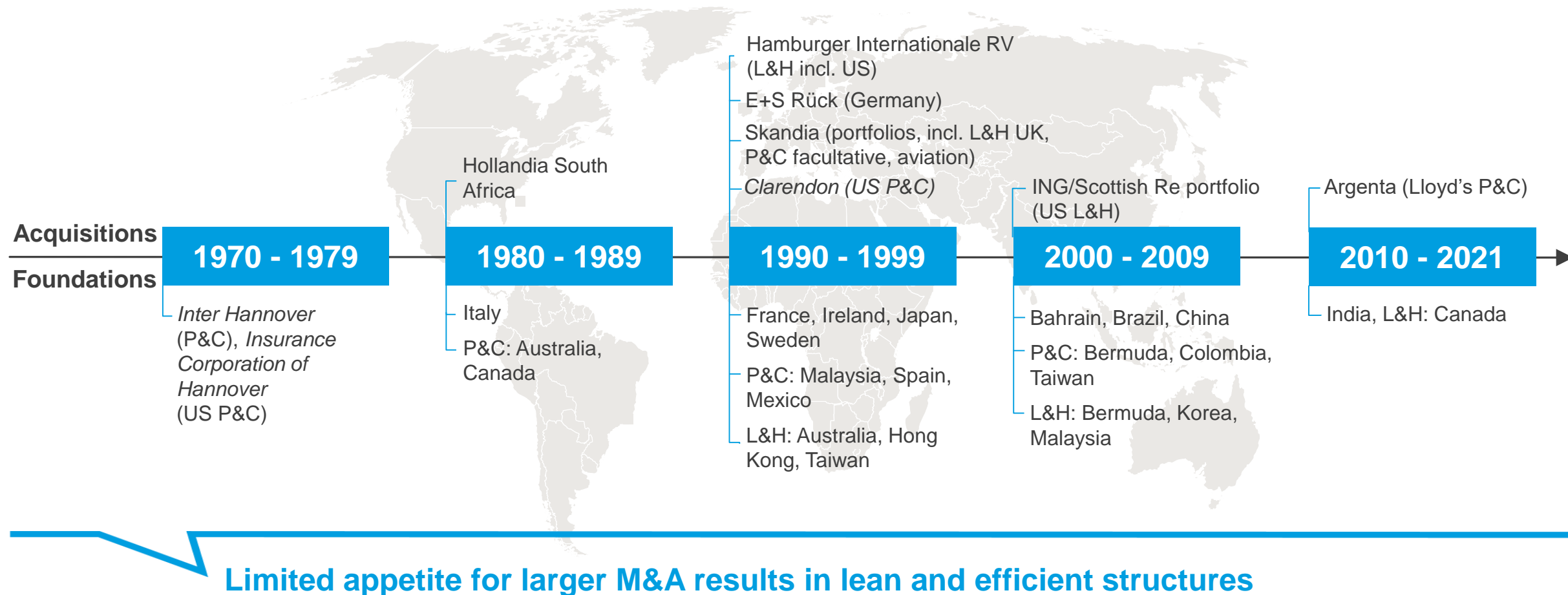
<b>1</b>	<b>Hannover Re Group</b>	<b>2</b>
<b>2</b>	<b>Property &amp; Casualty reinsurance</b>	<b>33</b>
<b>3</b>	<b>Life &amp; Health reinsurance</b>	<b>47</b>
<b>4</b>	<b>Investment management</b>	<b>61</b>
<b>5</b>	<b>Capital management</b>	<b>68</b>
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<b>7</b>	<b>Outlook</b>	<b>89</b>
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# Key facts about Hannover Re



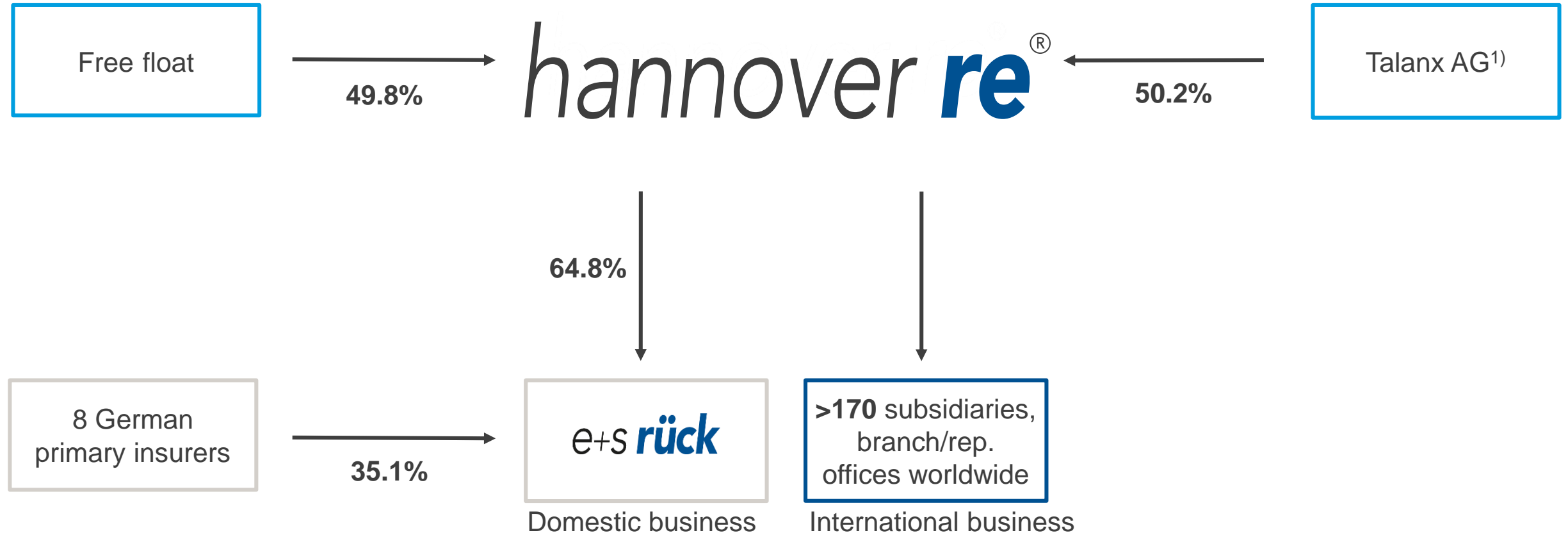
# Growth and international expansion mainly organically driven

## M&A activity not accompanied by high integration cost and complexity



Overview of main/material transactions (and main parts of acquisitions) without e.g. minority shareholdings  
 All lines of business except those stated separately  
*italic* = (at least in part) sold

## Group structure supports our business model



1) Majority shareholder HDI V.a.G.



# Executive Board of Hannover Rück SE



**Chief Executive Officer**

**Jean-Jacques Henchoz**

Compliance, Controlling, Innovation Management, Human Resources Management, Internal Auditing, Risk Management, Corporate Development, Corporate Communications



**Chief Financial Officer**

**Clemens Jungsthöfel**

Finance and Accounting, Information Technology, Investment and Collateral Management, Facility Management



**Dr. Michael Pickel**

APAC & Middle East, Germany, Switzerland, Austria, Italy, Latin America, Iberian Peninsula and Agricultural Risks, Group Legal Services, Run Off Solutions



**Sven Althoff**

North America, Aviation and Marine, Credit, Surety and Political Risks, UK, Ireland and London Market, Facultative R/I, Coordination of Property & Casualty Business Group, Quotations



**Silke Sehm**

Continental Europe and Africa, Catastrophe XL (Cat XL), Structured R/I and ILS, Retrocessions



**Claude Chèvre**

Africa, Asia, Australia/ New Zealand, Latin America, Western and Southern Europe, Longevity Solutions



**Dr. Klaus Miller**

North America, United Kingdom/ Ireland, Northern, Eastern and Central Europe

# We are among the top reinsurers in the world

## Premium ranking 2020 in m. USD

Rank Group	Country	GWP	NPW
1 Munich Re	DE	45,846	43,096
2 Swiss Re	CH	36,579	34,293
<b>3 Hannover Re<sup>1)</sup></b>	<b>DE</b>	<b>30,421</b>	<b>26,232</b>
4 SCOR	FR	20,106	17,910
5 Berkshire Hathaway Inc.	US	19,195	19,195
6 China Re	CN	16,665	15,453
7 Lloyd's <sup>2)</sup>	UK	16,511	12,213
8 Canada Life Re	CA	14,552	14,497
9 RGA	US	12,583	11,694
10 Korean Re	KR	7,777	5,432
11 Everest Re	BM	7,282	6,768
12 PartnerRe	BM	6,876	6,301
13 General Insurance Corporation of India <sup>3)</sup>	IN	6,481	5,773
14 RenaissanceRe	BM	5,806	4,096
15 AXA XL	US	5,326	4,201

For further information please see A. M. Best "Market Segment Report" September 2021 (© A.M. Best Europe - Information Services Ltd. - used by permission)

1) Net premium written data not reported; net premium earned substituted

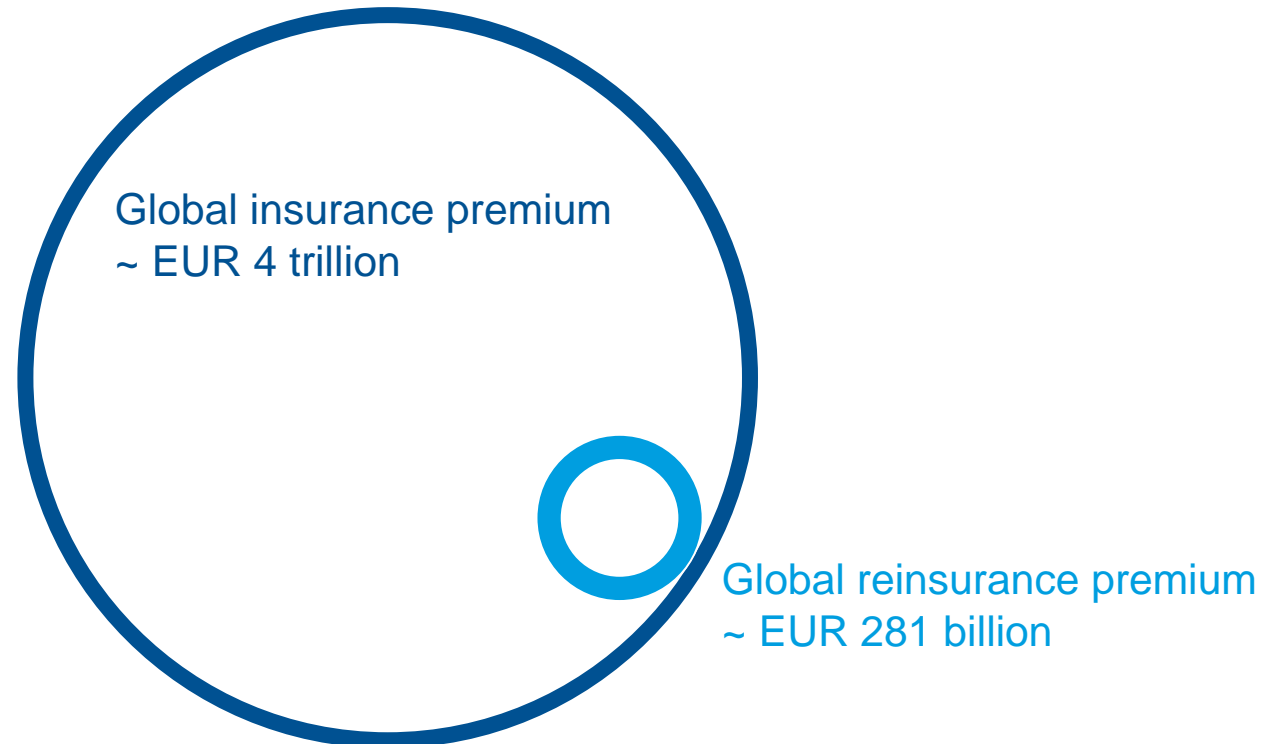
2) Reinsurance only

3) Fiscal year-end 31 March 2021

# Reinsurance has the character of a specialty market

With a share of 7% of the overall insurance market

## Market size primary insurance vs. reinsurance



2020 or latest. Global reinsurance premium: gross written premium of the Top 50 Global Reinsurance Groups according to A.M. Best "Segment Report" (September 2021)  
Source: © A.M. Best Europe - Information Services Ltd. - used by permission, own research



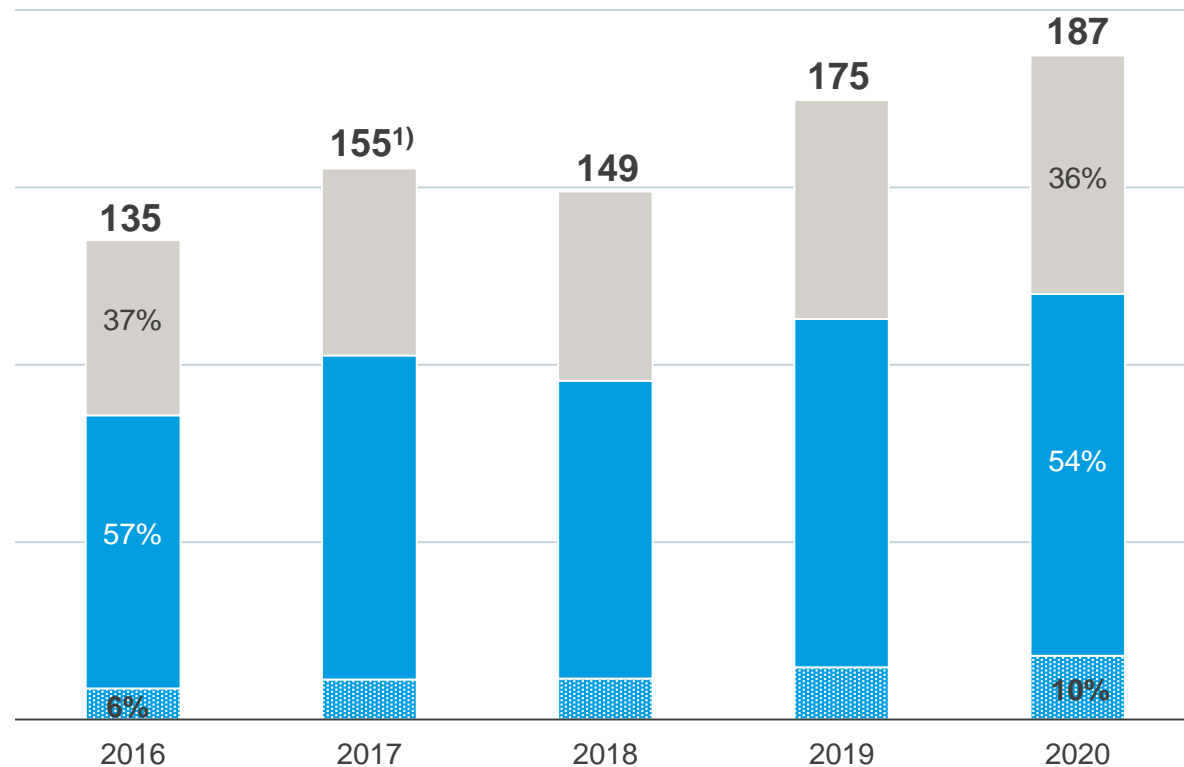
# Growing Property and Casualty reinsurance market

## Hannover Re outperforms the market

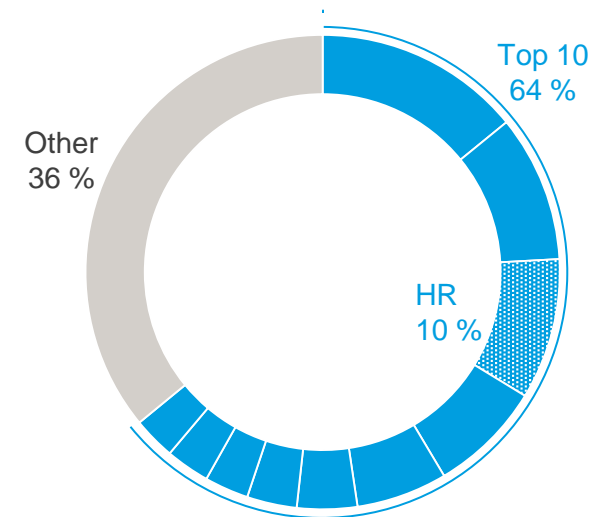
### Market size and concentration 2020

in bn. EUR

■ Hannover Re ■ Top 10 ■ Other



### Market share 2020



- Low market entry barriers lead to high fragmentation

### 4-year CAGR

Market	+8.5%	Top 10	+8.8%
Other	+8.0%	HR	<b>+19.5%</b>

Market: Sum of Non-life GWP of Top 50 Global Reinsurance Groups according to A.M. Best "Segment Report" (Sept 2021)

Top 10 in 2020: Munich Re, Swiss Re, Hannover Re, Lloyd's, Berkshire Hathaway, SCOR, Everest Re, Korean Re, China Re, General Insurance Corporation of India

Source: © A.M. Best Europe - Information Services Ltd. - used by permission

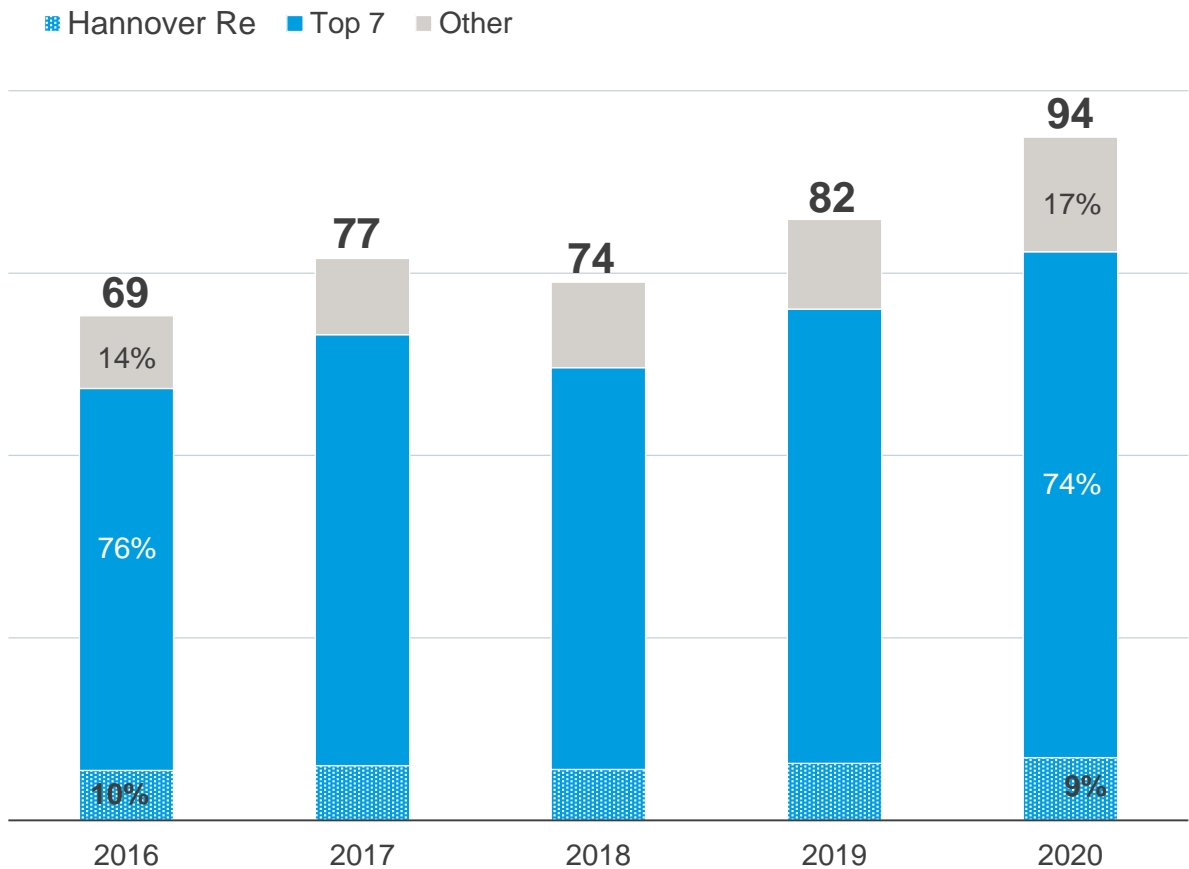
1) Includes one-off Berkshire Hathaway AIG transaction

# Life and Health reinsurance in a global perspective

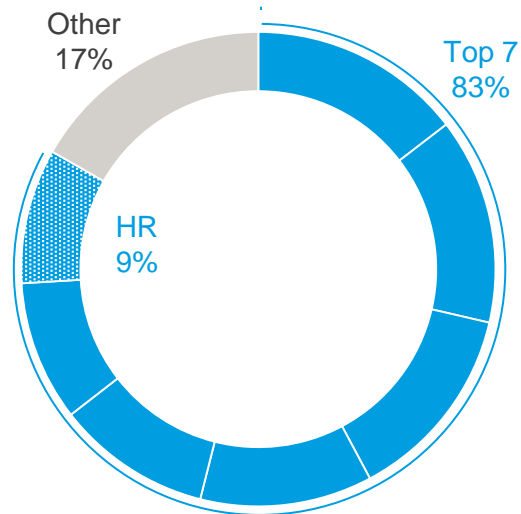
## Concentrated market due to high entry barriers

### Market size and concentration 2020

in bn. EUR



### Market share 2020



- High market entry barriers lead to a highly concentrated market

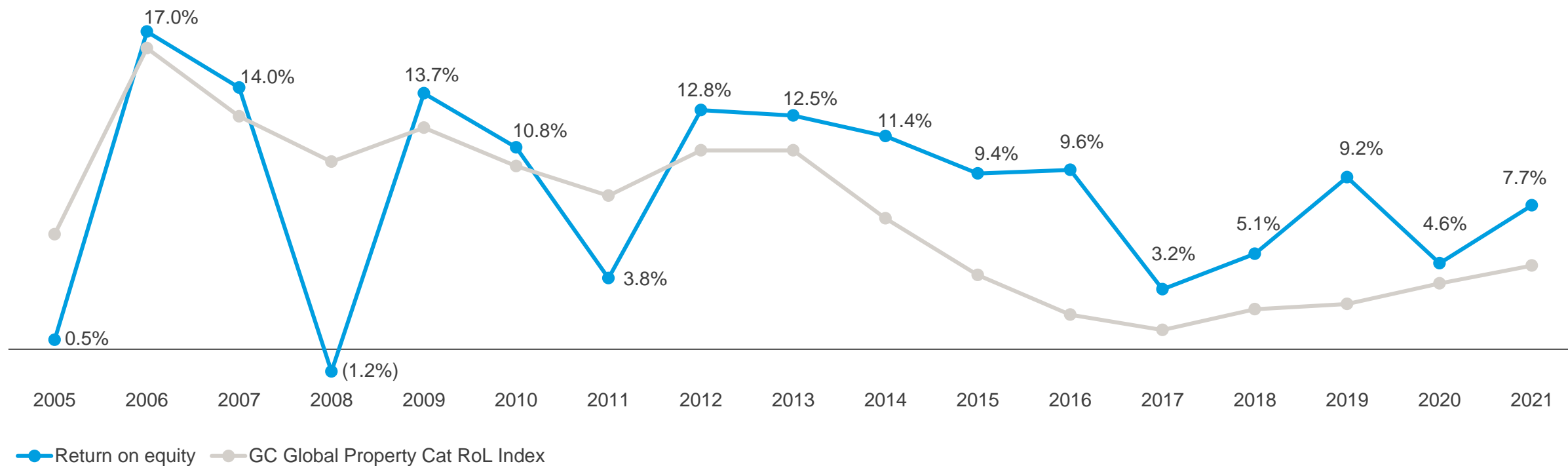
### 4-year CAGR

Market	+7.9%	Top 7	+7.1%
Other	+12.0%	HR	+5.9%

Market: Sum of Life GWP of Top 50 Global Reinsurance Groups according to A.M. Best "Segment Report" (Sept 2021)  
 Top 7 in 2020: Munich Re, Swiss Re, Canada Life Re, RGA, SCOR, China Re, Hannover Re  
 Source: © A.M. Best Europe - Information Services Ltd. - used by permission

# Reinsurance industry returns in recent years highlight the need for further improvements in reinsurance pricing

## Development of return on equity and Guy Carpenter Global Property Cat RoL Index



Source: Artemis GC RoL Index  
Return on equity based on company data (Top 10 of the Global Reinsurance Index (GloRe) with more than 50% reinsurance business 2005 - 2021), own calculation

# Reinsurance is and will be an attractive product

## Drivers for reinsurance demand

### Drivers



#### Global trends

- Value concentration
- Protection gap
- Demographic change

#### New products/markets

- Emerging markets
- Digitalisation/Cyber
- Emerging risks

#### Capital requirement

- Regulatory changes
- Risk-based capital models
- Ratings, local GAAP, IFRS

#### Volatile earnings

- Expectations of shareholders, regulators and rating agencies

### Impact on insurance



- Increasing demand for insurance of non-diversifying risks
- New risks lead to higher volatility and need for additional know-how
- High cost of capital/need for capital management

### Value proposition R/I



- Strong capital base
- Diversification
- Expertise in risk management
- Support and expertise in product development and pricing
- Optimising capital requirements
- Reducing cost of capital
- Managing earnings volatility
- Support in distributing products in new markets

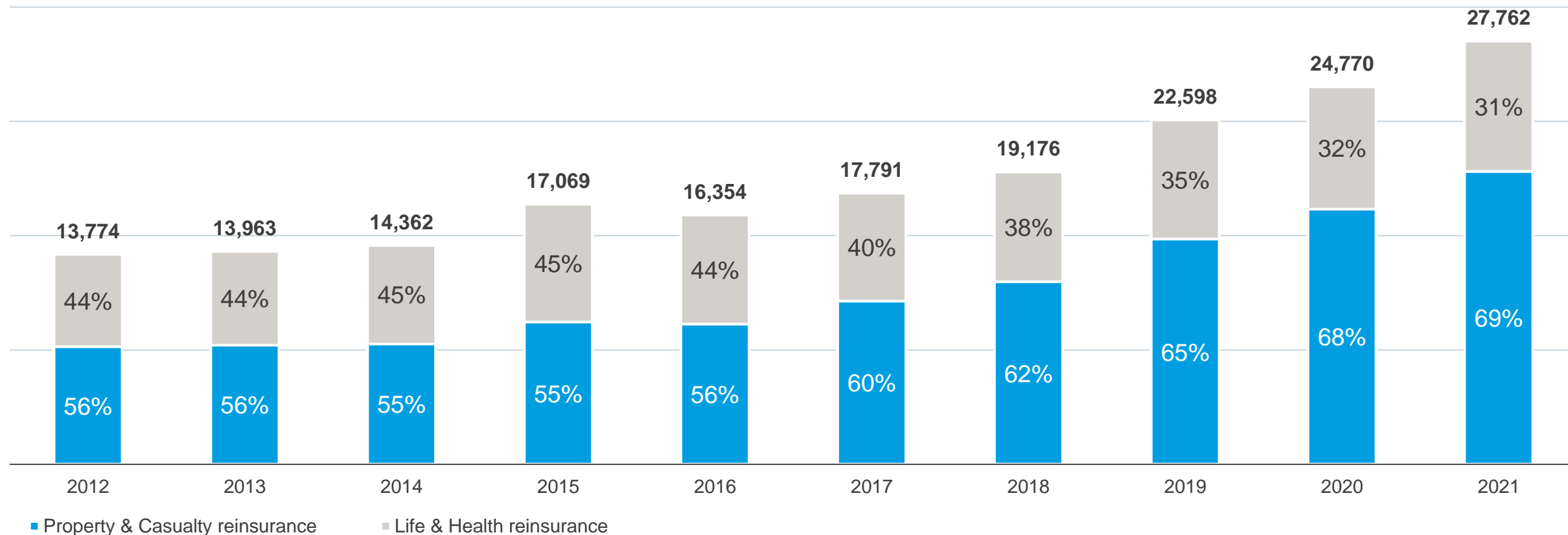
Demand for reinsurance

# Favourable premium growth accelerates in last 4 years

## 10-year CAGR: +8.7%

Gross written premium

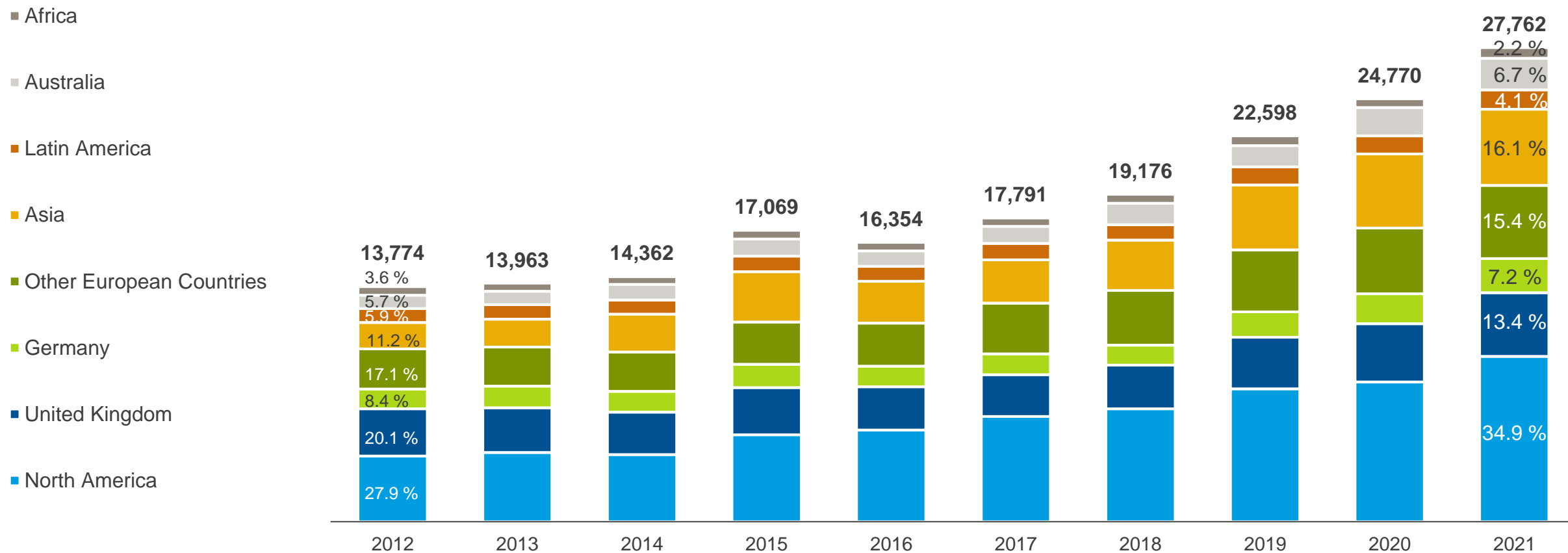
in m. EUR



# Well-balanced international portfolio growth

## Gross written premium

in m. EUR



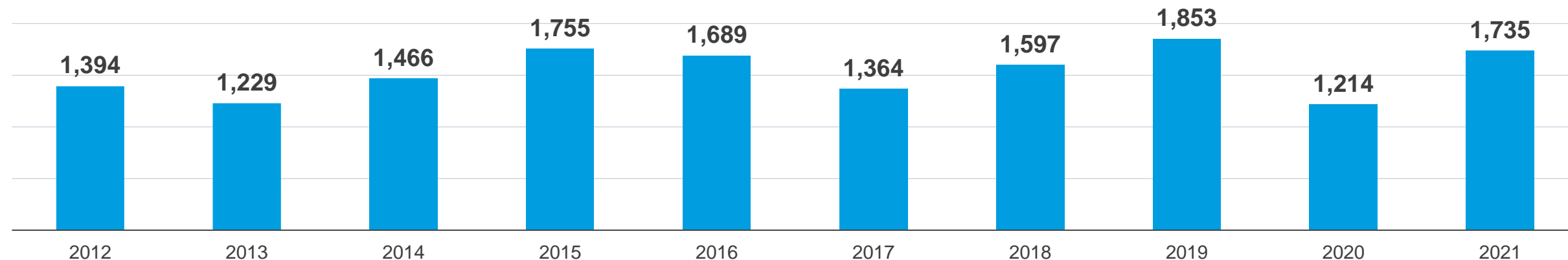


# Strong earnings track record

2021: strong results despite high large losses and Covid-19 impact in L&H

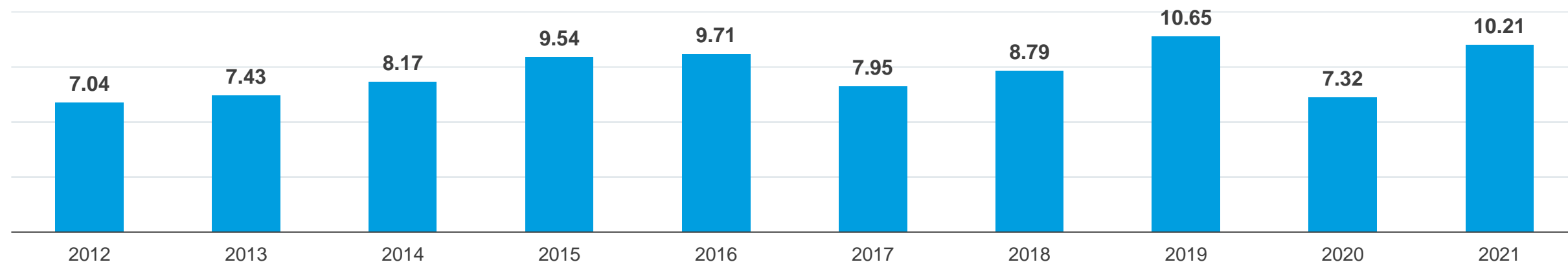
## Operating profit (EBIT)

in m. EUR



## Earnings per share (EPS)

in EUR

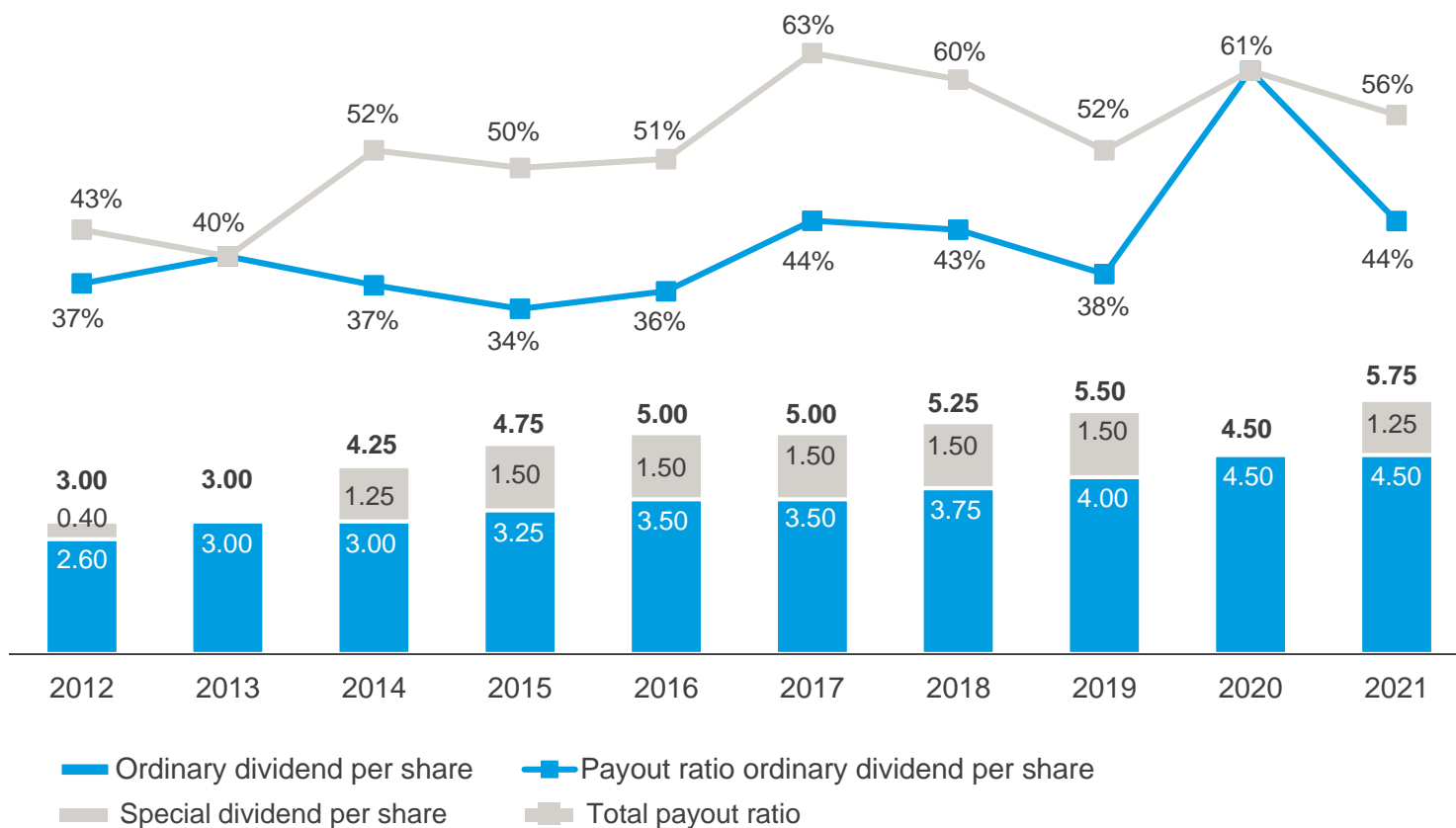


# Stronger emphasis on continuity of ordinary dividend distribution

Continued use of special dividend for efficient and flexible capital management

## Dividend per share

in EUR



## Dividend strategy changed in 2021

**Ordinary DPS  $\geq$  prior year**

+

**Special dividend**

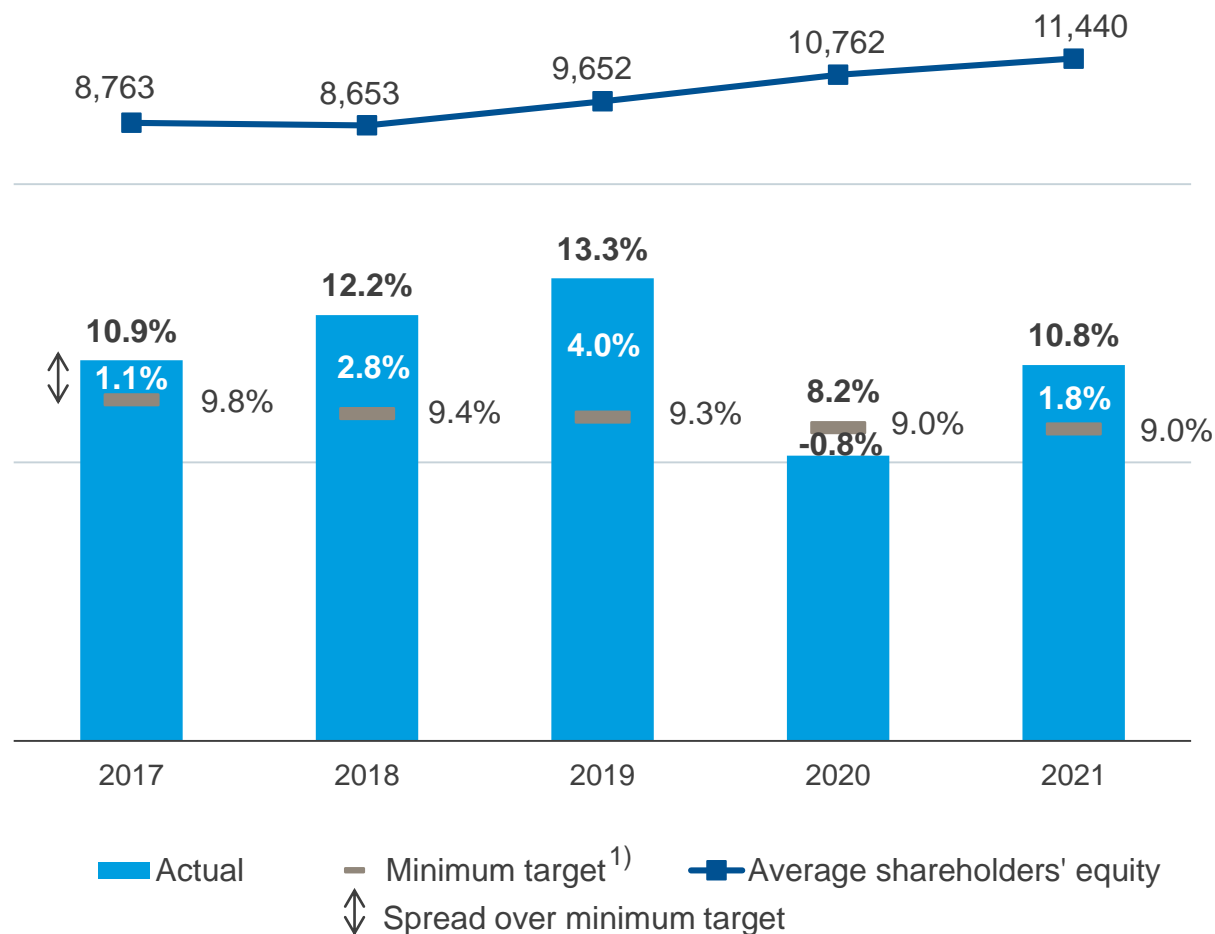
if capitalisation exceeds capital requirements for future growth and profit targets are achieved

- ➔ Continuity of ordinary dividend now more explicit
- ➔ Payout ratio target discontinued

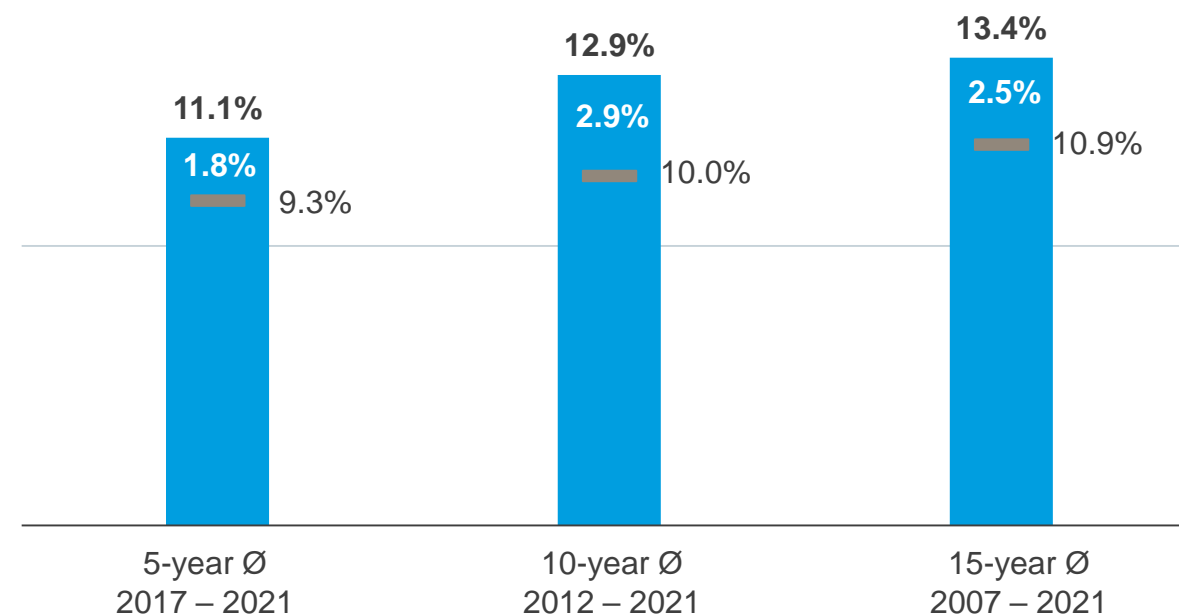
# RoE of 10.8% well above target for 2021

5Y-average RoE of 11.1% is highly satisfactory despite exceptional loss burden

Return on Equity: yearly



Return on Equity: average



1) 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

## No. 1 position on 5-year average RoE - significantly above peer average

Company	2017		2018		2019		2020		2021		2017 - 2021	
	RoE	Rank	RoE	Rank	RoE	Rank	RoE	Rank	RoE	Rank	avg. RoE	Rank
<b>Hannover Re</b>	<b>10.9%</b>	<b>2</b>	<b>12.2%</b>	<b>1</b>	<b>13.3%</b>	<b>1</b>	<b>8.2%</b>	<b>2</b>	<b>10.8%</b>	<b>3</b>	<b>11.1%</b>	<b>1</b>
Peer 6, US, Life & Health	21.9%	1	7.9%	3	8.7%	6	3.2%	8	4.5%	9	9.2%	2
Peer 5, Bermuda, Property & Casualty	5.7%	5	1.3%	9	11.9%	3	5.5%	5	13.9%	1	7.6%	3
Peer 1, Germany, Composite	1.3%	7	8.5%	2	9.6%	5	4.0%	6	9.7%	4	6.6%	4
Peer 9, China, Composite	7.2%	3	4.9%	5	7.3%	8	6.3%	3	6.8%	7	6.5%	5
Peer 10, Korea, Composite	6.2%	4	4.7%	6	8.1%	7	6.1%	4	7.1%	6	6.4%	6
Peer 8, France, Composite	4.4%	6	5.4%	4	6.9%	9	3.7%	7	7.3%	5	5.6%	7
Peer 4, US, Property & Casualty	1.1%	8	0.5%	10	10.4%	4	1.2%	9	11.5%	2	4.9%	8
Peer 7, Bermuda, Property & Casualty	-5.3%	10	4.2%	7	12.9%	2	10.8%	1	-1.0%	10	4.3%	9
Peer 2, Switzerland, Composite	1.0%	9	1.4%	8	2.5%	10	-3.1%	10	5.7%	8	1.5%	10
<b>Average</b>	<b>5.4%</b>		<b>5.1%</b>		<b>9.2%</b>		<b>4.6%</b>		<b>7.6%</b>		<b>6.4%</b>	

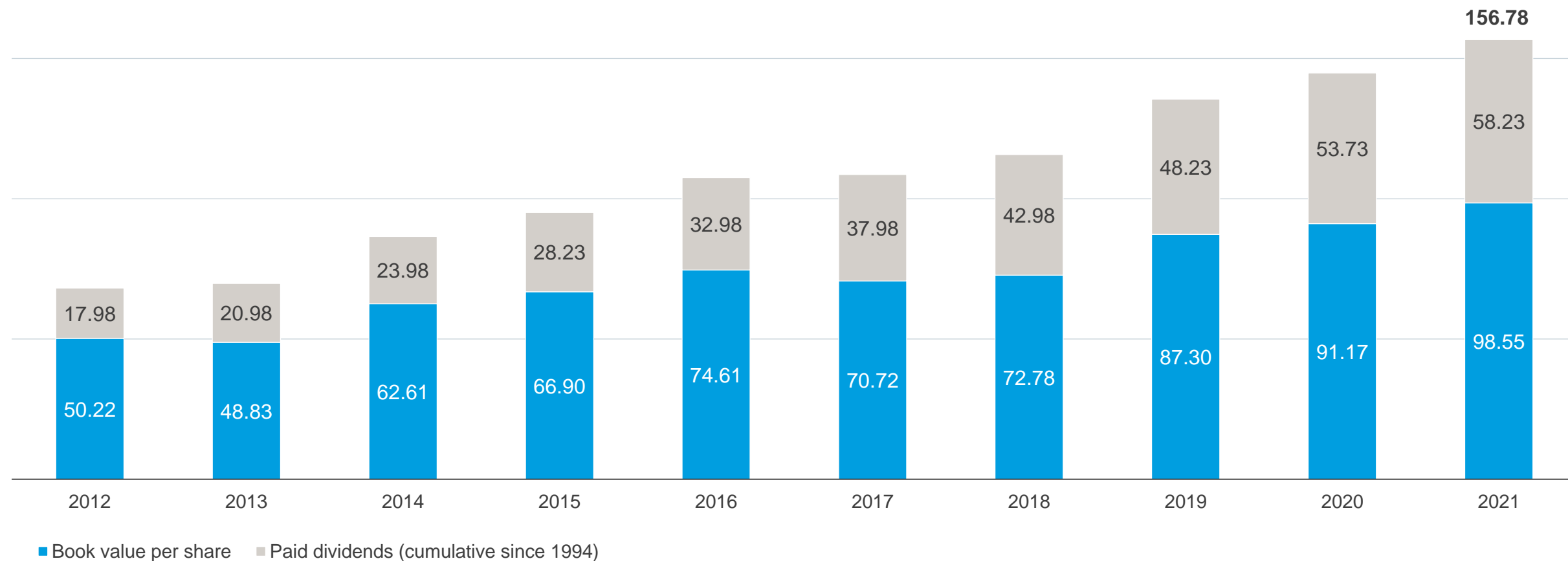
List shows the Top 10 of the Global Reinsurance Index (GloRe)  
RoE based on company data, own calculation

# Continuous increase of value creation

## 10-year CAGR: +10.6%

### Book value and accumulated paid dividends

in EUR

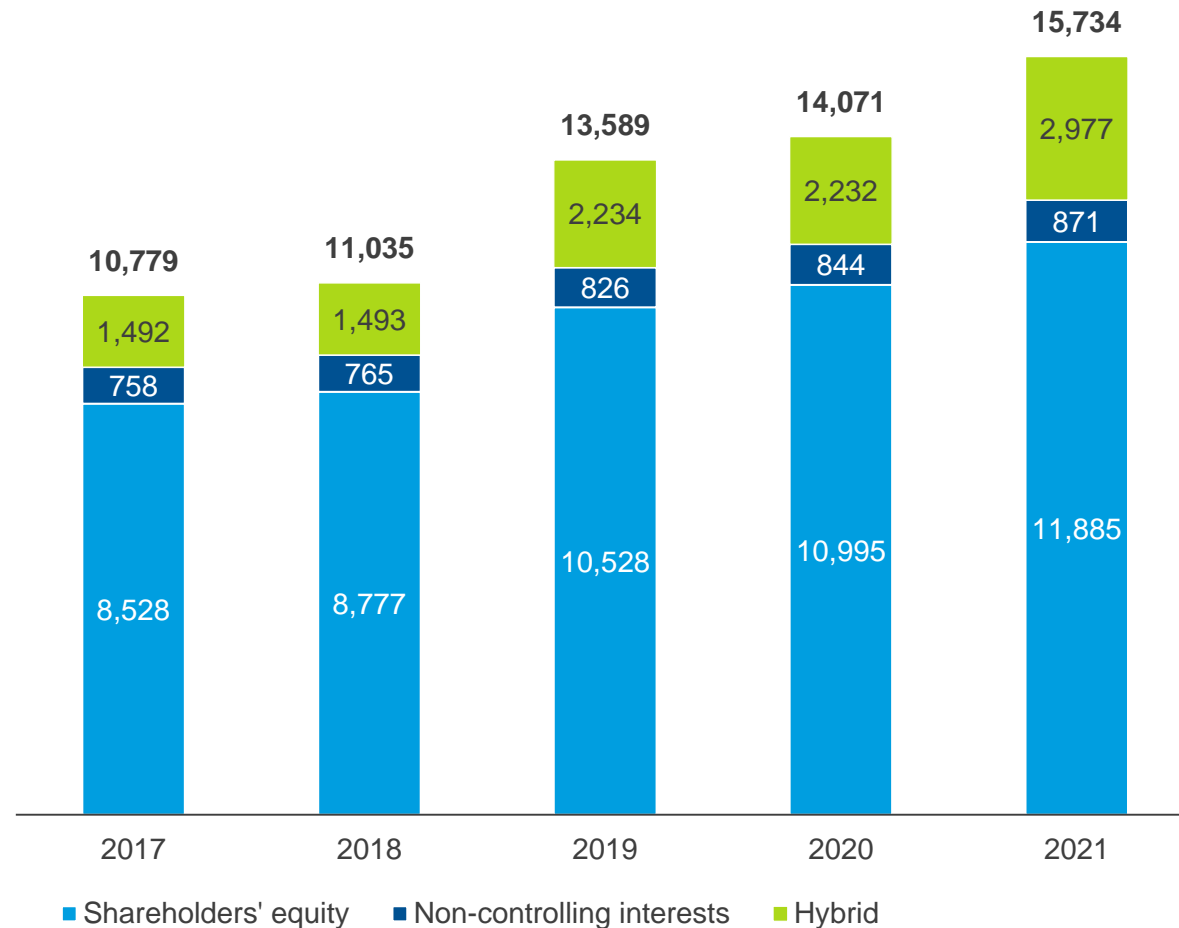


# Shareholders' equity up by 8.1%

## Policyholders' surplus increased by 46% since 2017

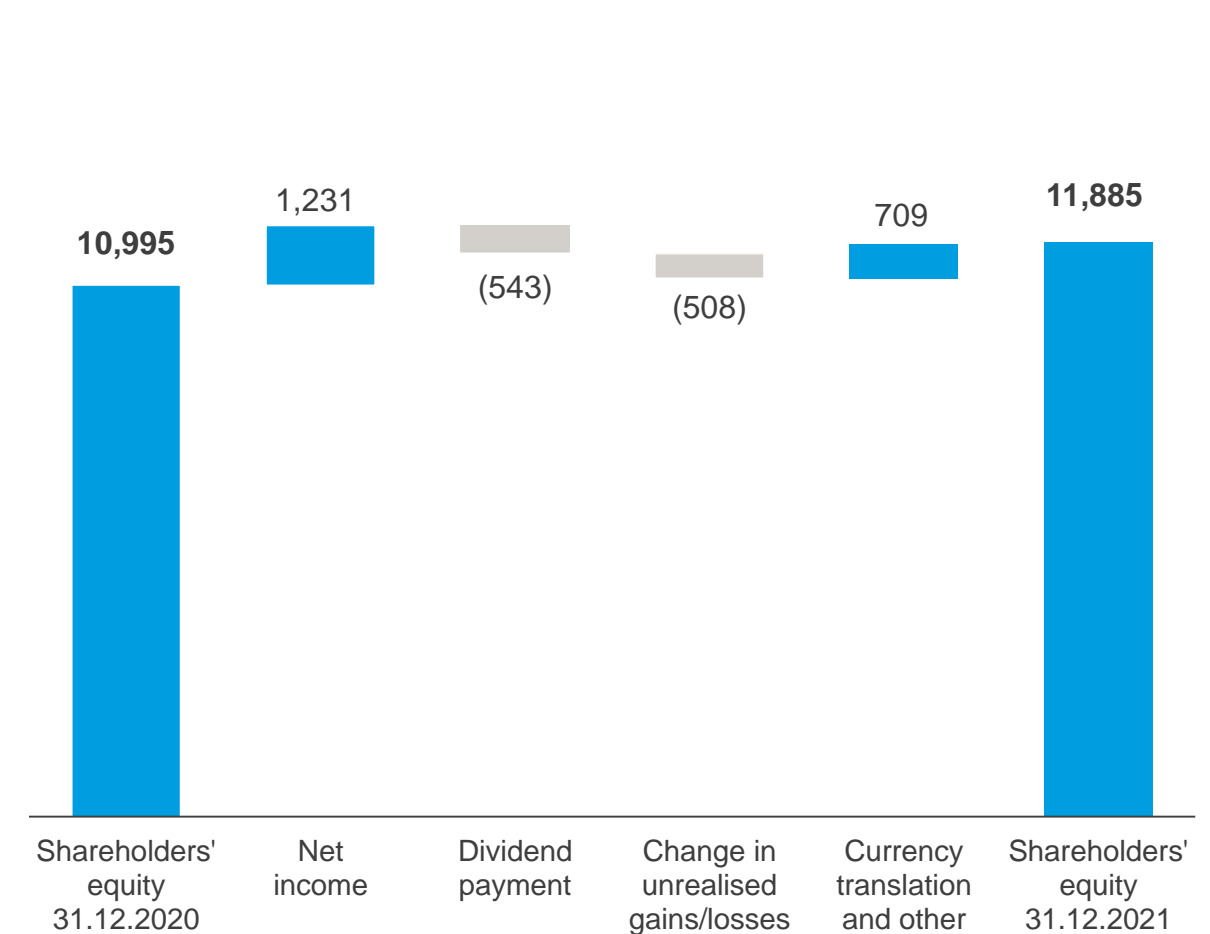
### Policyholders' surplus

in m. EUR



### Change in shareholders' equity

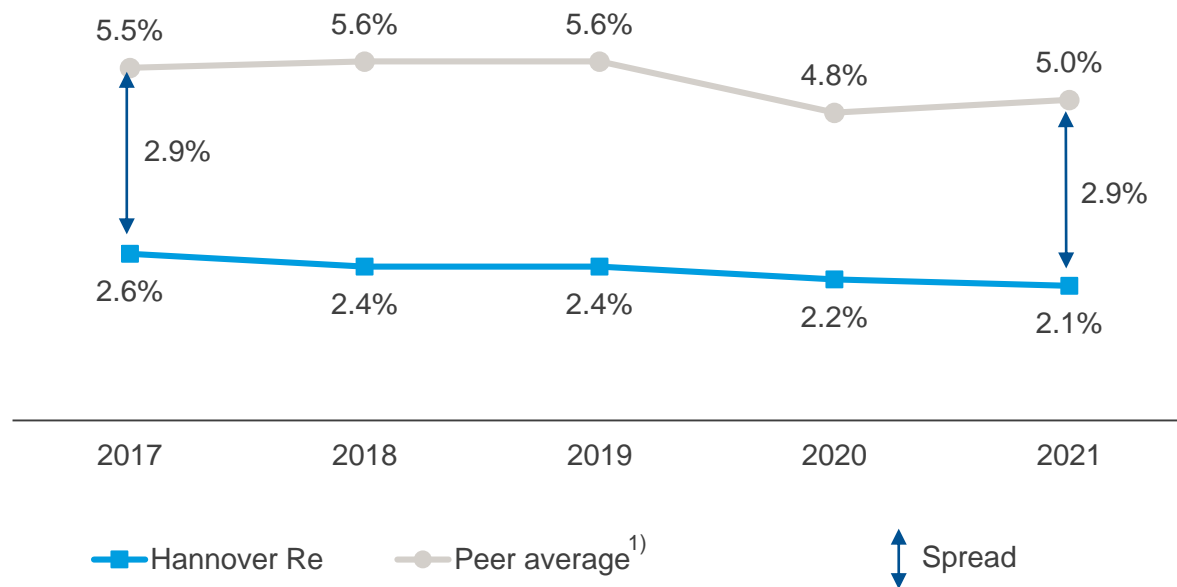
in m. EUR





# Low expense ratio is an important competitive advantage

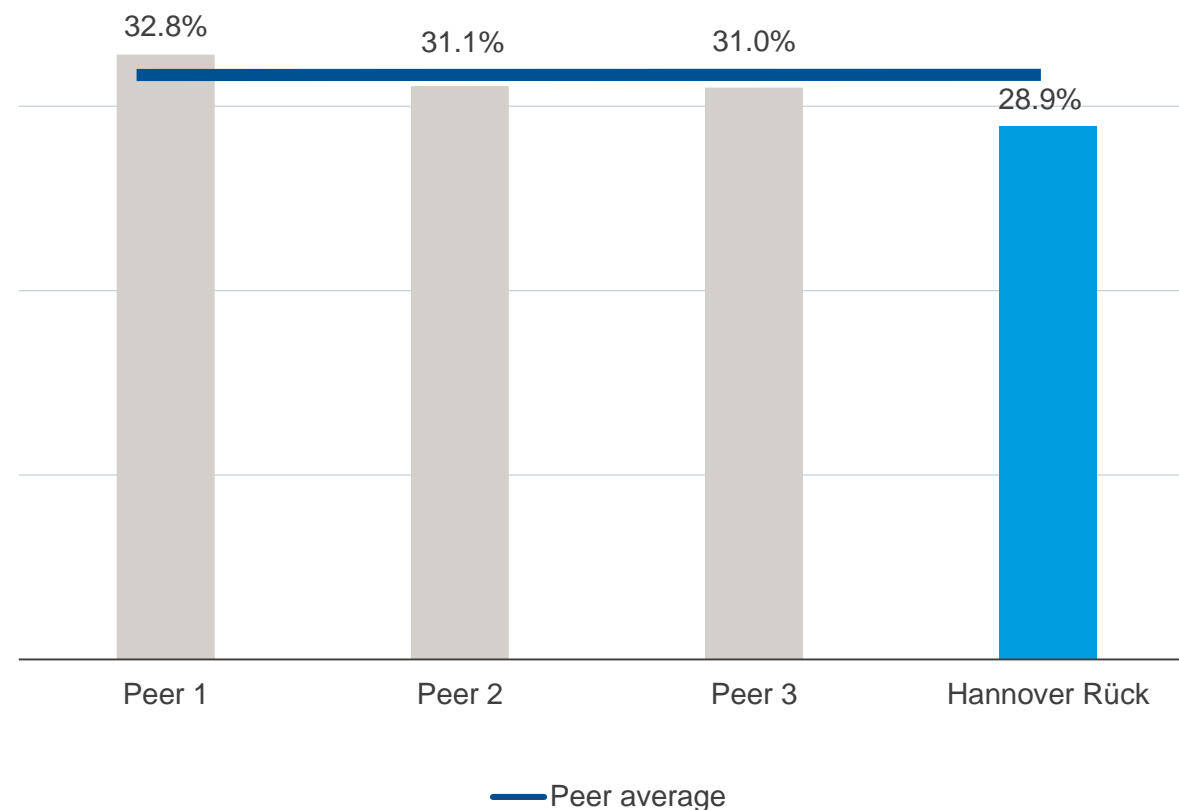
## Administrative expense ratio



1) Peers: Munich Re, Swiss Re, SCOR; own calculation

## Expense ratio (P&C reinsurance)

5-year average



# Purpose & Values

The “why” and the “how” articulate our distinctive corporate culture

Our self-conception



Our values



## Purpose

Why do we do what we do?

**Beyond risk sharing –  
we team up  
to create opportunities**

## Strategy

What do we want to achieve?

**Core values**  
Which guiding principles are important for us?

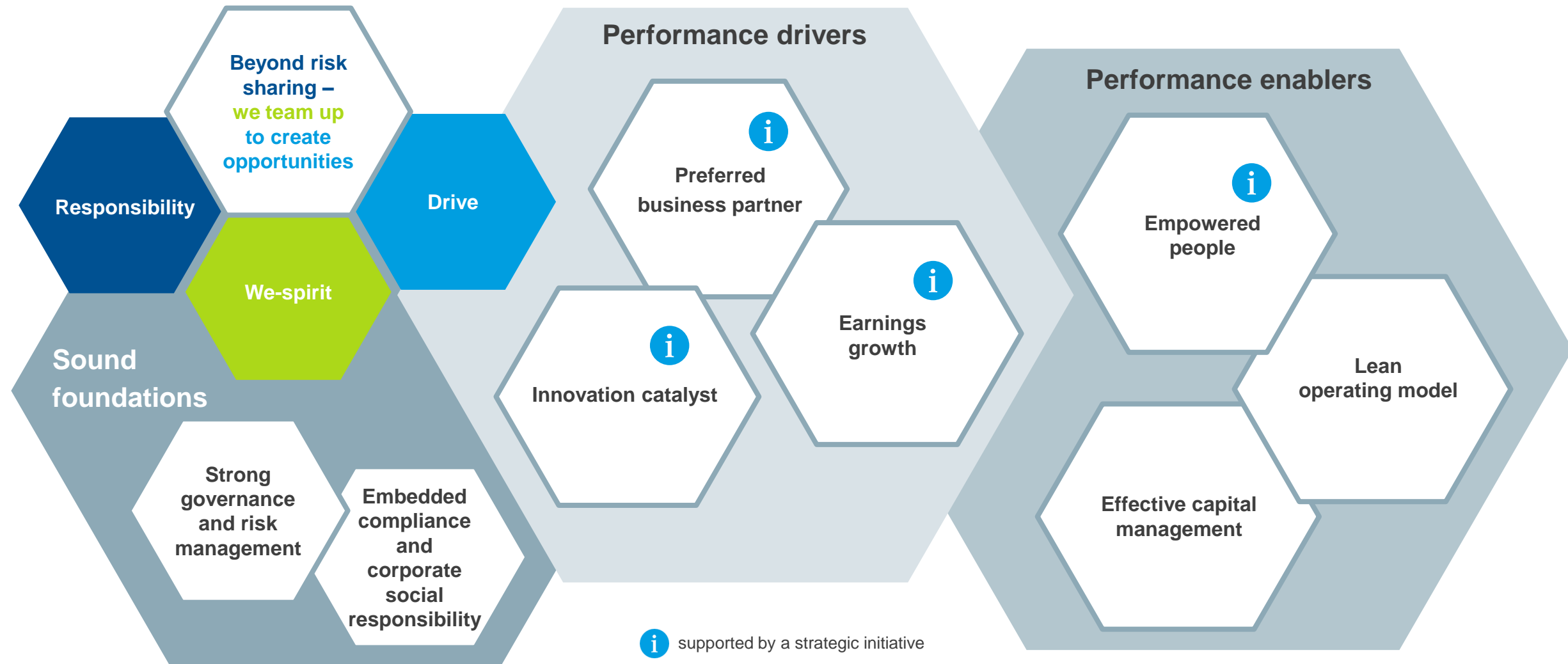


# Our competitive strengths lie in our corporate culture and operating model and lead to higher profitability with lower volatility



# Striving for sustainable outperformance

## Group strategy 2021 - 2023



# Target Matrix

## Strategy cycle 2021 - 2023

Business group	Key figures	Strategic targets
Group	Return on equity <sup>1)</sup>	900 bps above risk-free
	Solvency ratio <sup>2)</sup>	≥ 200%
Property & Casualty reinsurance	Gross premium growth <sup>3)</sup>	≥ 5%
	EBIT growth <sup>4)</sup>	≥ 5%
	Combined ratio	≤ 96%
	xRoCA <sup>5)</sup>	≥ 2%
Life & Health reinsurance	Gross premium growth <sup>3)</sup>	≥ 3%
	EBIT growth <sup>4)</sup>	≥ 5%
	Value of New Business (VNB) <sup>6)</sup>	≥ EUR 250 m.
	xRoCA <sup>5)</sup>	≥ 2%

1) After tax; risk-free: 5-year average return of 10-year German government bonds

3) Average annual growth at constant f/x rates

5) Excess return (one-year economic profit in excess of the cost of capital) on allocated economic capital

2) According to our internal capital model and Solvency II requirements

4) Average annual growth

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

# Sustainability at Hannover Re

## How we evolved

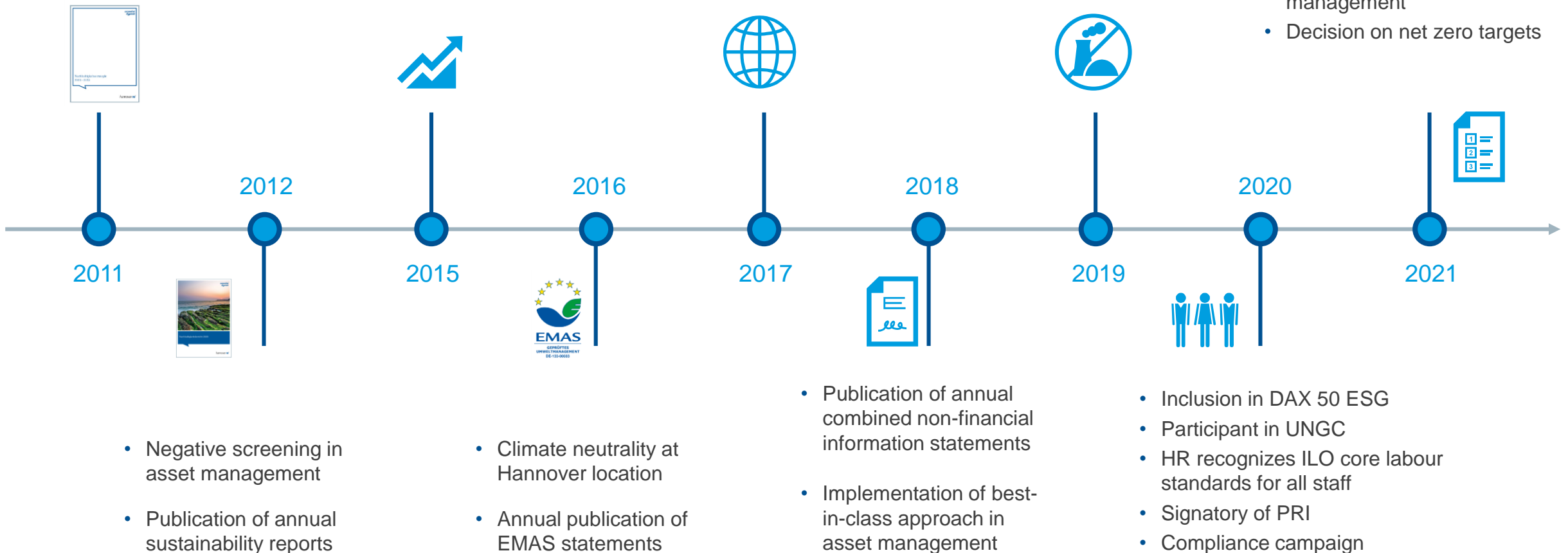
- Publication of first sustainability strategy
- Investor dialogues

- Listed in FTSE4Good-Index

- Listed in Global Challenges index

- Phased exit for any coal based risks until 2038

- Signature of UN PSI
- Human rights policy statement
- Climate strategy in asset management
- Decision on net zero targets

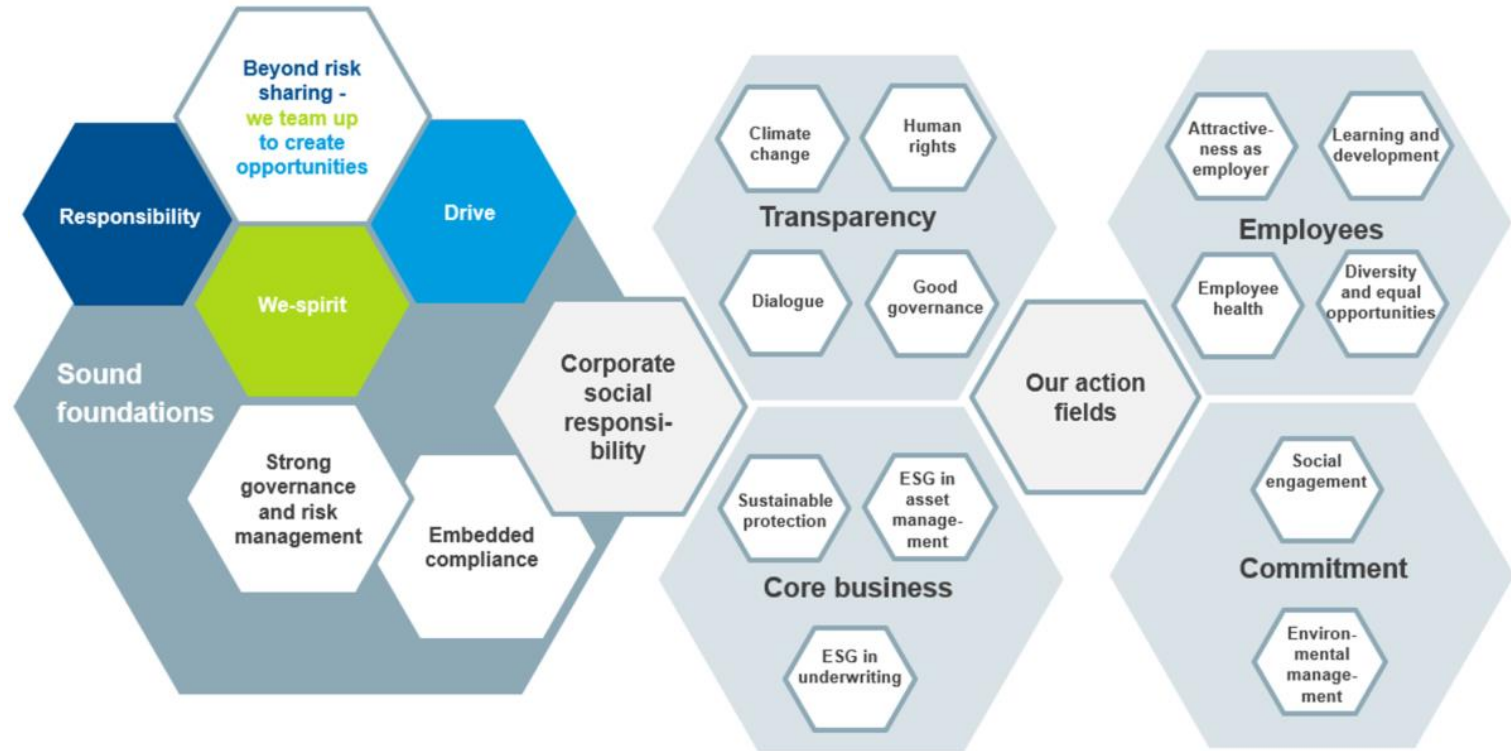




# Sustainability at Hannover Re

## Sustainability Strategy 2021 - 2023 – Overview

- In summer 2020, [we teamed up](#) to develop our new Sustainability Strategy 2021 - 2023
- The sustainability strategy serves our [purpose and values](#)
- It is closely related to the [Group strategy](#) and encompasses its sound foundations
- [Corporate Social Responsibility](#) bridges the sound foundations of our Group strategy and the four defined action fields
- The [action fields](#) encompass the identified material plus additional topics
- All topics were translated in [specific goals](#) and [target indicators](#)



# Sustainability at Hannover Re

## Sustainability Strategy 2021 - 2023 – Action fields encompass our material topics

Transparency encompasses voluntary commitments and fundamental issues with implications for all other action fields.

- [Climate change](#) and [human rights](#) are interdisciplinary topics, operationalised in the other action fields.
- [Dialogue](#) is our commitment to interact with our stakeholders.
- [Good governance](#) aims for ethical governance and good corporate citizenship.

Motivated and well-trained employees are a crucial factor in the success of our company.

- [Attractiveness an employer](#): We want to be the "employer of first choice" for existing and potential future employees alike.
- We support [learning and development](#) and [employee health and wellness](#).
- We embrace and support [diversity and equal opportunities](#).

How we organise our core business serves as vital leverage for our contribution to the sustainable development of our world.

- In [sustainable protection](#), we bring together all our activities that support the transformation to a sustainable world and offer sustainable solutions.
- With [ESG in underwriting](#) and [asset management](#), we aim to minimize our negative impact.

We take responsibility for the environment and the social landscape in which we operate.

- [Environmental management](#) and [social engagement](#) are not defined as material topics.
- Nevertheless, they are important elements of our strategy.



# Net zero targets

## Comprehensive goal setting in core business and own business operations



### Asset Management

- Climate strategy:
  - Decarbonisation: -30% of CO<sub>2</sub> footprint by 2025<sup>1)</sup>
  - Active investment in sustainable assets
  - Engagement; via proxy voting
- Application of specific exclusion criteria – e.g. thermal coal, oil sands
- Negative screening / active divestment since 2012



### Underwriting

- Exit from all risks connected with thermal coal and related infrastructure by 2038 in the entire P&C portfolio
- Development of P&C ESG position paper
- Further exclusions are defined in accordance with the ESG Manual for the facultative division
- Participation in Net-Zero Insurance Alliance

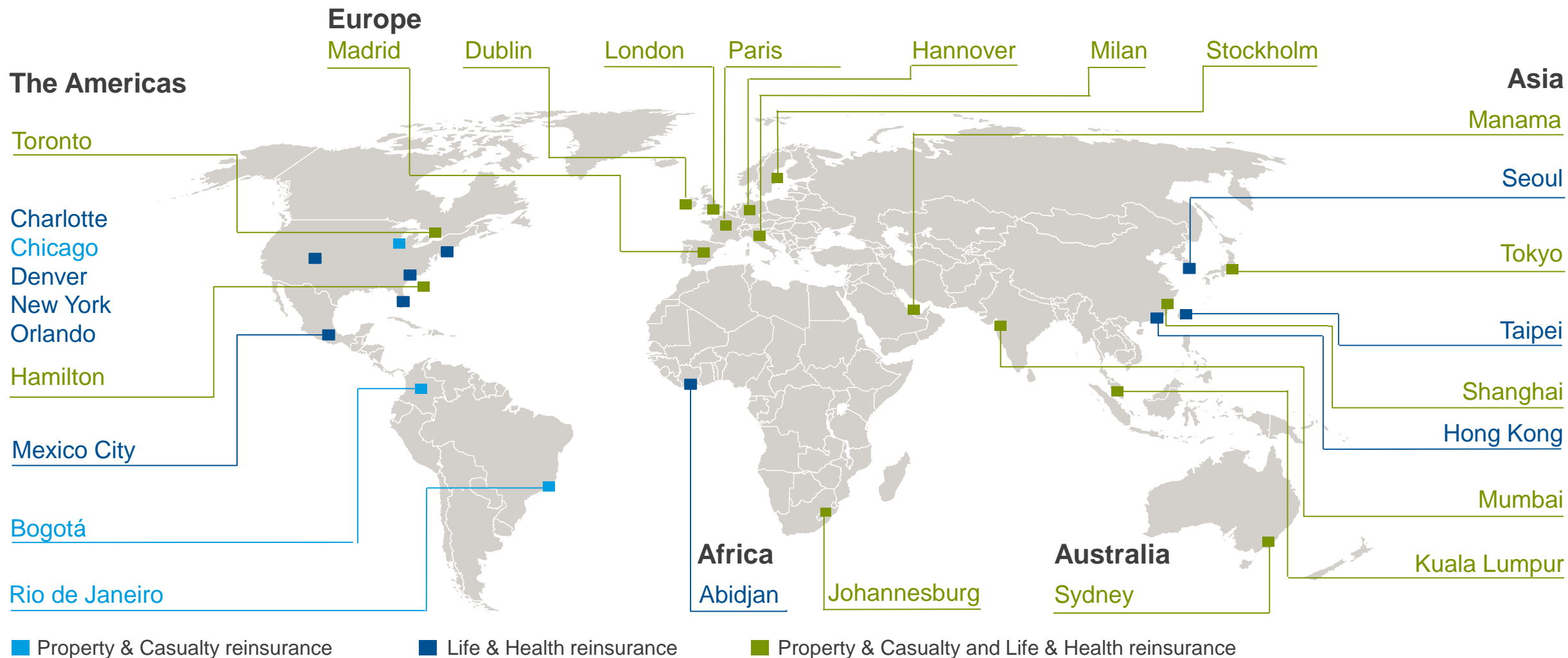


### Own business operations

- Carbon neutral at Hannover Office since 2016
- Certified according to ISO 14001 and publication of annual EMAS-III statements
- Implementation of a process to collect carbon emissions data groupwide

1) Corporates, covered bonds and equities; compared to base year 2019

# Present on all continents



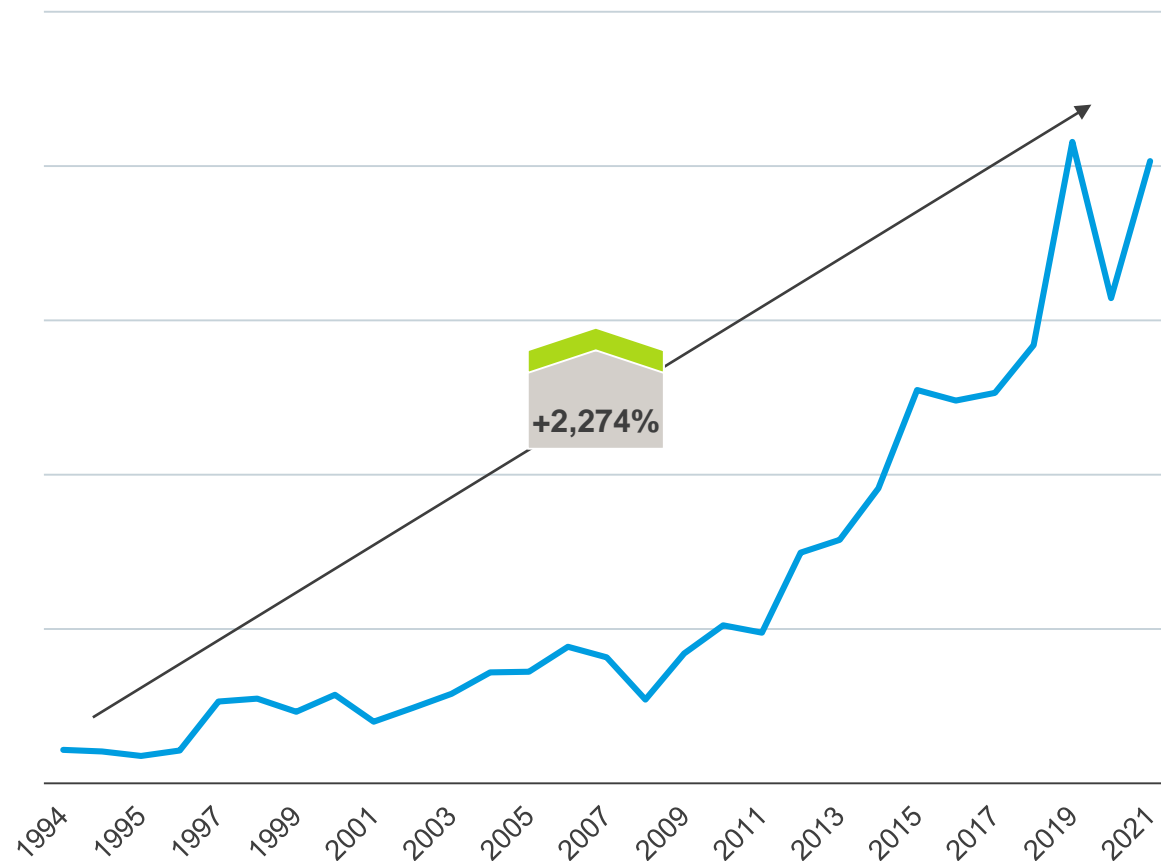
# HR share price performance over a 3-year rolling period

Performance comparison (incl. reinvested dividends)



# Yearly Total Shareholder Return (TSR) of 13.0%

## Value creation since IPO



in m. EUR	2020	2021
Market capitalisation as of date	15,714	20,158
- Market capitalisation at IPO (Nov 1994)	1,084	1,084
+ Dividend payments (cumulative)	6,780	7,473
- Capital increases (1996, 1997, 2001, 2003)	811	811
<b>Value creation since IPO</b>	<b>20,599</b>	<b>25,736</b>

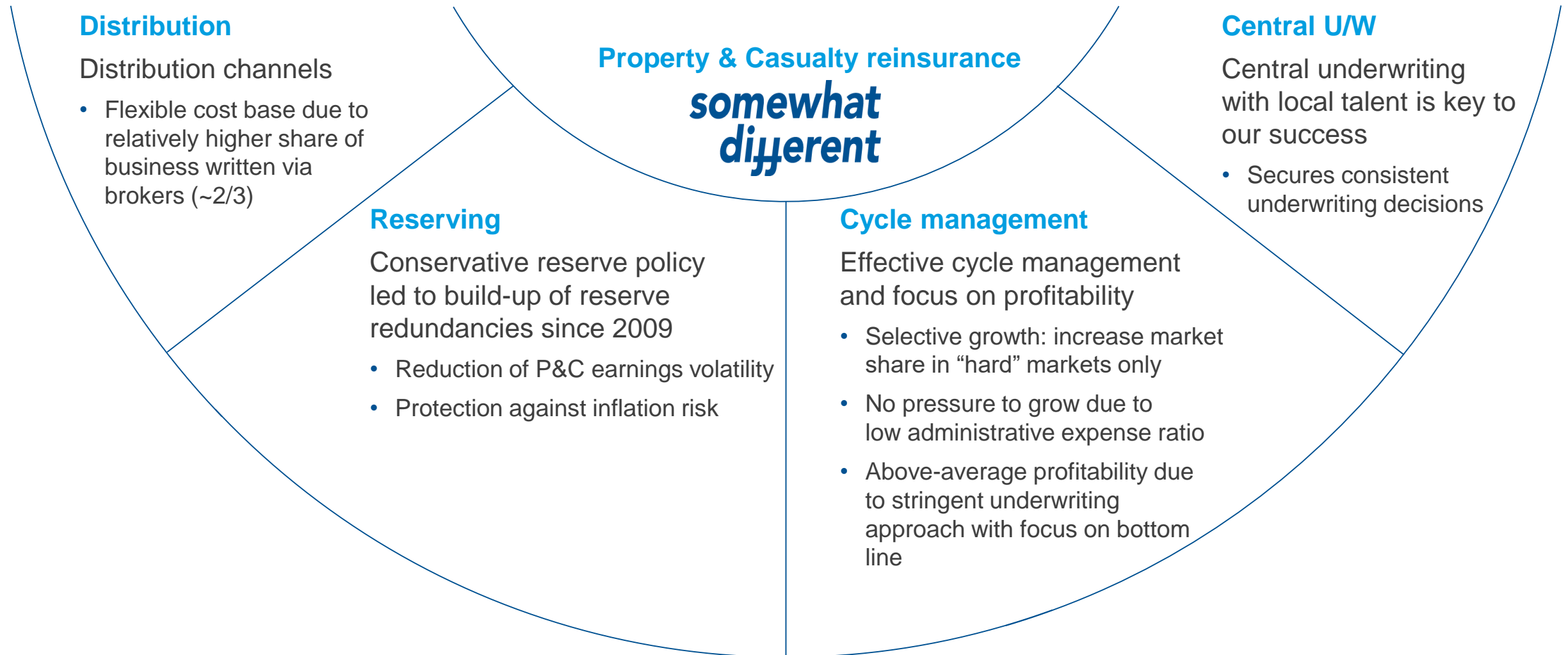


# Agenda

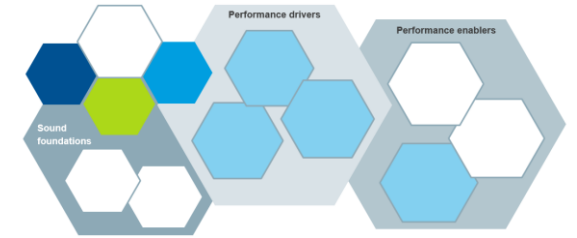
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1	Hannover Re Group	2
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4	Investment management	61
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6	Interim results Q1/2022	80
7	Outlook	89
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# We are somewhat different



# Property & Casualty: Strategy



## Preferred business partner

**Further expand our bottom line through existing and new client relationships**

- Customer Excellence (holistic customer management approach) for clients
- Foster our leadership position in specialty markets
- Expand our corporate client basis to enlarge our portfolio of captive clients
- Build on the strength of E+S Rück as “The Reinsurer for Germany”, based on its unique cooperation model

## Innovation catalyst

**Continue to build out our position as innovation partner for our clients and position accordingly towards the outside world**

- Embed the offering of tailor-made solutions (including AS & ILS)
- Embed digital business accelerator for P&C (including insurtech partnerships and partnerships with global technology firms)
- Foster our capabilities in data analytics and become a preferred partner for ceding companies or other service providers to benefit from new sources/pools of data like telematics
- Develop Cyber reinsurance (including exposure management)
- Increase our activities in the parametric reinsurance field
- Increase private-public partnerships to address the Protection Gap
- Increase the external awareness (incl. investors & applicants) of innovation at HR

## Earnings growth

**Grow profitably in the APAC region whilst maintaining our strong underwriting culture**

- Deliver on current APAC initiative
- Include Specialty lines and foster growth of Advanced Solutions business in the region by decentralized underwriting approach
- Ensure strong Hannover Re underwriting culture is maintained in the APAC offices
- Increase collaboration between the APAC offices whilst maintaining strong links to Hannover

## Effective capital management

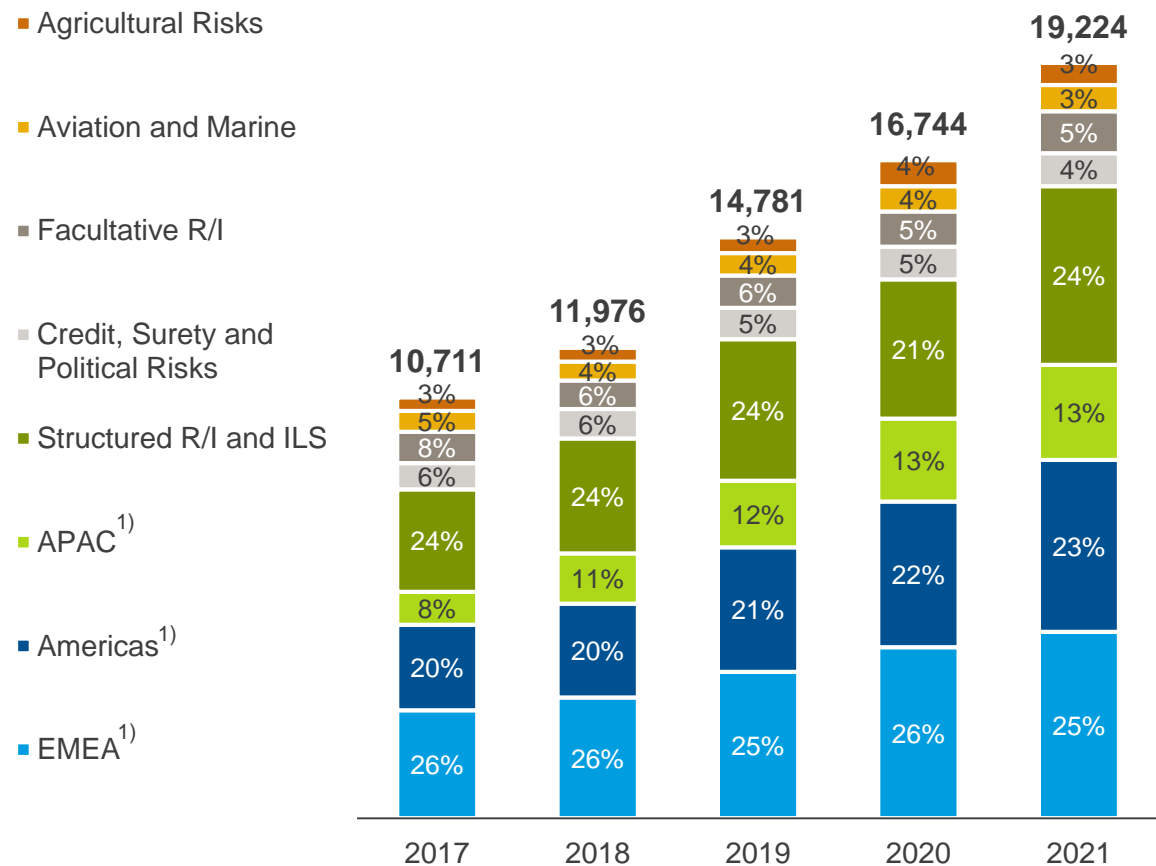
**Use internal and external retrocession to optimise the internal model and rating agency capital requirements as well as capital fungibility within the Hannover Re Group and reduce volatility of earnings**

- Explore the use of Advanced Solutions type retrocessions
- Establish a (composite) framework for effective internal retrocessions

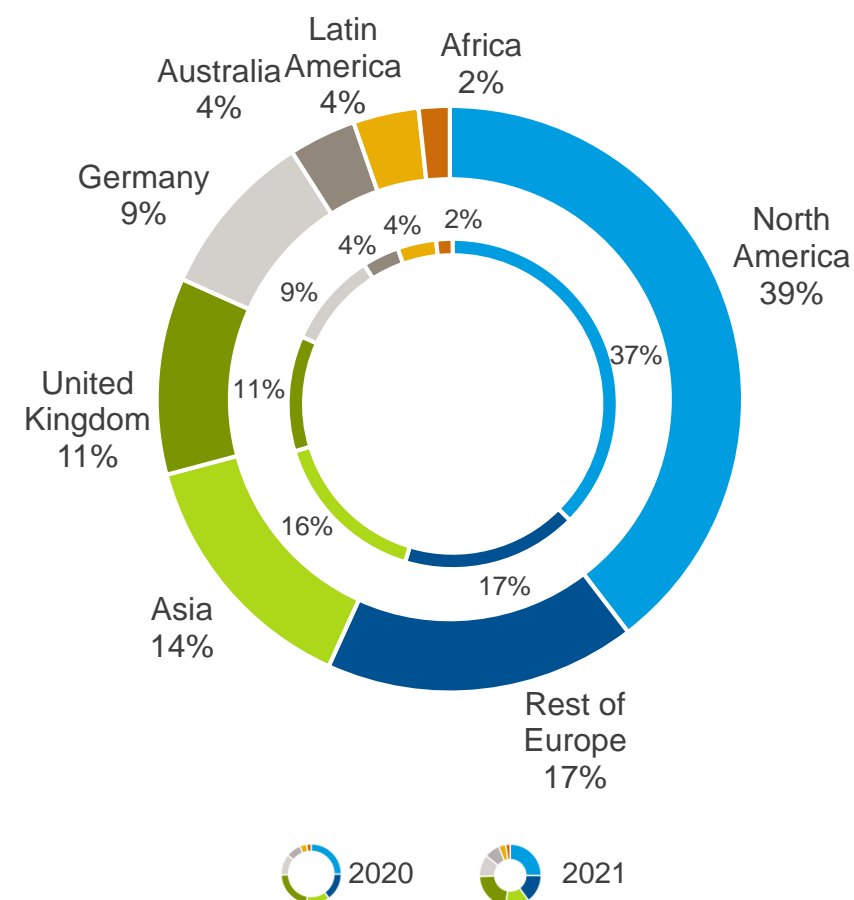
# Property & Casualty reinsurance: strong and diversified growth

## 5-year CAGR: +15.9%

### GWP split by reporting categories



### Gross written premium split by regions

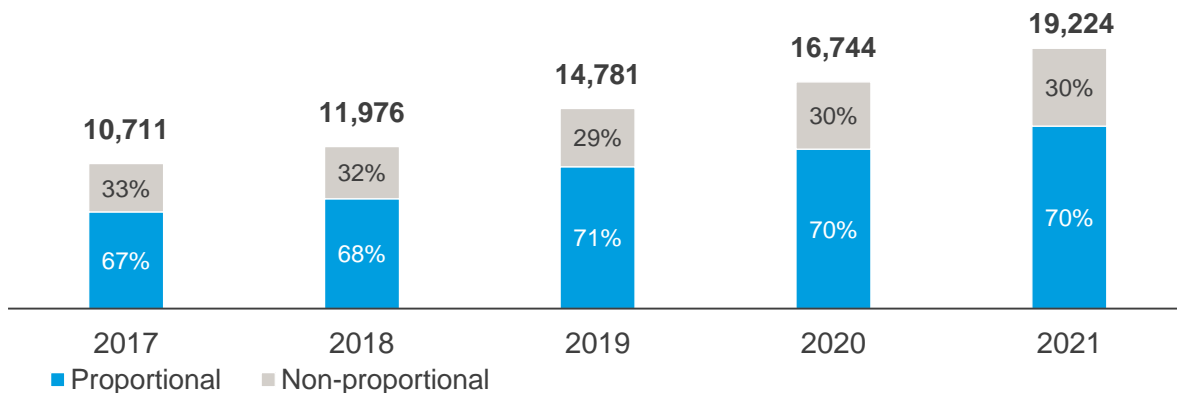


1) All lines of Property & Casualty reinsurance except those stated separately  
2020 restated pursuant to IAS 8

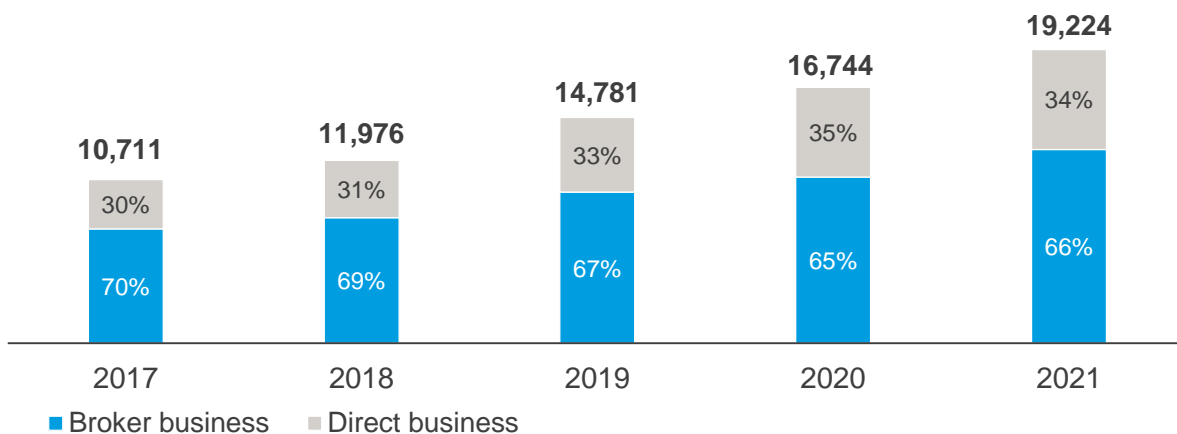
# Around 2/3 of our business is written via brokers

## ~1/3 of our business is non-proportional

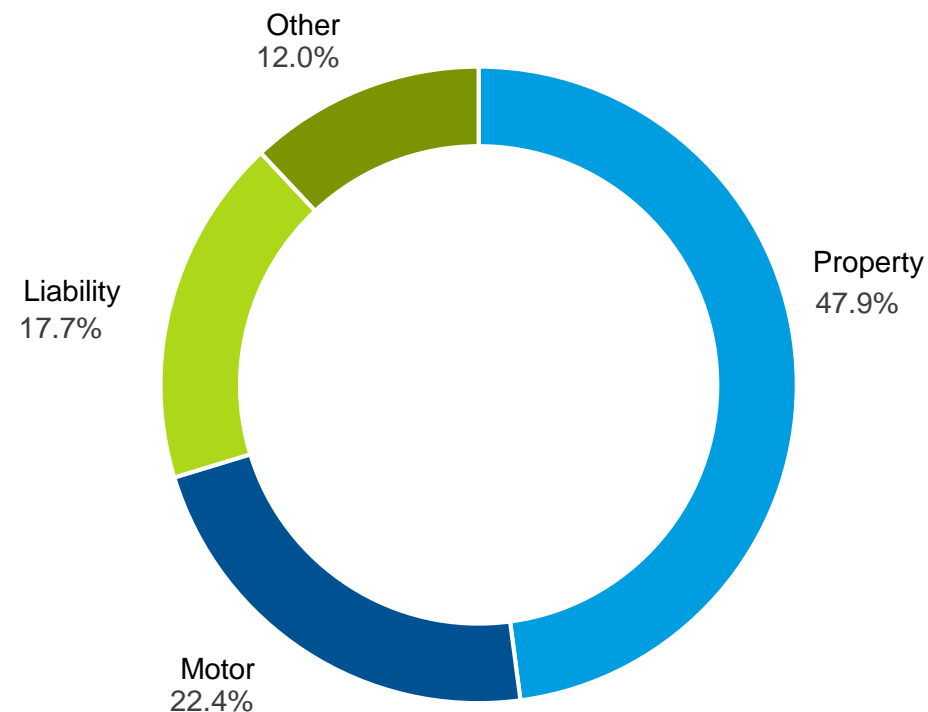
Breakdown of treaties by volume (in % and m. EUR)



Breakdown of business written (in % and m. EUR)



GWP by segment



# Margin-oriented U/W approach leads to profitable growth

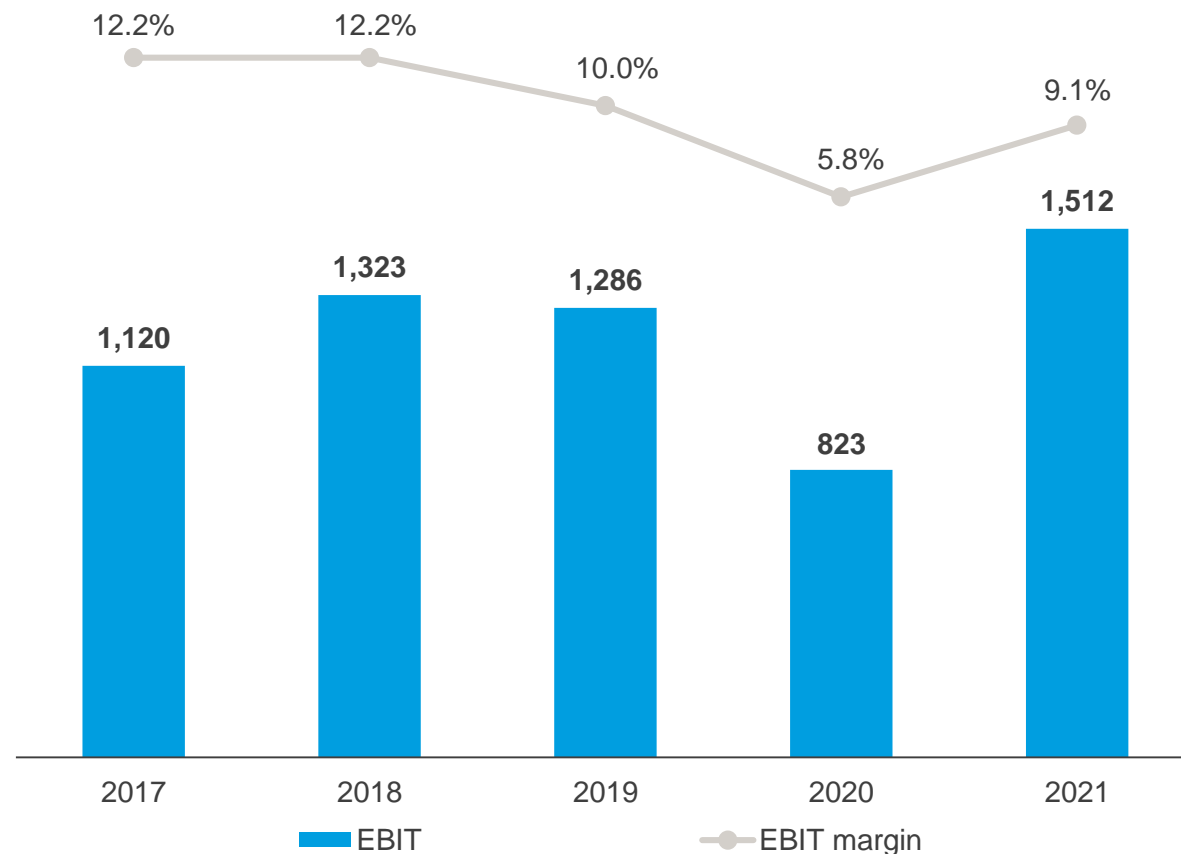
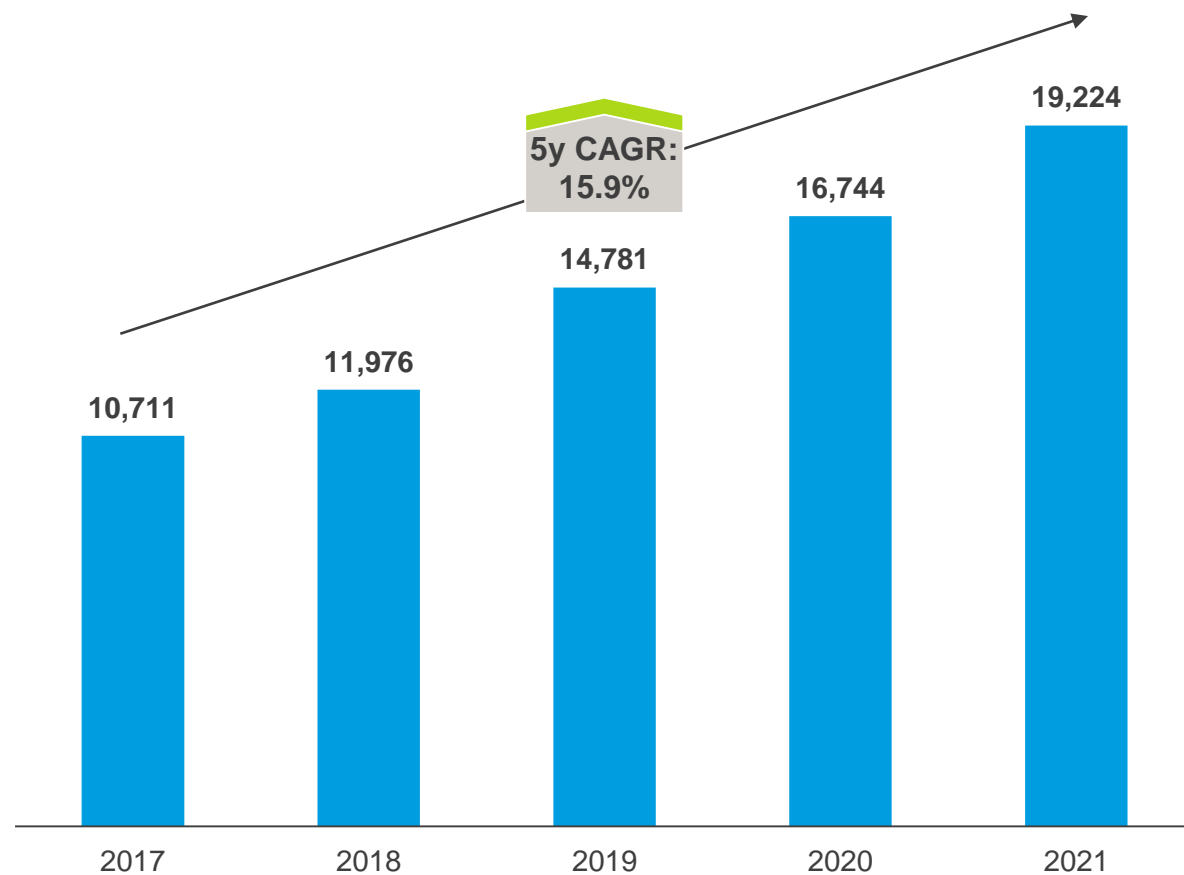
2021: strong premium growth – large losses exceed budget by 150 m.

Gross written premium

in m. EUR



















EBIT/EBIT margin

in m. EUR



# Target Combined Ratio varies substantially by line of business

## Targets for FY 2022

NPE	+	Economic revaluation	-	Capital margin	=	Target Combined Ratio
Net premium earned (100%)		Discount effect on P&C net loss reserves (% of NPE)		Capital margin above risk free (pre-tax)		Target Combined Ratio
EMEA <sup>1)</sup>		 2,0 %		 6,9%		95.2%
Americas <sup>1)</sup>		 4,9 %		 10,6%		94.3%
APAC <sup>1)</sup>		 3,8 %		 6,3%		97.5%
Structured Reinsurance and ILS		 0,4 %		 1,7%		98.7%
Credit, Surety and Political Risks		 2,3 %		 8,3%		93.9%
Facultative Reinsurance		 4,1 %		 6,7%		97.4%
Aviation and Marine		 3,4 %		 8,1%		95.3%
Agricultural Risks		 1,9 %		 8,8%		93.1%
<b>Total Property &amp; Casualty R/I</b>		 2,8 %		 6,8%		<b>96.0%</b>

As at March 2022

1) All lines of business except those stated separately; EMEA incl. CIS

# Reserve redundancies increased by EUR 167 m. in 2021

Level of additional IBNR is 50% of total reserves

in m. EUR

Year end <sup>1)</sup>	Redundancy <sup>2)</sup>	Increase redundancy	Effect on loss ratio	P&C premium (net earned)
2010	956	89	1.6%	5,394
2011	1,117	162	2.7%	5,961
2012	1,308	190	2.8%	6,854
2013	1,517	209	3.1%	6,866
2014	1,546	29	0.4%	7,011
2015	1,887	341	4.2%	8,100
2016	1,865	-22	-0.3%	7,985
2017	1,813	-52	-0.6%	9,159
2018	1,694	-118	-1.1%	10,804
2019	1,457	-238	-1.9%	12,798
2020	1,536	80	0.6%	14,205
2021	1,703	167	1.0%	16,624
<b>2010 - 2021 total</b>		<b>838</b>		<b>111,761</b>
<b>2010 - 2021 average</b>		<b>70</b>	<b>0.7%</b>	<b>9,313</b>

**Average impact on loss ratio: 0.7% in the past 12 years (not f/x-adjusted)**

1) Figures unadjusted for changes in foreign exchange rate, i.e. based on actual exchange rates at respective year end

2) Redundancy of loss and loss adjustment expense reserve for its non-life insurance business against held IFRS reserves, before tax and minority participations

Willis Towers Watson reviewed these estimates - more details shown in appendix



# The risk is manageable

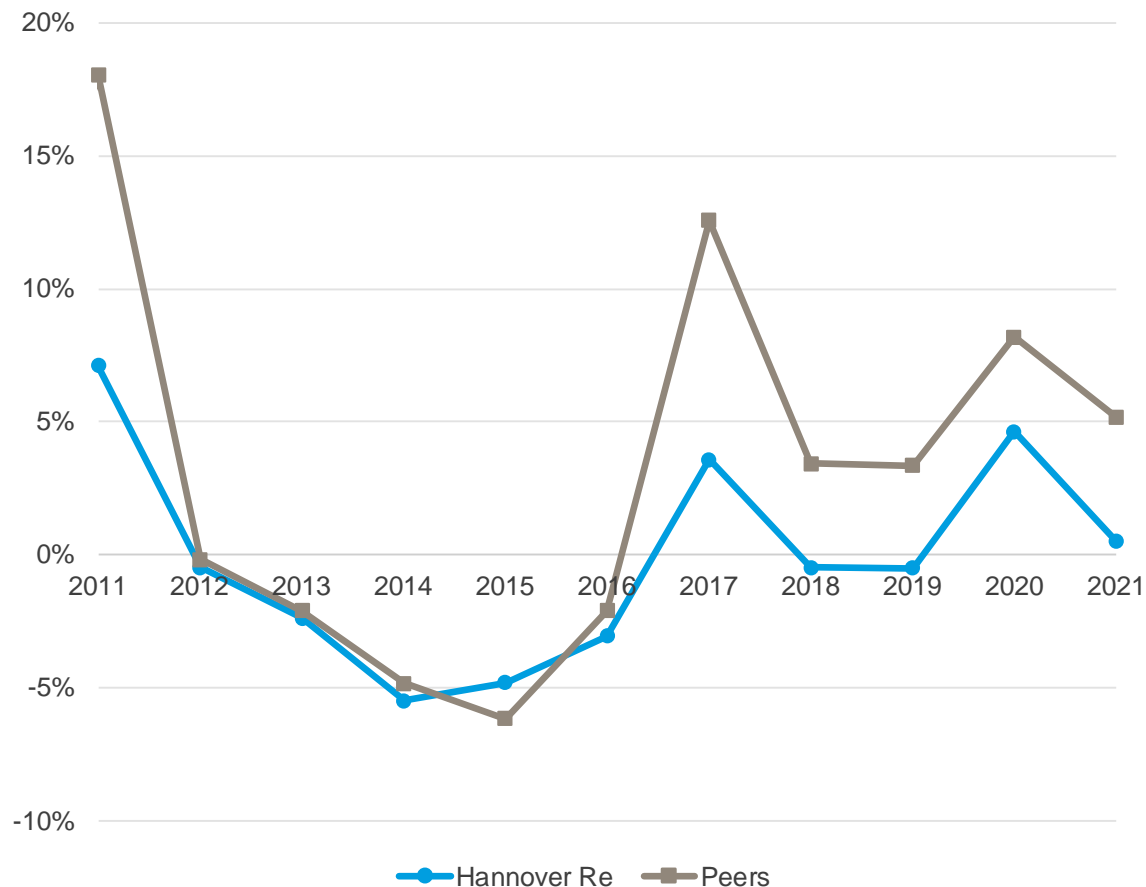
## Stress tests for natural catastrophes after retrocessions

### Effect on forecast net income in m. EUR

		2020	2021
Hurricane US/Carribean	100-year loss	(1,107)	(1,452)
	250-year loss	(1,594)	(1,959)
Earthquake US West Coast	100-year loss	(554)	(839)
	250-year loss	(1,184)	(1,615)
Winter storm Europe	100-year loss	(377)	(667)
	250-year loss	(631)	(1,009)
Earthquake Japan	100-year loss	(347)	(758)
	250-year loss	(747)	(1,203)
Earthquake Chile	100-year loss	(223)	(493)
	250-year loss	(777)	(1,277)

## Previous years confirm our reliable planning of NatCat budget

### Δ NatCat losses vs. budget in % of NPE



### Δ average NatCat losses vs. budget

#### Volatility<sup>1)</sup>

*hannover re*<sup>®</sup>

-0.1%

3.9%

**Peers**

3.2%

7.6%

- On average, Hannover Re stays within NatCat budget
- Lower volatility of NatCat budget utilisation by Hannover Re compared to peers

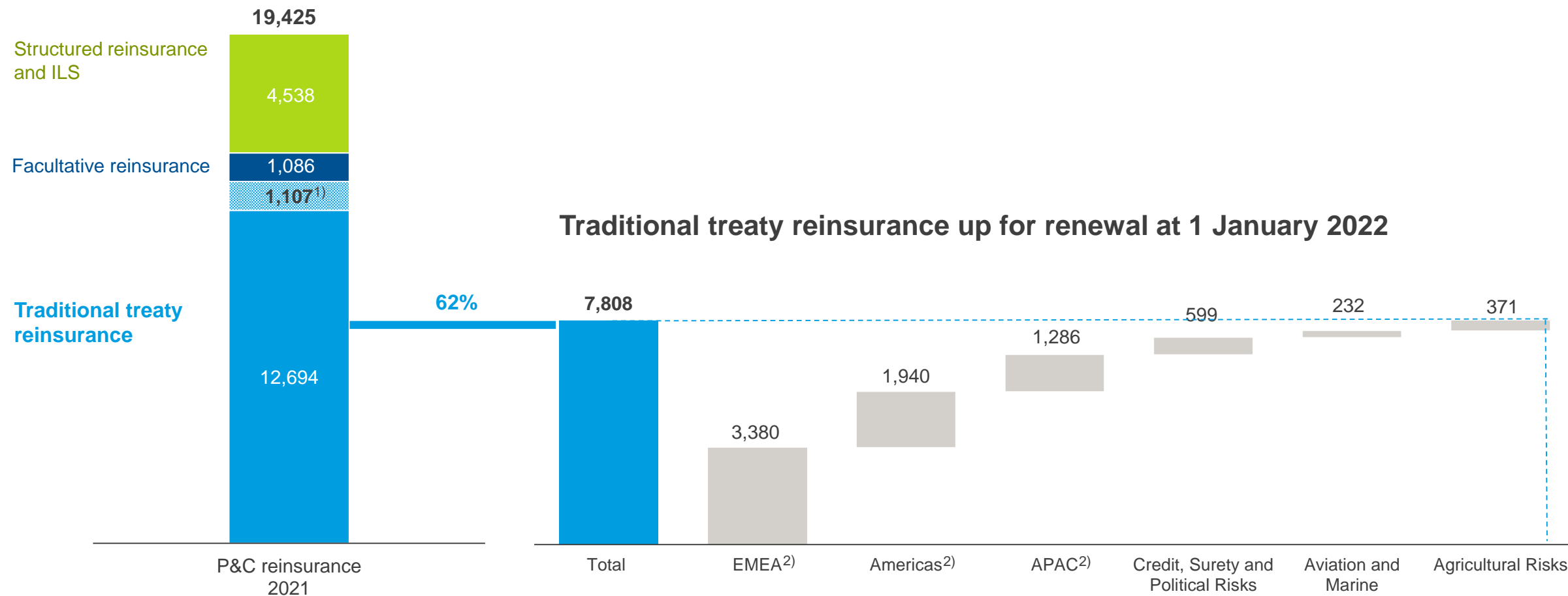
All numbers as % of net premium earned and as reported; 2021 and 2020 numbers include Covid-19 impact; Peers: Munich Re, Swiss Re, SCOR

1) Standard deviation

# 62% of traditional treaty reinsurance up for renewal at 1 January 2022

## Equates to 43% of the total P&C inforce premium

### Estimated premium income U/Y by reporting lines



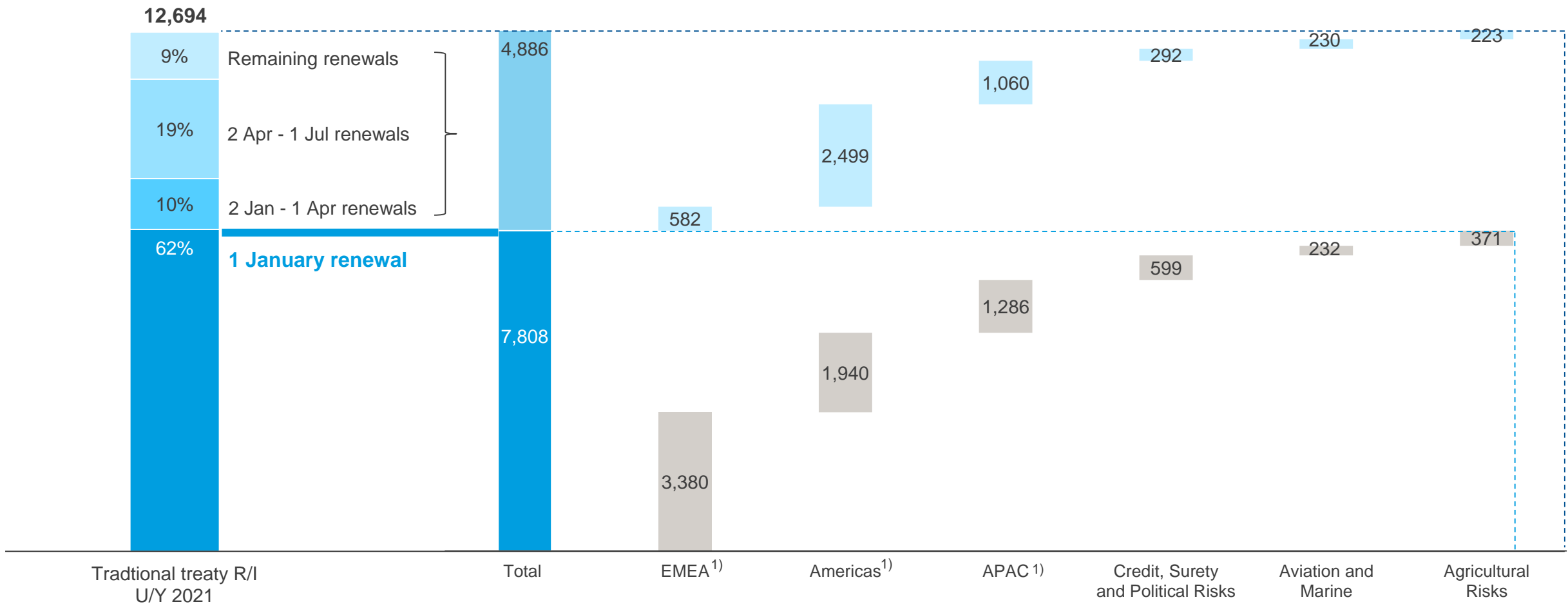
All figures in m. EUR

1) Mandatory cession from HDI Global Specialty

2) All lines of business except those stated separately

# 38% of traditional treaty reinsurance comes up for renewal later in a favourable market environment

Estimated premium income U/Y by regions



All figures in m. EUR

1) All lines of business except those stated separately

# Risk-adjusted price increase of 4.1% supported growth in most regions and lines of business

Reporting lines	Traditional treaty reinsurance			
	Premium 1/1/2021	Premium 1/1/2022	Premium changes	Price changes
EMEA <sup>1)</sup>	3,380	3,712	+9.8%	+5.3%
Americas <sup>1)</sup>	1,940	2,075	+7.0%	+5.0%
APAC <sup>1)</sup>	1,286	1,392	+8.2%	+1.4%
Credit, Surety and Political risks	599	666	+11.2%	+1.3%
Aviation and Marine	232	234	+0.8%	+5.2%
Agricultural Risks	371	381	+2.6%	+2.0%
<b>Total 1 January renewals</b>	<b>7,808</b>	<b>8,460</b>	<b>+8.3%</b>	<b>+4.1%</b>

Premium estimates in m. EUR

1) All lines of business except those stated separately (excl. Structured R/I and ILS as well as Facultative R/I)

# Satisfactory renewal in both treaty types

## 6.1% risk-adjusted rate increase in non-proportional business

Reporting lines	Proportional			Non-proportional		
	Premium 1/1/2022	Premium changes	Price changes	Premium 1/1/2022	Premium changes	Price changes
EMEA <sup>1)</sup>	2,750	+7.9%	+5.1%	961	+15.8%	+6.1%
Americas <sup>1)</sup>	912	+0.9%	+4.3%	1,163	+12.3%	+5.6%
APAC <sup>1)</sup>	1,280	+7.0%	+1.3%	112	+25.1%	+3.1%
Credit, Surety and Political risks	555	+10.9%	-0.1%	111	+12.5%	+8.8%
Aviation and Marine	92	-5.6%	+2.1%	142	+5.4%	+7.5%
Agricultural Risks	340	+3.1%	+0.4%	41	-1.5%	+14.6%
<b>Total 1 January renewals</b>	<b>5,929</b>	<b>+6.3%</b>	<b>+3.4%</b>	<b>2,530</b>	<b>+13.5%</b>	<b>+6.1%</b>

Premium estimates in m. EUR

1) All lines of business except those stated separately (excl. Structured R/I and ILS as well as Facultative R/I)

# Agenda

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1	Hannover Re Group	2
2	Property & Casualty reinsurance	33
3	Life & Health reinsurance	47
4	Investment management	61
5	Capital management	68
6	Interim results Q1/2022	80
7	Outlook	89
	<i>Appendix</i>	91

# We are somewhat different

## Undogmatic

We have an undogmatic approach

- Strong entrepreneurial spirit
- Appetite to innovate industry solutions

## Life & Health reinsurance

**somewhat  
different**

## Responsive

We are committed to time to market & responsiveness

- Rapid decision-making processes
- In-depth knowledge of local markets

## Efficient

We foster an efficient organisational set-up

- >1,100 experts in 26 offices on all continents
- Highly empowered and qualified staff

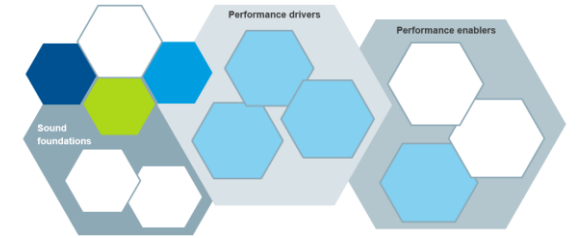
## Flexible

We are a highly flexible business partner

- Tailor-made services and solutions
- Ability to anticipate market and client demands



# Life & Health: Strategy



## Preferred business partner

**Support our clients in optimising consumer experience and risk segmentation**

- Deepen data analytics expertise in combination with artificial intelligence
- Widen data analytics service offering, including third-party data
- Expand partnerships: consumer experience & digitalisation of sales channels
- Enhance lifestyle & wellness product propositions

## Innovation catalyst

**Provide our clients with tailored risk-transfer solutions beyond our core expertise**

- Select appropriate partners to address investment, biometric & expense risk

## Earnings growth

**Outperform the competition in the fastest growing L&H markets**

- Expand our offering in ...
  - Asia
  - Longevity
  - Financial Solutions

## Effective capital management

**Identify and actively manage value-destroying risks in our portfolio**

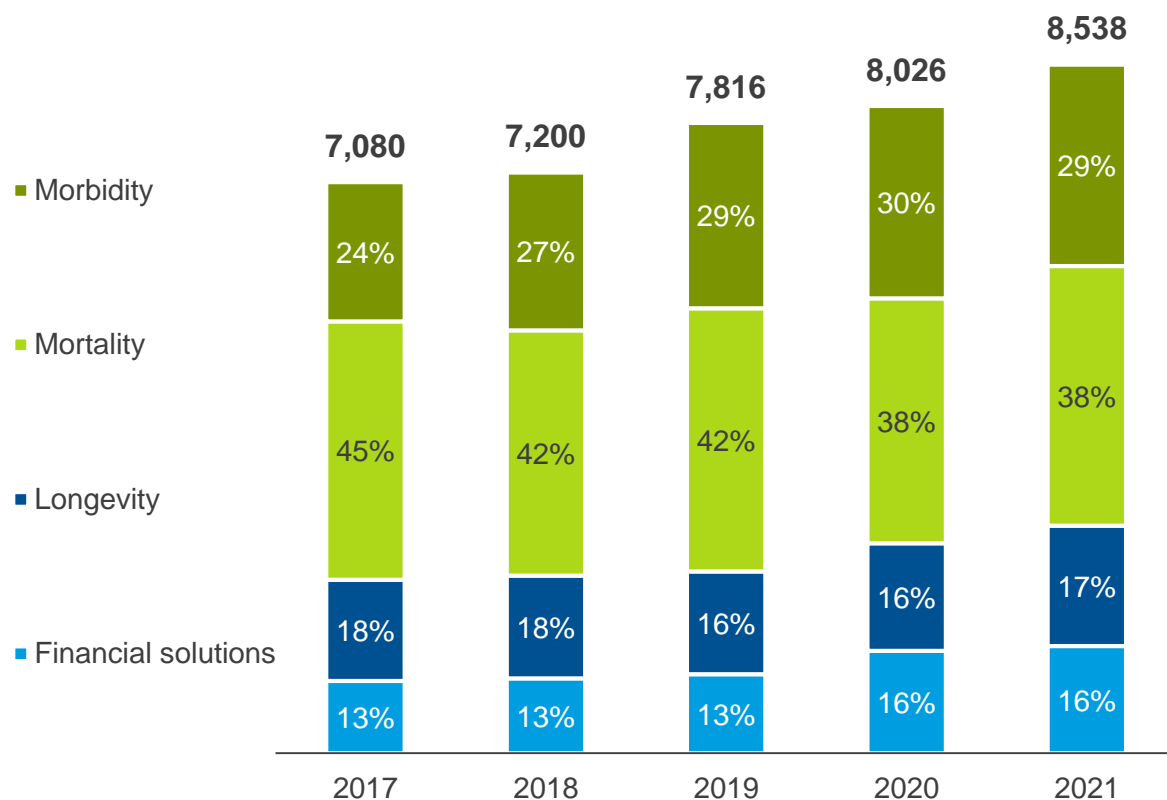
- Expand inforce management capabilities and activities
- Derive appropriate pricing from lessons learned for new business

# Life & Health reinsurance: diversified growth in line with strategic target

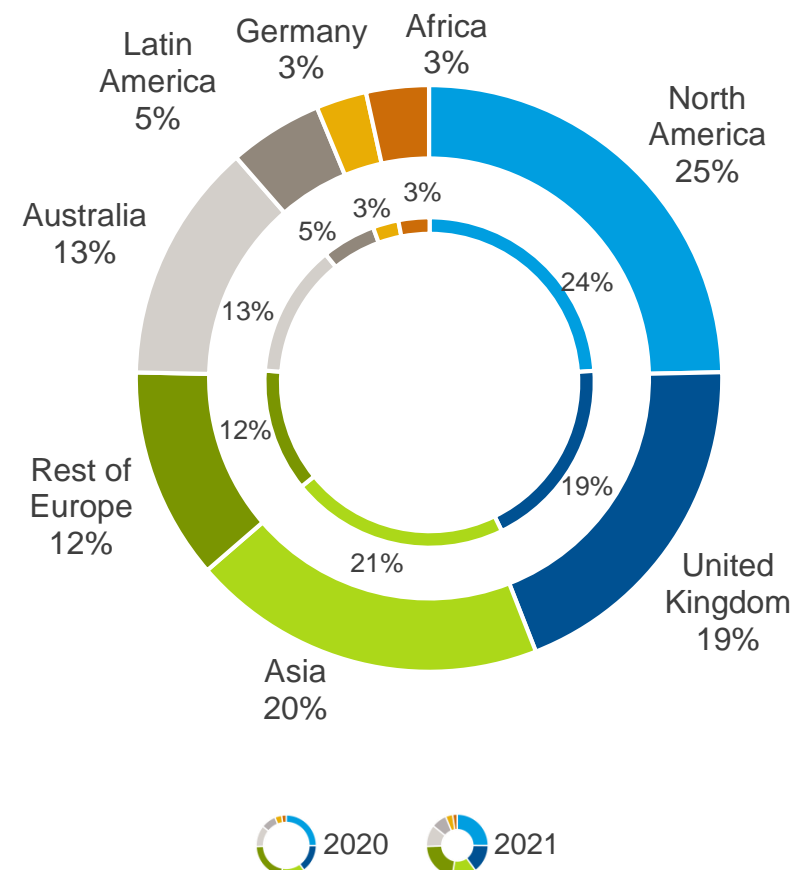
## 5-year CAGR: +3.6%

GWP split by reporting categories

in m. EUR



Gross written premium split by regions



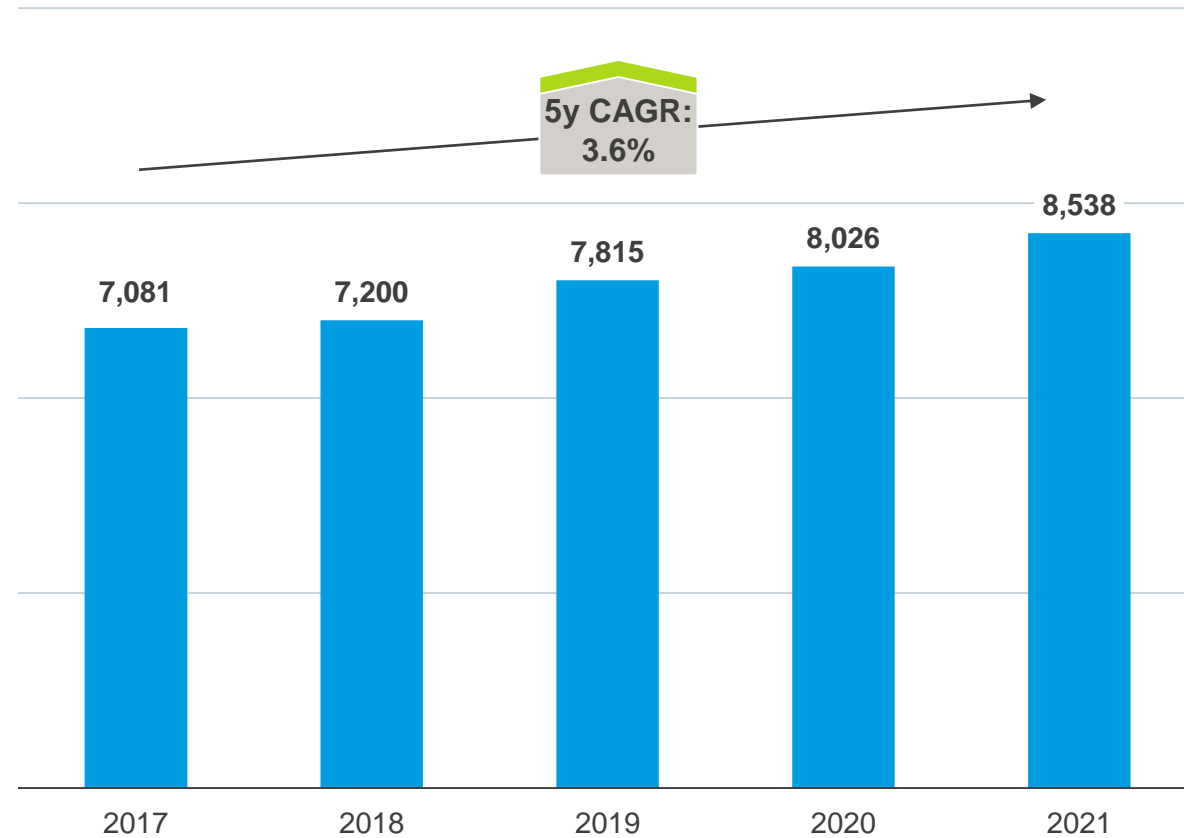
2020 restated pursuant to IAS 8

# Favourable premium growth

## 2021: result impacted by Covid-19 losses – strong earnings in Financial Solutions

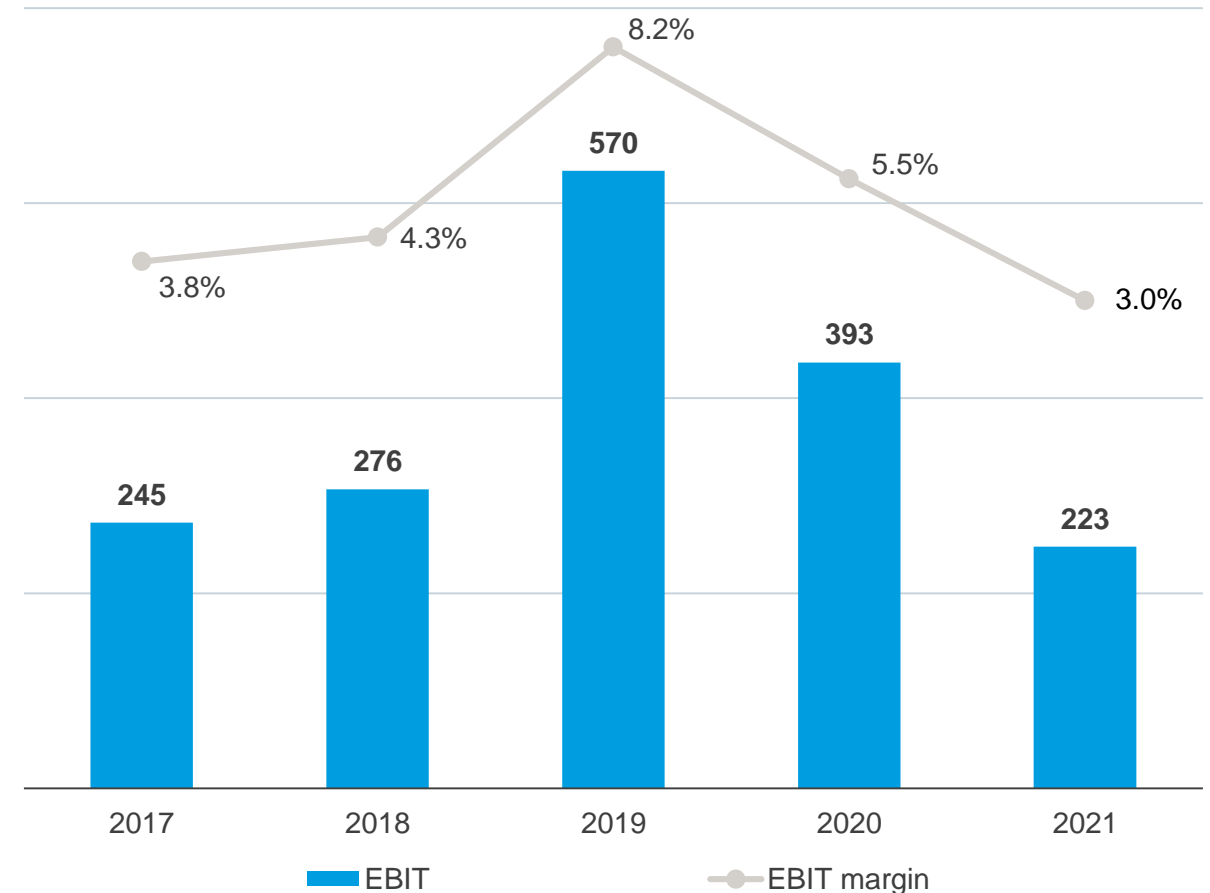
Gross written premium

in m. EUR



EBIT/EBIT margin

in m. EUR

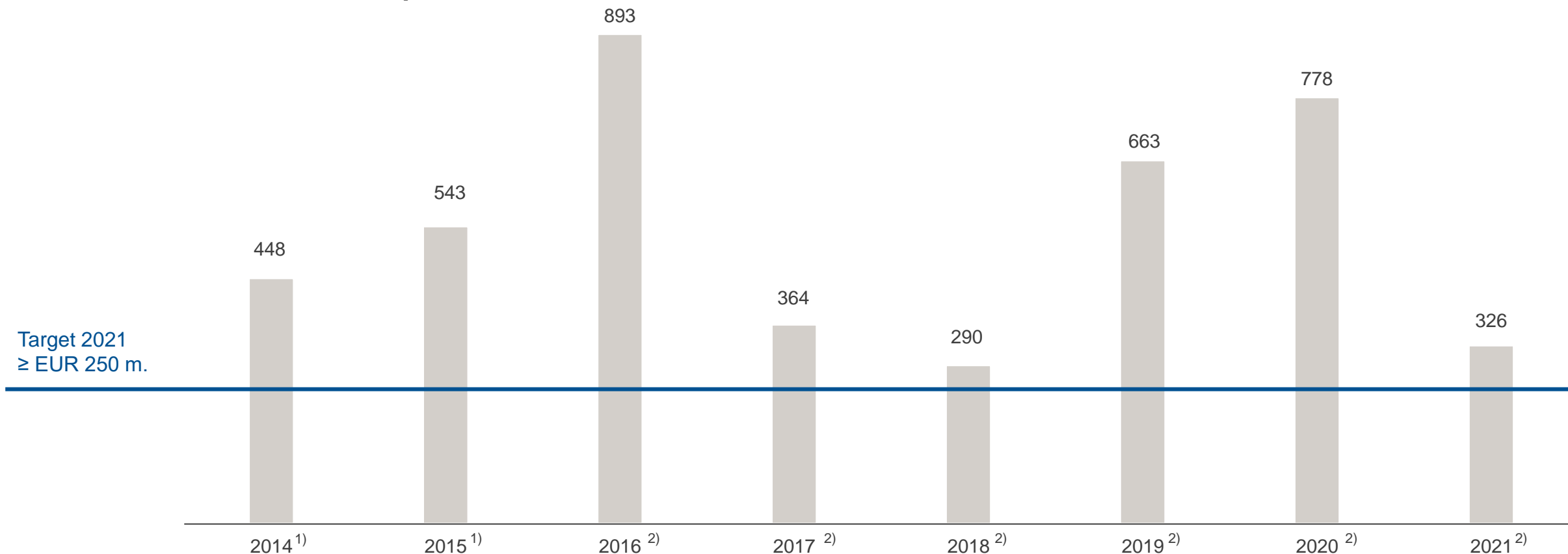


# Value of New Business well above target

## Mainly driven by Financial Solutions and Longevity business

### Value of New Business development

in m. EUR



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

# Writing attractive traditional life & health business

Whilst positioning ourselves for sustainable growth with a clear strategic focus

## Risk Solutions

Provide terms and capacity  
for all types of technical risks

## Financial Solutions

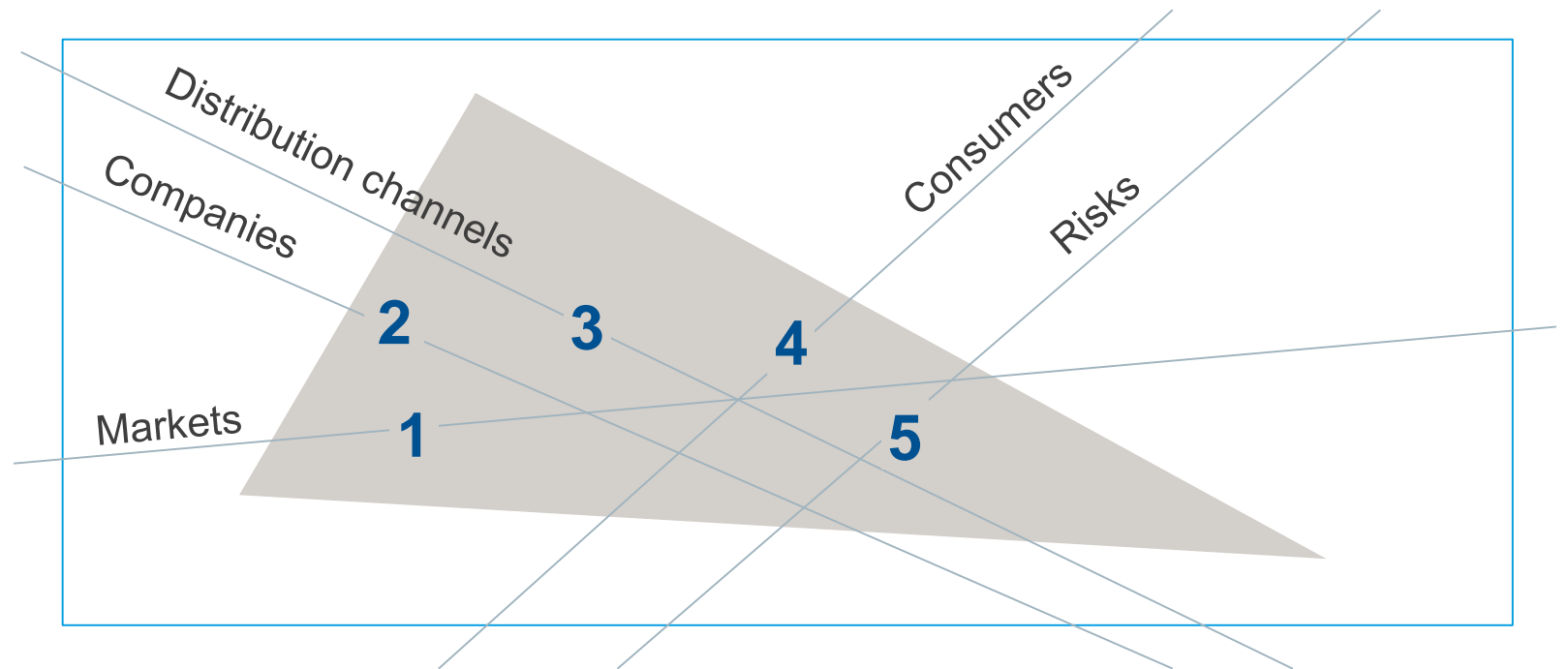
Achieve financial objectives  
for our clients

## Reinsurance Services

Meet the individual  
needs of our clients

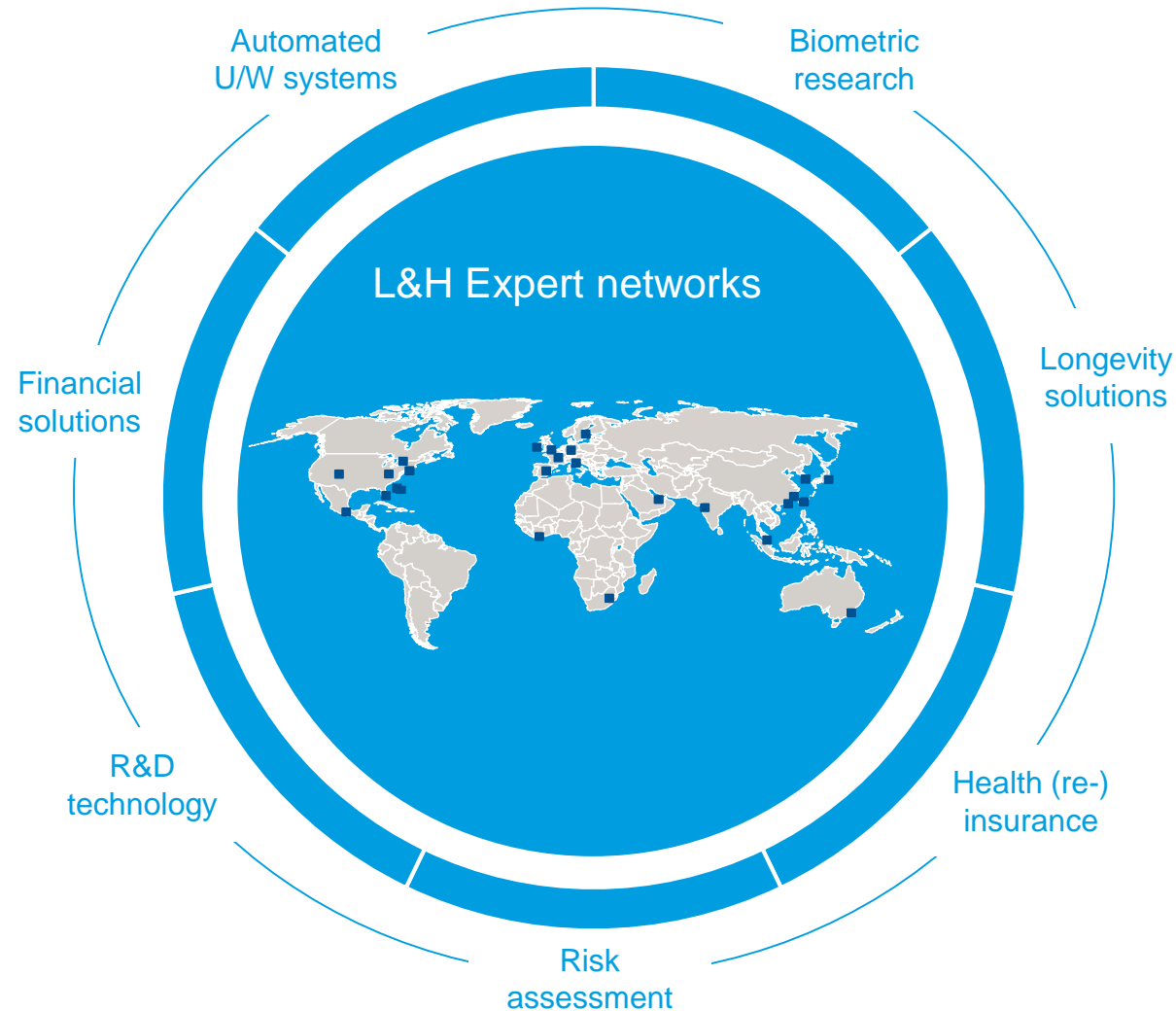
## Our strategic focus

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



□ Reinsurance universe    ▲ Positive economic value expected

# Our clients are served in the markets by our network of offices and by our solution-orientated expert networks



# Complete offerings

## Risk and financial solutions & services

<b>Risk Solutions</b> Competitive terms and appropriate capacity for technical risks	
Mortality	Longevity
Morbidity Health                      Disability	
Long Term Care	Critical Illness

Profitability depends largely on the underlying biometric risks

<b>Financial Solutions</b> Structured agreements to achieve certain financial objectives
New Business Financing
Reserve & Solvency Relief
Embedded Value Transaction

Profitability is less likely to be affected by the underlying biometric risks

<b>Reinsurance Services</b> Comprehensive range geared towards individual needs	
Products	Processes
Biometrics	Risk Assessment
Underwriting Systems	

Only in combination with risk solutions and/or financial solutions

# Example risk solution: mortality & longevity

## Risks

### Mortality

Risk of paying more death benefits than expected

### Longevity

Risk of paying annuities longer than expected

## Trigger



## Longevity: enhanced annuities<sup>1)</sup>

Illustration: 50k single premium; male 65; 3% interest

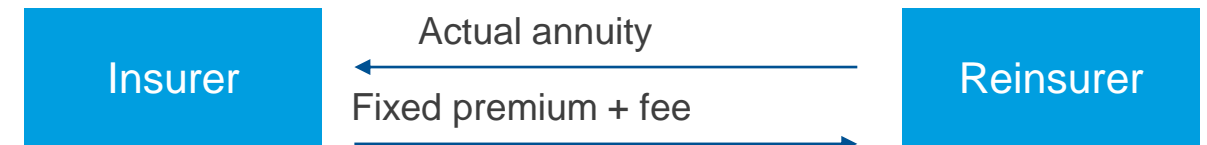
Status of health →	Healthy	Obesity	Diabetes	Cancer
Annuity increase →	+0% (standard)	+9%	+23%	+85%
Monthly annuity →	244	267	300	452

## Longevity: risk transfer



Lifelong annuity

no investment participation



<sup>1)</sup> Allows people in ill health to receive a higher regular income in recognition of the fact that they, on average, have a shorter life expectancy than a healthy person



# Example risk solution: morbidity - critical illness

## Morbidity

Risk of experiencing a higher claims burden from traditional health, critical illness, long-term care, and disability covers

## Product: Critical illness insurance



Helps consumers to protect their life quality in case of a life-threatening disease



## Payment



Income protection/medical insurance  
Payment of claim incurred

Critical Illness  
Payment of lump sum insured

## Hannover Re's contribution



- + Coverage of > than 160 diseases
- + Design, pricing & claims assessment
- + Advice & training in underwriting risks
- + Track record as innovator in the market

## Example: services offered with risk and/or financial solutions



### Products

Innovative, e.g. products with little or no underwriting



### Processes

Lean, e.g. distribution directly to individuals, without advisers



### Biometrics

Cover of death, disease or disability risks at an appropriate cost



### Risk assessment

Support for proper medical & claims assessment



### U/W systems

hr | Quirc, hr | ReFlex or hr | Ascent

# Primary differences between L&H and P&C business

## Simplified illustration

Accounting considerations (premium)

Single



Recurring

IBNR reserve impact

Low



High

Involvement of brokers

Low



High

Number of competitors

Few



Many

Number of reinsurer participating in one treaty

Few



Many

Premium margin as meaningful benchmark

Low



High

Reinsurance contract terms

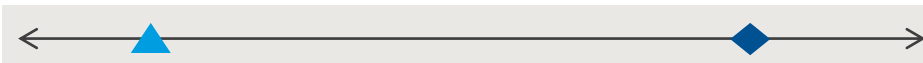
Short term



Long term

Saving component in premium

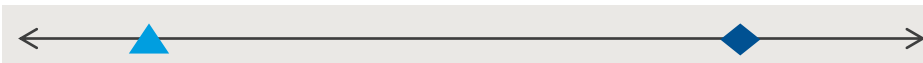
None



Common

Share of proportional business

Low



High

Property & Casualty business ▲ Life & Health business ◆

## Takeaways for the Life & Health Business Group

---

1

### Business

All lines of life, health & annuities

2

### Focus

Biometric risks not asset risk

3

### Relationship

Long term due to very long run-off

4

### Service

An important component

5

### Premium

Not the only meaningful benchmark → EBIT

6

### Financial solutions business

Key driver of earnings

# Agenda

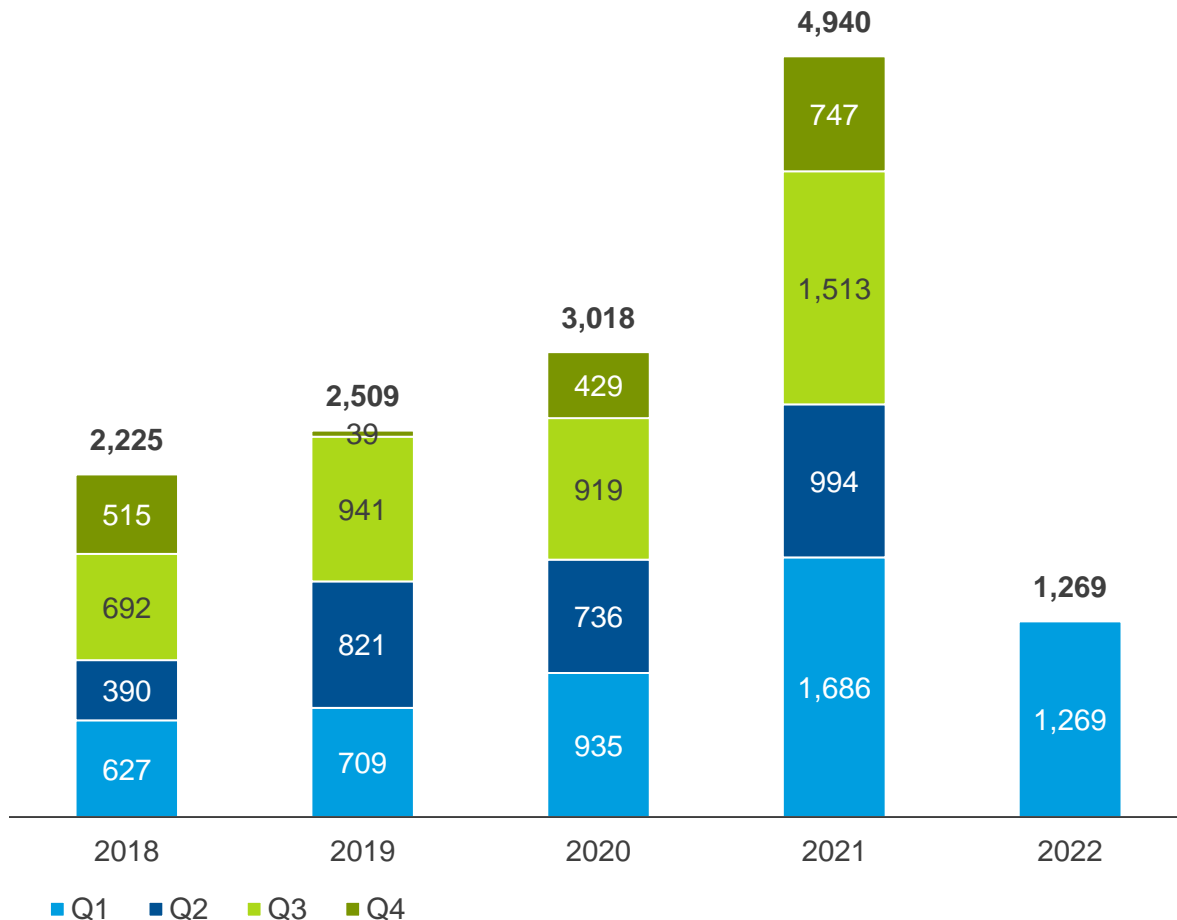
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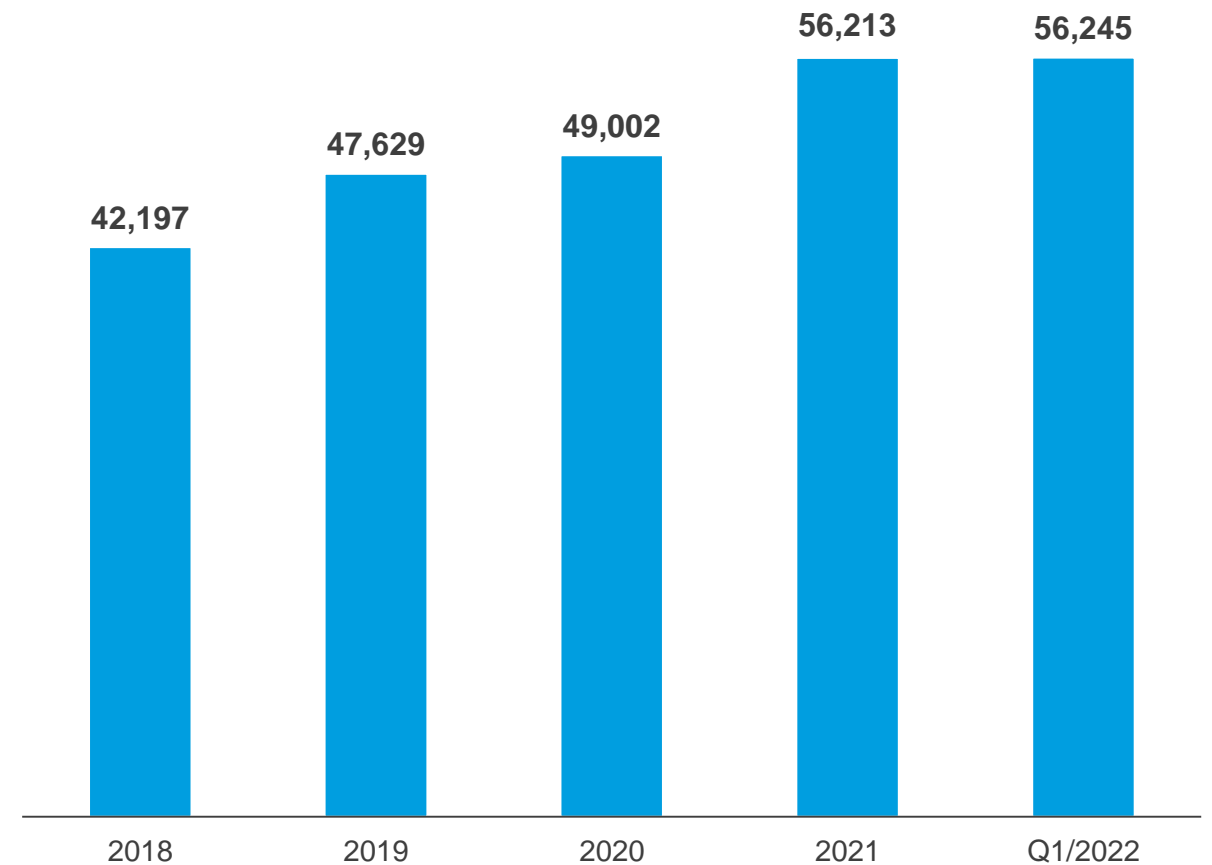
# Strong operating cash flow driven by profitable premium growth

## AuM stable despite negative valuation effect of rising interest rates

### Operating cash flow



### Assets under own management (AuM)



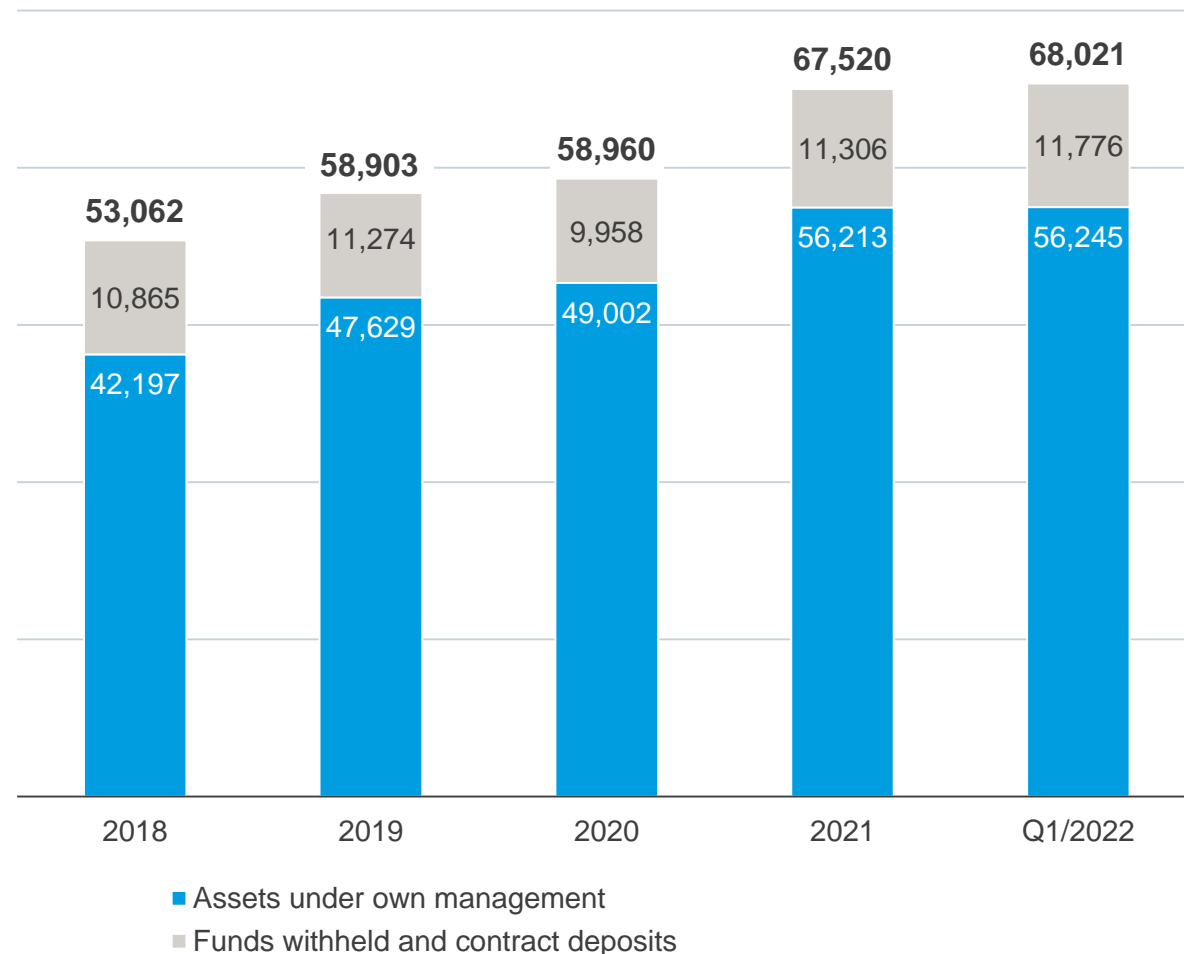
Figures in m. EUR; 2021 restated pursuant to IAS 8

# Good net investment income in a volatile market environment

## Assets under own management stable at EUR 56 bn.

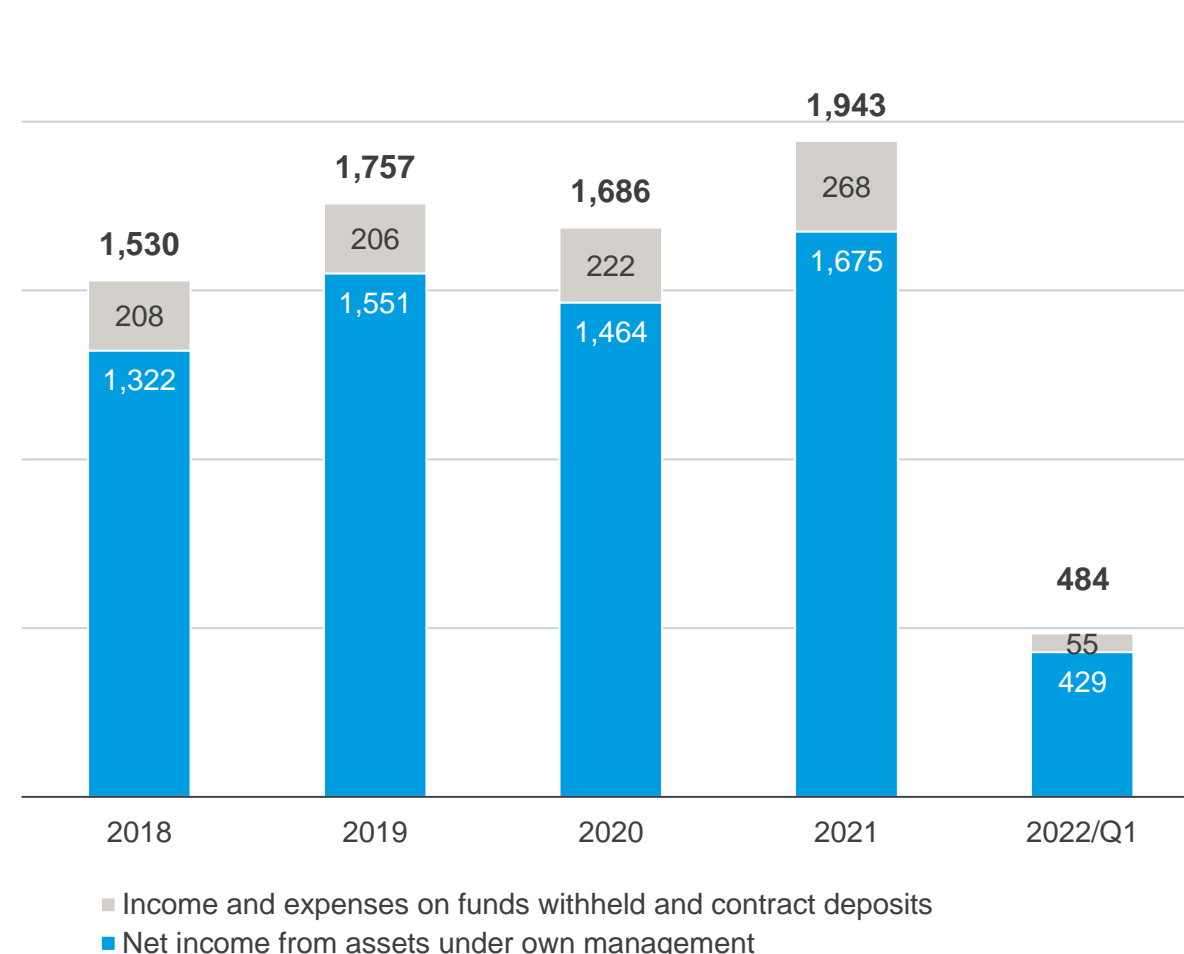
Total investments

in m. EUR



Investment income

in m. EUR



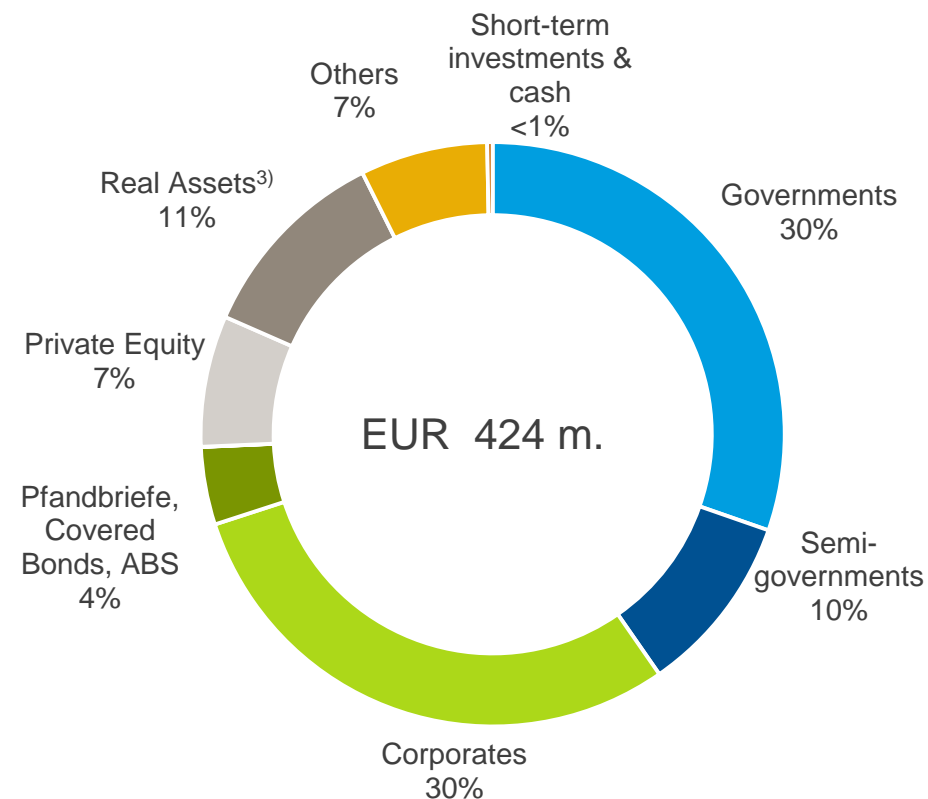
# Ordinary income with increased return from government bonds

## Stable asset allocation, more defensive credit-risk taking

### Asset allocation<sup>1)</sup>

Investment category	2018	2019	2020	2021	Q1/2022
<b>Fixed-income securities</b>	<b>87%</b>	<b>87%</b>	<b>85%</b>	<b>86%</b>	<b>85%</b>
- Governments	35%	35%	34%	34%	34%
- Semi-governments	16%	15%	15%	14%	14%
- Corporates	29%	31%	30%	32%	31%
Investment grade	25%	26%	25%	28%	27%
Non-investment grade	4%	4%	4%	4%	4%
- Pfandbriefe, Covered bonds, ABS	7%	7%	6%	6%	6% <sup>2)</sup>
<b>Equities</b>	<b>2%</b>	<b>3%</b>	<b>3%</b>	<b>4%</b>	<b>4%</b>
- Listed equity	<1 %	<1%	1%	1%	<1%
- Private equity	2%	2%	3%	3%	3%
<b>Real Assets</b>	<b>6%</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>	<b>6%</b>
<b>Others</b>	<b>1%</b>	<b>2%</b>	<b>3%</b>	<b>2%</b>	<b>2%</b>
<b>Short-term investments &amp; cash</b>	<b>4%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>
<b>Total market values in bn. EUR</b>	<b>42.7</b>	<b>48.2</b>	<b>49.8</b>	<b>56.2</b>	<b>56.2</b>

### 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 1,405.5 m. (EUR 1,588.2 m.) as at 31 March 2022

2) Of which Pfandbriefe and Covered Bonds = 62.6%

3) Before real estate-specific costs. Economic view based on market values as at 31 March 2022



# High-quality fixed-income book well balanced

Geographical allocation mainly in accordance with our broad business diversification

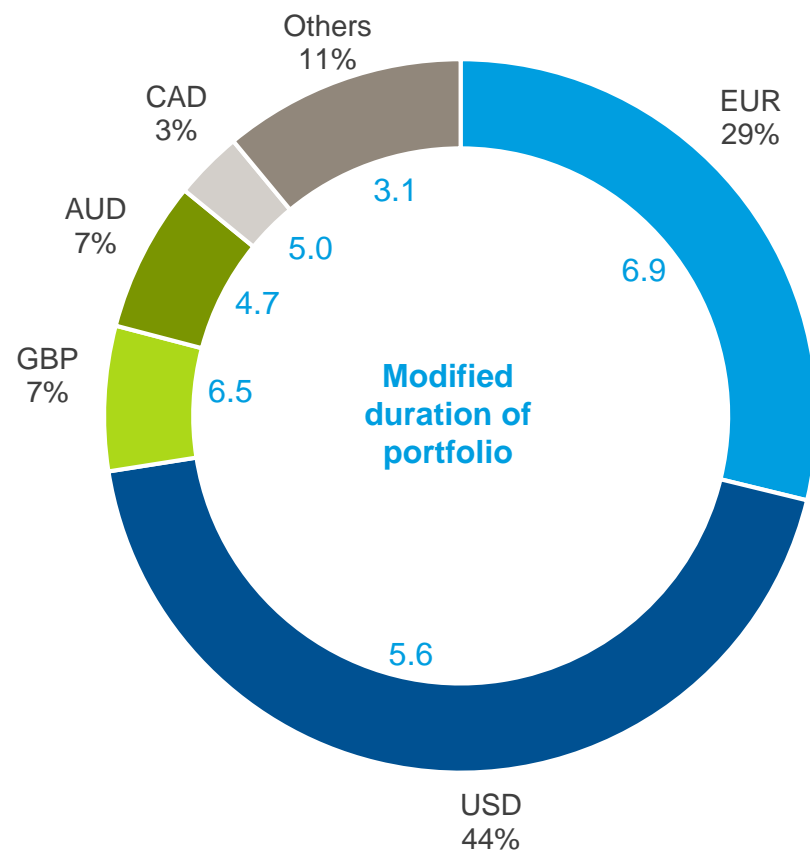
	Governments	Semi-governments	Corporates	Pfandbriefe, Covered bonds, ABS	Short-term investments, cash	Total
AAA	74%	54%	1%	62%	-	44%
AA	11%	23%	10%	13%	-	13%
A	10%	8%	35%	12%	-	19%
BBB	4%	1%	44%	11%	-	18%
<BBB	2%	13%	10%	2%	-	7%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>-</b>	<b>100%</b>
Germany	15%	28%	3%	19%	17%	13%
UK	7%	2%	7%	6%	7%	6%
France	3%	1%	7%	9%	3%	4%
GIIPS	0%	1%	5%	3%	0%	2%
Rest of Europe	3%	17%	14%	24%	4%	11%
USA	51%	12%	33%	18%	18%	35%
Australia	6%	5%	6%	10%	15%	6%
Asia	12%	15%	12%	1%	24%	12%
Rest of World	4%	18%	14%	10%	13%	10%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Total b/s values in m. EUR</b>	<b>19,175</b>	<b>7,823</b>	<b>16,951</b>	<b>3,650</b>	<b>1,716</b>	<b>49,315</b>

IFRS figures as at 31 March 2022

# Currency allocation matches modelled liability profile

## Strict duration-neutral strategy continued

### Currency split of investments



- Modified duration of fixed-income mainly congruent with liability- and capital-driven targets
- GBP's higher modified duration predominantly due to life business

### Modified duration

Q1/2022	5.6
2021	5.8
2020	5.8
2019	5.7
2018	4.8

# Stress tests on assets under own management

## Ongoing focus on credit exposures

Portfolio	Scenario	Change in market value in m. EUR	Change in OCI before tax in m. EUR
Equity (listed and private equity)	-10%	-221	-221
	-20%	-443	-443
Fixed-income securities	+50 bps	-1,395	-1,354
	+100 bps	-2,715	-2,635
Credit spreads	+50%	-879	-875

As at 31 March 2022

# Agenda

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# Our capital structure consists not only of equity

## Use of hybrids, securitisations etc. lowers cost of capital and levers RoE

- Equity capital is by far the most expensive form of capital. Therefore, we make optimal use of equity substitutes:
  - Conventional reinsurance/retrocession on an opportunistic basis (i. e. use of other reinsurers' capital)
  - Alternative capital market transactions
  - Hybrid capital

Type	Nominal amount	Issue date	Issue ratings S&P / A.M. Best	First call date	Maturity	Coupon rate
Dated subordinated bond ISIN: XS2320745156	EUR 750 m.	2021-03-22	A / -	2031-12-30	2042-06-30	Until 2032-06-30: 1.375% p. a. and thereafter 2.33% p. a. above 3 months EURIBOR
Dated subordinated bond ISIN: XS2198574209	EUR 500 m.	2020-07-08	A / -	2030-07-08	2040-10-08	Until 2030-10-08: 1.75% p. a. and thereafter 3.00% p. a. above 3 months EURIBOR
Dated subordinated bond ISIN: XS2063350925	EUR 750 m.	2019-10-09	A / -	2029-07-09	2039-10-09	Until 2029-10-09: 1.125% p. a. and thereafter 2.38% p. a. above 3 months EURIBOR
Senior unsecured bond ISIN: XS1808482746	EUR 750 m.	2018-04-18	AA- / -	2028-01-18	2028-04-18	Annually on every April 18: 1.125% p. a.
Undated subordinated bond Format: PerpNC10,8 ISIN: XS1109836038	EUR 500 m.	2014-09-15	A / a+	2025-06-26	Perpetual	Until first call date: 3.375% p. a. and thereafter 3.25% p. a. above 3 months EURIBOR
Dated subordinated bond Format: 30,6NC10,6 ISIN: XS0856556807	EUR 500 m.	2012-11-20	A / aa-	2023-06-30	2043-06-30	Until first call date: 5.00% p. a. and thereafter 4.30% p. a. above 3 months EURIBOR

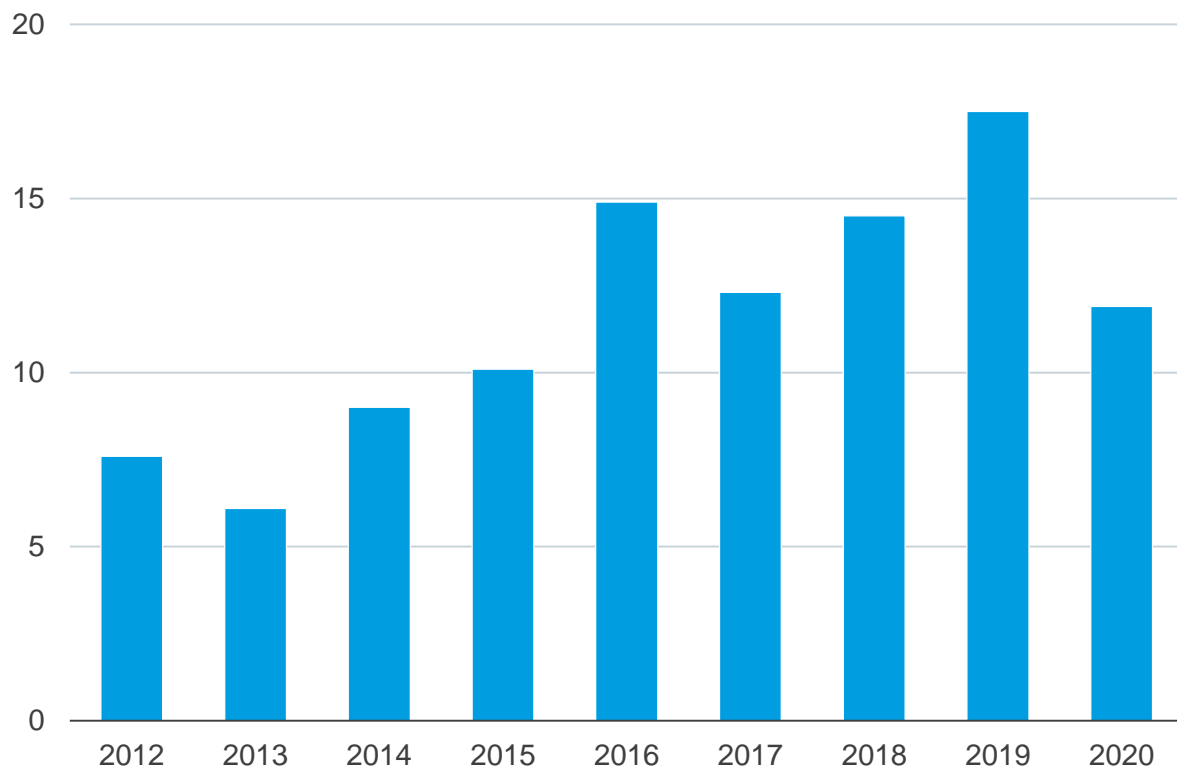
**Competitive advantage through low cost of capital (WACC)**

Senior bond not recognised as regulatory capital

# Leverage ratios support HR's excellent ratings

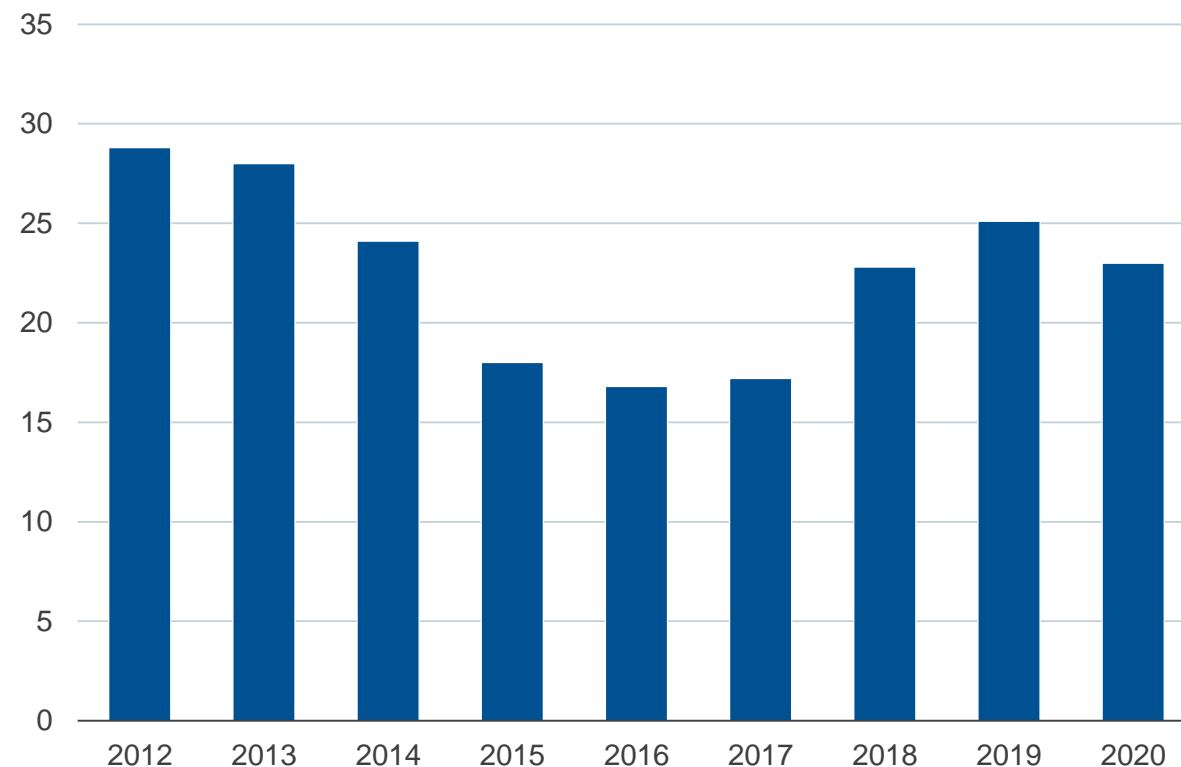
## S&P's view on Hannover Re

EBITDA fixed charge coverage (x)<sup>1)</sup>



Financial leverage<sup>2)</sup>

in %

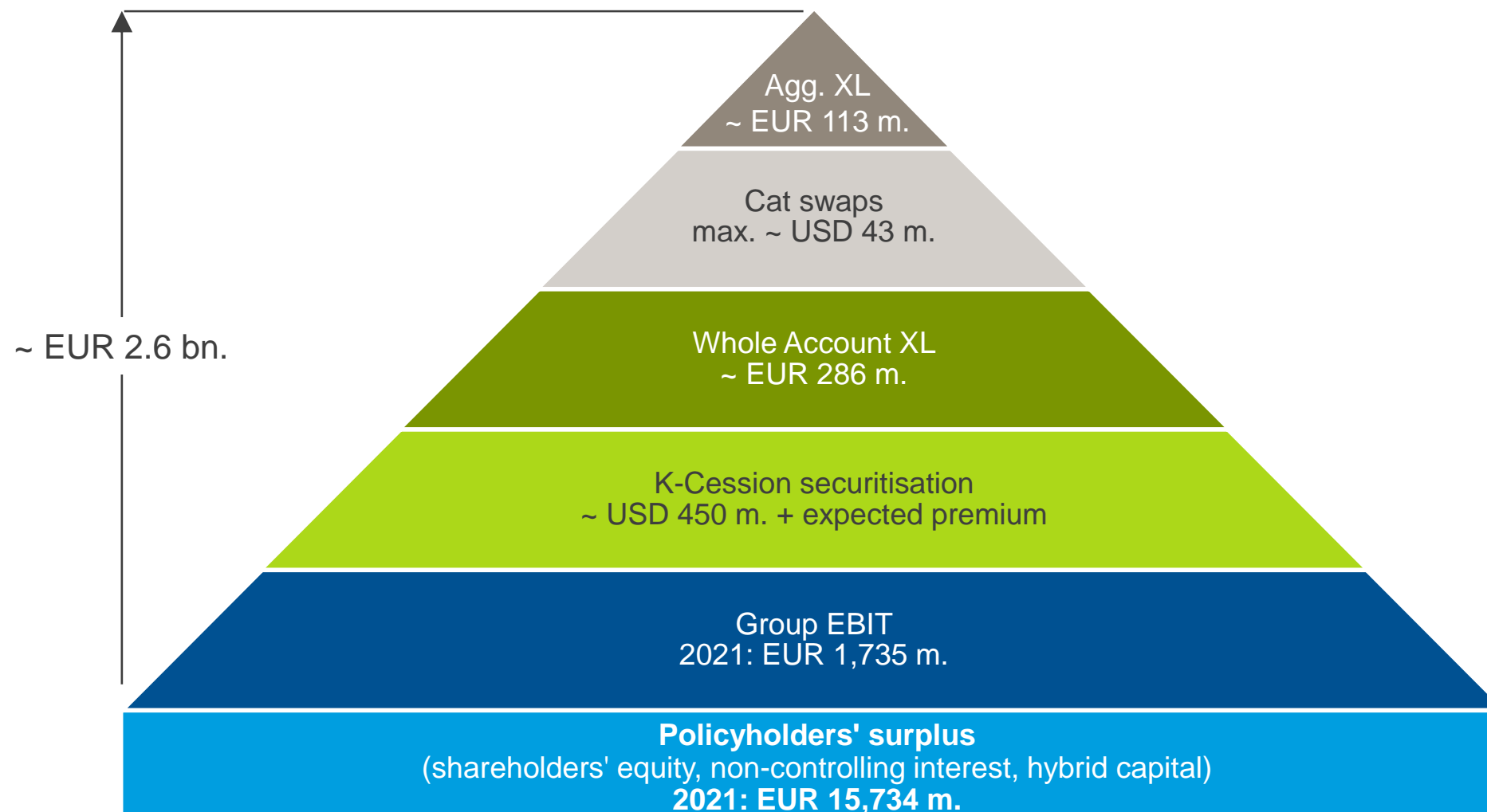


Source: Standard & Poor's rating report of Hannover Re as of 7 July 2021

1) Fixed charge coverage: EBITDA divided by sum of interest expenses and interest on operating lease (S&P definition)

2) Financial leverage: calculated as debt & hybrid capital, pension and operating lease commitments as of economic capital available (S&P definition)

## Net risk appetite geared to the desired level with one of the largest retrocession programme in the market



As at March 2022

# We pioneered in transferring risks into capital markets via securitisations

## Equity Substitutes

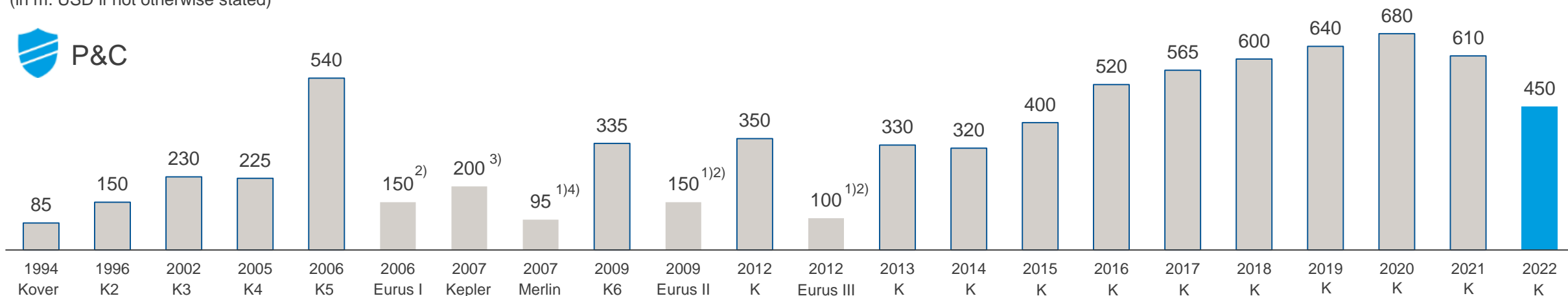
### Transactions

(in m. USD if not otherwise stated)

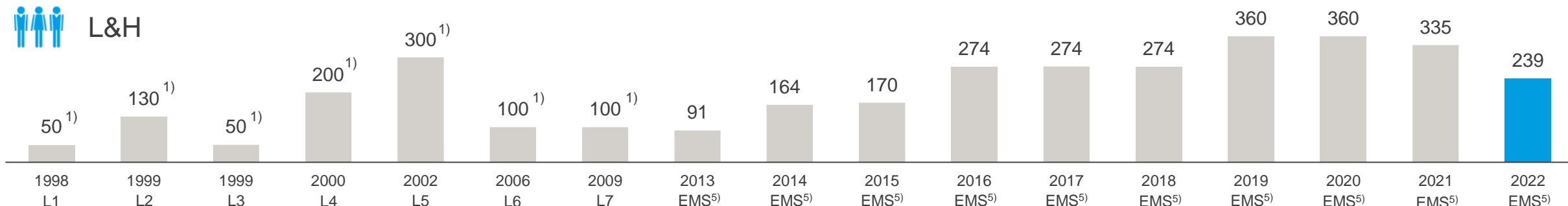
■ Expired transactions ■ On-going transactions ■ Portfolio-linked securitisation (P&C), K-Cessions



P&C



L&H



1) In m. EUR

2) Index-linked securitisation

3) Aggregate XL cover (P&C)

4) Credit-linked floating rate note

5) EMS = Extreme Mortality Swap

- In **1994** Hannover Re pioneered the first securitisation of natural catastrophe risks (**Kover**) followed by further transactions (K2-K6 & K-Cessions)
- In **1998** we started with the first-ever transfer of acquisition costs from L&H business to the capital market ( “L” deals, L1-L7)



# Financial strength ratings

## Group

General Reinsurance Corp.

## Hannover Re

Munich Re

XL Bermuda

SCOR

Swiss Re

Transatlantic Re

Everest Re

PartnerRe

Lloyd's

## S&P

AA+

AA-

AA-

AA-

AA-<sup>1)</sup>

AA-<sup>1)</sup>

A+<sup>2)</sup>

A+

A+

A+

## A.M. Best

A++

A+

A+

A+

A+

A+

A+

A+

A+

A

As at 2 May 2022

1) Negative outlook

2) Credit watch with positive implications

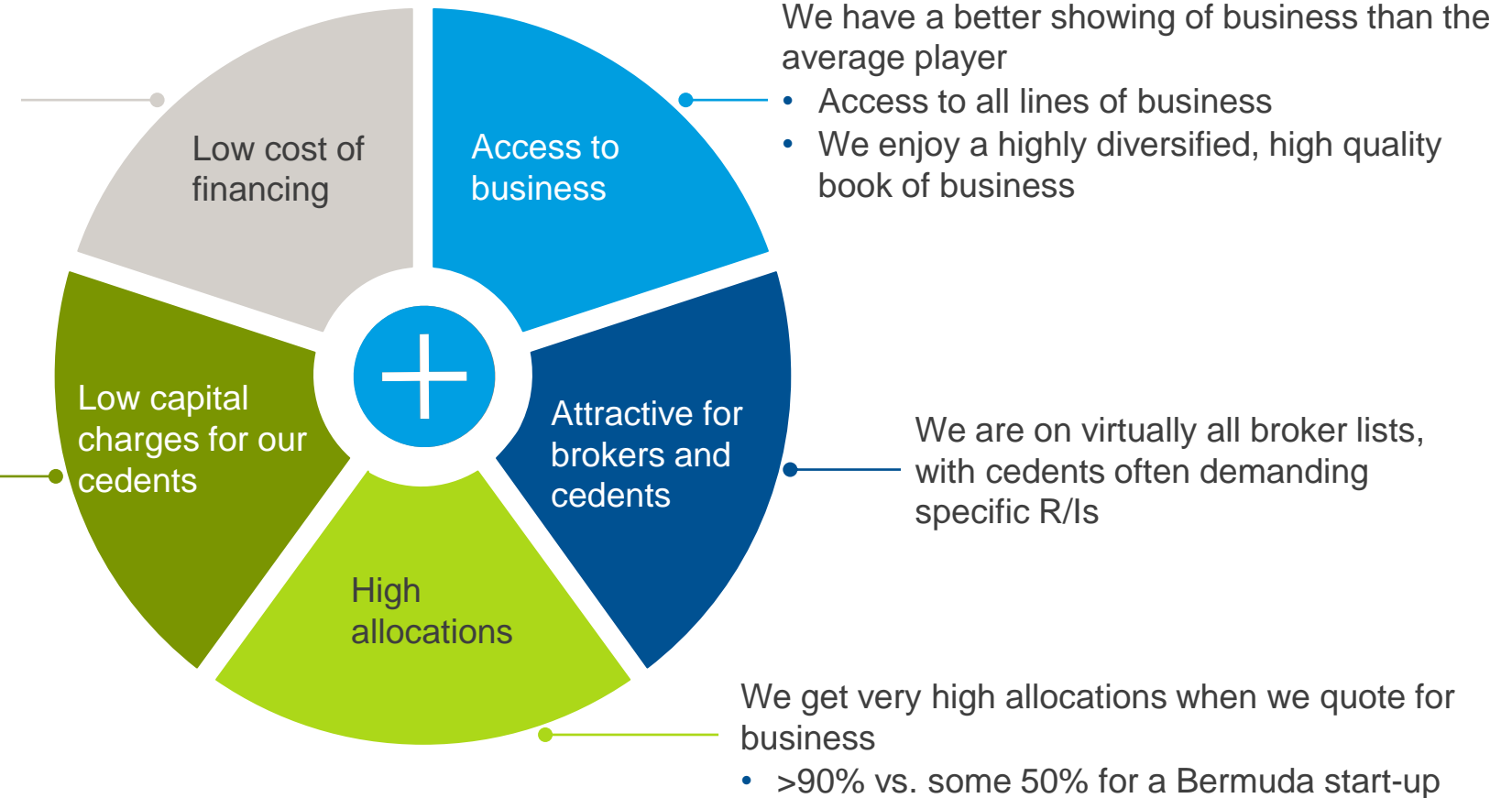
# Benefits of an above-average rating

Our cost of financing in the capital markets is lower

- Hybrid bonds trade at tighter spreads
- Better conditions for LoCs and credit lines

We create lower capital charges for our cedents

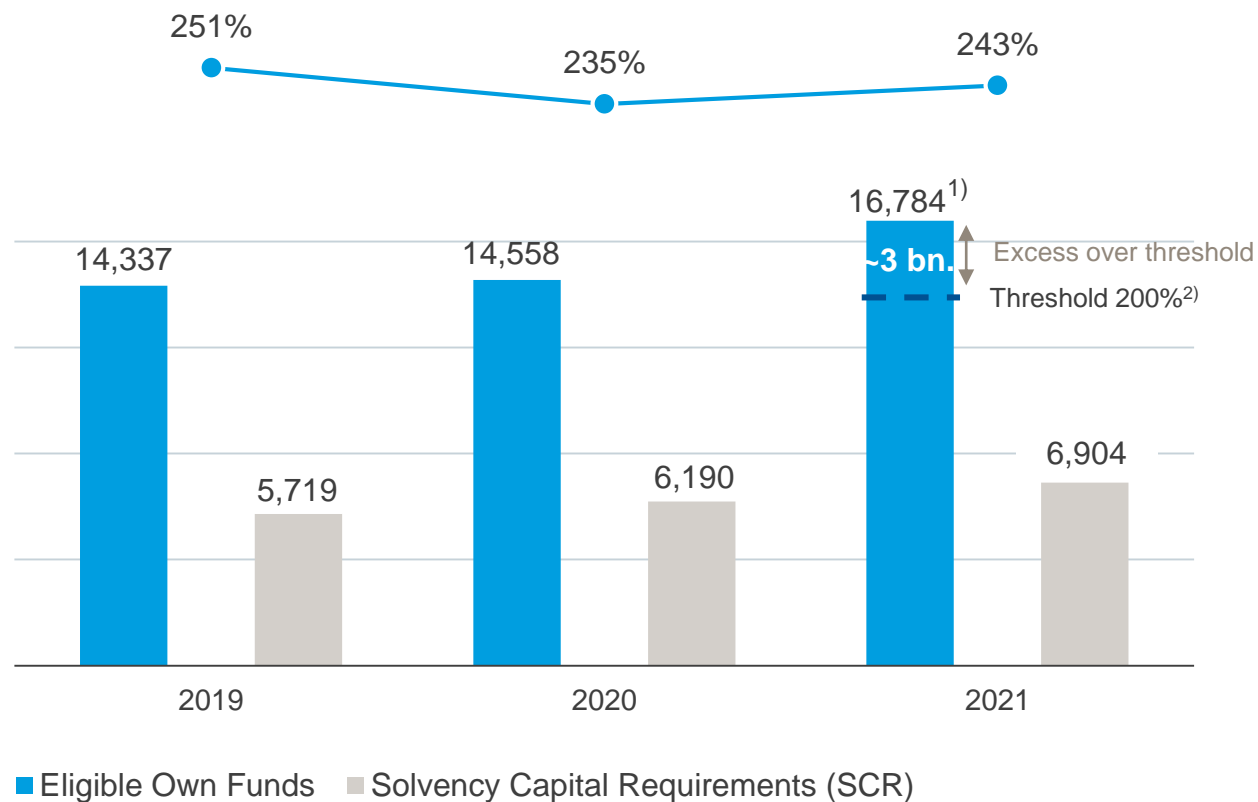
- "AA" range S&P capital charge on reinsurance recoverables = 0.8% ("A" = 1.4%, BBB = 3.1%)
- As an above-average rated R/I, we "minimise" our cedents' cost of capital



# Capital adequacy ratio remains well above targets

Increase in SCR driven by business growth and higher asset volumes

## Development of the Solvency II ratio



- Increase in eligible own funds due to issuance of new hybrid bond (EUR 750 m.) as well as positive economic impacts and strong operating result
- SCR increased mainly as a result of business growth and higher asset volumes as well as stronger f/x rates compared to EUR
- Increase in excess capital supports further business growth

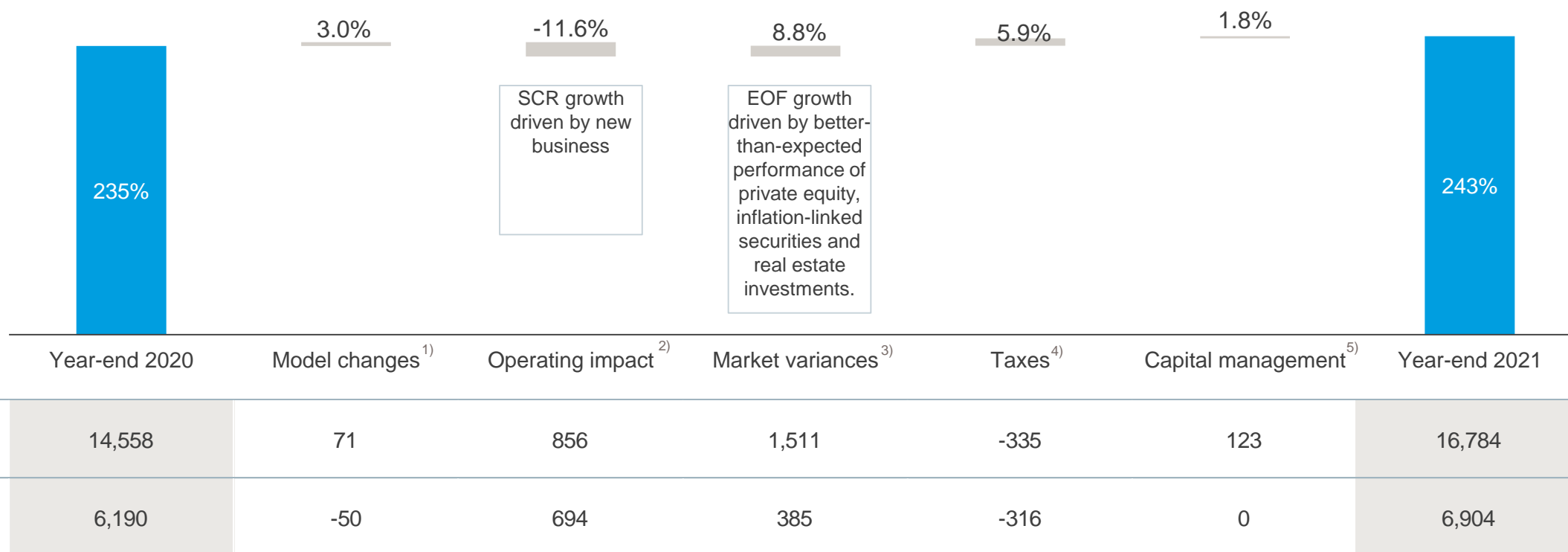
1) Excluding minority shareholdings of EUR 680 m.

2) Minimum Target Ratio Limit 180%

# Strong capital generation in line with overall business growth

## Increase in solvency ratio supported by issuance of new hybrid bond

### Solvency II movement analysis



Figures in m. EUR.

1) Model changes (pre-tax) in terms of Eligible Own Funds (EOF) relate to the calculation of technical provisions, mainly L&H. Changes in terms of Solvency Capital Requirements (SCR) relate to the regulatory approved internal capital model.

2) Operating earnings and assumption changes (pre-tax). EOF increase includes the L&H new business value of 326 m. EUR.

3) Changes (pre-tax) due to movements in foreign exchange rates, interest rates, credit spreads, inflation (mainly investments) and other financial market indicators.

4) Tax payments and changes in deferred taxes.

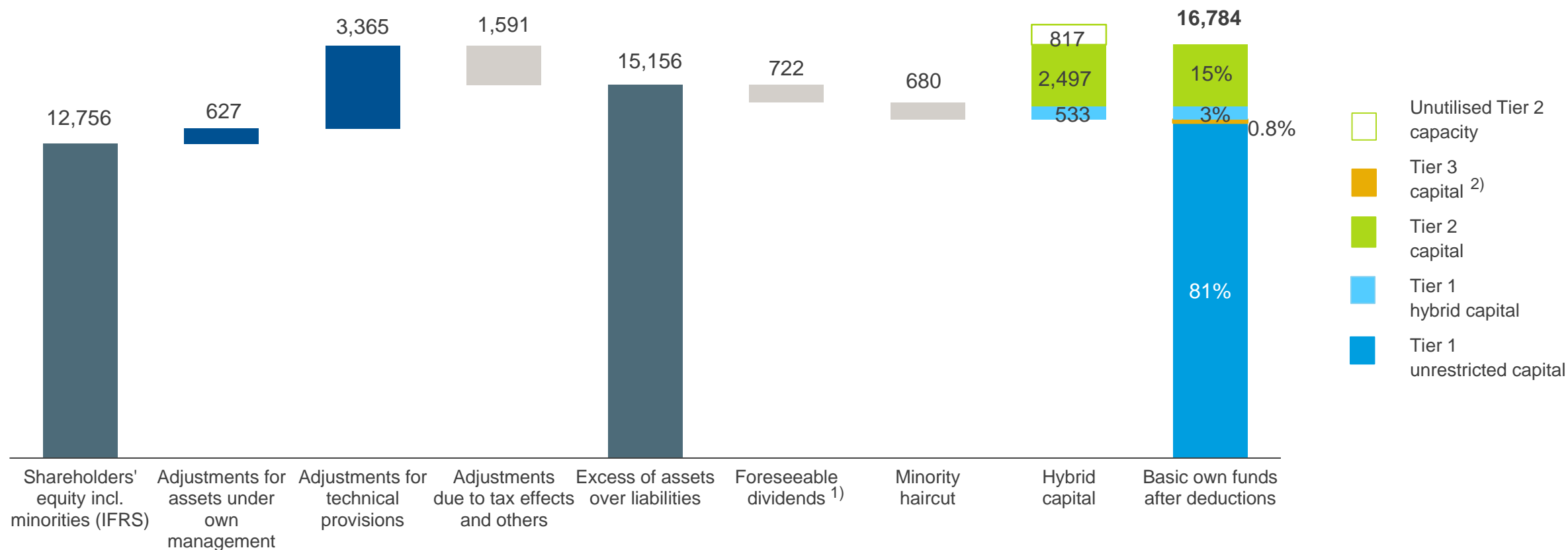
5) Incl. dividend payments and changes in foreseeable dividends and the issuance of a hybrid bond of 750 m. EUR.

# High-quality capital base with 82% Tier 1

## Unutilised Tier 2 provides additional flexibility

### Reconciliation of IFRS Shareholders' equity vs. Solvency II own funds

in m. EUR



As at 31 December 2021

1) Foreseeable dividends and distributions incl. non-controlling interests

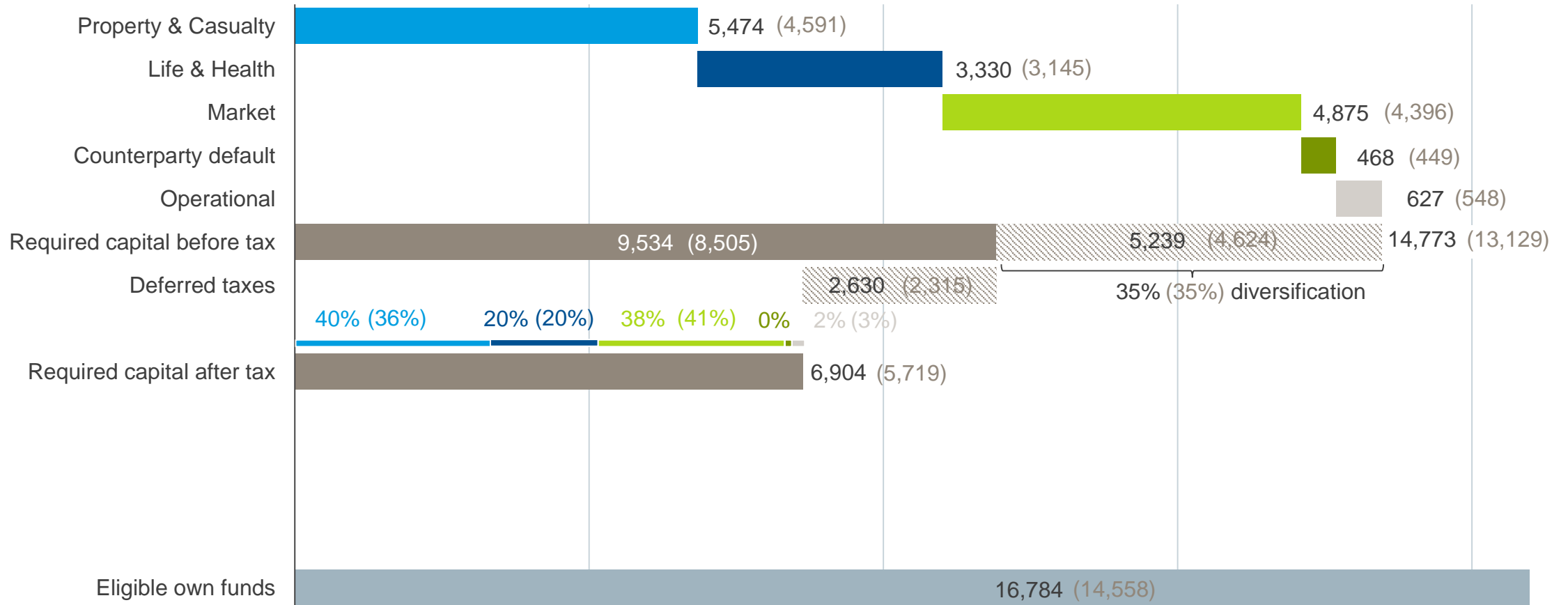
2) Net deferred tax assets

# Efficient capital deployment supported by significant diversification

## Increase in own funds and capital requirements in line with business growth

### Solvency Capital Requirements

in m. EUR

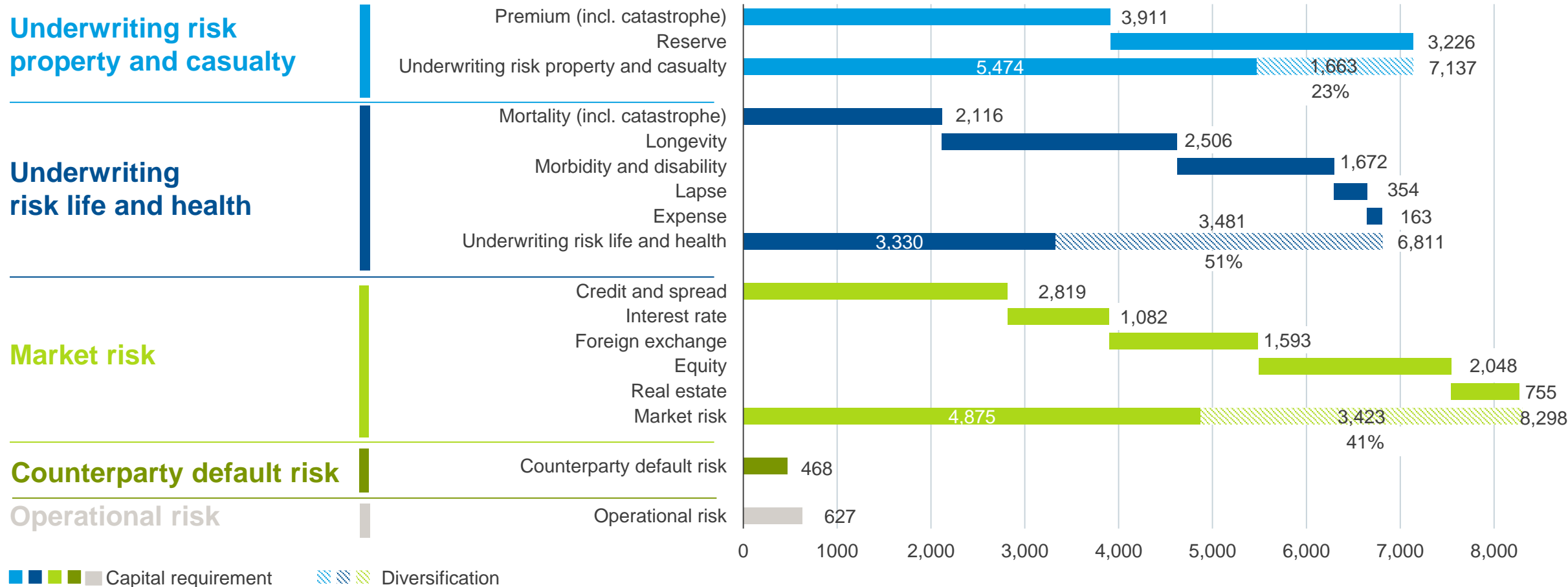


As at 31 December 2021 (2020)  
 Solvency capital requirements based on the internal model  
 Capital allocation based on Tail Value-at-Risk taking account of the dependencies between risk categories

# Hannover Re is well diversified within each risk category and has a well balanced risk profile

Risk capital for the 99.5% VaR (according to economic capital model)

in m. EUR



As at 31 December 2021

# Agenda

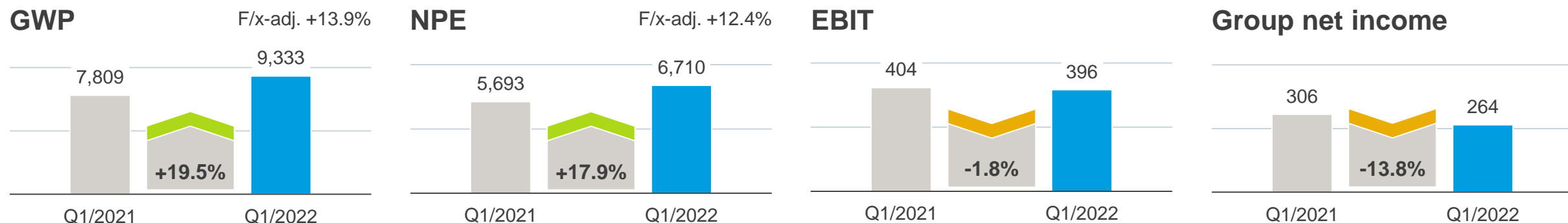
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# Strong premium growth of ~20%; return on equity above target

## Very solid results despite negative impacts in P&C and L&H



**9.3%**  
Return on Equity  
above target of 8.8%

**EUR 88.68**  
Book value per share  
-10.0%

**242%**  
Solvency II ratio  
31.03.2022



### P&C R/I

EBIT: 284 m.

- Strong and diversified premium growth +25.6% (f/x adjusted +19.5%)
- Combined ratio of 99.5% above target due to large losses of EUR 336 m. exceeding the budget by EUR 52 m. (1.1 % of NPE) and precautionary reserving for potential losses related to war in Ukraine (~3% of NPE)



### L&H R/I

EBIT: 113 m.

- Overall stable premium development +3.2% (f/x adjusted -1.2%)
- EBIT impacted by Covid-19 mortality claims of EUR 123 m. partly offset by positive valuation effect of EUR 46 m. from extreme mortality cover
- Favourable underlying performance



### Investments

NI: 484 m.

- AuM stable at EUR 56.2 bn. (+0.1%), strong operating cash flow offsets negative effects from asset valuation
- RoI from AuM 3.1%, above target of ≥2.3%
- Ordinary investment income +27.8%, supported by increased contribution from inflation-linked bonds and real estate as well as rising reinvestment yields

Figures in m. EUR, unless otherwise stated; 2021 restated pursuant to IAS 8

# Strong growth in a continued improving pricing environment

## Underwriting result affected by large losses and reserving related to war in Ukraine

Property & Casualty R/I in m. EUR	Q1/2021	Q1/2022	Δ
Gross written premium	5,693	7,149	+25.6%
Net premium earned	3,863	4,782	+23.8%
Net underwriting result incl. funds withheld	147	26	-82.2%
Combined ratio incl. interest on funds withheld	96.2%	99.5%	-
Net investment income from assets under own management	265	301	+13.6%
Other income and expenses	(100)	(44)	-56.5%
<b>Operating profit/loss (EBIT)</b>	<b>312</b>	<b>284</b>	<b>-9.1%</b>
Tax ratio	12.1%	31.4%	-
<b>Group net income</b>	<b>261</b>	<b>177</b>	<b>-32.4%</b>
Earnings per share (in EUR)	2.17	1.46	-32.4%

### YTD

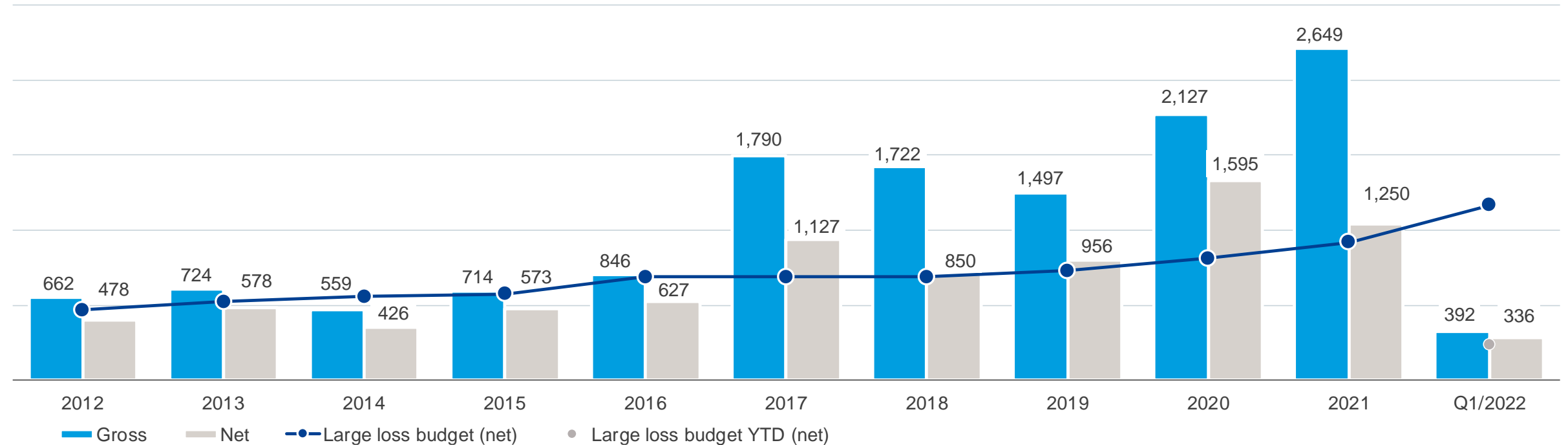
- GWP f/x-adjusted +19.5%, diversified growth from traditional and Structured Reinsurance business
- NPE f/x-adjusted +18.0%
- Net large losses of EUR 336 m. (7.0 % of NPE) above budget of EUR 284 m. for Q1/2022
- Precautionary reserving for potential losses related to the war in Ukraine (~3% of NPE)
- Increase in net investment income principally due to strong ordinary investment income
- Other income and expenses mainly driven by negative currency effects

2021 restated pursuant to IAS 8

# Large losses exceed budget of EUR 284 m. for Q1/2022

## Natural and man-made catastrophe losses

in m. EUR



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

9%	7%	9%	8%	7%	6%	8%	7%	9%	8%	17%	12%	14%	8%	10%	7%	13%	11%	14%	8%	5%	7%
----	----	----	----	----	----	----	----	----	----	-----	-----	-----	----	-----	----	-----	-----	-----	----	----	----

Large loss budget (net) in m. EUR

560	625	670	690	825	825	825	875	975	1,100	1,400
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Natural catastrophes and other major losses in excess of EUR 10m. gross

# Nat-cat losses above budget, man-made losses within expectation

## European storms and Australian floods absorbed entire large-loss budget

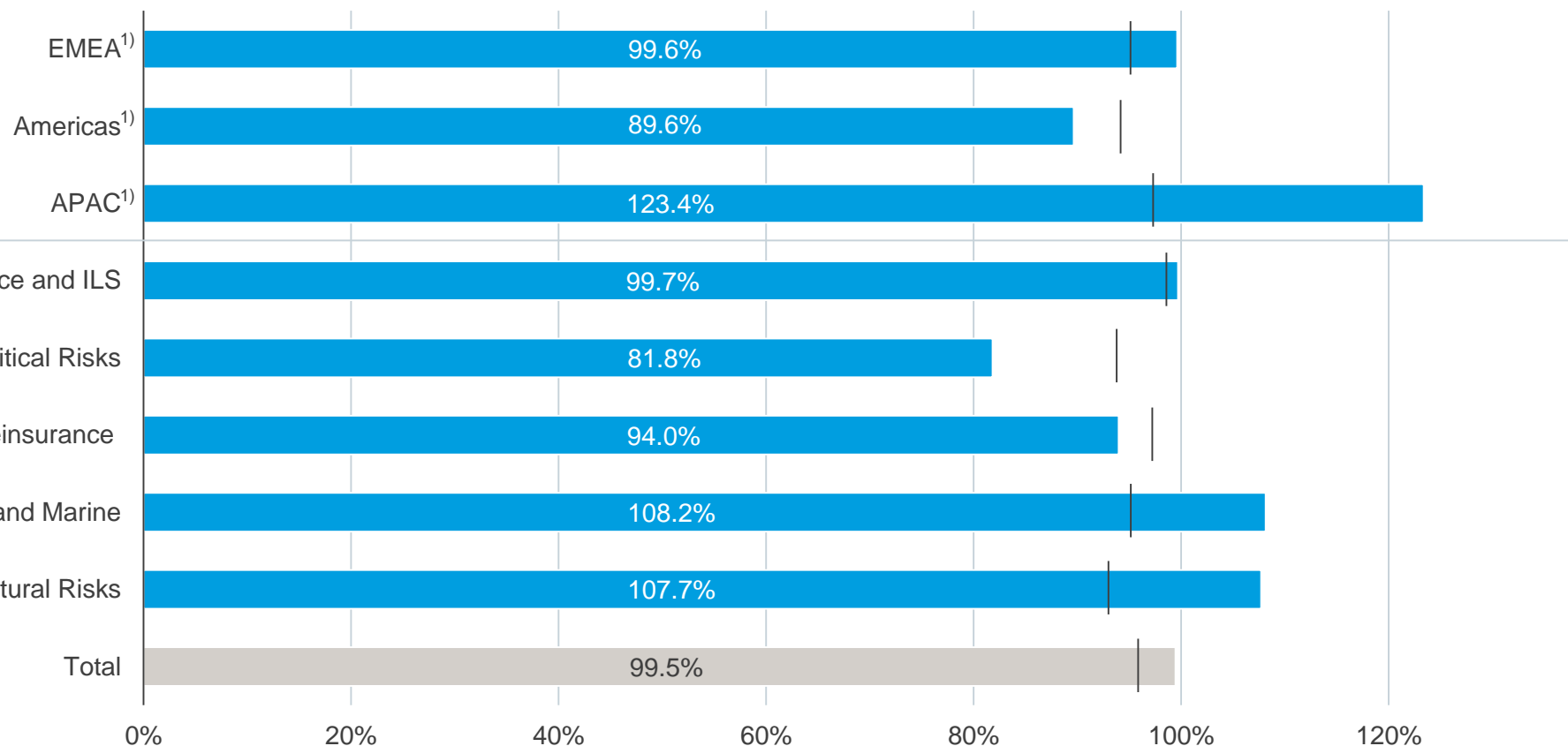
Catastrophe losses in m. EUR	Date	Gross	Net
Storm "Ylenia/Zeynep", Europe	16 - 19 Feb	140.7	124.2
Rain and flood, Australia	21 Feb - 7 Mar	223.2	185.6
<b>2 Natural catastrophes</b>		<b>363.9</b>	<b>309.8</b>
1 Marine loss		15.7	13.9
1 Property losses		12.1	12.1
<b>2 Man-made losses</b>		<b>27.8</b>	<b>26.0</b>
<b>4 Major losses</b>		<b>391.7</b>	<b>335.8</b>

Natural catastrophes and other major losses in excess of EUR 10m. gross  
 Large loss budget 2022: EUR 1,400 m., thereof EUR 250 m. man-made and EUR 1,150 m. NatCat

# Combined ratios reflect large losses and precautionary reserving in property and marine related to war in Ukraine

## Q1/2022: Combined Ratio vs. target combined ratios

### Regional markets



### Worldwide markets

■ Combined ratio | Target combined ratio

1) All lines of Property & Casualty reinsurance except those stated separately; EMEA incl. CIS

# Favourable underlying profitability

## Results impacted by Covid-19 pandemic - strong earnings in Financial Solutions

Life & Health R/I in m. EUR	Q1/2021	Q1/2022	Δ
Gross written premium	2,116	2,185	+3.2%
Net premium earned	1,830	1,928	+5.4%
Net underwriting result incl. funds withheld	(122)	(128)	+5.2%
Net investment income from assets under own management	45	128	+183.8%
Other income and expenses	169	113	-32.8%
<b>Operating profit/loss (EBIT)</b>	<b>92</b>	<b>113</b>	<b>+22.9%</b>
EBIT margin	5.0%	5.9%	-
Tax ratio	37.2%	9.4%	-
<b>Group net income</b>	<b>57</b>	<b>101</b>	<b>+77.6%</b>
Earnings per share (in EUR)	0.47	0.84	+77.6%

### YTD

- GWP f/x-adjusted -1.2%, growth in Mortality and Longevity offset by reduced premium volume in Morbidity
- NPE f/x-adjusted growth +0.8%
- Technical result impacted by Covid-19 losses of EUR 123 m. (thereof US: EUR 76 m.)
- Ordinary investment income increased primarily due to higher contribution from fixed income
- Fair value of financial instruments includes positive valuation effect of EUR 46 m. from extreme mortality cover and negative impact from valuation of reinsurance-related derivatives (EUR -45m)
- Other income and expenses mainly driven by strong contribution from deposit accounted treaties of EUR 111 m. (Q1/2021: EUR 90 m.)

2021 restated pursuant to IAS 8

# Strong return on investment of 3.1%

## Positive effects from increased reinvestment yields and inflation-linked bonds

in m. EUR	Q1/2021	Q1/2022	RoI
Ordinary investment income <sup>1)</sup>	322	424	3.0%
Realised gains/losses	90	42	0.3%
Impairments/appreciation & depreciation	(21)	(15)	-0.1%
Change in fair value of financial instruments (through P&L)	(50)	22	0.2%
Investment expenses	(31)	(43)	-0.3%
<b>NII from assets under own management</b>	<b>311</b>	<b>429</b>	<b>3.1%</b>
NII from funds withheld	131	55	
<b>Total net investment income</b>	<b>441</b>	<b>484</b>	

Unrealised gains/losses on investments	31 Dec 21	31 Mar 22
On-balance sheet	2,310	(72)
thereof Fixed income AFS	1,299	(1,092)
Off-balance sheet	629	576
thereof Fixed income HTM, L&R	148	71
<b>Total</b>	<b>2,939</b>	<b>504</b>

### YTD

- Increasing ordinary income from inflation-linked bonds, higher reinvestment yield, higher return from real estate investments as well as higher asset volume
- Realised gains primarily from credit and equity shifts and reallocations due to strategic and regular portfolio adjustments
- Stable depreciation on direct real estate investments; overall impairments at moderate levels
- Change in fair value of financial instruments through P&L impacted by valuation of reinsurance-related derivatives, offset by valuation effect from extreme mortality cover
- Decrease in valuation reserves due to higher minimal-risk yield curves; credit spreads on corporates with rather small changes overall; positive contribution from inflation-linked bonds

1) Incl. results from associated companies  
2021 restated pursuant to IAS 8

# Our business groups at a glance

## Q1/2022 vs. Q1/2021

in m. EUR

	Property & Casualty R/I		Life & Health R/I		Total	
	Q1/2021	Q1/2022	Q1/2021	Q1/2022	Q1/2021	Q1/2022
Gross written premium	5,693	7,149	2,116	2,185	7,809	9,333
Net premium earned	3,863	4,782	1,830	1,928	5,693	6,710
Net underwriting result	144	22	(249)	(178)	(105)	(157)
Net underwriting result incl. funds withheld	147	26	(122)	(128)	25	(102)
Net investment income	269	306	172	178	441	484
From assets under own management	265	301	45	128	311	429
From funds withheld	4	5	127	50	131	55
Other income and expenses	(100)	(44)	169	113	68	69
<b>Operating profit/loss (EBIT)</b>	<b>312</b>	<b>284</b>	<b>92</b>	<b>113</b>	<b>404</b>	<b>396</b>
Financing costs	(1)	(1)	(0)	(0)	(19)	(21)
<b>Net income before taxes</b>	<b>312</b>	<b>283</b>	<b>92</b>	<b>113</b>	<b>385</b>	<b>375</b>
Taxes	(38)	(89)	(34)	(11)	(66)	(93)
<b>Net income</b>	<b>274</b>	<b>194</b>	<b>57</b>	<b>102</b>	<b>319</b>	<b>282</b>
Non-controlling interest	13	18	1	1	13	19
<b>Group net income</b>	<b>261</b>	<b>177</b>	<b>57</b>	<b>101</b>	<b>306</b>	<b>264</b>
Retention	92.6%	93.1%	88.6%	88.6%	91.5%	92.0%
Combined ratio (incl. interest on funds withheld)	96.2%	99.5%	-	-	-	-
EBIT margin (EBIT / Net premium earned)	8.1%	5.9%	5.0%	5.9%	7.1%	5.9%
Tax ratio	12.1%	31.4%	37.2%	9.4%	17.1%	24.7%
Earnings per share (in EUR)	2.17	1.46	0.47	0.84	2.54	2.19



# Agenda

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# Guidance for 2022

## Hannover Re Group

- Gross written premium<sup>1)</sup> \_\_\_\_\_  $\geq 5\%$
- Return on investment<sup>2)</sup> \_\_\_\_\_  $\geq 2.3\%$
- Group net income<sup>2)</sup> \_\_\_\_\_ EUR 1.4 - 1.5 bn.
- Ordinary dividend \_\_\_\_\_  $\geq$  prior year
- Special dividend \_\_\_\_\_ if capitalisation exceeds capital requirements for future growth and profit targets are achieved

1) At unchanged f/x rates

2) Subject to no major distortions in capital markets and/or major losses in 2022 not exceeding the large loss budget of EUR 1.4 bn. and no unexpected material Covid-19 impact in L&H

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# Financial calendar and our Investor Relations contacts



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# Basic information on the Hannover Re share

## Basic information

International Securities Identification Number (ISIN)	DE 000 840 221 5
Ticker symbols	
-Bloomberg	HNR1
-Thomson Reuters	HNRGn
-ADR	HVRRY
<b>Exchange listings</b>	
-Germany	Xetra, Frankfurt, Munich, Stuttgart, Hamburg, Berlin, Düsseldorf, Hannover (official trading: Xetra, Frankfurt and Hannover)
-USA	American Depositary Receipts (Level 1 ADR programme; 2 ADR = 1 share)
Market segment	Prime Standard
Index inclusion	MDAX
First listed	30 November 1994
Number of issued shares <sup>1)</sup>	120,597,134
Common shares <sup>1)</sup>	EUR 120,597,134
Share class	No-par-value registered shares

1) As at 31 December 2020

# Details on reserve review by WTW

- The scope of WTW's work was to review certain parts of the held loss and loss adjustment expense reserve, net of outwards reinsurance, from Hannover Re Group's consolidated IFRS financial statements as at each 31 December 2021, and the implicit redundancy margin, for the non-life business of Hannover Re Group. WTW concludes that the reviewed loss and loss adjustment expense reserve, net of reinsurance, less the redundancy margin is reasonable in that it falls within WTW's range of reasonable estimates.
- Life reinsurance and health reinsurance business are excluded from the scope of this review.
- WTW's review of non-life reserves as at 31 December 2021 covered 98.6% / 99.7% of the gross and net held non-life reserves of €35.1 billion and €32.6 billion respectively. Together with life reserves of gross €5.7 billion and net €5.5 billion, the total balance sheet reserves amount to €40.8 billion gross and €38.1 billion net.
- The results shown in this presentation are based on a series of assumptions as to the future. It should be recognised that actual future claim experience is likely to deviate, perhaps materially, from WTW's estimates. This is because the ultimate liability for claims will be affected by future external events; for example, the likelihood of claimants bringing suit, the size of judicial awards, changes in standards of liability, and the attitudes of claimants towards the settlement of their claims.
- The results shown in WTW's reports are not intended to represent an opinion of market value and should not be interpreted in that manner. The reports do not purport to encompass all of the many factors that may bear upon a market value.
- WTW's analysis is carried out based on data as at evaluation dates for each 31 December review; WTW has undertaken annual reviews since year-end 2009 onwards. WTW's analysis may not reflect developments or information that became available after the valuation dates and WTW's results, opinions and conclusions presented herein may be rendered inaccurate by developments after the valuation dates. Specifically, consequences of the Russia-Ukraine conflict are not reflected in our analyses and projections as at 31 December 2021.
- As is typical for reinsurance companies, claims reporting can be delayed due to late notifications by some cedents. This increases the uncertainty in the estimates.
- Hannover Rück SE has asbestos, environmental and other health hazard (APH) exposures which are subject to greater uncertainty than other general liability exposures. WTW's analysis of the APH exposures assumes that the reporting and handling of APH claims is consistent with industry benchmarks. However, there is wide variation in estimates based on these benchmarks. Thus, although Hannover Re Group's held reserves show some redundancy compared to the indications, the actual losses could prove to be significantly different to both the held and indicated amounts.
- WTW has not anticipated any extraordinary changes to the legal, social, inflationary or economic environment, or to the interpretation of policy language, that might affect the cost, frequency, or future reporting of claims. In addition, WTW's estimates make no provision for potential future claims arising from causes not substantially recognised in the historical data (such as new types of mass torts or latent injuries, terrorist acts), except in so far as claims of these types are included incidentally in the reported claims and are implicitly developed.
- In accordance with its scope WTW's estimates are on the basis that all of Hannover Re Group's reinsurance protection will be valid and collectable. Further liability may exist for any reinsurance that proves to be irrecoverable.
- WTW's estimates are in Euros based on the exchange rates provided by Hannover Re Group as at each 31 December evaluation date. However, a substantial proportion of the liabilities is denominated in foreign currencies. To the extent that the assets backing the reserves are not held in matching currencies, future changes in exchange rates may lead to significant exchange gains or losses.
- WTW has not attempted to determine the quality of Hannover Re Group's current asset portfolio, nor has WTW reviewed the adequacy of the balance sheet provisions except as otherwise disclosed herein.
- In its review, WTW has relied on audited and unaudited data and financial information supplied by Hannover Rück SE and its subsidiaries, including information provided orally. WTW relied on the accuracy and completeness of this information without independent verification.
- Except for any agreed responsibilities WTW may have to Hannover Re Group, WTW does not assume any responsibility and will not accept any liability to any person for any damages suffered by such person arising out of this commentary or references to WTW in this document.

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