

*somewhat
different*



Conference Call on Q3/2020 financial results

Hannover, 4 November 2020

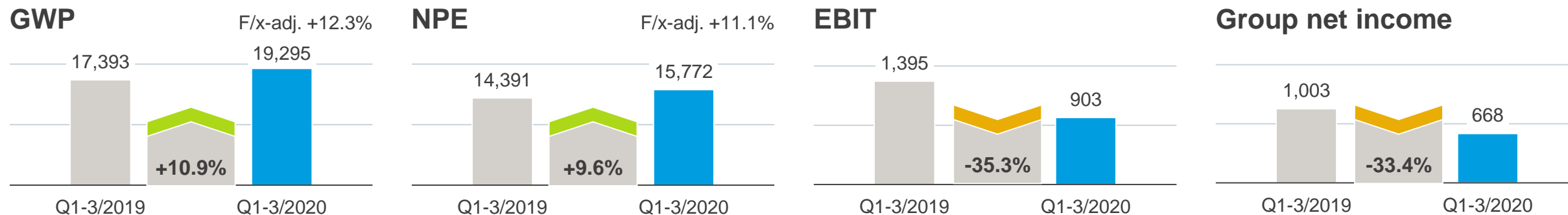
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Favourable result in spite of reserving for Covid-19 loss estimates

Double-digit premium growth driven by improving market conditions



8.3%
Return on Equity

EUR 89.74
Book value per share

+2.8%; driven by positive earnings contribution and increase in asset valuation

222%
Solvency II ratio

30.09.2020

P&C R/I

EBIT: 589 m.

- Strong and diversified premium growth (f/x-adj. +15.9%)
- Combined ratio 101.4% due to exceeding of large loss budget by 3.8% of NPE resulting from reserving for Covid-19 loss estimates (EUR 700 m.)

L&H R/I

EBIT: 315 m.

- Premium growth in line with expectations (f/x-adj. +5.0%)
- Strong EBIT in light of Covid-19 losses of EUR 160m., includes one-off valuation gain from at-equity participation in Q3 (EUR 55.2 m.)
- US mortality experience (excl. Covid-19) in line with expectations

Investments

NII: 1,185 m.

- RoI from AuM: 2.8%, in line with initial target
- Moderate decrease in ordinary investment income mainly due to lower contribution from inflation-linked bonds and private equity, positive one-off in L&H
- AuM up by 2.8% to EUR 49.0 bn.

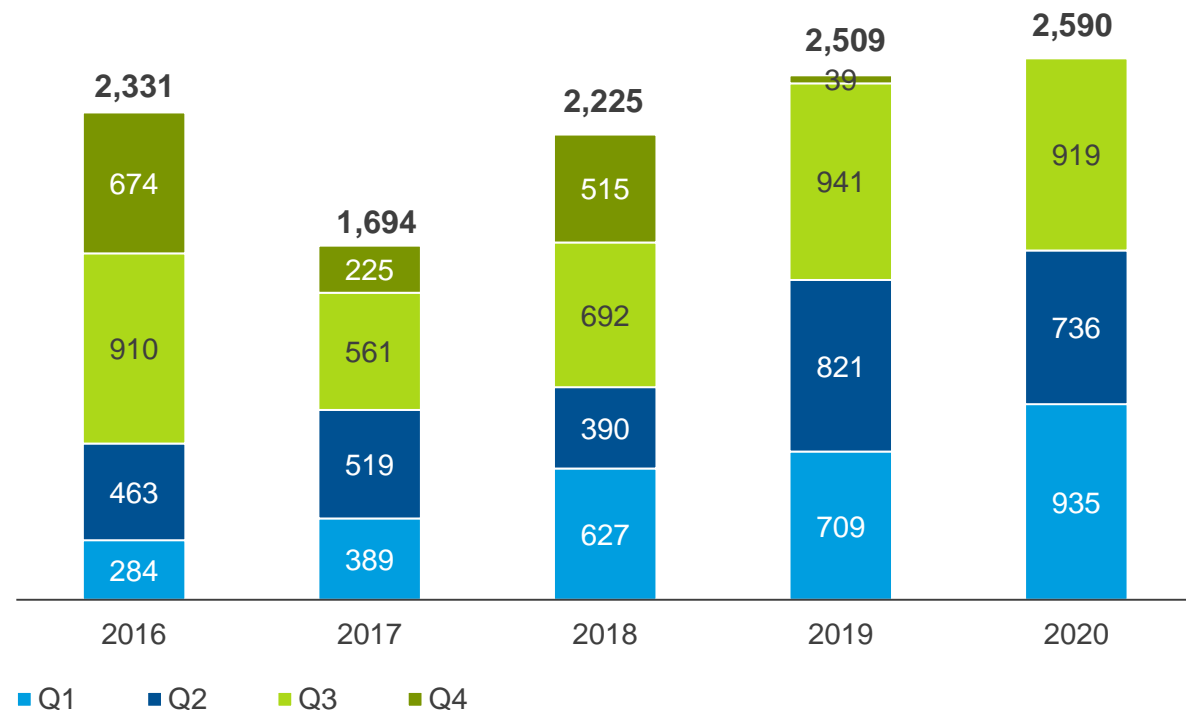
Figures in EUR millions, unless otherwise stated

Very strong operating cash flow driven by profitable premium growth

AuM +2.8%, cash flow and increasing valuation reserves overcompensate f/x effects

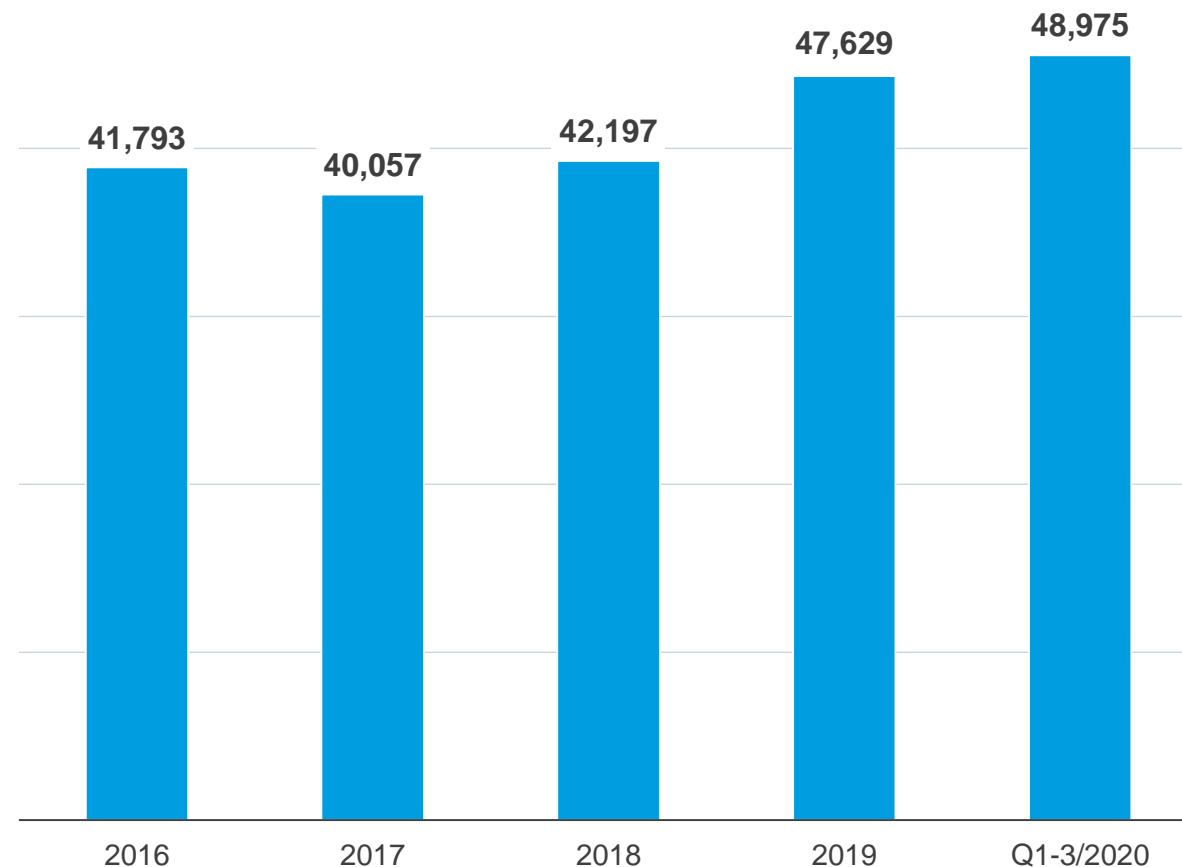
Operating cash flow

in m. EUR



Assets under own management (AuM)

in m. EUR

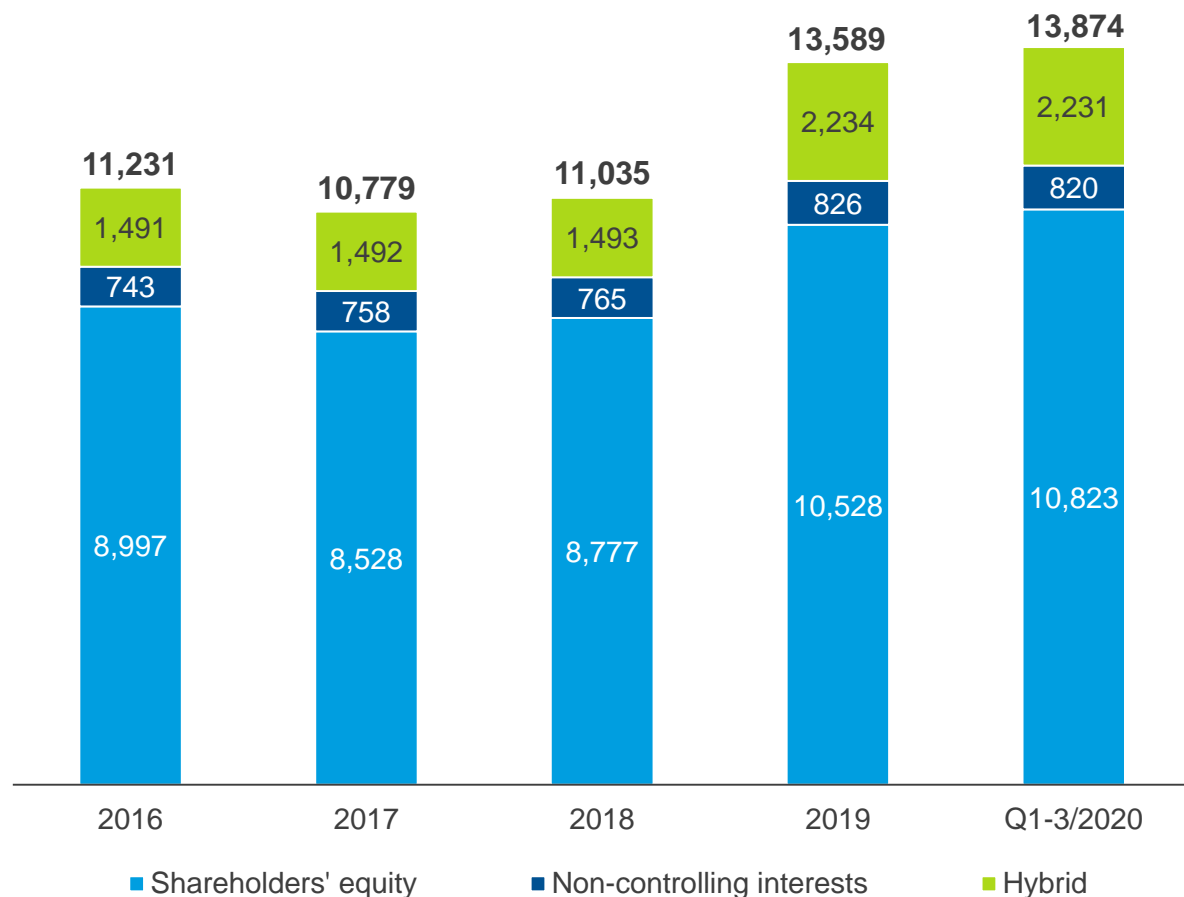


Shareholders' equity up by +2.8%

Dividend payment in Q2 fully covered by 9-month earnings, OCI increased

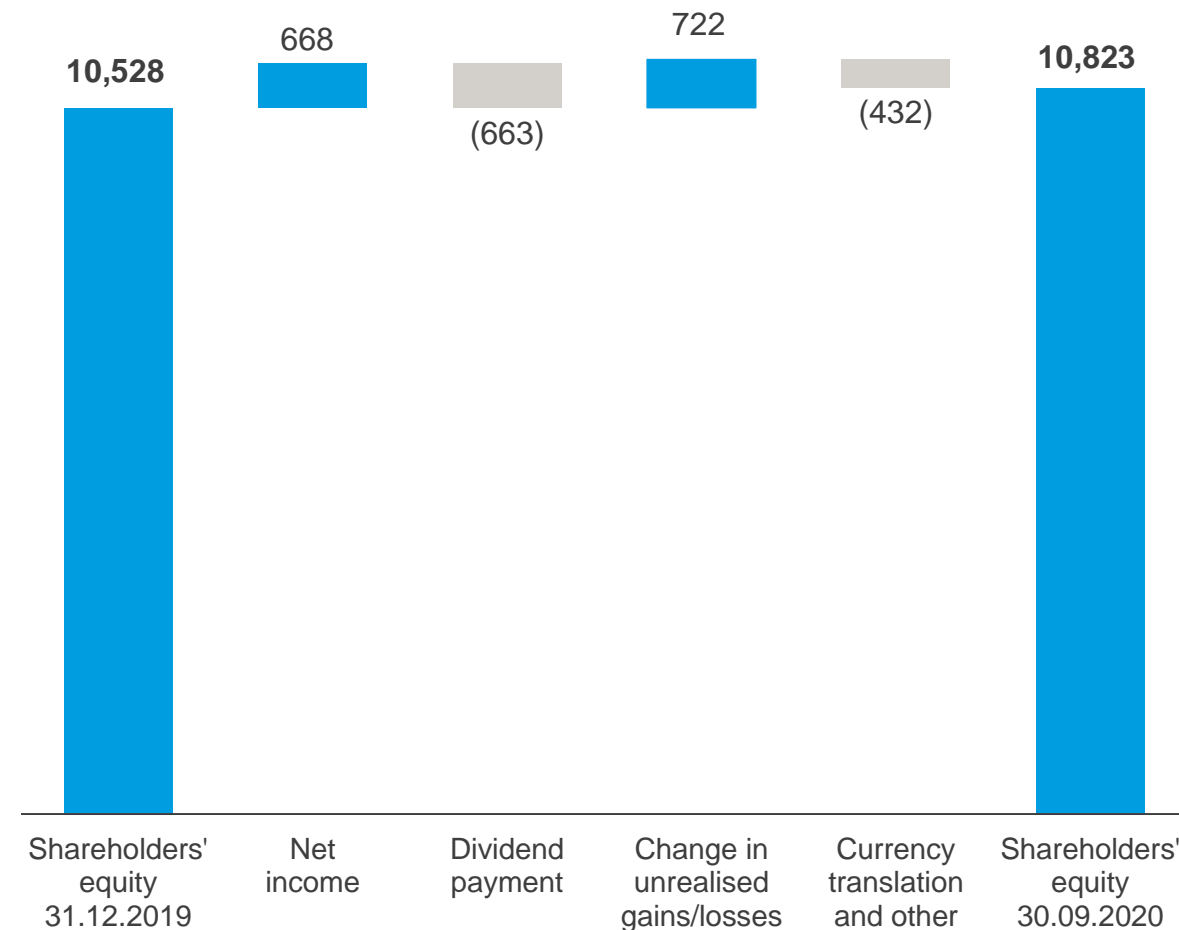
Policyholders' surplus

in m. EUR



Change in shareholders' equity

in m. EUR



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Double-digit growth in an improving market environment

Underwriting result impacted by reserving for Covid-19 loss estimates

Property & Casualty R/I in m. EUR	Q3/2019	Q3/2020	Q1-3/2019	Q1-3/2020
Gross written premium	3,806	4,173	11,653	13,348
Net premium earned	3,318	3,643	9,282	10,512
Net underwriting result incl. funds withheld	(70)	15	125	(146)
Combined ratio incl. interest on funds withheld	102.1%	99.6%	98.6%	101.4%
Net investment income from assets under own management	292	234	768	667
Other income and expenses	40	50	26	67
Operating profit/loss (EBIT)	262	299	919	589
Tax ratio	8.3%	35.4%	23.6%	25.2%
Group net income	209	173	640	418
Earnings per share (in EUR)	1.73	1.44	5.31	3.47

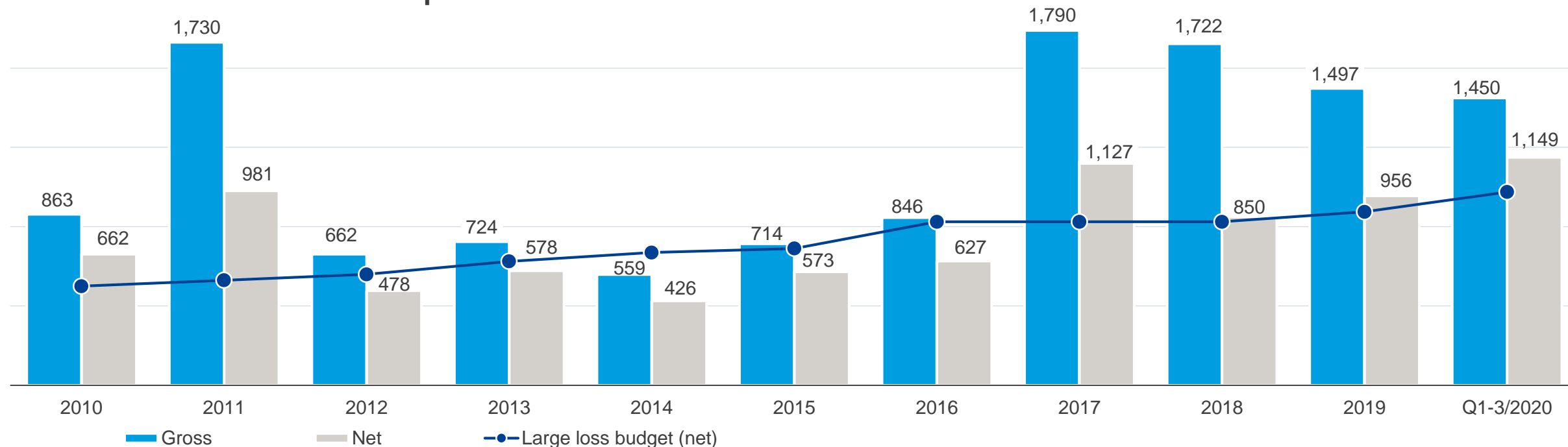
YTD

- GWP f/x-adjusted +15.9%
- NPE f/x-adjusted +14.7%
- Major losses of EUR 1,149 m. (10.9% of NPE) exceeded budget of EUR 749 m. for Q1-3/2020 due to reserving for Covid-19 loss estimates (EUR 700 m.); combined ratio adjusted for above-budget losses at 97.6% for Q1-3/2020
- Realised gains mitigate lower ordinary investment income and moderate impairments for private equity
- Other income and expenses increased mainly due to positive currency effects
- EBIT margin of 5.6% below target of 10%

Major losses including Covid-19 reserving exceed Q1-3/2020 budget of EUR 749 m. by EUR 400 m.

Natural and man-made catastrophe losses¹⁾

in m. EUR



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

14%	12%	25%	16%	9%	7%	9%	8%	7%	6%	8%	7%	9%	8%	17%	12%	14%	8%	10%	7%	11%	11%
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Large loss budget (net) in m. EUR

500	530	560	625	670	690	825	825	825	875	975
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1) Up to 2011 claims over EUR 5 m. gross, from 2012 onwards claims over EUR 10 m. gross

Overall moderate major-loss expenditure apart from Covid-19-related losses, despite increased large-loss activity in Q3/2020

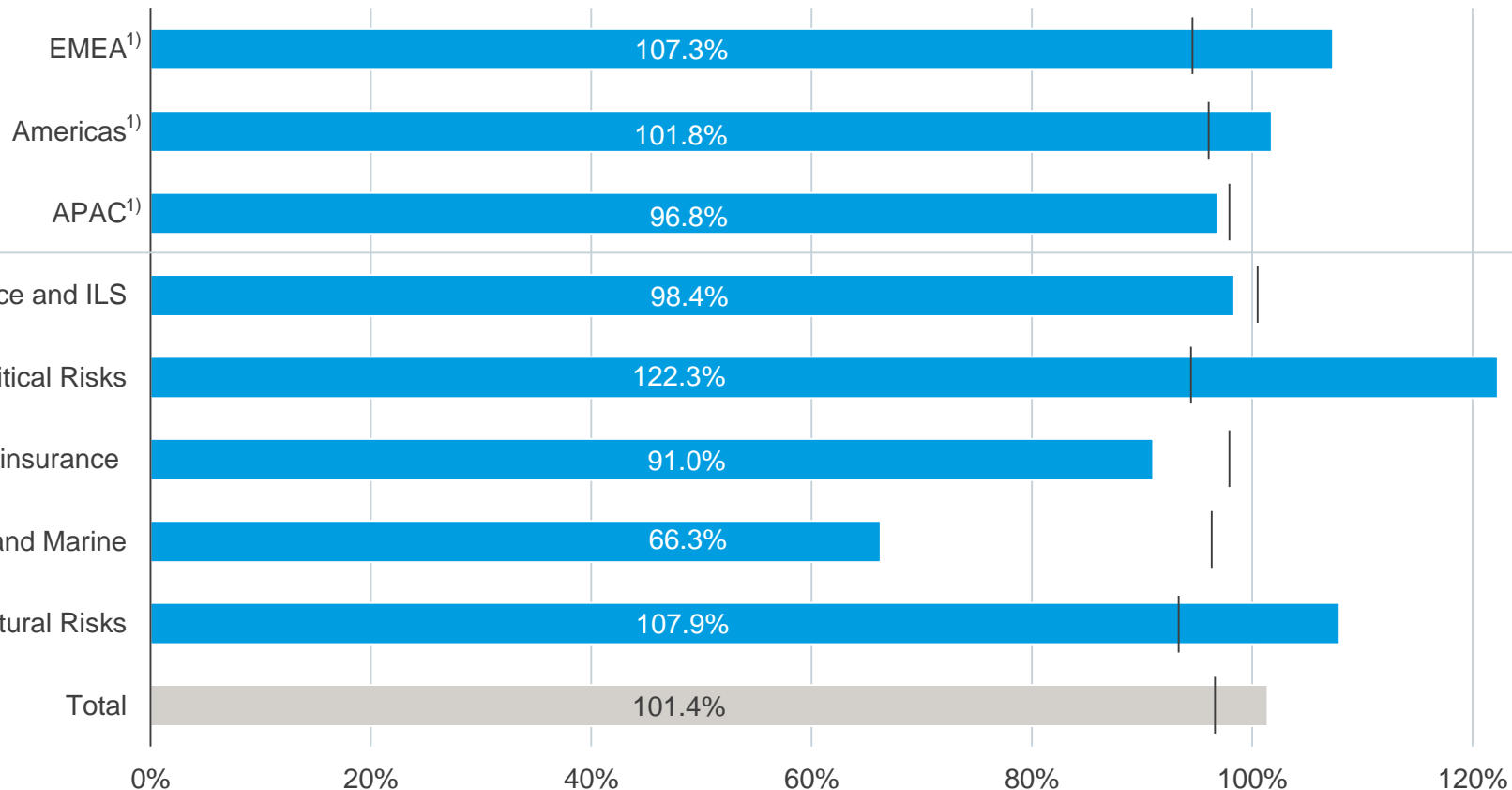
Catastrophe losses ¹⁾ in m. EUR	Date	Gross	Net
Bushfire, Australia	1 - 31 Jan	29.2	28.9
Earthquake, Puerto Rico	6 - 7 Jan	17.5	14.5
Hail, Australia	15 - 21 Jan	12.6	7.3
Hail / Storm, Australia	19 - 20 Jan	25.2	17.4
Storm / Flood, Australia	4 - 13 Feb	21.5	13.8
Storm "Sabine", Europe	9 - 11 Feb	26.5	20.2
Tornados, USA	2 - 5 Mar	50.8	40.0
Hail / Storm, Australia	19 - 20 Apr	13.3	9.4
Floods, China	22 May - 22 Jul	29.0	29.0
Hail / Storm, Canada	13 - 14 Jun	35.2	20.9
Floods, Japan	3 - 6 Jul	11.0	10.0
Hail / Storm, USA	6 - 12 Aug	116.7	83.9
California wildfire, USA	16 Aug - 18 Sep	11.1	7.9
Hurricane "Laura", USA	26 - 29 Aug	92.9	64.4
14 Natural catastrophes		492.4	367.4
2 Property losses		84.4	81.6
2 Man-made losses		84.4	81.6
16 Major losses		576.8	449.0
Covid-19-related losses		872.8	700.3
Total		1,449.6	1,149.3

1) Natural catastrophes and other major losses in excess of EUR 10 m. gross
 Large loss budget 2020: EUR 975 m. thereof EUR 200 m. man-made and EUR 775 m. NatCat

Combined ratio above target due to reserving for Covid-19-related loss estimates

Q1-3/2020: Combined Ratio vs. Target Combined Ratio

Regional markets



Worldwide markets

■ Combined Ratio | Target Combined Ratio

1) All lines of Property & Casualty reinsurance except those stated separately

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Good underlying result impacted by Covid-19 losses

Strong contribution from Financial Solutions; Investment income supported by one-off

Life & Health R/I in m. EUR	Q3/2019	Q3/2020	Q1-3/2019	Q1-3/2020
Gross written premium	1,894	1,975	5,740	5,947
Net premium earned	1,717	1,751	5,109	5,259
Net underwriting result incl. funds withheld	(20)	(124)	(159)	(293)
Net investment income from assets under own management	119	129	414	352
Other income and expenses	93	96	222	257
Operating profit/loss (EBIT)	192	101	478	315
EBIT margin	11.2%	5.8%	9.4%	6.0%
Tax ratio	23.8%	(7.1%)	15.1%	5.3%
Group net income	145	108	403	297
Earnings per share (in EUR)	1.20	0.90	3.34	2.46

YTD

- GWP f/x-adjusted +5.0%
- NPE f/x-adjusted growth +4.4%
- Technical result impacted by Covid-19 losses of EUR 160 m., US mortality otherwise in line with expectations
- Favourable ordinary investment income and change in fair value of financial instruments. Net investment income decreased due to one-off effect in Q2/2019 (EUR 99.5 m.), partly offset by extraordinary valuation gain from at-equity participation in Q3/2020 (EUR 55.2 m.)
- Other income and expenses mainly the result of strong contribution from deposit accounted treaties of EUR 253 m. (Q1-3/2019: EUR 211 m.)
- High share of earnings in low-tax subsidiaries and tax-reduced investment gains

Strong new business production across all lines of business

Q3/2020 new and pipeline business¹⁾

New business



Financial Solutions



Mortality



Longevity

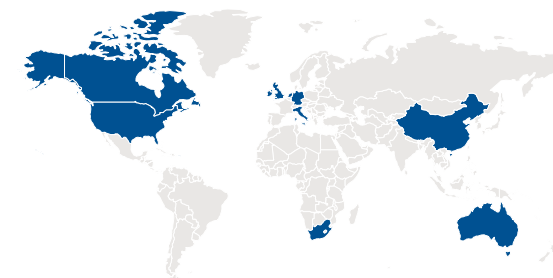


Morbidity



- Solvency relief (China, USA) – Financial Solutions
- Reserve financing (USA) – Financial Solutions
- Risk relief (Netherlands, UK) – Longevity
- Risk relief (Chile, Canada, Ecuador) – Mortality / Morbidity

Pipeline business



Financial Solutions



Mortality



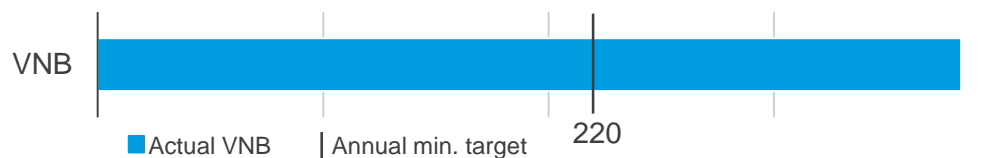
Longevity



Morbidity



- Solvency relief (China, Germany, USA) – Financial Solutions
- Reserve financing (Germany) – Financial Solutions
- Risk relief (UK, Canada, Netherlands, Ireland) – Longevity
- Risk relief (Australia, Italy, Africa) – Mortality / Morbidity



1) Focus on most important deals and opportunities

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Ordinary income decreasing in line with expectations

Supporting realisations mainly from fixed-income sales

in m. EUR	Q3/2019	Q3/2020	Q1-3/2019	Q1-3/2020	RoI	YTD
Ordinary investment income ¹⁾	349	370	1,051	984	2.7%	<ul style="list-style-type: none"> Decreasing ordinary income mainly due to inflation linkers within fixed-income securities as well as lower returns from private equity and opportunistic real estate funds; rather stable results from direct real estates; positive one-off effect from at-equity consolidation of Life & Health participations Realised gains mainly driven by some reallocations within fixed-income portfolio and regular portfolio adjustments as well as the disposals of real estate investments; prior year benefitted from Life & Health one-off effect Higher impairments predominantly driven by increased portion of private equity and opportunistic real estate fund valuations; additional impairment on two issuers of fixed-income securities mainly recognised on emerging markets government bonds; stable depreciation on direct real estate investments Rise in valuation reserves due to significantly decreasing risk-minimal yield curves overcompensating widening of credit spreads on corporates and lower valuations in the alternative spectrum
Realised gains/losses	72	52	200	192	0.5%	
Impairments/appreciations & depreciations	(12)	(16)	(53)	(102)	-0.3%	
Change in fair value of financial instruments (through P&L)	33	(9)	77	41	0.1%	
Investment expenses	(30)	(33)	(90)	(95)	-0.3%	
NII from assets under own management	412	364	1,184	1,021	2.8%	
NII from funds withheld	54	28	148	164		
Total net investment income	466	392	1,332	1,185		
Unrealised gains/losses of investments			31 Dec 19	30 Sep 20		
On-balance sheet			1,789	2,686		
thereof Fixed income AFS			1,356	2,208		
Off-balance sheet			524	539		
thereof Fixed income HTM, L&R			233	222		
Total			2,314	3,225		

1) Incl. results from associated companies

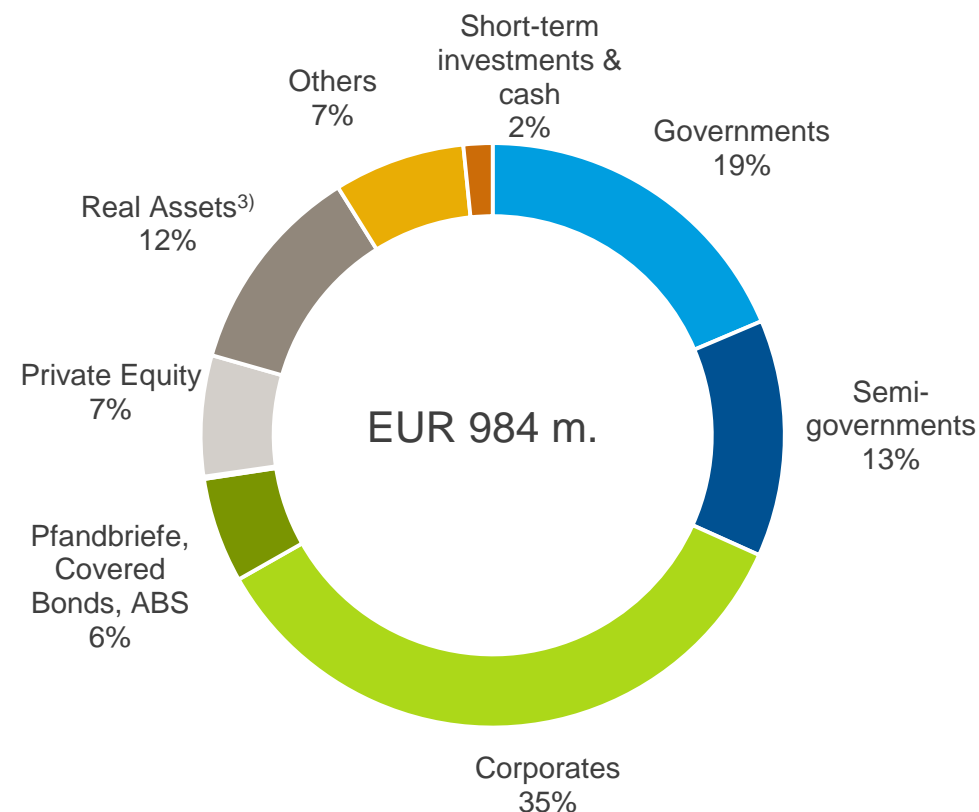
Ordinary return supported by alternative assets

Credit profile slightly more defensive; modest re-entry into listed equities in Q1

Asset allocation¹⁾

Investment category	2016	2017	2018	2019	Q3/2020
Fixed-income securities	87%	87%	87%	87%	86%
- Governments	28%	30%	35%	35%	35%
- Semi-governments	18%	17%	16%	15%	15%
- Corporates	33%	32%	29%	31%	29%
Investment grade	28%	27%	25%	26%	25%
Non-investment grade	4%	5%	4%	4%	4%
- Pfandbriefe, Covered bonds, ABS	9%	8%	7%	7%	6% ²⁾
Equities	4%	2%	2%	3%	3%
- Listed equity	2%	<1%	<1%	<1%	1%
- Private equity	2%	2%	2%	2%	3%
Real Assets	5%	5%	6%	5%	5%
Others	1%	1%	1%	2%	2%
Short-term investments & cash	4%	4%	4%	3%	4%
Total market values in bn. EUR	42.3	40.5	42.7	48.2	49.5

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 1,340.8 m. (EUR 1,429.9 m.) as at 30 September 2020

2) Of which Pfandbriefe and Covered Bonds = 67.5%

3) Before real estate-specific costs. Economic view based on market values as at 30 September 2020

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Updated guidance for 2020

Hannover Re Group

- Gross written premium¹⁾ _____ growth in the upper single-digit percentage range
- Return on investment^{2) 3)} _____ ~ 2.7%
- Group net income²⁾ _____ > EUR 800 m.
- Ordinary dividend _____ EUR 4 per share
- Special dividend _____ depending on emerging business opportunities and corresponding capital requirements

1) At unchanged f/x rates

2) Subject to no major distortions in capital markets and/or major losses in Q4/2020 not exceeding the large loss budget of EUR 226 m.

3) Excluding effects from ModCo derivatives

Profitability impacted by reserving for Covid-19 loss estimates

P&C financial year 2020

	Reporting categories	Volume ¹⁾	Profitability ²⁾
Regional markets	EMEA ³⁾		-
	Americas ³⁾		-
	APAC ³⁾		+/-
Worldwide markets	Structured Reinsurance and ILS		+/-
	Credit, Surety and Political Risks		-
	Facultative Reinsurance		+
	Aviation and Marine		+
	Agricultural Risks		-





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

Profitability in Mortality & Morbidity impacted by Covid-19; FinSol unaffected L&H financial year 2020

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 2021

Hannover Re Group

- Gross written premium¹⁾ _____ ~ 5% growth
- Return on investment^{2) 3)} _____ ~ 2.4%
- Group net income²⁾ _____ EUR 1.15 - 1.25 bn.
- Ordinary dividend pay-out ratio⁴⁾ _____ 35% - 45%
- Special dividend _____ additional pay-out if profit target is reached and capitalisation is comfortable

1) At unchanged f/x rates

2) Subject to no major distortions in capital markets and/or major losses in 2021 not exceeding the large loss budget of EUR 1,1 bn. and no material Covid-19 impact in L&H

3) Excluding effects from ModCo derivatives

4) Relative to group net income according to IFRS

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Covid-19 impact is material but manageable

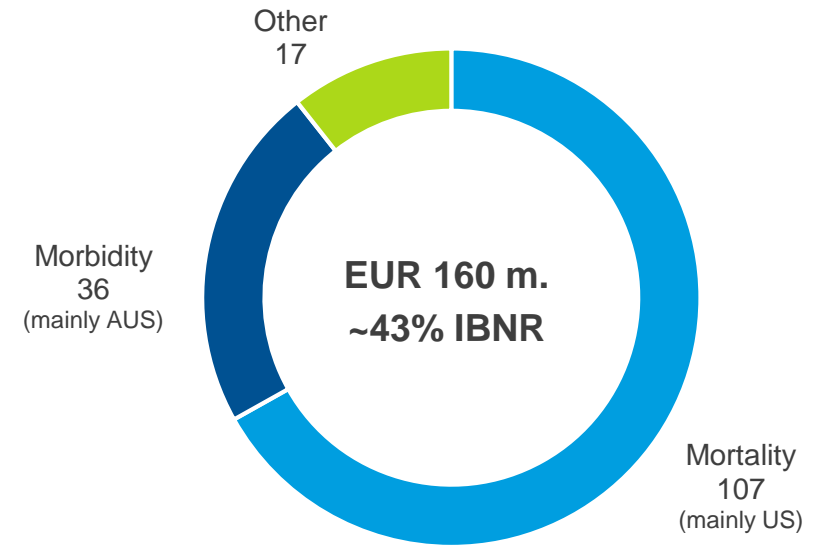
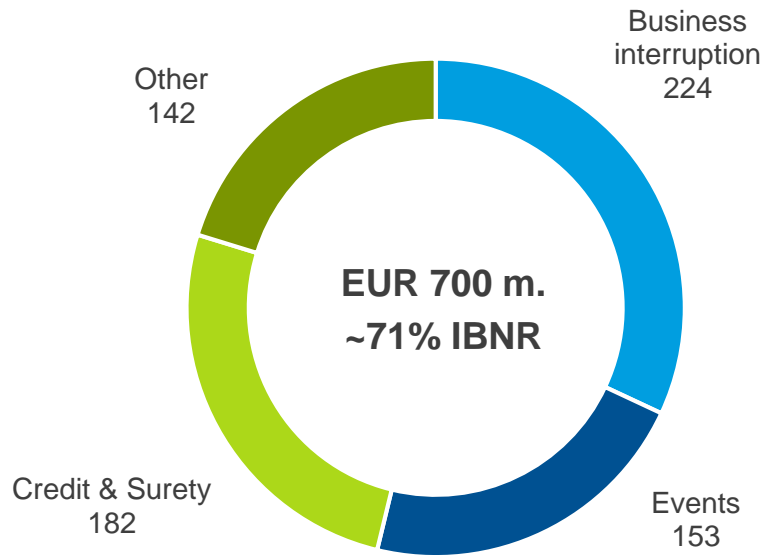
Q1-3/2020

Expected P&C Covid-19 claims

in m. EUR

Expected L&H Covid-19 claims

in m. EUR



Group net income impacted by reserving for Covid-19 loss estimates

Group figures in m. EUR

	Q3/2019	Q3/2020	Δ	Q1-3/2019	Q1-3/2020	Δ
Gross written premium	5,699	6,149	+7.9%	17,393	19,295	+10.9%
Net premium earned	5,036	5,394	+7.1%	14,391	15,772	+9.6%
Net underwriting result	(145)	(137)	-5.7%	(181)	(603)	-
- Incl. funds withheld	(91)	(109)	+19.7%	(33)	(439)	-
Net investment income	466	392	-15.9%	1,332	1,185	-11.0%
- From assets under own mgmt.	412	364	-11.7%	1,184	1,021	-13.8%
- From funds withheld	54	28	-48.4%	148	164	+11.0%
Other income and expenses	132	144	+9.3%	245	321	+31.3%
Operating profit/loss (EBIT)	453	399	-11.9%	1,395	903	-35.3%
Financing costs	(21)	(24)	+15.0%	(64)	(72)	+12.5%
Net income before taxes	432	375	-13.2%	1,332	831	-37.6%
Taxes	(59)	(90)	+52.0%	(266)	(142)	-46.6%
Net income	373	285	-23.6%	1,066	690	-35.3%
- Non-controlling interests	32	19	-40.1%	63	22	-65.5%
Group net income	341	265	-22.1%	1,003	668	-33.4%
Retention	90.2%	88.6%		90.5%	90.1%	
EBIT margin (EBIT/Net premium earned)	101.8%	102.0%		9.7%	5.7%	
Tax ratio	9.0%	7.4%		20.0%	17.1%	
Earnings per share (in EUR)	2.82	2.20		8.32	5.54	

Our strategic business groups at a glance

Q1-3/2020 vs. Q1-3/2019

in m. EUR	Property & Casualty R/I		Life & Health R/I		Total	
	Q1-3/2019	Q1-3/2020	Q1-3/2019	Q1-3/2020	Q1-3/2019	Q1-3/2020
Gross written premium	11,653	13,348	5,740	5,947	17,393	19,295
Change in GWP	-	+14.5%	-	+3.6%	-	+10.9%
Net premium earned	9,282	10,512	5,109	5,259	14,391	15,772
Net underwriting result	92	(187)	(272)	(416)	(181)	(603)
Net underwriting result incl. funds withheld	125	(146)	(159)	(293)	(33)	(439)
Net investment income	802	708	528	475	1,332	1,185
From assets under own management	768	667	414	352	1,184	1,021
From funds withheld	34	41	114	123	148	164
Other income and expenses	26	67	222	257	245	321
Operating profit/loss (EBIT)	919	589	478	315	1,395	903
Financing costs	(2)	(2)	(1)	(1)	(64)	(72)
Net income before taxes	917	587	477	314	1,332	831
Taxes	(216)	(148)	(72)	(17)	(266)	(142)
Net income	701	439	405	298	1,066	690
Non-controlling interest	61	21	2	1	63	22
Group net income	640	418	403	297	1,003	668
Retention	90.8%	90.3%	89.9%	89.5%	90.5%	90.1%
Combined ratio (incl. interest on funds withheld)	98.6%	101.4%	-	-	-	-
EBIT margin (EBIT / Net premium earned)	9.9%	5.6%	9.4%	6.0%	9.7%	5.7%
Tax ratio	23.6%	25.2%	15.1%	5.3%	20.0%	17.1%
Earnings per share (in EUR)	5.31	3.47	3.34	2.46	8.32	5.54

Our strategic business groups at a glance

Q3/2020 vs. Q3/2019

in m. EUR	Property & Casualty R/I		Life & Health R/I		Total	
	Q3/2019	Q3/2020	Q3/2019	Q3/2020	Q3/2019	Q3/2020
Gross written premium	3,806	4,173	1,894	1,975	5,699	6,149
Change in GWP	-	+9.7%	-	+4.3%	-	+7.9%
Net premium earned	3,318	3,643	1,717	1,751	5,036	5,394
Net underwriting result	(81)	(1)	(63)	(136)	(145)	(137)
Net underwriting result incl. funds withheld	(70)	15	(20)	(124)	(91)	(109)
Net investment income	303	250	162	142	466	392
From assets under own management	292	234	119	129	412	364
From funds withheld	11	16	43	12	54	28
Other income and expenses	40	50	93	96	132	144
Operating profit/loss (EBIT)	262	299	192	101	453	399
Financing costs	(1)	(1)	0	0	(21)	(24)
Net income before taxes	262	298	191	101	432	375
Taxes	(22)	(105)	(45)	7	(59)	(90)
Net income	240	193	146	108	373	285
Non-controlling interest	31	19	1	0	32	19
Group net income	209	173	145	108	341	265
Retention	89.4%	88.0%	91.8%	89.9%	90.2%	88.6%
Combined ratio (incl. interest on funds withheld)	102.1%	99.6%	-	-	-	-
EBIT margin (EBIT / Net premium earned)	7.9%	8.2%	11.2 %	5.8%	9.0%	7.4%
Tax ratio	8.3%	35.4%	23.8%	(7.1 %)	13.8%	24.1%
Earnings per share (in EUR)	1.73	1.44	1.20	0.90	2.82	2.20

Stress tests on assets under own management; focus on credit exposures

Current credit markets back in a slightly increased volatility mode

Portfolio	Scenario	Change in market value in m. EUR	Change in OCI before tax in m. EUR
Equity (listed and private equity)	-10%	-160	-160
	-20%	-321	-321
Fixed-income securities	+50 bps	-1,235	-1,177
	+100 bps	-2,396	-2,283
Credit spreads	+50%	-845	-839

As at 30 September 2020

High-quality fixed-income book well balanced

Geographical allocation mainly in accordance with our broad business diversification

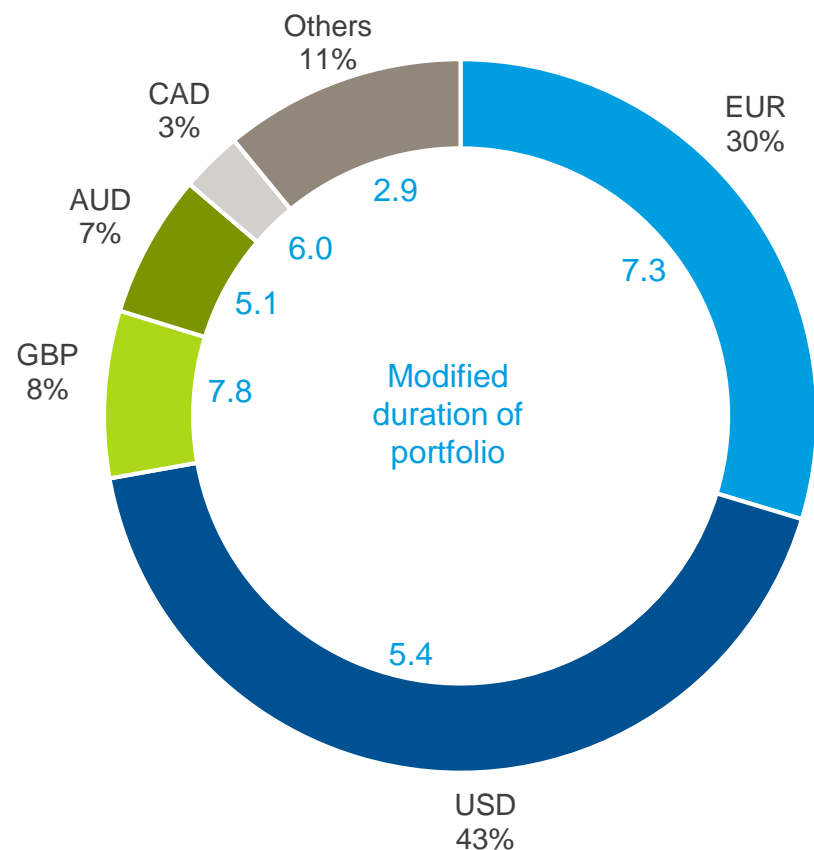
	Governments	Semi-governments	Corporates	Pfandbriefe, Covered bonds, ABS	Short-term investments, cash	Total
AAA	74%	61%	1%	60%	-	47%
AA	12%	22%	13%	19%	-	14%
A	9%	7%	32%	13%	-	16%
BBB	4%	1%	44%	7%	-	17%
<BBB	2%	9%	11%	1%	-	6%
Total	100%	100%	100%	100%	-	100%
Germany	20%	34%	4%	19%	16%	17%
UK	7%	2%	7%	10%	14%	7%
France	1%	1%	7%	6%	0%	3%
GIIPS	0%	1%	4%	5%	0%	2%
Rest of Europe	3%	15%	15%	25%	3%	10%
USA	47%	13%	31%	14%	17%	33%
Australia	5%	9%	7%	10%	9%	7%
Asia	12%	11%	11%	2%	30%	12%
Rest of World	4%	15%	14%	11%	11%	10%
Total	100%	100%	100%	100%	100%	100%
Total b/s values in m. EUR	17,573	7,451	13,690	3,033	1,783	43,529

IFRS figures as at 30 September 2020

Currency allocation matches modelled liability profile

Strict 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; EUR driven by hybrid bond issuance

Modified duration

Q3/2020	5.8
2019	5.7
2018	4.8
2017	4.8
2016	5.0

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