



somewhat
different

Conference Call on Q1/2018 results

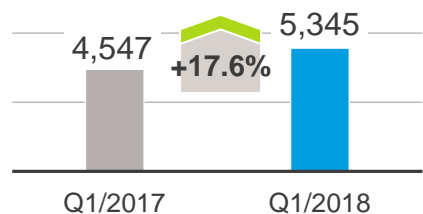
Hannover, 7 May 2018

hannover **re**[®]

Favourable start to 2018

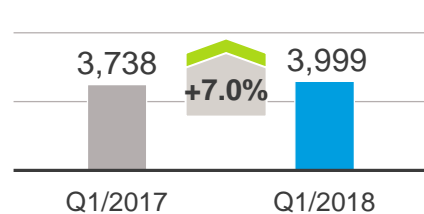
EBIT increase of +8.5% outperforms NPE growth

GWP in m.



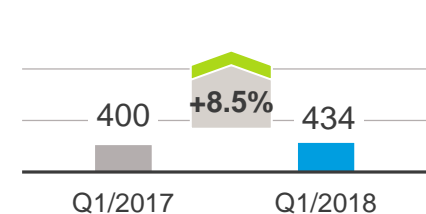
F/x-adj.: +27.5%; driven by a few large P&C transactions

NPE in m.



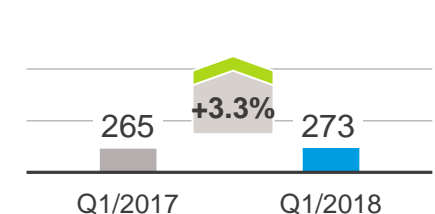
F/x-adjusted: +16.1%

EBIT in m.



Supported by strong underwriting result from both business groups and above-target investment income

Group net income in m.



Return on Equity

13.0%

Well above minimum target of 9.5%

Book value per share

EUR 69.27

-2.1%: reduced OCI (i.e. f/x-movement, interest rates + spread increases)

Solvency II ratio

31.12.2017: 260%

P&C R/I

EBIT: 339 m.

- ▶ Very satisfying EBIT margin (14.0%) supported by strong investment income
- ▶ C/R of 95.9% meets the set target
- ▶ Strong premium growth (f/x-adj. +38.8%) driven by new business in Structured R/I and worldwide treaty

L&H R/I

EBIT: 96 m.

- ▶ EBIT growth (+6.9%) driven by worldwide biz excl. US; development of legacy US mortality biz better than expectations
- ▶ Strong premium growth (f/x-adj. +9.2%) above expectations
- ▶ High one-off tax burden due to re-organisation following US tax reform

Investments

NI: 391 m.

- RoI from AuM: 3.3%
- ▶ RoI significantly exceeds target (≥2.7%)
- ▶ Stable ordinary income
- ▶ Realised gains up due to slightly changed investment strategy

Figures in EUR

Strong growth in both business groups and pleasing NII ...

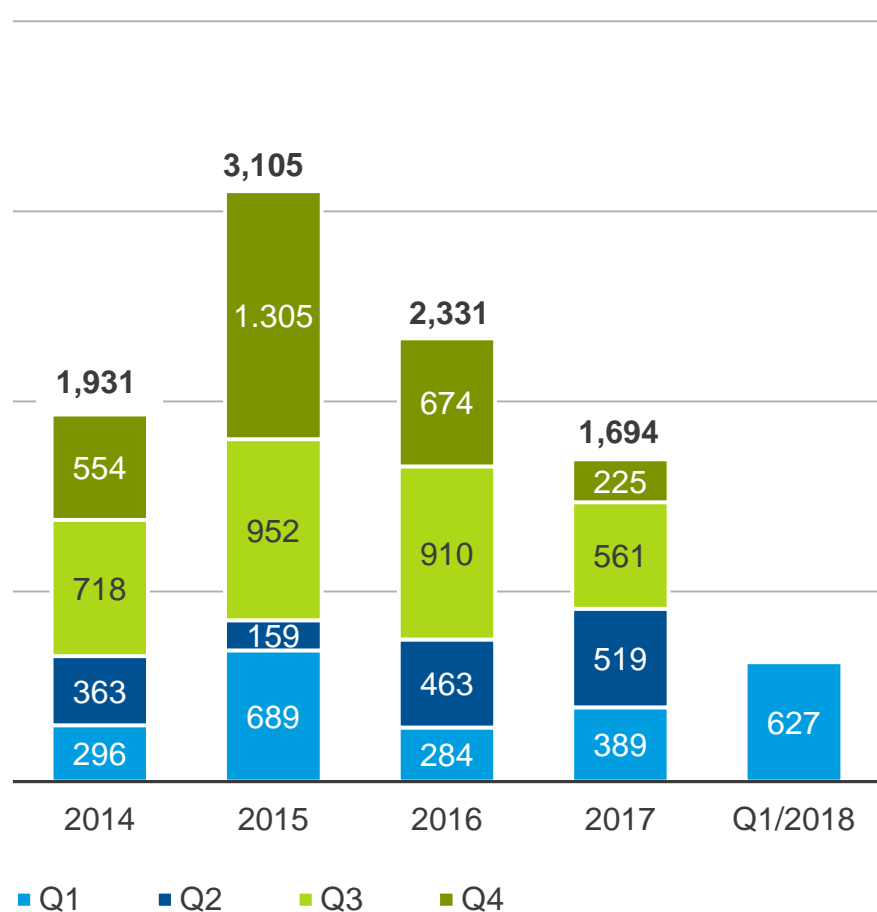
... produces favourable Group net income

Group figures in m. EUR	Q1/2017	Q1/2018	Δ
Gross written premium	4,547	5,345	+17.6%
Net premium earned	3,738	3,999	+7.0%
Net underwriting result	(23)	37	-
- Incl. funds withheld	49	96	+93.7%
Net investment income (NII)	393	391	-0.4%
- From assets under own mgmt.	320	333	+4.0%
- From funds withheld	73	59	-19.5%
Other income and expenses	30	5	-82.5%
Operating profit/loss (EBIT)	400	434	+8.5%
Interest on hybrid capital	(18)	(18)	+0.1%
Net income before taxes	382	416	+8.9%
Taxes	(96)	(117)	+21.9%
Net income	286	299	+4.5%
- Non-controlling interests	22	26	+20.3%
Group net income	265	273	+3.3%
Retention	89.6%	91.3%	
EBIT margin (EBIT/Net premium earned)	10.7%	10.8%	
Tax ratio	25.1%	28.1%	
Earnings per share (in EUR)	2.20	2.27	

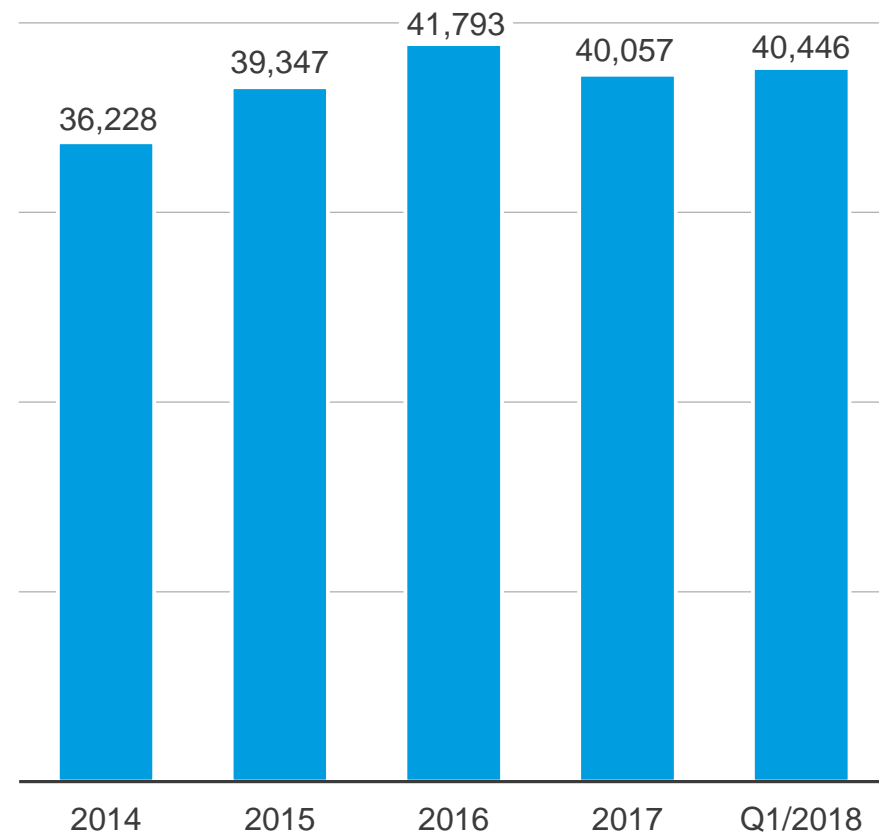
Favourable operating cash flow in Q1/2018

Valuation reserves and f/x effects dampen increase in AuM

Operating cash flow in m. EUR

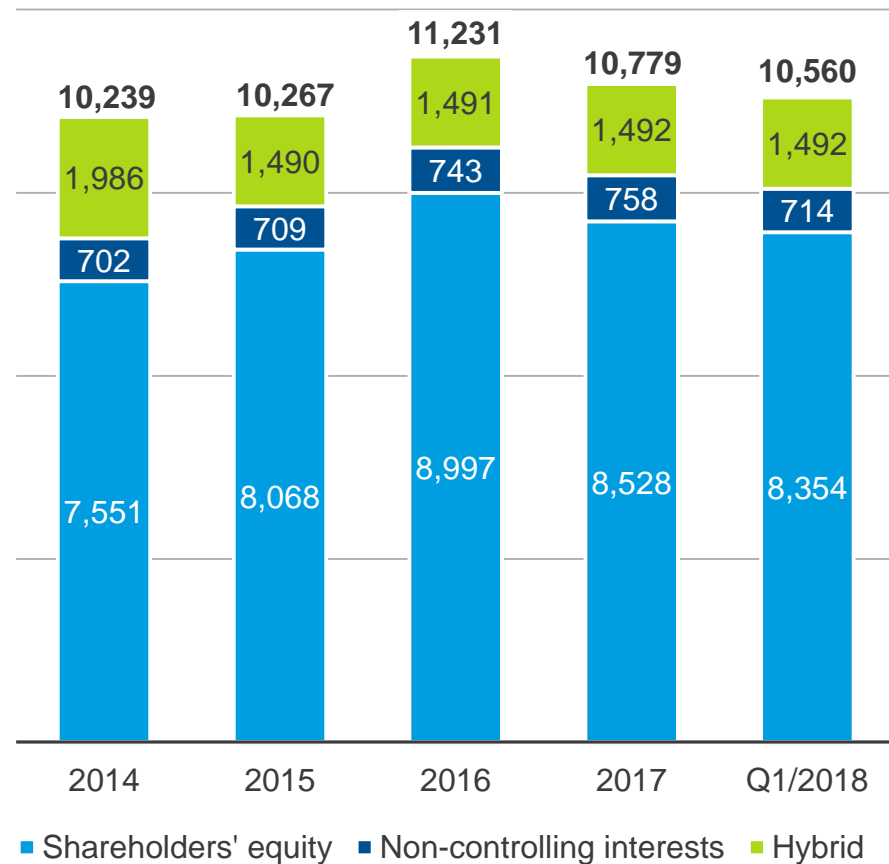


Assets under own management (AuM) in m. EUR

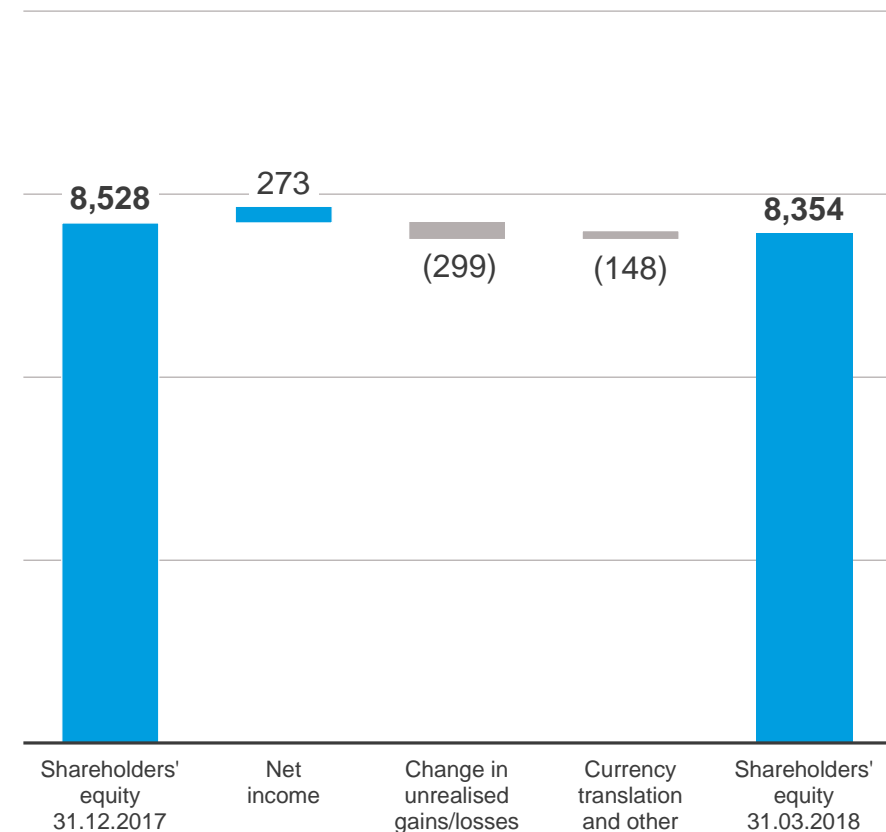


Shareholders' equity down due to reduced OCI

Policyholders' surplus in m. EUR



Change in shareholders' equity in m. EUR



Significant top and bottom line growth

Increased underwriting result and strong investment income

Property & Casualty R/I in m. EUR	Q1/2017	Q1/2018	Δ
Gross written premium	2,815	3,579	+27.1%
Net premium earned	2,166	2,425	+12.0%
Net underwriting result incl. interest on funds withheld	96	100	+4.0%
Combined ratio incl. interest on funds withheld	95.6%	95.9%	+0.3%p
Net investment income from assets under own management	238	260	+9.2%
Other income and expenses	(24)	(21)	-14.0%
Operating profit/loss (EBIT)	310	339	+9.4%
Tax ratio	24.7%	23.3%	-1.4%p
Group net income	215	235	+9.0%
Earnings per share (in EUR)	1.79	1.95	

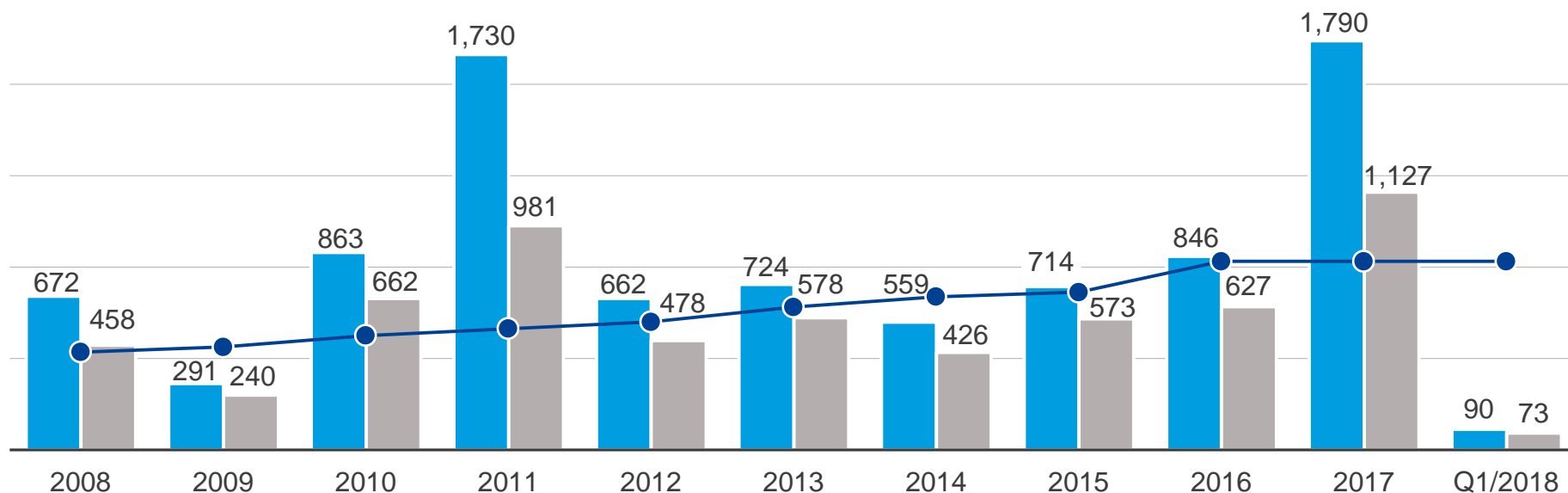
YTD

- ▶ GWP f/x-adjusted +38.8%; particularly strong growth in Structured R/I and Worldwide treaty; further growth in other business lines
- ▶ NPE f/x-adjusted +22.4%
- ▶ Major losses of EUR 73 m. below budget for Q1/2018 (3.0% of NPE)
- ▶ Unchanged policy regarding setting of loss reserves
- ▶ Satisfactory ordinary investment income and positive contribution from realised gains
- ▶ EBIT margin of 14.0% (Q1/2017: 14.3%), well above target (10%)

Major losses below budget of EUR 167 m. for Q1/2018

Natural and man-made catastrophe losses*

in m. EUR



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

13%	5%	14%	25%	9%	9%	7%	8%	9%	17%	3%
11%	5%	12%	16%	7%	8%	6%	7%	8%	12%	3%

Expected large losses (net) in m. EUR

428	450	500	530	560	625	670	690	825	825	825
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

■ Gross
 ■ Net
 ● Expected large losses (net)

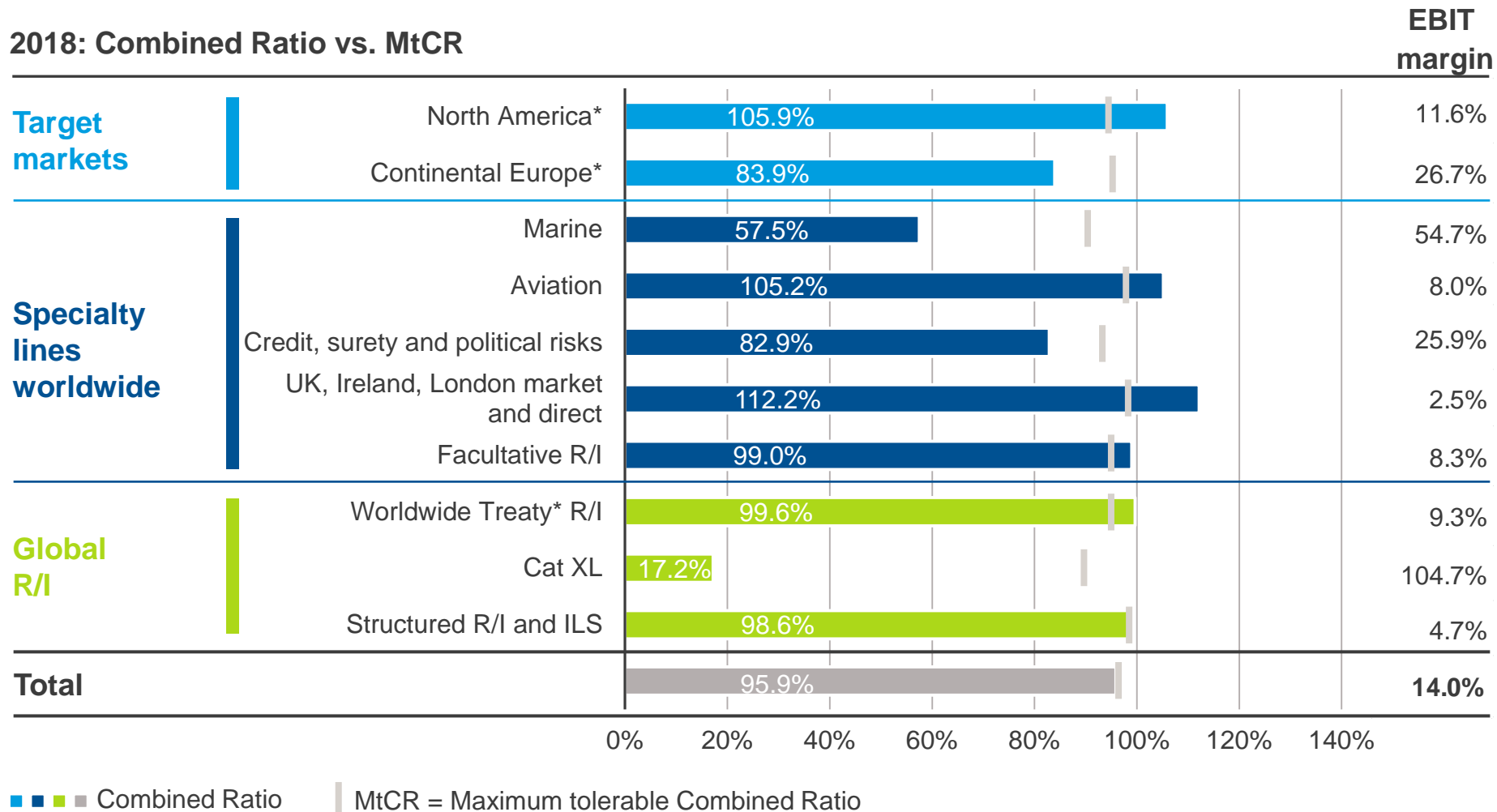
* Up to 2011 claims over EUR 5 m. gross, from 2012 onwards claims over EUR 10 m. gross

Overall benign large loss experience in Q1/2018

Catastrophe losses* in m. EUR	Date	Gross	Net
Storm "Friederike", Europe	17. - 18. Jan	47.9	31.5
1 Natural catastrophe		47.9	31.5
1 Property claim		19.1	19.0
1 Credit claim		22.9	22.9
3 Major losses		89.9	73.4

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

Diversified portfolio delivers C/R below MtCR



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

Pleasing EBIT growth of 6.9%

US mortality results better than expected

Life & Health R/I in m. EUR	Q1/2017	Q1/2018	Δ
Gross written premium	1,732	1,766	+2.0%
Net premium earned	1,572	1,574	+0.1%
Net underwriting result incl. interest on funds withheld	(46)	(4)	-91.9%
Net investment income from assets under own management	81	72	-10.7%
Other income and expenses	55	28	-50.0%
Operating profit/loss (EBIT)	90	96	+6.9%
EBIT margin	5.7%	6.1%	+0.4%p
Tax ratio	28.4%	45.9%	+17.5%p
Group net income	61	51	-15.7%
Earnings per share (in EUR)	0.50	0.42	

YTD

- ▶ GWP f/x-adj. +9.2%, mainly from Asia and United Kingdom
- ▶ NPE f/x-adjusted growth +7.4%
- ▶ Improved technical result driven by better morbidity experience
- ▶ Stable ordinary investment income
- ▶ Other income lower due to f/x effects; contribution from deposit accounted treaties of EUR 45 m. (Q1/2017: EUR 47 m.)
- ▶ Targeted EBIT growth of +5% achieved
- ▶ Tax ratio above long-term average due to changes in business set-up linked to the US tax reform

Net investment income well above 2.7% target for 2018

Unrealised gains lower due to higher interest rates and credit spreads

in m. EUR	Q1/2017	Q1/2018	RoI
Ordinary investment income*	323	317	3.2%
Realised gains/losses	24	49	0.5%
Impairments/appreciations & depreciations	(11)	(11)	-0.1%
Change in fair value of financial instruments (through P&L)	11	6	0.1%
Investment expenses	(28)	(28)	-0.3%
NII from assets under own mgmt.	320	333	3.3%
NII from funds withheld	73	59	
Total net investment income	393	391	

Unrealised gains/losses of investments	31 Dec 17	31 Mar 18
On-balance sheet	1,159	740
thereof Fixed income AFS	706	334
Off-balance sheet	489	438
thereof Fixed income HTM, L&R	315	290
Total	1,648	1,177

YTD

- ▶ Ordinary income from fixed income, private equity and real estate exactly at last year's level; slight decrease due to last year's dividends from listed equities
- ▶ Result from realisations out of slightly changed investment strategy
- ▶ Impairments only taken on private equity; major portion still due to regular depreciation on real estate
- ▶ Decrease in unrealised gains due to higher USD and GBP interest rate levels as well as higher risk spreads on European and US corporates

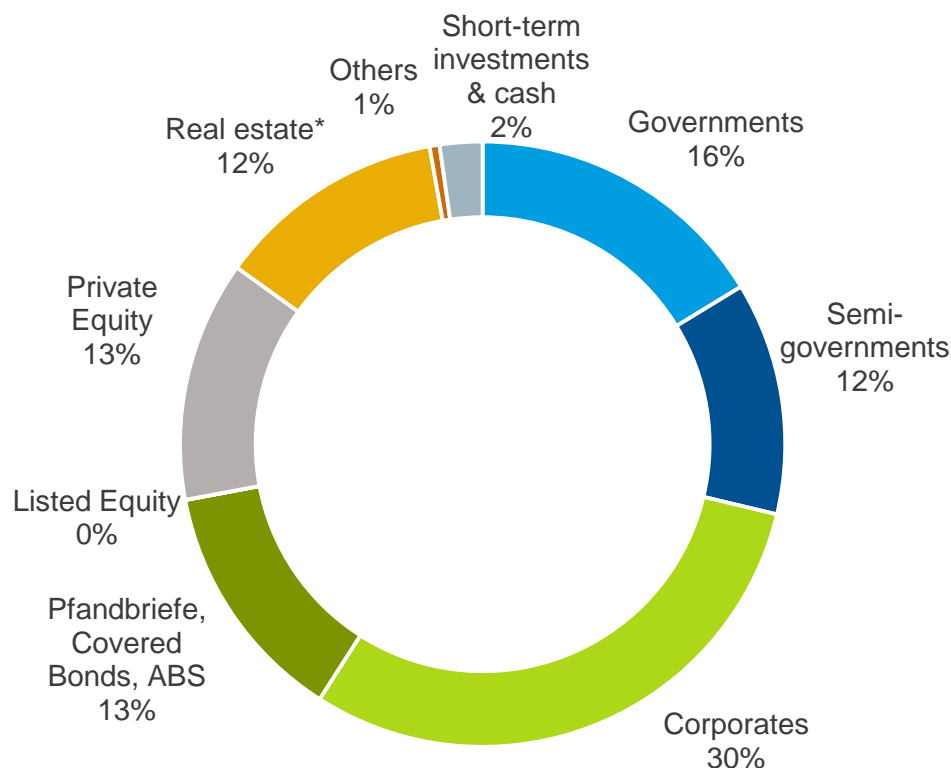
* Incl. results from associated companies

Barbell strategy stopped and slight risk reduction ...

... reflected at government bonds and corporates

Ordinary income split

EUR 317 m.



Asset allocation

Investment category	31 Mar 18
Fixed-income securities	87%
- Governments	32%
- Semi-governments	17%
- Corporates	30%
Investment grade	26%
Non-investment grade	4%
- Pfandbriefe, Covered Bonds, ABS	8%
Equities	2%
- Listed Equity	<1%
- Private Equity	2%
Real estate/real estate funds	5%
Others	1%
Short-term investments & cash	5%
Total market values in bn. EUR	40.9

Economic view based on market values as at 31 March 2018

* Before real estate-specific costs

Target Matrix

Business group	Key figures	Strategic targets for 2018	Q1/2018
Group	Return on investment ¹⁾	≥ 2.7%	3.4%
	Return on equity ²⁾	≥ 9.5%	13.0%
	Earnings per share growth (y-o-y)	≥ 5%	3.3%
	Economic value creation ³⁾	≥ 6.5%	n.a.
	Solvency ratio ⁴⁾	≥ 200%	260.0%
Property & Casualty R/I	Gross premium growth ⁵⁾	3% - 5%	38.8%
	Combined ratio ⁶⁾	≤ 96%	95.9%
	EBIT margin ⁷⁾	≥ 10%	14.0%
	xRoCA ⁸⁾	≥ 2%	n.a.
Life & Health R/I	Gross premium growth ⁹⁾	3% - 5%	9.2%
	Value of New Business (VNB) ¹⁰⁾	≥ EUR 220 m.	n.a.
	EBIT growth	≥ 5%	6.9%
	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

6) Incl. expected net major losses

8) Excess return on allocated economic capital

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

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

4) According to our internal capital model and Solvency II requirements; as of 31 December 2017

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

7) EBIT/net premium earned

9) Organic growth only; annual average growth (5-year period), at constant f/x rates

*somewhat
different*

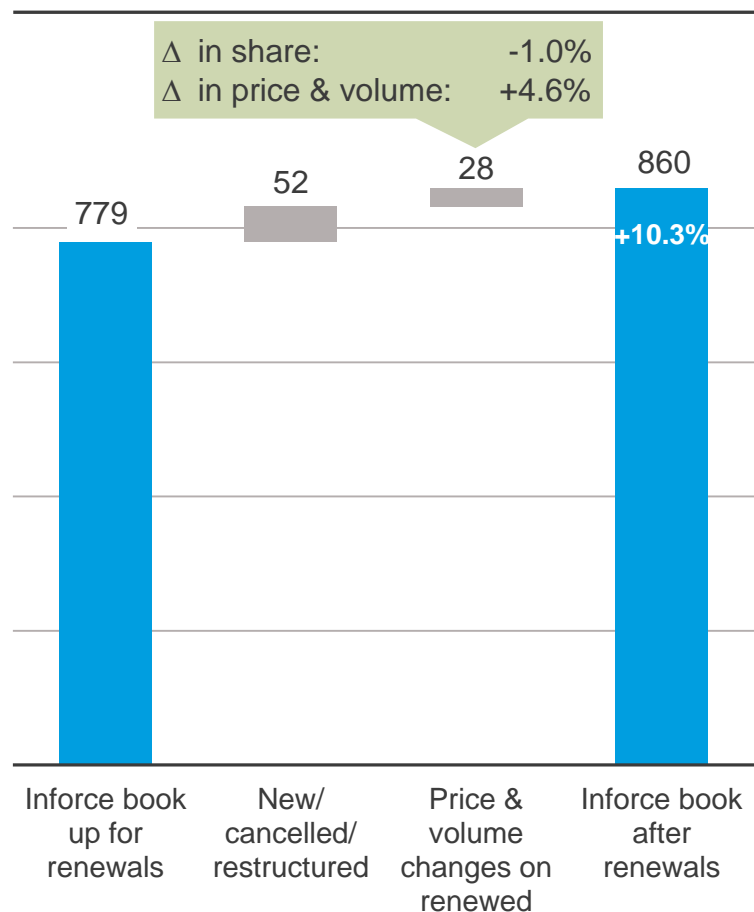
Outlook

Strong increase in premium mainly due to new business

Property & Casualty treaty renewals: 2 January 2018 - 1 April 2018

April renewals

in m. EUR



▶ North America

- Overall premium slightly increased whilst we reduced the casualty premium due to our conservative approach to the market
- Property business continues the firming trend seen at 1 Jan
 - Favourable new business opportunities realized
- Casualty business still competitive, but original rates stabilising

▶ Japan

- Active portfolio management led to reduction in premium
- We maintained a very disciplined underwriting approach regarding terms and conditions for Casualty XL treaties

▶ The Caribbean

- Significant improvements in proportional and non-prop. treaties
 - Reduction in commissions of up to 4%p
 - Wide range of price increases in non-proportional from 5% to 60% (risk-adj.)

▶ Cat XL

- Ample R/I capacity has stalled the trend of a hardening market seen at 1 Jan renewal
- Loss-impacted treaties saw rate increases (+20% to +40%), otherwise flat to +6% risk adjusted

▶ Agricultural business

- Successful expansion of Indian book (premium doubled)

UY figures at unchanged f/x rates (31 December 2017)

Revised guidance for 2018

Hannover Re Group

- ▶ Gross written premium¹⁾ _____ more than 10% growth
- ▶ Return on investment^{2) 3)} _____ at least 2.7%
- ▶ Group net income²⁾ _____ more than EUR 1 bn.
- ▶ Dividend payout ratio⁴⁾ _____ 35% - 40%
(If comfortable level of capitalisation remains unchanged, this ratio will increase through payment of another special dividend)

1) At unchanged f/x rates











2) Subject to no major distortions in capital markets and/or major losses in 2018 not exceeding the large loss budget of EUR 825 m.

3) Excluding effects from ModCo derivatives

4) Relative to group net income according to IFRS

Overall profitability above margin requirements

Good growth opportunities in several lines of business

	Lines of business	Volume ¹⁾	Profitability ²⁾
Target markets	North America ³⁾		+
	Continental Europe ³⁾		+
Specialty lines worldwide	Marine		+/-
	Aviation		-
	Credit, surety and political risks		+
	UK, Ireland, London market and direct		+/-
	Facultative reinsurance		+
Global reinsurance	Worldwide treaty ³⁾ reinsurance		+/-
	Cat XL		+/-
	Structured reinsurance and ILS		+/-

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

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

3) All lines of business except those stated separately

Good underlying profitability in L&H business

Further strains from legacy US mortality business expected in 2018

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

Rationale for our short- and medium-term outlook



P&C reinsurance

- ▶ Improved rates should support C/R target $\leq 96\%$ without the need to significantly reduce confidence level of the loss reserves
- ▶ Strong market position and financial strength enable us to outgrow the market

Positioned to outperform



L&H reinsurance

- ▶ Attractive earnings contribution from US Financial solutions business
- ▶ Inforce management in US mortality business could impact EBIT contribution in 2018 due to recaptures
- ▶ EBIT expectation for 2018: ~EUR 200 m.
- ▶ Above-target VNB development and inforce management are the basis for IFRS profit growth from 2019 onwards

Increasing profits (EBIT) in the medium term



Investments

- ▶ Normalised ordinary investment income expected at absolute level on average of past 5 years
- ▶ Medium-term growth expected due to increase in AuM supported by positive cash flow and increasing reinvestment yields

Stable Return on Investment in a low yield environment

somewhat
different

Appendix

Our strategic business groups at a glance

Q1/2018 vs. Q1/2017

in m. EUR	Property & Casualty R/I			Life & Health R/I			Total		
	Q1/2017	Q1/2018	Δ	Q1/2017	Q1/2018	Δ	Q1/2017	Q1/2018	Δ
Gross written premium	2,815	3,579	+27.1%	1,732	1,766	+2.0%	4,547	5,345	+17.6%
Net premium earned	2,166	2,425	+12.0%	1,572	1,574	+0.1%	3,738	3,999	+7.0%
Net underwriting result	91	92	+1.2%	(114)	(55)	-52.1%	(23)	37	-
Net underwriting result incl. funds withheld	96	100	+4.0%	(46)	(4)	-91.9%	49	96	+93.7%
Net investment income	243	268	+10.1%	148	123	-17.2%	393	391	-0.4%
From assets under own management	238	260	+9.2%	81	72	-10.7%	320	333	+4.0%
From funds withheld	5	8	+52.7%	68	51	-25.0%	73	59	-19.5%
Other income and expenses	(24)	(21)	-14.0%	55	28	-50.0%	30	5	-82.5%
Operating profit/loss (EBIT)	310	339	+9.4%	90	96	+6.9%	400	434	+8.5%
Interest on hybrid capital	0	0	-	0	(0)	-	(18)	(18)	+0.1%
Net income before taxes	310	339	+9.4%	90	96	+6.9%	382	416	+8.9%
Taxes	(77)	(79)	+3.0%	(25)	(44)	+73.1%	(96)	(117)	+21.9%
Net income	233	260	+11.5%	64	52	-19.4%	286	299	+4.5%
Non-controlling interest	18	25	+41.0%	4	1	-79.7%	22	26	+20.3%
Group net income	215	235	+9.0%	61	51	-15.7%	265	273	+3.3%
Retention	88.6%	91.6%		91.3%	90.7%		89.6%	91.3%	
Combined ratio (incl. interest on funds withheld)	95.6%	95.9%		102.9%	100.2%		98.7%	97.6%	
EBIT margin (EBIT / Net premium earned)	14.3%	14.0%		5.7%	6.1%		10.7%	10.8%	
Tax ratio	24.7%	23.3%		28.4%	45.9%		25.1%	28.1%	
Earnings per share (in EUR)	1.79	1.95		0.50	0.42		2.20	2.27	

Barbell strategy stopped and slight risk reduction...

...reflected at government bonds and corporates

Asset allocation¹⁾

Investment category	2014	2015	2016	2017	31 Mar 18
Fixed-income securities	90%	87%	87%	87%	87%
- Governments	21%	26%	28%	30%	32%
- Semi-governments	19%	17%	18%	17%	17%
- Corporates	36%	34%	33%	32%	30%
Investment grade	33%	30%	28%	27%	26%
Non-investment grade	3%	4%	4%	5%	4%
- Pfandbriefe, Covered bonds, ABS	14%	10%	9%	8%	8% ²⁾
Equities	2%	3%	4%	2%	2%
- Listed equity	<1%	1%	2%	<1%	<1%
- Private equity	2%	2%	2%	2%	2%
Real estate/real estate funds	4%	4%	5%	5%	5%
Others	1%	1%	1%	1%	1%
Short-term investments & cash	4%	5%	4%	4%	5%
Total market values in bn. EUR	36.8	39.8	42.3	40.5	40.9

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 1.271,9 m. (EUR 1,201.9 m.) as at 31 March 2018

2) Of which Pfandbriefe and Covered Bonds = 78.8%

Stress tests on assets under own management

Unchanged focus on yields and credit spreads; reduced relevance of equities

Portfolio	Scenario	Change in market value in m. EUR	Change in OCI before tax in m. EUR
Equity (listed and private equity)	-10%	-80	-80
	-20%	-161	-161
Fixed-income securities	+50 bps	-855	-775
	+100 bps	-1,665	-1,509
Credit spreads	+50%	-613	-590

As at 31 March 2018

Fixed-income book well balanced

Geographical allocation mainly in accordance with our business diversification

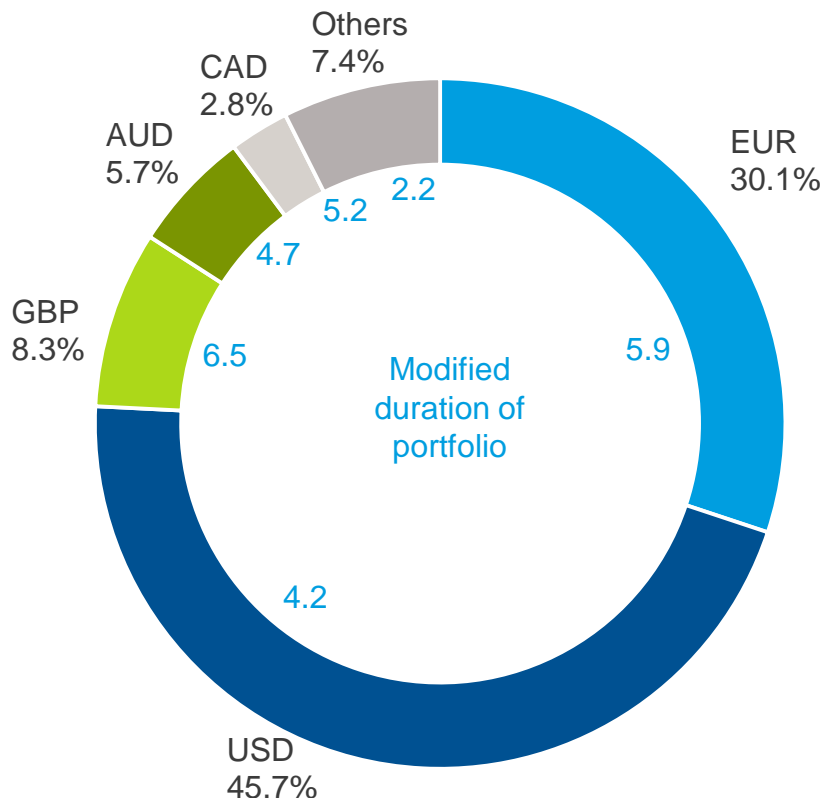
	Governments	Semi-governments	Corporates	Pfandbriefe, Covered bonds, ABS	Short-term investments, cash	Total
AAA	78.6%	64.1%	1.1%	67.2%	-	48.9%
AA	11.7%	23.7%	14.5%	17.2%	-	15.6%
A	5.3%	5.9%	33.5%	6.4%	-	14.9%
BBB	2.5%	1.5%	43.0%	6.7%	-	16.2%
<BBB	1.9%	4.7%	7.8%	2.4%	-	4.5%
Total	100.0%	100.0%	100.0%	100.0%	-	100.0%
Germany	13.5%	49.4%	4.4%	26.1%	29.3%	19.4%
UK	8.4%	2.3%	8.1%	11.0%	9.6%	7.4%
France	1.1%	1.4%	7.8%	6.3%	0.1%	3.6%
GIIPS	1.0%	1.0%	4.5%	5.4%	0.0%	2.4%
Rest of Europe	2.7%	14.3%	16.0%	18.4%	4.2%	10.5%
USA	59.4%	6.7%	34.4%	9.8%	14.8%	34.9%
Australia	4.0%	7.7%	8.6%	10.9%	7.1%	6.9%
Asia	5.8%	6.3%	5.2%	0.7%	21.1%	6.1%
Rest of World	4.3%	10.8%	11.1%	11.4%	13.8%	8.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total b/s values in m. EUR	13,038	6,966	11,500	2,989	2,052	36,545

IFRS figures as at 31 March 2018

Currency allocation matches liability profile of balance sheet

Duration-neutral strategy applied

Currency split of investments



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

Modified duration

Year	Modified duration
2017	4.8
2016	5.0
2015	4.4
2014	4.6
2013	4.4
2012	4.5

Modified duration as at 31 March 2018: 4.8

Disclaimer

This presentation does not address the investment objectives or financial situation of any particular person or legal entity. Investors should seek independent professional advice and perform their own analysis regarding the appropriateness of investing in any of our securities.

While Hannover Re has endeavoured to include in this presentation information it believes to be reliable, complete and up-to-date, the company does not make any representation or warranty, express or implied, as to the accuracy, completeness or updated status of such information.

Some of the statements in this presentation may be forward-looking statements or statements of future expectations based on currently available information. Such statements naturally are subject to risks and uncertainties. Factors such as the development of general economic conditions, future market conditions, unusual catastrophic loss events, changes in the capital markets and other circumstances may cause the actual events or results to be materially different from those anticipated by such statements.

This presentation serves information purposes only and does not constitute or form part of an offer or solicitation to acquire, subscribe to or dispose of, any of the securities of Hannover Re.

© Hannover Rück SE. All rights reserved.

Hannover Re is the registered service mark of Hannover Rück SE.