

*somewhat
different*



Conference Call on Half-yearly Report 2019

Hannover, 8 August 2019

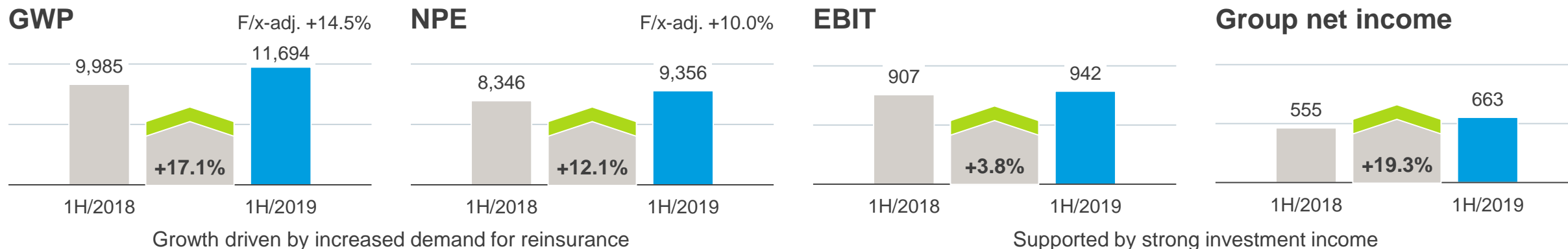
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Strong performance in the first half of the year

RoE well above target, notwithstanding the increase in equity of EUR 1 bn.



14.3%

Return on Equity

Well above minimum target of 9.4%

EUR 80.70

Book value per share

+10.9% driven by strong earnings and increased valuation reserves

249%

Solvency II ratio

31.03.2019



P&C R/I

EBIT: 657 m.

- Satisfying EBIT margin (11.0%) supported by favourable underwriting and investment result
- C/R of 96.7% below maximum target of 97%
- Strong premium growth (f/x-adj. +18.4%) driven by Structured R/I and diversified growth in traditional business



L&H R/I

EBIT: 286 m.

- EBIT increased by 30.3%, supported by positive one-off effect (EUR 99.5 m.) from restructuring of shareholding in Viridium
- US mortality in line with expectation, but under-performance of Australian disability business
- Premium growth (f/x-adj. +7.4%) mainly from Asia



Investments

NII: 866 m.

- RoI from AuM: 3.5%, (3.1% excluding one-off effect in L&H) exceeds minimum target ($\geq 2.8\%$)
- Ordinary investment income increased by 10.7%
- AuM up by +6.3% to more than EUR 44 bn.

Figures in EUR millions, unless otherwise stated

Increased result from Life & Health and favourable investment income

Tax ratio supported by nearly tax-free Viridium one-off

Group figures in m. EUR

	Q2/2018	Q2/2019	Δ	1H/2018	1H/2019	Δ
Gross written premium	4,640	5,321	+14.7%	9,985	11,694	+17.1%
Net premium earned	4,346	4,745	+9.2%	8,346	9,356	+12.1%
Net underwriting result	63	(41)	-164.3%	101	(36)	-136.1%
- Incl. funds withheld	119	(18)	-114.8%	214	58	-73.2%
Net investment income	352	467	+32.5%	744	866	+16.4%
- From assets under own mgmt.	297	444	+49.3%	630	772	+22.5%
- From funds withheld	55	23	-57.8%	114	94	-17.5%
Other income and expenses	58	66	+14.5%	63	113	+78.8%
Operating profit/loss (EBIT)	473	492	+4.0%	907	942	+3.8%
Financing costs	(20)	(21)	+7.3%	(38)	(42)	+12.4%
Net income before taxes	453	471	+3.8%	870	900	+3.5%
Taxes	(157)	(92)	-41.2%	(273)	(206)	-24.5%
Net income	297	379	+27.5%	596	693	+16.3%
- Non-controlling interests	15	10	-34.8%	41	31	-24.3%
Group net income	282	369	+30.8%	555	663	+19.3%
Retention	91.4%	90.9%		91.3%	90.6%	
EBIT margin (EBIT/Net premium earned)	10.9%	10.4%		10.9%	10.1%	
Tax ratio	34.5%	19.6%		31.4%	22.9%	
Earnings per share (in EUR)	2.34	3.06		4.60	5.49	

Very strong operating cash flow fuels growth of AuM (+6.3%)

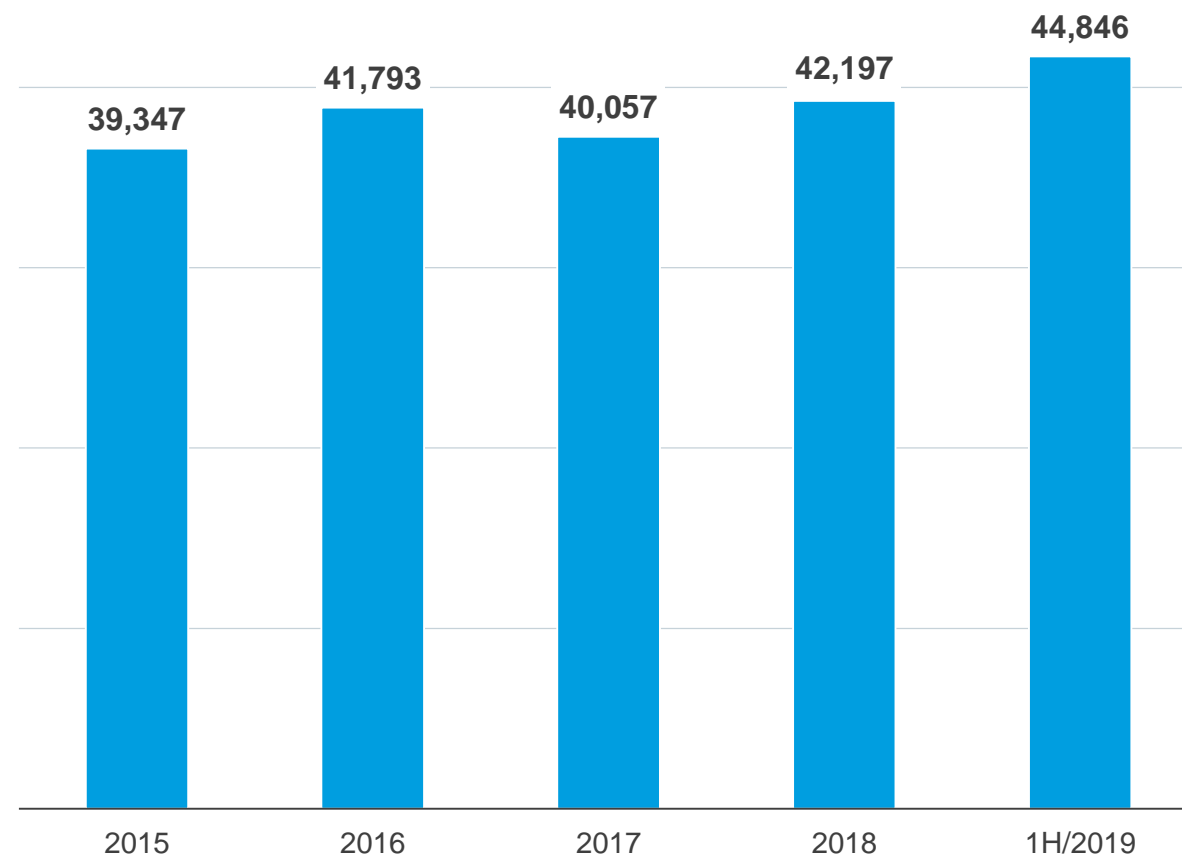
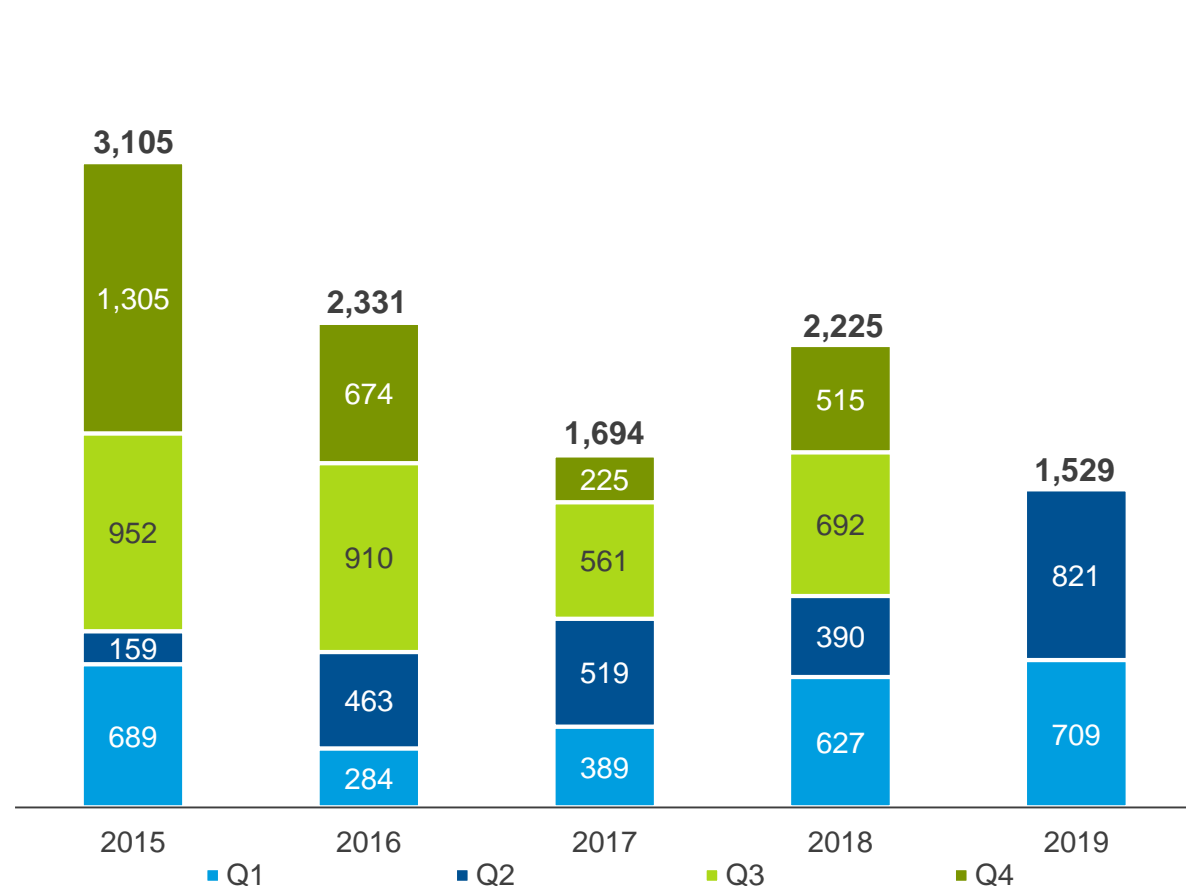
AuM growth supported by increase in valuation reserves and currency effects

Operating cash flow

in m. EUR

Assets under own management (AuM)

in m. EUR

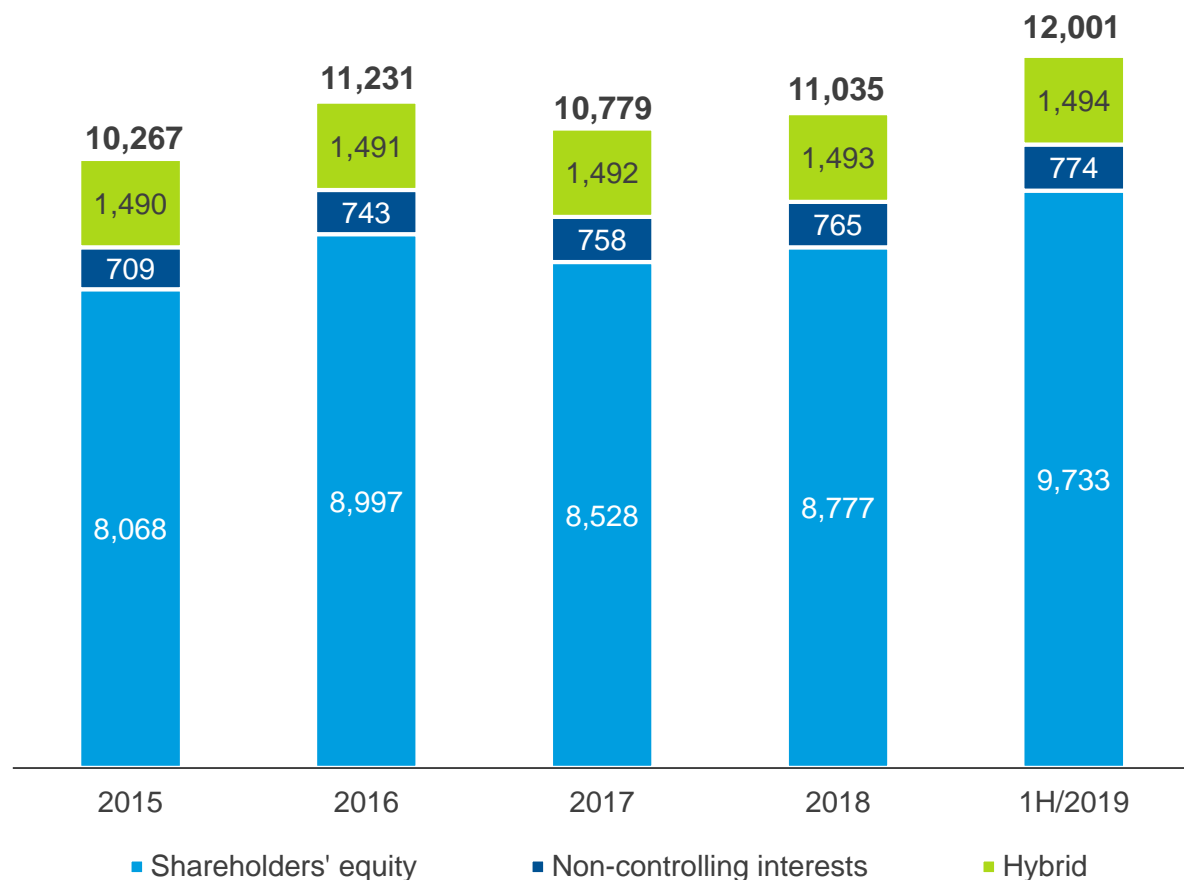


Shareholders' equity up by 11%

Driven by profit and asset valuation

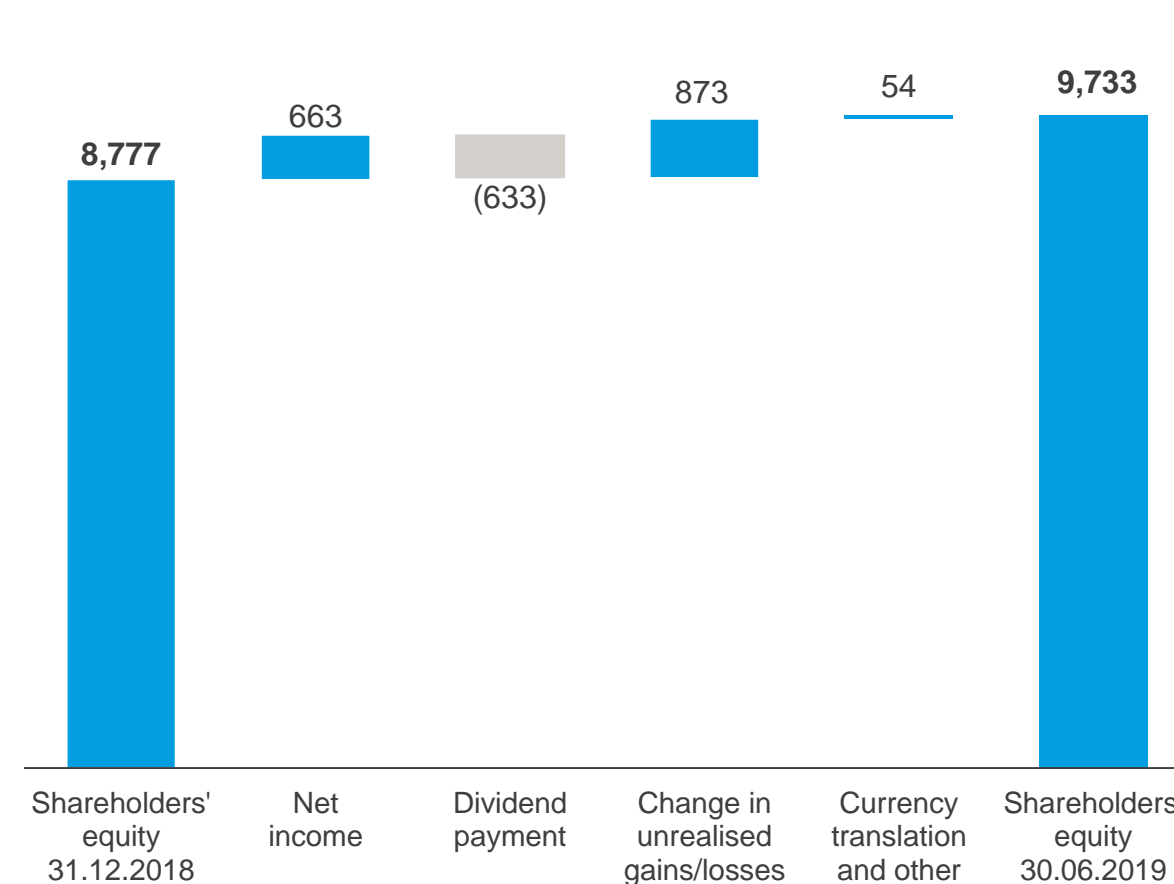
Policyholders' surplus

in m. EUR



Change in shareholders' equity

in m. EUR



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Strong growth based on increasing demand for reinsurance worldwide

Satisfactory results in an improving but still competitive market environment

Property & Casualty R/I in m. EUR	Q2/2018	Q2/2019	1H/2018	1H/2019
Gross written premium	2,888	3,453	6,467	7,847
Net premium earned	2,750	3,034	5,175	5,964
Net underwriting result incl. funds withheld	121	71	221	196
Combined ratio incl. interest on funds withheld	95.6%	97.7%	95.7%	96.7%
Net investment income from assets under own management	227	252	487	476
Other income and expenses	2	(1)	(19)	(15)
Operating profit/loss (EBIT)	350	322	689	657
Tax ratio	38.5%	31.1%	31.0%	29.7%
Group net income	200	212	434	431
Earnings per share (in EUR)	1.66	1.76	3.60	3.58

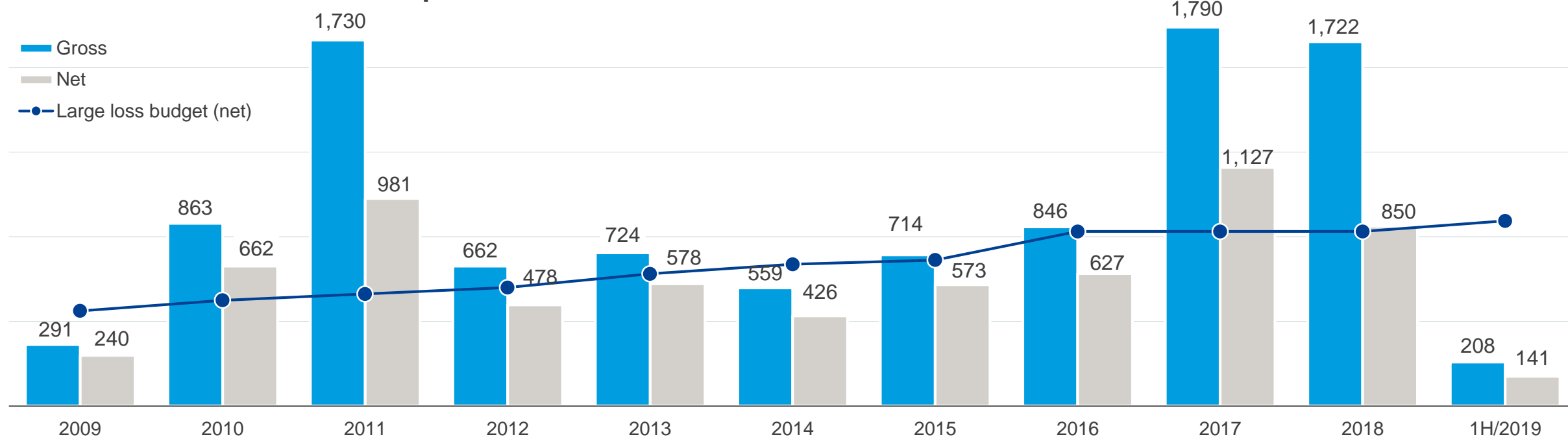
YTD

- GWP f/x-adjusted +18.4%, growth from Structured R/I as well as traditional reinsurance
- NPE f/x-adjusted +13.0%
- Major losses of EUR 141 m. (2.4% of NPE) well below budget of EUR 370 m. for 1H/2019 but large loss budget reserved as usual
- Positive run-off offset by negative prior-year development, mainly from typhoon Jebi (EUR 106 m.) in 2018
- Strong ordinary investment income; lower level of realised gains leads to decrease in net investment income
- EBIT margin of 11.0% above target of 10%
- Tax ratio slightly higher due to lower earnings of subsidiaries in low-tax countries

Large losses well below budget of EUR 370 m. for 1H/2019

Natural and man-made catastrophe losses¹⁾

in m. EUR



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

5%	5%	14%	12%	25%	16%	9%	7%	9%	8%	7%	6%	8%	7%	9%	8%	17%	12%	14%	8%	3%	2%
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Large loss budget (net) in m. EUR

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

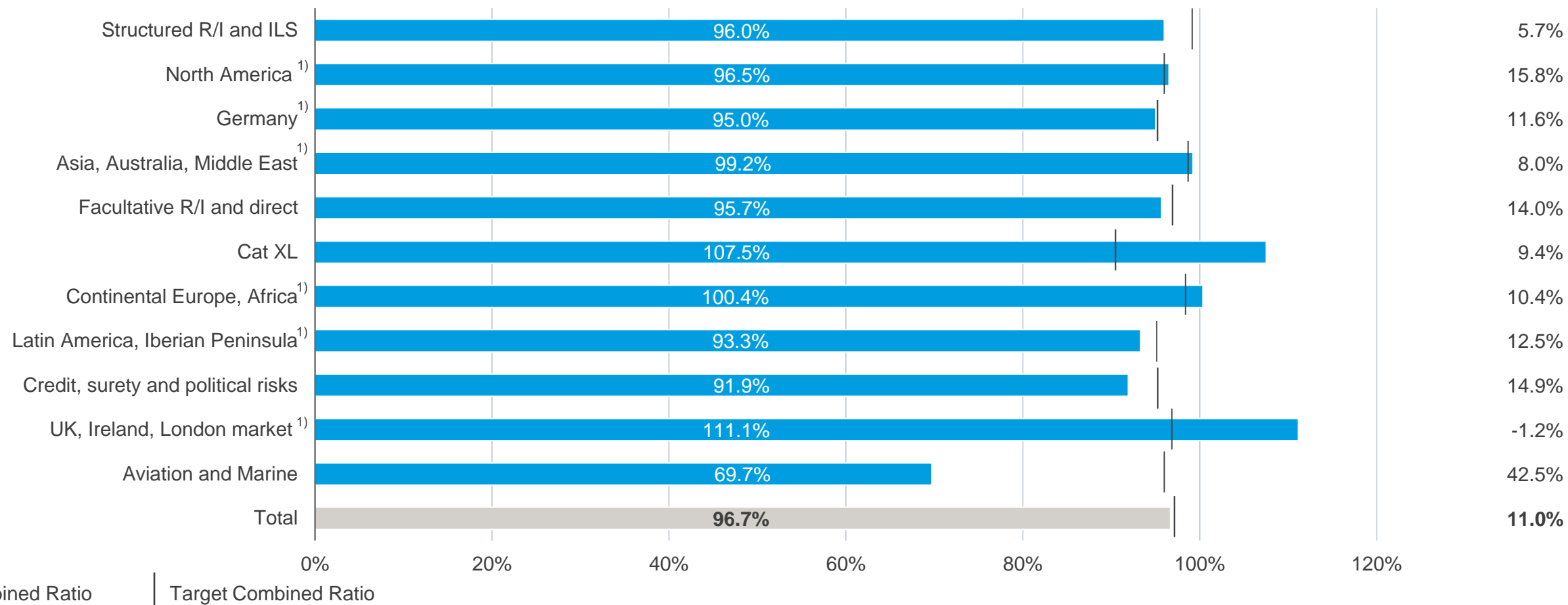
Benign large-loss experience from natural catastrophes man-made large losses in line with budget

Catastrophe losses ¹⁾ in m. EUR	Date	Gross	Net
Earthquake, Chile	19 - 20 Jan	10.5	10.5
Flood, Australia	26 Jan - 7 Feb	34.2	25.9
Storm "Eberhard", Germany	10 - 11 Mar	26.2	16.6
3 Natural catastrophes		70.9	53.0
1 Marine claim		14.3	6.8
1 Aviation claim		66.8	24.7
2 Property claims		55.9	55.9
7 Major losses		208.0	140.6

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

Diversified portfolio delivers Combined Ratio better than target

1H/2019: Combined Ratio vs. Target Combined Ratio



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

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EBIT increased by 30% supported by Viridium valuation

US mortality result well in line with expectations

Life & Health R/I in m. EUR	Q2/2018	Q2/2019	1H/2018	1H/2019
Gross written premium	1,752	1,868	3,518	3,847
Net premium earned	1,596	1,711	3,171	3,392
Net underwriting result incl. funds withheld	(3)	(89)	(7)	(138)
Net investment income from assets under own management	70	191	142	295
Other income and expenses	57	68	84	130
Operating profit/loss (EBIT)	123	170	219	286
EBIT margin	7.7%	9.9%	6.9%	8.4%
Tax ratio	23.1%	(0.1%)	33.1%	9.2%
Group net income	96	169	147	258
Earnings per share (in EUR)	0.79	1.40	1.22	2.14

YTD

- GWP f/x-adjusted +7.4%, mainly from Asia
- NPE f/x-adjusted growth +5.2%
- US mortality in line with expectation based on prior-year management actions, technical result impacted by Australian disability business and UK mortality business
- Extraordinary gain from restructuring of shareholding in Viridium (EUR 99.5 m.). Favourable ordinary investment income and change in fair value of financial instruments (ModCo EUR + 8.9 m.).
- Other income and expenses is mainly the result of strong contribution from deposit accounted treaties in US Financial Solutions of EUR 133 m. (1H/2018: EUR 93 m.)
- EBIT growth of 30.3% outperforms 5% EBIT growth target
- Low tax ratio due to tax-reduced gains from restructuring of shareholding in Viridium

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Pleasant increase in ordinary investment income

Realisations driven by one-off effect from restructuring of shareholding in Viridium

in m. EUR	Q2/2018	Q2/2019	1H/2018	1H/2019	RoI
Ordinary investment income ¹⁾	317	376	634	702	3.2%
Realised gains/losses	5	105	53	127	0.6%
Impairments/appreciations & depreciations	(10)	(24)	(21)	(41)	-0.2%
Change in fair value of financial instruments (through P&L)	14	16	20	44	0.2%
Investment expenses	(28)	(30)	(56)	(60)	-0.3%
NII from assets under own management	297	444	630	772	3.5%
NII from funds withheld	55	23	114	94	
Total net investment income	352	467	744	866	

YTD

- Rise in ordinary income from fixed-income securities and real estate as well as strong results from private equity investments
- Realised gains driven by release of hidden reserves in connection with restructuring of shareholding in Viridium Group; RoI excl. one-off effect still at 3.1%
- Positive development of fair value changes through P&L mostly due to financial derivatives
- Significant rise in valuation reserves due to lower EUR, USD and GBP yields as well as lower credit spreads on corporates

Unrealised gains/losses of investments	31 Dec 18	30 Jun 19
On-balance sheet	500	1.727
thereof Fixed income AFS	91	1.332
Off-balance sheet	498	503
thereof Fixed income HTM, L&R	227	280
Total	998	2.229

1) Incl. results from associated companies

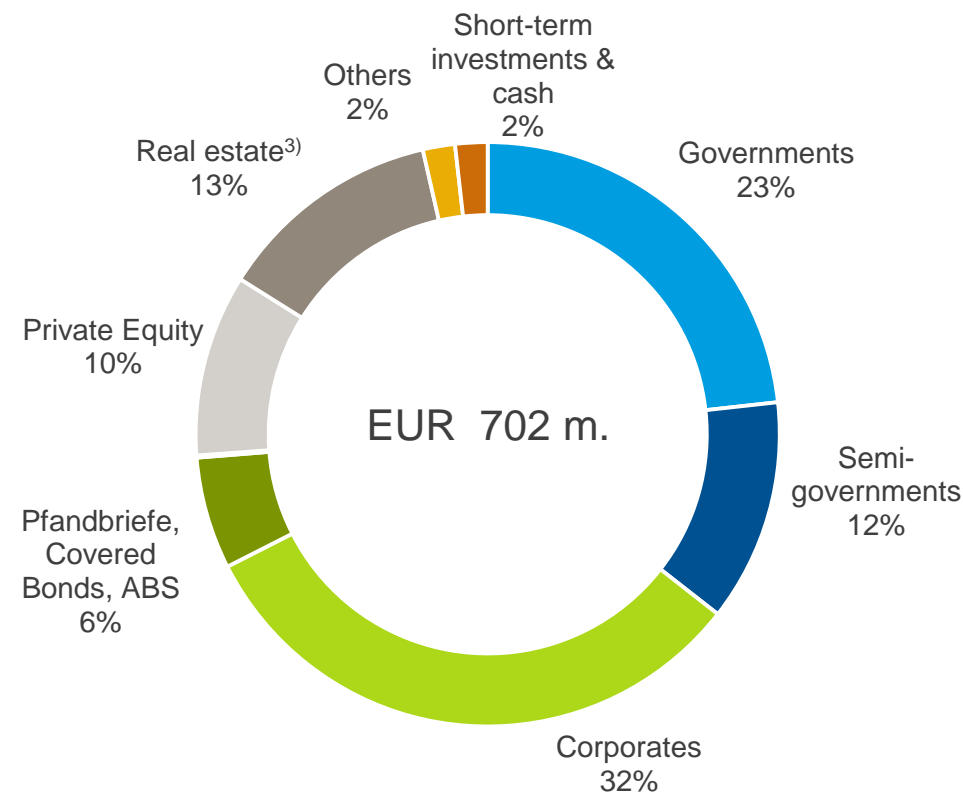
Ordinary income well supported by alternative asset classes

Slightly more defensive credit quality offset by geographical shifts towards EM

Asset allocation¹⁾

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

Ordinary income split



1) Economic view based on market values without outstanding commitments for Private Equity and Alternative Real Estate as well as fixed-income investments of EUR 1,416.9 m. (EUR 1,326.4 m.) as at 30 June 2019

2) Of which Pfandbriefe and Covered Bonds = 70.5%

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

Target Matrix

All targets achieved in 1H/2019

Business group	Key figures	Targets for 2019	1H/2019
Group	Return on investment ¹⁾	≥ 2.8%	3.5% ✓
	Return on equity ²⁾	≥ 9.4%	14.3% ✓
	Earnings per share growth (y-o-y)	≥ 5%	19.3% ✓
	Economic value creation ³⁾	≥ 6.4%	n.a.
	Solvency ratio ⁴⁾	≥ 200%	248.8% ✓
Property & Casualty R/I	Gross premium growth ⁵⁾	3 - 5%	18.4% ✓
	Combined ratio ⁶⁾	≤ 97%	96.7% ✓
	EBIT margin ⁷⁾	≥ 10%	11.0% ✓
	xRoCA ⁸⁾	≥ 2%	n.a.
Life & Health R/I	Gross premium growth ⁹⁾	3 - 5%	7.4% ✓
	Value of New Business (VNB) ¹⁰⁾	≥ EUR 220 m.	n.a.
	EBIT growth ¹¹⁾	≥ 5%	30.3% ✓
	xRoCA ⁸⁾	≥ 2%	n.a.

1) Excl. effects from ModCo derivatives

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

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

7) EBIT/net premium earned

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

11) Annual average growth over a 3-year period

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

4) According to our internal capital model and Solvency II requirements as of 31 March 2019

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

8) Excess return on allocated economic capital

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

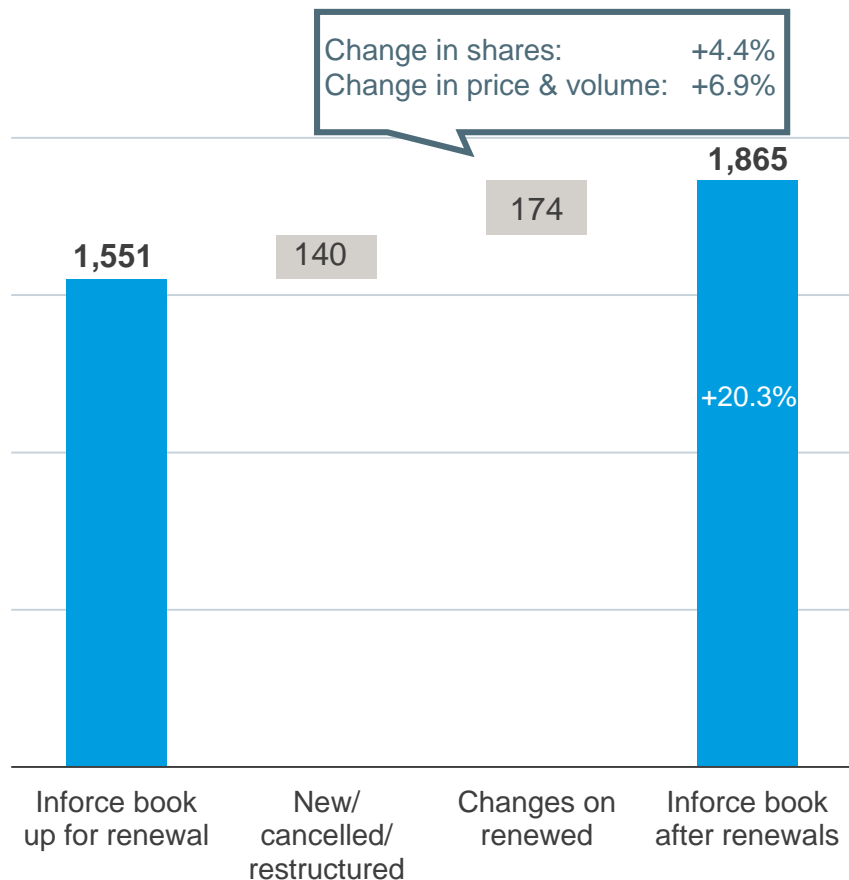
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Recent Property & Casualty treaty renewals lead to premium growth of 20%

Firming of market conditions and rates in the US

2 April - 1 July renewals in m. EUR



- North America¹⁾: +26%
 - Firming of primary market terms & conditions and continued upward movement on rates in property
 - Casualty primary market with slight improvements
 - As a result, premium grew by 26% mostly from new business
- Asia, Australia, Middle East¹⁾: +7%
 - Original terms in Australia and New Zealand continue to harden
 - Favourable renewal in Australia led to organic premium growth and new business
- Cat XL: +39%
 - Rate increases in loss-impacted US programmes (Florida +15% to +30%, California wildfires +60% and higher)
 - Substantial premium increase from US catastrophe business
- Latin America, Iberian Peninsula^{1) 2)}: +22%
 - Growth due to new business and higher shares
- Credit, surety and political risks: +10%
 - Premium increase at stable terms & conditions, driven by new business & organic growth

Underwriting year figures at constant foreign exchange rates (31 December 2018)

1) All lines of P&C reinsurance except those stated separately

2) Including agricultural business

Overall profitability above margin requirement in our Property & Casualty business in financial year 2019

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

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

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

3) All lines of business except those stated separately

Lines of business ordered by GWP

Improved profitability expected in L&H business in 2019 due to significantly reduced burden from US mortality business

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)

Unchanged Guidance for 2019 excluding the positive one-off Viridium effect of ~ EUR 100 million

Hannover Re Group

- Gross written premium¹⁾ _____ growth within a single-digit percentage range
- Return on investment^{2) 3)} _____ at least 2.8%
- Group net income²⁾ _____ ~ EUR 1.1 bn.⁵⁾
- Ordinary dividend payout ratio⁴⁾ _____ 35% - 45%
- Special dividend _____ additional payout if profit target is reached and capitalisation remains comfortable

1) At unchanged f/x rates

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

3) Excluding effects from ModCo derivatives

4) Relative to group net income according to IFRS

5) Excluding positive one-off Viridium effect

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Our strategic business groups at a glance

1H/2019 vs. 1H/2018

in m. EUR	Property & Casualty R/I		Life & Health R/I		Total	
	1H/2018	1H/2019	1H/2018	1H/2019	1H/2018	1H/2019
Gross written premium	6,467	7,847	3,518	3,847	9,985	11,694
Change in GWP	-	+21.3%	-	+9.3%	-	+17.1%
Net premium earned	5,175	5,964	3,171	3,392	8,346	9,356
Net underwriting result	205	173	(104)	(209)	101	(36)
Net underwriting result incl. funds withheld	221	196	(7)	(138)	214	58
Net investment income	503	498	239	365	744	866
From assets under own management	487	476	142	295	630	772
From funds withheld	16	23	98	71	114	94
Other income and expenses	(19)	(15)	84	130	63	113
Operating profit/loss (EBIT)	689	657	219	286	907	942
Financing costs	0	(1)	0	(1)	(38)	(42)
Net income before taxes	689	656	219	285	870	900
Taxes	(213)	(195)	(73)	(26)	(273)	(206)
Net income	475	461	147	259	596	693
Non-controlling interest	41	30	(0)	1	41	31
Group net income	434	431	147	258	555	663
Retention	91.4%	91.5%	91.2%	88.9%	91.3%	90.6%
Combined ratio (incl. interest on funds withheld)	95.7%	96.7%	-	-	-	-
EBIT margin (EBIT / Net premium earned)	13.3%	11.0%	6.9%	8.4%	10.9%	10.1%
Tax ratio	31.0%	29.7%	33.1%	9.2%	31.4%	22.9%
Earnings per share (in EUR)	3.60	3.58	1.22	2.14	4.60	5.49

Our strategic business groups at a glance

Q2/2019 vs. Q2/2018

in m. EUR	Property & Casualty R/I		Life & Health R/I		Total	
	Q2/2018	Q2/2019	Q2/2018	Q2/2019	Q2/2018	Q2/2019
Gross written premium	2,888	3,453	1,752	1,868	4,640	5,321
Change in GWP	-	+19.5%	-	+6.6%	-	+14.7%
Net premium earned	2,750	3,034	1,596	1,711	4,346	4,745
Net underwriting result	113	60	(49)	(101)	63	(41)
Net underwriting result incl. funds withheld	121	71	(3)	(89)	119	(18)
Net investment income	235	263	116	203	352	467
From assets under own management	227	252	70	191	297	444
From funds withheld	8	11	47	12	55	23
Other income and expenses	2	(1)	57	68	58	66
Operating profit/loss (EBIT)	350	322	123	170	473	492
Financing costs	0	(1)	0	0	(20)	(21)
Net income before taxes	350	322	123	169	453	471
Taxes	(135)	(100)	(29)	0	(157)	(92)
Net income	215	222	95	169	297	379
Non-controlling interest	16	10	(1)	0	15	10
Group net income	200	212	96	169	282	369
Retention	91.3%	90.9%	91.7%	91.0%	91.4%	90.9%
Combined ratio (incl. interest on funds withheld)	95.6%	97.7%	-	-	-	-
EBIT margin (EBIT / Net premium earned)	12.7%	10.6%	7.7%	9.9%	10.9%	10.4%
Tax ratio	38.5%	31.1%	23.1%	(0.1 %)	34.5%	19.6%
Earnings per share (in EUR)	1.66	1.76	0.79	1.40	2.34	3.06

Stress tests on assets under own management

Unchanged focus on yields and credit spreads

Portfolio	Scenario	Change in market value in m. EUR	Change in OCI before tax in m. EUR
Equity (listed and private equity)	-10%	-99	-99
	-20%	-198	-198
Fixed-income securities	+50 bps	-1,043	-973
	+100 bps	-2,031	-1,894
Credit spreads	+50%	-679	-671
Real Estate	-10%	-243	-120

As at 30 June 2019

High-quality fixed income book well balanced

Geographical allocation mainly in accordance with our broad business diversification

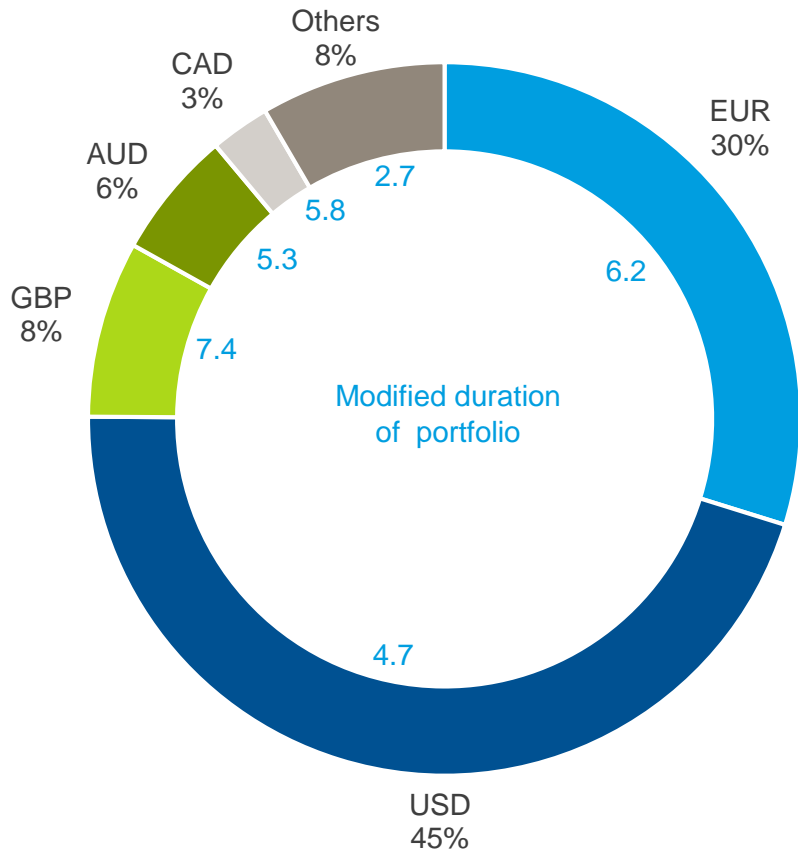
	Governments	Semi-governments	Corporates	Pfandbriefe, Covered bonds, ABS	Short-term investments, cash	Total
AAA	78%	57%	1%	61%	-	47%
AA	13%	25%	14%	25%	-	16%
A	5%	6%	30%	11%	-	14%
BBB	3%	1%	46%	3%	-	17%
<BBB	2%	10%	9%	1%	-	6%
Total	100%	100%	100%	100%	-	100%
Germany	21%	40%	4%	21%	14%	19%
UK	8%	3%	7%	10%	13%	7%
France	1%	2%	8%	5%	1%	4%
GIIPS	1%	1%	4%	5%	0%	2%
Rest of Europe	2%	13%	14%	22%	3%	10%
USA	51%	9%	33%	13%	20%	33%
Australia	3%	9%	8%	11%	7%	7%
Asia	9%	11%	8%	1%	30%	9%
Rest of World	4%	13%	14%	12%	13%	10%
Total	100%	100%	100%	100%	100%	100%
Total b/s values in m. EUR	15,506	7,220	12,609	3,196	1,662	40,195

IFRS figures as at 30 June 2019

Currency allocation matches liability profile of balance sheet

Duration-neutral strategy continued; slightly longer reserve profiles

Currency split of investments



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

Modified duration

Q2/2019	5.2
2018	4.8
2017	4.8
2016	5.0
2015	4.4
2014	4.6

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