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Conference Call on 1 January 2022 P&C Treaty Renewals

3 February 2022

Jean-Jacques Henchoz, Chief Executive Officer
Sven Althoff, Member of the Executive Board – Property & Casualty

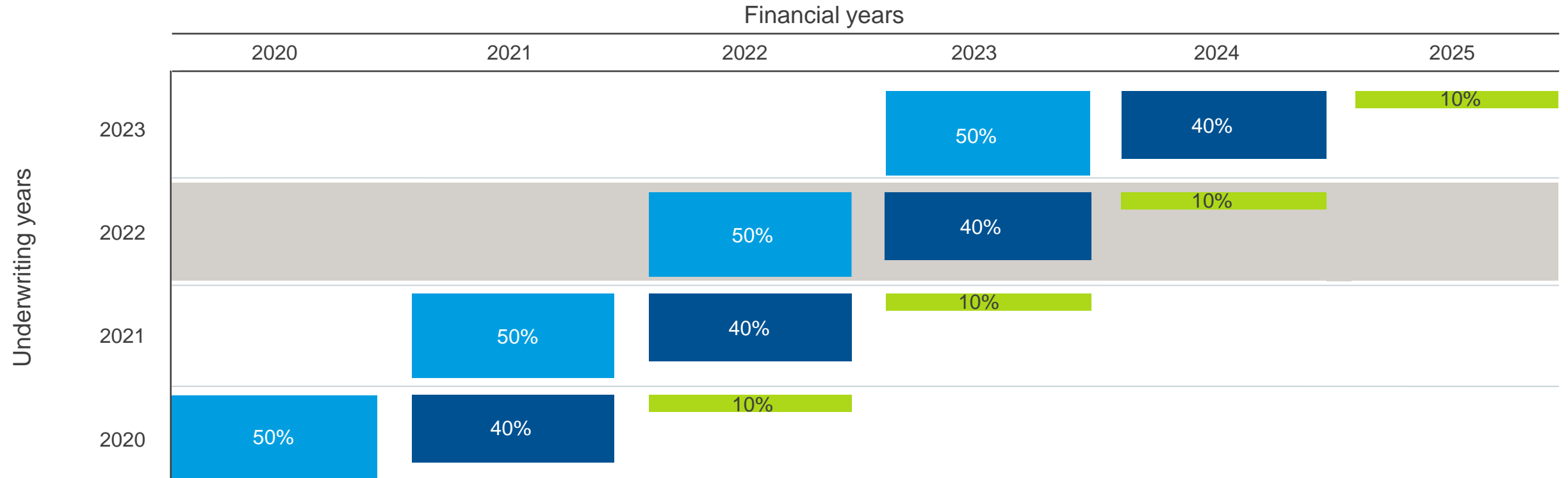
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Important note (1)

- Unless otherwise stated, the renewals part of the presentation is based on Underwriting-Year (U/Y) figures
This basis is only remotely comparable with Financial-Year (FY) figures, which are the basis of quarterly and annual accounts
- The situation shown in this presentation mainly reflects the developments in Hannover Re's Property & Casualty reinsurance portfolio, which may not be indicative of the market development
- Pricing includes changes in risk-adjusted exposure, claims inflation and interest rates, based on internal pricing models
- Portfolio developments are measured at constant foreign exchange rates as at 31 December 2021

Important note (2)

Time lag in premium distribution between underwriting year and financial year



2022 underwriting year results will contribute to FY 2022 results and following years

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Reinsurance markets

Fifth consecutive year of improving reinsurance markets

1 January 2022 renewal: key market highlights

- Continued positive pricing momentum in a disciplined market
 - Main drivers for price increases: interest rate environment, loss experience and inflation
 - Terms and conditions stable to slightly improved
 - Pricing effects vary noticeably by region and line of business
- Sufficient reinsurance capital available despite tighter capacity in retro markets
- Overall stable to slightly increased demand for well-capitalised reinsurance groups (flight to quality)

Positive trend in reinsurance pricing cycle continues

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Our results

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Positive renewal outcome as expected

1 January 2022 renewal: continued growth at improved pricing

Successful renewal

supported by superior financial strength, favourable market positioning and long-standing customer relationships

Further expansion of portfolio

while maintaining our disciplined underwriting

Improved quality of highly diversified portfolio

- Rate increases in primary business particularly beneficial for proportional business
- Improving reinsurance rates
- Overall stable commission levels
- Terms and conditions stable to slightly improved

Reduced but sufficient retro capacity

net risk appetite geared to the desired level with one of the largest retrocession programmes in the market

Successful growth in Structured Reinsurance¹⁾

driven by increased demand

Low admin expense ratio

remains a key competitive advantage, supporting the continued growth of our P&C book

¹⁾ Effect not part of traditional treaty renewal reporting

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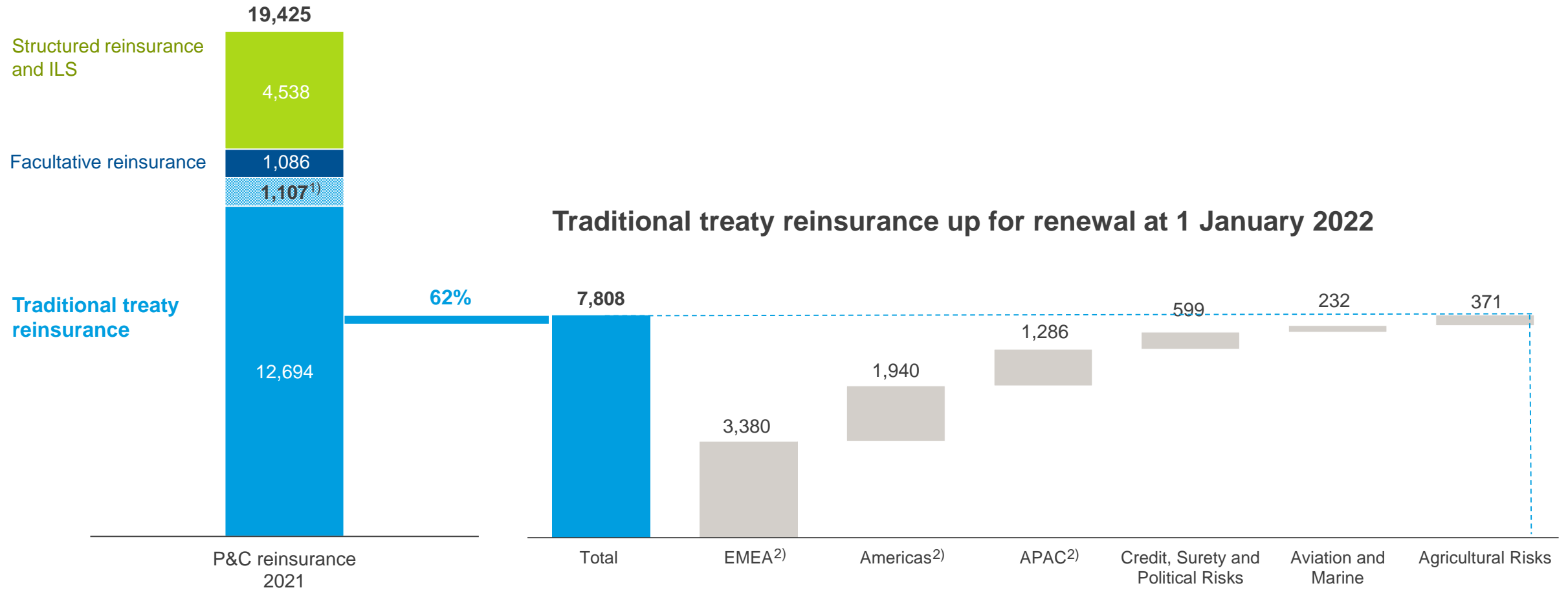
Our portfolio

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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



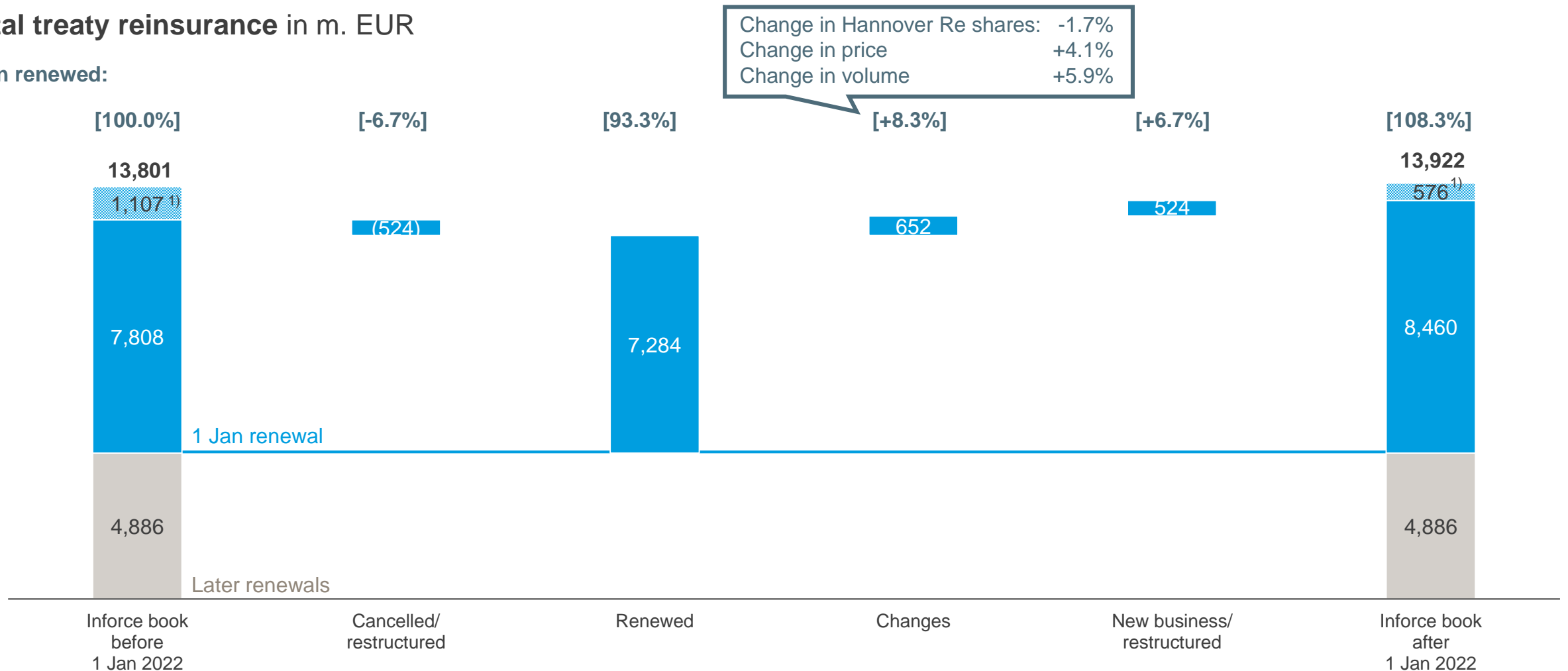
All figures in m. EUR
 1) Mandatory cession from HDI Global Specialty

2) All lines of business except those stated separately

We grew our book by 8.3% on the back of improved pricing development in the insurance and reinsurance markets

Total treaty reinsurance in m. EUR

% on renewed:



1) Sale of stake in HDI Global Specialty leads to agreed reduction of ceded mandatory cession

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 ¹⁾	3,380	3,712	+9.8%	+5.3%
Americas ¹⁾	1,940	2,075	+7.0%	+5.0%
APAC ¹⁾	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%
Total 1 January renewals	7,808	8,460	+8.3%	+4.1%

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

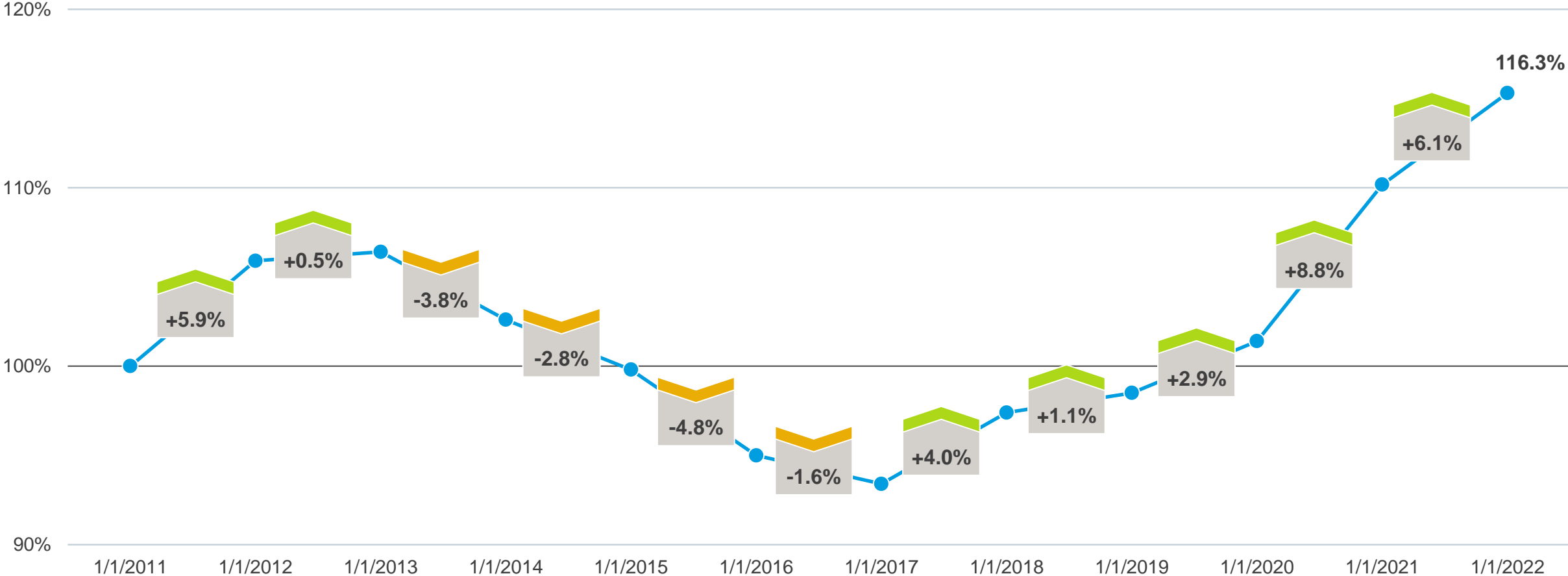
Reporting lines	Proportional			Non-proportional		
	Premium 1/1/2022	Premium changes	Price changes	Premium 1/1/2022	Premium changes	Price changes
EMEA ¹⁾	2,750	+7.9%	+5.1%	961	+15.8%	+6.1%
Americas ¹⁾	912	+0.9%	+4.3%	1,163	+12.3%	+5.6%
APAC ¹⁾	1,280	+7.0%	+1.3%	112	+25.1%	+3.1%
Credit, Surety and Political 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%
Total 1 January renewals	5,929	+6.3%	+3.4%	2,530	+13.5%	+6.1%

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)

Fifth consecutive year with price increases in non-proportional (XL) business

XL price changes at 1 January renewals

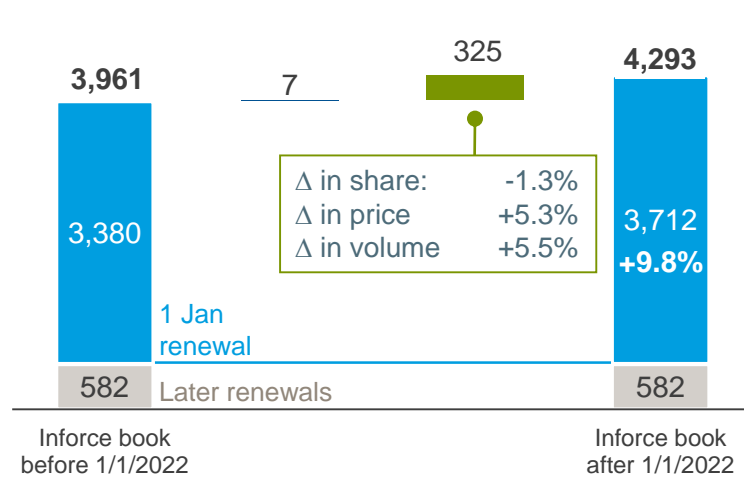


As reported in the February renewal calls

Favourable growth in regional markets

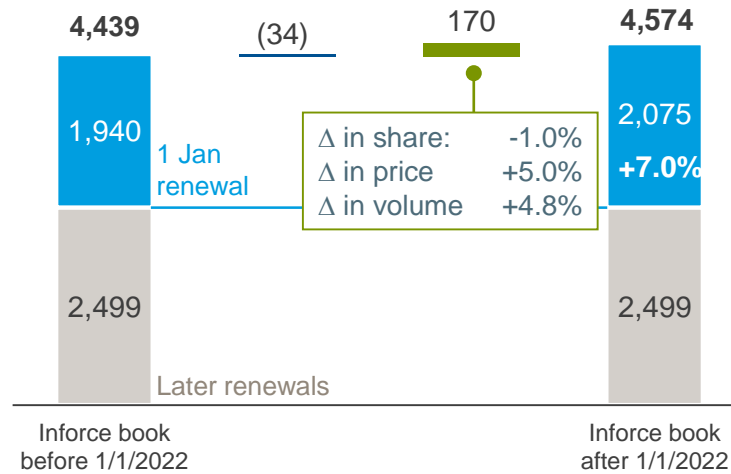
Rate increases most pronounced in EMEA and the Americas

EMEA



- Price increases in European programmes affected by cat events most notably for German cat business
- Germany: further strengthening of market position based on selective underwriting approach
- Lloyd's: increased our capacity in the hardening market environment

Americas



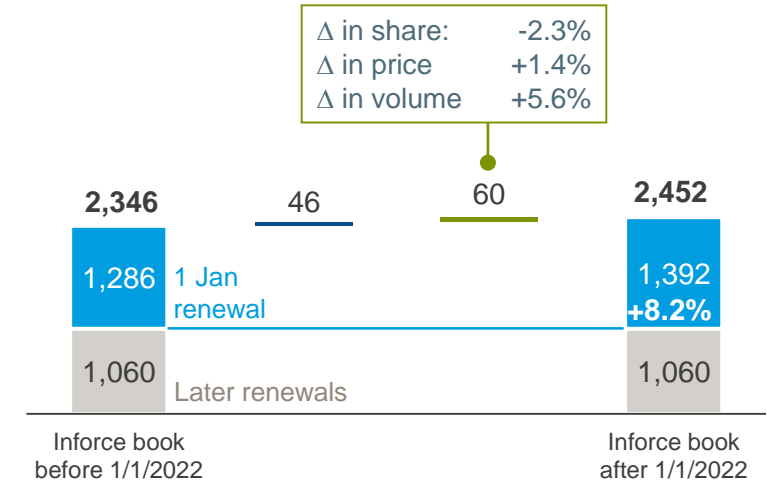
North America:

- Active portfolio management led to reduced premium volume in proportional property
- Moderate expansion in casualty business in line with rate increases
- Stable exposure at improved rate quality in cat business
- Significant rate increases in cyber

Latin America:

- Overall stable portfolio
- Majority of business renews later

APAC



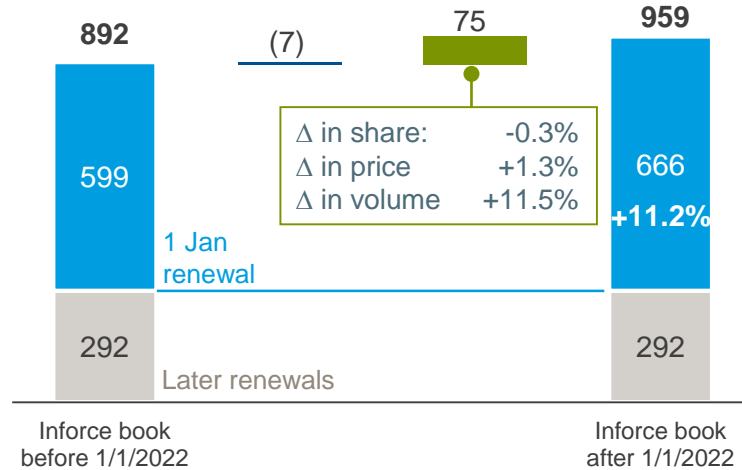
- More moderate price momentum due to benign loss activity
- Attractive growth opportunities in South-East Asia supported by strategic initiative
- Mainland China: reduced shares in proportional treaties based on strict adherence to our margin requirements

■ New/cancelled/restructured ■ Changes

Worldwide markets: further increase in reinsurance pricing

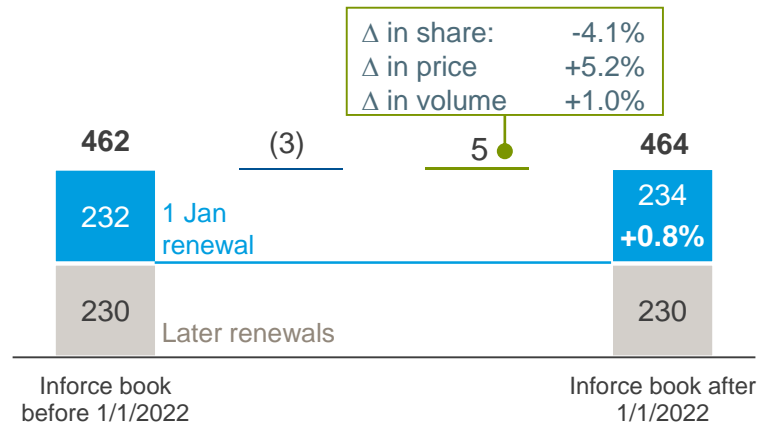
Attractive growth opportunities in Credit & Surety and Agricultural business

Credit, Surety and Political Risks



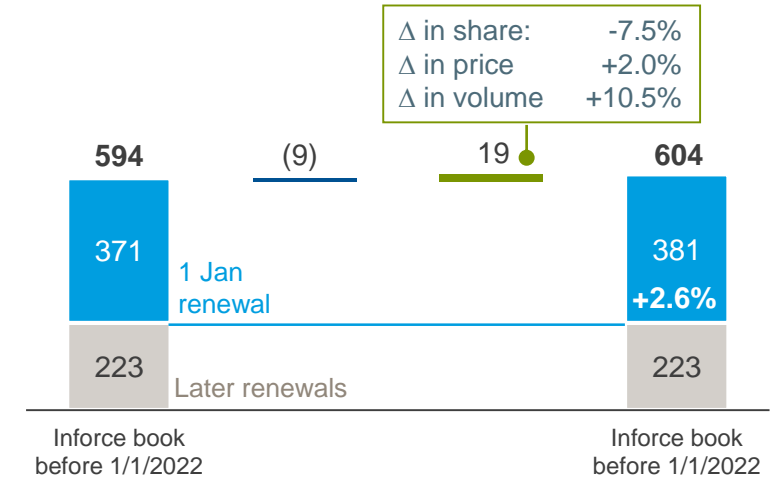
- Increased premium base on the back of economic recovery and run-off of state guarantees
- Share reductions on a few accounts partly compensated by increases in others
- Minor price changes due to low loss ratios in 2021

Aviation and Marine



- Overall improved portfolio quality
- Aviation: selective growth opportunities on existing and new business; stable portfolio with positive outlook on profitability
- Marine: long-standing relationships and improved T&C mitigate lower cession rates and result in improved prospects for 2022

Agricultural Risks



- Positive market environment
- Stable renewals in China
- Brazil remains an attractive growth market
- Positive pipeline for future growth already in discussion

■ New/cancelled/restructured ■ Changes

Exceptional reporting on Structured R/I, Facultative R/I and cat business



Structured R/I¹⁾

- Ongoing high demand for tailor-made capital management transactions worldwide; solutions for commercial short-tail and personal lines in the US
- High number of new transactions closed led to significant increase in premium
- Due to active C-suite marketing we also increased shares on existing business

Expected premium development for U/Y 2022: ~ +15%



Facultative R/I¹⁾

- Demand for facultative reinsurance remains high, Hannover Re continued to benefit from flight to quality
- For the 3rd year in a row hardening market conditions across almost all lines of business and regions
- Achieved average rate increase of 5%, slightly below the previous year's figure (8%)

Expected premium development for U/Y 2021 and 1 Jan 2022: ~ +11%



Cat business²⁾

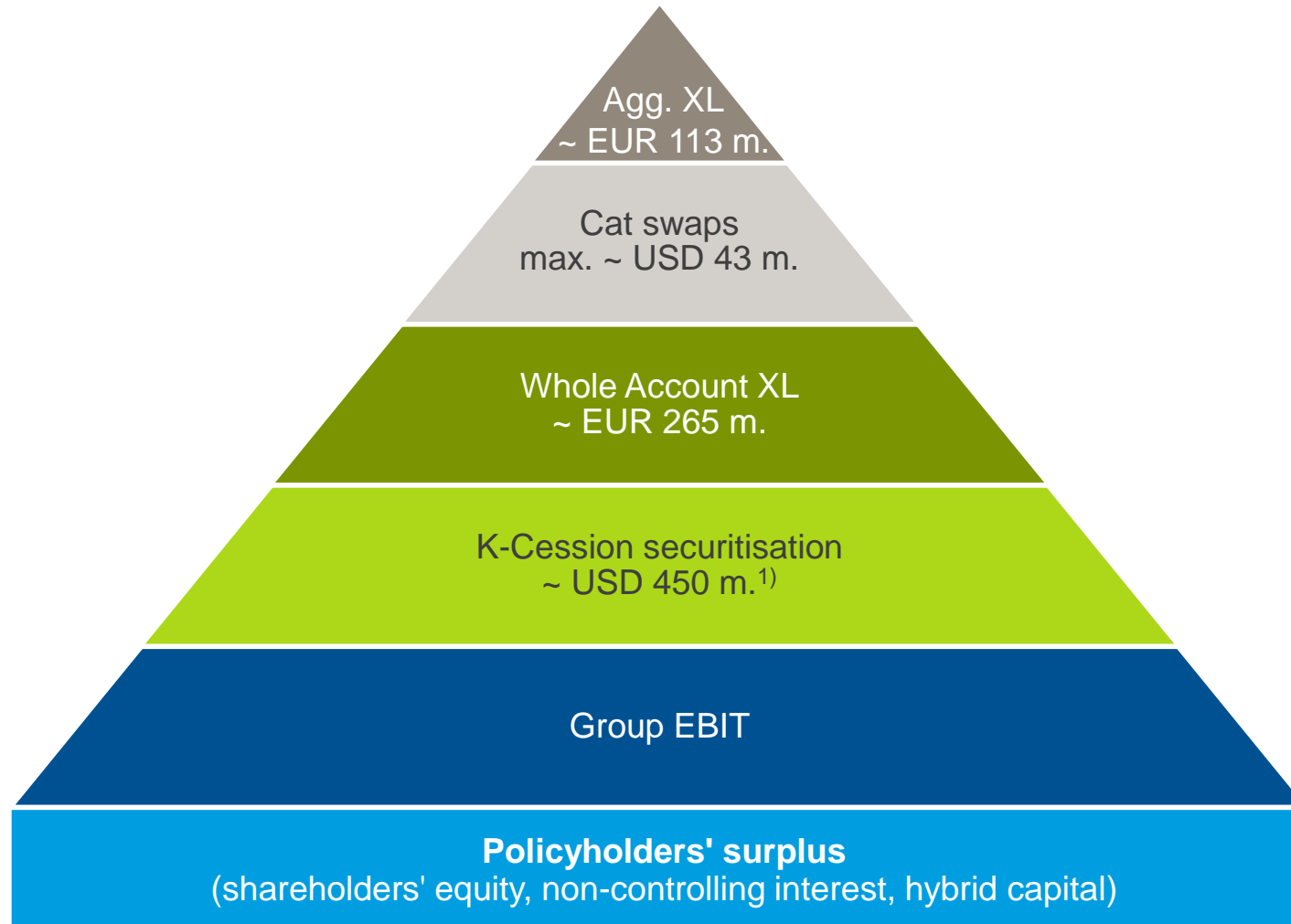
- Inflationary trends, focus on climate change impacts, heavy loss activity provided momentum for price increases
- Risk-adjusted pricing increased by 6.6% on average
- Premium growth most pronounced in EMEA leading to improved diversification of cat portfolio

Diversified premium growth (1 Jan 2022): ~ +25%

1) Renewal activity in Structured R/I and Facultative R/I is not characterised by peak renewal dates such as 1/1 or 1/7 but rather year-round renewal activity

2) Additional reporting on cat-exposed business which is included in regional and worldwide markets

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



1) Plus expected premium
As at February 2022

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Guidance 2022

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Overall profitability above margin requirements in Property & Casualty

Financial year 2022

	Reporting categories	Volume ¹⁾	Profitability ²⁾
Regional markets	EMEA ³⁾	 ⁴⁾	+
	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

4) Decreasing premium volume due to reduced mandatory cession from HDI Global Specialty

Guidance for 2022

Hannover Re Group

- Gross written premium¹⁾ _____ $\geq 5\%$
- Return on investment²⁾ _____ $\geq 2.3\%$
- Group net income²⁾ _____ 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 material Covid-19 impact in L&H

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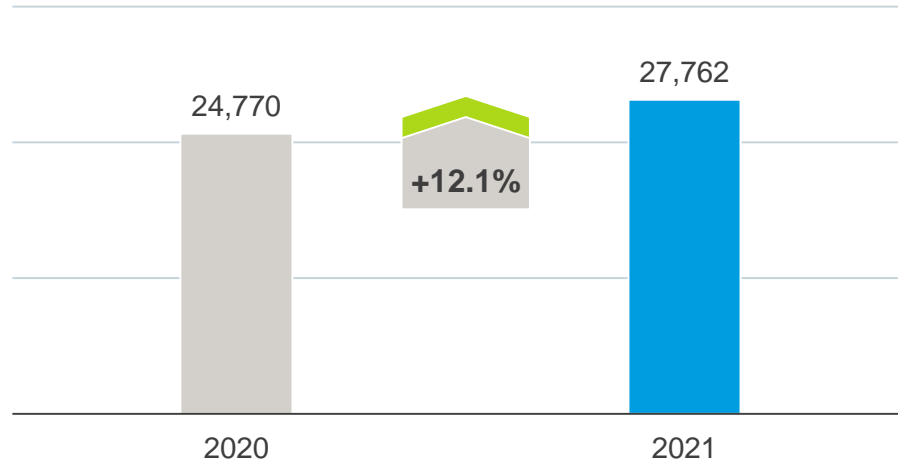
Preliminary figures

Net income increases by 39.4% and fully meets expectations

Preliminary key figures for 2021

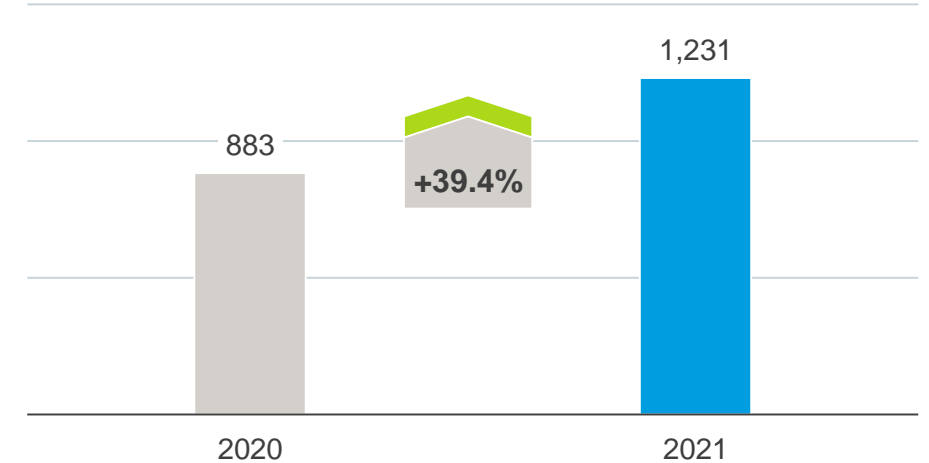
GWP

F/x-adj. +12.8%



Target: upper single-digit growth¹⁾ ✓

Group net income



Target: EUR 1.15 - 1.25 bn. ✓

P&C R/I

- U/W result impacted by large losses and prudent reserving at year-end, also in light of inflation

L&H R/I

- U/W result impacted by Covid-19 losses in 2021

Investments

- Very strong RoI from AuM: 3.2% (above full-year target of 2.4%)

Figures in EUR millions, unless otherwise stated

1) At unchanged f/x rates.

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Appendix

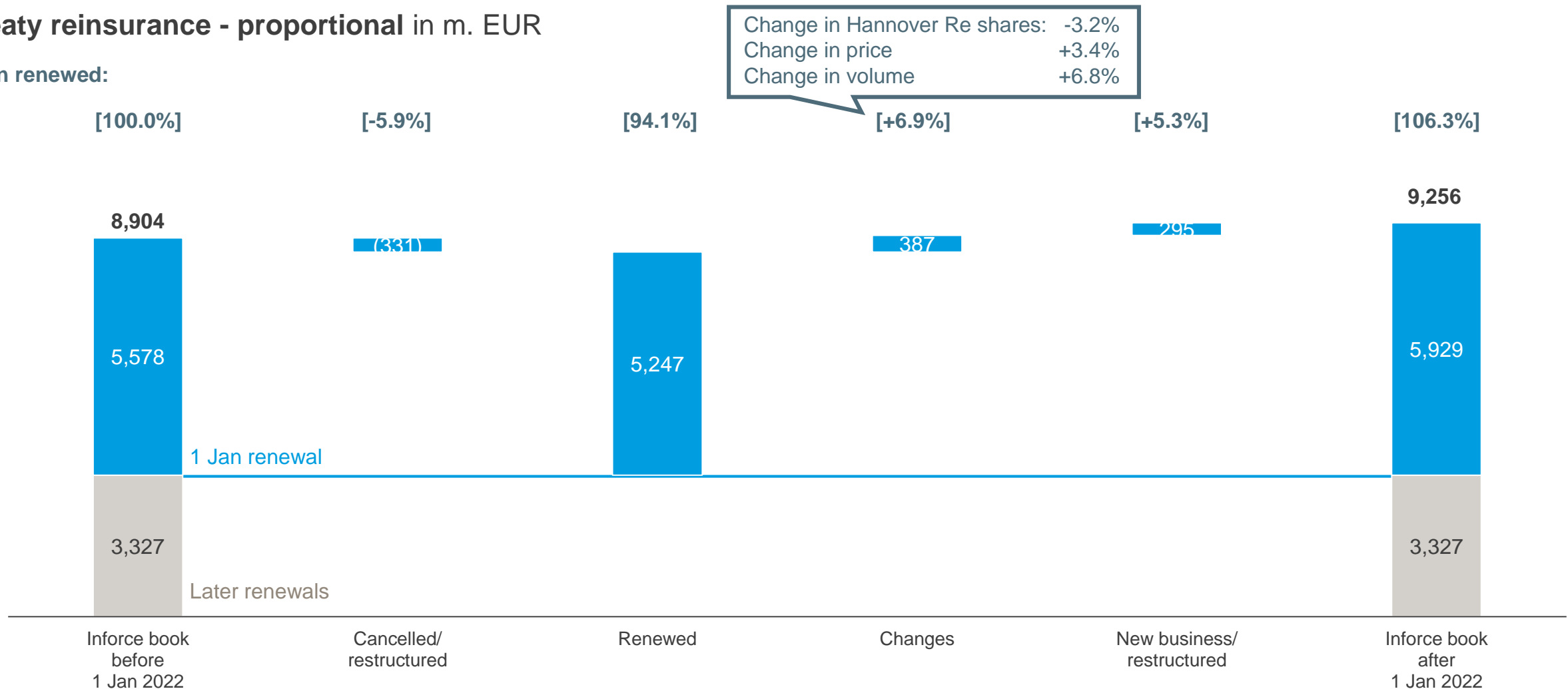


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Growth in proportional business stems from solid underlying primary markets and new business

Treaty reinsurance - proportional in m. EUR

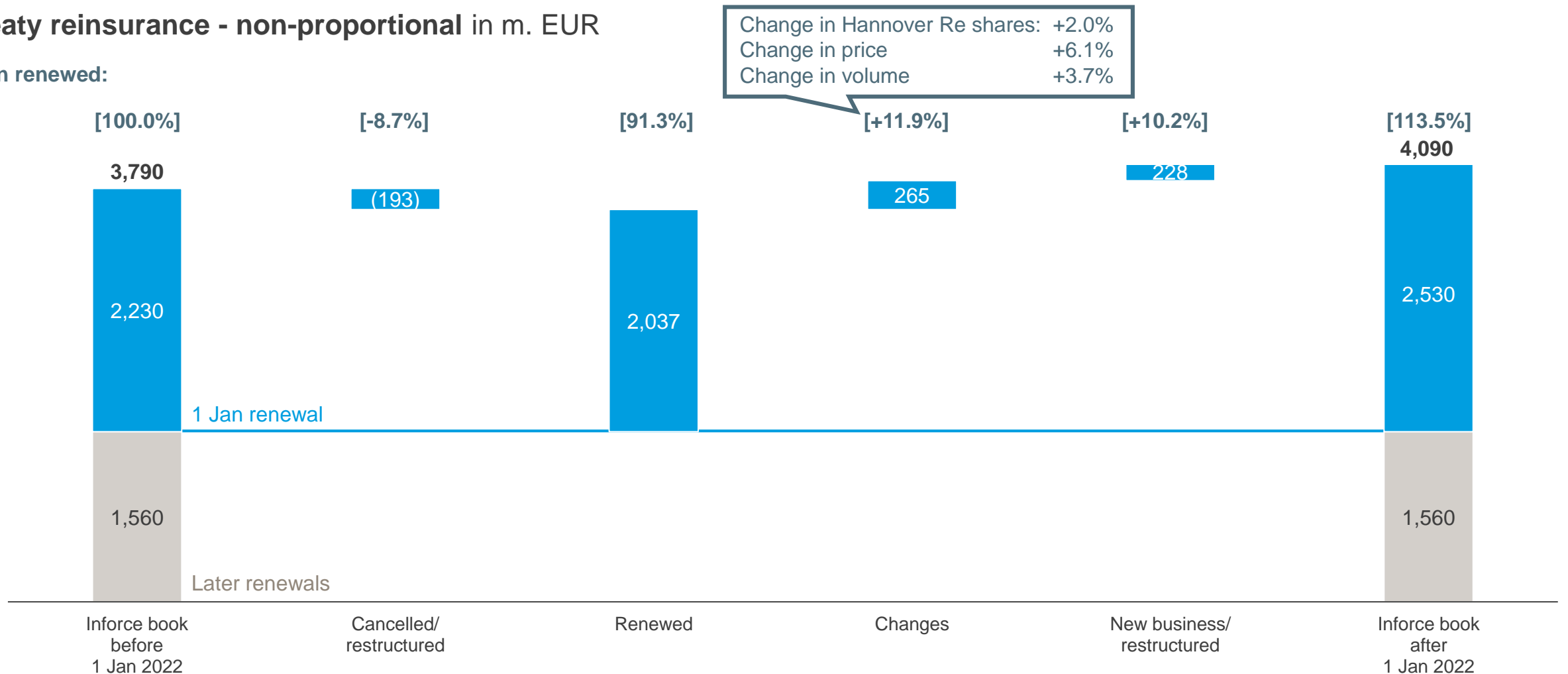
% on renewed:



Strong rate movement (+6.1%) in non-proportional business leading to pleasing growth of 13.5%

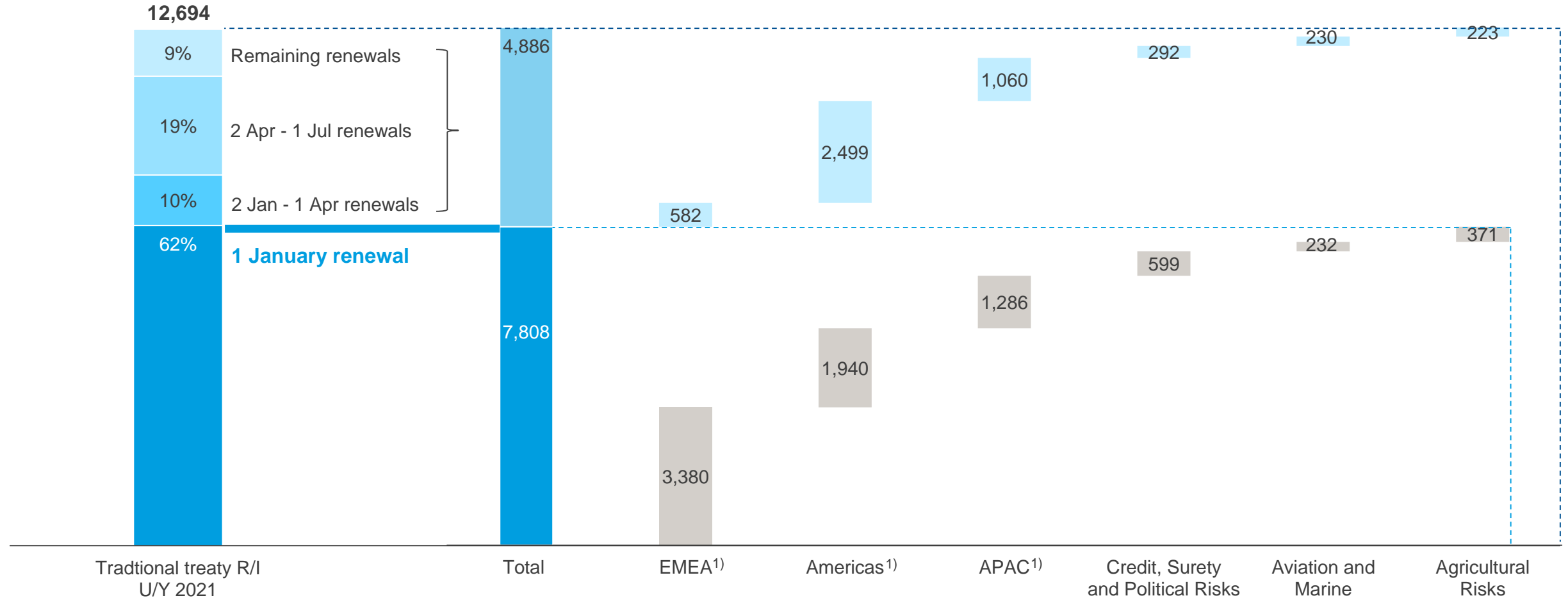
Treaty reinsurance - non-proportional in m. EUR

% on renewed:



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

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Financial calendar and our Investor Relations contacts

3 February 2022

1 January P&C Treaty Renewals



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10 March 2022

Press Conference and Analysts' Conference

4 May 2022

Annual General Meeting
Quarterly Statement as at 31 March 2022



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4 August 2022

Half-yearly report as at 30 June 2022



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6 October 2022

Investors' Day 2022