



50  
years

somewhat  
different

# Welcome to Hannover Re's Analysts' Conference

Annual Results 2015

Frankfurt, 10 March 2016

*hannover* **re**<sup>®</sup>

# Hannover Re posts fourth consecutive record result

## Excellent foundation for 2016

### Group

- |   |   |
|---|---|
| ▶ Gross written premium: EUR 17,069 m. (+18.8%) | ▶ Pleasing GWP growth of 8.7% (f/x adjusted), fuelled by both business groups                         |
| ▶ Net premium earned: EUR 14,593 m. (+17.5%)    |   |
| ▶ EBIT: EUR 1,755 m.                            | ▶ EBIT +19.7%, driven by good profitability from both business groups and excellent investment income |
| ▶ Group net income: EUR 1,151 m.                | ▶ Group net income increased by 16.7%   |
| ▶ RoE: 14.7%                                    | ▶ RoE remains well above our minimum target   |
| ▶ Book value per share: EUR 66.90               | ▶ Shareholders' equity +7%, driven by strong earnings   |
| ▶ Dividend proposal: EUR 3.25 + 1.50 special    |   |

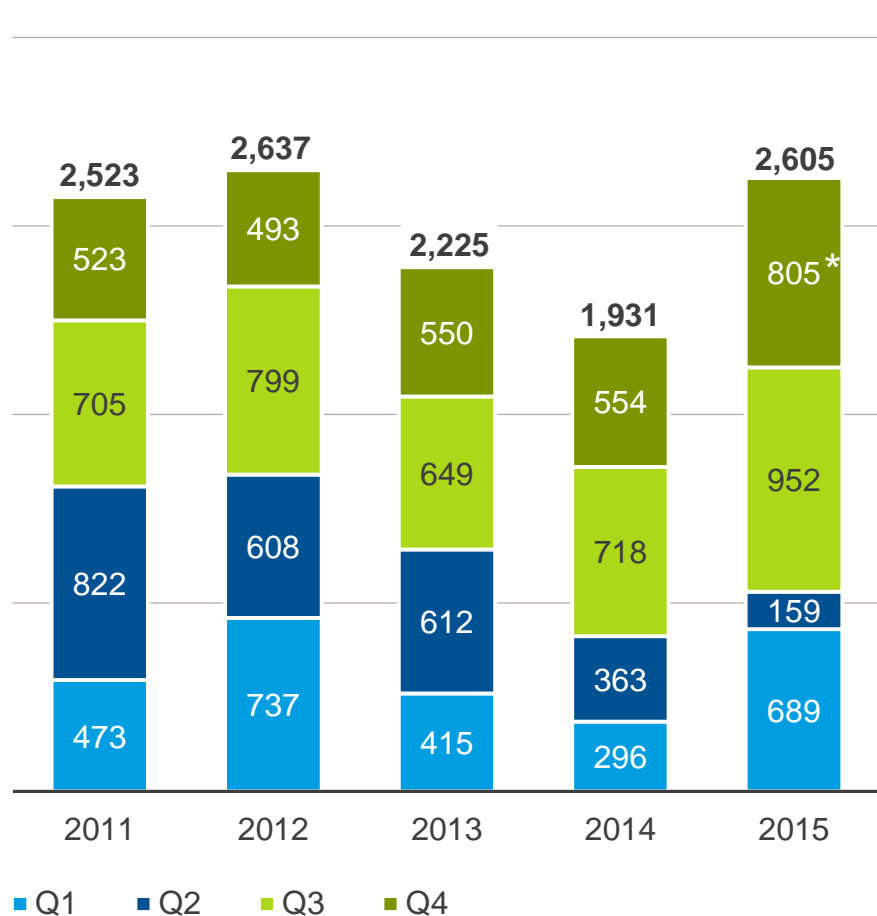
Property & Casualty R/I	Life & Health R/I	Investments
EBIT: EUR 1,341 m.	EBIT: EUR 405 m.	NII: EUR 1,665 m. RoI from AuM: 3.4%
<ul style="list-style-type: none"> <li>▶ Strong EBIT margin of 16.6% driven by favourable U/W result (C/R: 94.4%)</li> <li>▶ Further increase in the confidence level of loss reserves</li> <li>▶ Major losses higher than 2014 but below budget</li> <li>▶ F/x-adj. growth of 8.1% despite continued selective U/W approach</li> </ul>	<ul style="list-style-type: none"> <li>▶ Operating profit increased by 53.6%</li> <li>▶ Strong profit contribution from financial solutions, driven by underlying profitability and one-off effects</li> <li>▶ F/x-adj. growth of 9.5% mainly from longevity BATs, Asian and Australian business</li> </ul>	<ul style="list-style-type: none"> <li>▶ RoI significantly above 3.0% target</li> <li>▶ Increased ordinary investment income despite low interest rate environment</li> <li>▶ Assets under own management increased by 8.6%, based on strong cash flow and currencies</li> </ul>

# Strong cash flow driven by premium growth

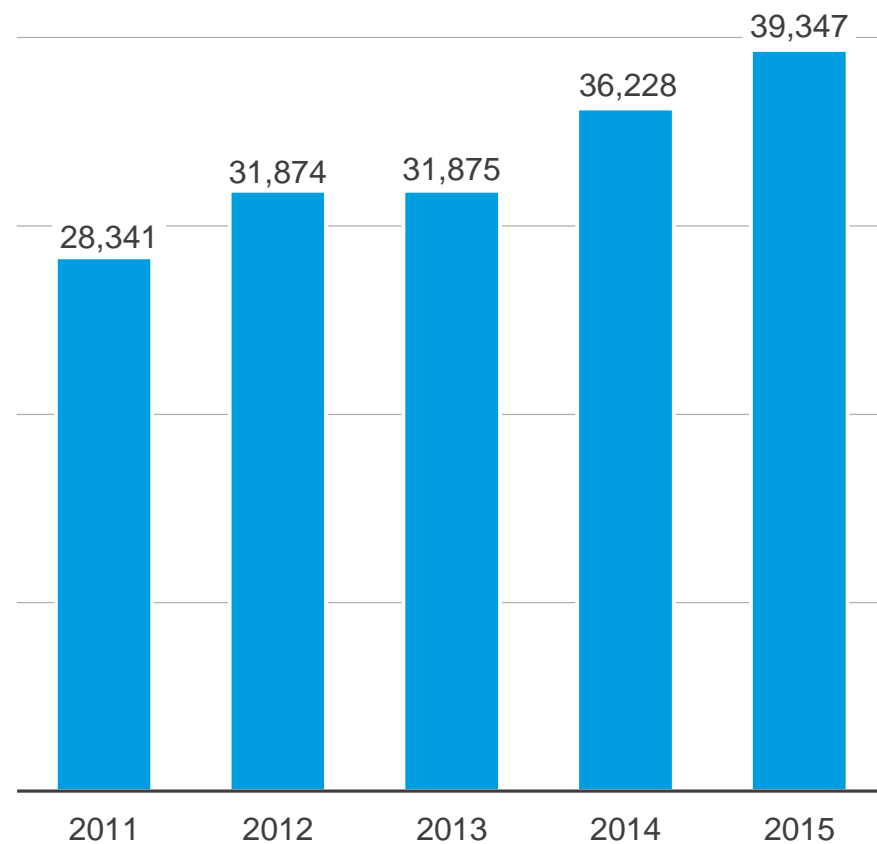
AuM +8.6%, despite decreasing valuation reserves and higher dividend payment

Operating cash flow

in m. EUR



Assets under own management (AuM) in m. EUR

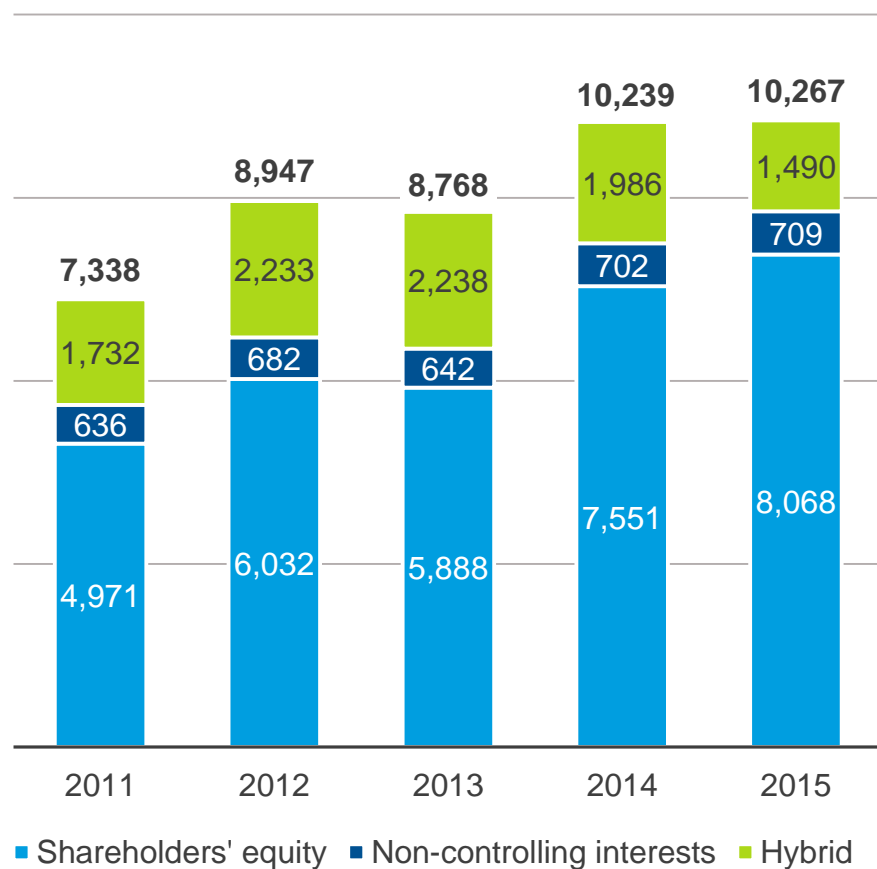


\* Excluding approx. EUR 500 m. from financial solutions treaties, with an expected cash outflow in 2016

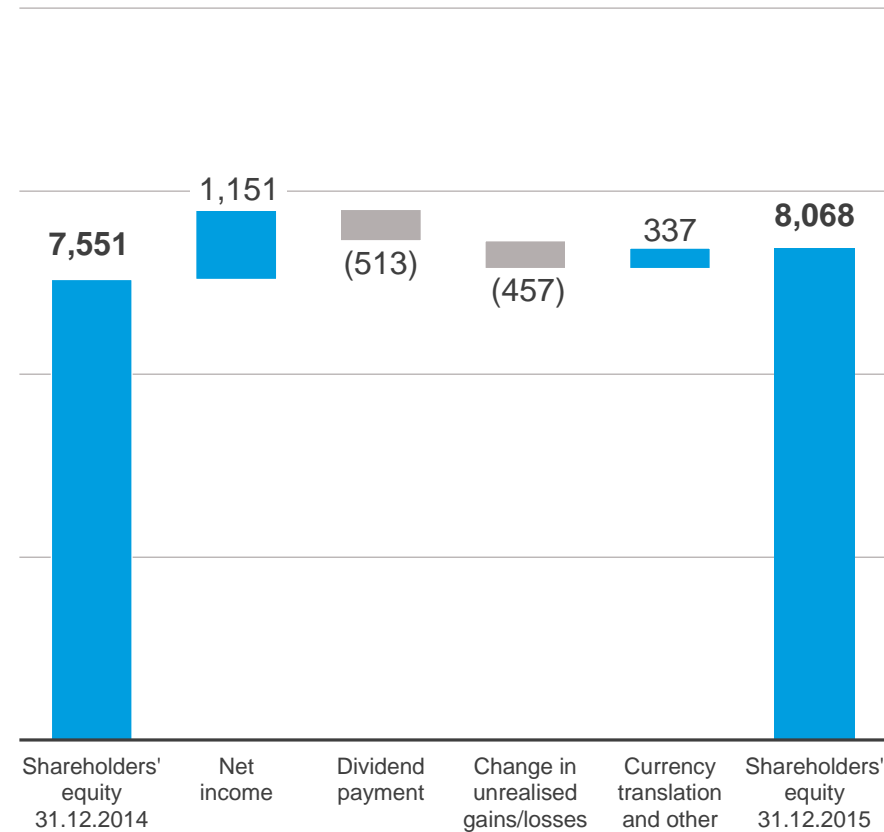
# Shareholders' equity up by 7%

Higher dividend payment and decreasing OCI offset by strong earnings

**Policyholders' surplus** in m. EUR



**Change in shareholders' equity** in m. EUR



# Increasing ordinary dividend reflects improved earnings power

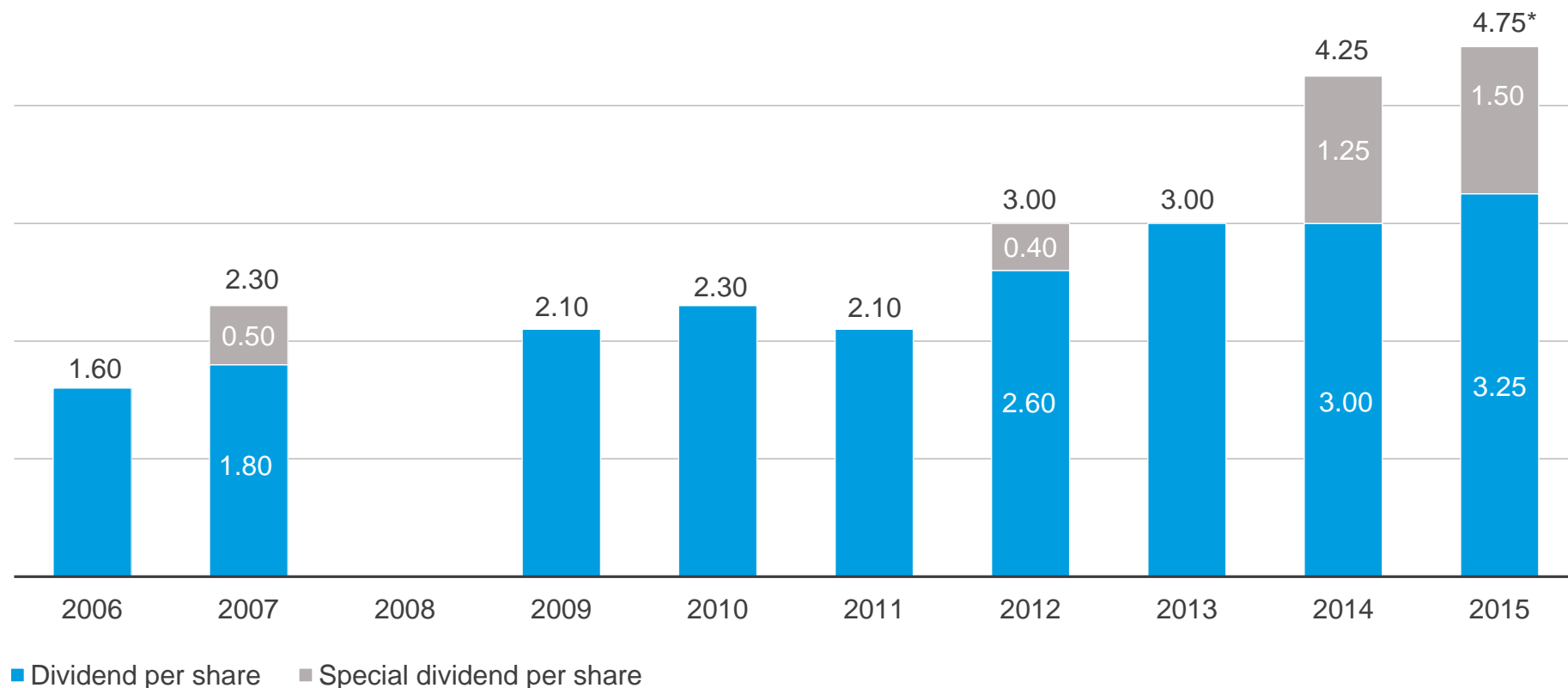
Payout: EUR 3.25 ordinary + EUR 1.50 special dividend per share

## Dividend per share

in EUR

Payout ratio:

[38%]   [38%]   [ - ]   [35%]   [37%]   [42%]   [43%]   [40%]   [52%]   [50%]

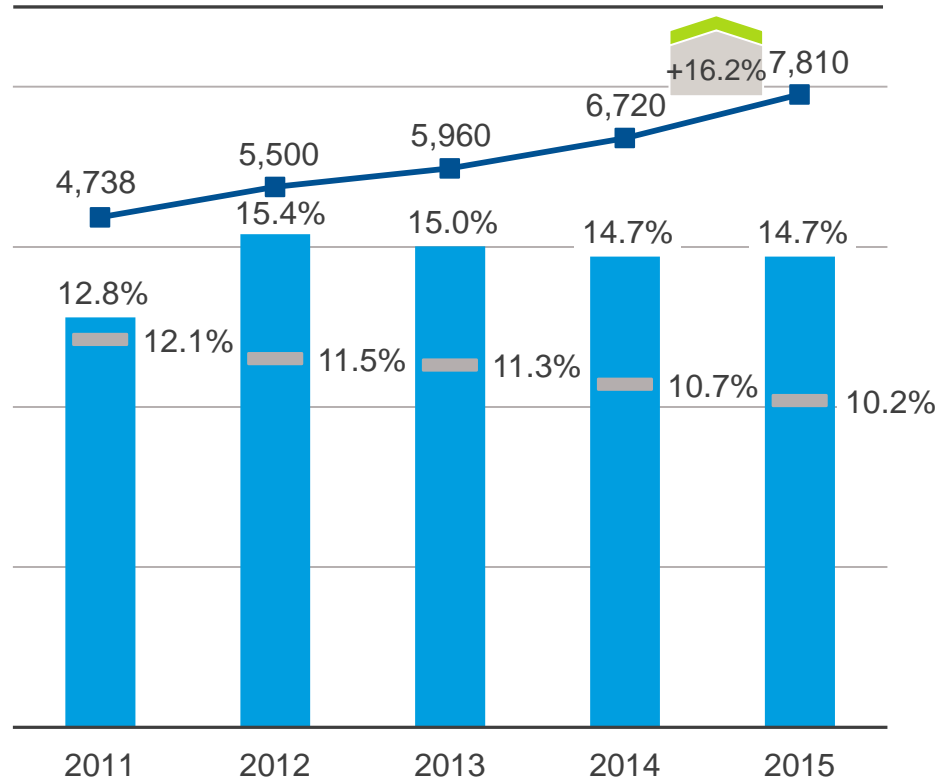


\* Subject to consent of AGM

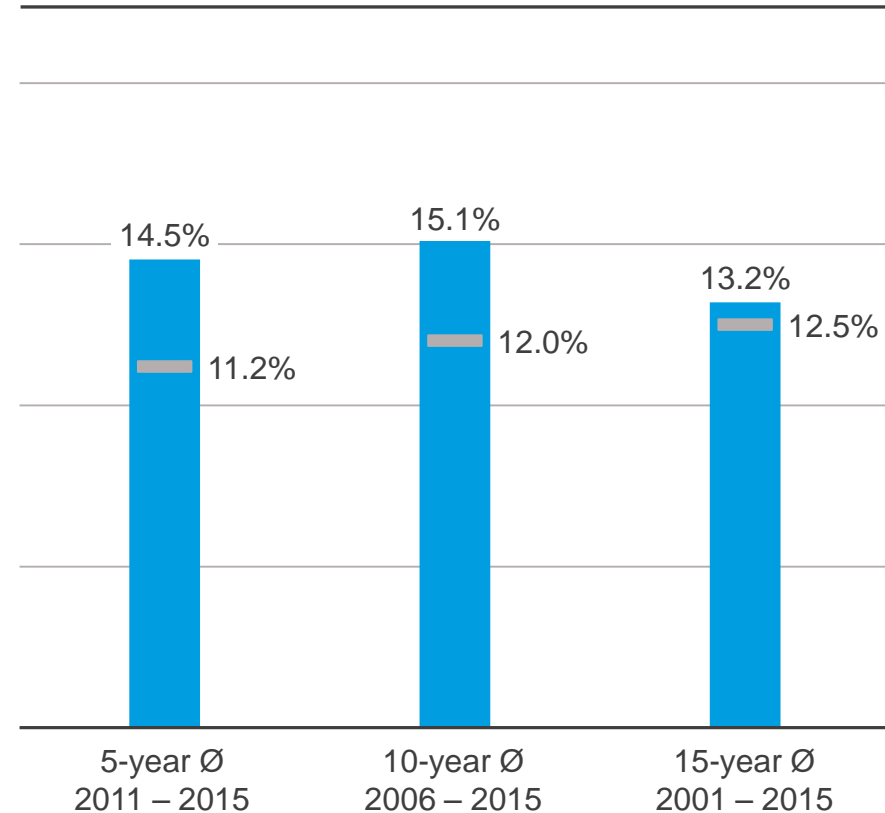
# Profit growth keeps pace with capital growth

## Stable RoE on a very attractive level

Return on Equity: yearly



Return on Equity: average



- Actual
- Minimum target\*
- Average shareholders' equity

\* 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

Company	2011		2012		2013		2014		2015		2011 - 2015	
	RoE	Rank	RoE	Rank	RoE	Rank	RoE	Rank	RoE	Rank	avg. RoE	Rank
<b>Hannover Re</b>	<b>12.8%</b>	<b>1</b>	<b>15.4%</b>	<b>3</b>	<b>15.0%</b>	<b>3</b>	<b>14.7%</b>	<b>4</b>	<b>14.7%</b>	<b>1</b>	<b>14.5%</b>	<b>1</b>
Peer 1, Switzerland, Composite	9.6%	3	13.4%	5	13.7%	4	10.5%	8	13.7%	2	12.2%	2
Peer 5, Bermuda, Property & Casualty	(1.3%)	8	12.9%	6	18.4%	1	16.6%	2	13.0%	3	11.9%	3
Peer 9, Bermuda, Property & Casualty	(2.4%)	9	15.9%	2	18.0%	2	13.7%	5	9.5%	6	10.9%	4
Peer 2, Germany, Composite	3.1%	6	12.6%	7	12.5%	5	11.3%	6	10.2%	5	9.9%	5
Peer 7, France, Composite	7.5%	4	9.1%	9	11.2%	6	9.6%	9	10.7%	4	9.6%	6
Peer 4, US, Property & Casualty	4.9%	5	15.2%	4	9.4%	8	9.4%	10	7.5%	8	9.3%	7
Peer 8, US, Life & Health	10.1%	2	9.9%	8	6.5%	9	10.6%	7	7.6%	7	8.9%	8
Peer 6, Bermuda, Composite	(7.6%)	10	16.9%	1	9.7%	7	15.3%	3	1.5%	10	7.2%	9
Peer 3, Canada, Property & Casualty	0.5%	7	6.2%	10	(6.7%)	10	18.3%	1	5.7%	9	4.8%	10

List shows the Top 10 of the Global Reinsurance Index (GloRe) with more than 50% reinsurance business  
Data based on company data, own calculation

# Improved results from both underwriting and investments

## Group net income at record level

Group figures in m. EUR	Q4/2014	Q4/2015	2014	2015	YTD
Gross written premium	3,657	4,123	14,362	17,069	▶ GWP f/x-adjusted growth +8.7%
Net premium earned	3,457	3,763	12,423	14,593	▶ NPE f/x-adjusted growth +7.9%
Net underwriting result	(12)	167	(24)	94	▶ Decrease in other income and expenses mainly due to reduced positive impact from currency translations
- Incl. funds withheld	79	269	352	489	
Net investment income	351	440	1,472	1,665	▶ Decrease in outstanding hybrid capital leads to lower leverage and savings in interests
- From assets under own mgmt.	260	338	1,096	1,270	
- From funds withheld	91	102	376	395	▶ EPS growth of 16.7% significantly exceeds target of 6.5%
Other income and expenses	37	(42)	18	(4)	
<b>Operating profit/loss (EBIT)</b>	<b>376</b>	<b>565</b>	<b>1,466</b>	<b>1,755</b>	
Interest on hybrid capital	(25)	(18)	(96)	(84)	
<b>Net income before taxes</b>	<b>350</b>	<b>547</b>	<b>1,371</b>	<b>1,671</b>	
Taxes	(45)	(158)	(306)	(456)	
<b>Net income</b>	<b>305</b>	<b>389</b>	<b>1,065</b>	<b>1,215</b>	
- Non-controlling interests	15	24	79	64	
<b>Group net income</b>	<b>290</b>	<b>365</b>	<b>986</b>	<b>1,151</b>	
Retention	89.2%	84.0%	87.6%	87.0%	
EBIT margin (EBIT/Net premium earned)	10.9%	15.0%	11.8%	12.0%	
Tax ratio	13.0%	29.0%	22.3%	27.3%	
Earnings per share (in EUR)	2.41	3.02	8.17	9.54	



# Attractive U/W profitability in a competitive environment

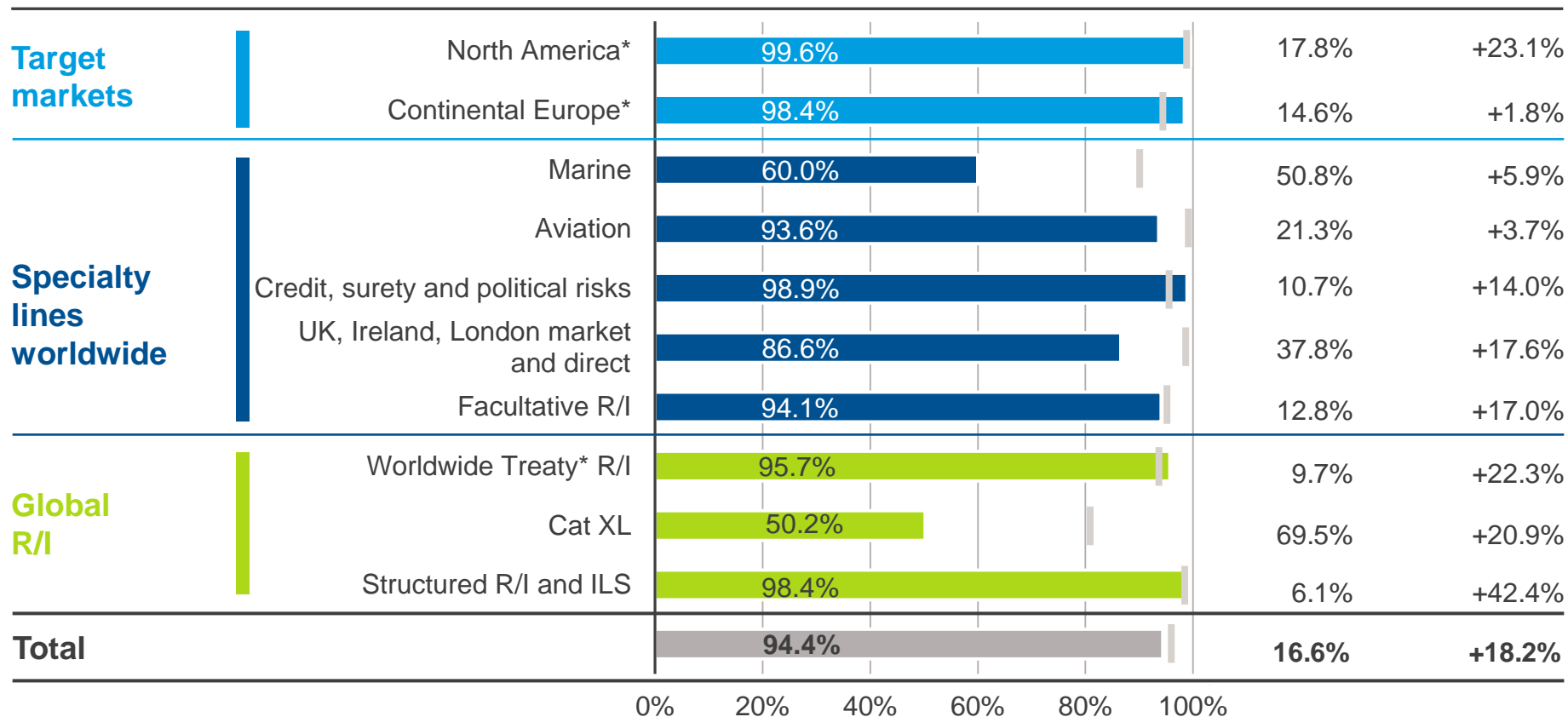
Increased confidence level provides basis to maintain good profitability in the future

Property & Casualty R/I in m. EUR	Q4/2014	Q4/2015	2014	2015	YTD
Gross written premium	1,843	2,019	7,903	9,338	▶ GWP +18.2% (f/x adjusted +8.1%); mainly from US, Asia, Speciality lines and Agro business
Net premium earned	1,907	2,134	7,011	8,100	▶ NPE f/x-adjusted growth +6.4%
Net underwriting result incl. funds withheld	131	185	372	452	▶ Major losses of EUR 573 m. (7.1% of NPE) below budget of EUR 690 m.
Combined ratio incl. interest on funds withheld	93.1%	91.3%	94.7%	94.4%	▶ Further increase in confidence level of loss reserves despite favourable run-off result
Net investment income from assets under own management	191	268	823	925	▶ Investment income up despite low yield environment
Other income and expenses	22	(48)	(4)	(36)	▶ Other income lower mainly due to decreased f/x gains
<b>Operating profit/loss (EBIT)</b>	<b>344</b>	<b>405</b>	<b>1,191</b>	<b>1,341</b>	▶ EBIT margin of 16.6% (2014: 17.0%), well above target
Tax ratio	18.4%	29.9%	24.9%	27.5%	▶ Net income increased by 10.3%
<b>Group net income</b>	<b>268</b>	<b>264</b>	<b>829</b>	<b>915</b>	
Earnings per share (in EUR)	2.22	2.19	6.88	7.58	

# Diversified portfolio outperforms the MtCR

## 2015: Combined Ratio vs. MtCR

EBIT margin GWP growth



■ ■ ■ Combined Ratio | MtCR = Maximum tolerable Combined Ratio

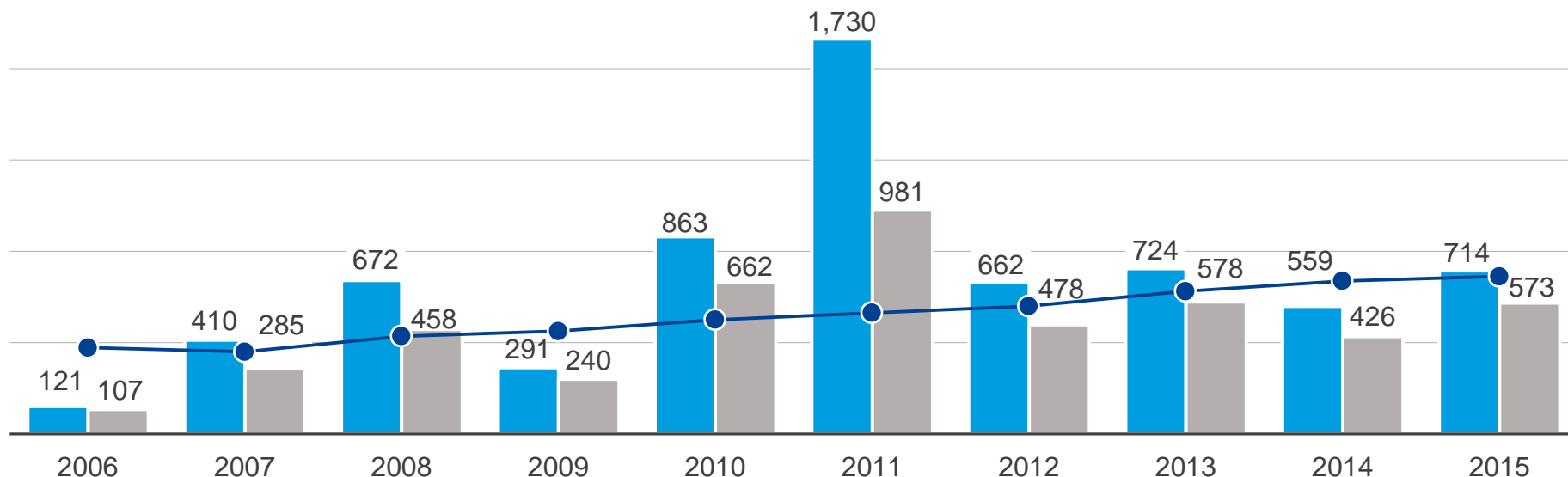
\* All lines of Property & Casualty reinsurance except those stated separately

# Major losses of EUR 573 m. below budget of EUR 690 m.

## 2015: fourth consecutive year of benign large loss experience

### Natural and man-made catastrophe losses<sup>1)</sup>

in m. EUR



### Natural and man-made catastrophe losses in % of Property & Casualty premium<sup>2)</sup>

2%	8%	13%	5%	14%	25%	9%	9%	7%	8%
2%	6%	11%	5%	12%	16%	7%	8%	6%	7%

### Expected large losses (net) in m. EUR

377	360	428	450	500	530	560	625	670	690
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■ Gross   
 ■ Net   
 —●— Expected large losses (net)

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

2) 2006 adjusted to new segmentation

# High level of man-made large losses

## Overall benign loss experience from NatCat

Catastrophe losses* in m. EUR	Date	Gross	Net
Storm, Northern Europe	08 - 11 Jan	10.0	6.9
Winter storm, USA	1 - 22 Feb	18.6	12.8
Storm "Niklas", Germany, Switzerland, Austria	31 Mar - 1 Apr	26.7	21.0
Storm, Australia	19 - 25 Apr	26.7	17.0
Storm/floods, USA	24 May - 14 Jun	10.8	7.3
Storm "Erika", Caribbean	25 - 31 Aug	12.7	12.7
Storm "Etau", Japan	7 - 9 Sep	27.3	27.3
Wildfires, USA	12 Sep	12.4	9.3
Earthquake, Chile	16 Sep	25.5	25.5
Taifun "Mujigae", Taiwan, Korea, China	2 - 3 Oct	14.1	14.1
Floods, India	16 Nov - 4 Dec	18.8	18.8
Floods, UK	5 - 26 Dec	37.9	28.3
<b>12 Natural catastrophes</b>		<b>241.5</b>	<b>201.0</b>
5 Aviation claims		71.3	51.3
4 Marine claims		146.7	83.8
1 Credit claim		20.0	20.0
7 Property claims		105.7	105.7
Tianjin port explosions, China		129.2	111.1
<b>30 Major losses</b>		<b>714.5</b>	<b>572.9</b>

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

# Attractive premium growth and significantly improved results

## Net income increased by 41.3%

Life & Health R/I in m. EUR	Q4/2014	Q4/2015	2014	2015	YTD
Gross written premium	1,814	2,104	6,459	7,731	▶ GWP growth +19.7% (f/x adjusted +9.5%), mainly from Longevity, Emerging Markets, especially China as well as Australia
Net premium earned	1,550	1,628	5,411	6,492	▶ NPE f/x-adjusted growth +10.0%
Net underwriting result incl. funds withheld	(52)	83	(20)	35	▶ Significantly improved technical result reflects underlying profitability
Net investment income from assets under own management	67	68	259	334	▶ NII supported by one-off in Q1/2015; EUR -26.1 m. effect from ModCo derivatives
Other income and expenses	15	8	25	36	▶ Other income influenced by higher income from deposit accounting contracts
<b>Operating profit/loss (EBIT)</b>	<b>30</b>	<b>159</b>	<b>264</b>	<b>405</b>	▶ EBIT: +53.6%
EBIT margin	1.9%	9.8%	4.9%	6.2%	▶ EBIT margins:
Tax ratio	(37.1%)	27.3%	17.0%	27.1%	• Financial solutions: 18.1% (target: 2%)
<b>Group net income</b>	<b>39</b>	<b>112</b>	<b>205</b>	<b>290</b>	• Longevity: 4.5%* (target: 2%)
Earnings per share (in EUR)	0.32	0.93	1.70	2.40	• Mortality/Morbidity 3.6% (target: 6%)

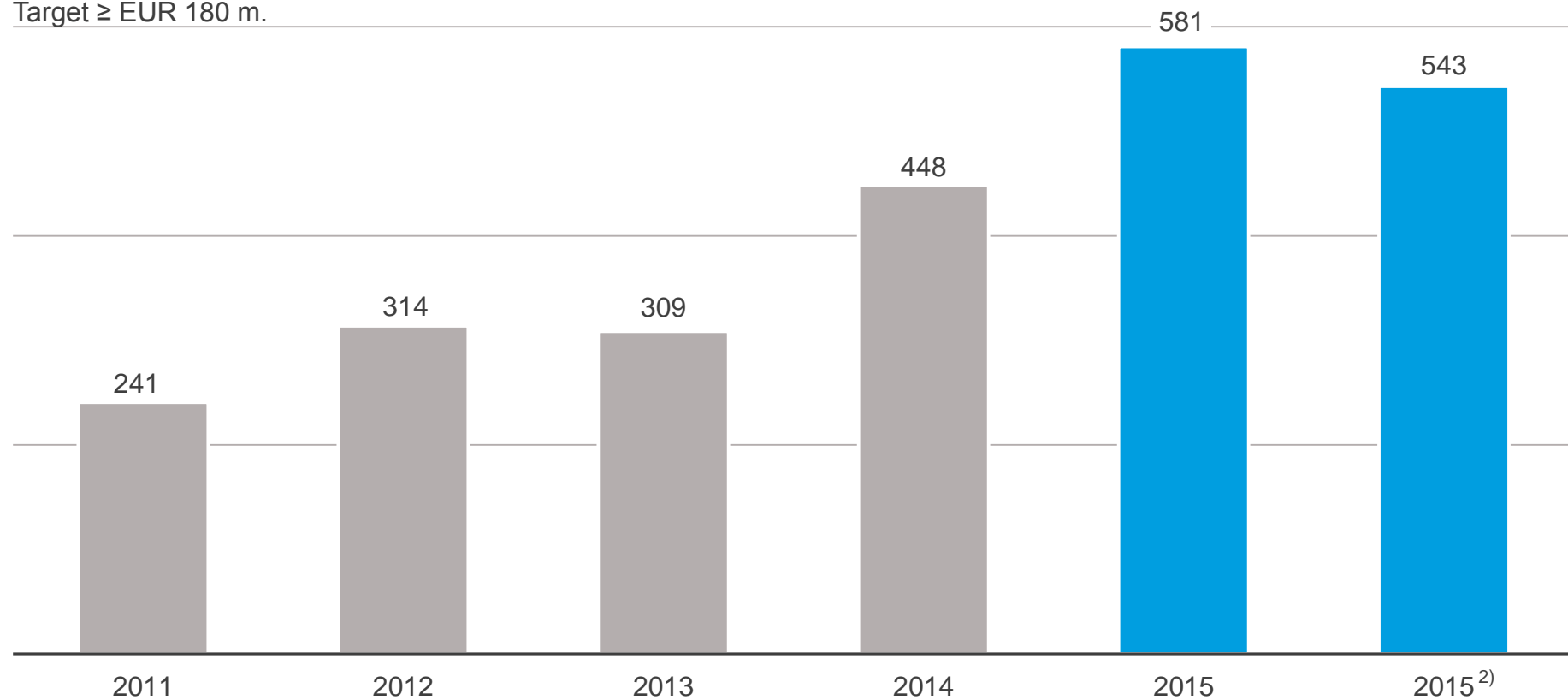
\* Including a longevity treaty that was previously classified under financial solutions

# Striking increase in Value of New Business

## Value of New Business development<sup>1)</sup>

in m. EUR

Target ≥ EUR 180 m.



1) Based on the MCEV principles of the CFO forum

2) Change of cost of capital from 4.5.% to 6.0% (consistent with Solvency II)

# Significant investment income growth despite lower realisations

in m. EUR	Q4/2014	Q4/2015	2014	2015	RoI	YTD 2015	
Ordinary investment income*	272	351	1,069	1,273	3.4%	<ul style="list-style-type: none"> <li>▶ Significant rise in ordinary income due to higher results from fixed-income securities, real estate, private equity and one-off effect from L&amp;H business</li> <li>▶ Realised gains driven by dividend payment, change of balance sheet currency at our Irish subsidiary and adjustments to asset allocation</li> <li>▶ Increase in regular depreciations due to higher real estate volume, minor impairments</li> <li>▶ Valuation reserves lower due to higher credit spreads, flattening of US yield curve and realisations</li> </ul>	
Realised gains/losses	45	12	182	136	0.4%		
Impairments/appreciations & depreciations	(11)	(14)	(28)	(38)	-0.1%		
Change in fair value of financial instruments (through P&L)	(24)	10	(33)	1	0.0%		
Investment expenses	(22)	(21)	(95)	(101)	-0.3%		
<b>NII from assets under own mgmt.</b>	<b>260</b>	<b>338</b>	<b>1,096</b>	<b>1,270</b>	<b>3.4%</b>		
NII from funds withheld	91	102	376	395			
<b>Total net investment income</b>	<b>351</b>	<b>440</b>	<b>1,472</b>	<b>1,665</b>			
<b>Unrealised gains/losses of investments</b>			<b>31 Dec 14</b>	<b>31 Dec 15</b>			
On Balance-sheet			1,724	1,146			
thereof Fixed income AFS			1,246	636			
Off Balance-sheet			558	497			
thereof Fixed income HTM, L&R			497	411			
<b>Total</b>			<b>2,282</b>	<b>1,643</b>			

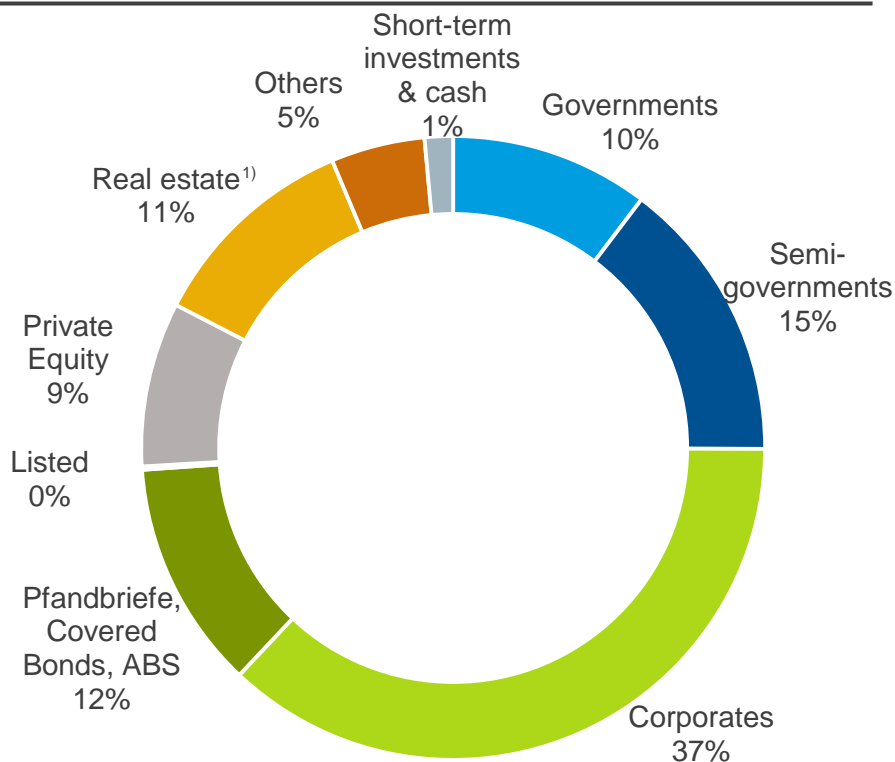
\* Incl. results from associated companies

# Ordinary income: supported by asset classes with higher risk

## Low interest rate environment reflected by income from governments

### Ordinary income split

Total: EUR 1,273 m.



### Asset allocation

Investment category	31 Dec 15
<b>Fixed-income securities</b>	<b>87%</b>
- Governments	26%
- Semi-governments	17%
- Corporates	34%
Investment grade	30%
Non-investment grade	4%
- Pfandbriefe, Covered Bonds, ABS	10% <sup>2)</sup>
<b>Equities</b>	<b>3%</b>
- Listed	1%
- Private Equity	2%
<b>Real estate/real estate funds</b>	<b>4%</b>
<b>Others</b>	<b>1%</b>
<b>Short-term investments &amp; cash</b>	<b>5%</b>
<b>Total market values in bn. EUR</b>	<b>39.8</b>

Economic view based on market values as at 31 December 2015

1) Before real estate-specific costs

2) Of which Pfandbriefe and Covered Bonds = 79.6%



# Increase in Governments and HY-bonds at expense of covereds

## Moderate and diversified re-entry into listed equity

### Tactical asset allocation<sup>1)</sup>

Investment category	2011	2012	2013	2014	2015
<b>Fixed-income securities</b>	<b>90%</b>	<b>92%</b>	<b>90%</b>	<b>90%</b>	<b>87%</b>
- Governments	19%	19%	19%	21%	26%
- Semi-governments	23%	23%	20%	19%	17%
- Corporates	31%	33%	36%	36%	34%
Investment grade	29%	30%	33%	33%	30%
Non-investment grade <sup>3)</sup>	3%	3%	3%	3%	4%
- Pfandbriefe, Covered Bonds, ABS	16%	17%	15%	14%	10% <sup>2)</sup>
<b>Equities</b>	<b>2%</b>	<b>2%</b>	<b>2%</b>	<b>2%</b>	<b>3%</b>
- Listed	<1%	<1%	<1%	< 1 %	1%
- Private Equity	2%	2%	2%	2%	2%
<b>Real estate/real estate funds</b>	<b>2%</b>	<b>2%</b>	<b>4%</b>	<b>4%</b>	<b>4%</b>
<b>Others<sup>3)</sup></b>	<b>&lt;1%</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>
<b>Short-term investments &amp; cash</b>	<b>5%</b>	<b>3%</b>	<b>4%</b>	<b>4%</b>	<b>5%</b>
<b>Total market values in bn. EUR</b>	<b>28.7</b>	<b>32.5</b>	<b>32.2</b>	<b>36.8</b>	<b>39.8</b>

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 837.1 m. (EUR 716.3 m.) as at 31 December 2015

2) Of which Pfandbriefe and Covered Bonds = 79.6%

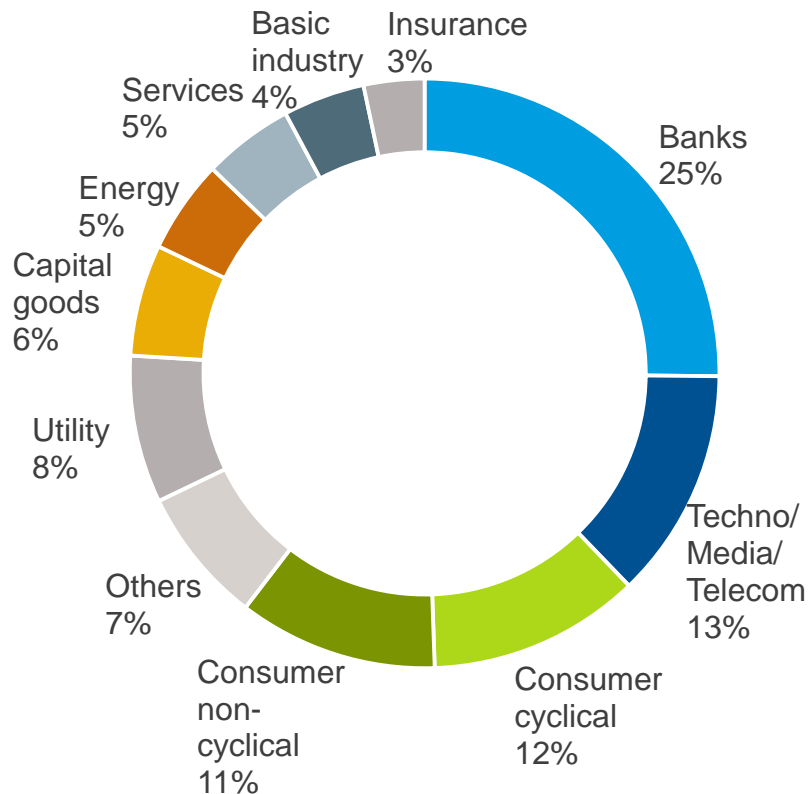
3) Reallocation of High Yield Funds from Others to Corporates – Non-investment grade retrospective from 2011 onwards

# Corporate exposure well diversified

Oil and gas sector represents 6%

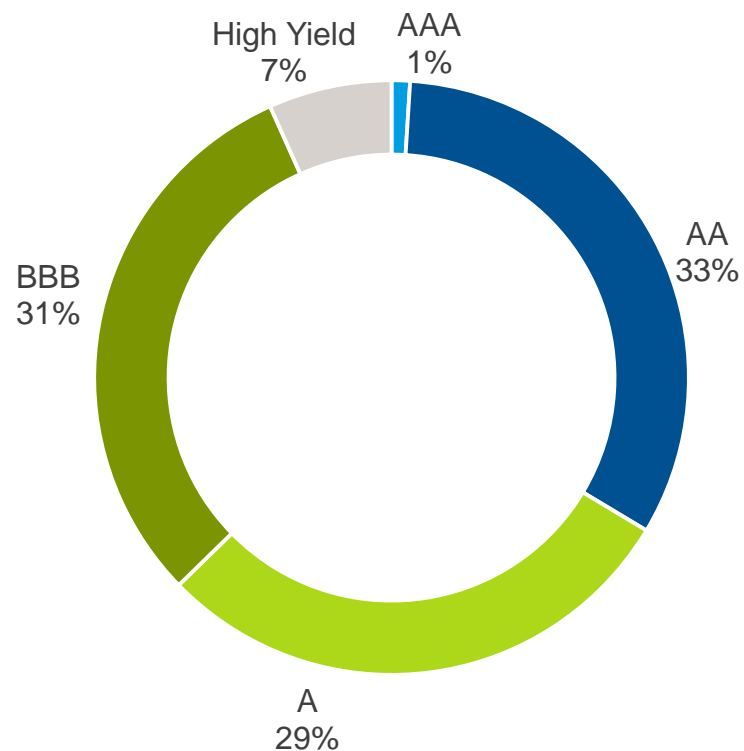
**Sector split\***

EUR 13.5 bn.



**Oil and gas exposure, rating split\***

EUR 0.8 bn.



\* Economic view based on market values as at 31 December 2015

## 2015 target matrix reflects record result

Business group	Key figures	Strategic targets for 2015	2015
Group	Return on investment <sup>1)</sup>	≥3.0%	3.5 %
	Return on equity <sup>2)</sup>	≥10.2%	14.7%
	Earnings per share growth (y-o-y)	≥6.5%	16.7%
	Value creation per share <sup>3)</sup>	≥7.5%	13.6%
Property & Casualty R/I	Gross premium growth	3% - 5% <sup>4)</sup>	8.1%
	Combined ratio	≤96% <sup>5)</sup>	94.4%
	EBIT margin <sup>6)</sup>	≥10%	16.6%
	xRoCA <sup>7)</sup>	≥2%	7.4%
Life & Health R/I	Gross premium growth	5% - 7% <sup>8)</sup>	9.5%
	Value of New Business (VNB) <sup>9)</sup>	≥EUR 180 m.	EUR 543 m.
	EBIT margin <sup>6)</sup> Financial solutions/Longevity	≥2%	11.0%
	EBIT margin <sup>6)</sup> Mortality/Morbidity	≥6%	3.6%
	xRoCA <sup>7)</sup>	≥3%	8.9%

1) Excl. effects from ModCo derivatives and inflation swaps

3) Growth in book value per share + paid dividend

5) Incl. expected net major losses of EUR 690 m.

7) Excess return on allocated economic capital

9) Based on a cost of capital of 6% (until 2014: 4.5%)

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

4) In average throughout the R/I cycle; at unchanged f/x rates

6) EBIT/net premium earned

8) Organic growth only; annual average growth (5 years), at unchanged f/x rates

# Outlook 2016

# Portfolio quality should still enable us to earn the cost of capital

## Property & Casualty R/I: financial year 2016

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





1) In EUR

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

3) All lines of business except those stated separately

# Increasing earnings expected on a normalised basis

Life & Health R/I: financial year 2016

	Reporting categories	Volume <sup>1)</sup>	Profitability <sup>2)</sup>
Financial solutions	Financial solutions		++
	Longevity		+/-
Risk solutions	Mortality		+
	Morbidity		+/-

1) In EUR

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

## Guidance for 2016

### Hannover Re Group

- ▶ Gross written premium<sup>1)</sup> \_\_\_\_\_ stable to modest reduction
- ▶ Return on investment<sup>2) 3)</sup> \_\_\_\_\_ ~2.9%
- ▶ Group net income<sup>2)</sup> \_\_\_\_\_ at least EUR 950 m.
- ▶ Dividend payout ratio<sup>4)</sup> \_\_\_\_\_ 35% - 40%  
(The ratio may increase in light of capital management considerations)

1) At unchanged f/x rates

2) Subject to no major distortions in capital markets and/or major losses in 2016 not exceeding the large loss budget of EUR 825 m.

3) Excluding effects from ModCo derivatives

4) Related to group net income according to IFRS

# Rationale for the 2016 profit guidance

## Long-term success in a competitive business

**+** We expect further increased profits from our Life & Health business excluding 2015 termination fees

**+** Despite further rate reductions on our P&C business the quality of our portfolio should still allow us to keep C/R at or below 96.0%

**+** Supported by continued high confidence level of our P&C reserves

**+** Better conditions of our increased retrocession coverage

**+** We expect to achieve a largely stable absolute NII on the back of an increased investment volume (from a further positive cash flow) despite low interest rate environment

**+** We are maintaining our competitive advantage of low admin expenses

Subject to no major distortions in capital markets and/or major losses in 2016 not exceeding the major loss budget of EUR 825 m.

**We are confident to achieve the guidance**



somewhat  
different

# Appendix

# Our strategic business groups at a glance

## 2015 vs. 2014

in m. EUR	Property & Casualty R/I			Life & Health R/I			Total		
	2014	2015	Δ	2014	2015	Δ	2014	2015	Δ
Gross written premium	7,903	9,338	+18.2%	6,459	7,731	+19.7%	14,362	17,069	+18.8%
Net premium earned	7,011	8,100	+15.5%	5,411	6,492	+20.0%	12,423	14,593	+17.5%
Net underwriting result	352	432	+23.0%	(375)	(340)	-9.4%	(24)	94	-
Net underwriting result incl. funds withheld	372	452	+21.6%	(20)	35	-	352	489	+38.7%
Net investment income	844	945	+12.0%	614	709	+15.5%	1,472	1,665	+13.1%
From assets under own management	823	925	+12.3%	259	334	+29.3%	1,096	1,270	+15.9%
From funds withheld	20	20	-1.1%	356	375	+5.4%	376	395	+5.0%
Other income and expenses	(4)	(36)	-	25	36	+43.1%	18	(4)	-
<b>Operating profit/loss (EBIT)</b>	<b>1,191</b>	<b>1,341</b>	<b>+12.6%</b>	<b>264</b>	<b>405</b>	<b>+53.6%</b>	<b>1,466</b>	<b>1,755</b>	<b>+19.7%</b>
Interest on hybrid capital	(0)	0	-	(0)	(0)	-	(96)	(84)	-
<b>Net income before taxes</b>	<b>1,191</b>	<b>1,341</b>	<b>+12.6%</b>	<b>264</b>	<b>405</b>	<b>+53.6%</b>	<b>1,371</b>	<b>1,671</b>	<b>+21.9%</b>
Taxes	(296)	(368)	+24.4%	(45)	(110)	+144.1%	(306)	(456)	+49.3%
<b>Net income</b>	<b>895</b>	<b>973</b>	<b>+8.7%</b>	<b>219</b>	<b>295</b>	<b>+35.0%</b>	<b>1,065</b>	<b>1,215</b>	<b>+14.0%</b>
Non-controlling interest	66	58	-11.2%	14	6	-58.3%	79	64	-19.5%
<b>Group net income</b>	<b>829</b>	<b>915</b>	<b>+10.3%</b>	<b>205</b>	<b>290</b>	<b>+41.3%</b>	<b>986</b>	<b>1,151</b>	<b>+16.7%</b>
Retention	90.6%	89.3%		83.9%	84.2%		87.6%	87.0%	
Combined ratio (incl. interest on funds withheld)	94.7%	94.4%		100.4%	99.5%		97.2%	96.7%	
EBIT margin (EBIT / Net premium earned)	17.0%	16.6%		4.9%	6.2%		11.8%	12.0%	
Tax ratio	24.9%	27.5%		17.0%	27.1%		22.3%	27.3%	
Earnings per share (in EUR)	6.88	7.58		1.70	2.40		8.17	9.54	

# Our strategic business groups at a glance

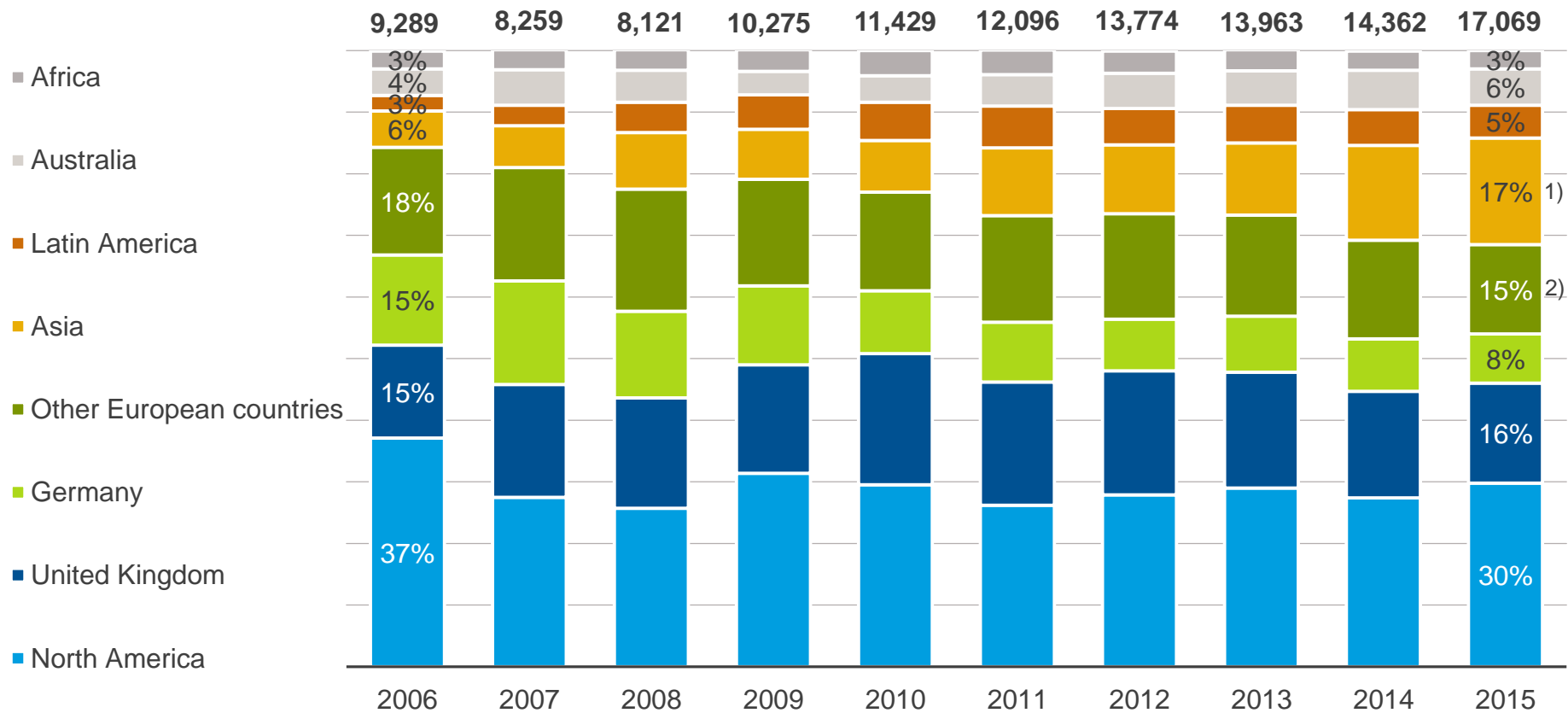
## Q4 stand-alone

in m. EUR	Property & Casualty R/I			Life & Health R/I			Total		
	Q4/2014	Q4/2015	Δ	Q4/2014	Q4/2015	Δ	Q4/2014	Q4/2015	Δ
Gross written premium	1,843	2,019	+9.5%	1,814	2,104	+16.0%	3,657	4,123	+12.7%
Net premium earned	1,907	2,134	+11.9%	1,550	1,628	+5.1%	3,457	3,763	+8.9%
Net underwriting result	126	181	+43.3%	(138)	(15)	-	(12)	167	-
Net underwriting result incl. funds withheld	131	185	+40.9%	(52)	83	-	79	269	-
Net investment income	196	272	+38.9%	152	166	+9.0%	351	440	+25.6%
From assets under own management	191	268	+40.4%	67	68	+2.1%	260	338	+30.2%
From funds withheld	5	4	-21.1%	86	98	+14.5%	91	102	+12.5%
Other income and expenses	22	(48)	-	15	8	-48.1%	37	(42)	-
<b>Operating profit/loss (EBIT)</b>	<b>344</b>	<b>405</b>	<b>+17.7%</b>	<b>30</b>	<b>159</b>	<b>-</b>	<b>376</b>	<b>565</b>	<b>+50.4%</b>
Interest on hybrid capital	0	0	-	0	(0)	-	(25)	(18)	-29.2%
<b>Net income before taxes</b>	<b>344</b>	<b>405</b>	<b>+17.7%</b>	<b>30</b>	<b>159</b>	<b>-</b>	<b>350</b>	<b>547</b>	<b>+56.2%</b>
Taxes	(63)	(121)	-	11	(43)	-	(45)	(158)	-
<b>Net income</b>	<b>281</b>	<b>284</b>	<b>+1.1%</b>	<b>41</b>	<b>115</b>	<b>+181.7%</b>	<b>305</b>	<b>389</b>	<b>+27.4%</b>
Non-controlling interest	13	20	+61.8%	2	4	+61.7%	15	24	+61.8%
<b>Group net income</b>	<b>268</b>	<b>264</b>	<b>-1.7%</b>	<b>39</b>	<b>112</b>	<b>+188.5%</b>	<b>290</b>	<b>365</b>	<b>+25.7%</b>
Retention	94.0%	91.1%		84.3%	77.2%		89.2%	84.0%	
Combined ratio (incl. interest on funds withheld)	93.1%	91.3%		103.4%	94.9%		97.7%	92.9%	
EBIT margin (EBIT / Net premium earned)	18.0%	19.0%		1.9%	9.8%		10.9%	15.0%	
Tax ratio	18.4%	29.9%		(37.1%)	27.3%		13.0%	29.0%	
Earnings per share (in EUR)	2.22	2.19		0.32	0.93		2.41	3.02	

# Well balanced international portfolio

## Gross written premium (Group)

in m. EUR

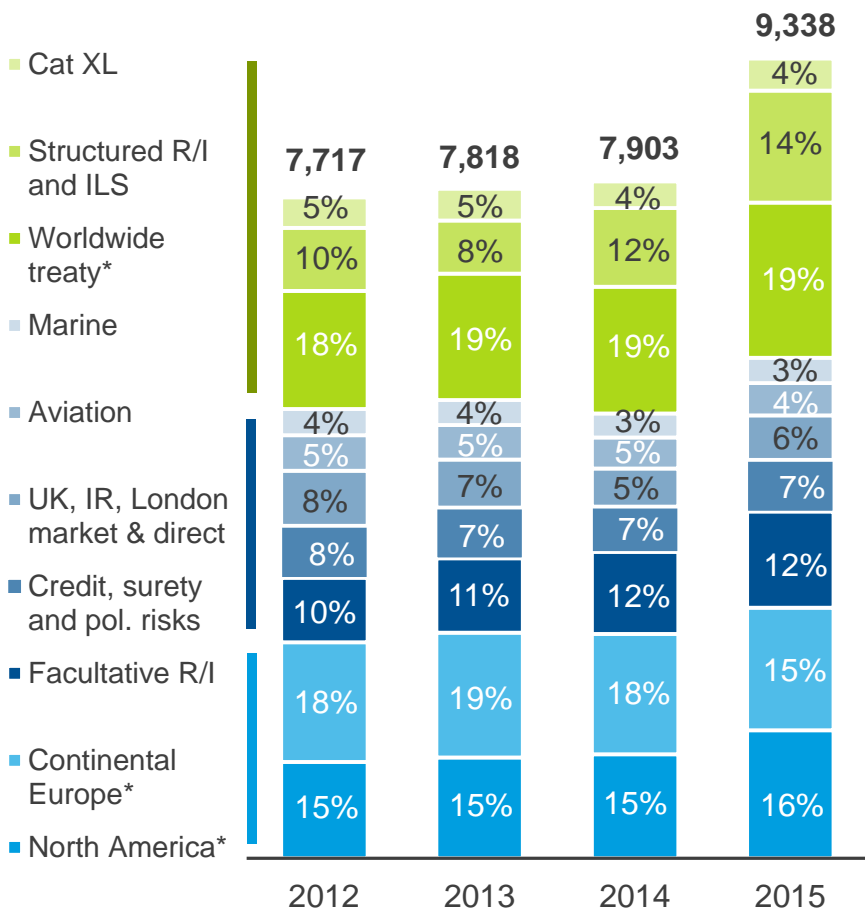


1) Japan 1%  
2) CEE and Russia 1%

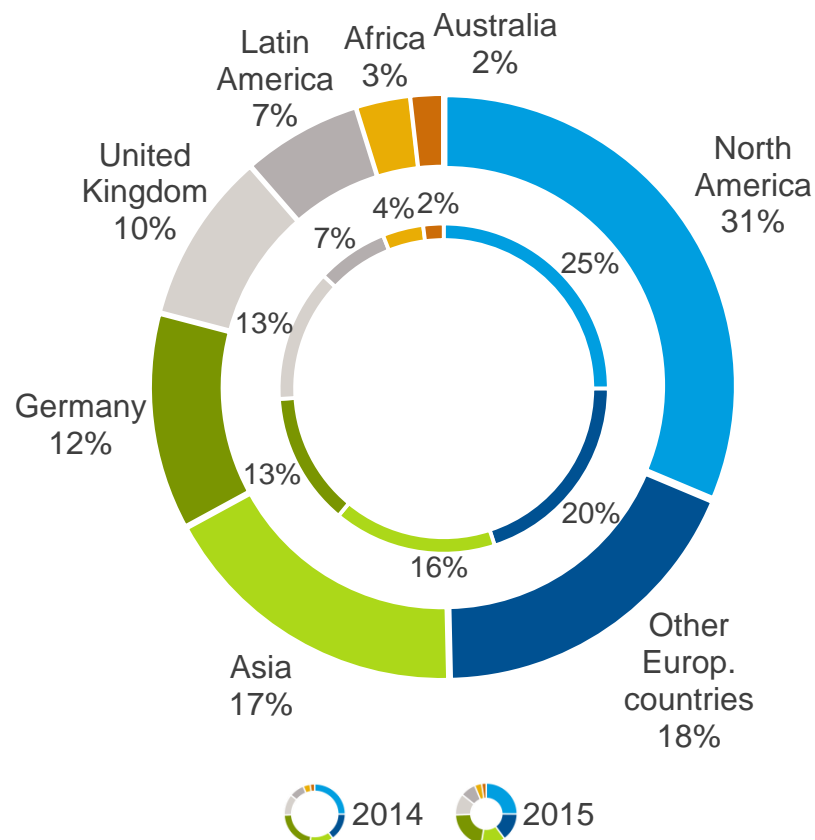
# Property & Casualty reinsurance: selective growth

GWP split by line of business

in m. EUR



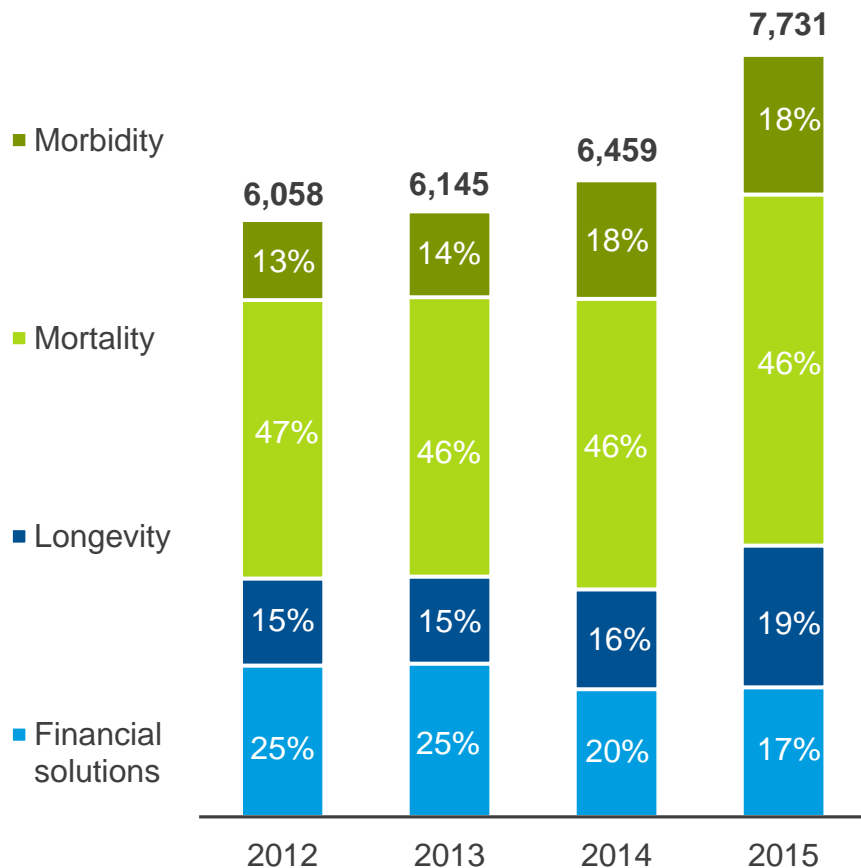
GWP split by regions



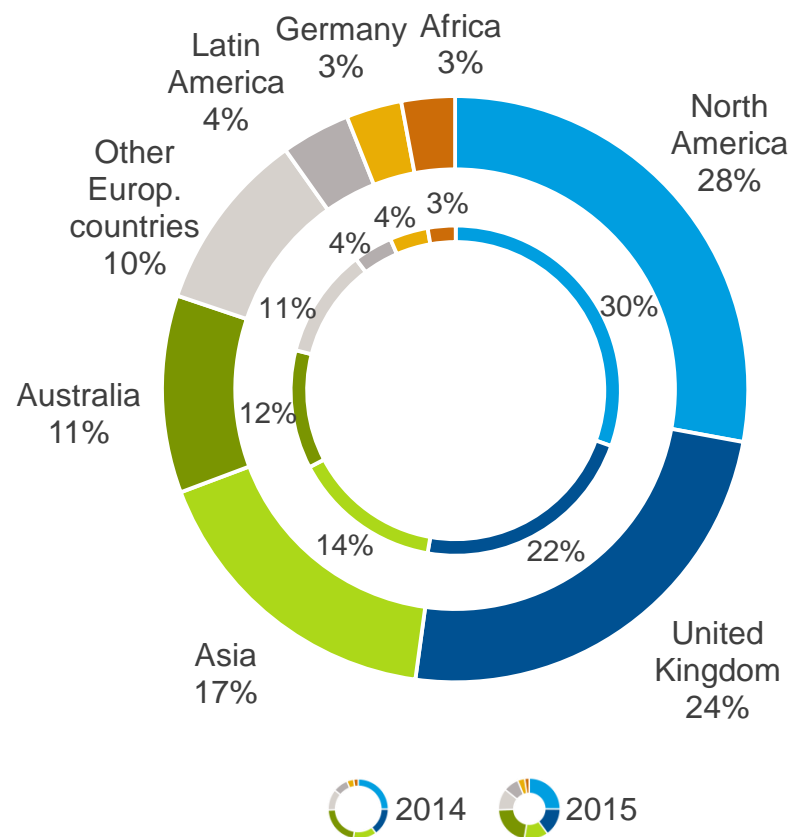
\* All lines of business except those stated separately

# Life & Health reinsurance: a well diversified portfolio

**GWP split by reporting categories** in m. EUR



**GWP split by regions**



# Stress tests on assets under own management

Unchanged focus on yields and spreads while relevance of equities rises

Portfolio	Scenario	Change in market value in m. EUR	Change in shareholders' equity before tax in m. EUR
Equity (listed and private equity)	-10%	-123	-123
	-20%	-247	-247
Yield curves	+50 bps	-770	-674
	+100 bps	-1,506	-1,318
Credit spreads	+50%	-824	-780
Real estate	-10%	-176	-93
	+10%	176	38

As at 31 December 2015

# Fixed-income book well balanced

Geographical allocation mainly in accordance with to our business diversification

	Governments	Semi-governments	Corporates	Pfandbriefe, Covered bonds, ABS	Short-term investments, cash	Total
AAA	74.0%	64.4%	1.6%	67.7%	-	43.8%
AA	12.9%	30.9%	14.9%	13.3%	-	17.2%
A	7.7%	2.8%	39.1%	7.9%	-	18.7%
BBB	4.5%	1.3%	36.9%	6.7%	-	16.5%
<BBB	0.9%	0.6%	7.5%	4.4%	-	3.8%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-</b>	<b>100.0%</b>
Germany	10.2%	43.4%	4.4%	27.1%	26.3%	16.9%
UK	7.7%	3.4%	8.3%	9.6%	5.8%	7.2%
France	1.7%	3.1%	6.3%	6.9%	0.9%	4.2%
GIIPS	1.4%	1.0%	4.4%	4.4%	0.0%	2.7%
Rest of Europe	5.8%	20.8%	17.3%	27.1%	1.9%	14.8%
USA	57.8%	6.4%	36.1%	4.7%	9.8%	32.1%
Australia	3.0%	8.4%	7.6%	10.5%	6.1%	6.6%
Asia	8.1%	2.5%	5.0%	0.0%	40.5%	6.8%
Rest of World	4.2%	11.2%	10.6%	9.8%	8.6%	8.6%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Total b/s values in m. EUR</b>	<b>10,375</b>	<b>6,475</b>	<b>12,789</b>	<b>3,964</b>	<b>1,906</b>	<b>35,509</b>

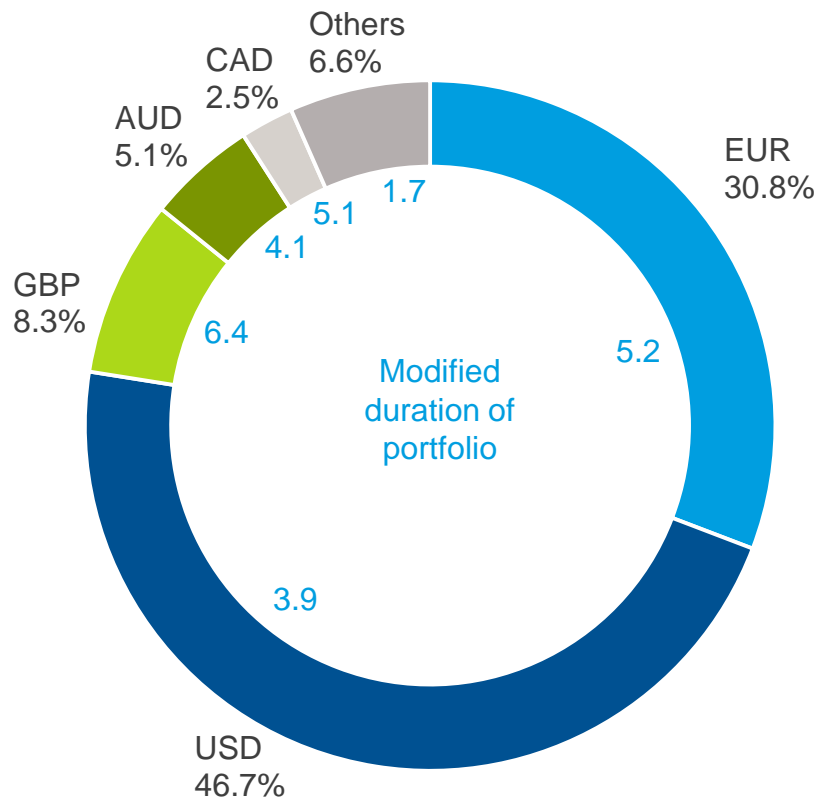
IFRS figures as at 31 December 2015



# Currency allocation matches liability profile of balance sheet

## Active asset liability management ensures durational match

### 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

2014	4.6
2013	4.4
2012	4.5
2011	4.2

**Modified duration as at 31 December 2015: 4.4**

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