



somewhat
different

Ensuring future-readiness

Jean-Jacques Henchoz, Chief Executive Officer
25th International Investors' Day 2022
London, 6 October 2022

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Agenda

1

Performance
update



2

Investing in
future-readiness



3

Key
takeaways



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1

Performance update



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Four pillars of our equity story

A

Focus on
profitable growth



B

Underwriting
DNA



C

Lean operating
model



D

Leading capital
returns



Growing in an improving pricing cycle

Reinsurance demand is supported by long-term trends



Long-term growth drivers



Climate change and protection gaps



Technology change



Growth in emerging markets

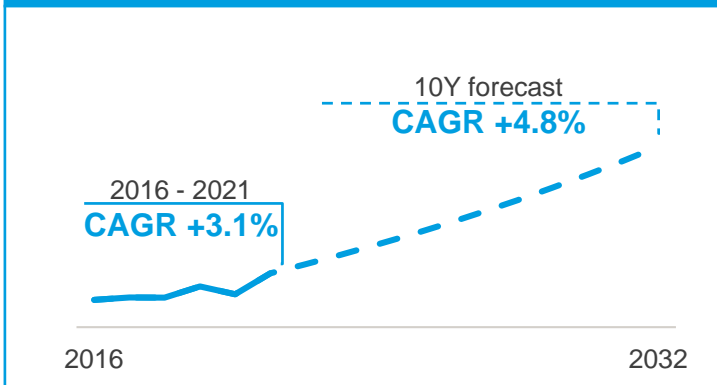


Demographic change and insurance penetration



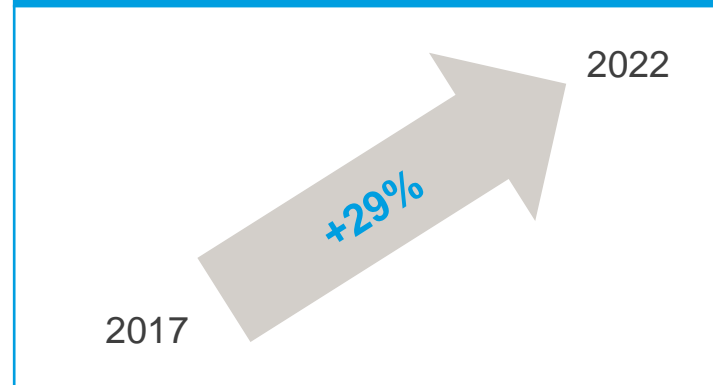
Increasing values and urbanisation

Global insurance premium¹⁾

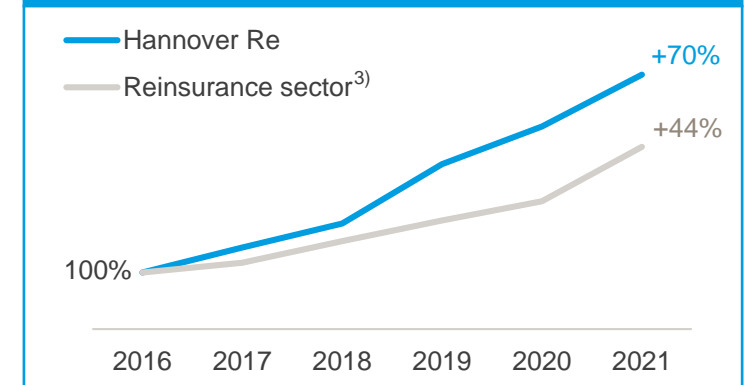


1) Source: Allianz Global Insurance Map
 2) Guy Carpenter Global Property Catastrophe ROL index
 3) Sector: AON Reinsurance Aggregate

Guy Carpenter cat RoL index²⁾



Gross written premium



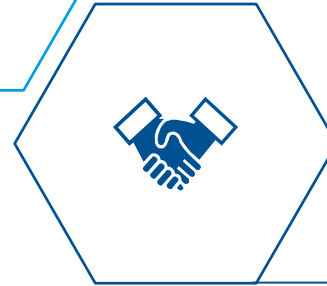
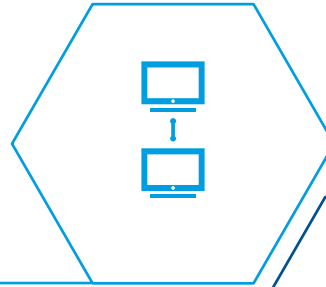
Our ability to grow is based on our strong underwriting DNA

Excellent market position as a responsive and well capitalised partner



Innovative solutions

- Leading player in Structured Reinsurance and ILS
- Financial Solutions and Longevity as key L&H differentiators



Efficient business model

- Focused pure-play reinsurer
- Scalability and focus on organic growth



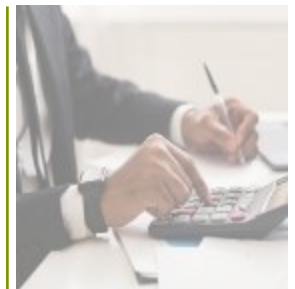
Empowered people

- Customer excellence based on experienced and empowered underwriting teams
- Reliable long-term partner



Superior financial strength

- Solvency ratio of 235% (Q2/2022)
- S&P AA-, stable
- A.M. Best A+, stable



Profitability driven by lean operating model and capital agility

Strong operating cash flow from underwriting and investments



Lean operating model

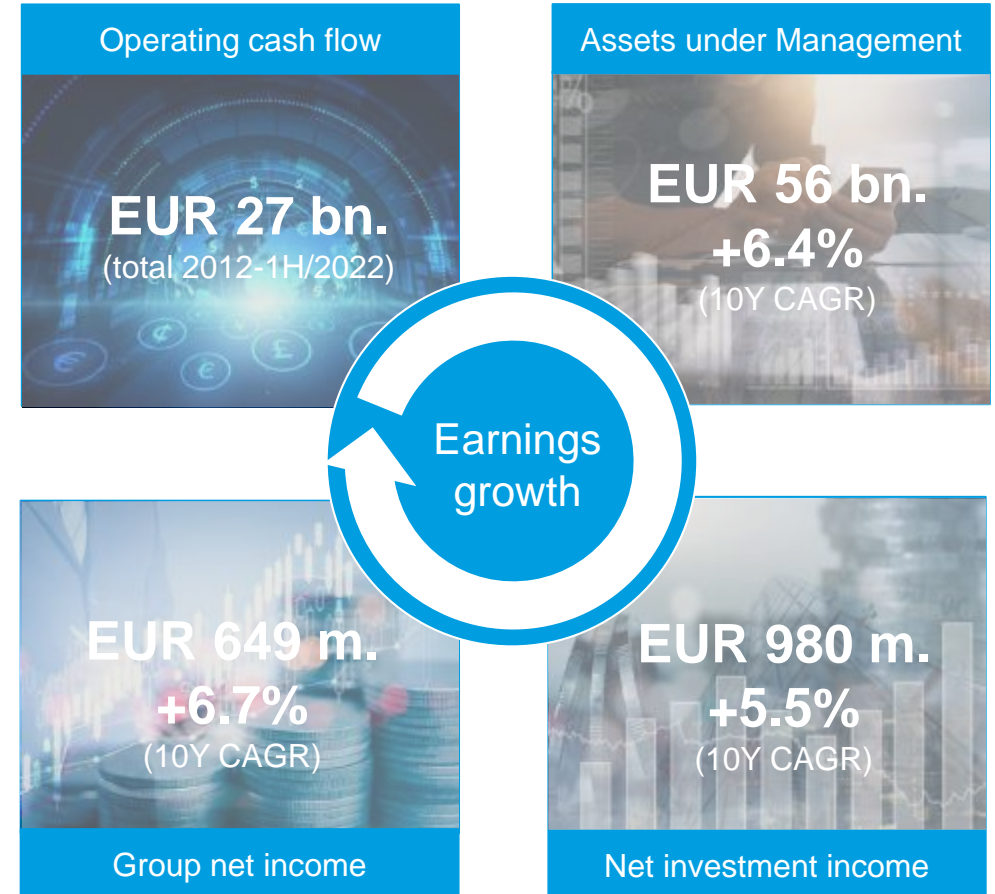


- Focus on organisational simplicity
- Strong cost culture
- Speed of decision-making
- Preferred broker market

Capital agility



- Capital allocated according to attractiveness of business segments
- Efficient volatility management / retrocession
- Value creation balanced between dividends and organic growth



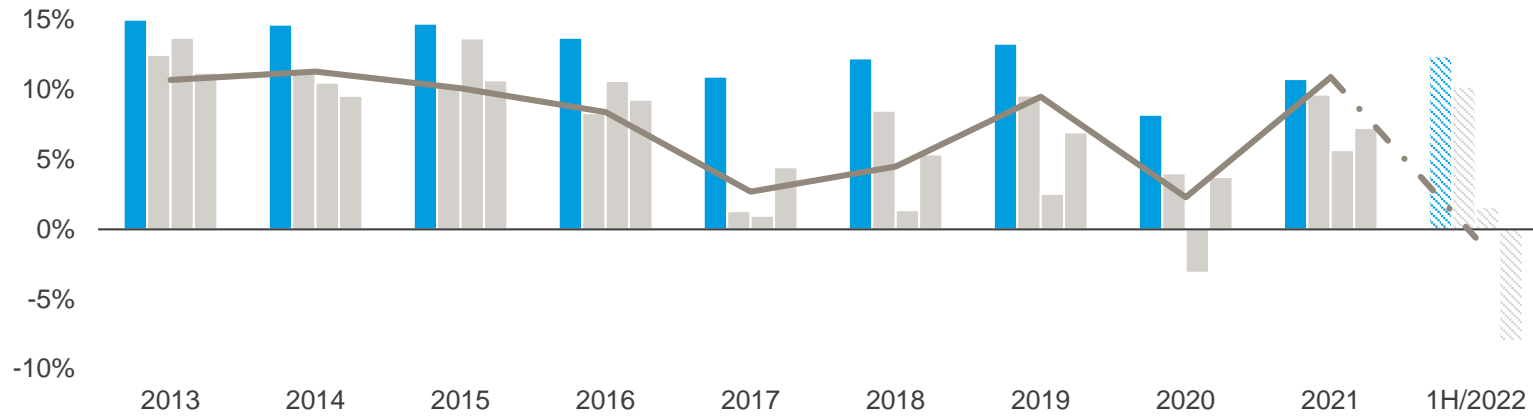
Figures as at 1H/2022 (except AuM as at Q2/2022)

Strong and resilient earnings profile

Our return on capital has been consistently above benchmarks



Return on Equity¹⁾

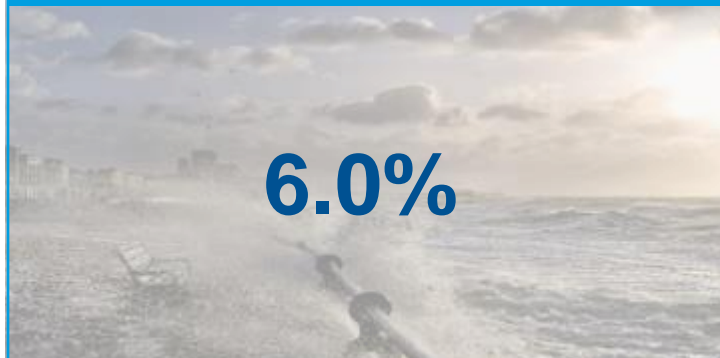


Average RoE

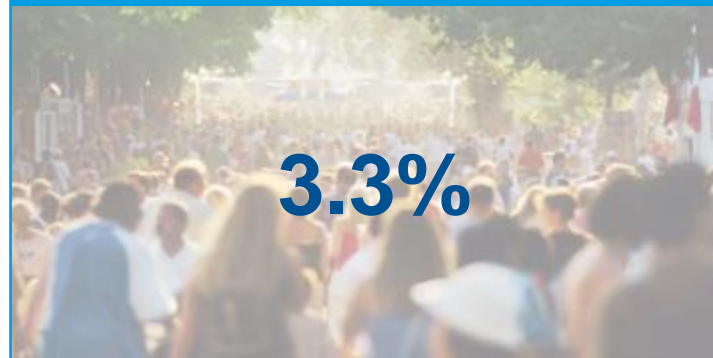
	10Y	5Y
Hannover Re	12.6 %	11.4 %
Peer 1	8.6 %	8.4 %
Peer 2	5.8 %	1.6 %
Peer 3	6.1 %	3.1 %
Sector average ²⁾	6.8 %	5.0 %

10-year average excess return on capital allocated (xRoCa)

P&C reinsurance



L&H reinsurance



Investments



1) Peers: Munich Re, Scor, Swiss Re, RoE; own calculation based on company reports
 2) Sector Average Source: AON Reinsurance Aggregate

Risk management supports our long-term performance

Strong resilience driven by prudence and active steering

C/R below 100%

in 9 out of 10 years

EUR 132 m.

Relief from extreme mortality cover (2021 + 1H/2022)

EUR 1.7 bn.
reserve redundancies¹⁾

~EUR 400 m.
EBIT contribution from inflation-linked bonds (2021 + 1H/2022)

Large losses from natural catastrophes
1.5% below budget
(10Y average)
0.2% above budget
(5Y average)

Retrocession

- P&C retrocession protection core to strategy
- L&H extreme mortality cover bought since 2013

Reserving

- Prudent reserving provides additional comfort
- Reserving approach reduces volatility

Hedging

- Inflation protection bought since 2010
- Strict Asset-Liability Matching (interest rates & currencies)

Defined risk appetite

- Realistic cat modelling and budgeting
- Sophisticated risk selection and limit management
- Strong portfolio diversification

1) According to Willis Towers Watson, end of 2021

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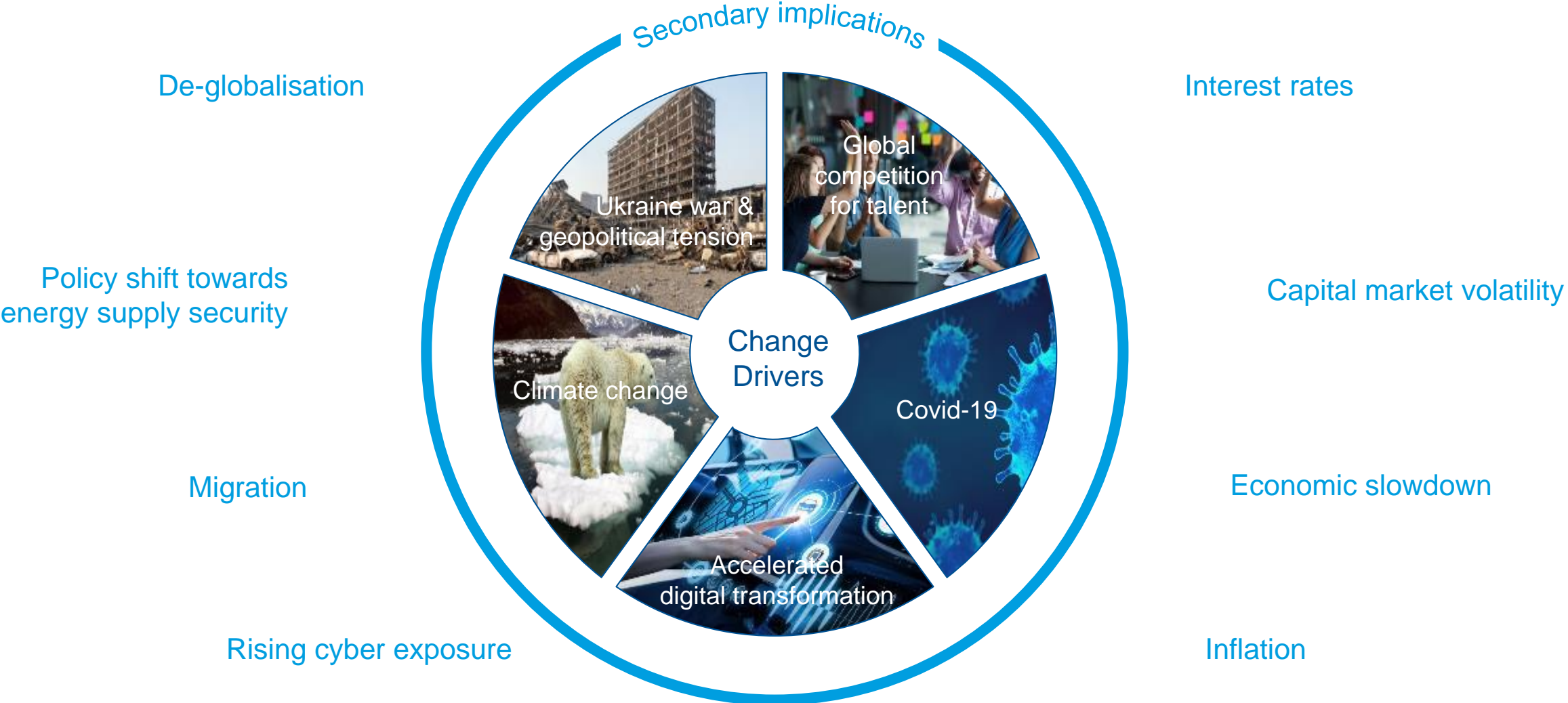
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Investing in future-
readiness

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Current global trends are testing the reinsurance industry's resilience

Secondary implications increase complexity



We are investing in our future-readiness

A

Client
centricity



B

Innovation
capabilities



C

Emerging
markets



D

Winning
talent



E

S
G

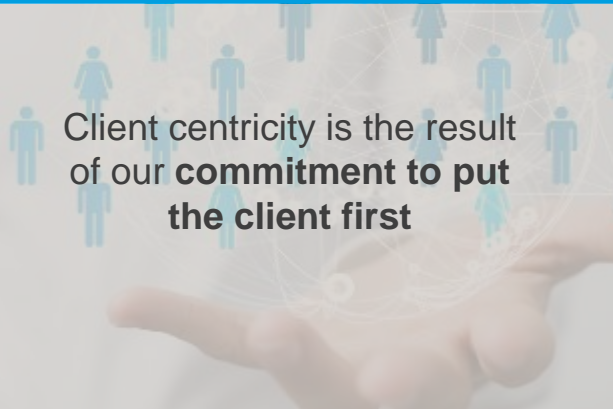


We are building on our client-centric culture

Differentiation through client partnerships

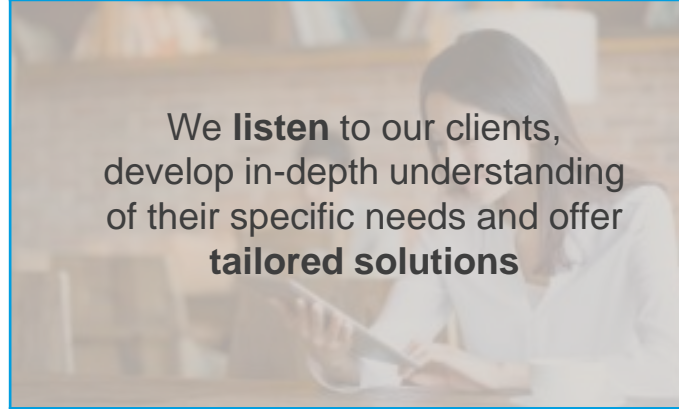


Holistic client management



Client centricity is the result of our **commitment to put the client first**

Tailor-made solutions



We **listen** to our clients, develop in-depth understanding of their specific needs and offer **tailored solutions**

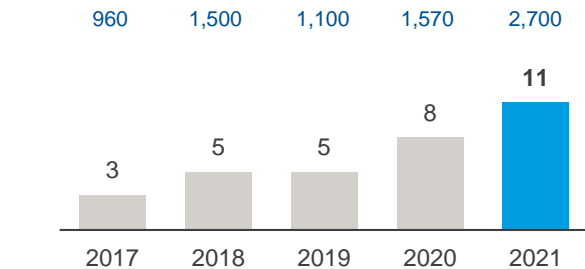
Access to capital markets as a leading ILS facilitator

P&C R/I: Collateralised fronting service: **>1,500** reinsurance participations

Catastrophe bonds

Number of transactions

Total limits in m. USD



L&H R/I: Risk transfer to capital markets: **USD 1 bn.** of life-related risk

Steadily broadening client partnerships

Continuous expansion of our **C-suite** connections with cedants

Top reinsurer position with key clients and brokers

Go-To market for structured reinsurance solutions

Strong and **consistent growth** rate over time

Average **xRoCA ≥ 10%** over last 10 years

We are strengthening our innovation capabilities

Creating optionality by building new partnerships



Leveraging our innovation capabilities



Parametric Solutions

hr | bluebox
data insights out of the box

Data Analytics



Cyber

Partnering with InsurTechs

Increase Hannover Re's **visibility**
to attract opportunities

Expand **partnerships & scale** capabilities

Technology emphasis

Data **analytics community**
drives global exchange and learning

State-of-the-art
data science environment

- Our **innovation accelerators** play a vital role in delivering at highest speed:
from idea to execution.
- They swiftly connect and empower the right people across the firm.

Emerging markets offer long-term growth potential

Adapting to a dynamic market environment and focusing on Asia



- Strengthen our footprint in Asia-Pacific hubs
- Dedicated Executive Board commitment to APAC



Financial Solutions



Leveraging our market-leading **structuring capabilities**

Providing **capital and solvency relief** for our clients

Triple-digit EBIT expected for 2022

Facultative initiatives



Growth and profitability **above plan**

E.g. casualty premium **+350%** for APAC (2018 to 2021)

Set up to meet our customers' increasing demand for **specialised knowledge**

Specialised insurers



Technical support for clients who **focus on mono lines** of business combined with **proportional reinsurance cover**

Winning talent is a key priority

On the basis of strong purpose and values



Talent development

Global LEAD programme to further strengthen **inclusive leadership and feedback culture**

Embedding leadership **fundamentals**

Coaching and **performance management** skills

Global mobility

Globalise **career and development** opportunities

Transparent job market across entire organisation

Solution-driven and **flexible**

Employer of Choice

Attract and retain key talent

Investing in **employee value proposition**

Strengthening **employer brand**

FutureHR

Create **Human Resources (HR) excellence**

Advancing **digital transformation**

Building up **HR Business Partner** and Service function

ESG is increasingly embedded in our core business processes

We support the transition to a sustainable economy



We keep pace with regulatory developments and **actively participate** in the transition efforts made by our industry.



Scale: 1 (best) – 10 (worst)

Rating: **1**



Scale: A+(best) – D- (worst)

Rating: **C+**



Scale: AAA – CCC

Rating: **A**

FTSE4Good

Listed since: **2015**

DAX 50 ESG

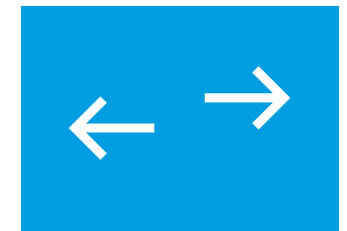
Listed since: **2020**



Climate change mitigation and adaptation



Closing the protection gap



Double materiality engrained in our daily business

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3

Key takeaways

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Key takeaways

Performance update

- Reinsurance growth supported by long-term trends
- Efficient business model and strong underwriting DNA
- Resilient earnings profile delivering attractive RoE
- Strong risk management supporting sustainable performance



Future-readiness

- Strengthening and broadening partnerships
- Building innovation capabilities to create optionality
- Pursuing long-term focus on APAC region
- Winning talent and ESG as key imperatives



Conclusions

- Well positioned for profitable growth
- Responsive and reliable support for business partners
- Agile capital steering as key differentiator



**Hannover Re is building on its strengths
and focusing on ensuring future-readiness**

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