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Conference Call on
1 Jan 2012 Non-Life Treaty Renewals

Hannover, 1 February 2012

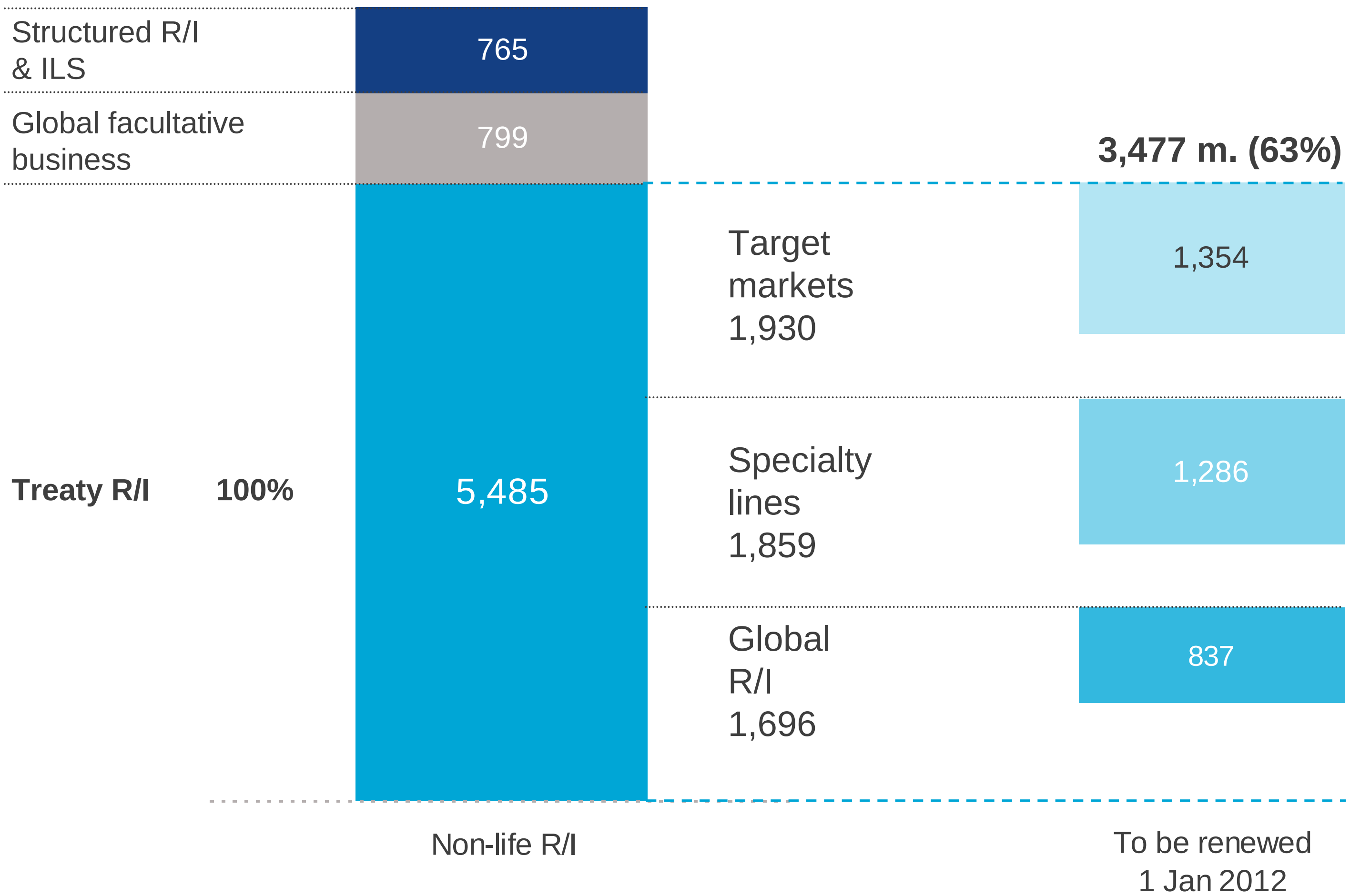
Important note

- Unless otherwise stated, the **renewals part** of the presentation is based on **underwriting-year (U/Y) figures.** This basis is only remotely comparable with calendar-year (C/Y) figures, which are the basis of quarterly and annual accounts.
- The situation shown in this presentation exclusively reflects the developments in **Hannover Re's portfolio**, which may not be indicative of the market development.
- Portfolio developments are measured at **constant foreign exchange rates** as at 31 December 2011.

63% of treaty reinsurance (R/I) renewed in 1 January 2012

Estimated premiums on renewed treaties U/Y 2011

in m. EUR



Strong discipline resulted into a hardening market
Reinsurance market highlights

- Majority of loss-impacted treaties will be renewed later, nevertheless rates have improved in 1 Jan renewal
- Rate increases were significant in loss-affected programmes and less pronounced in loss-free programmes; casualty bottomed out in most lines
- Low investment-yield environment supported disciplined underwriting
- Higher cedents' retention on average put pressure on increase of ceded premiums
- Reinsurers' capital base remains strong, which has fuelled competition due to reinsurers' desire to grow their portfolios
- Impact of NatCat model changes (RMS 11) led to additional rate increases, mostly in North America

Stronger prudential behaviour of market participants

Expectations from mid-term conferences have been met

Hannover Re's market position improved

- Continued excellent showing and high signed lines enabled good quality of renewed business
- Growth on renewed premium by 6%
- Non-proportional pricing improved by 6% in total
- Overall rating quality of renewed improved vs. 2011
- Our superior rating enabled us to sustain high-quality business mix

Risk-adjusted reward raised across our portfolio

We grew in 1 Jan renewals by 6%
Growth driven by specialty lines

Non-life reinsurance		1/1/2011		1/1/2012
Division	Business center	Premium[1)]	Variance	Premium[1)]
Target markets	North America[2)]	430	+7%	462
	Germany[2)]	924	+3%	955
Specialty lines	Marine (incl. energy)	151	+12%	169
	Aviation	196	+7%	210
	Credit, surety & political risks	389	+7%	415
	Structured R/I & ILS	Not reported		
	UK, London market & direct	550	+7%	589
Global R/I	Global treaty[2)]	692	+8%	750
	Global cat XL	145	+0%	145
	Global facultative	Not reported		
Total 1 Jan renewals		3,477	+6%	3,693

1) Premium estimates in m. EUR, development in original currencies can be different
2) All lines of business except those stated separately

Our non-proportional portfolio saw improved prices

Global cat XL had the highest increases

Non-life reinsurance		1/1/2011	Non-proportional
Division	Business center	Total premium[1)]	Price effects
Target markets	North America[2)]	430	+4.7%
	Germany[2)]	924	+3.9%
Specialty lines	Marine (incl. energy)	151	+5.0%
	Aviation	196	-2.0%
	Credit, surety & political risks	389	-3.2%
	Structured R/I & ILS	Not reported	
	UK, London market & direct	550	+3.5%
Global R/I	Global treaty[2)]	692	+6.8%
	Global cat XL	145	+16.8%
	Global facultative	Not reported	
Total 1 Jan renewals		3,477	+5.9%

1) Premium estimates in m. EUR, development in original currencies can be different
2) All lines of business except those stated separately

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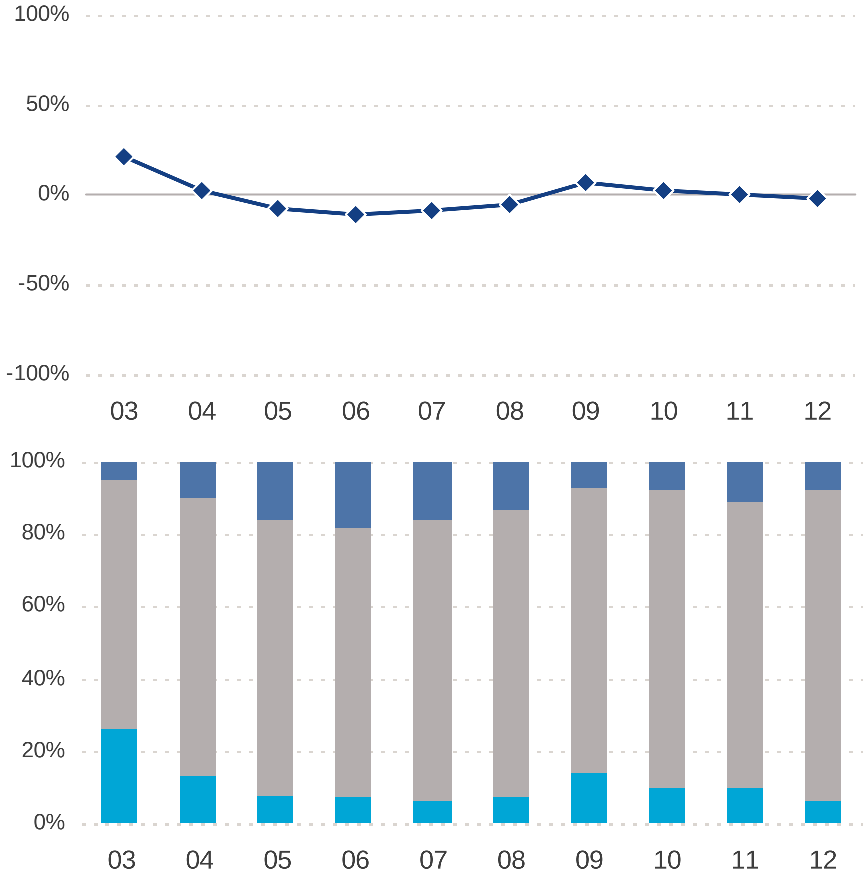
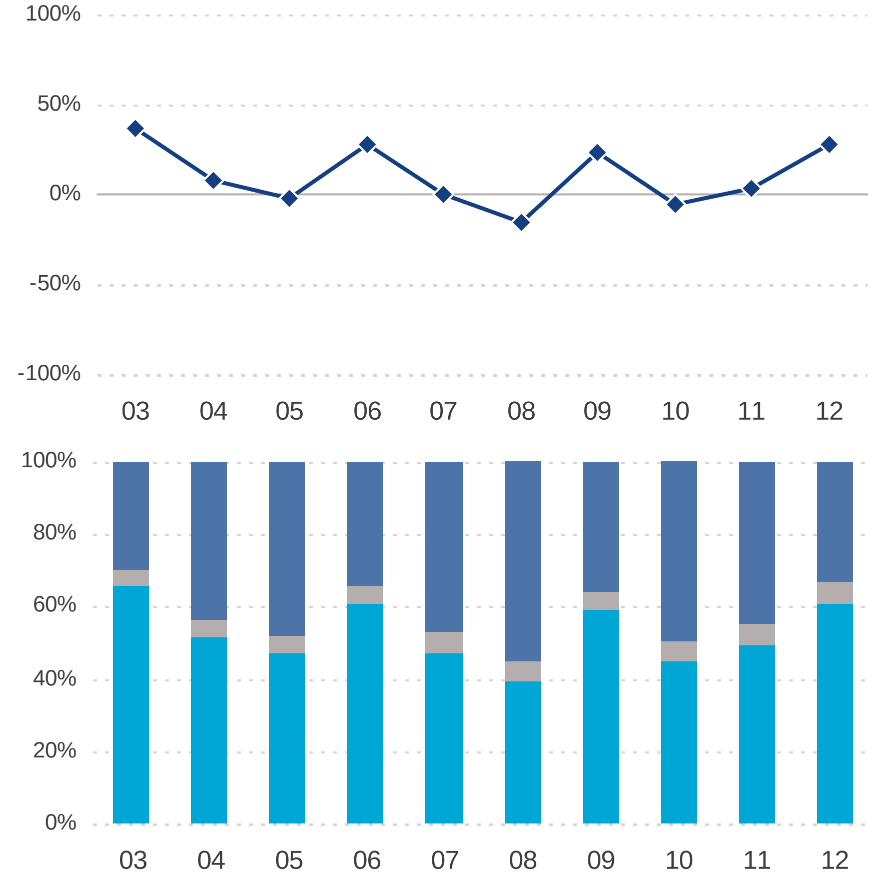
Conditions for Hannover Re are more favourable

Proportional business unchanged; non-proportional significantly improved

Proportional[1)]



Non-proportional[2)]



Net change (improvement - deterioration) Improvement Unchanged Deterioration

1) Comparison of commission
2) Comparison of Rate on Line (RoL)

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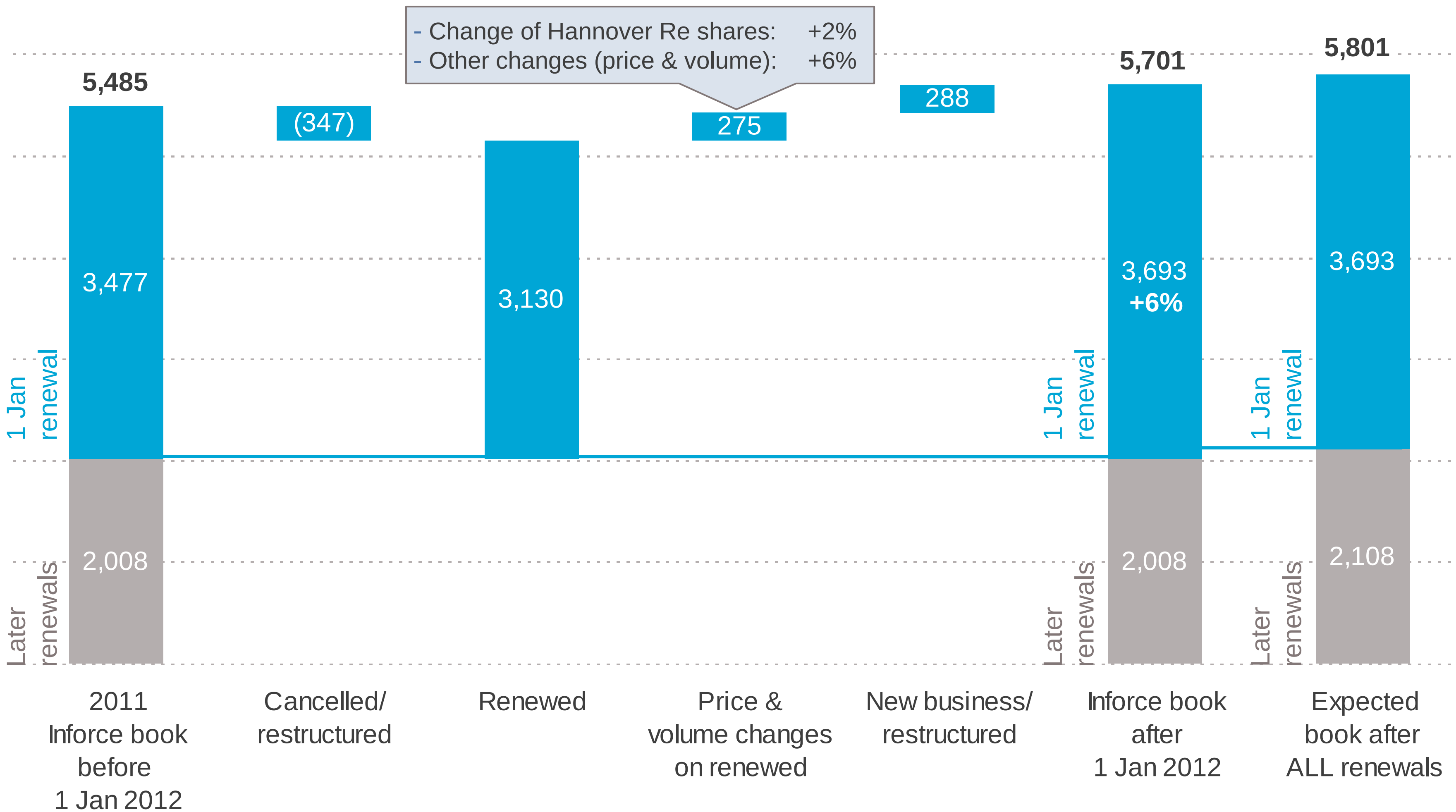
Selective growth
We strengthened our position

Total treaty R/I

in m. EUR

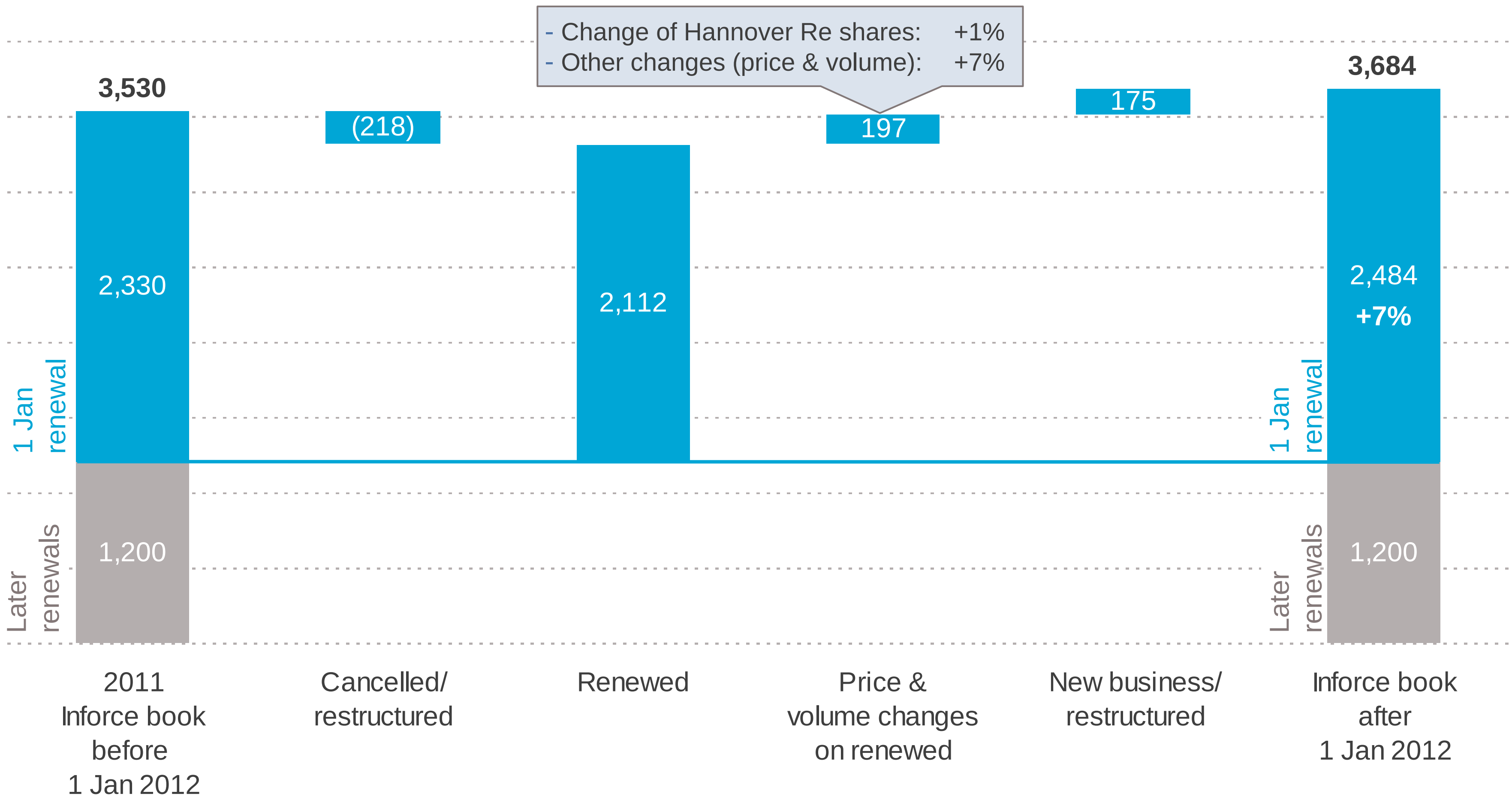


Increase of volume as expected

Proportional book grew by 7%

Treaty R/I - proportional

in m. EUR



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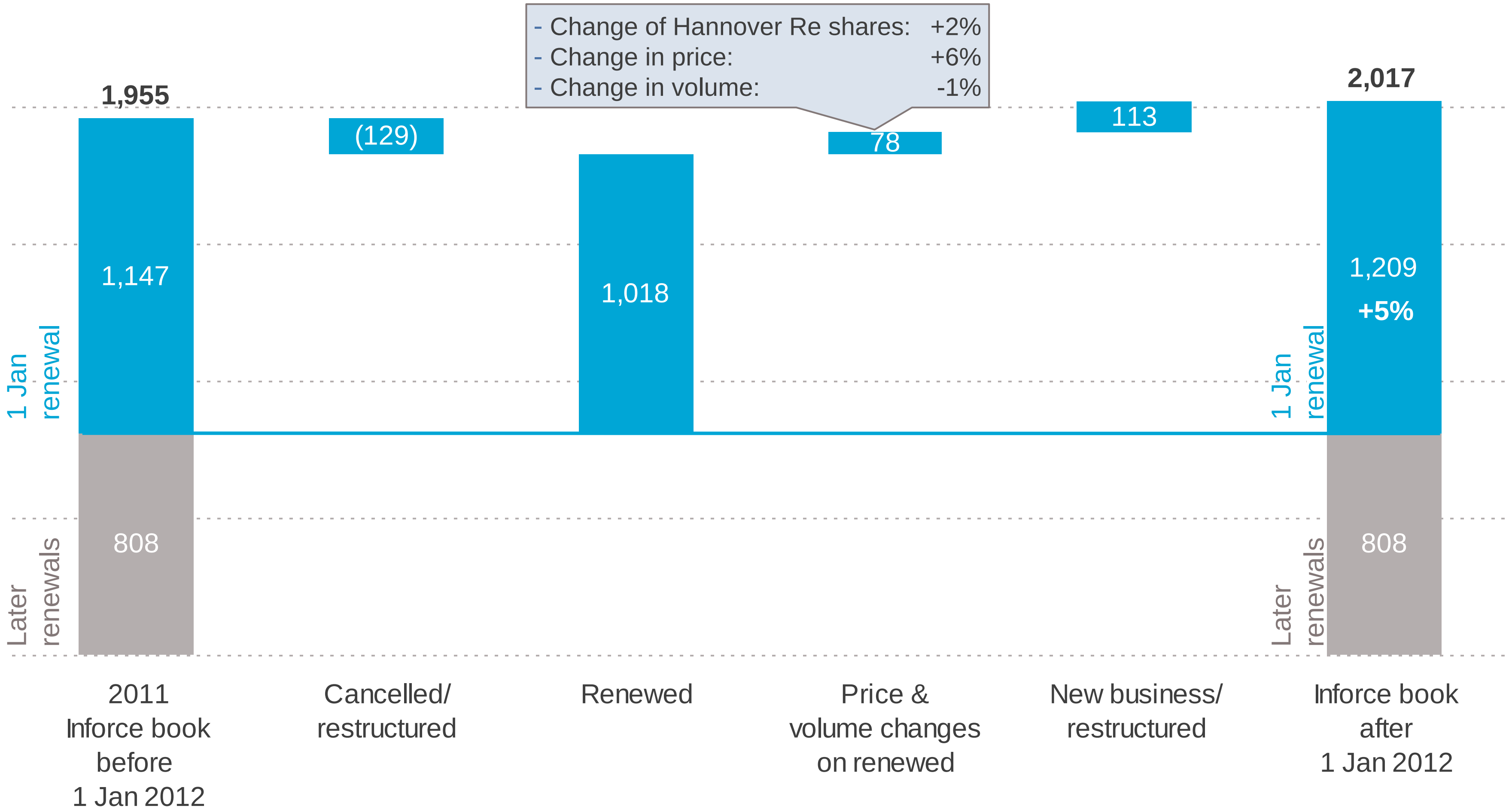
Overall pleasing development with improved rates
Strong position in XL business maintained

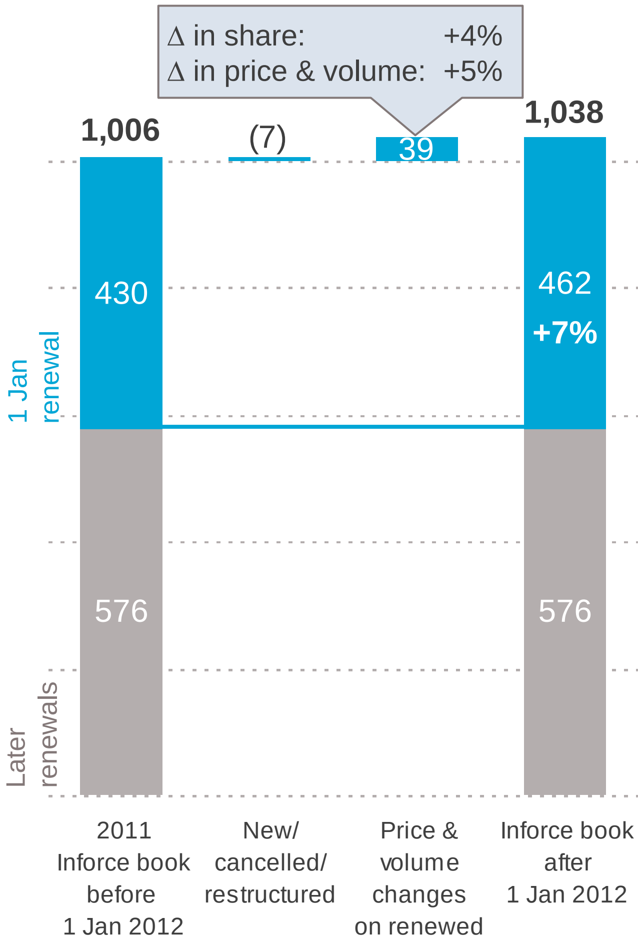
Treaty R/I - non-proportional

in m. EUR



Satisfactory renewal season. . .
. . .although we are by no means yet in an overall hard market

North America in m. EUR



- US Property: moderate hardening
  - Rate increases in loss-affected areas (+20% - +30%) and in peak-zone cat exposures (+10%)
  - Proportional: premium nearly unchanged
- US Casualty: bottoming out with slight upward trend
  - Standard casualty: stable pricing but higher cedents' retention
  - Modest growth in professional and indemnity
- Canada: 1 Jan premium increase +27%
  - Property: significant price increases in non-prop. biz
  - Casualty: single-digit increase
- Improved diversification

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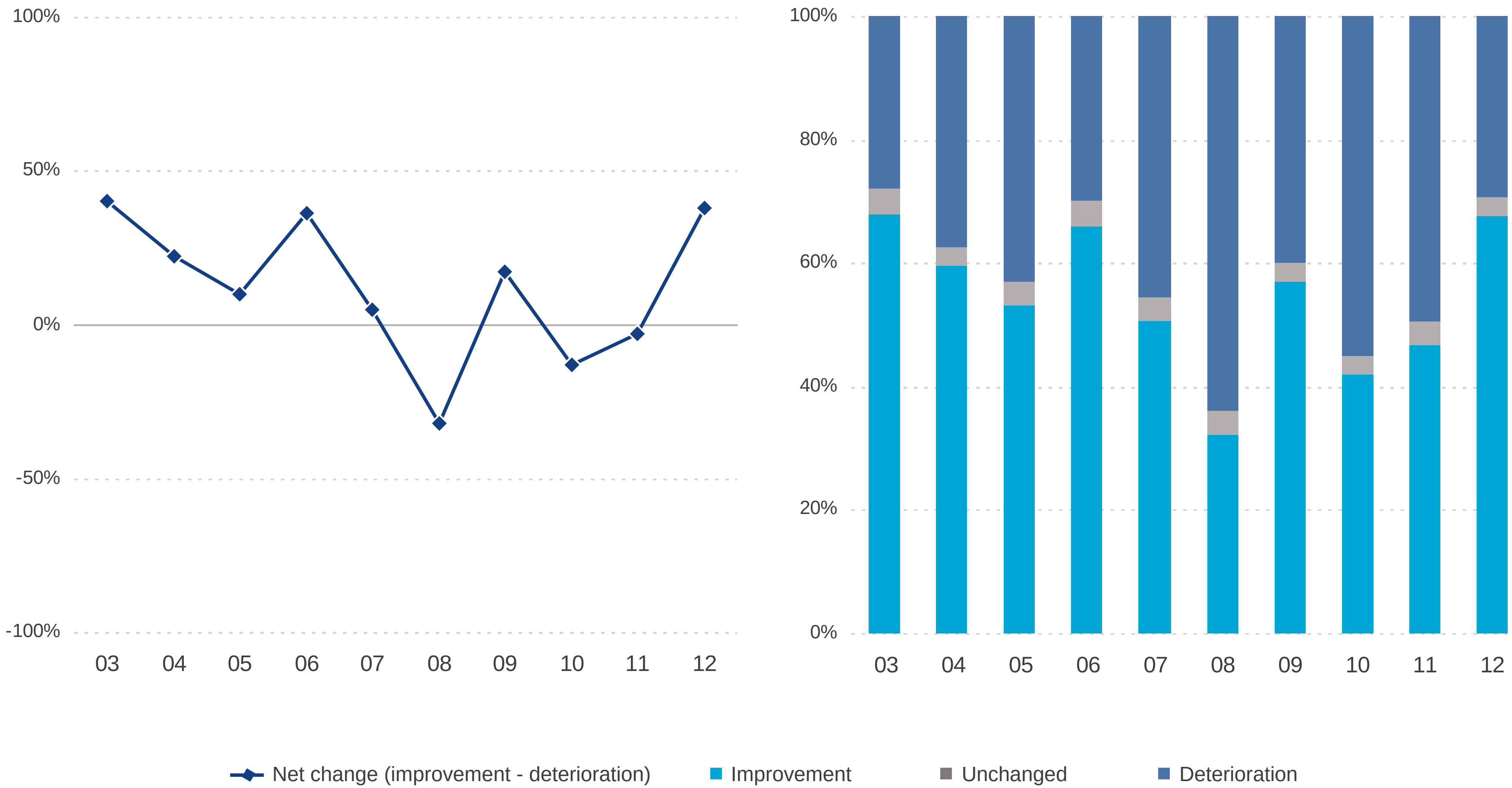
Cycle barometer signals improvement

North America - non-proportional

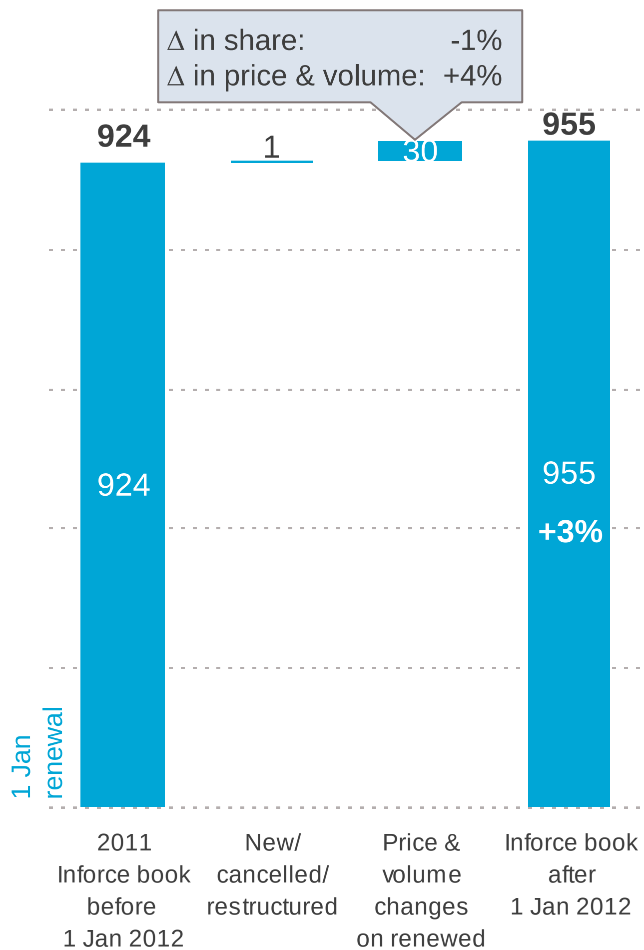
Comparison of Rate on Line (RoL)



Further improved market share in our domestic market

Growth at 3%

Germany in m. EUR



- We extended our customer base
- Enhanced diversification in our book due to increased share of open market
- Pricing remained stable with rate increases in loss-affected areas
- Reduced shares in industrial liability business which remains competitive
- Motor: considerable increases of original and reinsurance rates in liability; in anticipation of improved market conditions, we already increased our book last year

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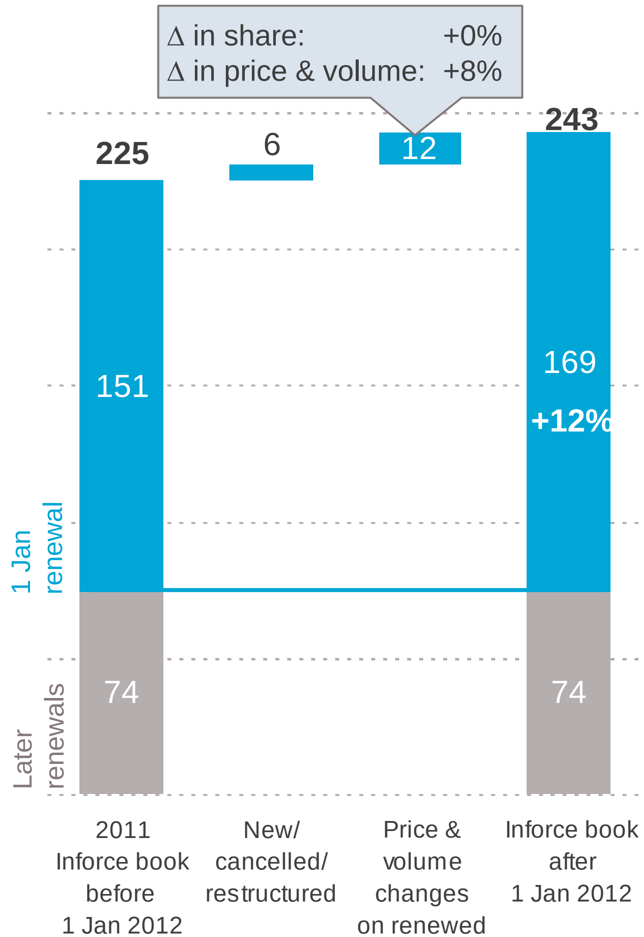
We are a major lead market in marine XL business
Marine increased by 12% driven by energy exposed business

Marine (incl. energy) in m. EUR



- Energy offshore exposed business
  - Further hardening in most XL lines
  - Increased premiums +5% on loss-free accounts whereas others up to +30%
  - Better risk/return reward due to higher clients' retention
- Marine
  - London market and US business stable
  - Other regions under pressure

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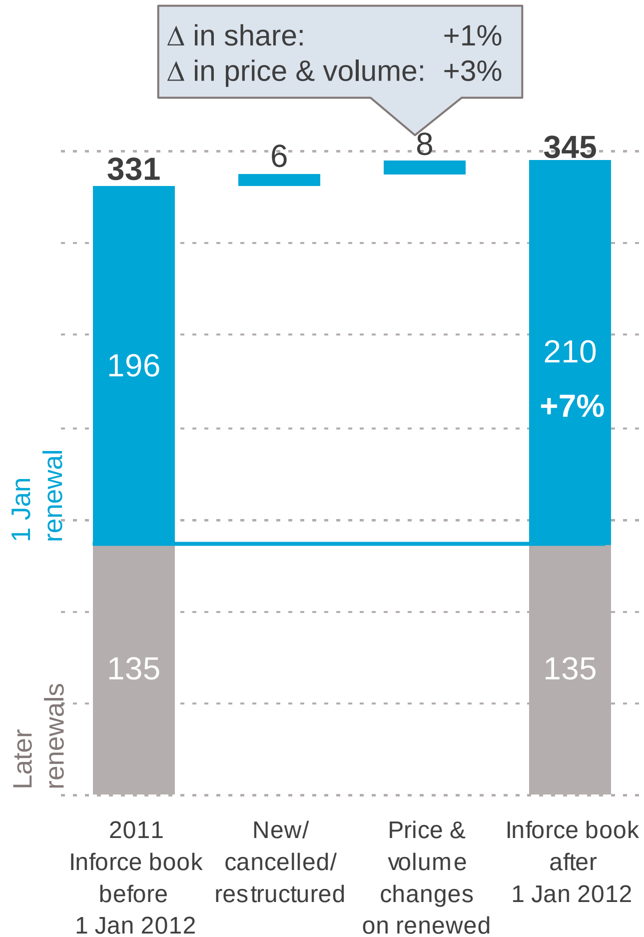
We kept our position despite the difficult environment

A mixed picture in different aviation segments

Aviation in m. EUR

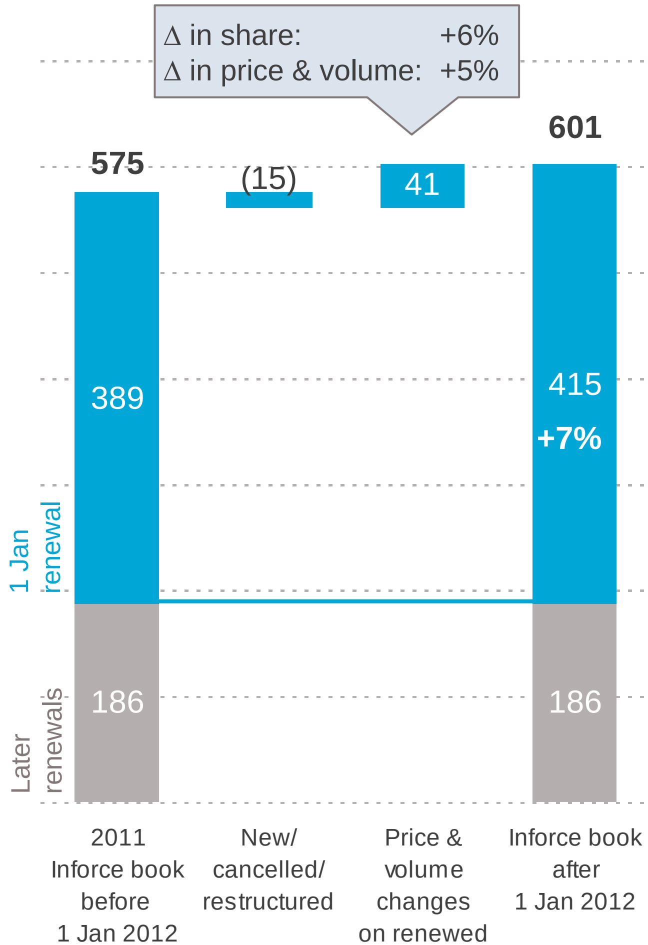


- Significant rate reductions in airline insurance markets but limited effect on premium volume due to a higher exposure base
- General aviation and products are more stable than airlines
- Reinsurance market very competitive
- More capacity available in the market
- Exceptional good showing and allocation of signed lines

Credit, Surety and Political risks remains very profitable

Only moderate softening of terms and conditions

Credit, surety & pol. risks in m. EUR

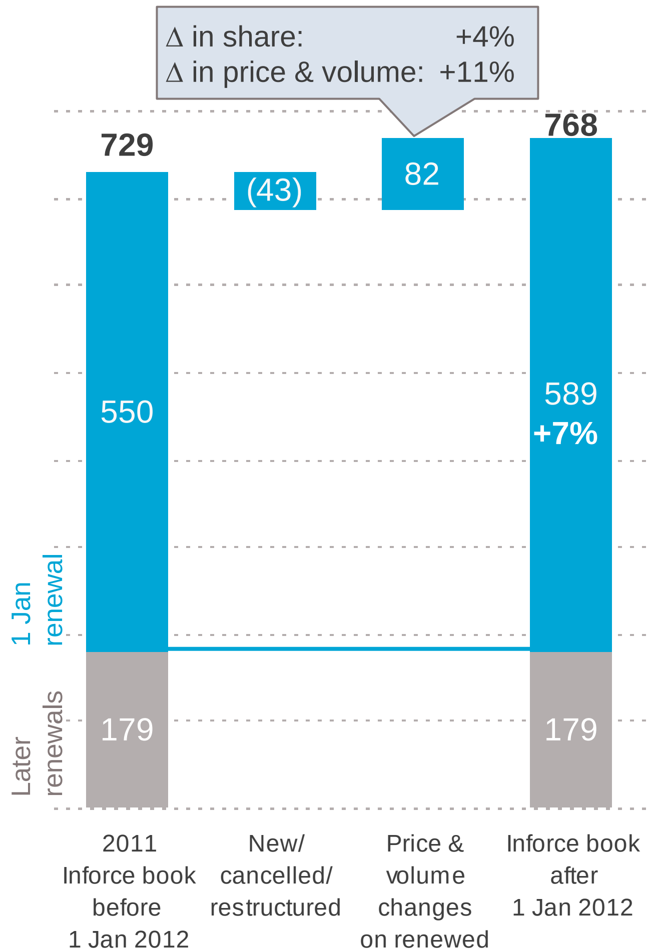


- Insurance market
  Credit: price erosion is slowing down;
  pricing level above pre-financial crisis level
  Surety & pol. risks: mostly stable prices
- R/I market:
  Stable reinsurance structures and cession levels
  Slight softening of terms and conditions
- Hannover Re:
  Moderate premium growth

Strong growth of 7% in UK, London market and direct biz

Double-digit increase in UK motor XL

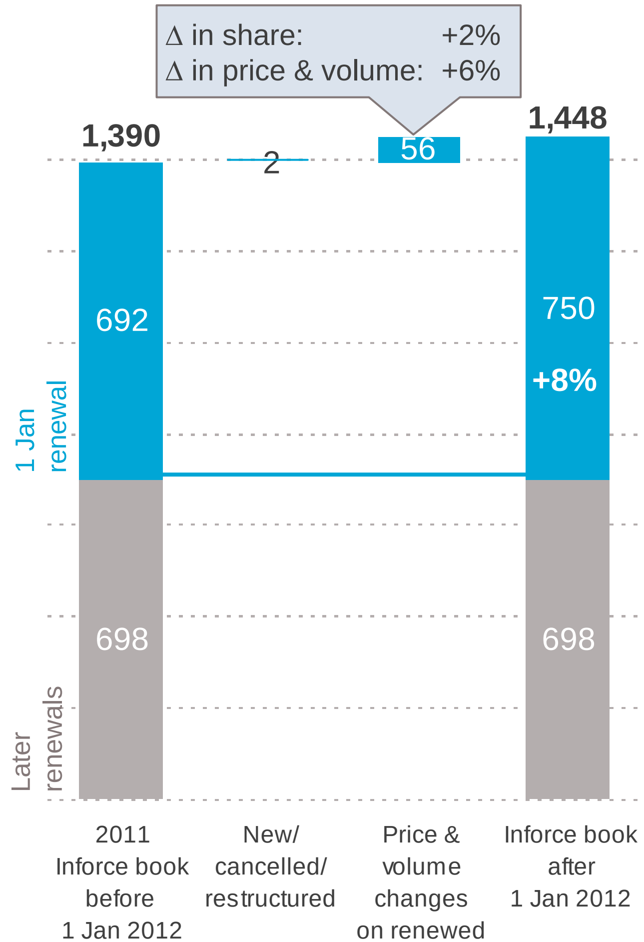
UK, London market & direct m. EUR



- Pleasing showing and rate development
- UK motor
  - Primary market shows continued rate increases
  - Rate increases of 15% to 50% in XL
  - Increased our written lines mostly on upper layers
- London market
  - Casualty classes flat
  - Property increases for loss and model-impacted areas

Global treaty: growth driven by emerging markets
Loss-affected areas (Japan, Australia, New Zealand...) in later renewals

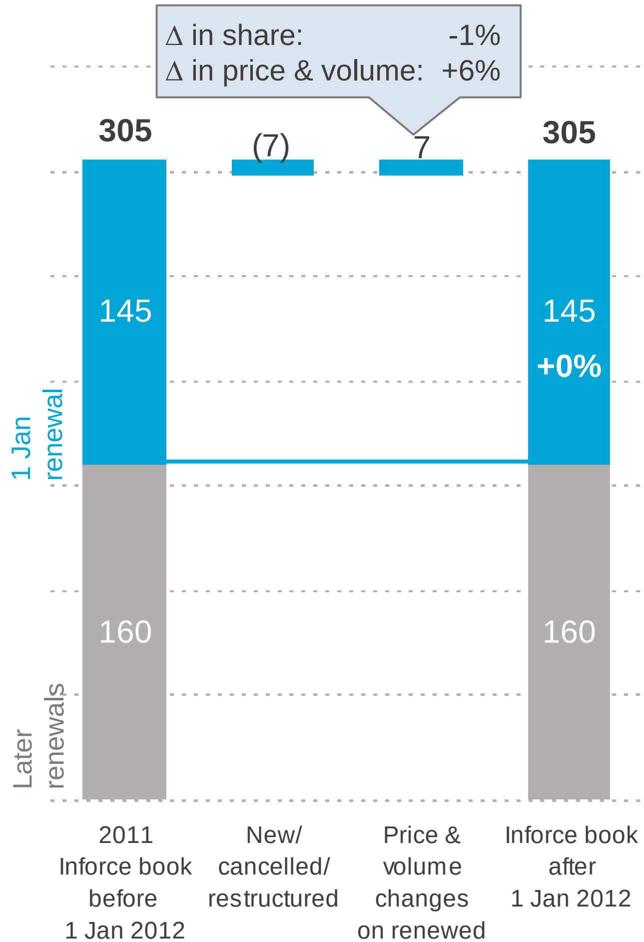
Global treaty in m. EUR



- Western Europe:
  Rates flat, volume stable with selected increases
- CEE:
  Soft R/I market, but still profitable and growing
  High demand for excellent security
- Latin America:
  Competitive environment led to premium reductions
- Australasia:
  Significant rates improvement but most treaties renew later
- Asia & Middle East:
  Strong premium growth in a more favourable reinsurance environment

Premium volume flat with less exposure after 1 Jan renewal
Will provide capacity in later renewals in loss-affected areas

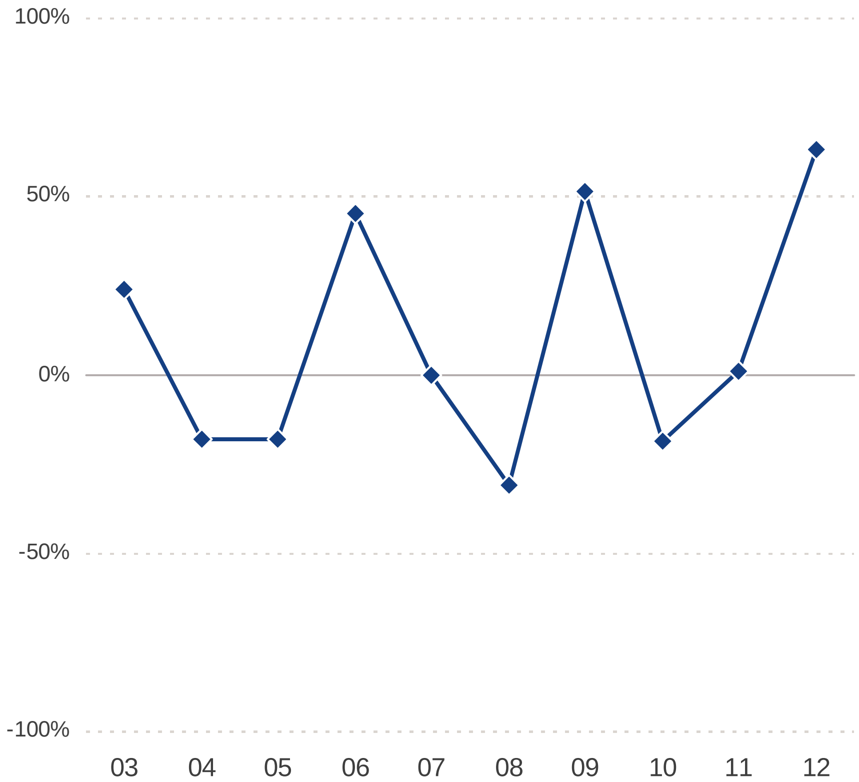
Global catastrophe XL in m. EUR

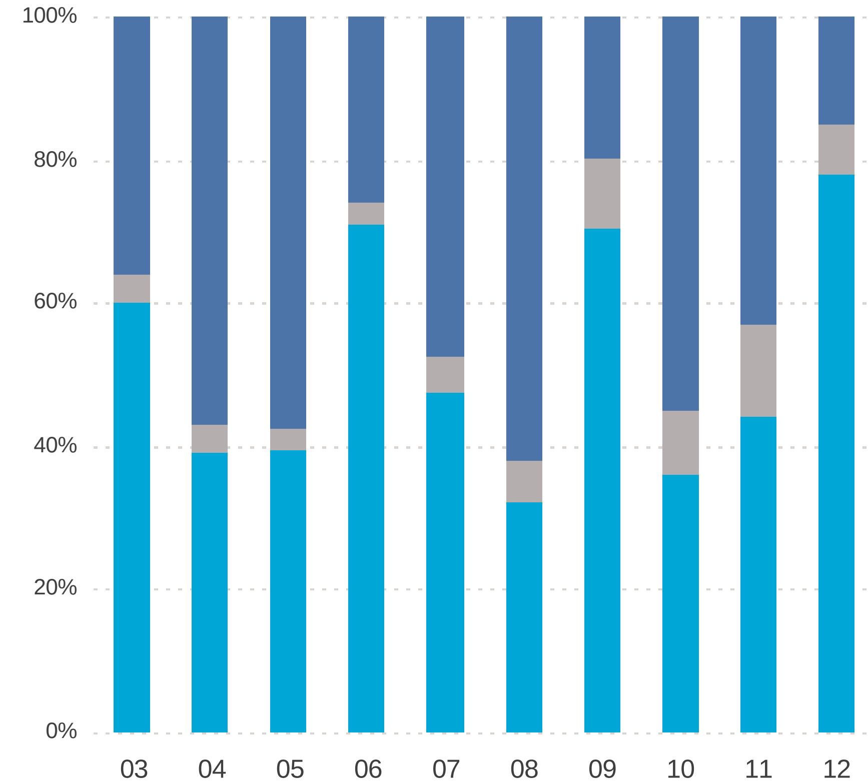


- Positive rate development from second half of 2011 continues
- Europe flat to +5%
- US - moderate RMS 11 effects
  - Nationwide +6% to +10%
  - Regional - hardening markets
    - Loss-affected programmes +30% upward
    - Loss-free programmes +12% to +20%
- 52% to be renewed and reported later, i.e.
  - Japan
  - US
  - Australia and New Zealand

Significantly more treaties with higher RoL
Rates grew by 17%

Global catastrophe XL Comparison of Rate on Line (RoL)





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Hannover Re's protection in 2012 as strong as in 2011

- Market demanded higher prices for retrocession due to
  - international losses 2011 (JAP EQ and NZ EQ hit our programme too)
  - unprecedented focus on non-peak exposures (Thailand floods issue)
  - vendor model updates (RMS v11)
  - more demand meeting less supply of capacity (esp. worldwide retro)
- Hannover Re's protection for 2012
  - The K-Cession capacity increased by approx. USD 20 m. to USD 350 m.
  - Capacity on Whole Account programme slightly reduced
  - Increase in premium spent for XL was kept around 8%.
  - Protection for losses from peak areas almost the same as in previous year

Preview 2012

Growth in most lines and satisfying profitability expected
Development of lines of business (C/Y)

Non-life reinsurance		2012e	
Divisions	Lines of business	Volume[1)]	Profitability[2)]
Target markets	North America[3)]	→	+/-
	Germany[3)]	→	+/-
Specialty lines	Marine (incl. energy)	↗	+
	Aviation	↗	+
	Credit, surety & political risks	↗	+
	Structured R/I & ILS	↗	+
	UK, London market & direct	↗	+
Global R/I	Global treaty[3)]	→	+
	Global cat. XL	↗	++
	Global facultative	↗	+

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

Life and health R/I will continue its success story in 2012

Development of lines of business (C/Y)

Life and health reinsurance	2012e	
The five pillars	Volume[1)]	Profitability[2)]
Financial Solutions	↗	++
New Markets	→	+/-
Bancassurance	→	+
Multinationals	↘	+
Conventional R/I	↗	+

1) In EUR, development in original currencies can be different
2) ++ = well above CoC; + = above CoC; +/- = CoC earned; - = below Cost of Capital (CoC)

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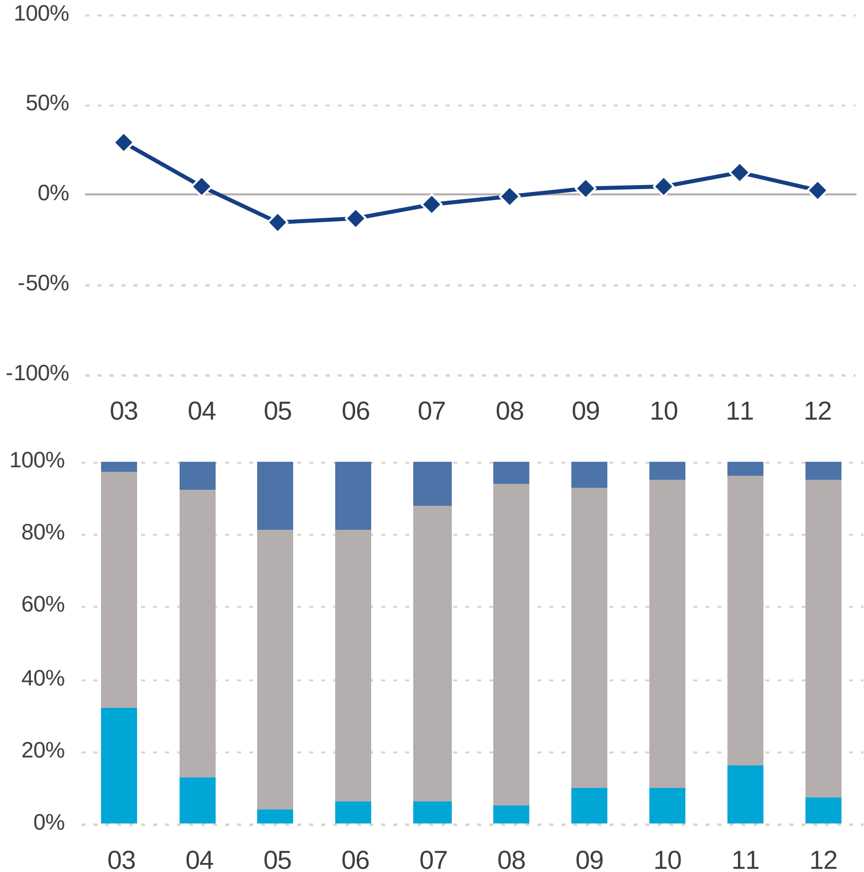
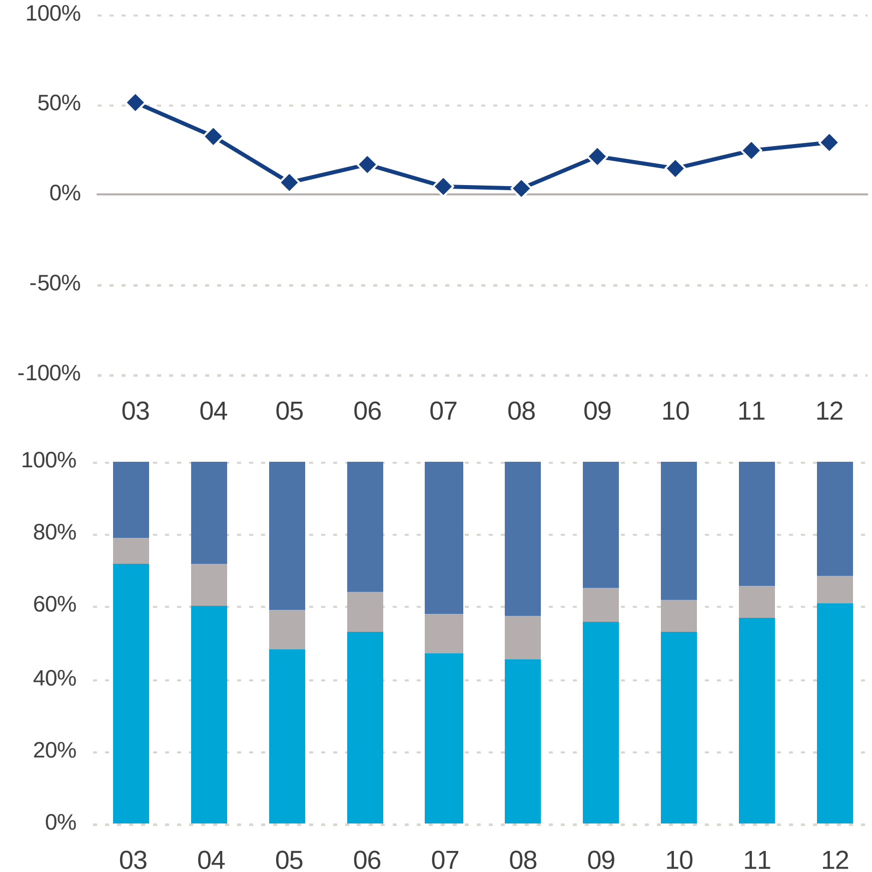
Appendix

Improvement in non-proportional business
Germany

Proportional[1)]



Non-proportional[2)]



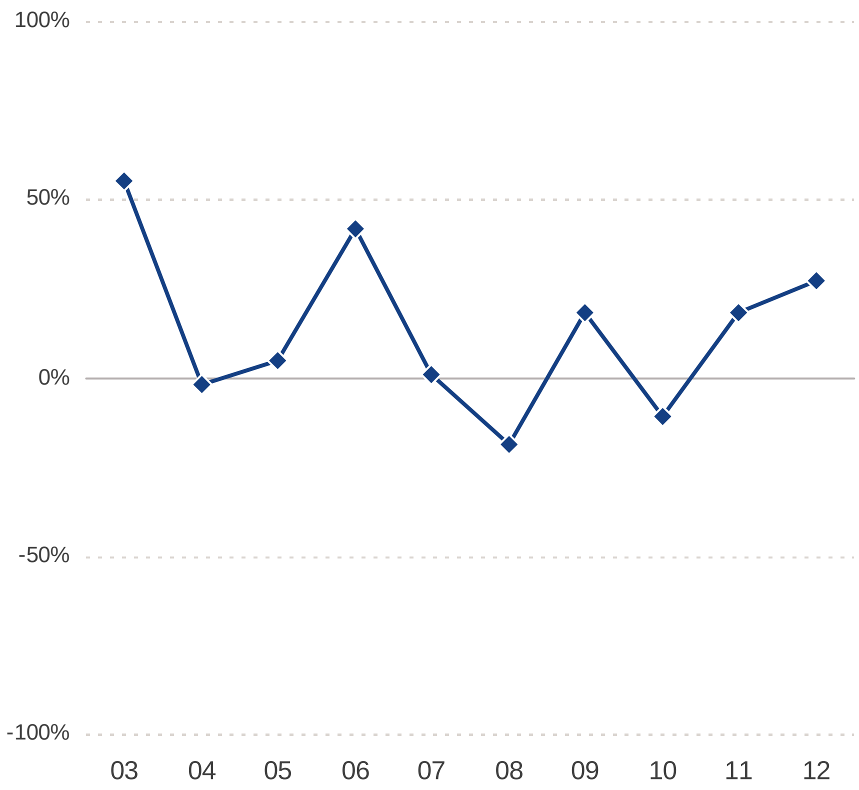
Net change (improvement - deterioration) Improvement Unchanged Deterioration

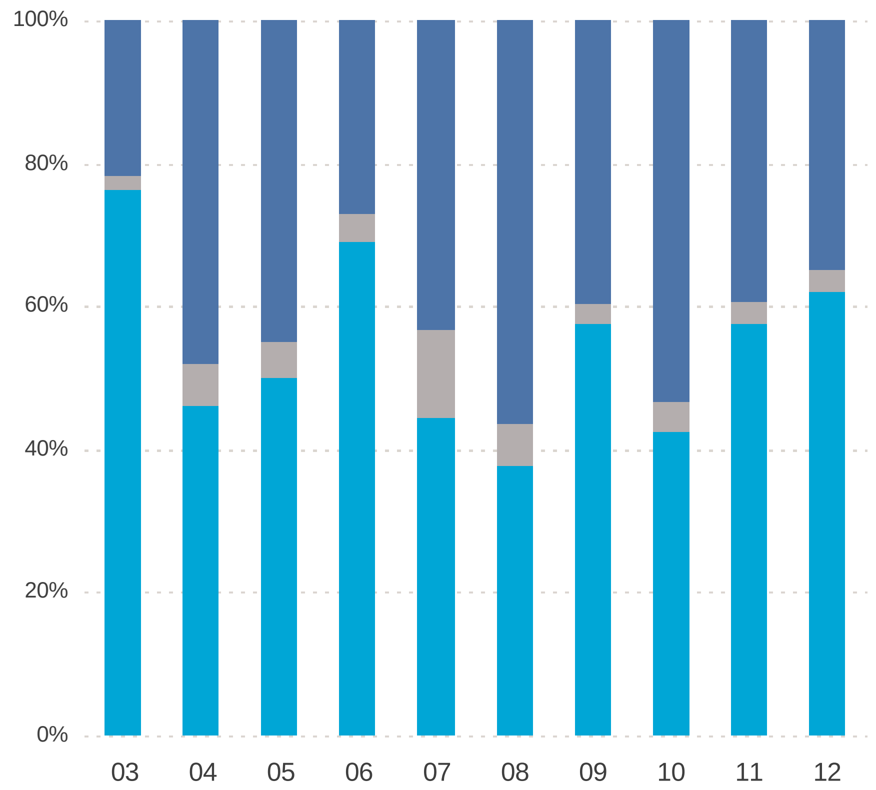
1) Comparison of commission
2) Comparison of rate on line

Again, better conditions driven by offshore energy
Marine (incl. energy)

Non-proportional

Comparison of Rate on Line (RoL)

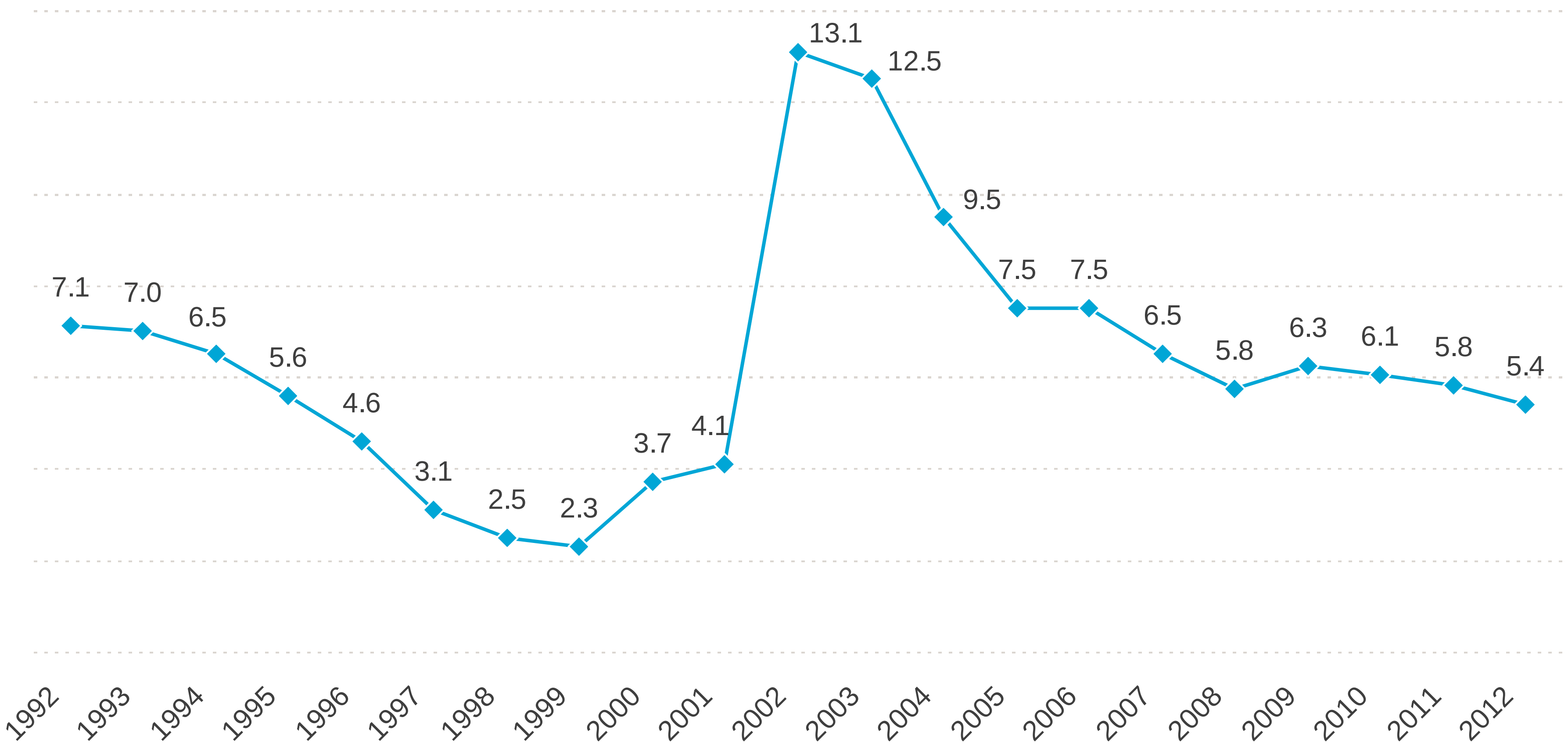




Rate on Line (RoL) above 2001 level for 11 years

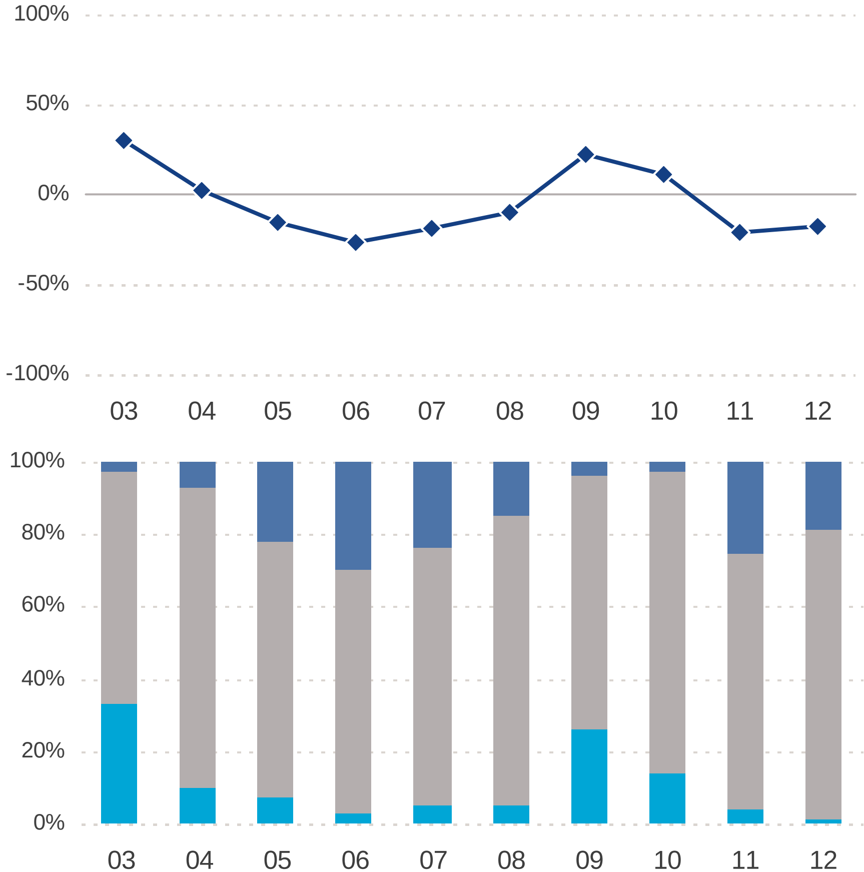
Hannover Re aviation RoL index

in %

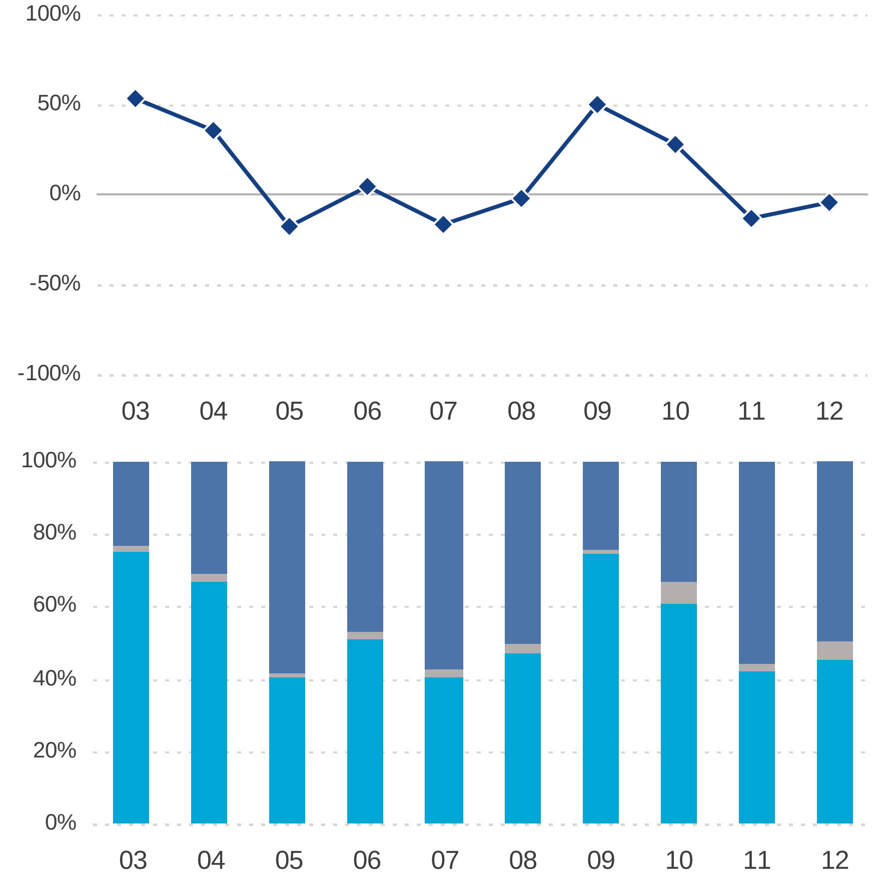


Rates still at a comfortable level despite slight weakening
Credit, surety & political risks

Proportional[1)]



Non-proportional[2)]



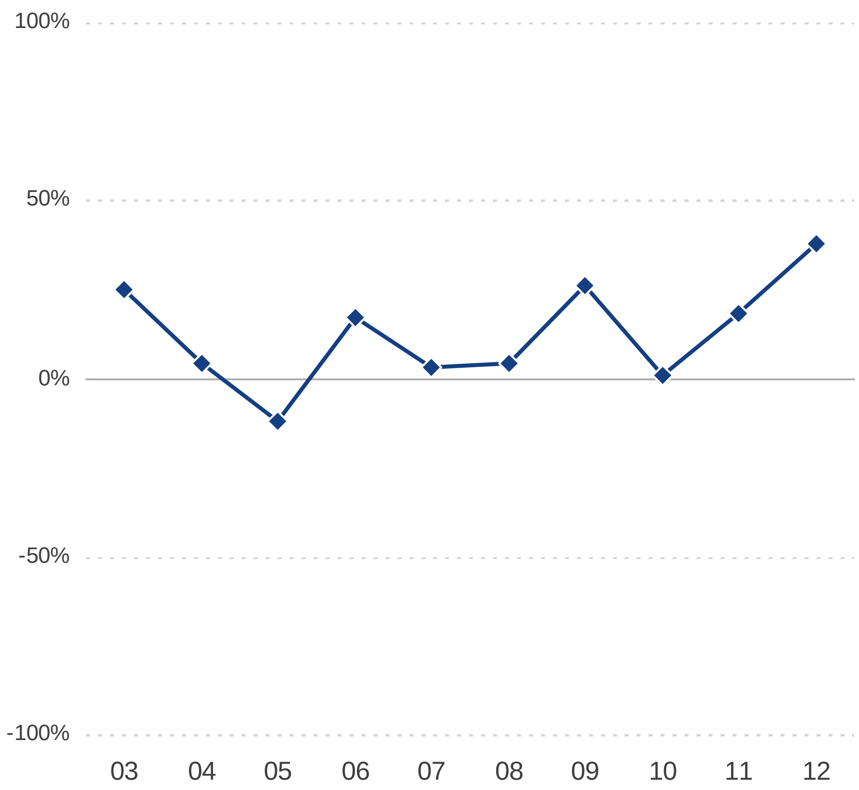
Net change (improvement - deterioration) Improvement Unchanged Deterioration

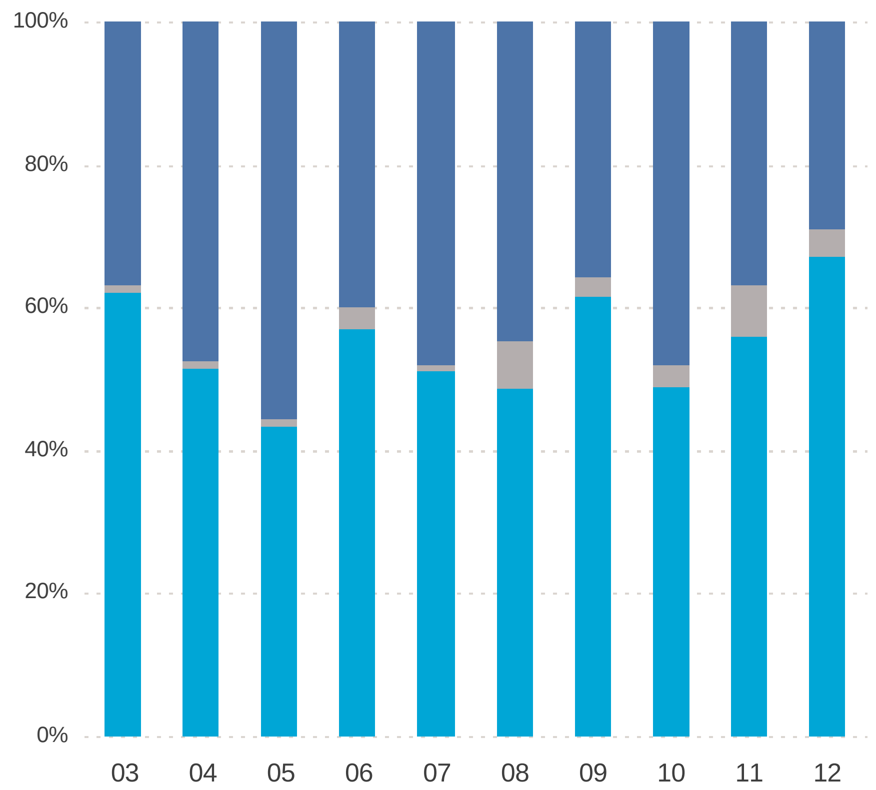
1) Comparison of commission
2) Comparison of rate on line

Pleasing rate development
UK, London market & direct

Non-proportional

Comparison of Rate on Line (RoL)



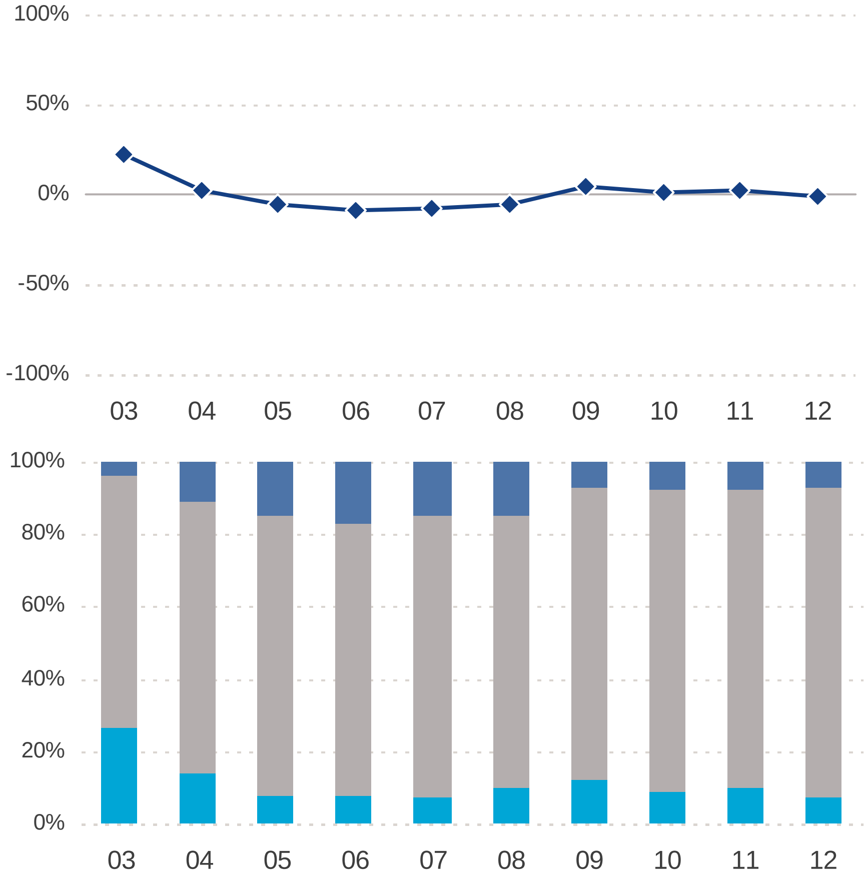


Net change (improvement - deterioration) Improvement Unchanged Deterioration

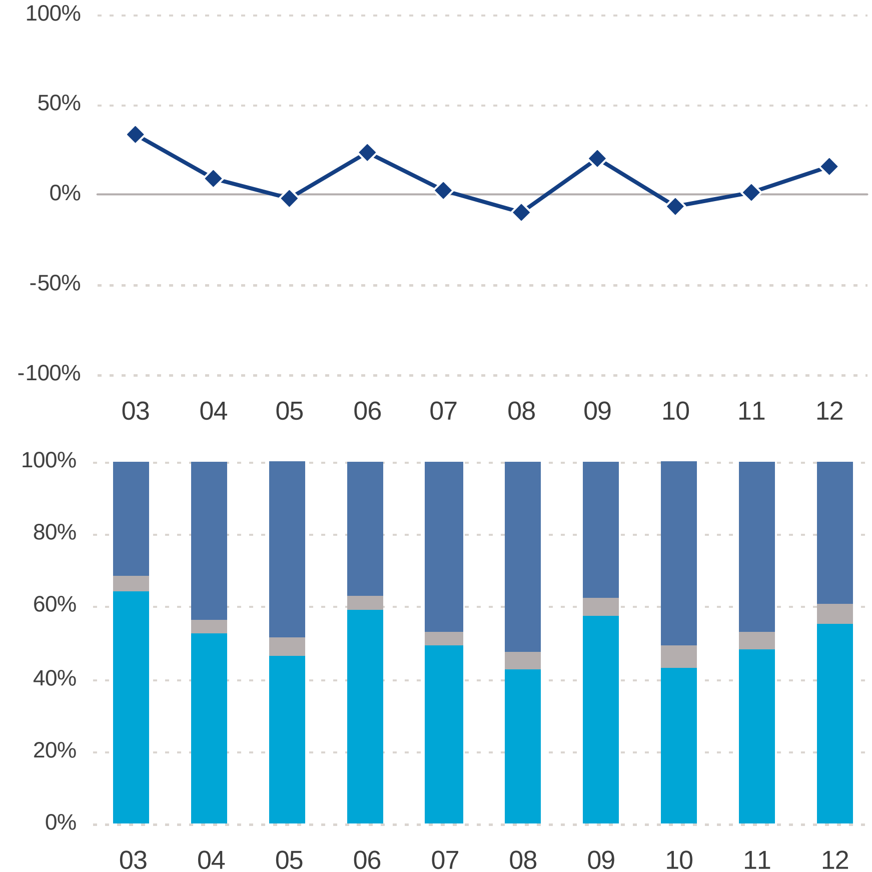
Non-proportional rates increased by 7%

Global treaty

Proportional[1)]



Non-proportional[2)]



Net change (improvement - deterioration) Improvement Unchanged Deterioration

1) Comparison of commission
2) Comparison of rate on line

Softer rates are still higher than 2006

Hannover Re US property catastrophe RoL development in %