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Conference Call on Interim Report 1/2011

Hannover, 3 May 2011

Natural catastrophes set the tone of Q1/2011

But net income still positive

Very high catastrophe burden

Stable capital markets

Favourable life reinsurance markets

- Strong growth in non-life reinsurance +11.8%
- Growth within expectations in life and health +8.1%
- Strong increase of net investment income by 40.5%, helped by inflation swaps
- Net major losses of EUR 572 m., EUR 452 m. above Q1 budget (EUR 120 m.)
- Extraordinary reserve run-offs in the region of EUR 150 m.
- EUR +113.5 m. tax refund from Federal Fiscal Court

Result 1Q/2011	
GWP:	+10.3%
NPE:	+8.8%
Net income:	EUR 52 m.
EPS:	0.43 EUR
RoE (annualised):	4.7%
Equity:	-3.6%
BPS:	EUR 36.05

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Natural catastrophes set the tone of Q1/2011

Net income and EBIT benefit from tax one-offs

Group P/L figures at a glance in m. EUR	Q1/2010	Variance	Q1/2011
Gross written premium	2,850	+10.3%	3,143
Net premium earned	2,290	+8.8%	2,491
Net underwriting result	(49)	-	(383)
Net investment income	279	+40.5%	392
- From assets under own management	206	+53.8%	316
- From funds withheld	74	+2.6%	76
Other income and expenses	8	+336.4%	37
Operating profit/loss (EBIT)	**239**	**-80.7%**	**46**
Net income before taxes	**220**	**-90.7%**	**21**
Taxes	(59)	-	59
Net income	**161**	**-50.8%**	**79**
- Non-controlling interests	10	+175.7%	27
Group net income	**151**	**-65.4%**	**52**
Retention	90.8%		89.3%
Return on investments (excl. funds withheld)	3.6%		5.0%
EBIT margin (EBIT/Net premium earned)	10.4%		1.9%
Tax ratio	26.9%		-
Earnings per share	1.25		0.43

Net income positive despite major losses

Excellent investment result, positive reserve run-offs and tax one-off

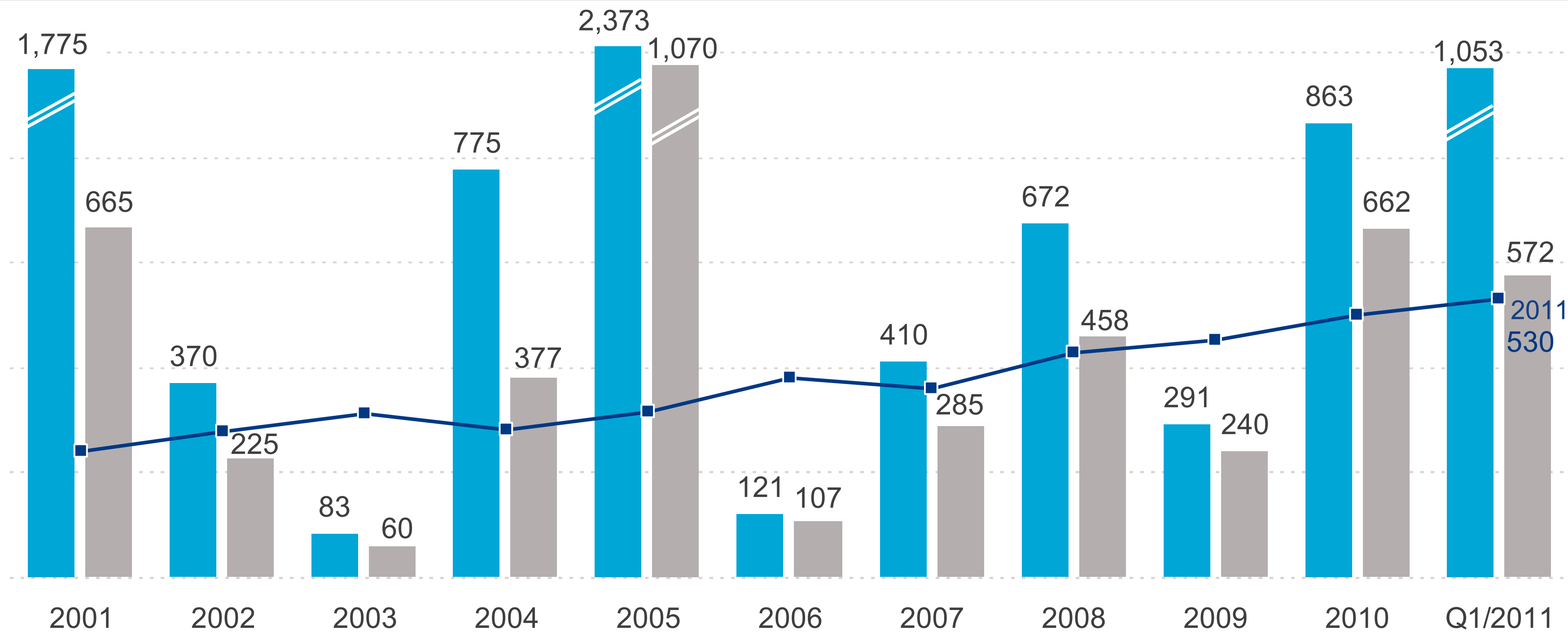
Non-life reinsurance in m. EUR	Q1/2010	Variance	Q1/2011
Gross written premium	1,722	+11.8%	1,924
Net premium earned	1,258	+9.4%	1,376
Net underwriting result	5	-	(331)
- Incl. funds withheld	8	-	(328)
Net investment income	166	+50.4%	250
- From assets under own management	164	+51.1%	247
- From funds withheld	3	+11.6%	3
Other income and expenses	(6)	-	56
Operating profit/loss (EBIT)	**166**	**-114.8%**	**(25)**
Taxes	(47)	-	68
Group net income	**109**	**-84.2%**	**17**
Retention	90.1%		87.8%
Combined ratio (incl. interest on funds withheld)	99.3%		123.8%
EBIT margin (EBIT/Net premium earned)	13.2%		-1.8%
Tax ratio	28.6%		-
Earnings per share	0.91		0.14

- Strong GWP growth of 11.8% (f/x-adjusted +10.7%), mainly due to
  - German business
  - UK
  - China
  - Specialty lines
- EUR 572 m. impact of major losses; EUR 452 m. above budget
- Extraordinary reserve run-offs in the region of EUR 150 m.
- Net investment income boosted by inflation swap (EUR 60 m.) and realised gains (EUR 39 m.)
- Other income increased by EUR 60 m. interest on tax refund
- Total tax effect on group net income due to decision of Federal Fiscal Court: EUR +113.5 m.

Budget for major losses already exhausted in Q1/2011

Natural and man-made catastrophe losses[1)]

in m. EUR



(Natural and man-made) catastrophe losses[2)]										
19 %	4 %	1 %	10 %	34 %	2 %	8 %	13 %	5 %	14 %	55 %
14 %	4 %	1 %	7 %	20 %	2 %	6 %	11 %	5 %	12 %	42 %

Gross   Net   Expected net catastrophe losses

1) Claims over EUR 5 m. gross
2) As % of non-life premium (2001 - 2006 adjusted to new segmentation)

Q1/2011: High frequency of large losses

With earthquake Japan being the largest

Catastrophe loss* in m. EUR	**Date**	**Gross**	**Net**
Flood Brisbane, Australia	10 - 31 Jan	64.8	51.5
Cyclone "Yasi", Australia	2 - 3 Feb	24.7	19.2
Frost Mexico	3 - 5 Feb	54.1	54.1
Earthquake New Zealand	22 Feb	253.5	152.3
Earthquake Japan	11 Mar	584.8	231.9
5 Natural catastrophes		**981.9**	**509.0**
Riots Tunesia	1 - 31 Jan	10.0	10.0
1 Marine claim		31.6	25.0
3 Fire claims		29.4	28.1
10 Major losses		**1,052.9**	**572.1**

* Claims over EUR 5 m. gross

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Our retrocession strategy works

- Recoveries from our retrocessions amounted to 43% of the total gross major losses in Q1/2011
- Net of reinstatement premiums the total recoveries amounted to EUR ~ 420 m.
- Provided that for Q2 - Q4/2011 the major losses would amount to the expected amount of EUR 410 m., remaining coverage from our worldwide property/catastrophe protections is EUR ~ 300 m.

Satisfying start into 2011
Reduced earnings due to currency effects

Life and health reinsurance in m. EUR	Q1/2010	Variance	Q1/2011
Gross written premium	1,128	+8.1%	1,219
Net premium earned	1,032	+8.0%	1,114
Net underwriting result	(57)	-6.0%	(54)
- Incl. funds withheld	14	+35.3%	19
Net investment income	101	+26.8%	128
- From assets under own management	30	+86.1%	55
- From funds withheld	71	+2.2%	73
Other income and expenses	19	-183.4%	(16)
Operating profit/loss (EBIT)	**63**	**-6.6%**	**58**
Group net income	**46**	**-9.4%**	**42**
Retention	91.8 %		91.5 %
EBIT margin (EBIT/Net premium earned)	6.1 %		5.2 %
Tax ratio	25.4 %		27.1 %
Earnings per share	0.38		0.34

- Gross written premium growth of 8.1% (f/x-adjusted: +5.7%) due to increased premiums in UK (Selected Annuities + BATs), whereas US business slightly reduced due to currency effects
- Strong increase of NII due to improvement of unrealised gains (Rand swap and ModCo derivative)
- Other expenses: negative impact from currencies (mainly weakening USD)

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Very satisfying investment income boosted by inflation swaps

Adjusted for inflation swaps RoI at 4.1%

in m. EUR	Q1/2010	Variance	Q1/2011
Ordinary investment income[1)]	216	+4.3%	225
Realised gains/losses	21	+83.5%	39
Impairments/appreciations[2)]	(3)	-	3
Unrealised gains/losses	(13)	-	69
Investment expenses[3)]	(16)	+23.5%	(20)
NII from assets under own mgmt.	205	+54.2%	316
NII from funds withheld	74	+2.6%	76
Total net investment income	**279**	**+40.5%**	**392**

- Increased assets lead to higher ordinary investment income
- Realised gains from further sale of government bonds and CDOs
- Unrealised gains driven by inflation swaps (EUR +60 m.)

Unrealised gains/losses (Available for sale)	31 Dec 10	31 Mar 11
Fixed income	268	142
Equities and shares in limited partnerships	277	239
Total unrealised gains and losses	**546**	**381**

- Decrease in unrealised gains in OCI of fixed-income assets due to higher yield curves

1) Incl. results from associated companies
2) Excl. depreciation on real estate
3) Incl. depreciation on real estate

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Sale of equities drives increase in STI

Total asset driven by market value, interest rate increases and currencies

Tactical Asset Allocation[1]					
Investment category	2007	2008	2009	2010	Q1/2011
Fixed-income securities	**79%**	**89%**	**87%**	**84%**	**84%**
• Governmentals	19%	28%	25%	23%	22%
• Semi-governmentals	20%	23%	26%	21%	22%
• Corporates	26%	23%	22%	25%	24%
Investment grade	24%	22%	20%	24%	24%
Non-investment grade	2%	1%	2%	1%	1%
• Pfandbriefe, Covered Bonds, ABS	15%	15%	15%	16%	16%[2]
Equities	**12%**	**3%**	**2%**	**4%**	**2%**
• Listed	10%	< 1%	< 1%	2%	< 1%
• Private Equity	2%	3%	2%	2%	2%
Real Estate / Real Estate Funds	**< 1%**	**< 1%**	**1%**	**2%**	**2%**
Others	**2%**	**2%**	**2%**	**2%**	**2%**
Short-term investments (STI) & cash	**6%**	**6%**	**8%**	**8%**	**9%**
Total balance sheet values in bn. EUR	**19.8**	**20.1**	**22.5**	**25.4**	**24.8**

1) Without outstanding commitments for Private Equity and Alternative Real Estate as well as fixed-income investments of EUR 312.6 m. (EUR 272.6 m.) as per 31 March 2011
2) Thereof Pfandbriefe and Covered bonds = 85%

Target matrix
Strategic targets 2011

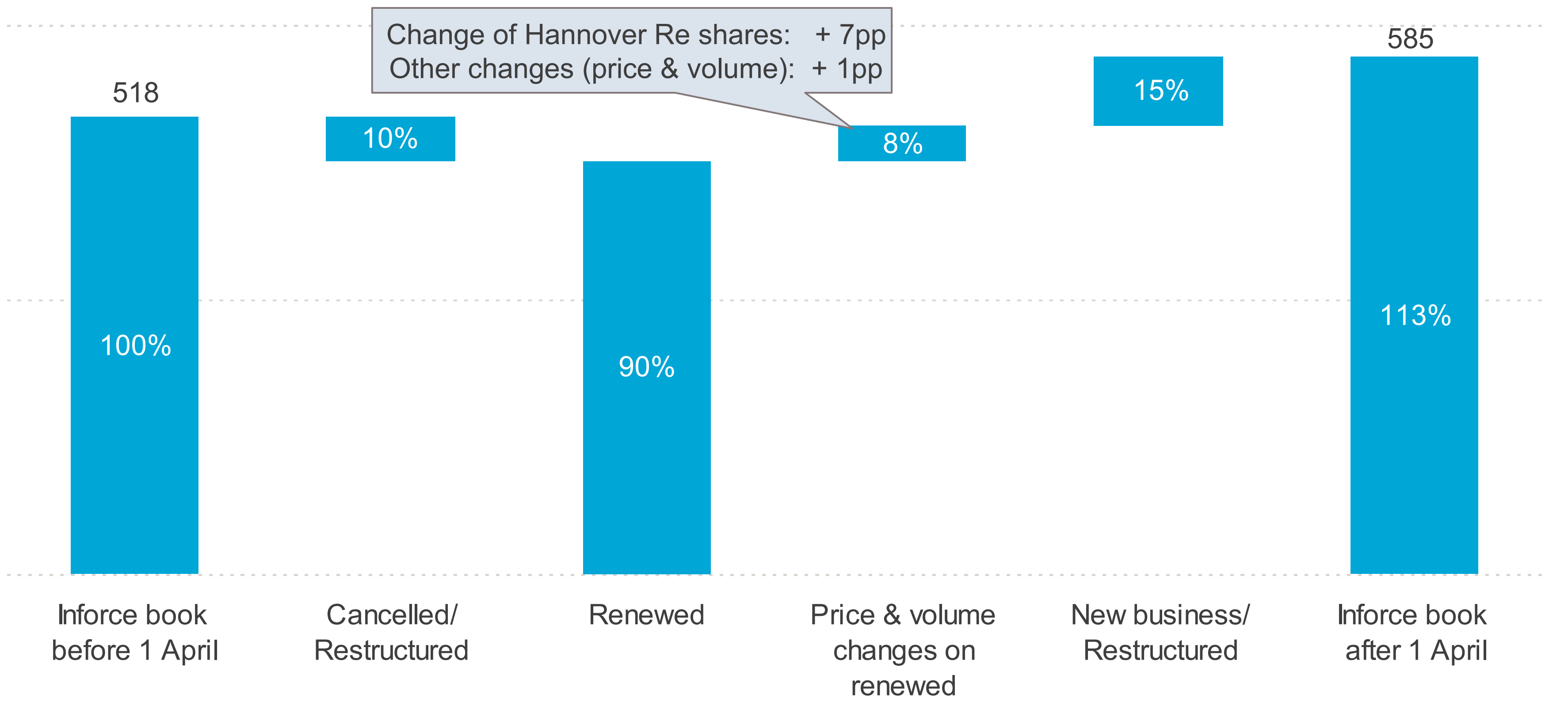
Business group	Key figures	Strategic targets	Q1/2011	2010
Non-life R/I	Combined ratio - assuming	<100%1)	123.8%	98.2% ✓
	expected net large losses2) (in m. EUR)	≤530	572,1	661,9
	EBIT margin3)	≥10%	(1.8%)	16.3% ✓
	IVC margin4)	≥2.0%	n.a.	6.0% ✓
Life and health R/I	Gross-premium growth (y-o-y)	10% - 12%5)	8.1%	12.4% ✓
	EBIT margin3)	≥6%	5.2%	6.1% ✓
	MCEV growth	≥10%	n.a.	24.3% ✓
	Value of New Business (VNB) growth	≥10%	n.a.	89.2% ✓
Group	Return on investment6)	≥3.5%7)	4.1% ✓	4.1% ✓
	Return on equity	≥11.1%8)	4.7%	18.2% ✓
Triple-10 targets →	EBIT growth (year-on-year)	≥10%	(80.7%)	2.7%
	Earnings per share growth (year-on-year)	≥10%	(65.4%)	2.1%
	Book value per share growth (year-to-date)	≥10%	(3.6%)	21.4% ✓

1) Max. tolerable combined ratio = net premium earned + [(invested non-life assets ⋅ sustainable yield) - pre-tax cost of capital]
i.e. 100% + [(~278% ⋅ 2.98%) - (~65% ⋅ 10.2%)] = ~101.7%
2) Incl. expected net NatCat loss and 2.5% long-term average of man-made losses
3) EBIT/Net premium earned
4) IVC/Net premium earned
5) Thereof 7% - 9% p.a. from organic growth and in the medium term on average 3% p.a. from opportunistic BATs
6) Assets under own management only, excl. inflation swaps
7) Risk-free rate + cost of capital
8) 5-year average government-bond yield = 3.6% + 750 bps
n.a. not applicable

Outlook on 2011

Pleasing non-life renewals
2 January 2011 - 1 April 2011

in m. EUR



Since EQ Japan reversal of the softening trend

- Pricing trends after natural catastrophes in Q1/2011
  - Australia: loss free up 20%; loss to layer up 40%
  - New Zealand: loss free up 70% to 100%; loss to layer up 100% to 150%
  - Japan:
    - Personal accident: up 10% to 25%
    - Property (proportional): reduced commissions
    - Liability: up 5%
    - Cargo: up 20% - 30%
    - Fire XL: up 5% - 10%
    - Cat XL: earthquake up 30% to 50% (major programs were extended to 7/1), wind up 5% to 25%
- Other Asian markets
  - Prices up 5% - 20%, partially up to 50%
- Hannover Re's near-term intentions in loss exposed regions
  - Australia: we are intending to expand our capacities
  - New Zealand: we participate only where prices respond very favourably
  - Japan: slightly increased capacity for loyal Japanese clients

We expect a continued hardening for the June and July renewals, also for US cat. business (additional impact of RMS model change)

Updated guidance for 2011

After Q1/2011 results reduced from EUR 650 m. to EUR 500 m.

- Hannover Re Group
  - Gross written premium (GWP)[1)] ....~ +7% - +8%
  - Net premium earned (NPE)[1)] .... ~ +7% - +8%
- Non-life reinsurance (NPE)[1)] .... ~ +5%
- Life and health reinsurance (NPE)[1)] .... ~ +10% - +12%
- Return on investment[2)3)] .... ~ 3.5%
- Net income[2)] .... ~ EUR 500 m.
- Dividend pay-out ratio[4)] .... 35% - 40%

1) At unchanged f/x rates
2) Subject to no major distortions in capital markets and/or large losses in Q2-Q4/2011 not exceeding EUR 410 m.
3) Excluding effects from inflation swaps
4) Related to group net income according to IFRS

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2010 Market Consistent Embedded Value (MCEV)

Highlights 2010

- Strong development of the MCEV from EUR 2,066.2 m to **EUR 2,568.3 m.**
- Excellent Value of New Business of **EUR 149.3 m.** (+89%)
- Value In Force increases from EUR 1,227.7 m to **EUR 1,633.3 m.**

- HR MCEV figures are consistent with the latest MCEV principles (published by the CFO Forum in October 2009)
  - No allowance for liquidity premium in the basic MCEV
  - New: sensitivity of a liquidity premium of 10 bps

Substantial increase of MCEV, high return on MCEV

Analysis of Change (AoC) [1)]

in m. EUR	2009	2010
Opening MCEV	1,482.1	2,066.2
Opening Adjustments	(29.0) [2)]	204.4 [3)]
Adjusted Opening MCEV	**1,453.1**	**2,270.6**
Operating MCEV Earnings	168.3	289.6 [2)]
Economic variances	177.5	159.2
Total MCEV Earnings	**345.9**	**448.8**
MCEV before Closing Adjustments	**1,799.0**	**2,719.5**
Closing Adjustments	267.2 [3)]	(151.2)
Closing MCEV	**2,066.2**	**2,568.3**
Return on MCEV [4)]	**23.8%**	**19.8%**
due to - Operating MCEV Earnings	11.6%	12.8%
- Economic variances	12.2%	7.0%

1) As of 2010 without minority interest; previous year's figures restated
2) Model Changes are shown under Operating MCEV Earnings (2009: under Opening Adjustments)
3) Change of currency exchange rates are shown under Opening Adjustments (2009: under Closing Adjustments)
4) (MCEV before Closing Adjustments – Adjusted Opening MCEV) / Adjusted Opening MCEV

Strong result from operating business
Operating MCEV Earnings

in m. EUR	2009	2010
New business value	78.9	149.3
Expected existing business contribution (reference rate)[1)]	72.0	90.2
Expected existing business contribution (in excess of reference rate)[2)]	9.4	18.7
Experience variances	(6.1)	1.4
Assumption changes	40.2	(34.5)
Other operating variance	(26.1)	64.7
Operating MCEV Earnings	**168.3**	**289.6**

1) Swap Yield Rates
2) Additional return consistent with the expectation of the management

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Excellent Value of New Business

in m. EUR	2009	2010
Profit/Loss on new business during year	(295.1)	(127.4)
Present Value of New Business Profits	706.4	331.0
- Cost of Residual Non Hedgeable Risks	(303.6)	(42.9)
- Financial Options and Guarantees	0.0	0.0
- Frictional Costs of Required Capital	(28.8)	(11.4)
Value of New Business	**78.9**	**149.3**

- The excellent 2010 figure is mainly driven by:
  - Individual Life business written by the French and Asian branches
  - Block assumption transactions (longevity swaps) in the United Kingdom
  - Financial Solution treaties with primary insurance companies located in the US
- The 2009 figure was relative low due to business sensitive to mortality changes (resulting in high Cost of Residual Non Hedgeable Risks)

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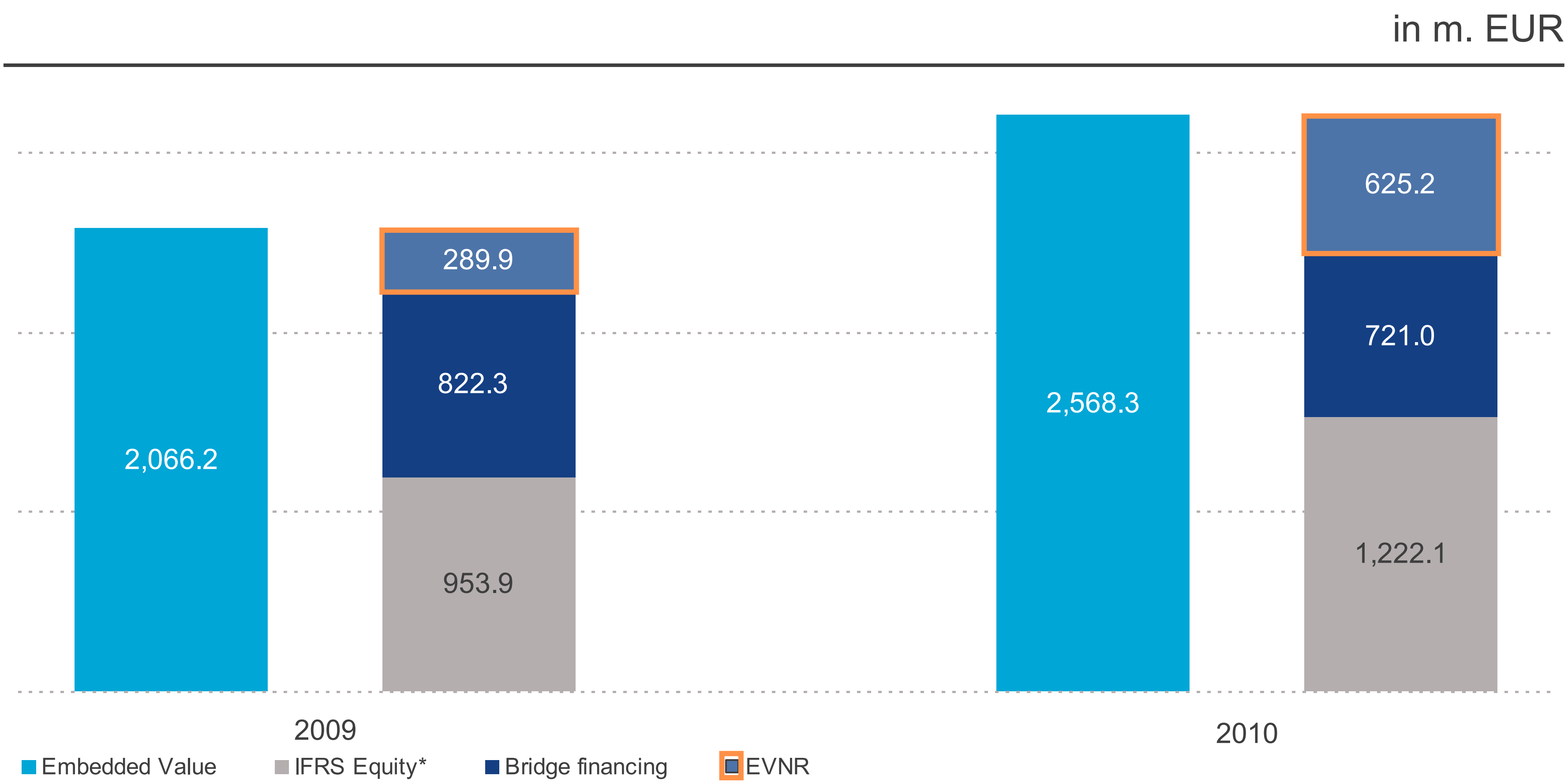
Embedded Value Not Recognised more than doubled
Reconciliation to IFRS equity demonstrates "off balance sheet"-values



* After elimination of surplus notes

The EVNR increases from EUR 289.9 m. to EUR 625.2 m.

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MCEV per Hannover Re share

	2009	Variance	2010
MCEV in m. EUR	2,066.2	+24.3%	2,568.3
Number of shares in m.	120.6	+0.0%	120.6
Share price in EUR	32.71	+22.6%	40.14
MCEV per Hannover Re share in EUR	**17.13**	**+24.3%**	**21.30**
Book value per share (IFRS)	30.80	+21.4%	37.39

MCEV increase exceeds book value growth and share price growth

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Strong development over the last years

MCEV and its components since 2007

in m. EUR	2007	2008	2009	2010
Present Value of Future Profits	1,209.4	1,159.8	1,798.2	2,211.5
- Cost of Residual Non-Hedgeable Risks	(243.6)	(241.3)	(480.9)	(455.9)
- Financial Options and Guarantees	(6.4)	(41.2)	(6.9)	(19.2)
- Frictional Costs of Required Capital	(36.6)	(45.5)	(82.6)	(103.2)
Value In Force	**922.8**	**831.8**	**1,227.7**	**1,633.3**
Shareholders' Net Worth after consolidation	**617.2**	**650.3**	**838.6**	**935.0**
Market Consistent Embedded Value	**1,540.0**	**1,482.1**	**2,066.2**	**2,568.3**

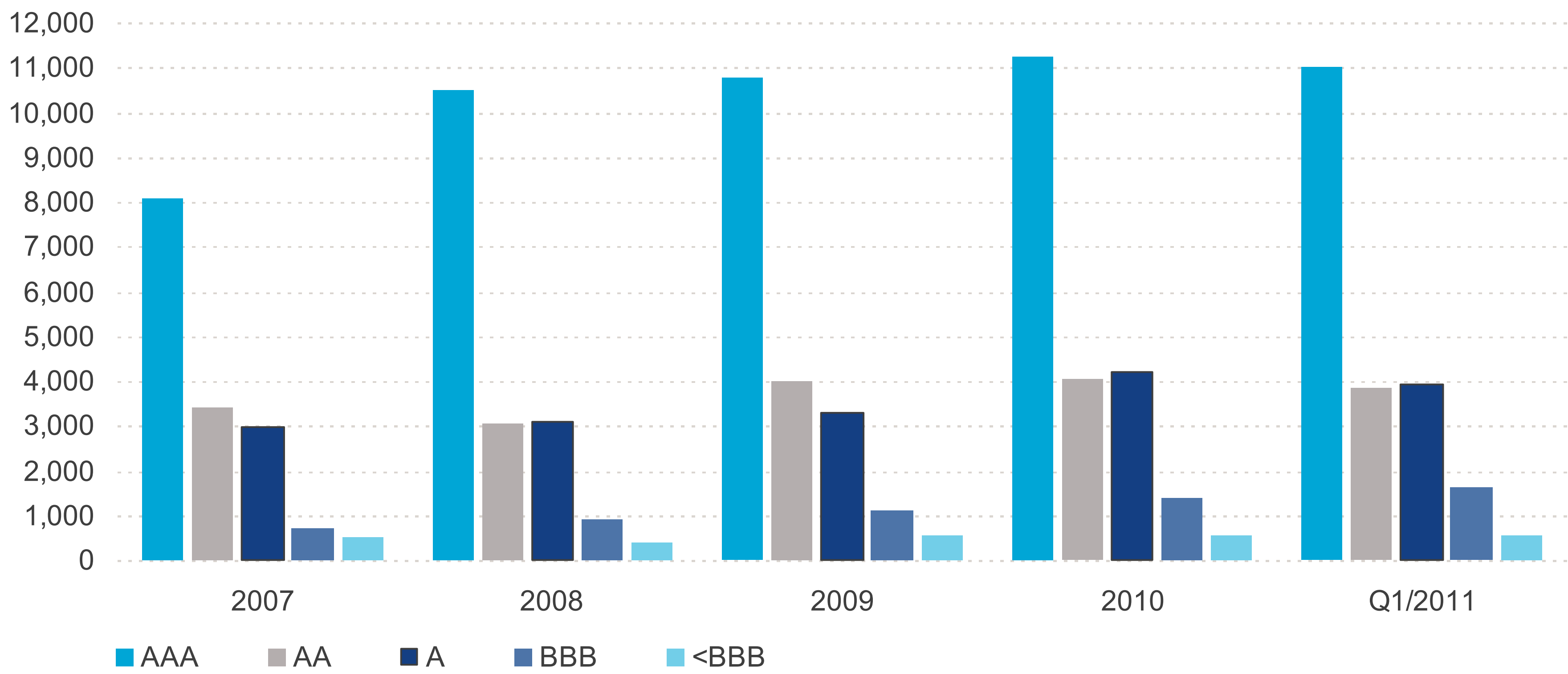
Appendix

Our strategic business groups at a glance

	Non-life reinsurance		Life and health reinsurance		Consolidation		Total	
in m. EUR	Q1/2010	Q1/2011	Q1/2010	Q1/2011	Q1/2010	Q1/2011	Q1/2010	Q1/2011
Gross written premium	1,722	1,924	1,128	1,219	0	(0)	2,850	3,143
Change in GWP	-	+11.8%	-	+8.1%	-	-	-	+10.3%
Net premium earned	1,258	1,376	1,032	1,114	(0)	(0)	2,290	2,491
Net underwriting result	5	(331)	(57)	(54)	2	2	(49)	(383)
- Incl. funds withheld	8	(328)	14	19	2	2	25	(307)
Net investment income	166	250	101	128	12	14	279	392
- From assets u. own mgmt	164	247	30	55	12	14	206	316
- From funds withheld	3	3	71	73	0	0	74	76
Other income and expenses	(6)	56	19	(16)	(4)	(4)	8	37
Operating profit/loss (EBIT)	**166**	**(25)**	**63**	**58**	**11**	**12**	**239**	**46**
Interest on hybrid capital	0	0	0	(0)	(19)	(26)	(19)	(26)
Net income before taxes	**166**	**(25)**	**63**	**58**	**(8)**	**(13)**	**220**	**21**
Taxes	(47)	68	(16)	(16)	4	7	(59)	59
Net income	**118**	**43**	**47**	**43**	**(4)**	**(6)**	**161**	**79**
- Minority interest	9	26	1	1	0	(0)	10	27
Group net income	**109**	**17**	**46**	**42**	**(4)**	**(6)**	**151**	**52**
Retention	90.1%	87.8%	91.8%	91.5%			90.8%	89.3%
Combined ratio (incl. interst on funds withheld)	99.3%	123.8%	98.6%	98.3%			98.9%	112.3%
EBIT margin (EBIT/Net premium earned)	13.2%	-1.8%	6.1%	5.2%			10.4%	1.9%
Tax ratio	28.6%	-	25.4%	27.1%			26.9%	-
Earnings per share	0.91	0.14	0.38	0.34	(0.03)	(0.05)	1.25	0.43

Focus on high quality securities
Strategically short modified duration

Fixed-income portfolio in m. EUR



S&P financial strength rating

Modified duration as of 31 Mar 2011: 3.4 (2010: 3.5)

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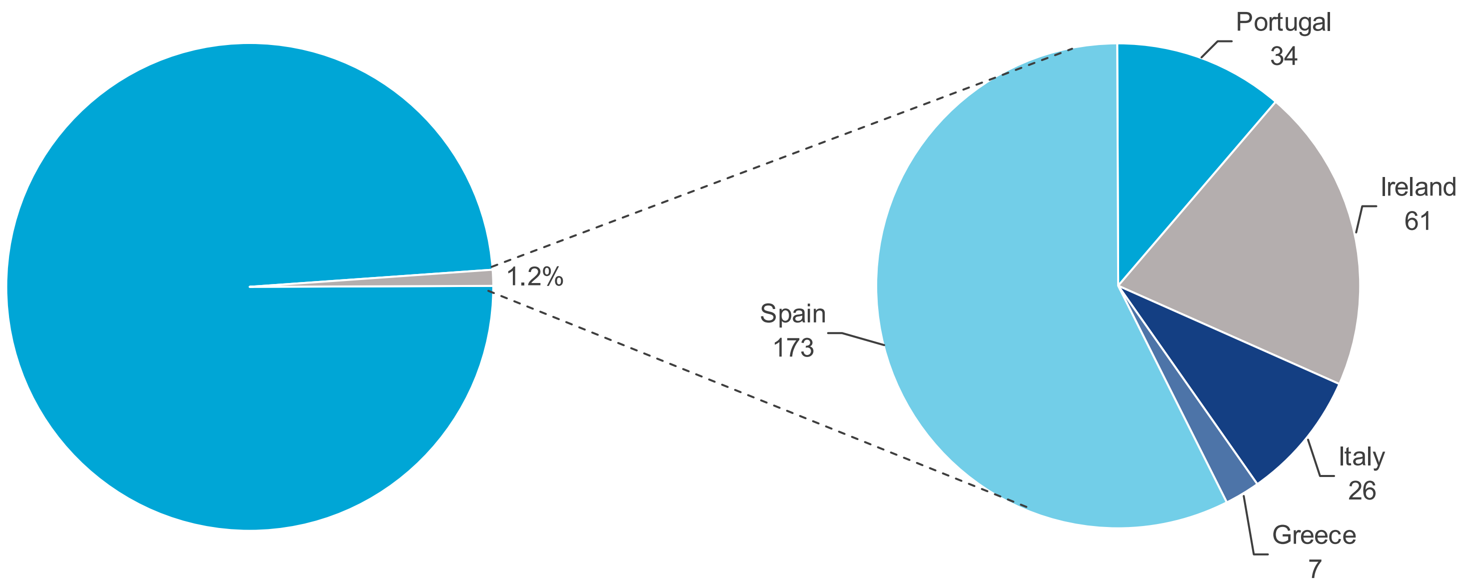
No material exposure in Southern Europe and Ireland

Merely 1.2% of total assets under own management

Asset allocation

in m. EUR



Total assets under own mgmt.
EUR 24,971 m.*

EUR 301 m.*

- Ireland exposure due to local Hannover Re entities
- Non-significant exposures in Greece and Portugal reflect cautious strategy

* Market value as at 31 March 2011

Stress tests

Portfolio	Scenario	Change in market value in m. EUR	Changes in OCI before tax in m. EUR
Equities	Prices -10%	-4	-4
Equities	Prices -20%	-7	-7
Equities	Prices -30%	-11	-11
Fixed-income securities	Yield increase +50 bps	-406	-320
Fixed-income securities	Yield decline -50 bps	419	331
Fixed-income securities	Yield increase +100 bps	-797	-626
Fixed-income securities	Yield decline -100 bps	855	676

As at 31 March 2011

Partial hedging of technical inflation risks. . .
. . .via inflation swaps in Q2/2010 and Q1/2011

Volume EUR	EUR 930 m.
Volume USD	USD 2.530 m.
Covered level of inflation	2.17%
Average remaining maturity	4.1 years
Market value as of 31 March 2011	EUR 31.0 m.

- Rise in inflation expectation leads to higher market values of inflation swaps
- Unrealised gains through p/l in Q1/2011: EUR +60 m.

EUR Zero Coupon Swap Rates

remaining maturity	Fixing (covered level of inflation)	EUR Zero Coupon Swap Rates (aktual marktet expectation)
approx. 3 years	1.82%	2.40%
approx. 4 years	1.88%	2.34%
approx. 8 years	2.54%	2.39%

USD Zero Coupon Swap Rates

remaining maturity	Fixing (covered level of inflation)	USD Zero Coupon Swap Rates (aktual marktet expectation)
approx. 3 years	2.07%	2.55%
approx. 4 years	2.24%	2.53%
approx. 8 years	2.55%	2.62%

Impact of the inflation swaps

Overview of sensitivities

- Current holding of inflation swaps of EUR 2.7 bn. (equivalent swap volume) reacts as follows on underlying risk factors:

in m. EUR	Change in market value
Inflation expectation*: +100 bps	+ 109
Inflation expectation*: -100 bps	- 105
Inflation expectation*: +400 bps	+ 460
Interest curves	marginal reagibility
Credit spreads	no reagibility
Equity markets	no reagibility

* CPI - Consumer Price Index (US inflation index)
HICP - Harmonized Indices of Consumer Prices (EU inflation index; actually traded is the sub index HICP ex tobacco)

MCEV components
Strong development of MCEV in 2010

in m. EUR	2009	Variance	2010
Free Surplus	772.1	+13.5%	876.7
Required Capital	1,246.0	-0.7%	1,237.4
Shareholders' Net Worth	**2,018.1**	**+4.8%**	**2,114.1**
Present Value of Future Profits	1,798.2	+23.0%	2,211.5
- Cost of Residual Non-Hedgeable Risks	(480.9)	-5.2%	(455.9)
- Financial Options and Guarantees	(6.9)	+178.3%	(19.2)
- Frictional Costs of Required Capital	(82.6)	+24.9%	(103.2)
Value In Force	**1,227.7**	**+33.0%**	**1,633.3**
MCEV before consolidation	**3,245.8**	**+15,5 %**	**3,747.4**
Consolidation	(1,179.5)	-0.0%	(1,179.1)
MCEV after consolidation	**2,066.2**	**+24.3%**	**2,568.3**

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Sensitivities of the Market Consistent Embedded Value

in m. EUR	Total
MCEV (basic)	2,568.3
Sensitivities to economic assumptions	
Interest rate environment +100 bps	-13.5
Interest rate environment -100 bps	+7.9
Swaption implied volatilities +25%	-4.8
Sensitivities to non-economic assumptions	
Expenses -10%	+48.1
Lapse +10%	-206.2
Lapse -10%	+114.3
Mort./Morb. +5%, life/disab. bus. only	-617.4
Mort./Morb. -5%, life/disab. bus. only	+802.3
Mort./Morb. +5%, annuity bus. only	+59.7
Mort./Morb. -5%, annuity bus. only	-63.0

- Base run without liquidity premium
- The impact of the sensitivity 'Liquidity Premium +10 bps' is immaterial (< 1% of MCEV) and therefore not shown

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