

# Hannover Re

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## Conference Call on Q2/2025 financial results

Hannover, 12 August 2025

somewhat different



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# 1

## Group overview

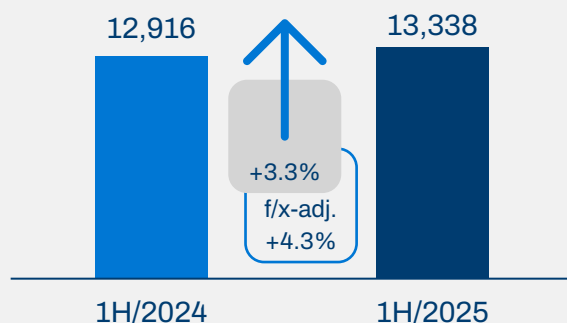
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# 1H/2025 performance strongly supports full-year targets

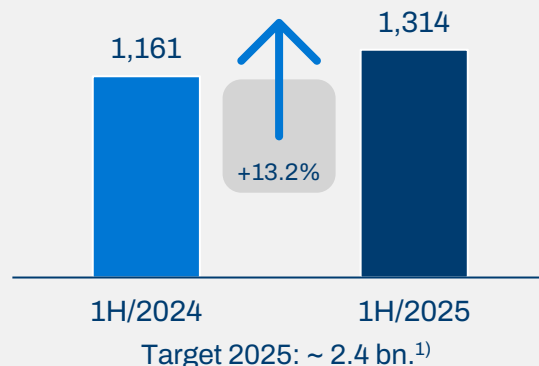
Strong underlying profitability and positive f/x effects allowed for additional balance-sheet strengthening

## Group

### Reinsurance revenue



### Group net income



#### RoE

**23.0%**

Financial ambition: > 14%

#### RoI

**3.3%**

Target 2025: ≥ 3.2%

#### CSM (net)

**8.5 bn.**

+3.8% (vs. 31.12.2024)

#### Total investments

**62.6 bn.**

-4.9% (vs. 31.12.2024)

#### Shareholders' equity

**11.1 bn.**

-5.9% (vs. 31.12.2024)

#### Solvency ratio³)

**261%**

Financial ambition: > 200%

## P&C reinsurance

### Reinsurance revenue (gross)

**9.5 bn.**

+4.8% (f/x-adj. +6.0%)

Target 2025: +7%²)

### New business CSM & LC (net)

**2.0 bn.**

+6.3% (compared to prior year)

### Combined ratio

**87.8%**

**88.4%**

1H/2024

1H/2025

Target 2025: < 88%

## L&H reinsurance

### Reinsurance revenue (gross)

**3.8 bn.**

-0.5% (f/x-adj. +0.3%)

### New business CSM & LC (net)

**200 m.**

+14.5% (-7.4% incl. extensions on existing contracts of 147 m.)

### Reinsurance service result

**448**

**445**

1H/2024

1H/2025

Target 2025: > 875 m.

Figures in m. EUR unless otherwise stated

1) Subject to no major distortions in capital markets and/or major losses not exceeding the large loss budget of EUR 2.1 bn. in 2025

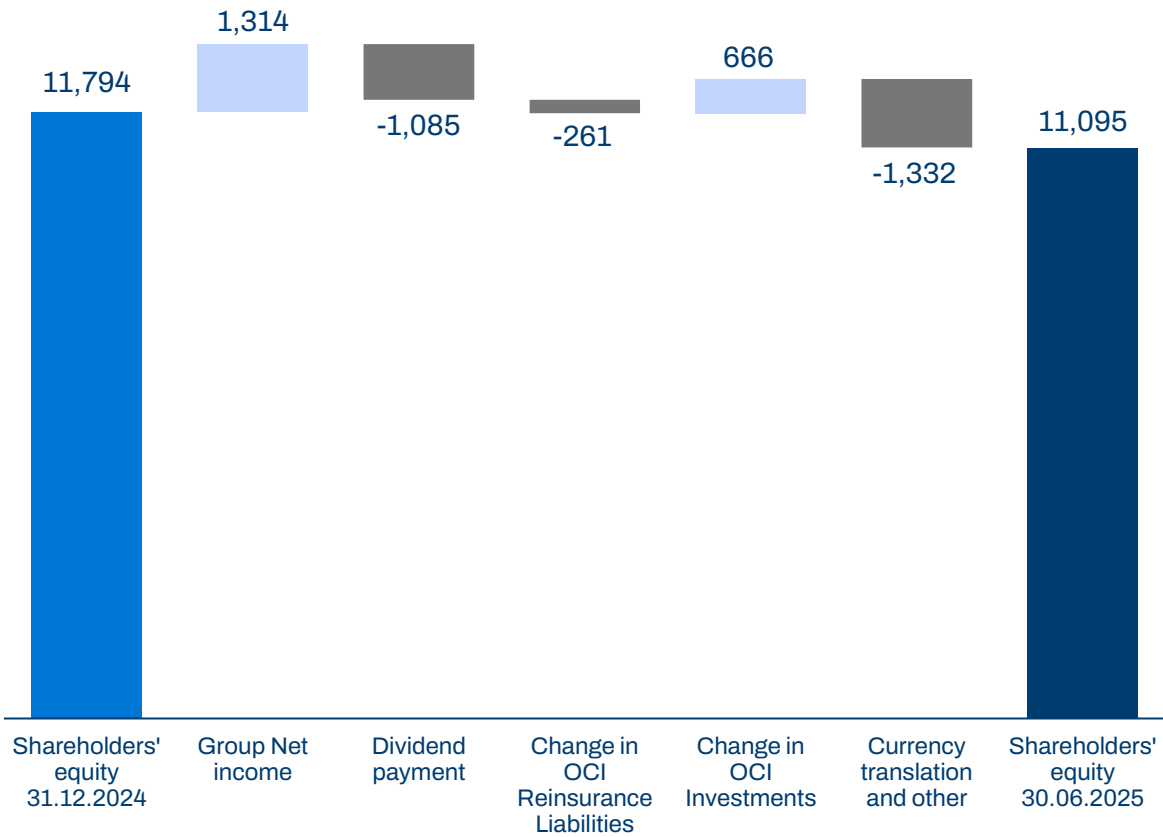
2) At unchanged f/x rates

3) Including foreseeable ordinary dividend recognized on a pro-rata basis

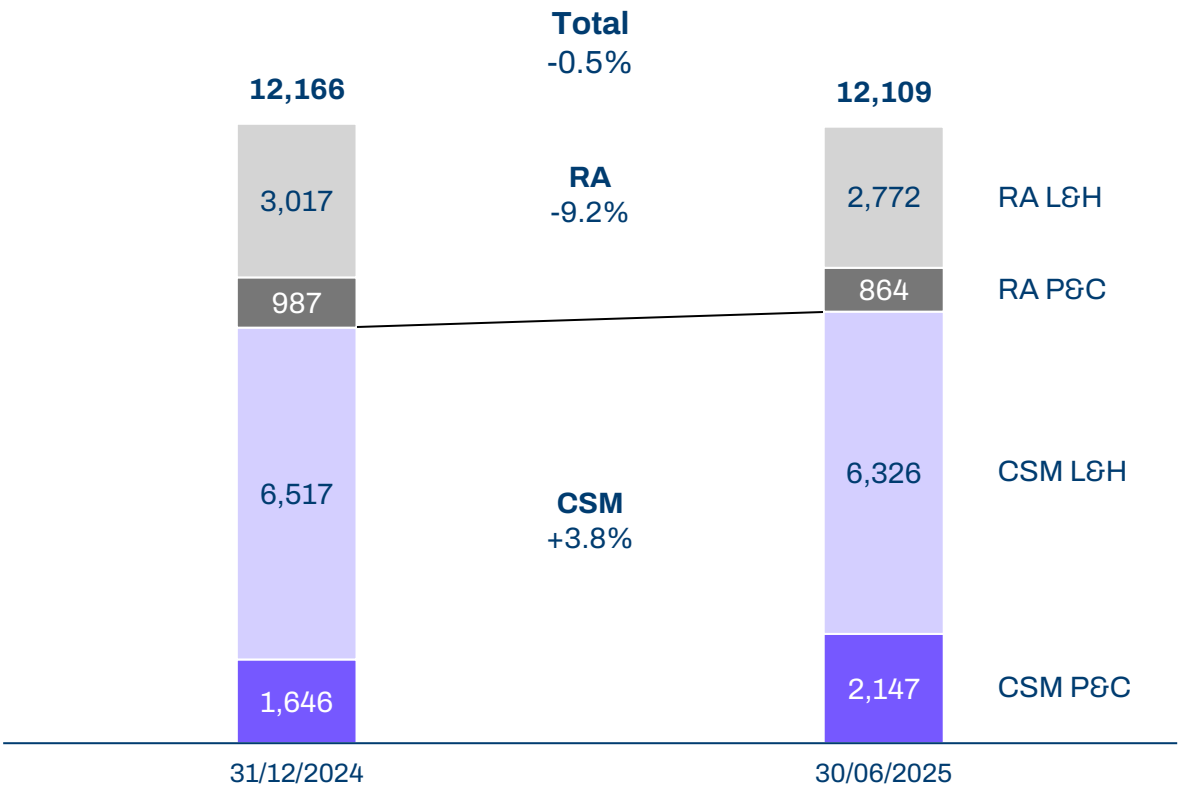
# Decrease in shareholders' equity driven by negative currency effects and dividend payout

## Favourable underlying growth in CSM dampened by currency effects

Change in shareholders' equity



Contractual Service Margin (CSM) and Risk Adjustment (RA)



Figures in m. EUR unless otherwise stated

# 2

## Property & Casualty reinsurance

# Continued strong growth in a favourable market environment

Strong underlying profitability and positive currency effects allowed for additional prudence in reserving

Property & Casualty R/I	Q2/2024	Q2/2025	1H/2024	1H/2025
Reinsurance revenue (gross)	4,356	4,453	9,099	9,539
Reinsurance revenue (net)	3,655	3,924	7,895	8,403
Reinsurance service result	454	703	963	975
Reinsurance finance result	-192	-289	-420	-572
Investment income	376	363	797	832
Other result	-107	73	-180	59
<b>Operating profit/loss (EBIT)</b>	<b>532</b>	<b>851</b>	<b>1,160</b>	<b>1,295</b>
Combined ratio (net)	87.6%	82.1%	87.8%	88.4%
New business CSM (net)	411	457	1,864	1,995
New business LC (net)	7	-12	-16	-30

All figures in m. EUR unless otherwise stated  
LC = loss component, NDIC = non-distinct investment component

## YTD

### Reinsurance revenue

- Strong and diversified underlying growth in line with expectation
- Reinsurance revenue (f/x-adjusted +6.0%) impacted by refinement in NDIC calculation with no impact on reinsurance service result, adjusted revenue growth >10%

### Reinsurance service result

- Net large losses of 976 m. slightly above budget of 935 m.
- Result reflects strong underlying profitability and additional prudence in reserving
- Combined ratio slightly above target due to large losses and further reserve prudence; discounting effect of ~9% reflects reserve increases in long-tail lines

### Reinsurance finance result

- Further increase reflects continued high interest rates

### Investment result

- Investment income reflects favourable ordinary income and moderate realisation of fixed-income hidden losses in Q2 (~60 m.)

### Other result

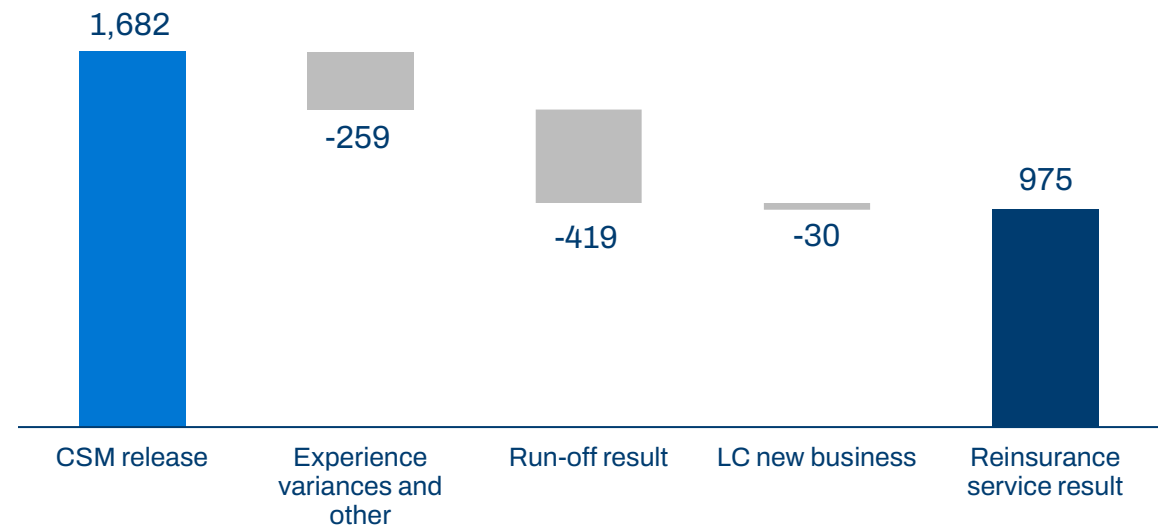
- Currency result of 232 m, mainly driven by weakening of USD



# Strong and diversified new business CSM reflects attractive market environment

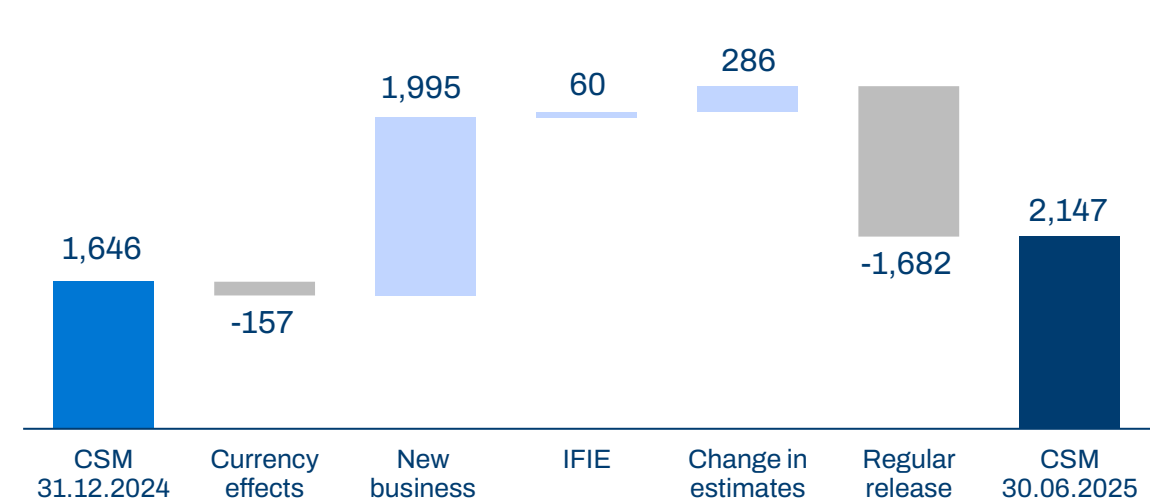
## Positive underlying run-off result offset by additional prudence in reserving

### Reinsurance Service Result



- CSM release resulting from successful renewals in 2024 & 2025 as well as minor catch-up effects due to prudent release in previous periods
- Negative experience variance mainly due to exceeding of large-loss budget and prudent reserving for current underwriting years
- Positive underlying reserve run-off more than offset by additional prudence
- Minor new business loss component reflects favourable market conditions

### Contractual Service Margin (net)



- Diversified contribution to New Business (NB) CSM, mainly driven by EMEA and Americas
- Change in estimates mainly driven by volume updates

All figures in m. EUR unless otherwise stated



# 3

## Life & Health reinsurance

# Business performance reflects favourable underlying profitability

## Reinsurance service result provides good support for full-year target

Life & Health R/I	Q2/2024	Q2/2025	1H/2024	1H/2025
Reinsurance revenue (gross)	1,888	1,916	3,817	3,799
Reinsurance revenue (net)	1,601	1,700	3,363	3,440
Reinsurance service result	237	201	448	445
Reinsurance finance result	-47	-45	-80	-96
Investment income	135	105	211	213
Other result	-5	-44	-78	-92
<b>Operating profit/loss (EBIT)</b>	<b>320</b>	<b>217</b>	<b>501</b>	<b>470</b>
New business CSM (net)	88	85	185	217
New business LC (net)	-2	-8	-10	-16
NB CSM & LC incl. extensions on existing contracts	199	132	375	347

All figures in m. EUR unless otherwise stated

LC = Loss component

1) Traditional business = Mortality + Morbidity business

### YTD

#### Reinsurance revenue

- Stable revenue (f/x-adjusted +0.3%), decrease in Traditional business<sup>1)</sup> in Greater China and US, partly offset by Longevity and Financial Solutions

#### Reinsurance service result

- In line with full-year target
- Positive experience variances in all reporting categories
- Increase in risk adjustment for Morbidity business

#### Investment result

- In line with expectation, reflecting good ordinary income

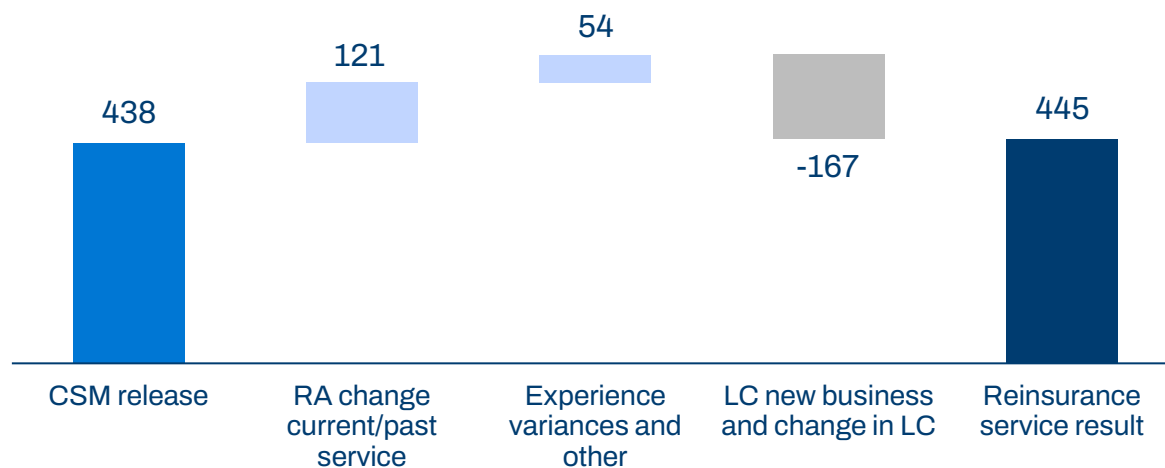
#### Other result

- Minor impact from currency result (4 m.)

# Favourable underlying growth in CSM offset by negative impact from currency effects

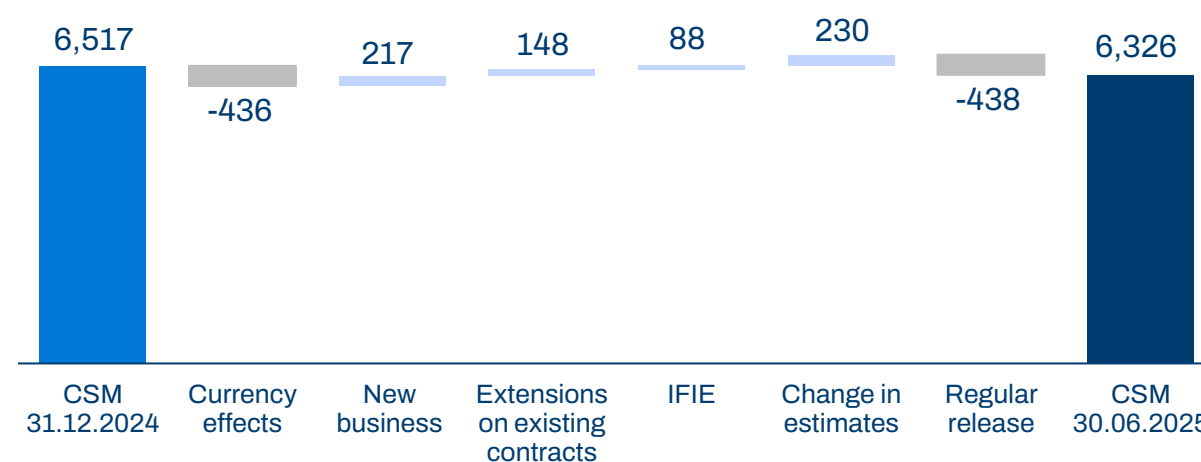
## F/x-adjusted CSM growth of 3.8% above full-year target

### Reinsurance Service Result



- Strong profitability with CSM and risk adjustment release in line with expectation
- Positive experience variances in all reporting categories
- Change in LC mainly driven by Morbidity business, including increase in risk adjustment; new business LC -16 m.

### Contractual Service Margin (net)



- Overall successful new business generation of 365 m., diversified contribution from Financial Solutions and Traditional business
- Changes in estimates mainly driven by Longevity
- Underlying growth in CSM offset by negative impact from currency effects (mainly USD)

All figures in m. EUR unless otherwise stated

# 4

## Investments

## Rol of 3.3% slightly above target despite moderate realisation of fixed income losses

in m. EUR	1H/2024	1H/2025	Rol
Ordinary investment income <sup>1)</sup>	1,149	1,239	3.9%
Realised gains/losses	-30	-70	-0.2%
Depreciations Real Assets, Impairments	-30	-31	-0.1%
Change in ECL	11	-12	0.0%
FVTPL - valuation <sup>2)</sup>	5	21	0.1%
Investment expenses	-96	-101	-0.3%
<b>Investment result</b>	<b>1,009</b>	<b>1,046</b>	<b>3.3%</b>

Unrealised gains/losses on investments (OCI)	31 Dec 24	30 Jun 25
Fixed Income	-3,299	-2,571
Equities (non-recycling)	-1	4
Real Assets	529	501
Others (Participations etc.)	355	-58
<b>Total</b>	<b>-2,415</b>	<b>-2,124</b>

All figures in m. EUR unless otherwise stated

1) Incl. results from associated companies

2) Fair Value Through P/L of financial instruments

### YTD

- Increase in ordinary income supported by strong operating cash flow and alternative investments; 69 m. contribution from inflation-linked bonds
- Realised losses mainly driven by active realisation of hidden fixed-income losses (~60 m.), smaller positive contributions from real estate
- Moderate impact from change in ECL
- Overall positive result from change in fair value of financial instruments
- Change in unrealised gains for participations reflects assets held for sale, OCI from fixed income driven by shift in yield curves

# 5

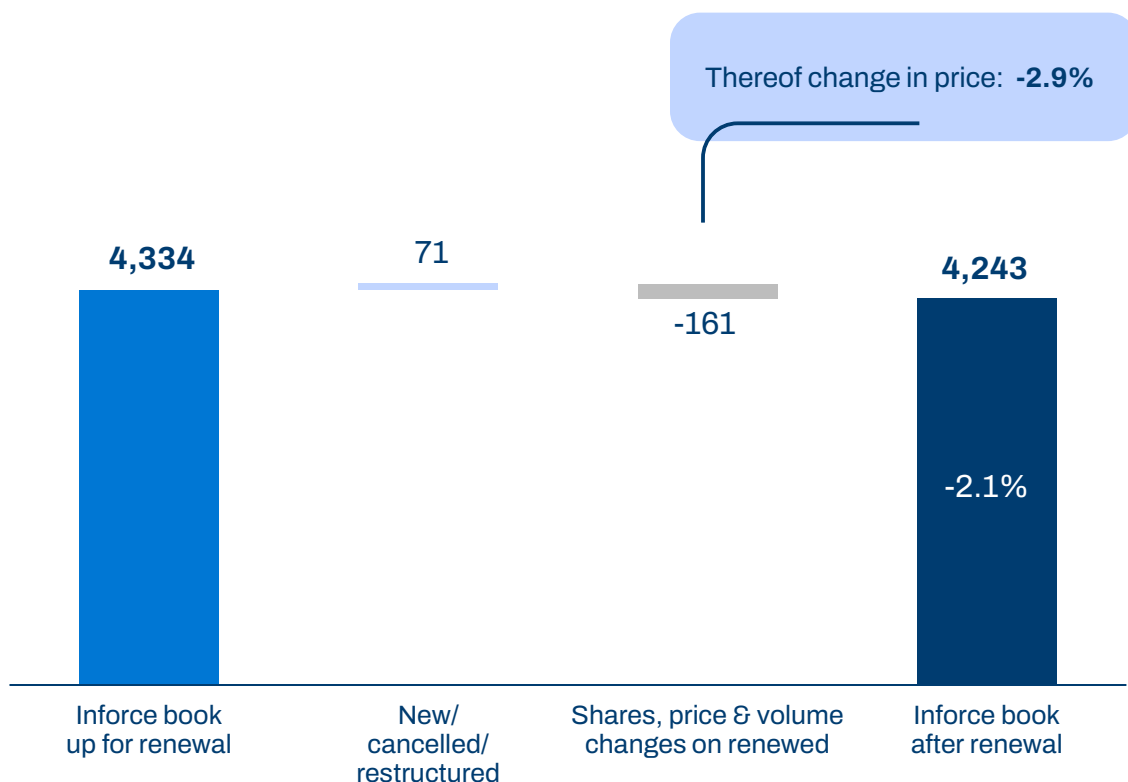
## Outlook 2025

# P&C growth targets fully supported by 2025 renewals

Year-to-date growth in traditional treaty renewals +5.4%, supplemented by >10% growth in Structured R/I

2 Apr – 1 Jul 2025

Estimated premium income



Figures in EUR m. unless otherwise stated

Underwriting year figures at unchanged f/x rates

1) Excluding specialty business mentioned separately

Overall premium growth for traditional treaty business impacted by reduced placement of large program (adjusted growth in mid-year renewals +4.5%), Structured R/I with double-digit growth in 1H/2025

## Americas<sup>1)</sup>

- US:
  - Pricing for property business decreasing from prior-year high, remaining at attractive to adequate levels
  - Casualty capacity generally available, pricing stable to slightly up supported by continued underlying rate increases
- Latin America: Market remains attractive despite moderate rate decrease

## Australia<sup>1)</sup>

- Loss-free NatCat pricing under pressure (up to low double-digit decreases), proportional programs stable
- Shares defended at attractive pricing despite increase in capacity

## Asia<sup>1)</sup>

- Softening of non-proportional pricing, especially in Indonesia and the Philippines
- Proportional terms and conditions stable with slight softening of pricing

## Credit & Surety

- Single-digit growth rate in a stable, attractive market



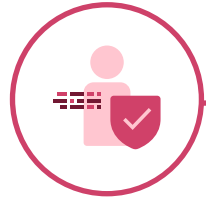
## Unchanged guidance for FY 2025

### Expected contribution



#### Property & Casualty

Revenue (gross) growth <sup>1)</sup> > 7%  
Combined ratio <sup>2)</sup> < 88%



#### Life & Health

CSM growth ~ 2%  
Reinsurance service result > 875 m.



#### Investments

Return on investment ≥ 3.2%

### Group financial guidance 2025

Group net income<sup>3)</sup> **EUR ~ 2.4 bn.**

1) At unchanged f/x rates

2) Incl. discount effect of 6-7%, partly mitigated by prudent reserving

3) Subject to no major distortions in capital markets and/or major losses in 2025 not exceeding the large loss budget of EUR 2.1 bn.

## Appendix

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# Our business groups at a glance

## Q2/2024 vs. Q2/2025

	Property & Casualty R/I			Life & Health R/I			Total		
Stand alone in m. EUR	Q2/2024	Q2/2025	Δ-%	Q2/2024	Q2/2025	Δ-%	Q2/2024	Q2/2025	Δ-%
Reinsurance revenue (gross)	4,356	4,453	2.2%	1,888	1,916	1.5%	6,244	6,369	2.0%
Reinsurance service expenses	-3,456	-3,313	-4.1%	-1,676	-1,697	1.3%	-5,132	-5,010	-2.4%
Reinsurance service result (gross)	900	1,139	26.6%	212	220	3.6%	1,112	1,359	22.2%
Reinsurance result (ceded)	-446	-436	-2.2%	25	-18	-173.2%	-421	-454	7.9%
<b>Reinsurance service result</b>	<b>454</b>	<b>703</b>	<b>54.8%</b>	<b>237</b>	<b>201</b>	<b>-15.1%</b>	<b>691</b>	<b>905</b>	<b>30.8%</b>
Reinsurance finance result	-192	-289	50.7%	-47	-45	-3.1%	-238	-334	40.2%
Investment result	376	363	-3.4%	135	105	-21.9%	511	469	-8.2%
Currency result	-66	166	-	47	3	-93.3%	-20	170	-
Other result	-41	-93	129.6%	-51	-47	-7.7%	-98	-144	46.9%
<b>Operating profit/loss (EBIT)</b>	<b>532</b>	<b>851</b>	<b>60.0%</b>	<b>320</b>	<b>217</b>	<b>-32.3%</b>	<b>847</b>	<b>1,065</b>	<b>25.8%</b>
<b>Net income before taxes</b>							<b>821</b>	<b>1,039</b>	<b>26.7%</b>
Taxes							-232	-196	-15.7%
<b>Net income</b>							<b>589</b>	<b>844</b>	<b>43.3%</b>
Non-controlling interest							-14	10	-171.4%
<b>Group net income</b>							<b>603</b>	<b>833</b>	<b>38.2%</b>

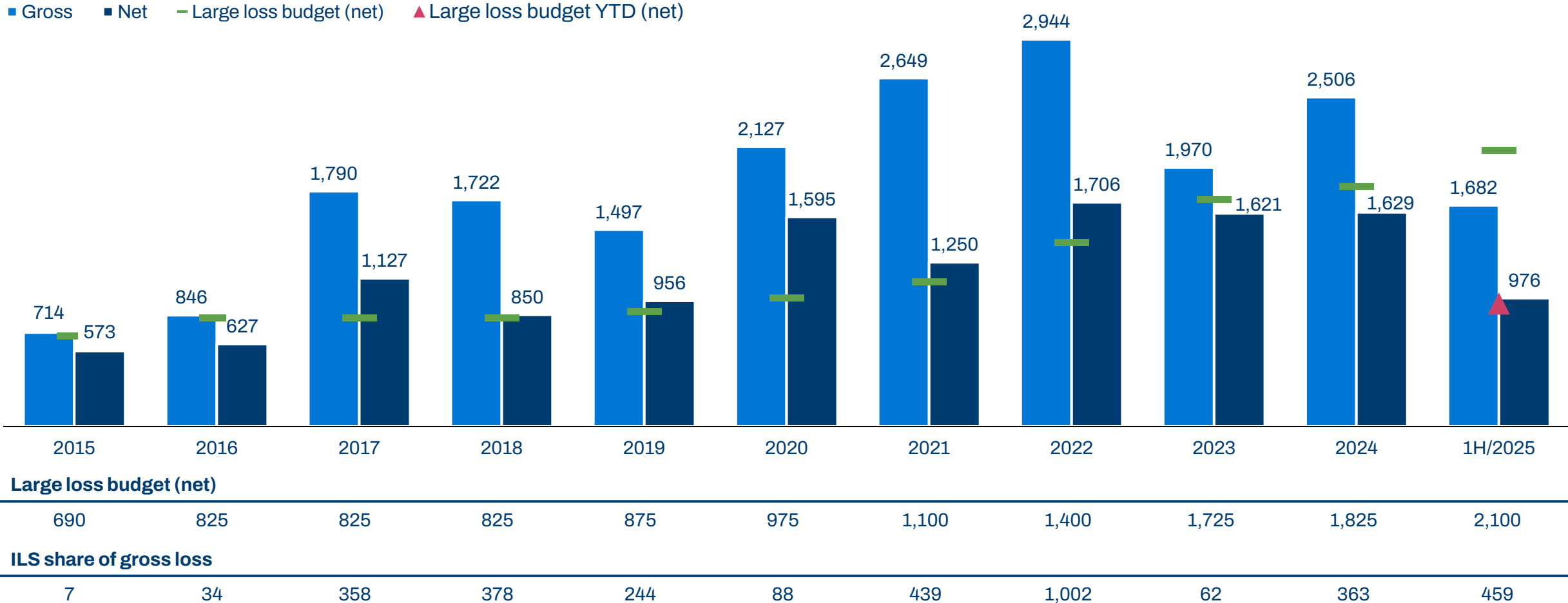
# Our business groups at a glance

## 1H/2024 vs. 1H/2025

	Property & Casualty R/I			Life & Health R/I			Total		
Stand alone in m. EUR	1H/2024	1H/2025	Δ-%	1H/2024	1H/2025	Δ-%	1H/2024	1H/2025	Δ-%
Reinsurance revenue (gross)	9,099	9,539	4.8%	3,817	3,799	-0.5%	12,916	13,338	3.3%
Reinsurance service expenses	-7,281	-8,182	12.4%	-3,374	-3,324	-1.5%	-10,656	-11,505	8.0%
Reinsurance service result (gross)	1,818	1,357	-25.3%	443	476	7.5%	2,261	1,833	-18.9%
Reinsurance result (ceded)	-855	-382	-55.3%	5	-31	-	-850	-414	-51.3%
<b>Reinsurance service result</b>	<b>963</b>	<b>975</b>	<b>1.2%</b>	<b>448</b>	<b>445</b>	<b>-0.8%</b>	<b>1,411</b>	<b>1,420</b>	<b>0.6%</b>
Reinsurance finance result	-420	-572	36.2%	-80	-96	20.0%	-500	-668	33.6%
Investment result	797	832	4.4%	211	213	0.9%	1,009	1,046	3.6%
Currency result	-74	232	-	17	4	-76.4%	-57	236	-
Other result	-107	-173	62.0%	-95	-96	0.8%	-207	-272	31.3%
<b>Operating profit/loss (EBIT)</b>	<b>1,160</b>	<b>1,295</b>	<b>11.6%</b>	<b>501</b>	<b>470</b>	<b>-6.3%</b>	<b>1,657</b>	<b>1,762</b>	<b>6.3%</b>
<b>Net income before taxes</b>							<b>1,605</b>	<b>1,710</b>	<b>6.5%</b>
Taxes							-445	-374	-16.0%
<b>Net income</b>							<b>1,160</b>	<b>1,336</b>	<b>15.2%</b>
Non-controlling interest							-1	22	-
<b>Group net income</b>							<b>1,161</b>	<b>1,314</b>	<b>13.2%</b>

# Large losses in 1H/2025 slightly above budget of EUR 935 m.

Natural and man-made catastrophe losses in excess of EUR 10 m. gross in m. EUR



# NatCat losses in line with expectation despite impact of LA wildfires

## Man-made losses above budget of EUR 200 m.

Catastrophe losses <sup>1)</sup> in m. EUR	Date	Gross	Net
California Wildfires, US	7 - 31 Jan	1,300.1	615.1
Earthquake, Taiwan	21 Jan	10.1	10.1
Storms, US	14 - 19 Mar	13.9	10.5
Earthquake, Myanmar	28 Mar	59.0	59.0
Storms, US	14 - 20 May	58.3	50.0
5 Natural catastrophes		1,441.5	744.7
6 Fire losses		167.4	166.8
2 Aviation losses		49.4	40.6
1 Marine loss		12.8	12.8
1 Political risk loss		11.3	11.3
10 Man-made losses		240.9	231.4
15 Major losses		1,682.3	976.1

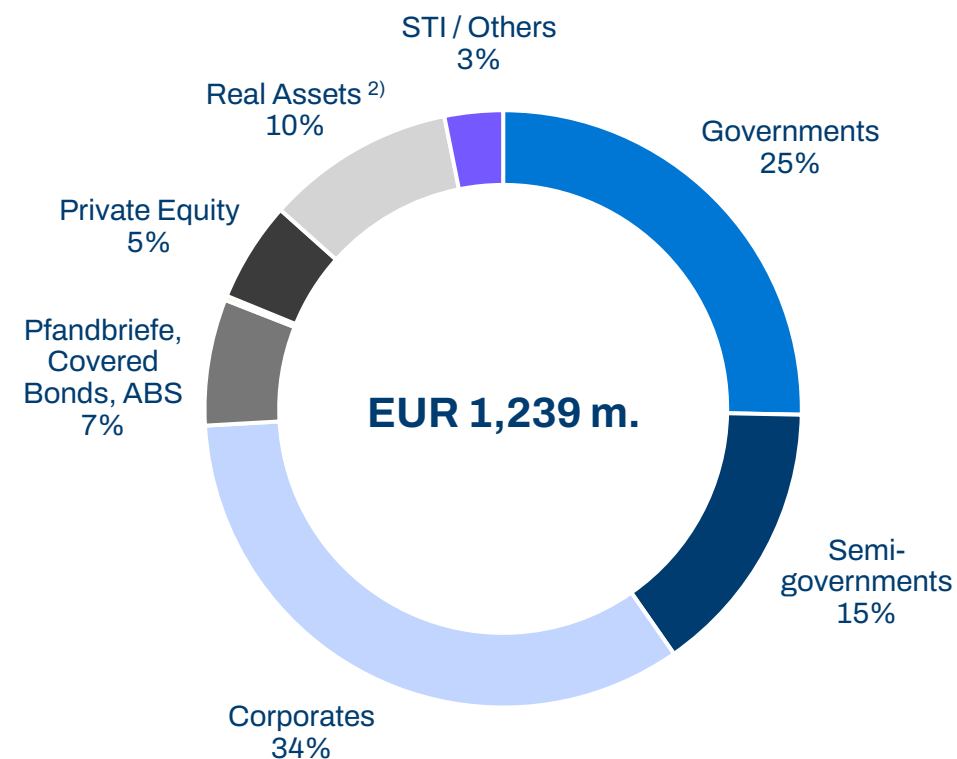
1) Major losses in excess of EUR 10 m. gross  
Large loss budget 2025: EUR 2.1 bn., thereof EUR 0.4 bn. man-made and EUR 1.7 bn. NatCat



## Increase in ordinary income driven by contribution from fixed-income portfolio

Asset class	2023	2024	1H/2025
<b>Fixed Income</b>	<b>85%</b>	<b>86%</b>	<b>86%</b>
Governments	41%	38%	38%
Semi-governments	9%	10%	11%
Corporates	29%	32%	31%
Investment grade	25%	24%	26%
Non-Investment grade	4%	4%	4%
Covered Bonds <sup>1)</sup>	4%	4%	4%
ABS/MBS/CDO	3%	3%	3%
<b>Equities</b>	<b>3%</b>	<b>3%</b>	<b>4%</b>
Listed	0%	0%	1%
Private Equities	3%	3%	3%
<b>Real Assets (without Infra-Debt)</b>	<b>7%</b>	<b>7%</b>	<b>7%</b>
<b>Others</b>	<b>3%</b>	<b>2%</b>	<b>1%</b>
<b>STI</b>	<b>2%</b>	<b>2%</b>	<b>2%</b>
<b>MV AuM in EUR bn.</b>	<b>60.6</b>	<b>66.4</b>	<b>63.2</b>

### Ordinary income split 1H/2025



Economic view based on market values without outstanding commitments for Private Equity and Alternative Real Estate as well as fixed-income investments of EUR 2,015.2 m. (EUR 1,909.0 m.) as at 30 June 2025

1) Of which Pfandbriefe and Covered Bonds = 56.8%

2) Before real estate-specific costs. Economic view based on market values as at 30 June 2025



# High-quality fixed-income book well-balanced

Geographical allocation mainly in accordance with our broad business diversification

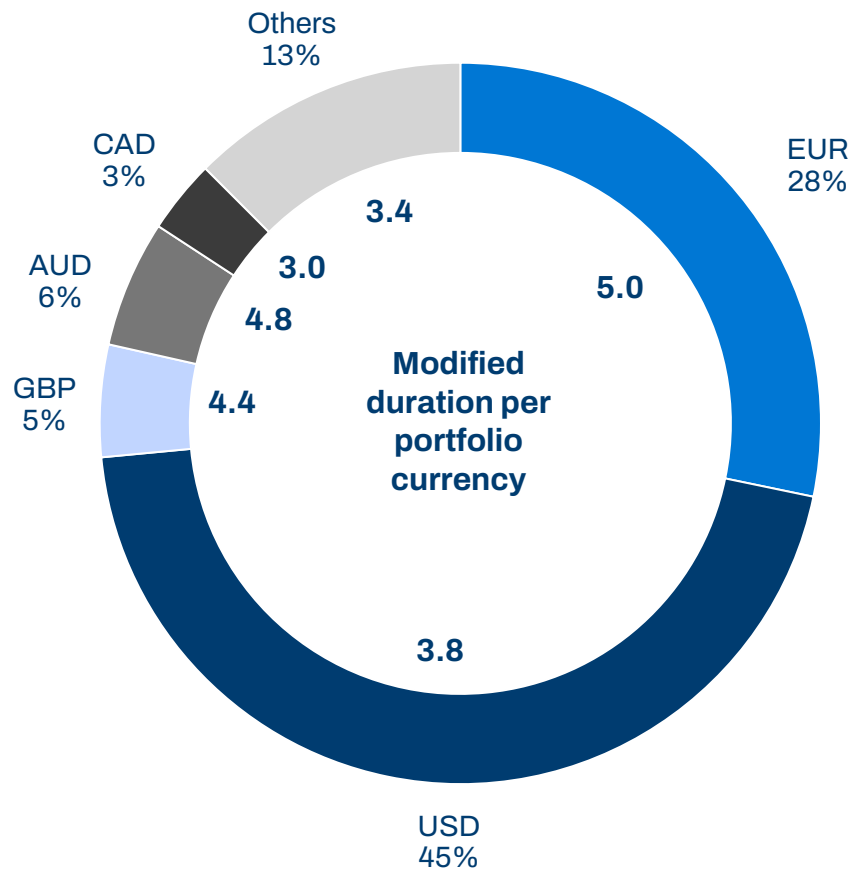
	Governments	Semi-governments	Corporates	Pfandbriefe, Covered bonds, ABS	Short-term investments, cash	Total
AAA	25%	60%	1%	73%	-	27%
AA	55%	22%	10%	5%	-	29%
A	13%	8%	38%	8%	-	20%
BBB	5%	1%	41%	11%	-	17%
<BBB	2%	8%	11%	3%	-	7%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>-</b>	<b>100%</b>
Germany	14%	20%	3%	15%	3%	11%
UK	6%	4%	7%	6%	8%	6%
France	3%	2%	6%	9%	4%	4%
GIIPS	0%	3%	7%	7%	2%	4%
Rest of Europe	5%	15%	12%	20%	17%	11%
USA	45%	17%	31%	21%	24%	33%
Australia	3%	15%	8%	14%	2%	8%
Asia	21%	24%	19%	9%	31%	20%
Rest of World	4%	1%	5%	0%	9%	3%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Total b/s values in m. EUR</b>	<b>20,304</b>	<b>10,398</b>	<b>18,758</b>	<b>4,111</b>	<b>1,127</b>	<b>54,698</b>

IFRS figures as at 30 June 2025

# Currency allocation strategy to neutralise effects from Solvency II liability profile

## Duration-neutral strategy targeted

### Currency split of investments



– Modified duration of fixed-income mainly congruent with liability- and capital-driven targets

Modified duration				
1H 2025	2024	2023	2022	2021
4.1	4.4	4.5	4.9	5.8

# Scenario analysis

## Credit and Alternatives risks in focus

Portfolio	Scenario	Change in market value	Change in market value through P&L
		in m. EUR	in m. EUR
Fixed-income securities	+50 bps	-1,197	-29
	+100 bps	-2,337	-58
Credit spreads	+50%	-871	-68
Equity (listed and private equity)	-10%	-260	231

## Our Investor Relations contacts and financial calendar

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**3 September 2025**

Commerzbank & ODDO BHF Corporate Conference 2025, Frankfurt

**9 September 2025**

Barclays Global Financial Conference, New York

**11 September 2025**

Natixis 2025 FIG Conference, Paris

**17 September 2025**

BofA 30th Annual Financials CEO Conference, London

**9 October 2025**

Investors' Day, Frankfurt



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