

Hannover Re

Investors' Day 2025

Frankfurt, 9 October 2025



somewhat different

Delivering on earnings growth and value creation

Investors' Day
Frankfurt, 9 October 2025

Clemens Jungsthöfel, Chief Executive Officer



Well on track to achieve targets for current strategy cycle

Staying Focused.
Thinking Ahead.

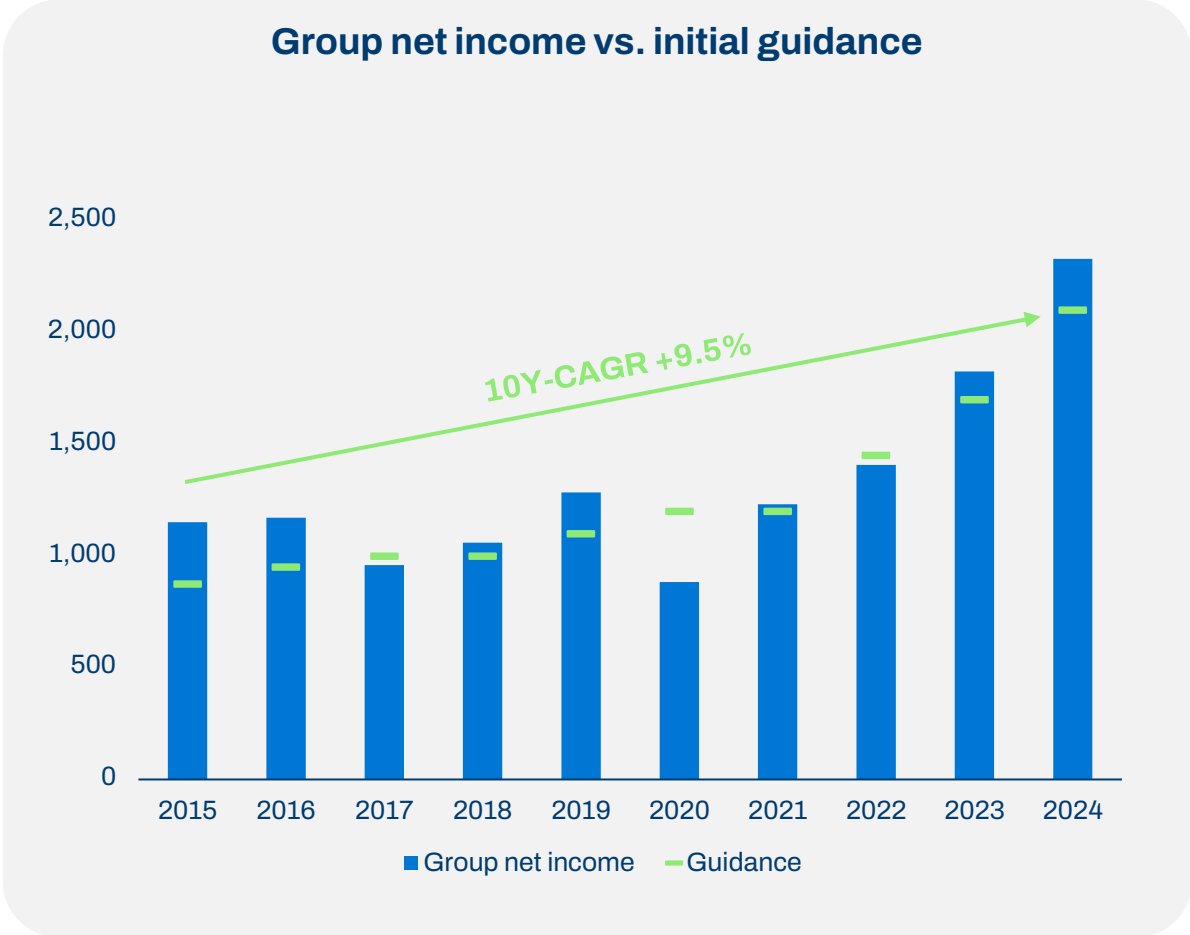
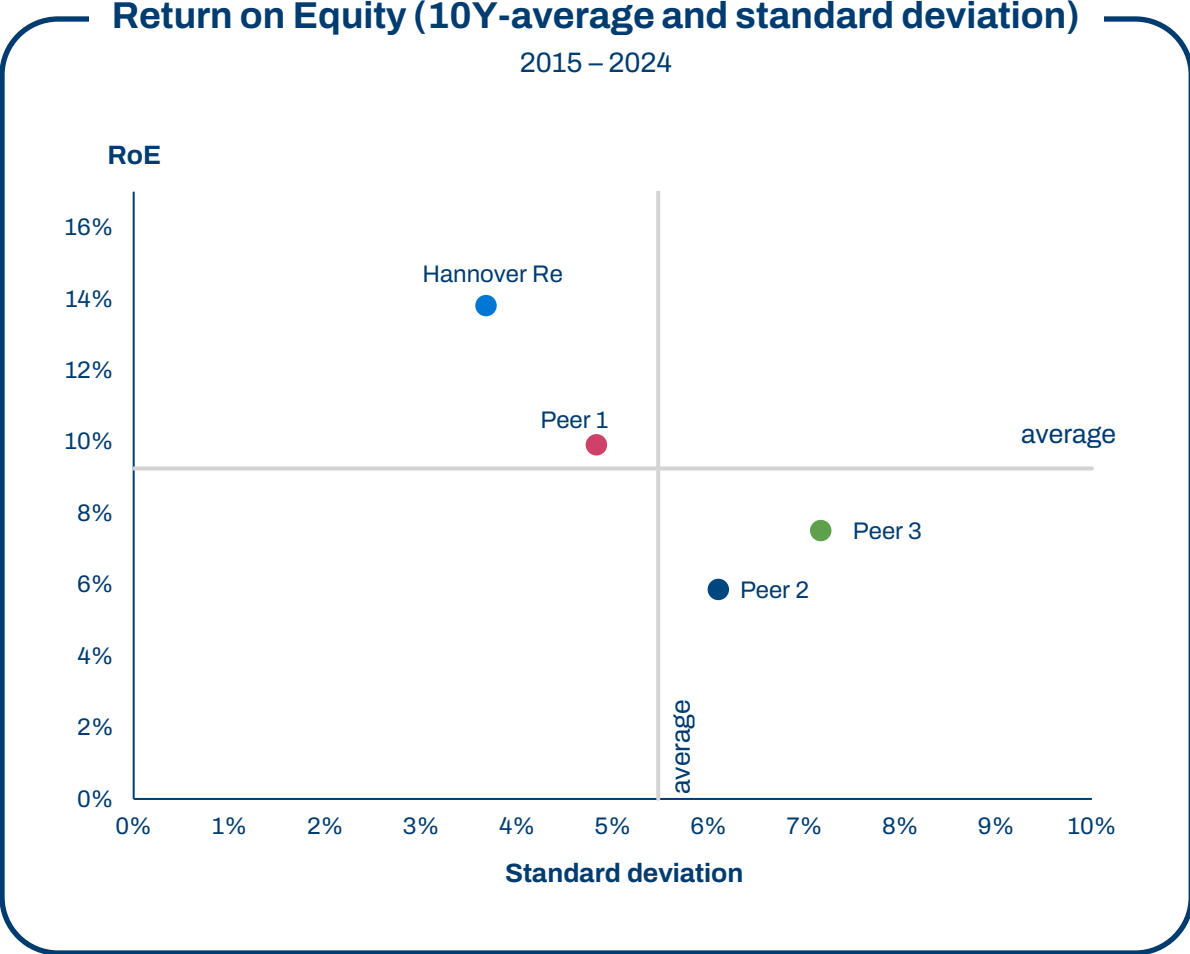
Financial ambition 2024 – 2026

	2024	1H/2025
Return on Equity > 14%	21.2% ✓	23.0% ✓
EBIT growth > 5%	+68.3% ✓	+6.3% ✓
CSM growth > 2%	+7.4% ✓	+3.8% ✓
Solvency ratio > 200%	263% ✓	261% ✓
Ordinary dividend > prior year	+17% ✓	n.a.



Profitable and reliable growth throughout the cycle

Industry leading performance in RoE paired with low earnings volatility



RoE based on reported company data, own calculation. Peers in alphabetical order: Munich Re, Scor, Swiss Re

Further success build on corporate culture and lean operating model

Strong basis...

- 

Our corporate culture
- 

Our focus on clients in reinsurance
- 

Our “Keep it simple” approach

...for further success

- 


Further monetisation of lean operating model
- 

Continued ability to grow
- 

Strongest balance sheet in history


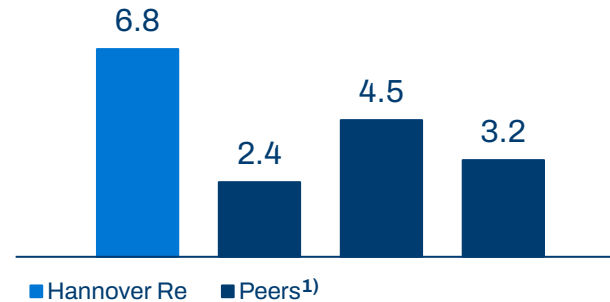
Lean operating model as a competitive advantage

Differentiation as a success factor



Cost ratio
2024
3.2%


Revenue per employee 2024
in m. EUR



Further monetisation of lean operating model

Foster fast decision-making and entrepreneurial spirit


Speed and flexibility as competitive advantage in dynamically changing environment



Focus on reinsurance

- More homogeneous data
- enabling streamlined IT infrastructure

Further reduce number of systems
Further increase quality of systems
Drive implementation of end-to-end automation



Streamlined data and systems provide **good starting point for automation and AI solutions**

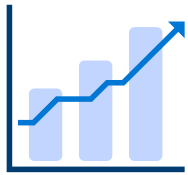
- Easier and efficient implementation

Increase efficiency and scalability
Supporting further growth with limited impact on company structures and overhead cost

1) Peers in alphabetical order: Munich Re, Scor, Swiss Re

Strong market position and client relationship will result in further growth

Increased balance sheet resiliency provides additional confidence in earnings growth



10%

10Y-average
top-line growth

9%

10Y-CAGR
bottom-line growth



**Continued ability
to grow**

**Strong client relationship provides
excellent basis for further growth**

Client centricity

No competition with clients

Reliable and long-term partnership

Solution-driven mindset
and strong execution

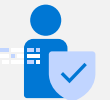
P&C

- Continued attractive market in P&C
- Increased appetite for NatCat meets high demand from clients
- Significant parts of P&C portfolio with low exposure to pricing cycle
- Increase in resilience reserve in recent years provides additional confidence in earnings growth



L&H

- Further leveraging strong position in Financial Solutions and Longevity
- Increase footprint in traditional business
- Overall positive experience variance and change in estimates provides strong confidence in assumptions
- Value creation reflected in CSM growth, supporting further earnings growth



Sustainable value creation for shareholders

Strong capitalisation provides improved flexibility to finance growth and increase capital return



261%

SII ratio 1H/2025

AA-

Standard & Poor's

A+

A.M. Best



**Strongest balance sheet
in history**

Strong capitalisation and financial flexibility

Very strong capitalisation according
to all capital models

Strong ability to absorb and
manage volatility

Sustainable ability to finance
continued organic growth

Further strengthened German GAAP
balance sheet

- Continued capital deployment at **attractive RoE**
- Commitment to pay **reliable and growing dividends** to shareholders



Updated dividend policy

Dividend per share \geq prior year



Increase in payout ratio to ~55%



Use of special dividend

only as extraordinary tool

Key takeaways

01

Business performance confirms success of our corporate culture and business model

02

We will further monetise the advantages of our lean operating model

03

We will continue to grow our earnings

04

Strong balance sheet and capitalisation allow for structurally increased capital return to shareholders

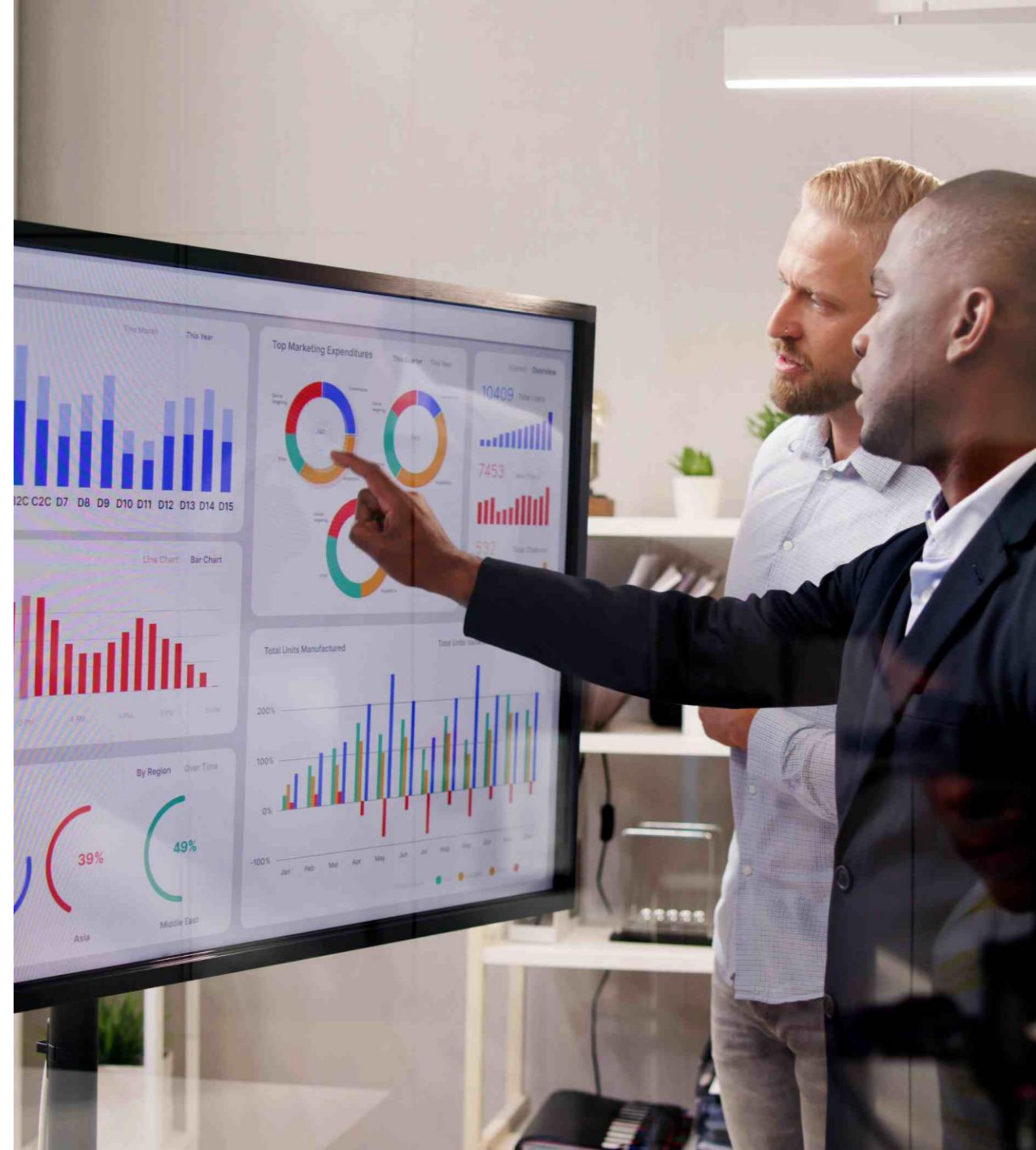


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Investment update and currency management

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Christian Hermelingmeier, Chief Financial Officer

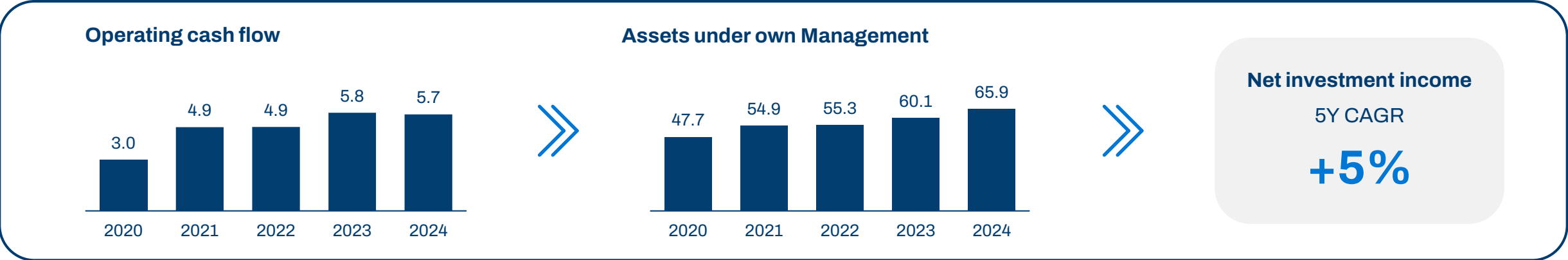
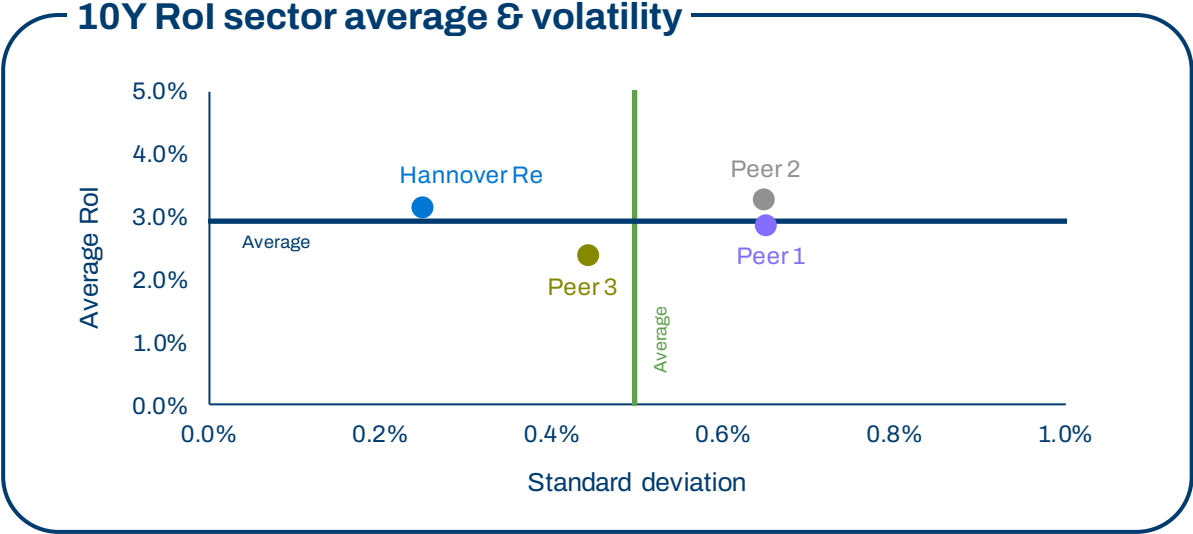
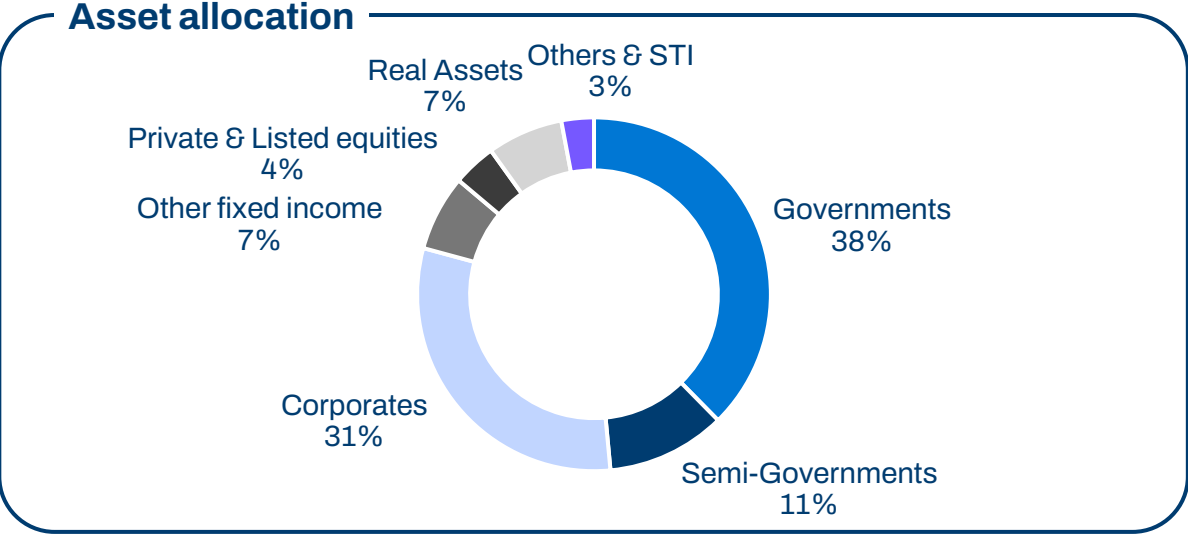


1

Investment update

Resilient portfolio provides reliable and low-volatile investment returns across market cycles

Strong operating cash flow fuels growth in AuM and investment income

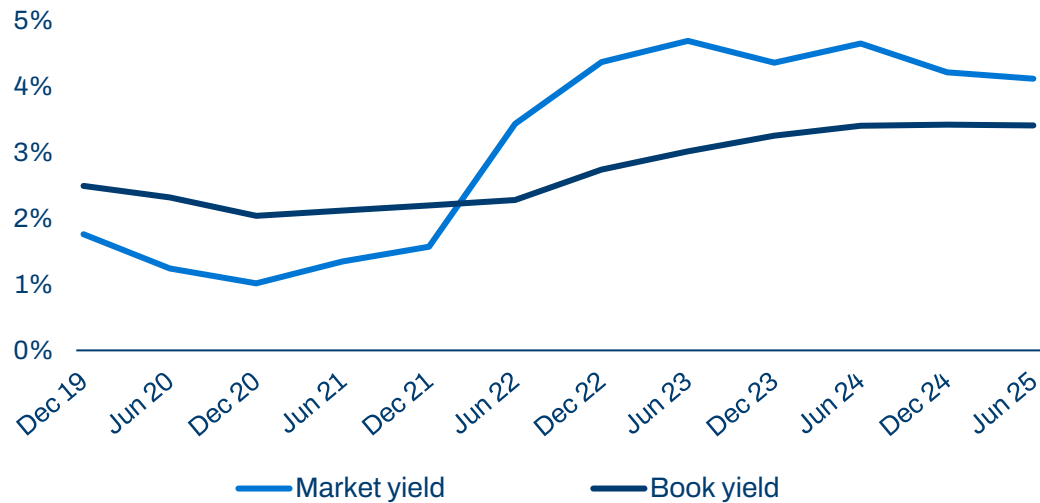


Peers in alphabetical order: Munich Re, Scor, Swiss Re

Earnings growth supported by increasing fixed-income book yield

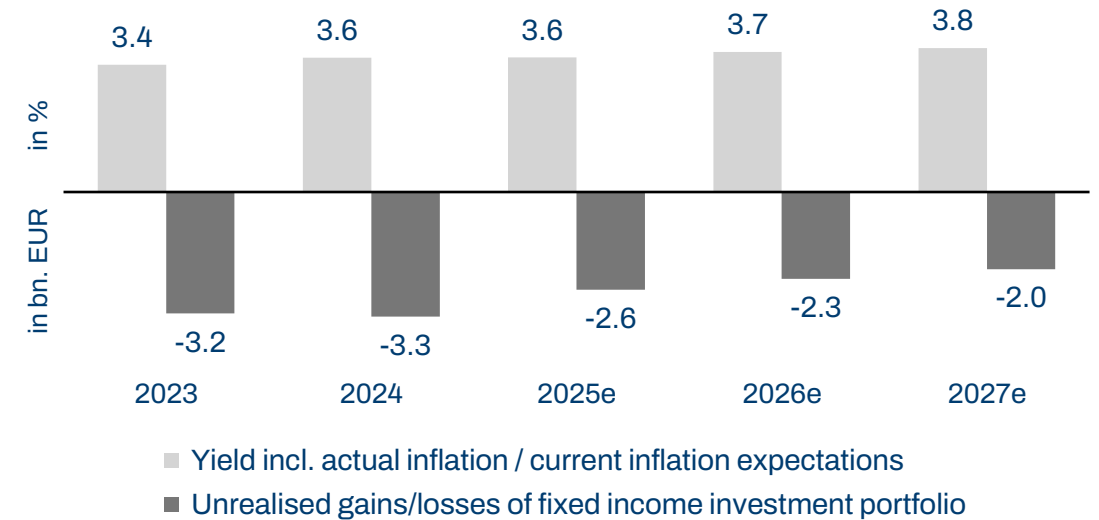
Fixed-income yield continues to benefit from higher reinvestment yields

Fixed-income portfolio



- Market yield continues to exceed book yield
- Modified duration of fixed income at ~4.1, resulting in gradual converging of market and book yield

Fixed-income book yield & unrealised gains/losses



- Fixed-income yield continues to benefit from higher reinvestment yields by ~10 bps p.a.
- Significant roll down of unrealised fixed-income gains/losses expected over next 3 years

Analysis based on yields as of 30 June 2025

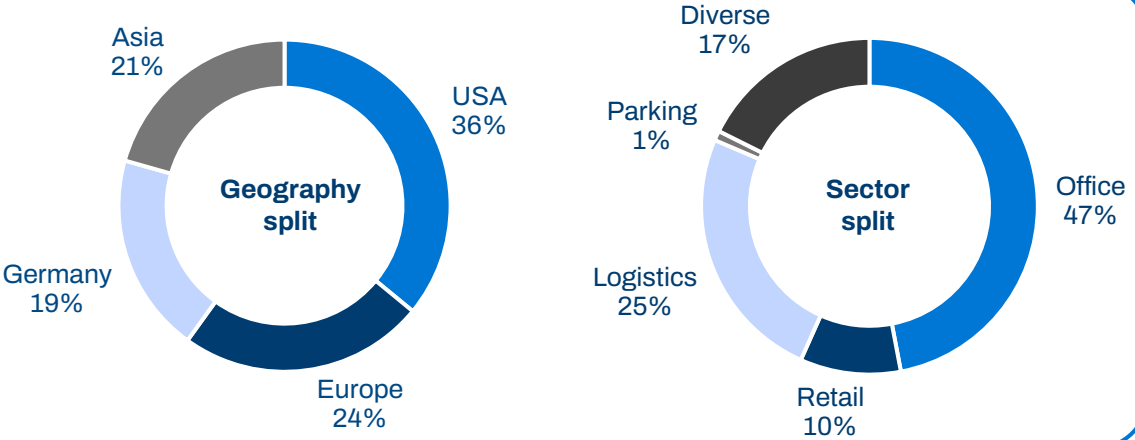
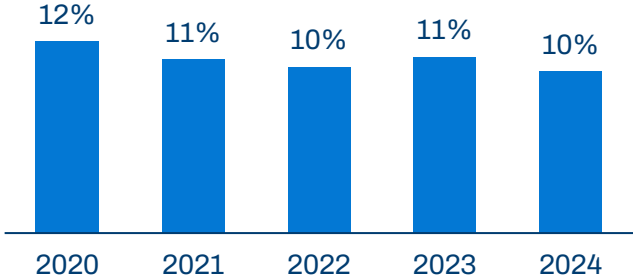
Diversification supports resilient contribution from Alternatives in challenging markets

Steady expansion of portfolios

Real Estate

EUR 3.8 bn.
6% of AuM

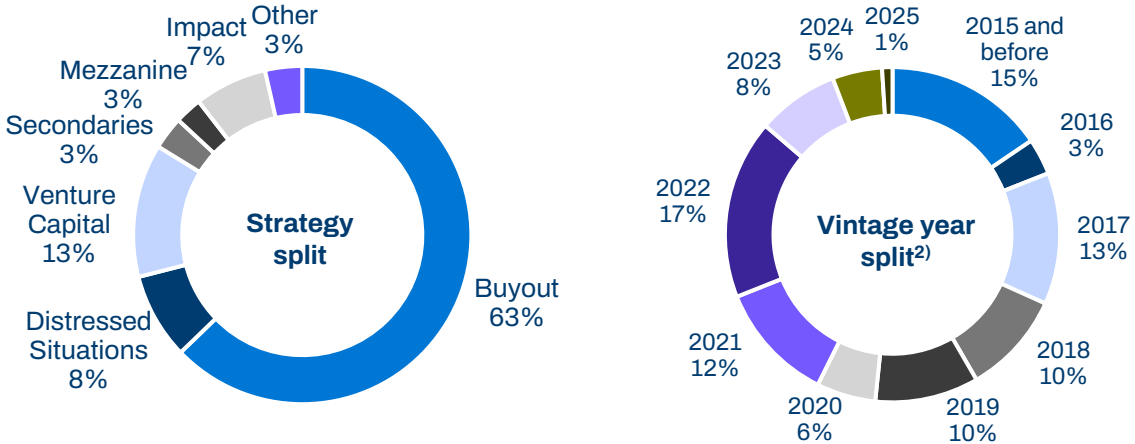
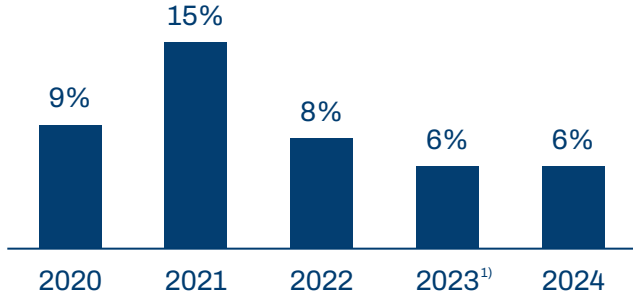
Contribution to ordinary investment income



Private Equity

EUR 2.2 bn.
3% of AuM

Contribution to ordinary investment income



1) As-if calculation with Hannover Re part of PE Joint Venture allocated to ordinary income

2) Including open commitments

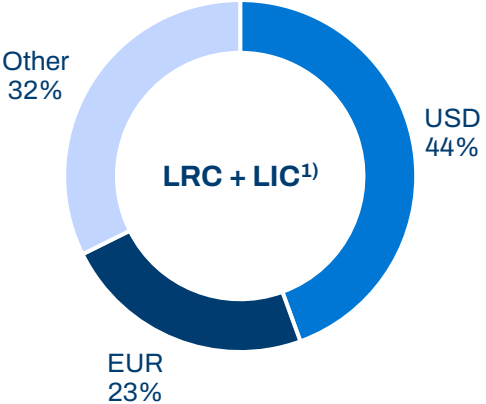
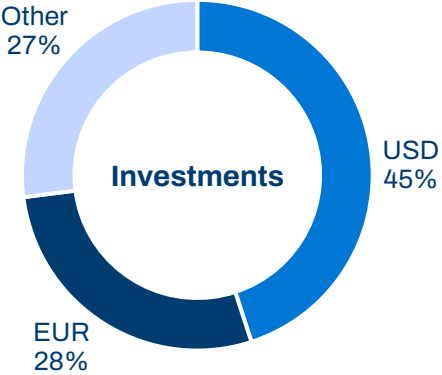
2

Currency management and hedging

Currency risks are well managed to protect net asset value and Solvency II ratio



Currency mix as at 30 June 2025

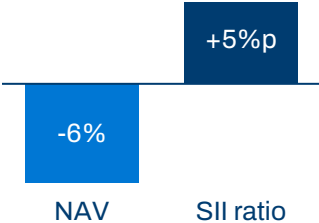


1) Excl. payables and receivables

Currency management

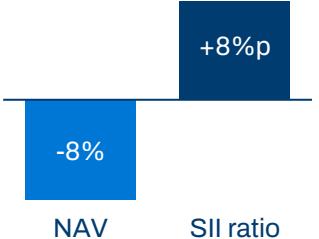
F/x sensitivity
EUR + 10%

Dual-target for ALM:
Impact on Net asset value (NAV) and SII ratio



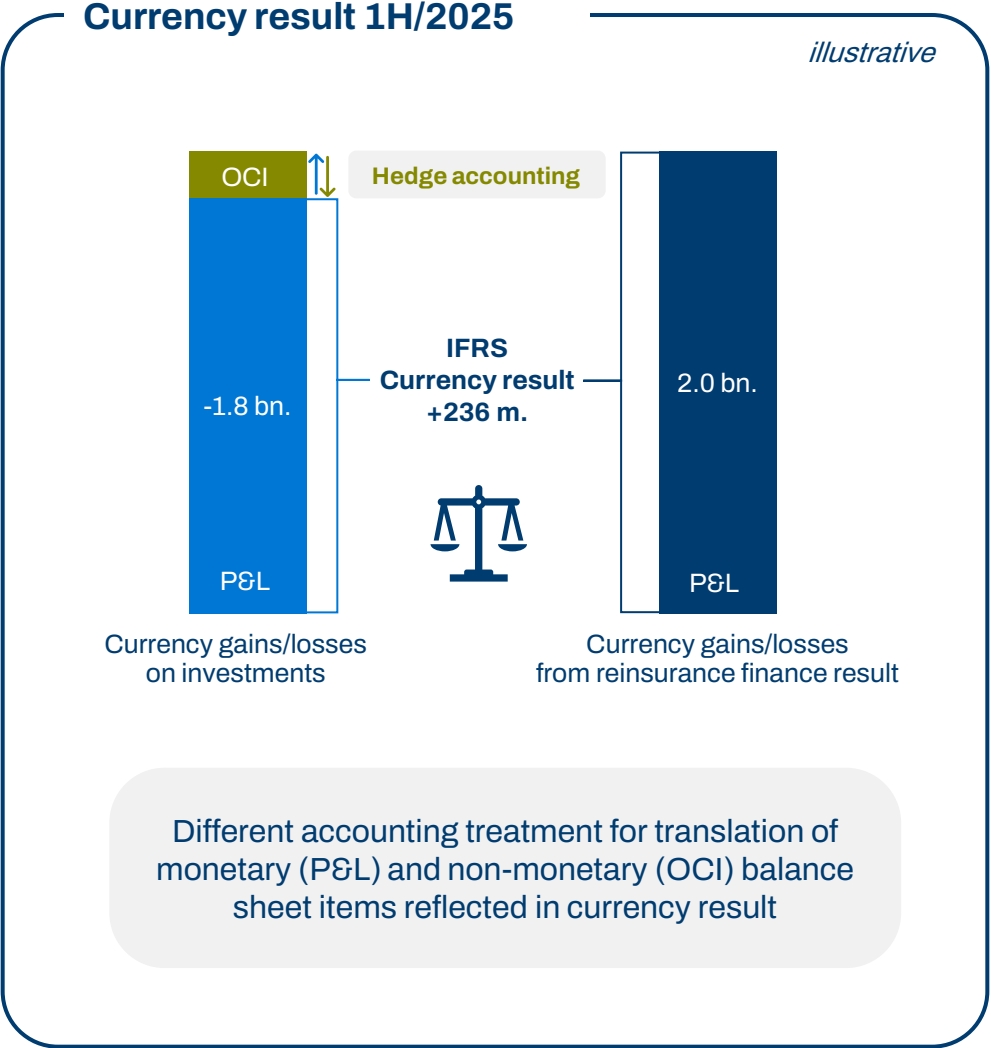
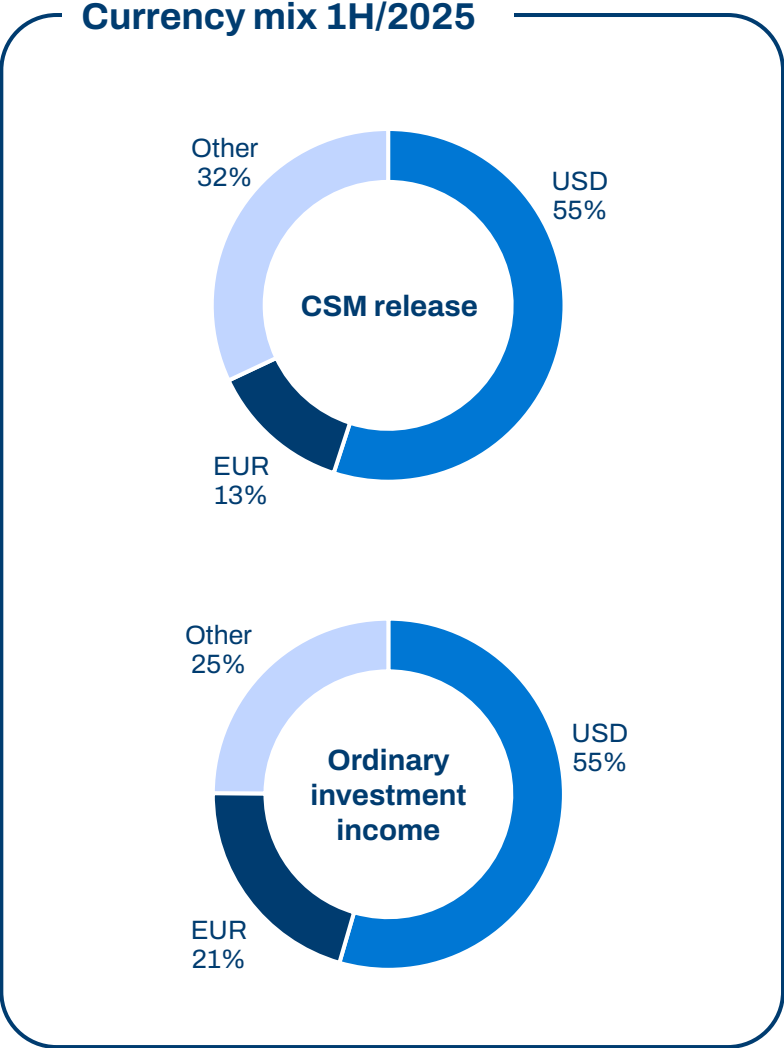
1H/2025
EUR / USD
+12%

Confirmation of expected sensitivities



Currency split of main profit drivers reflects diversified reinsurance portfolio

Hedging will significantly reduce volatility of currency result in P&L, economic protection unchanged



Key takeaways

01

Strong track record of high RoI with low volatility

02

Earnings growth supported by AuM growth and increasing fixed-income book yield

03

P&L volatility from currency decreasing going forward



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Insights into P&C reinsurance

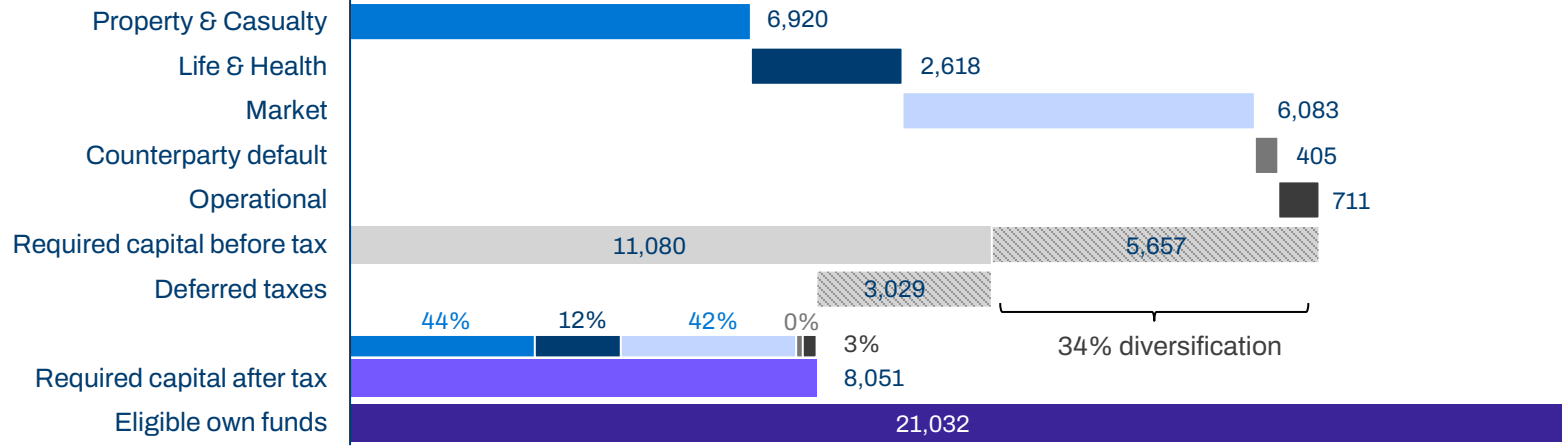
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Sven Althoff, Member of the Executive Board



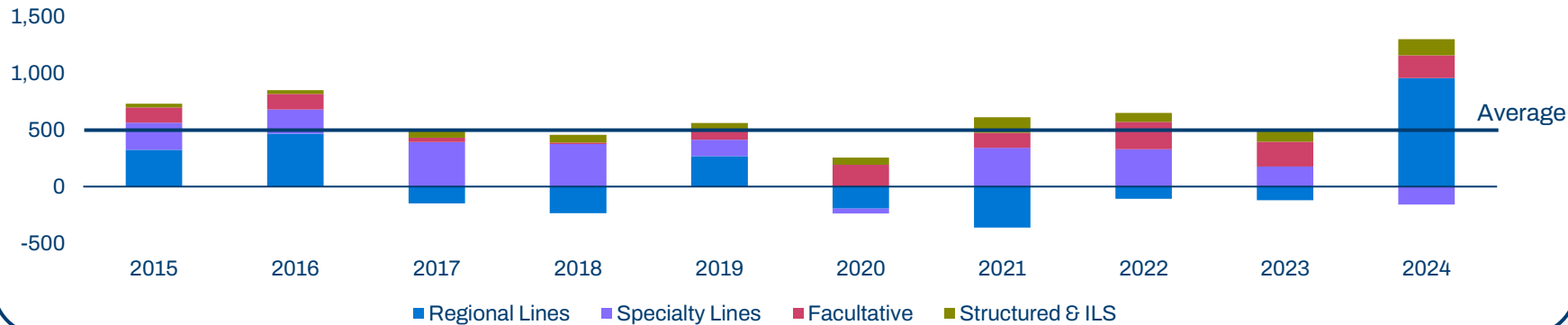
Strong diversification is key to reduce cost of capital and earnings volatility

Solvency Capital Requirements



- Diversification of 34% on main risk categories
- Cost of capital attributed to P&C substantially benefits from the diversification with L&H

Gross technical result (incl. interest) P&C reinsurance

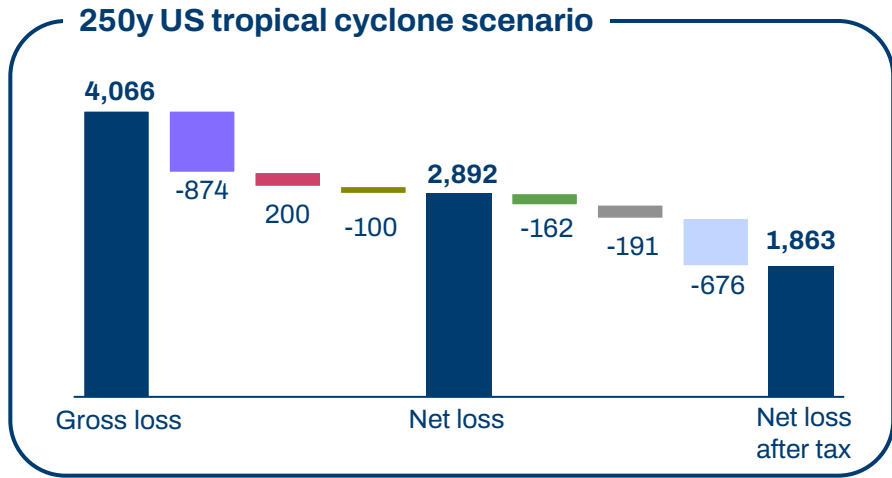


- Clearly positive technical result over the cycle and in any individual year
- Diversification within P&C significantly reduces volatility of gross technical result
- Volatility of net technical result further reduced by retrocession

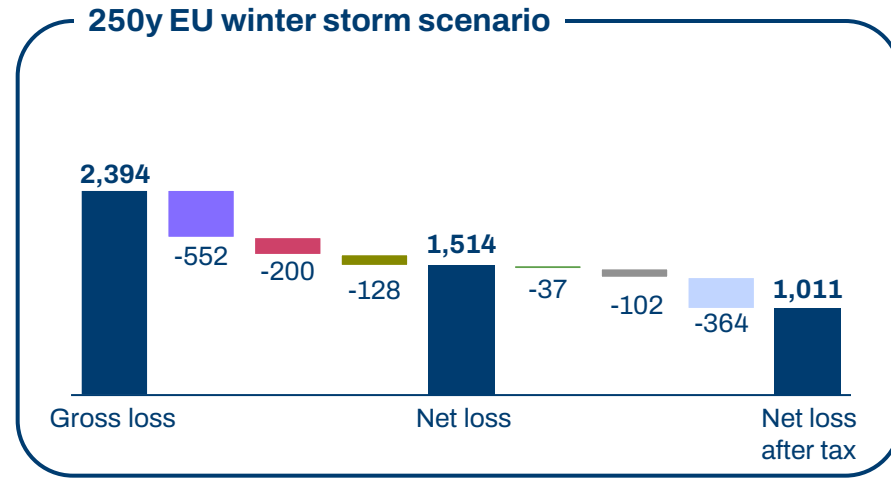
All figures in m. EUR
 Solvency numbers as of 31 December 2024; Solvency capital requirements based on the internal model; Capital allocation based on Tail Value-at-Risk taking account of the dependencies between risk categories

Retrocessions significantly reduce net NatCat exposure and overall volatility of results

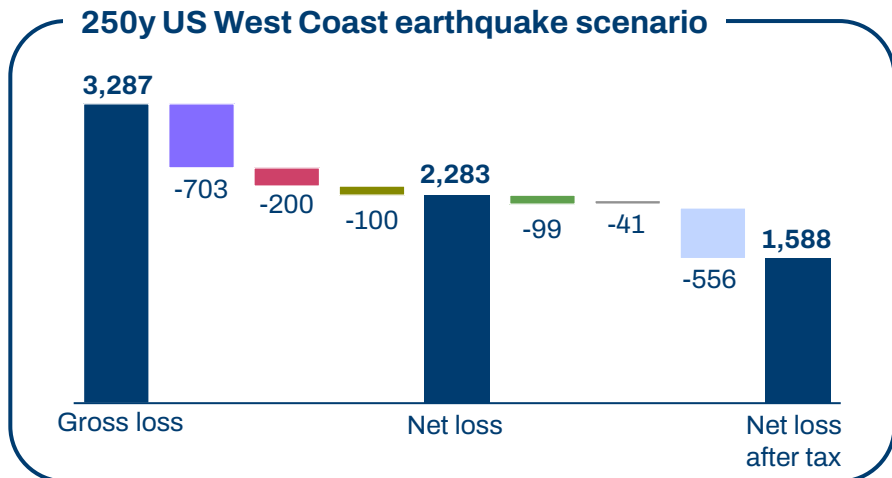
Focus on diversification within NatCat portfolio results in different market share per peril



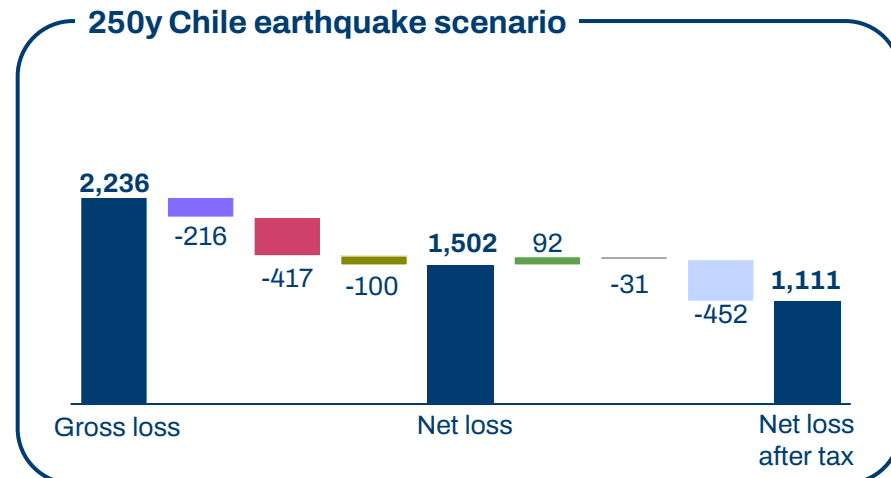
Market share reduces from 1.3% to 0.6%



Market share reduces from 8.0% to 3.4%



Market share reduces from 3.5% to 1.7%



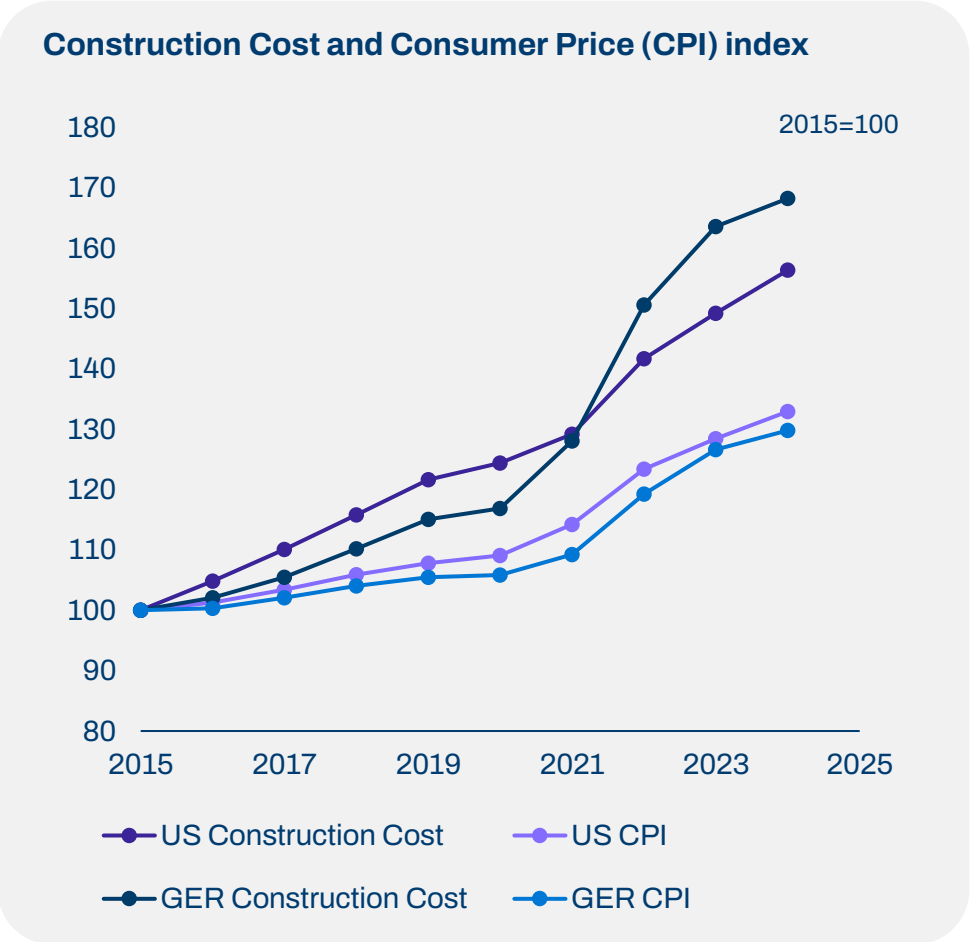
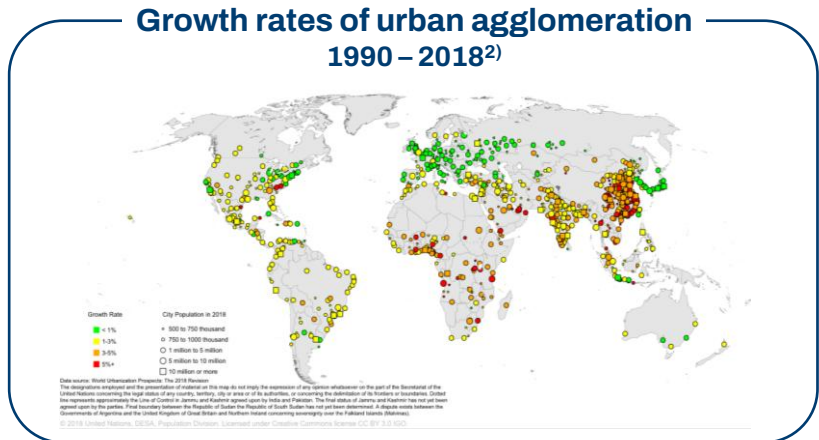
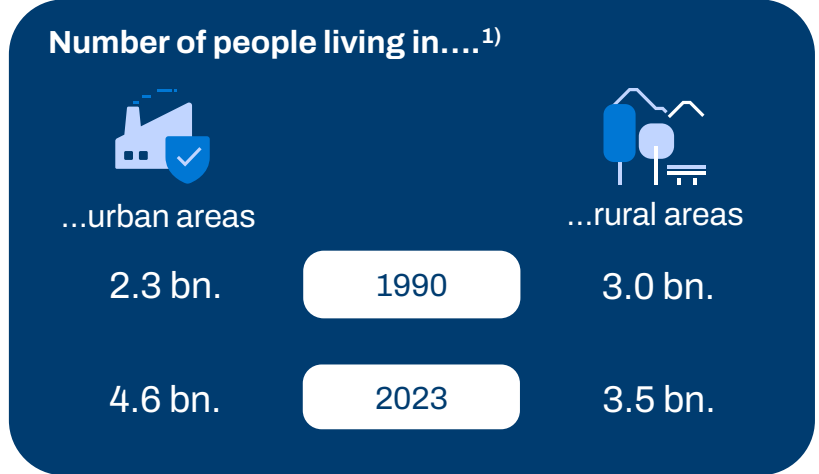
Market share reduces from 20.4% to 10.2%

■ K-Cession QS
 ■ Whole Account XL
 ■ Aggregate XL (and other)
 ■ Inward/Outward reinstatements
 ■ Cat budget
 ■ Tax refund

Insurable values are increasing and further concentrating



Increasing values



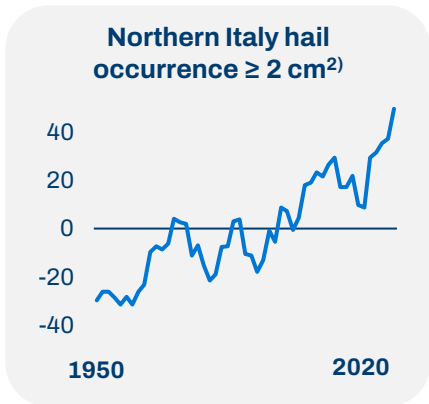
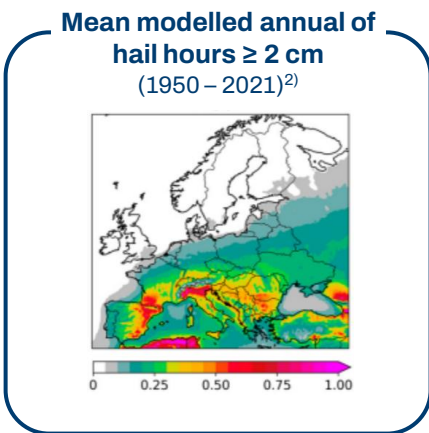
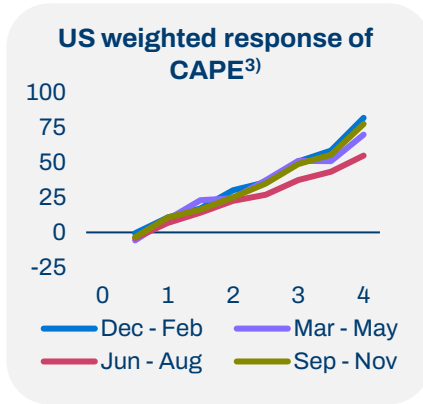
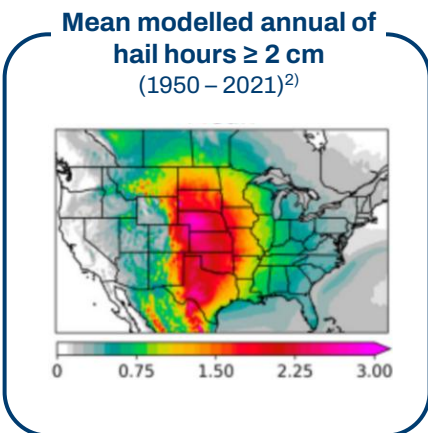
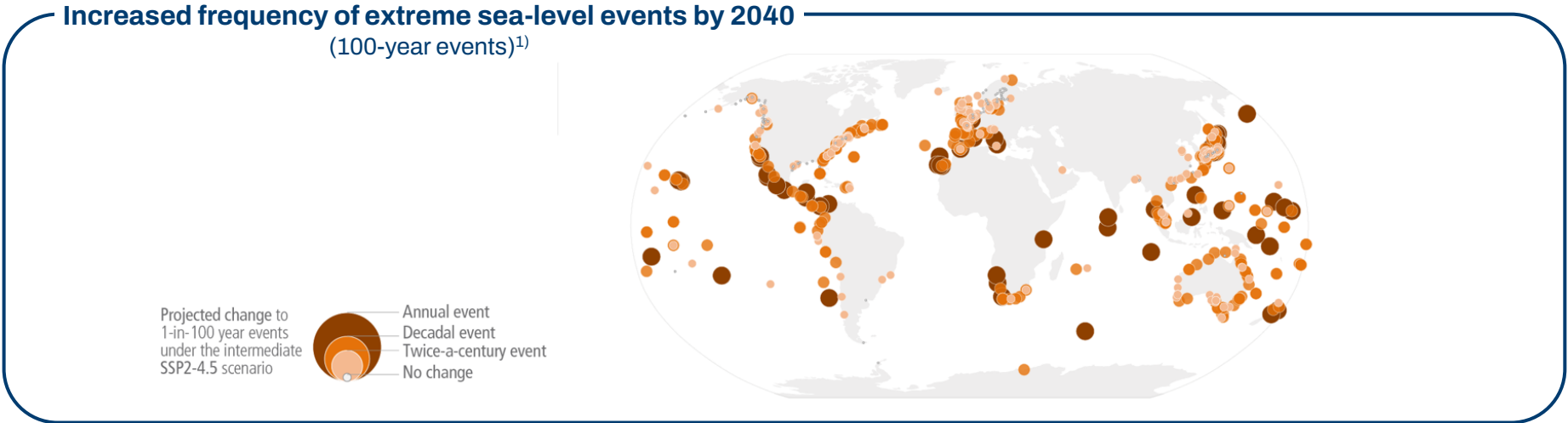
1) Source: World Bank based on data from the UN Population Division (2025)

2) Source: United Nations, Department of Economic and Social Affairs, Population Division (2018). World Urbanization Prospects: The 2018 Revision, Online Edition.

Climate change contributes to increase in insurable risks



Increasing risks



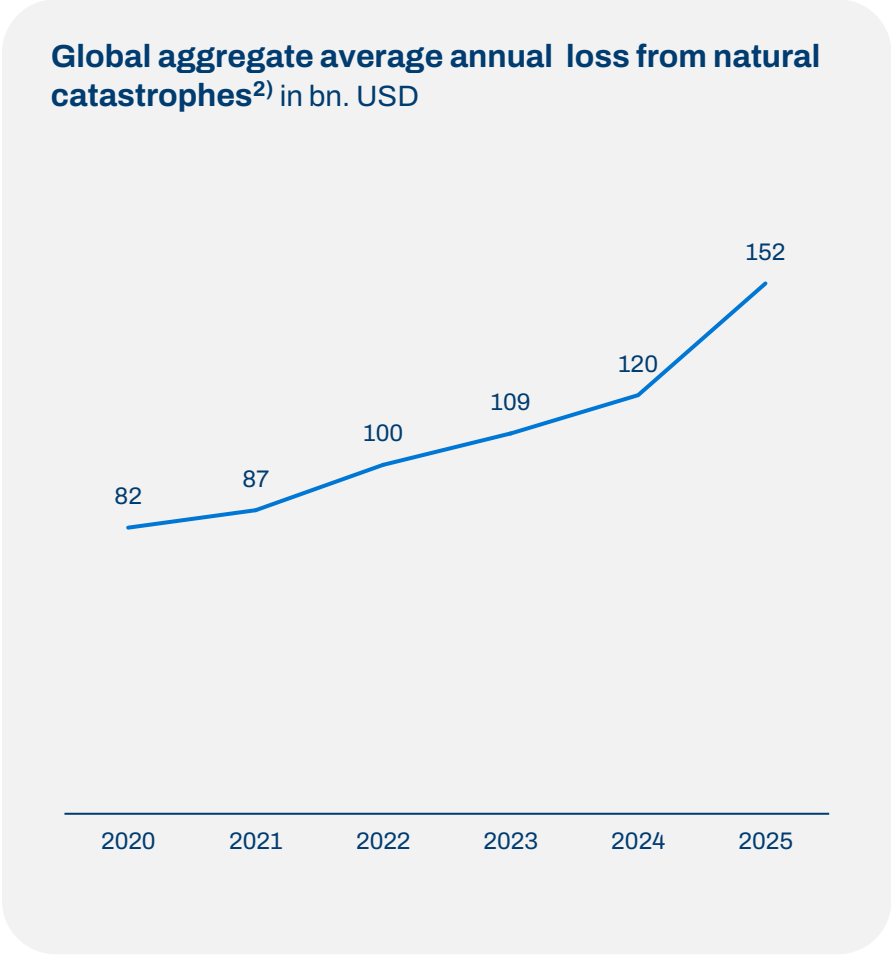
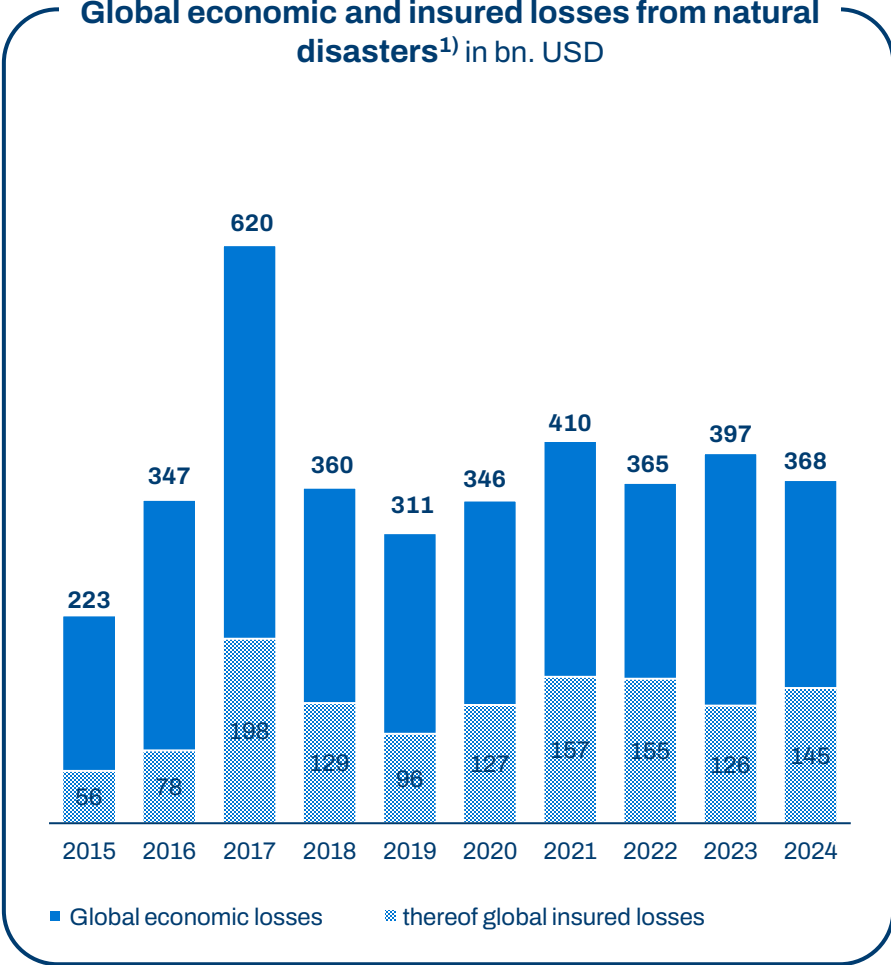
1) Source: IPCC, 2025. IPCC AR6 Synthesis Report LR Figure 4.3 (b): Increased frequency of extreme sea level events by 2040.
 2) Source: Battaglioli, Francesco, et al. "Modeled multidecadal trends of lightning and (very) large hail in Europe and North America (1950–2021)." Journal of Applied Meteorology and Climatology 62.11 (2023): 1627-1653.
 3) Source: Lepore, Chiara, et al. Earth's Future 9.12 (2021): e2021EF002277, CAPE: Convective potential energy as function of global temperature increase, as a percentage of historical period (1980 – 2015)

Demand for reinsurance will continue to increase

Protection gap offers further opportunities for (re-)insurance demand



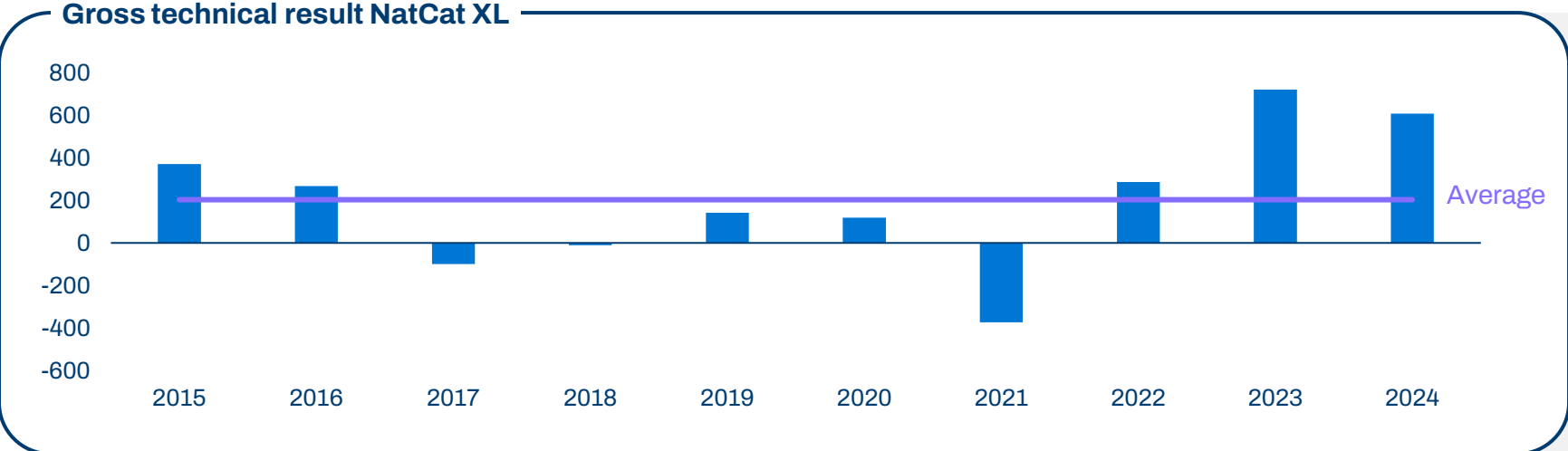
Increasing demand



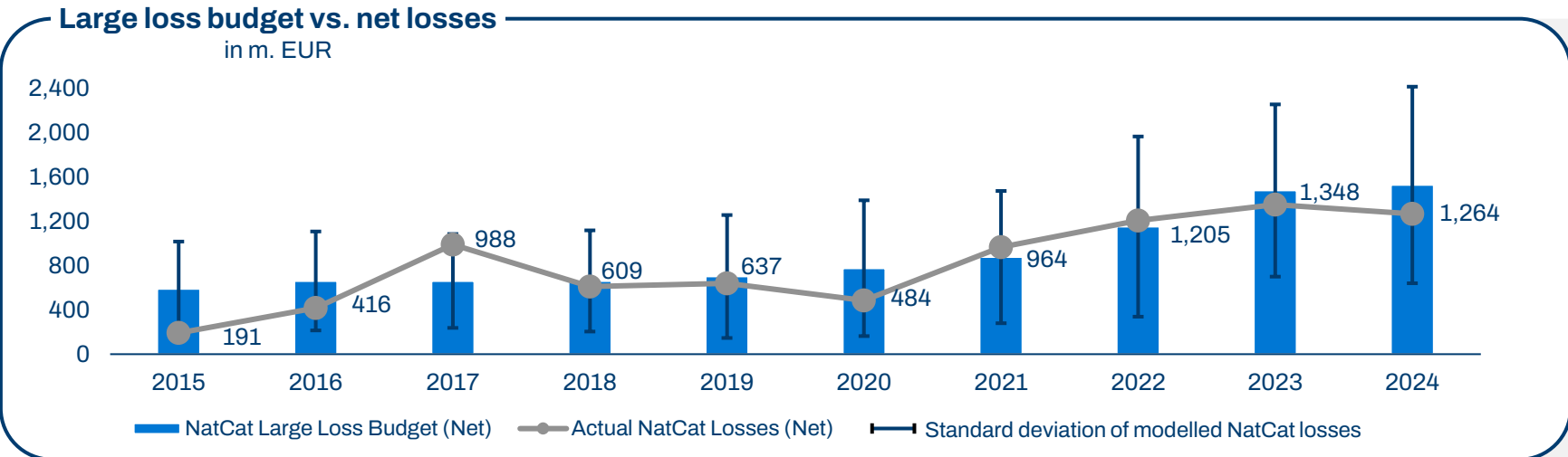
1) Source: AON, 2025 Climate and Catastrophe Insights
 2) Source: Verisk, Modeling Insured Catastrophe Losses: A global Perspective for 2025

NatCat business is an attractive line of business with clearly positive result over the cycle

Average NatCat losses well within budget reflect strong modelling capabilities and risk management



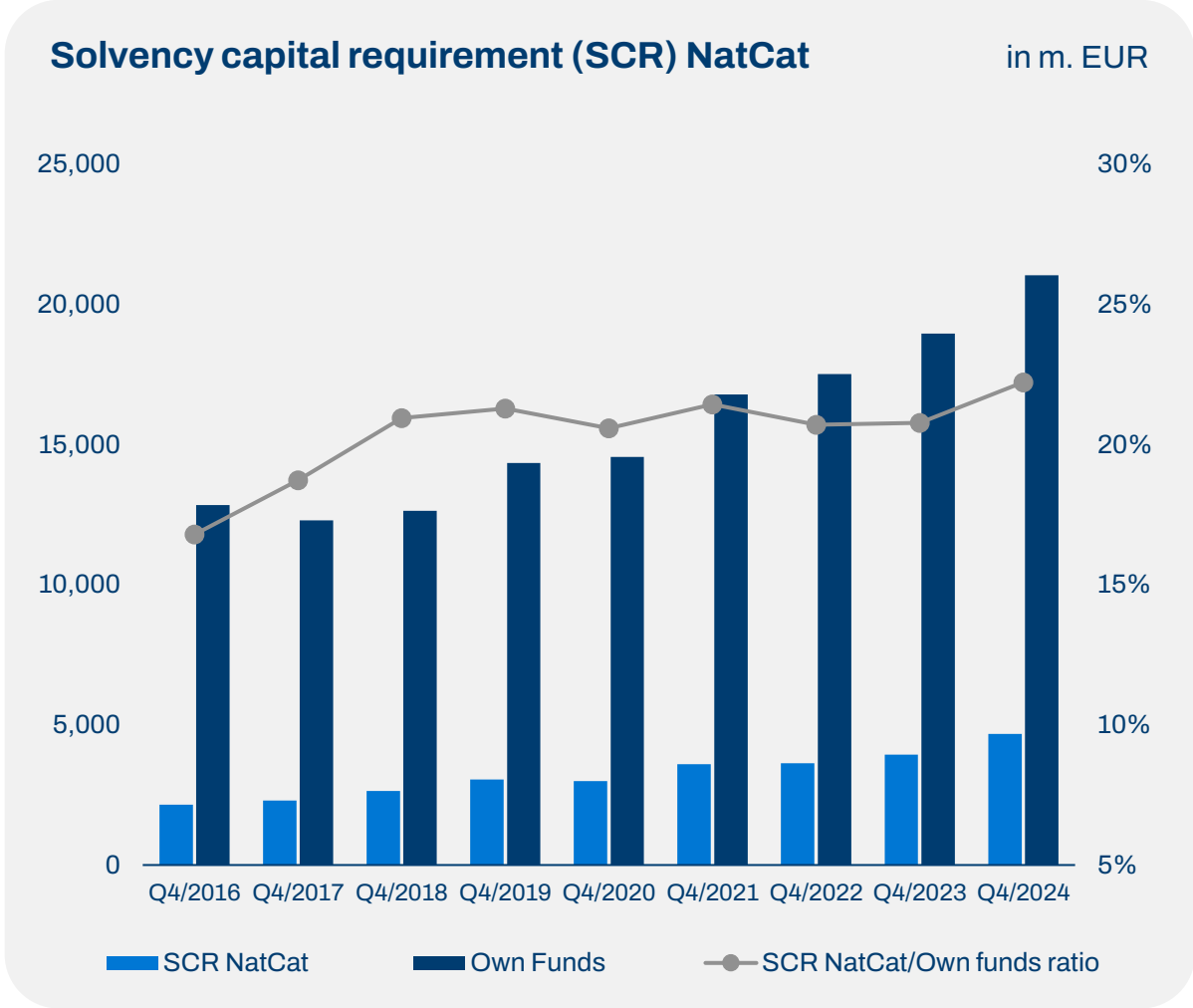
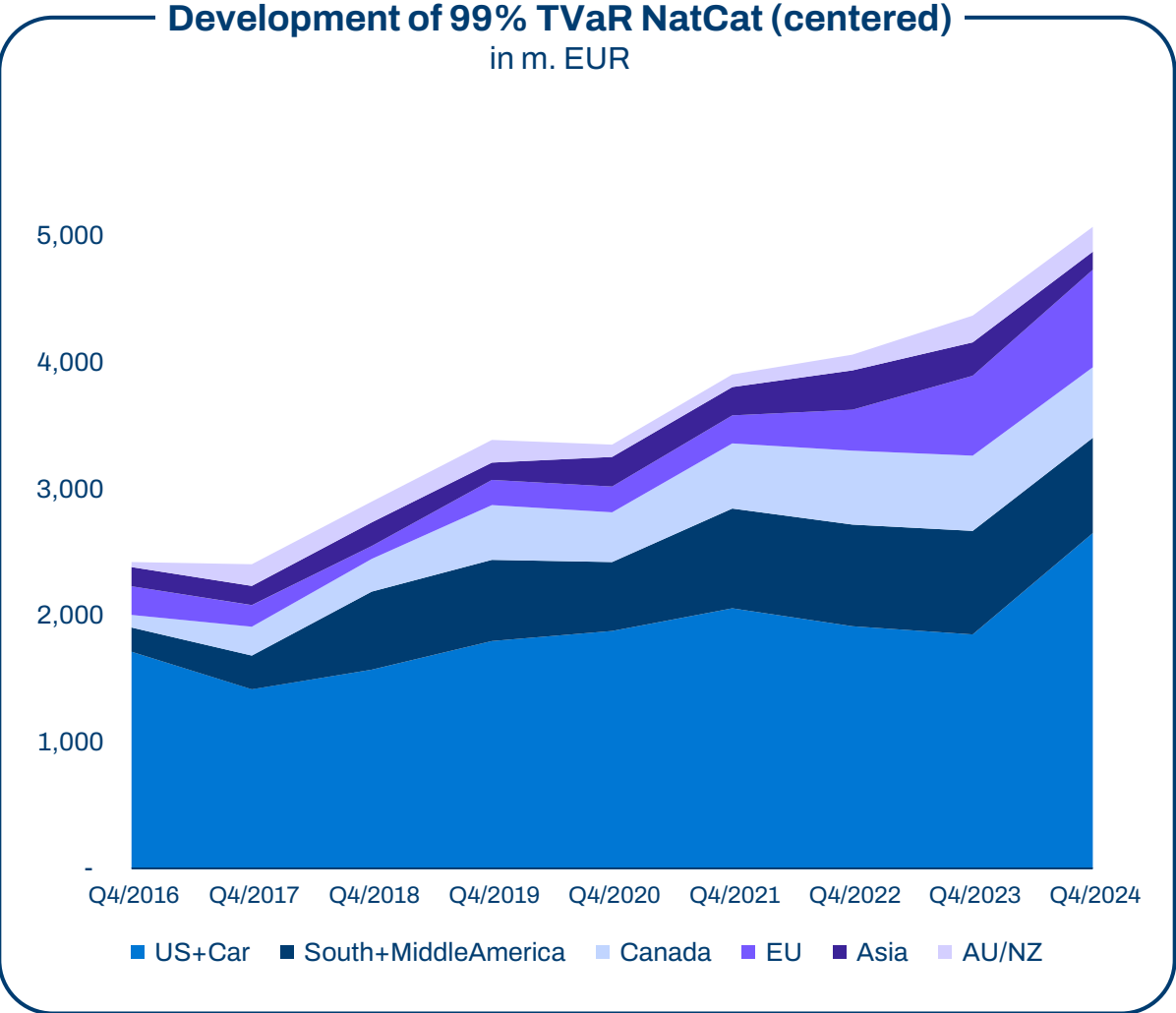
- Clearly positive gross technical result over the cycle
- Expected profitability for UY year 2025 remains at attractive levels clearly above cost of capital
- Diversification within P&C lowers the capital requirement for property business by around 30%



Average large-loss experience from natural catastrophes:
12% below budget

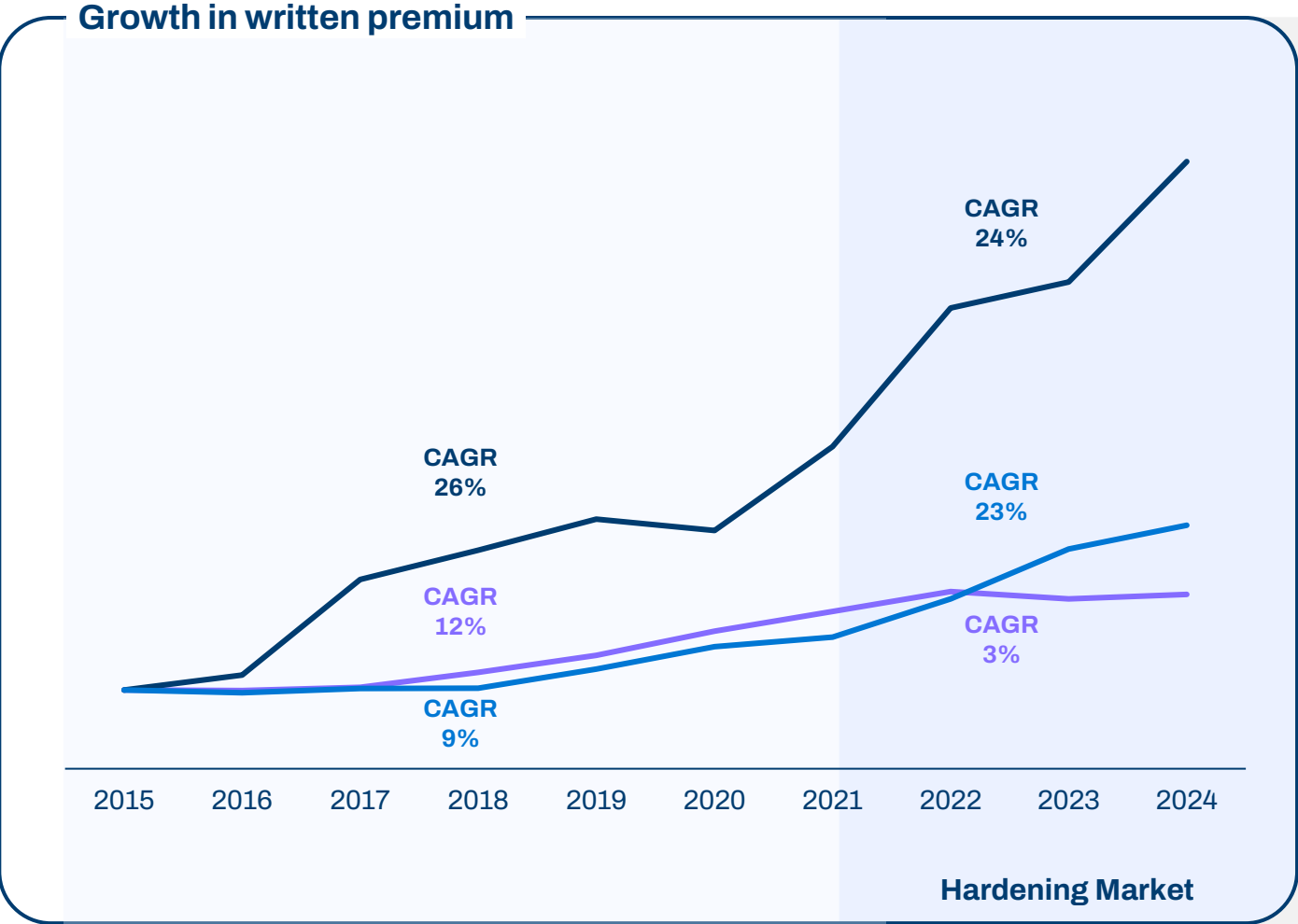
7 Gross technical result NatCat XL figures based on underwriting years

Increasing appetite for NatCat accelerated by hardening of reinsurance markets



Broad diversification supports growth over the cycle

Growth in NatCat driven by pricing environment, significant share of business with low exposure to cycle



Structured reinsurance & ILS (CAGR +25%)

- Strong capabilities for tailor-made solutions meeting increase in demand (mostly independent of the broader P&C cycle)
- Volume can be influenced by conclusion or non-renewal of large individual treaties

NatCat XL (CAGR + 13%)

- Growth rates in NatCat business connected to pricing cycle

Traditional Business¹⁾ (CAGR +9%)

- Diversification supports reliable growth of >7% over the cycle
- Portfolio reduction in 2023 reflects shift from proportional to non-proportional and pruning actions for proportional business

All figures underwriting year written premium; values indexed to 2015 = 100
 1) Including NatCat XL

Key takeaways

01

Diversification is key to be successful throughout the cycle

02

We are successful in NatCat and have appetite for further growth

03

Strong client relationships enable further top and bottom-line growth



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Insights into Life & Health reinsurance

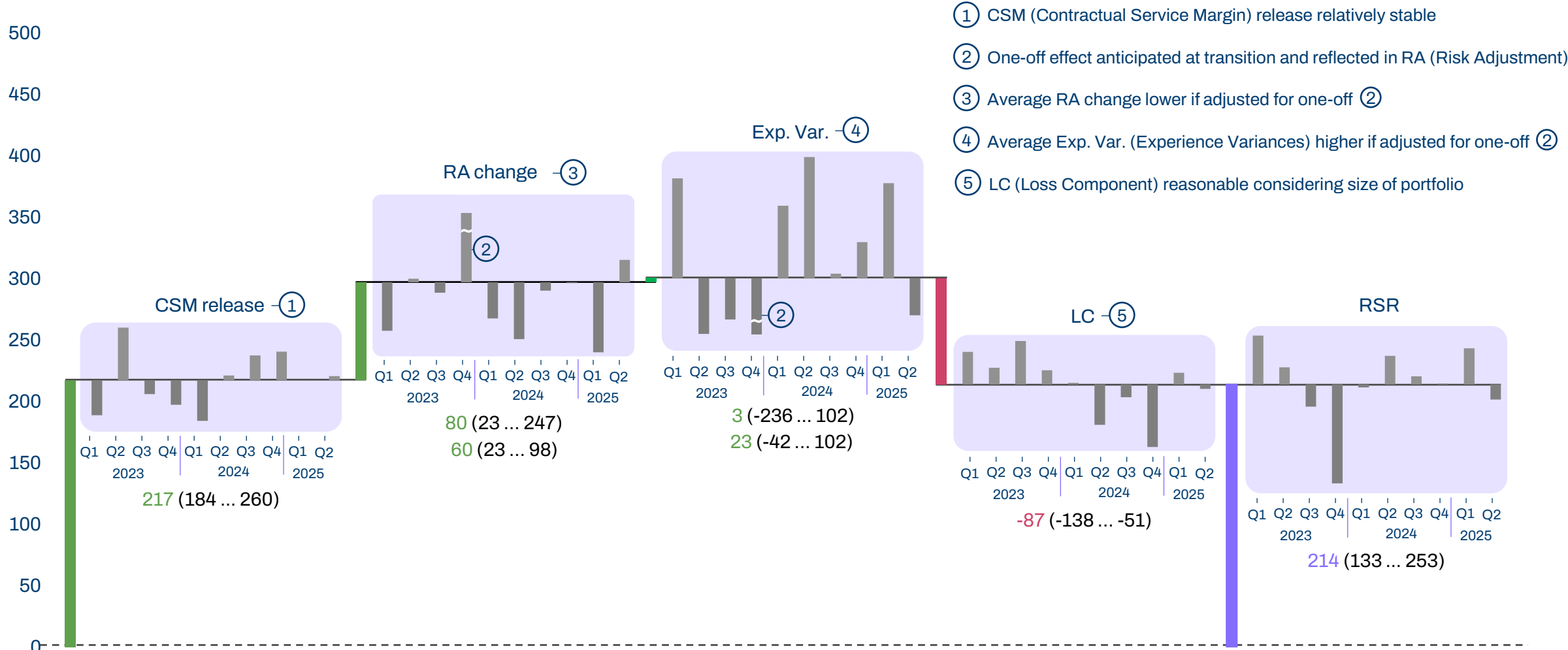
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Claude Chèvre, Member of the Executive Board



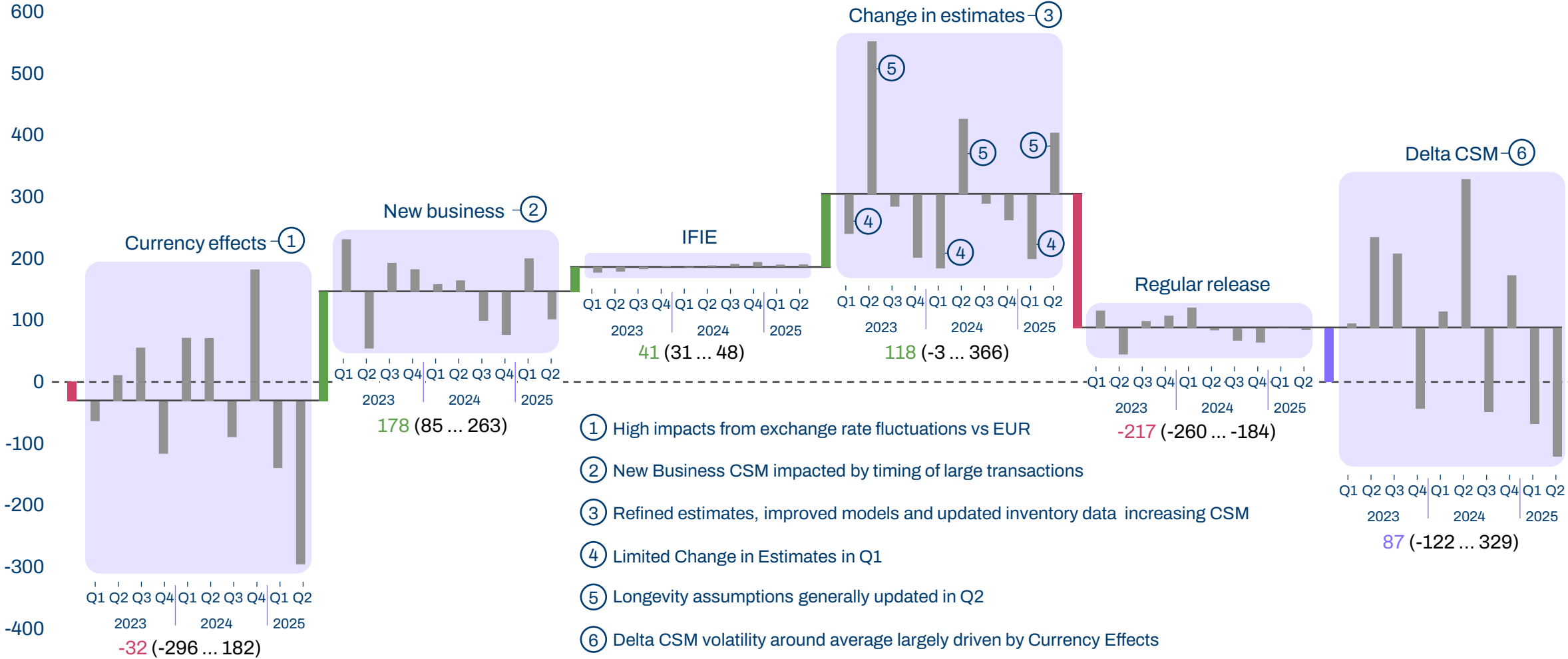
RSR (Reinsurance Service Result) consistently positive; quarter after quarter

RSR components – volatility around average over ten quarters



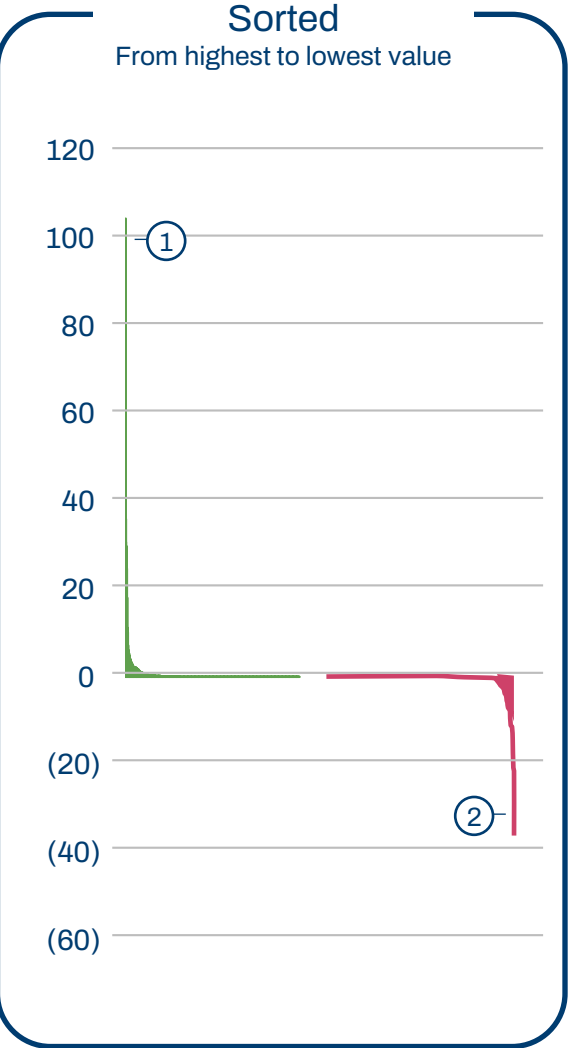
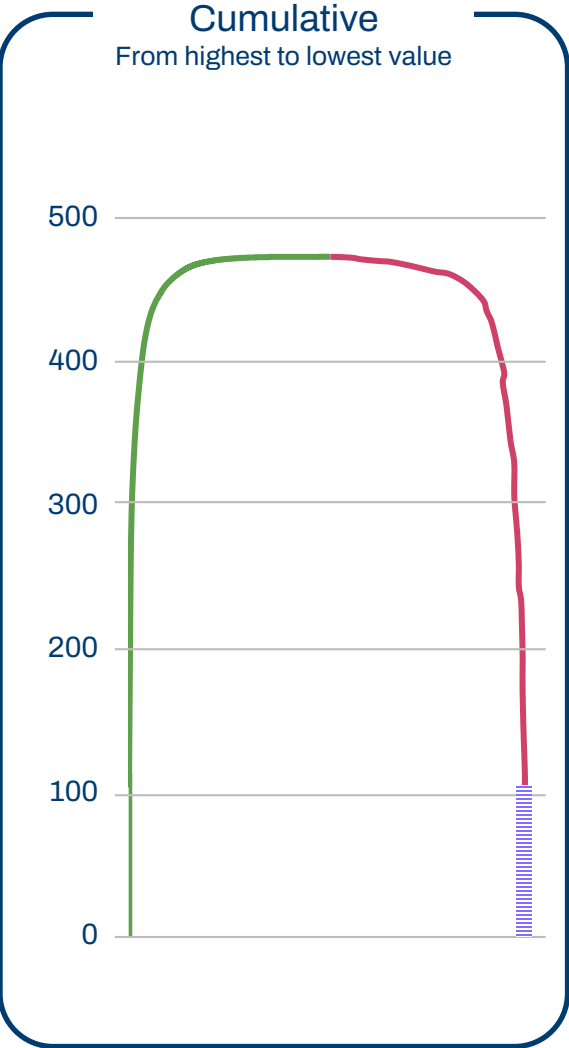
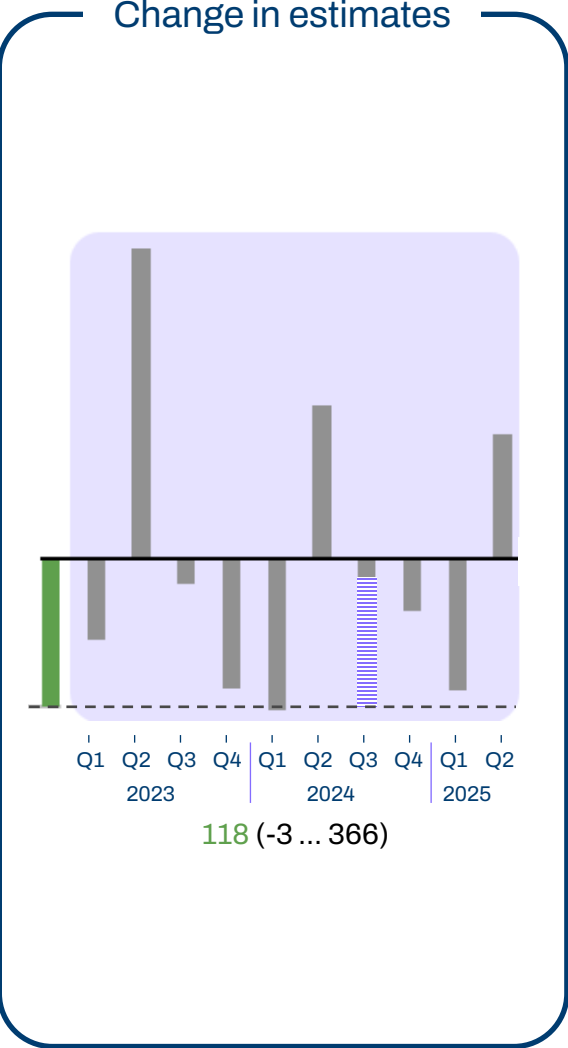
Strong CSM (Contractual Service Margin) creation despite currency headwinds

CSM components – volatility around average over ten quarters



More than 1,000 Group of Insurance Contracts driving the Change in Estimates every quarter

Spotlight on a close to average quarter (Q3 of 2024)



Comments

Various causes

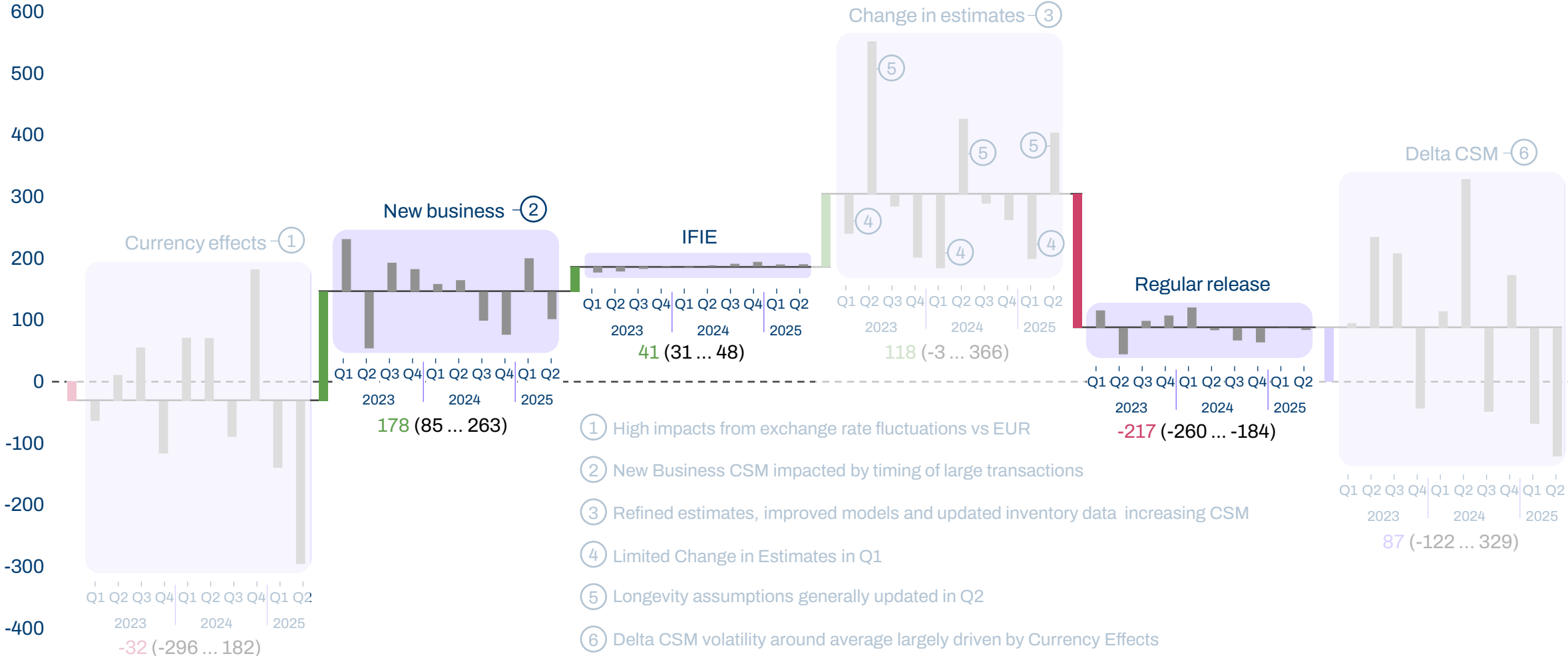
- Improved models
- Refined assumptions
- Updated inventory data

① Most positive change

② Most negative change

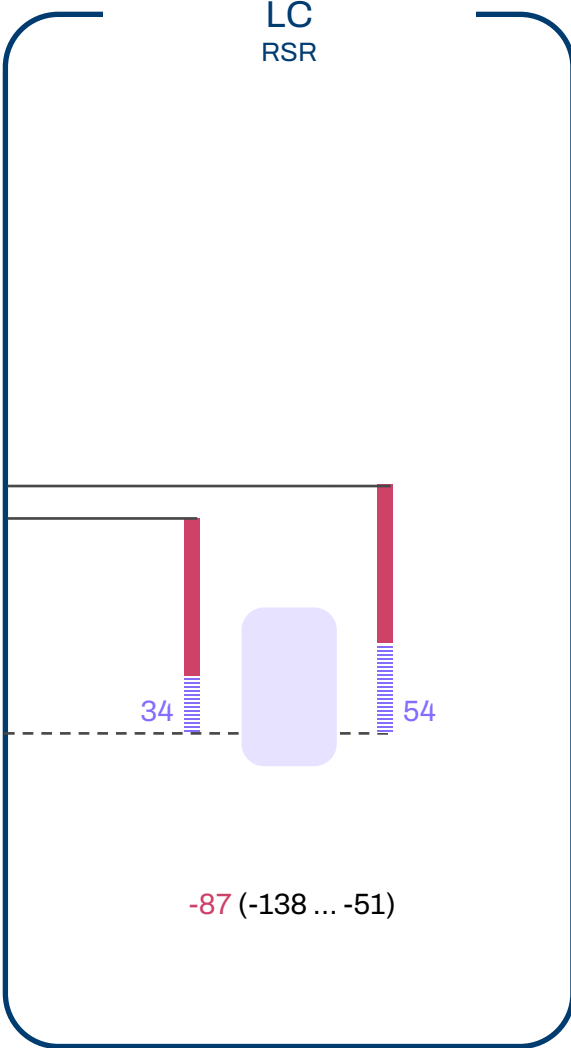
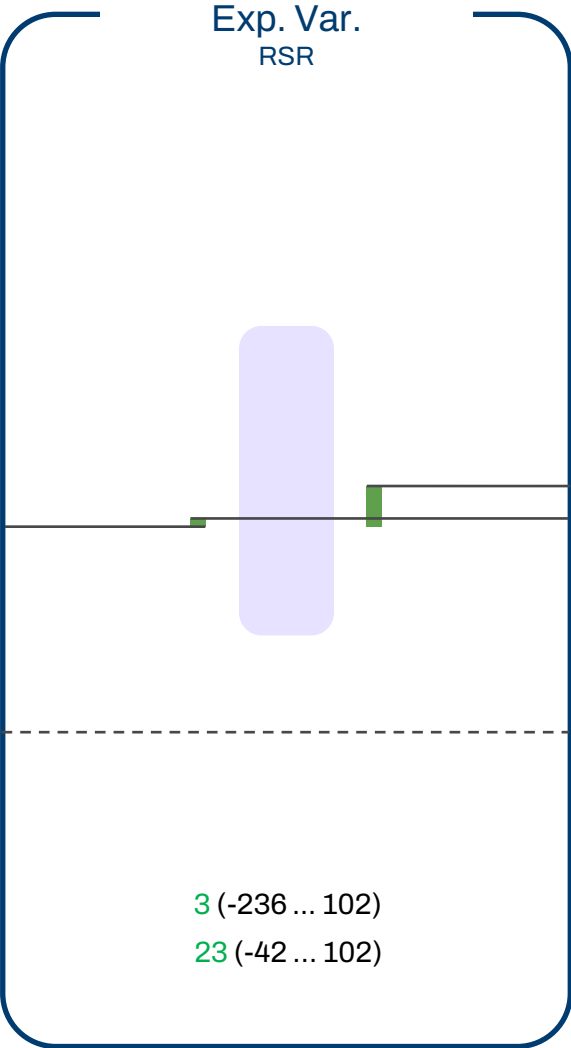
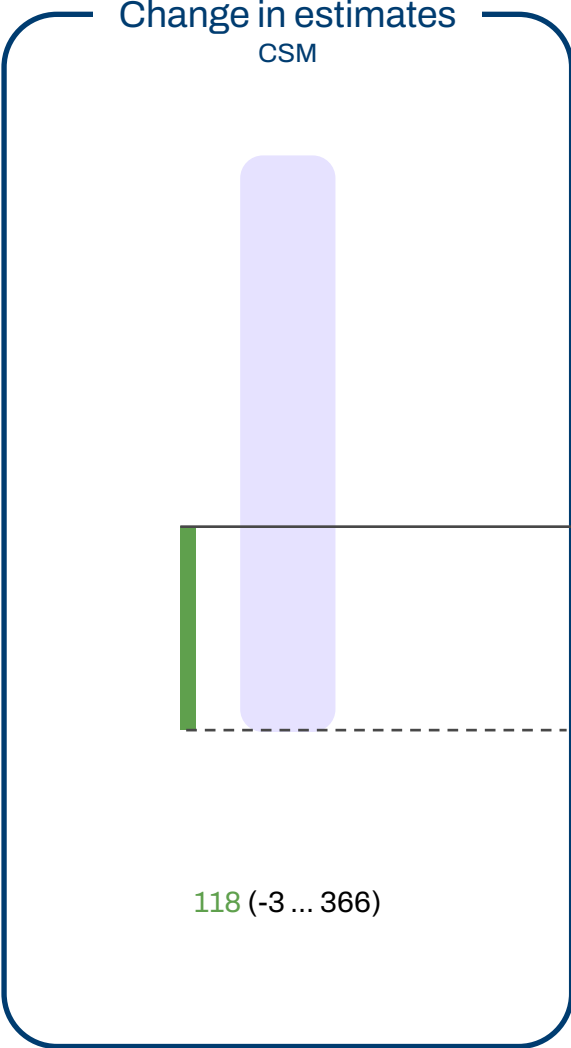
Strong CSM (Contractual Service Margin) creation despite currency headwinds

CSM components – volatility around average over ten quarters



Change in Estimates and Exp.Var. overcompensating LC

Sum of average Change in Estimates, Exp. Var. and LC over ten quarters

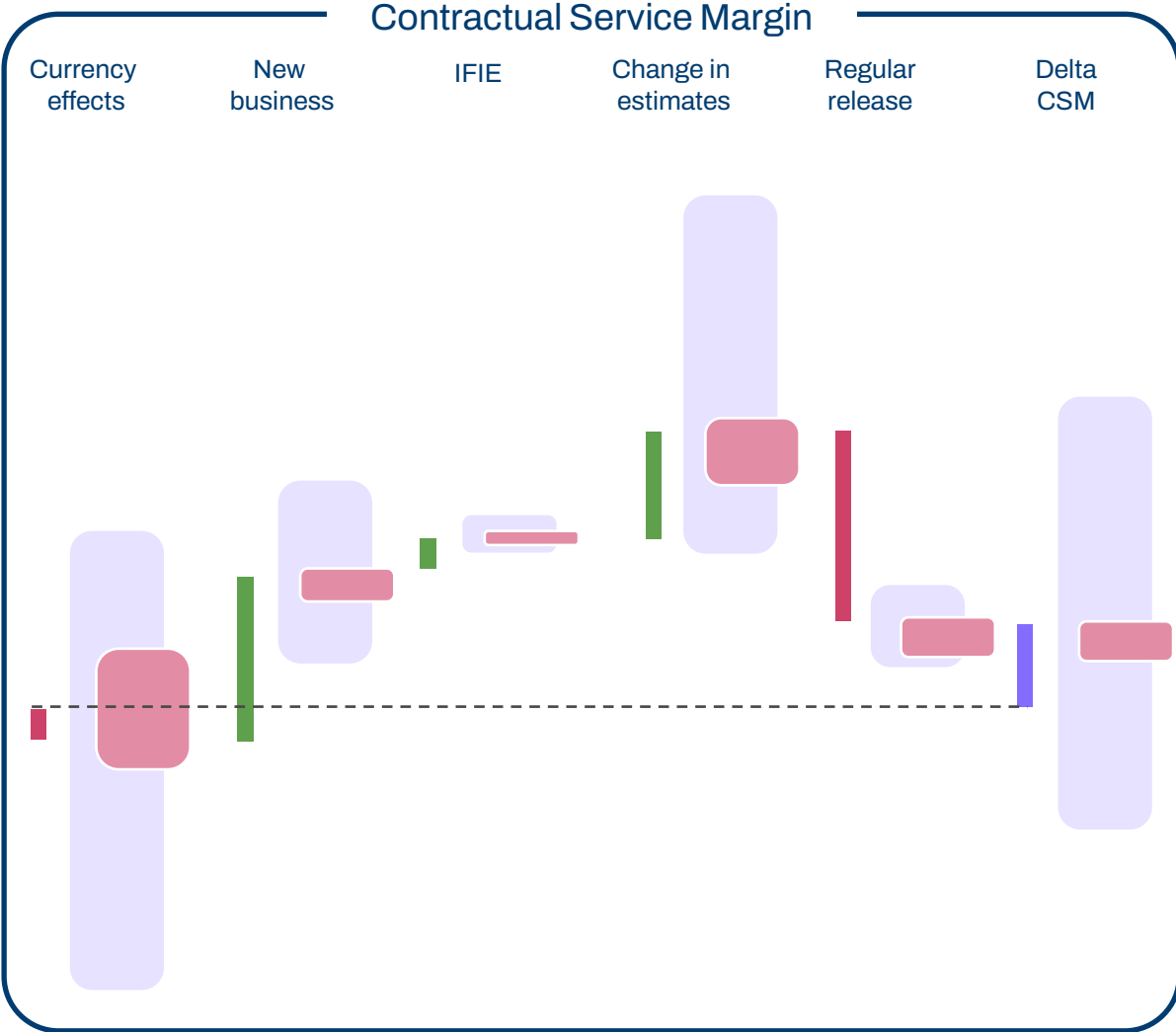
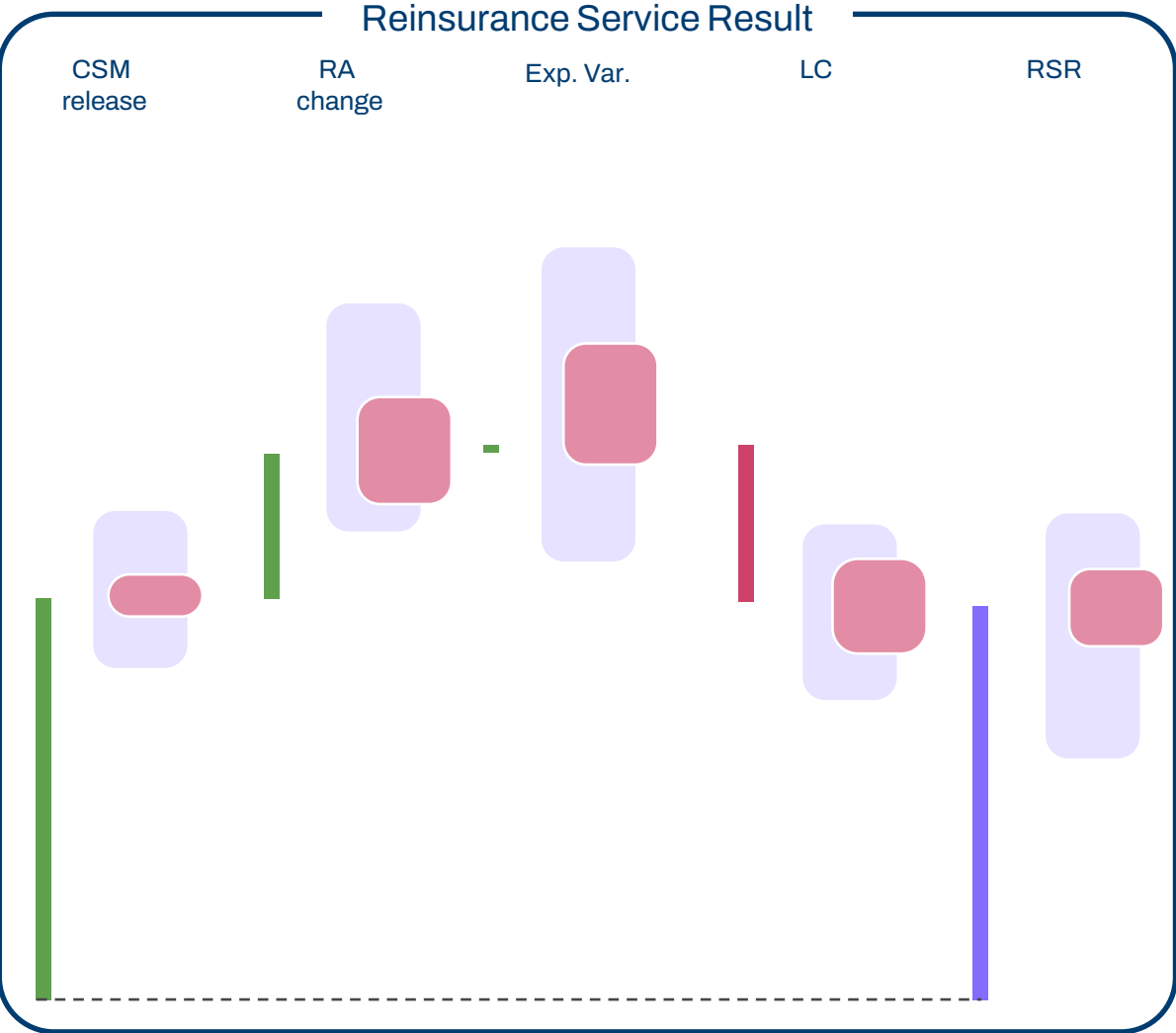


Comments

- More positive Exp. Var. on average without outlier in Q4 of 2023

Rolling average giving better indication of economics than quarterly figures

Observed volatility of quarterly values and rolling average for each component



Key takeaways

01

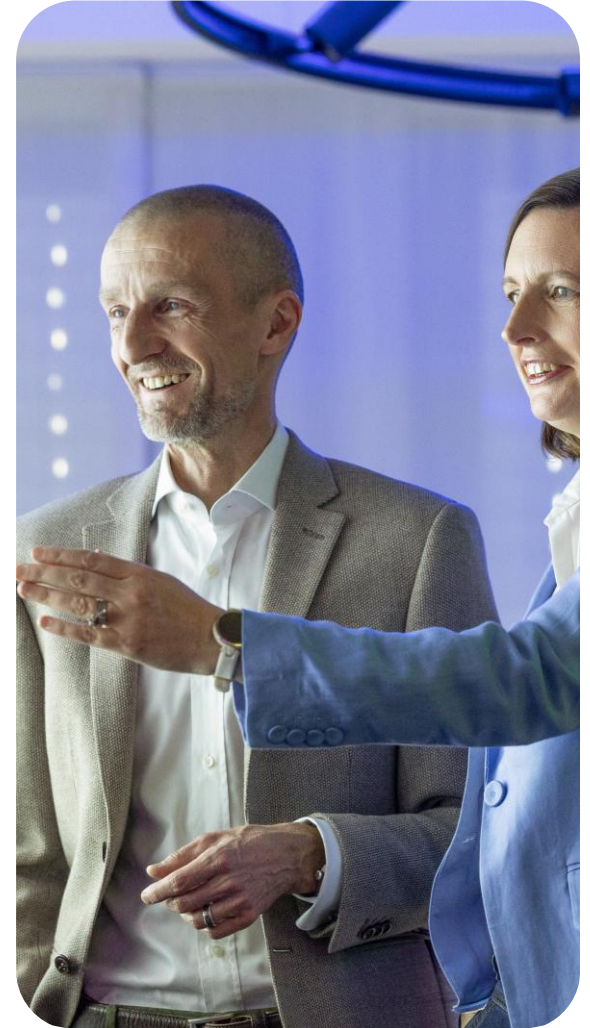
Consistently positive RSR demonstrates earnings strength and stability

02

Strong CSM creation will lead to future earnings growth

03

Proven profitable new business execution builds confidence in the future



Hannover Re

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