

somewhat
different

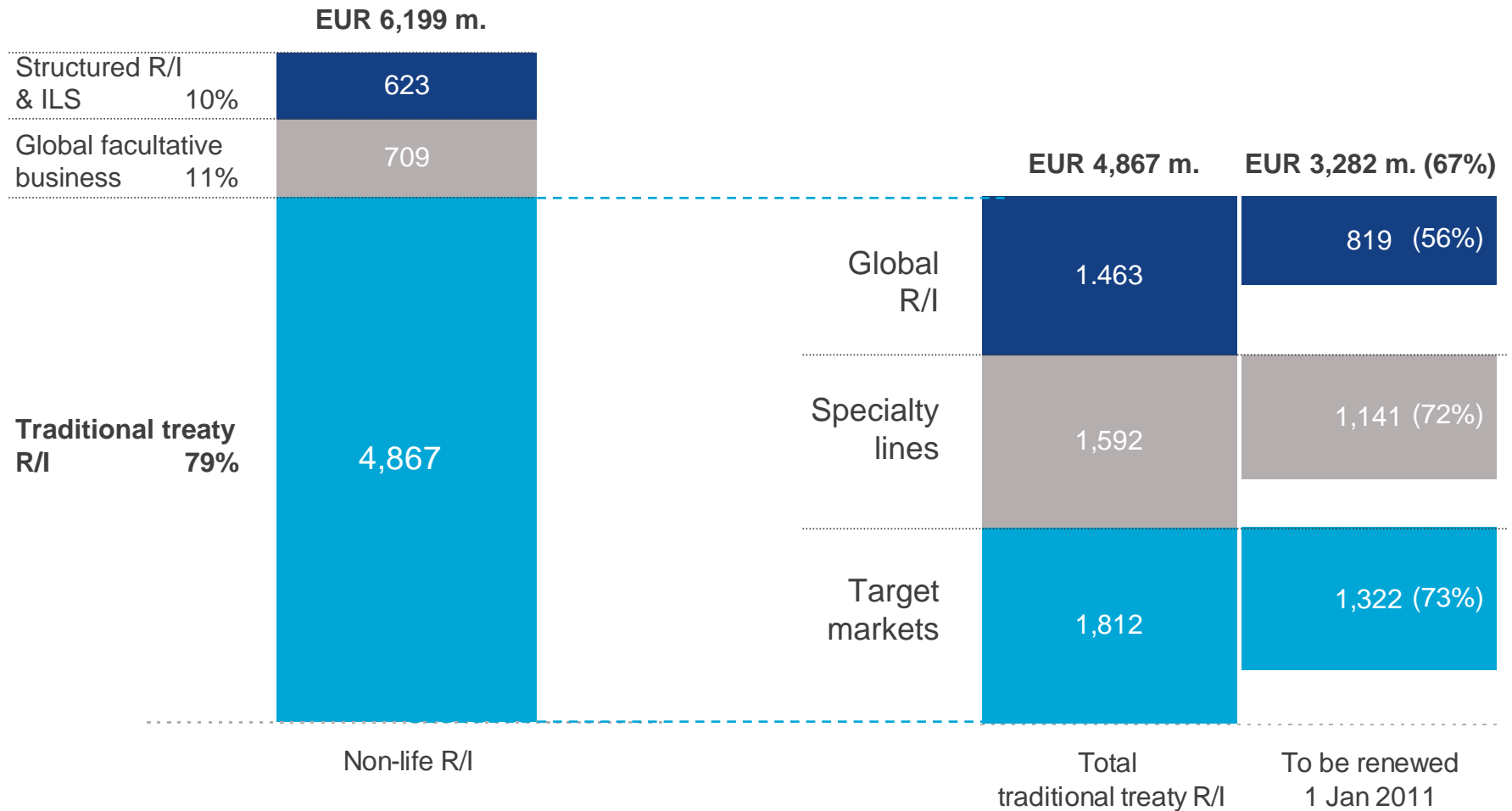
Conference Call on 1 Jan 2011 Non-Life Treaty Renewals

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 2010.

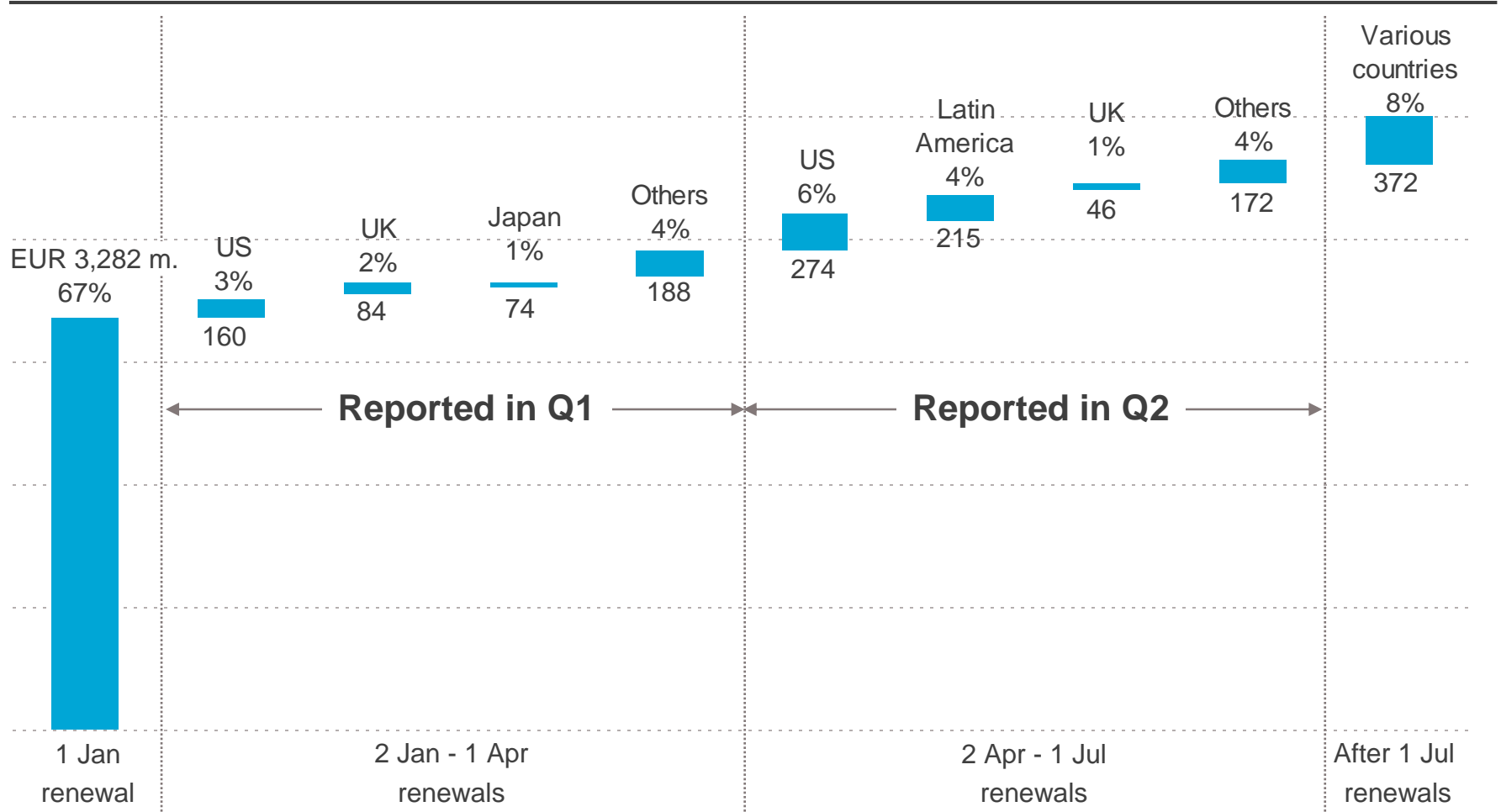
Renewal analysis covers 79% of total non-life reinsurance (R/I)

Renewed treaties 2010



67% of traditional treaty R/I renewed at 1 January 2011

Traditional treaty reinsurance (excl. structured R/I & ILS and global fac.) in m. EUR



Reinsurance market highlights

Despite downwards pricing trend still a disciplined market behaviour

- ▶ Market situation mostly as anticipated in Monte Carlo
- ▶ Reinsurance rates down 5% - 10% on average depending on market, line of business and loss experience
- ▶ Rate declines within expectation
- ▶ Property catastrophe sees strong decrease despite high loss frequency
- ▶ Rate hardening in offshore energy (Deepwater Horizon) and European motor
- ▶ Reinsurance remains more attractive than insurance
- ▶ Terms and conditions largely unchanged

A softening outlook with a hardening outlook in single LoBs

Our 1 Jan renewals outperformed brokers' estimates

Hannover Re's market position

- ▶ Very good showing and signing for Hannover Re (>90% in average)
- ▶ Our superior rating enabled us to sustain good business
- ▶ Our strict cycle management principles are reflected in our premium changes
 - Premium increases in marine (incl. energy)
 - Premium increases in UK, London market & direct
 - Premium reductions in global cat XL
- ▶ 1 Jan premium growth of 2% as planned, driven by specialty lines and emerging markets

Our 1 Jan renewals outperformed brokers' estimates (cont'd)

Hannover Re's market position

- ▶ North America: stable portfolio with minor shifts between property and casualty
- ▶ Germany: stable with an increased share in motor business
- ▶ Marine (incl. energy): kept leadership position in all major programmes
- ▶ Aviation: growth due to selective underwriting
- ▶ Credit, surety & political risks: disciplined u/w leads to premium reductions
- ▶ UK, London market & direct: double-digit growth on profitable opportunities
- ▶ Global treaty: strict underwriting observing margin requirements as overcapacity inflicts soft renewal;
flat in developed markets;
strong growth in emerging markets
- ▶ Global cat XL: premium decreases due to strict cycle management

We increased our volume by 2%

Non-life reinsurance		1/1/2010		1/1/2011
Division	Business center	Volume ¹⁾	Variance	Volume ¹⁾
Target markets	North America ³⁾	408	+3%	420
	Germany ³⁾	913	-0%	909
Specialty lines	Marine (incl. energy)	127	+20%	152
	Aviation	190	+14%	216
	Credit, surety & political risks	432	-11%	385
	Structured R/I & ILS	Not reported		
	UK, London market & direct	393	+14%	447
Global R/I	Global treaty ³⁾	662	+3%	684
	Global cat XL	157	-15%	133
	Global facultative	Not reported		
Total 1 Jan renewals		3,282	+2%	3,346

1) In m. EUR, development in original currencies can be different

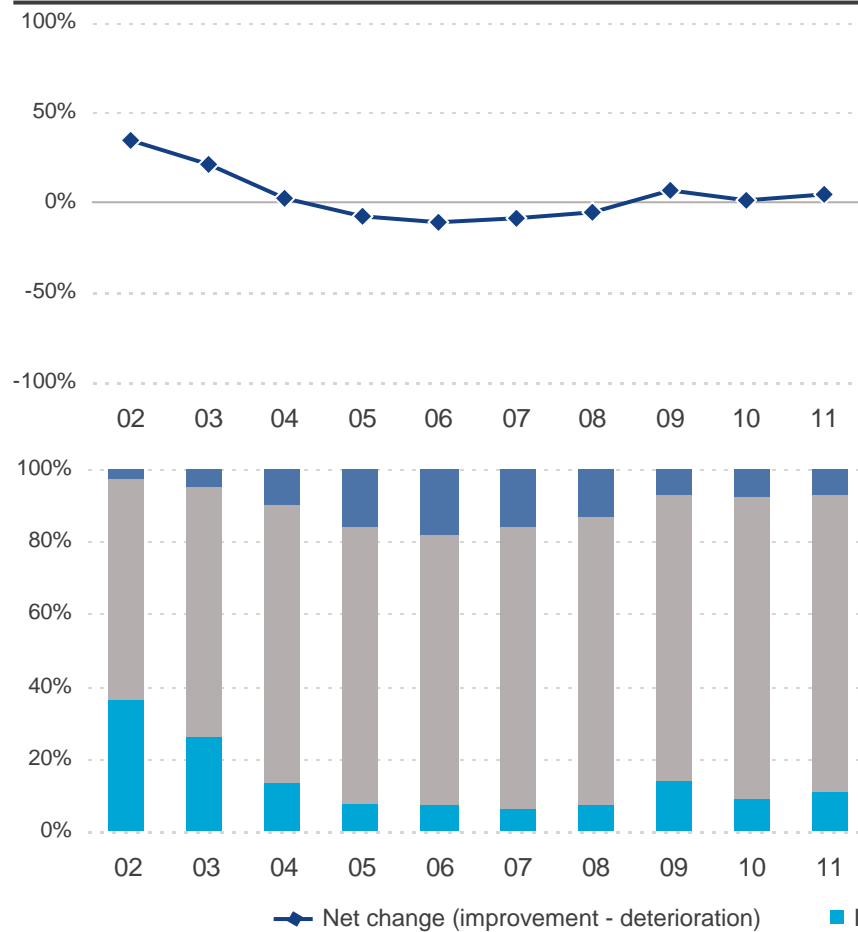
2) ++ = well above CoC; + = above CoC; +/- = CoC earned; - = below CoC

3) All lines of business except those stated separately

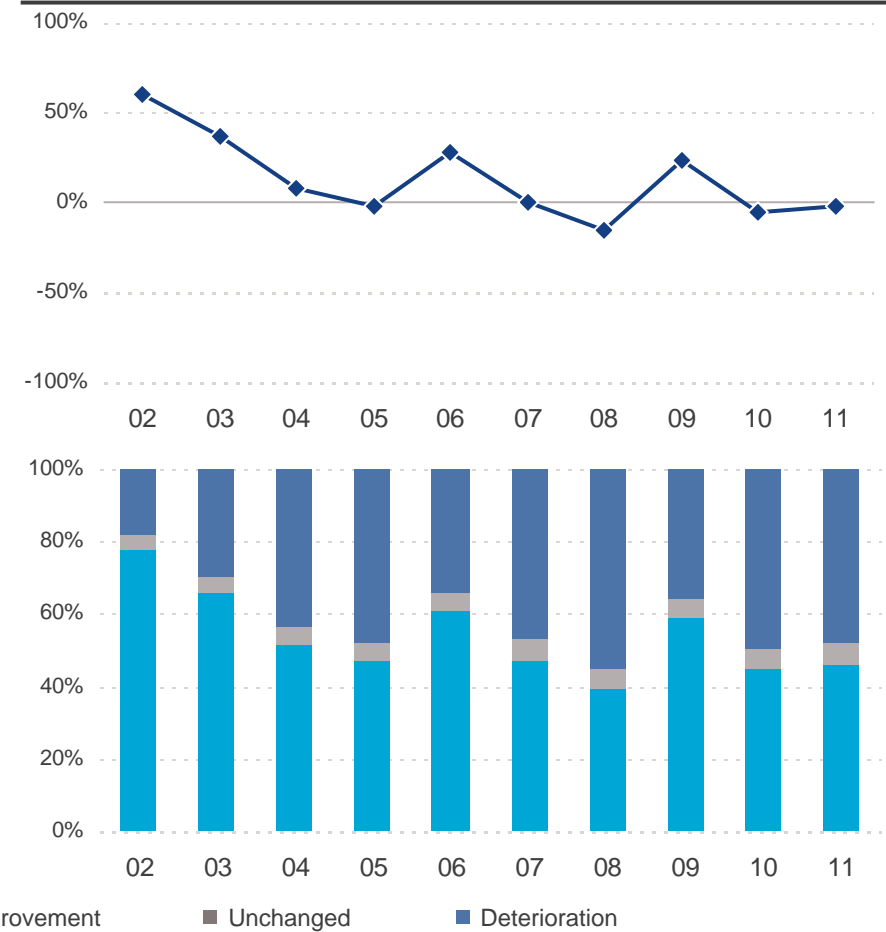
Conditions for Hannover Re still satisfactory

More improvements on proportional business; non-proportional stable

Proportional¹⁾



Non-proportional²⁾



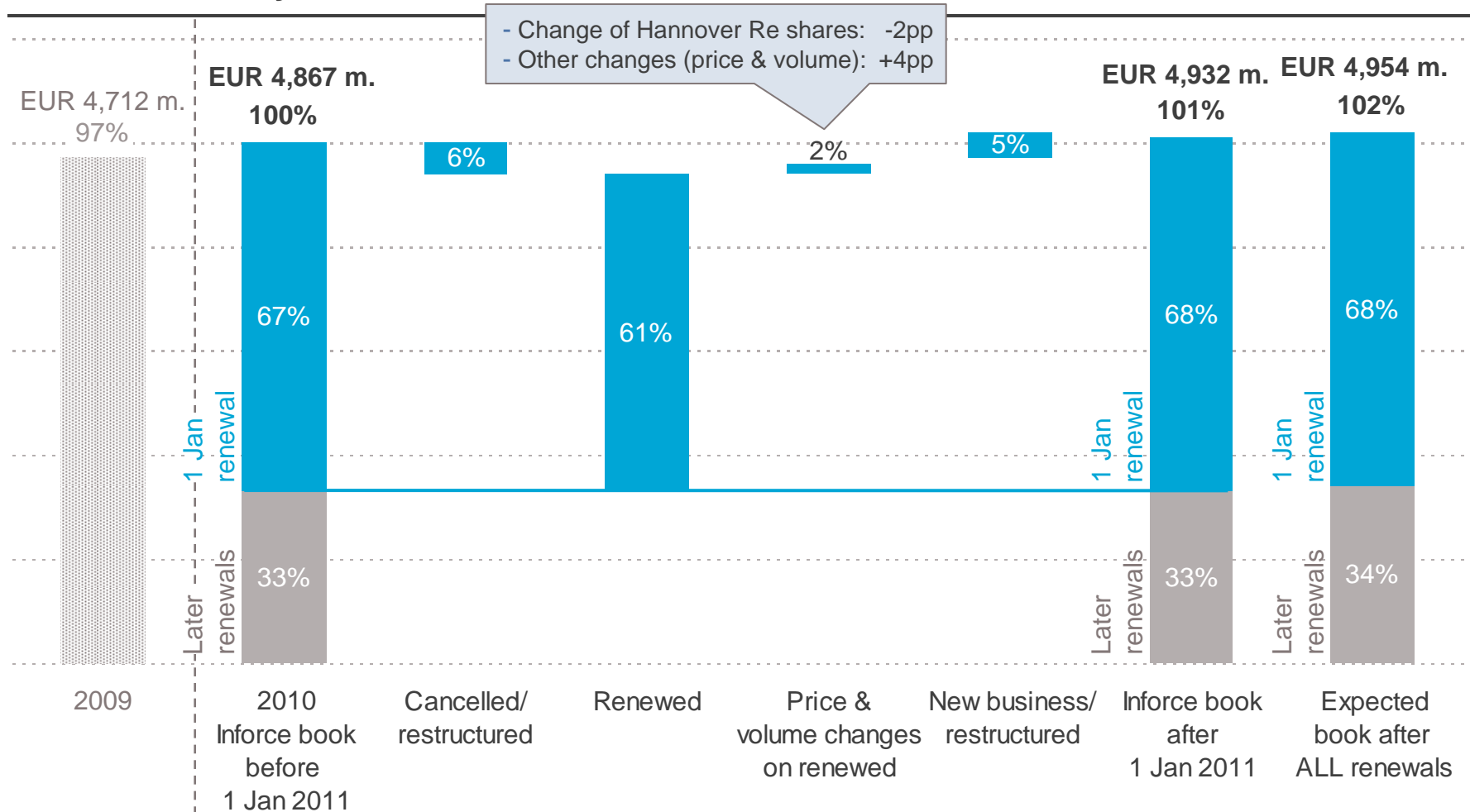
1) Comparison of commission

2) Comparison of Rate on Line (RoL)

Slight increase of volume as expected

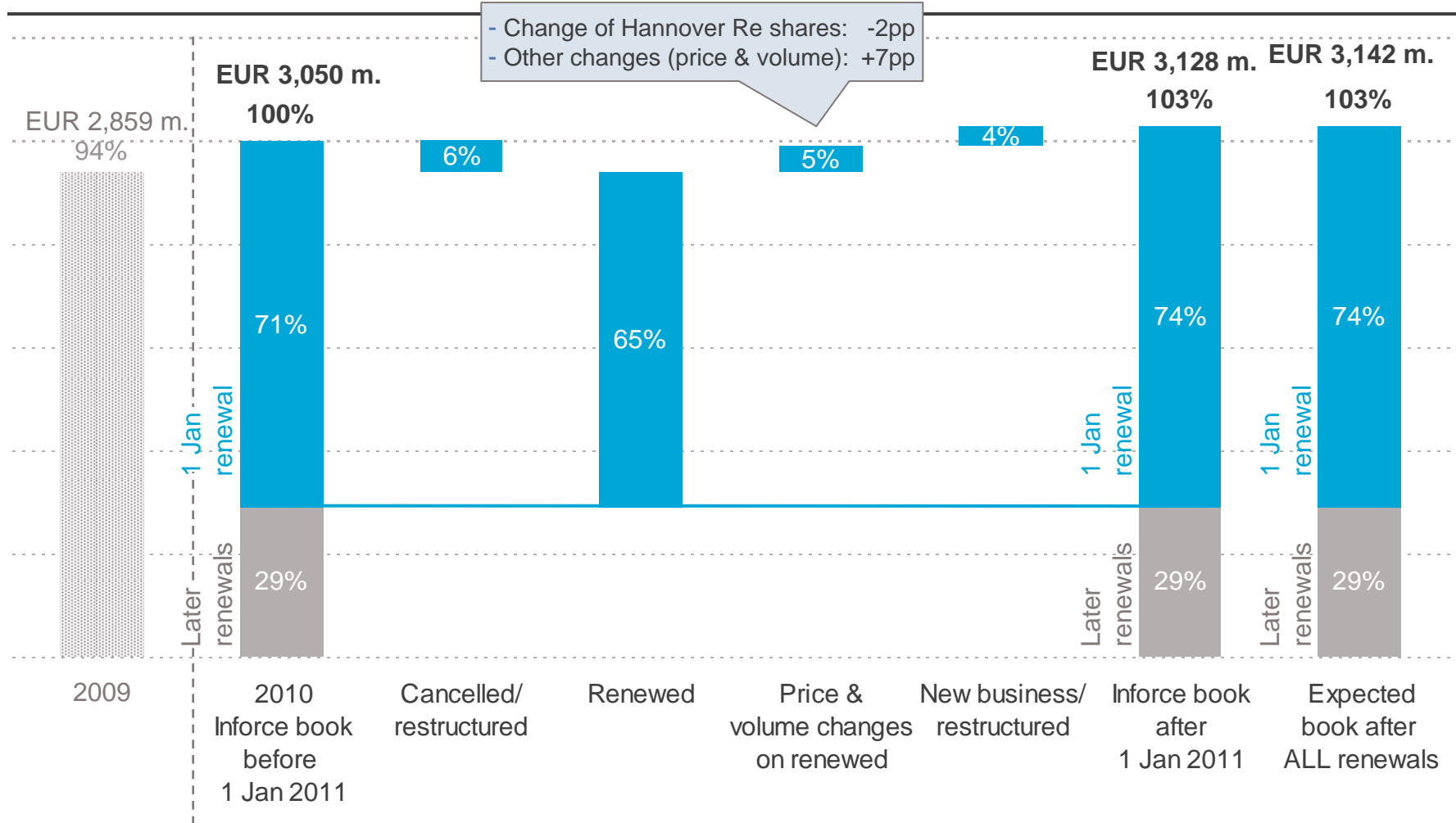
1 Jan renewed book increased by 2%

Traditional treaty R/I



Moderate opportunistic growth

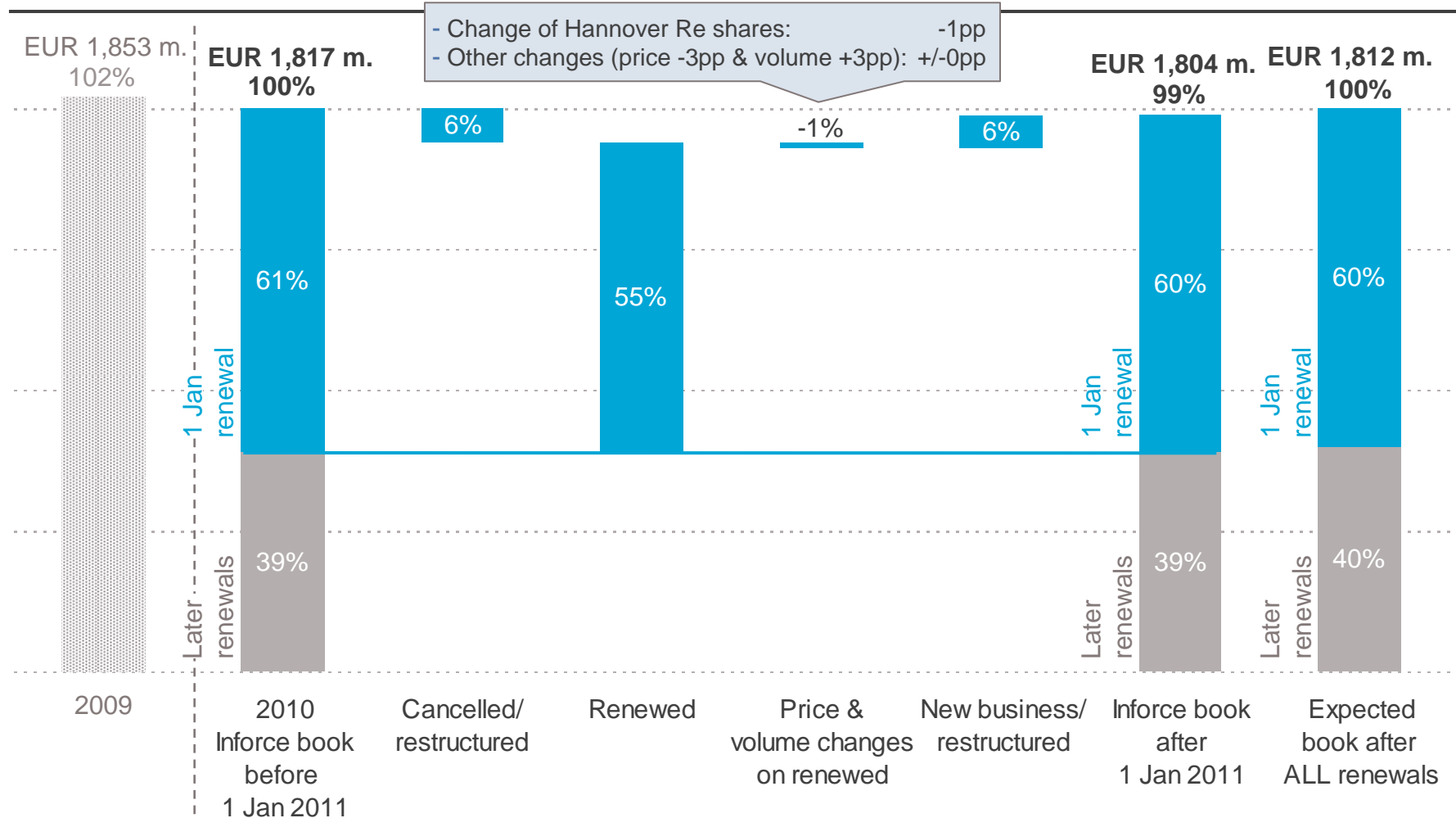
Traditional treaty R/I - proportional



Cycle management at work

Reduced share in volatile cat business in a competitive environment

Traditional treaty R/I - non-proportional



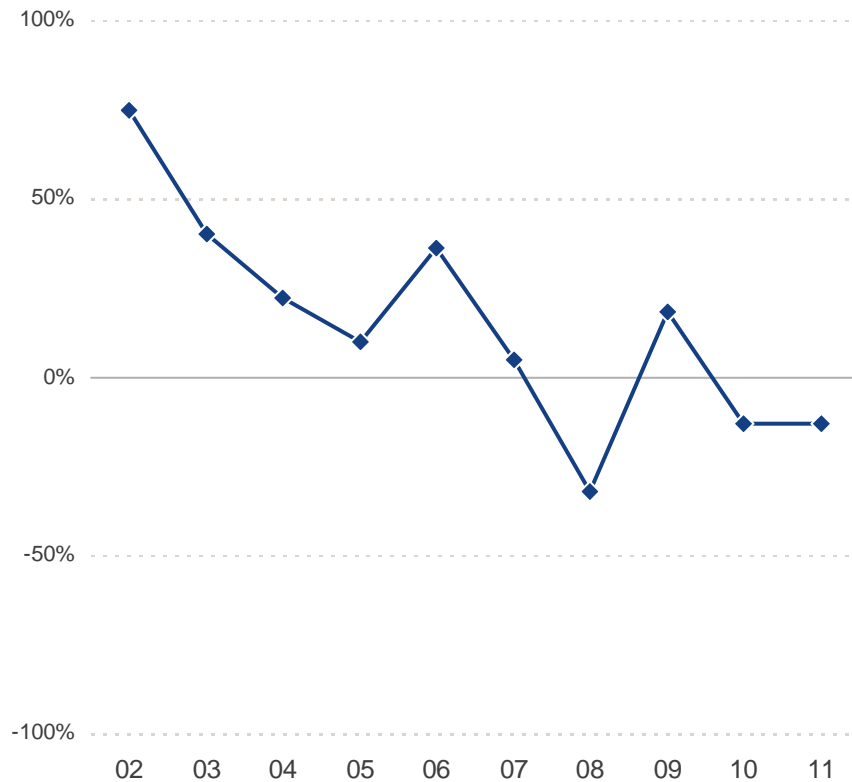
Satisfactory renewal in the world's largest market

Target market North America

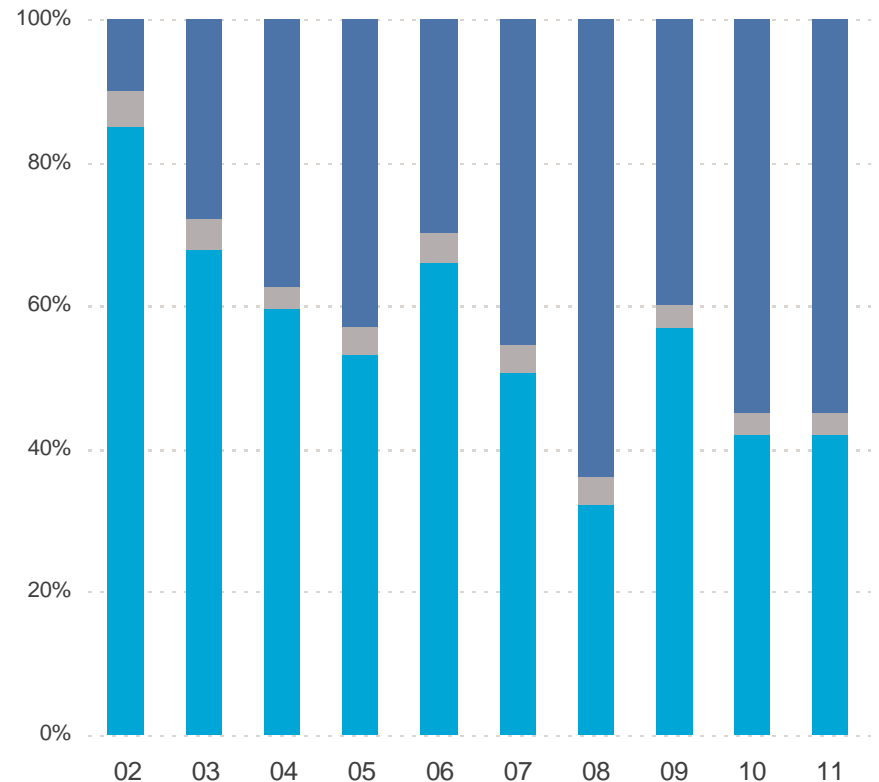
- ▶ In all, a stable portfolio development
- ▶ Property:
 - Proportional: limited rate reductions but still a sufficient rate level
commissions stable to minor deterioration
terms and conditions remained mostly unchanged
 - Per-risk: rates for loss-free contracts down by 5% on average (RoL)
rates for loss-affected contracts up by 10% - 20% (RoL)
- ▶ Casualty: a mixed picture
 - Standard casualty: competitive but stable
 - Special casualty: terms and conditions under pressure
we further reduced our premiums
 - Workers' comp.: signings have increased in a slowly improving environment
 - Professional indemnity: stable to slightly reduced premium
- ▶ Canada increased our high market share

Flat development

Target market North America - non-proportional



Comparison of Rate on Line (RoL)

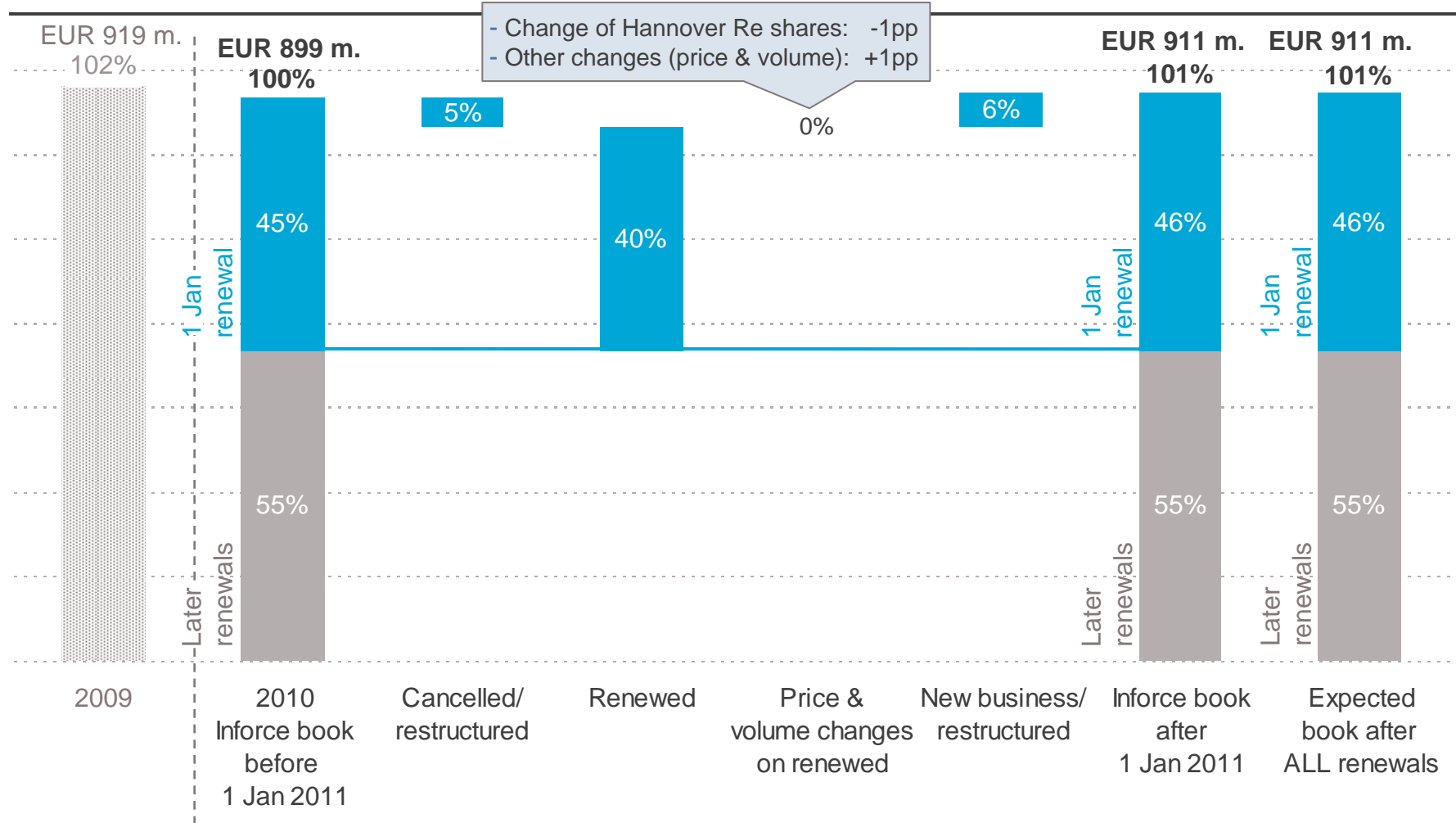


◆ Net change (improvement - deterioration)
 ■ Improvement
 ■ Unchanged
 ■ Deterioration

Stable development over the last 3 years

More than 50% to be renewed later

Target market North America



A leading position in our domestic market

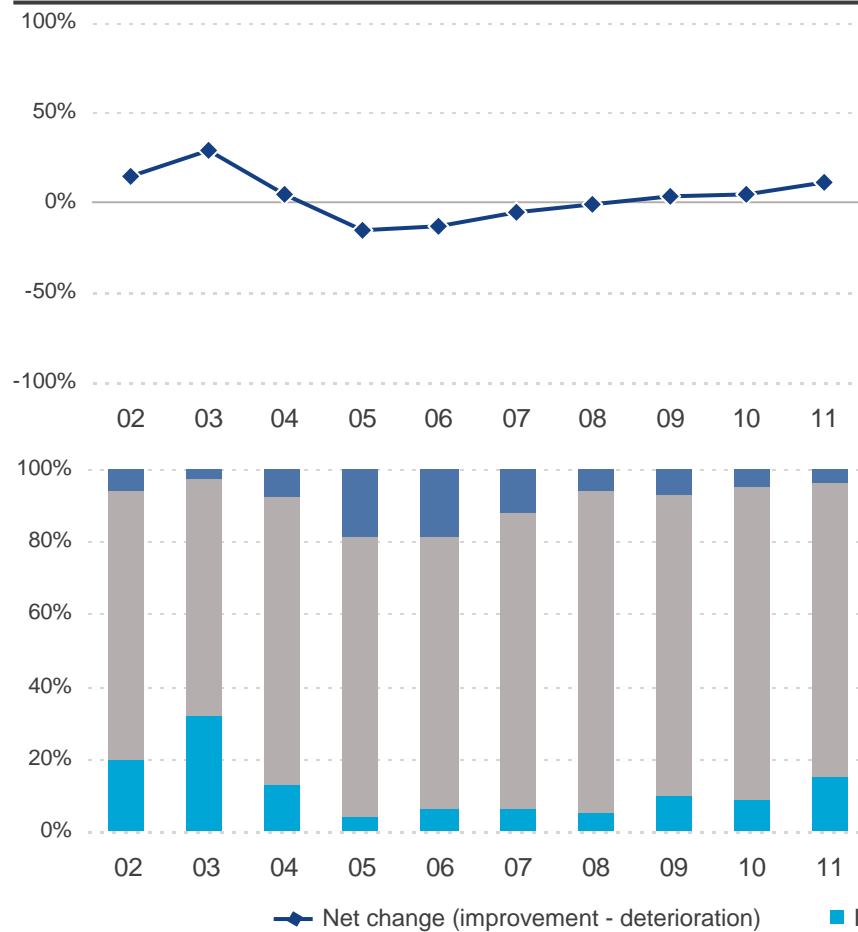
Target market Germany

- ▶ Insurance premiums increased slightly
- ▶ Reinsurance market remains mostly unchanged
- ▶ We kept our leading market positioning on a slightly reduced premium level
- ▶ Pricing remained stable with rate increases in loss-affected areas
- ▶ We reduced volume in industrial liability business
- ▶ Motor: downwards trend reversed
 - Primary rates increased slightly by approx. 5%
 - Non-proportional rates increased on average 5%
 - Proportional commissions down by 1%p

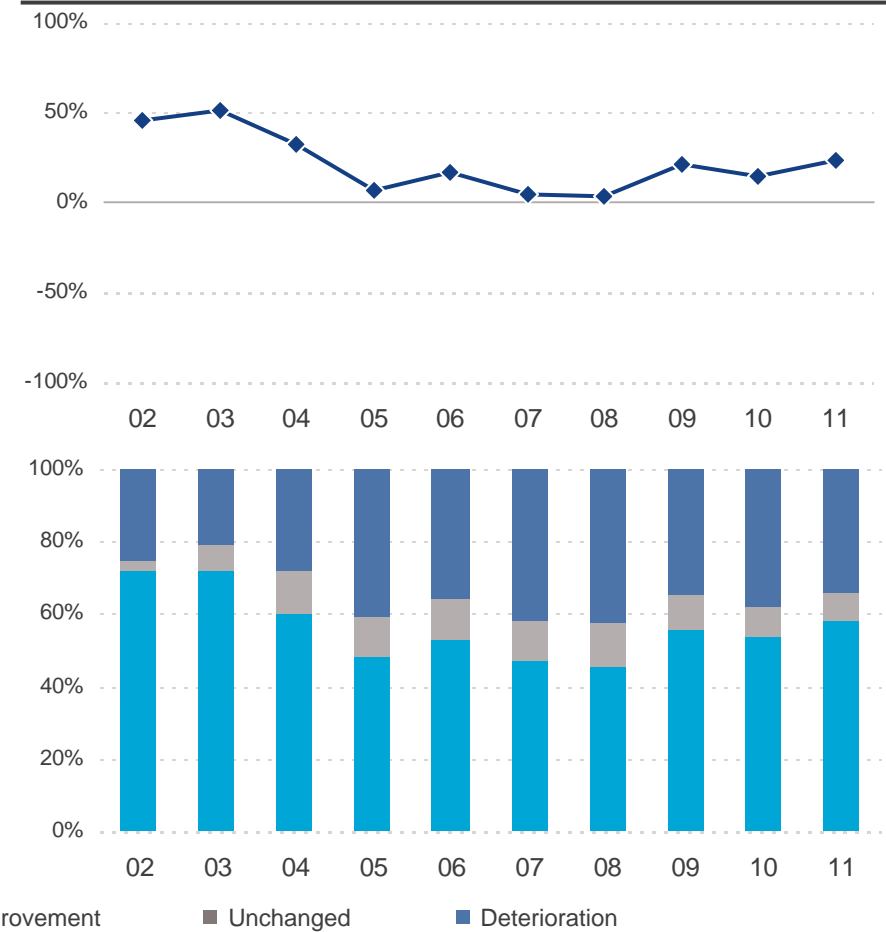
Cycle barometer signals improvement

Target market Germany

Proportional¹⁾



Non-proportional²⁾

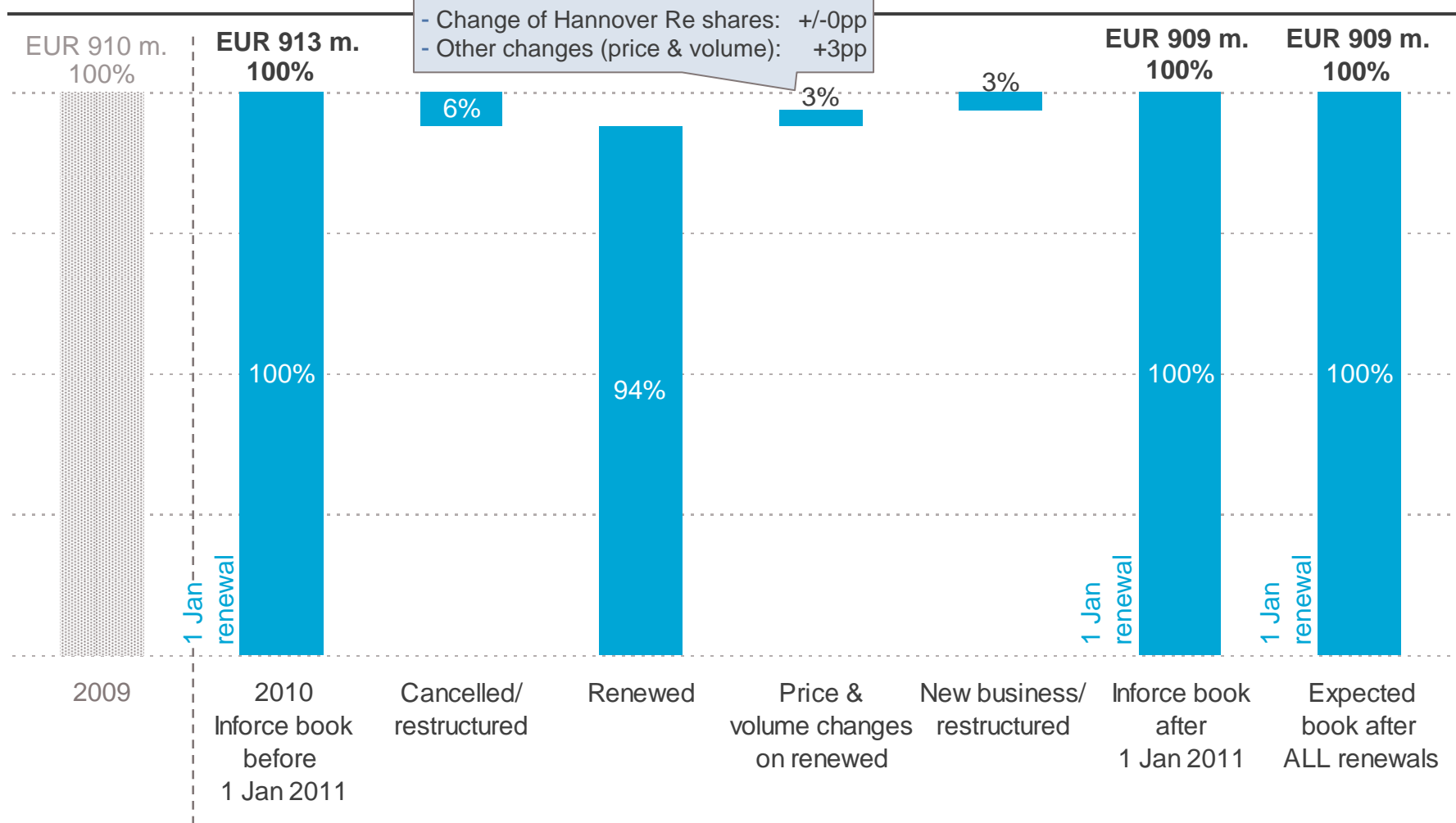


1) Comparison of commission

2) Comparison of rate on line

Positive rates development in motor business.but overall flat premium due to profit-oriented and selective underwriting

Target market Germany



Leadership position retained

Marine (incl. energy)

▶ Energy

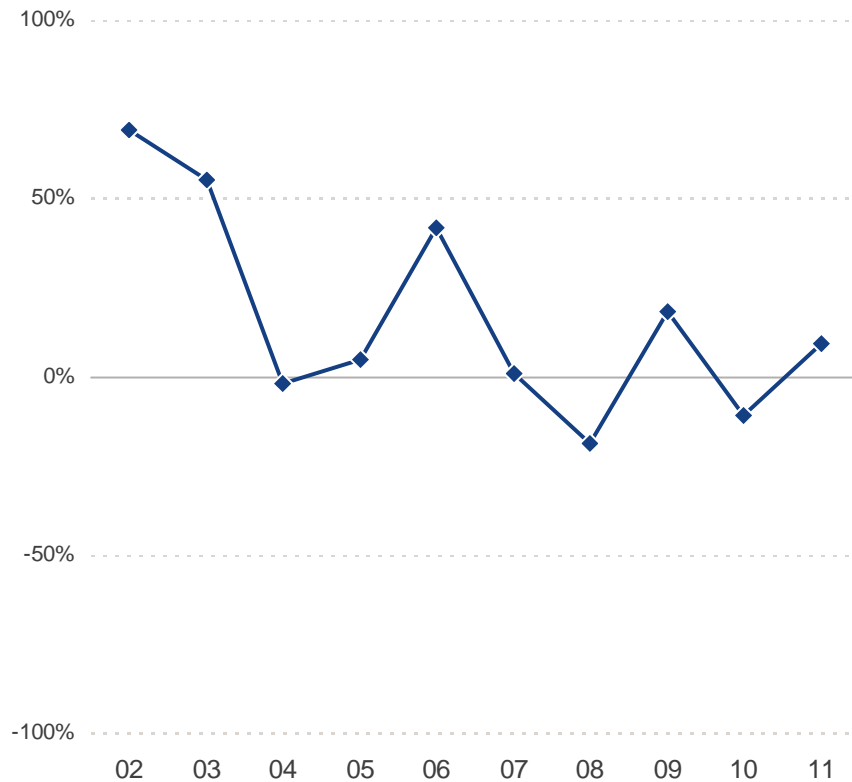
- Hardening primary market (+20%)
- R/I market has seen even more significant increases (+25%)
- Slightly increased our market share

▶ Marine

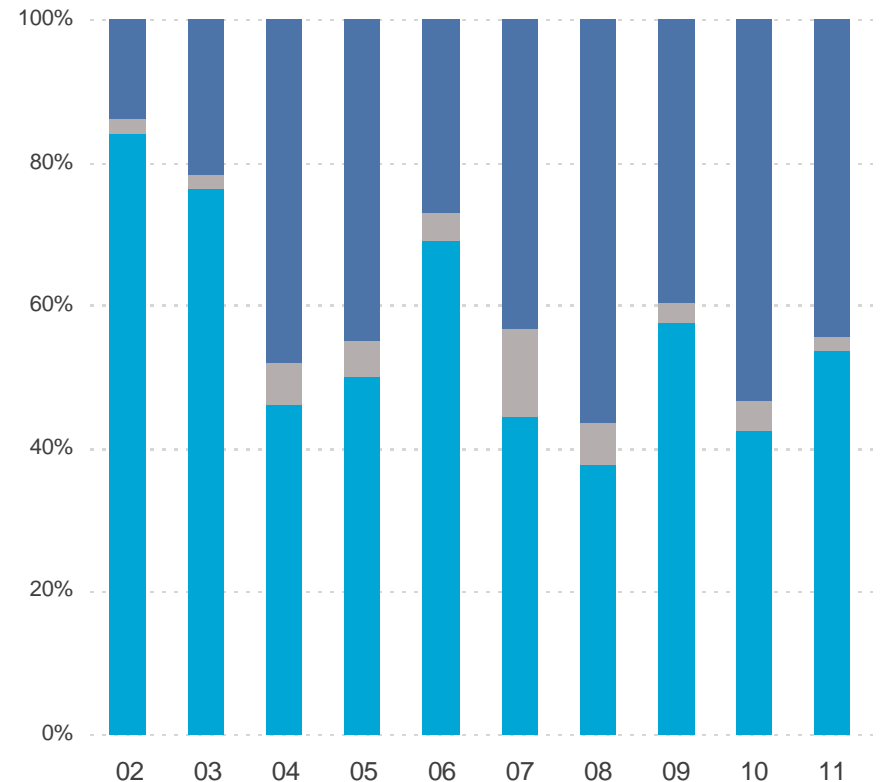
- Primary market is stable to softening
- Stable reinsurance renewals
- Maintained market share

Deepwater Horizon had a positive impact on conditions

Marine (incl. energy) - non-proportional



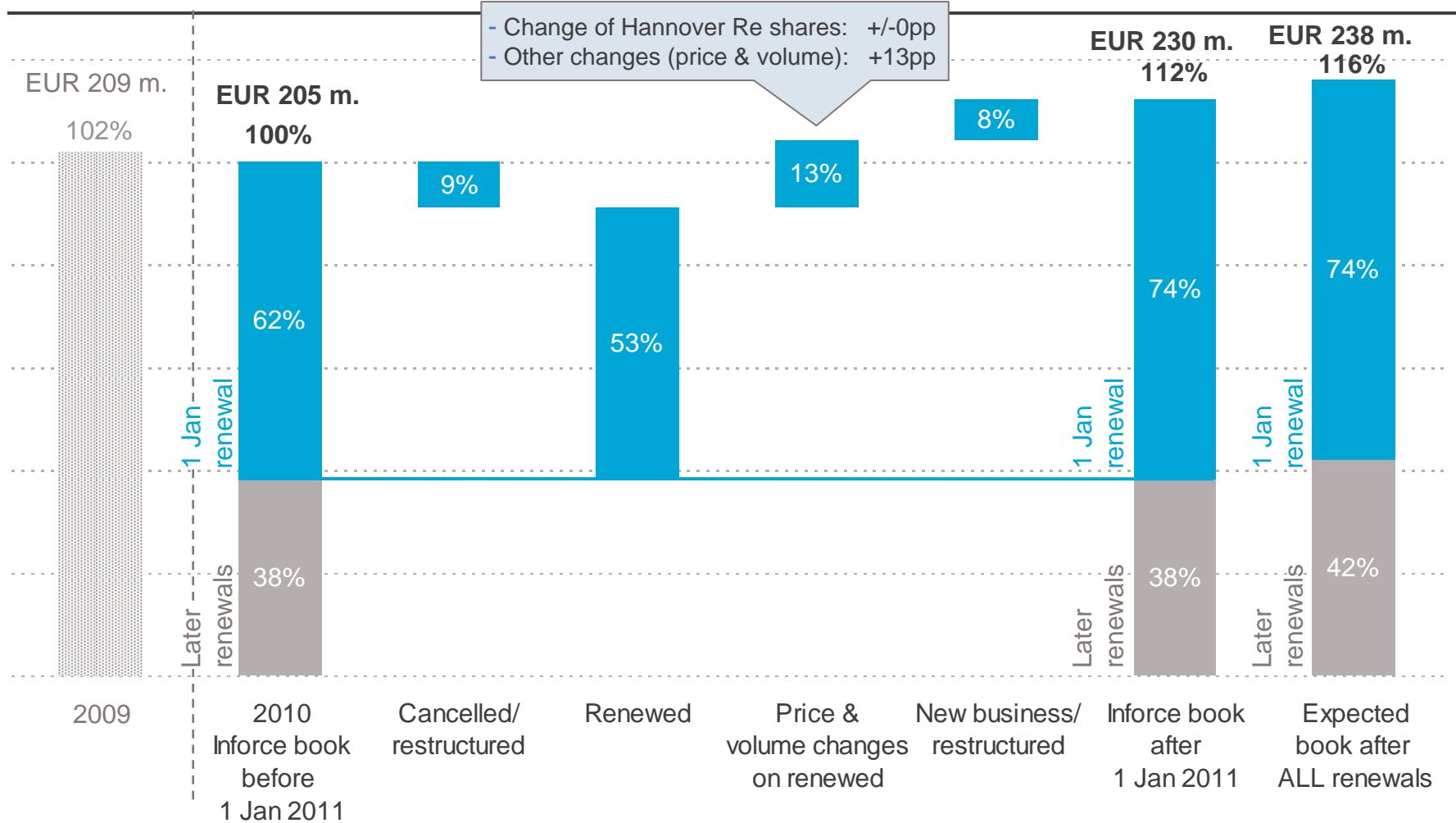
Comparison of Rate on Line (RoL)



◆ Net change (improvement - deterioration)
 ■ Improvement
 ■ Unchanged
 ■ Deterioration

1 Jan premium increased by 20%

Marine (incl. energy)



All in all pleasing renewal results

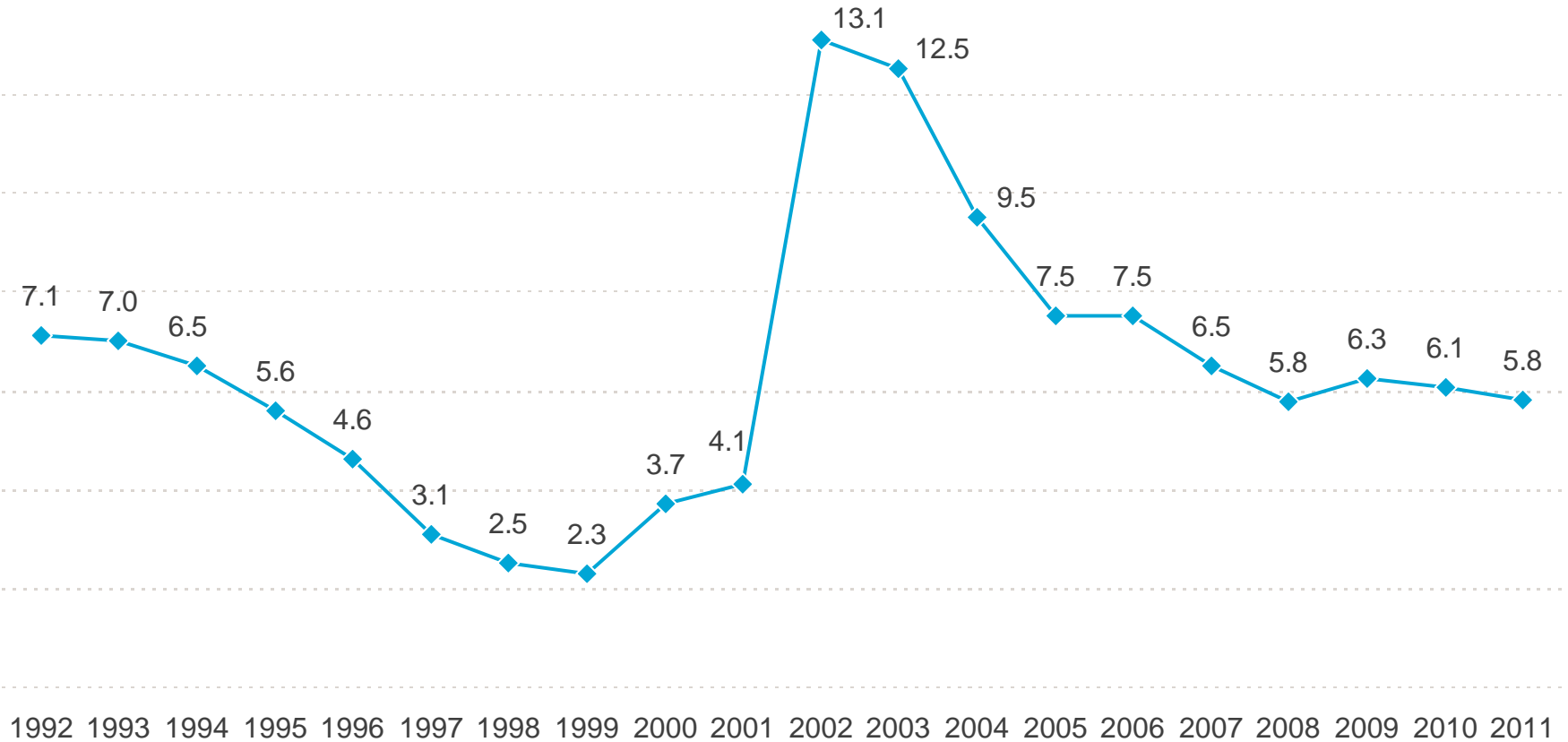
Aviation

- ▶ A softer insurance market but still better than expected
- ▶ Softer to stable reinsurance market
- ▶ More capacity available in the market
- ▶ Our overall good positioning still in place
- ▶ Aviation non-proportional rates decreased by 0% to 10% for airlines
- ▶ Rates stable for general aviation and space XL treaties

Rate on Line (RoL) above 2001 level for 10 years

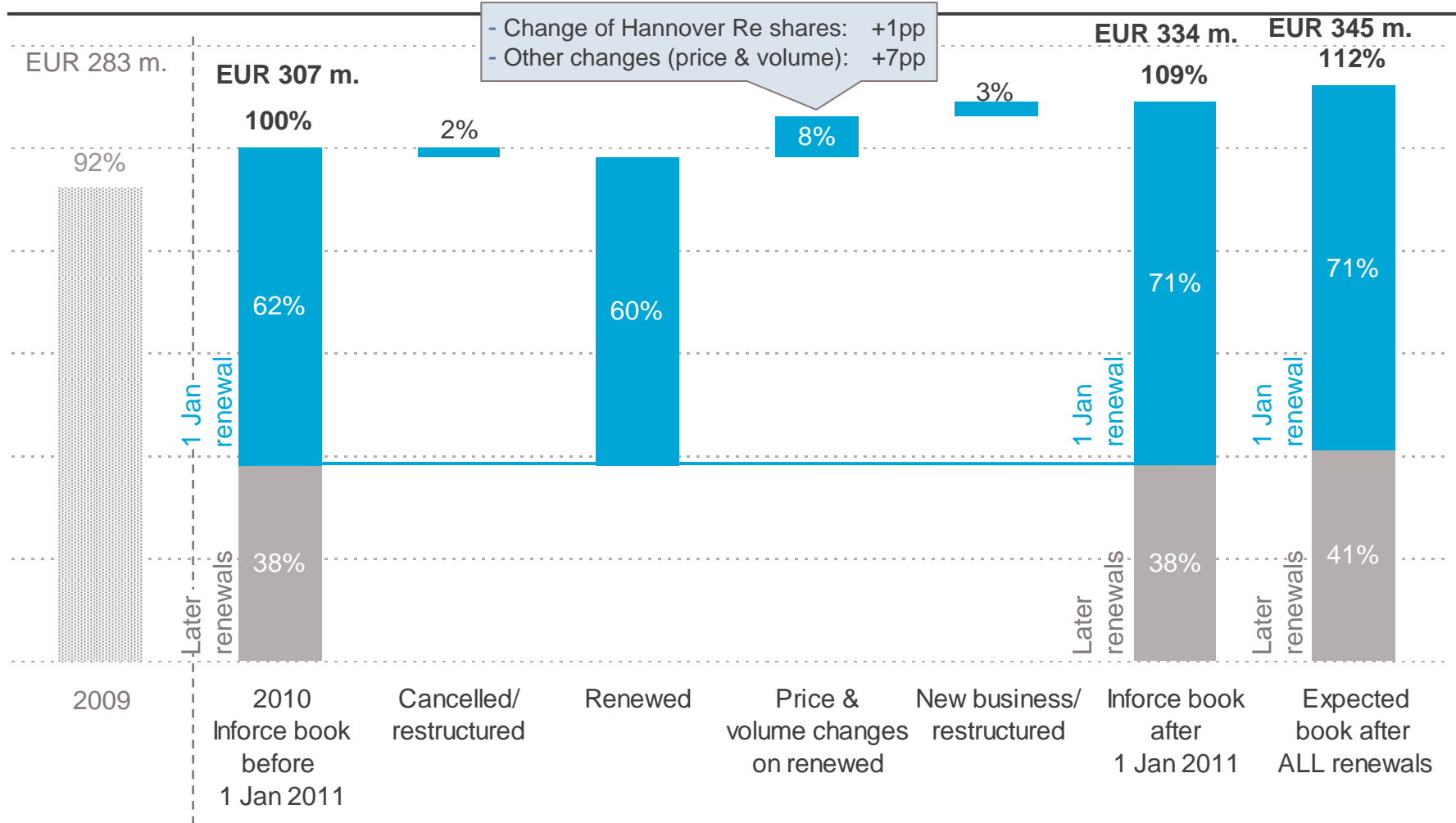
Hannover Re aviation RoL index

in %



1 Jan premium increased by 14%

Aviation



A hard market softening

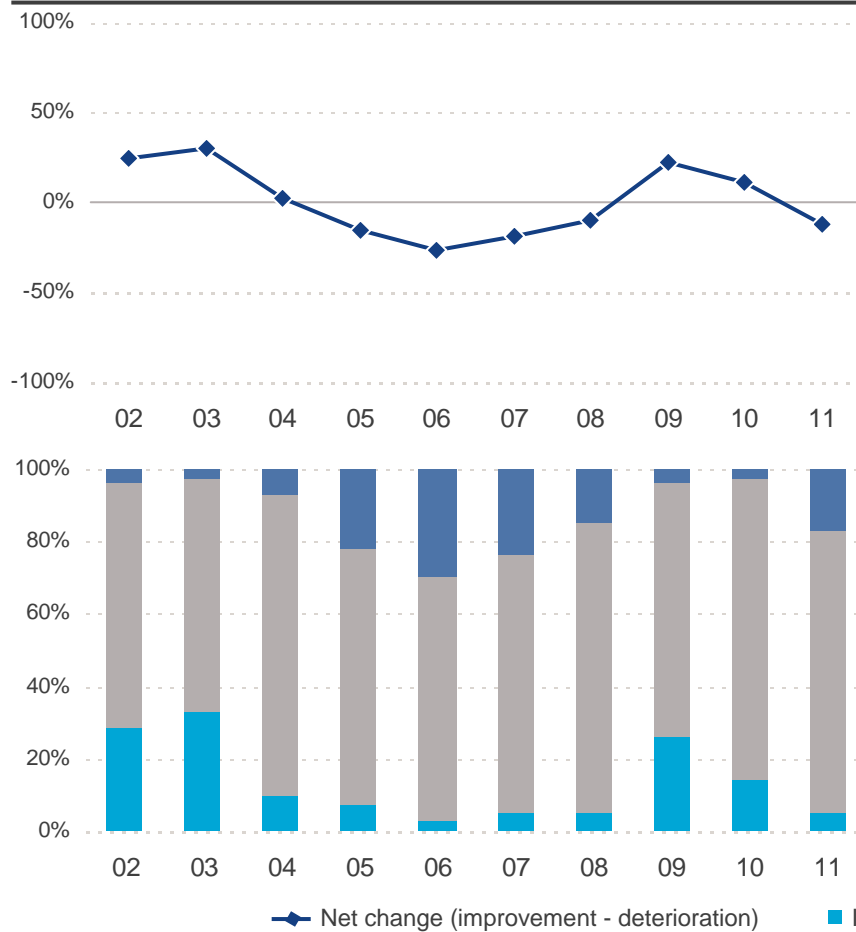
Credit, surety and political risks

- ▶ Insurance market credit: moderately falling rates coming from a very high level; surety heterogeneous developments; political risks relatively stable
- ▶ R/I market - credit much softer conditions due to increasing competition; surety relatively stable; political risk flat to a moderate upward trend
- ▶ Premium volume decreased by 11% due to selective underwriting
- ▶ Premium still on a 50% higher level than before financial crisis
- ▶ Healthy portfolio spread
- ▶ Exposures reduced

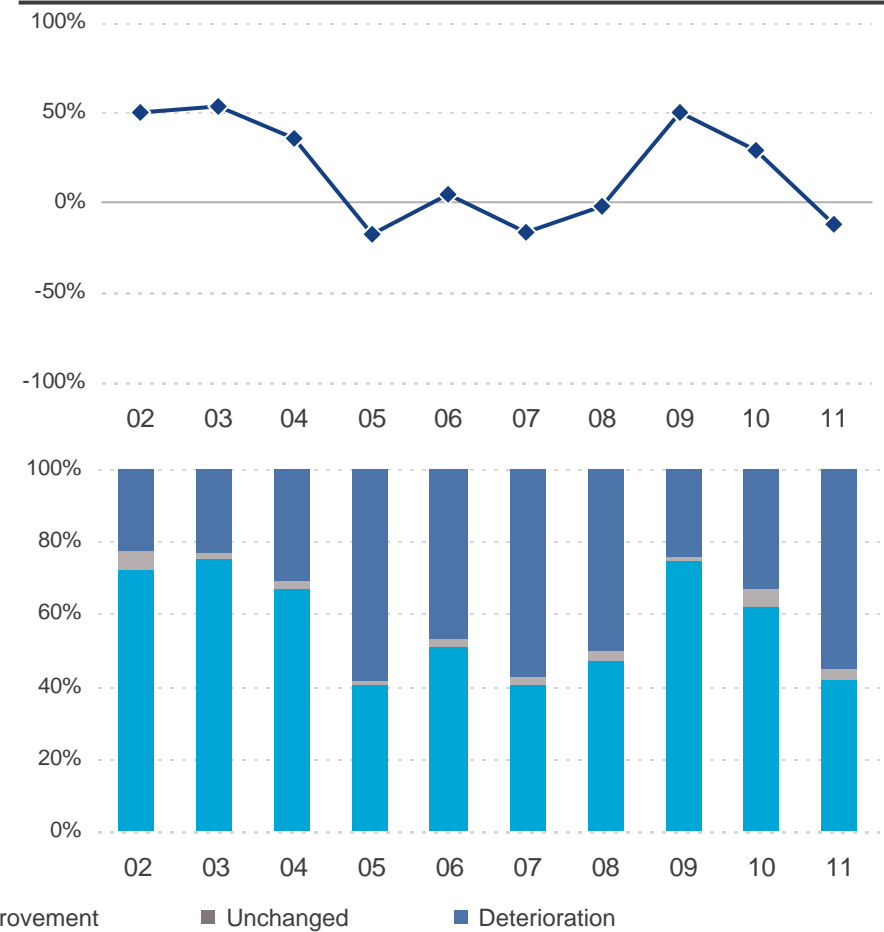
Financial market effects diminishing

Credit, surety & political risks

Proportional¹⁾



Non-proportional²⁾

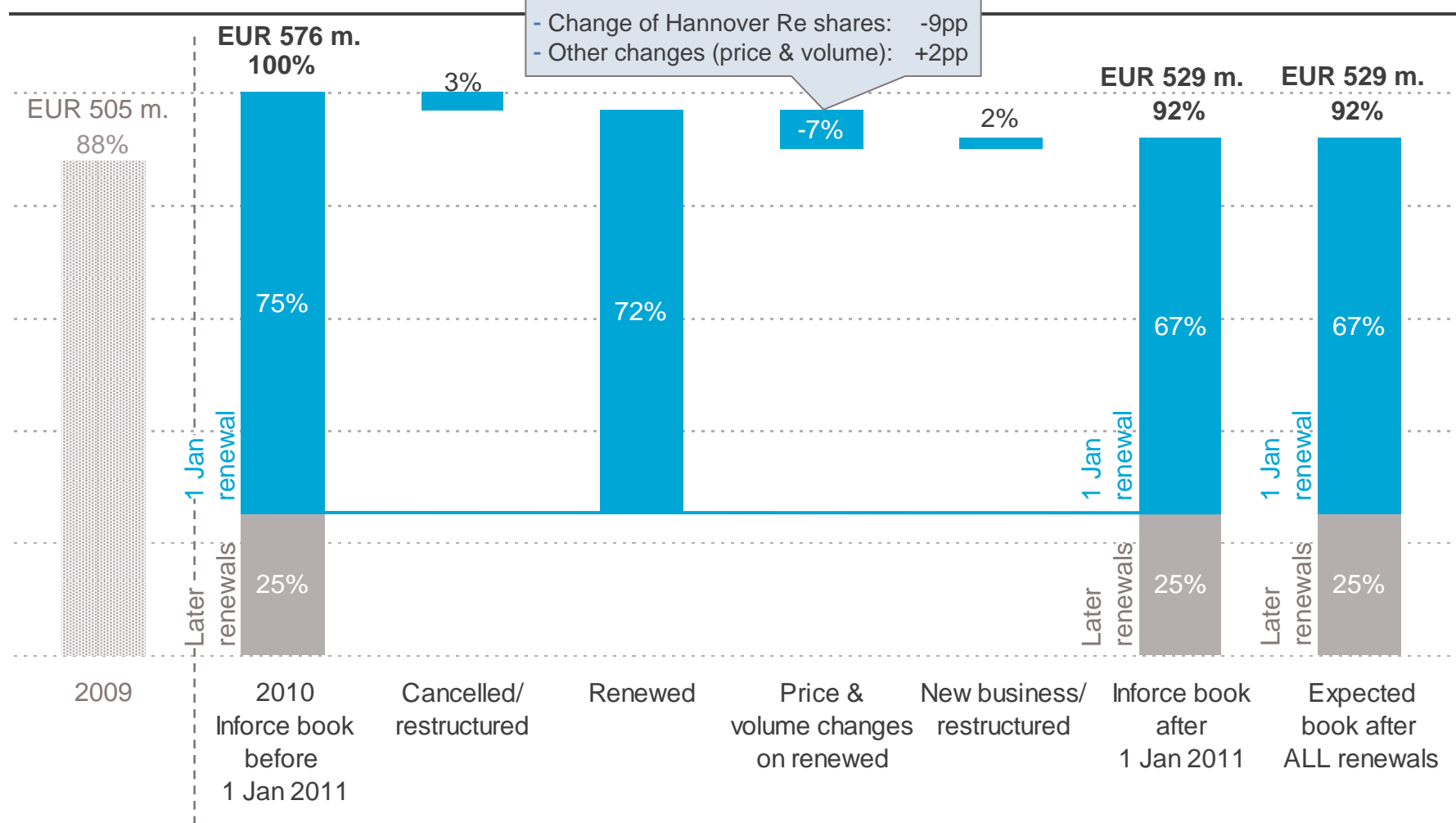


1) Comparison of commission

2) Comparison of rate on line

Selective underwriting causes premium reduction.but still above 2009 level

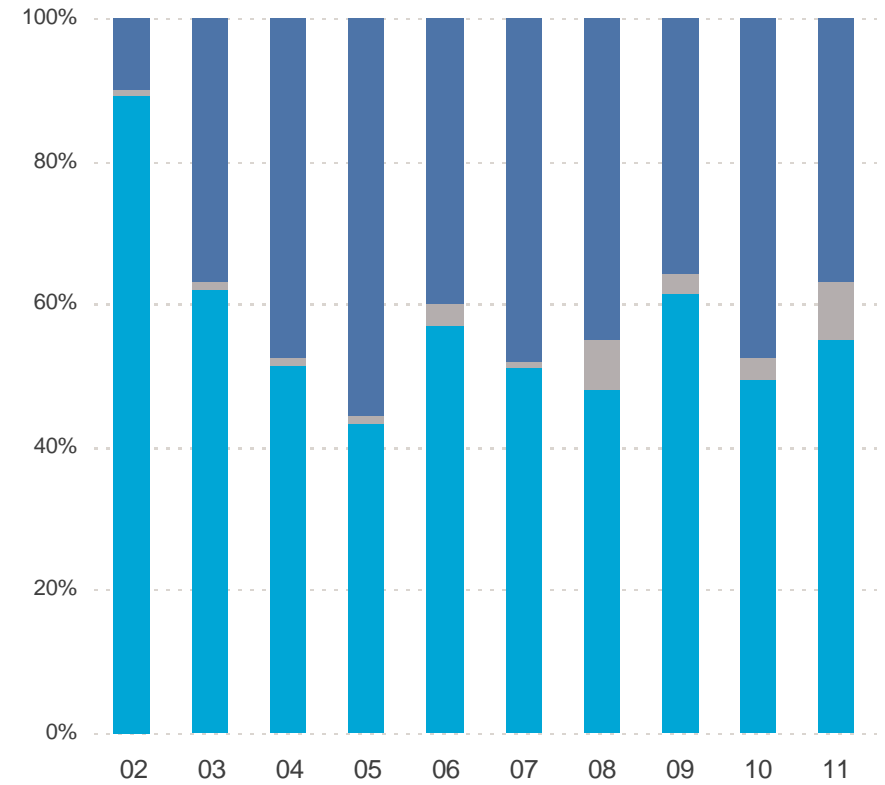
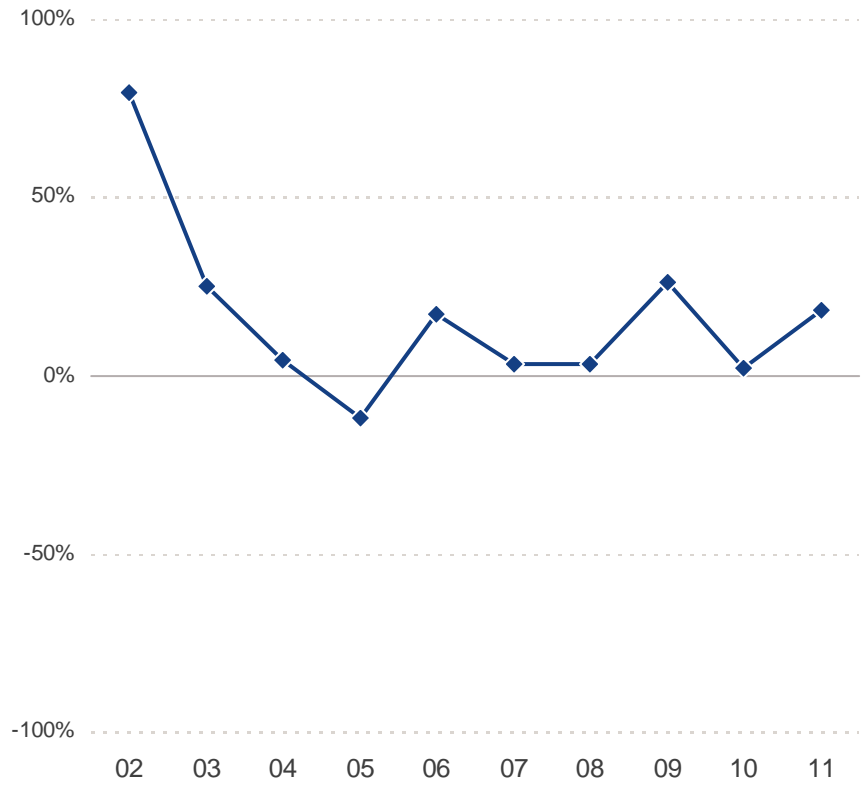
Credit, surety & political risks



Pleasing 1 Jan renewal outcome

UK, London market & direct - non-proportional

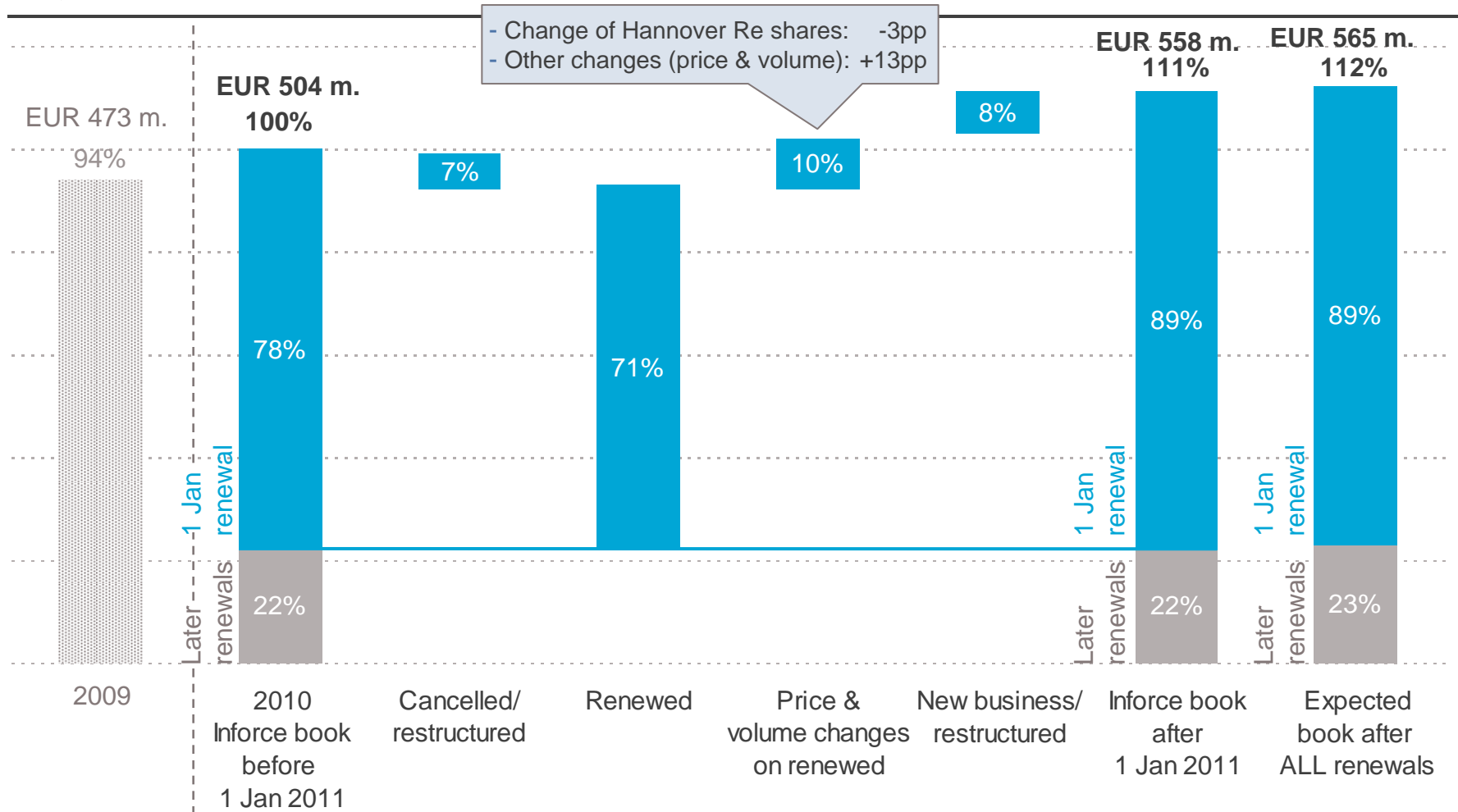
Comparison of Rate on Line (RoL)



◆ Net change (improvement - deterioration)
 ■ Improvement
 ■ Unchanged
 ■ Deterioration

14% premium growth as at 1 Jan

UK, London market & direct



Global treaty: overall satisfactory growth

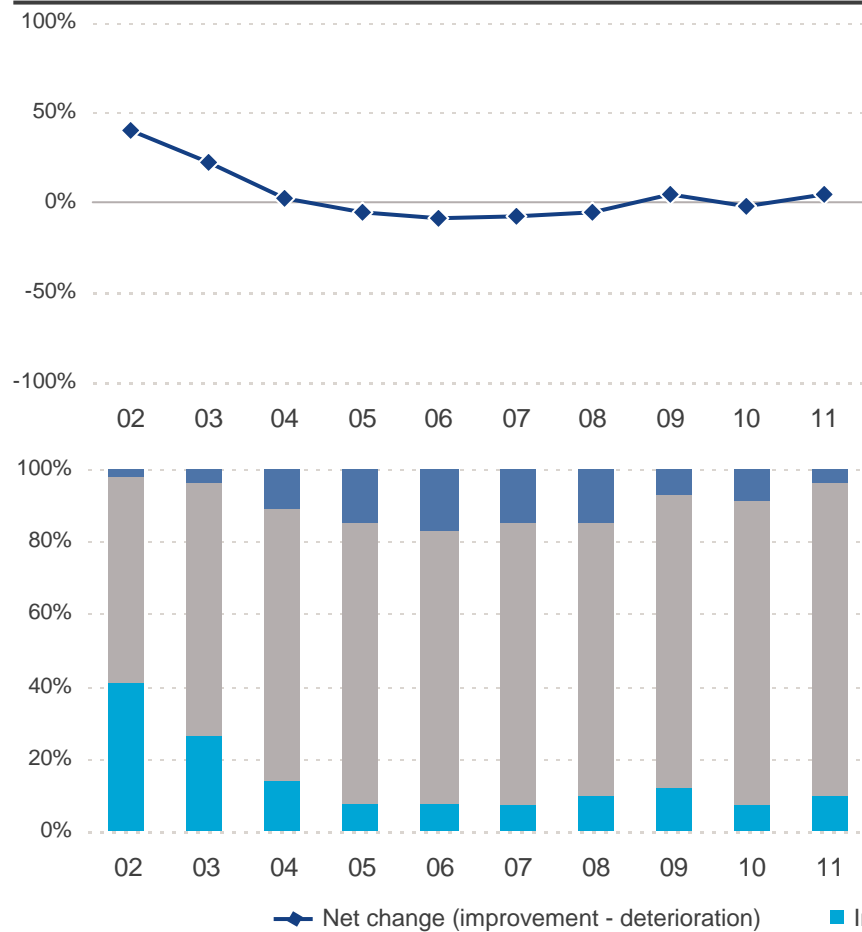
Diverse development depending on region

- ▶ Western Europe: flat rates led to portfolio reductions
- ▶ CEE: softening R/I market but still profitable;
rates down by ~10%;
high demand of our excellent security, among top 3 R/I
- ▶ Latin America: stable conditions
- ▶ Australasia: in all a soft R/I market with some price adjustments in
Australia and New Zealand
- ▶ Asia & Middle East: very competitive market but still very profitable
premium growth of ~25%;
increased market share

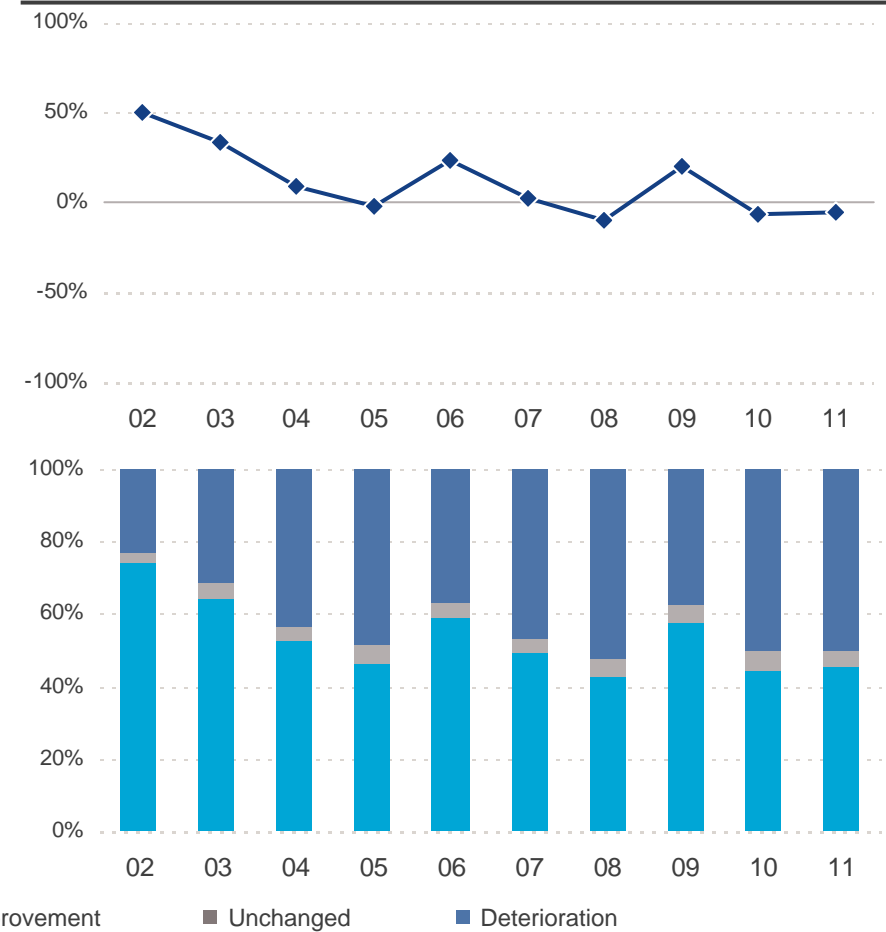
Overall satisfactory renewal

Global treaty

Proportional¹⁾



Non-proportional²⁾



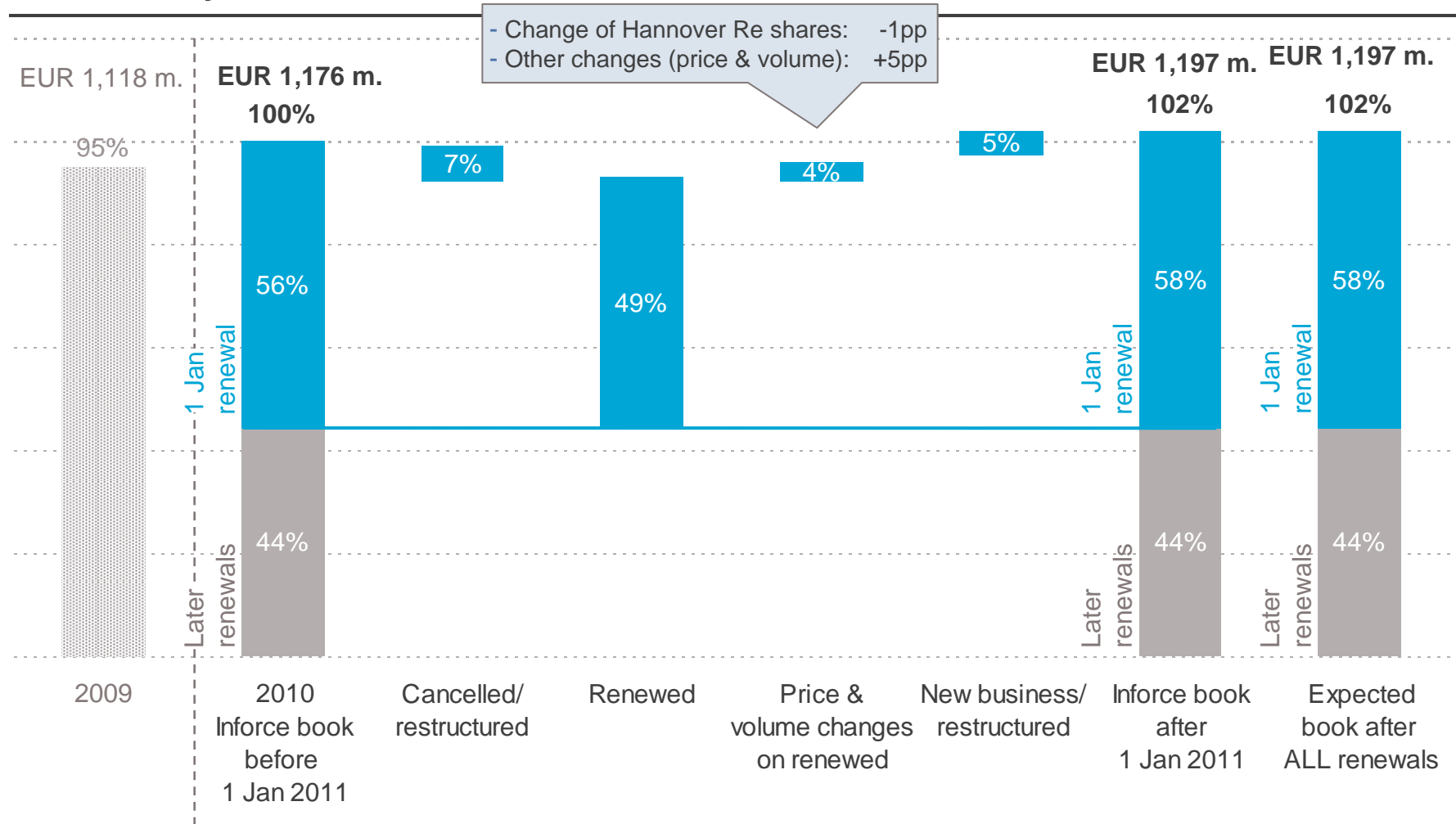
1) Comparison of commission

2) Comparison of rate on line

Premium growth due to our excellent rating

Strong demand for Hannover Re in emerging markets

Global treaty



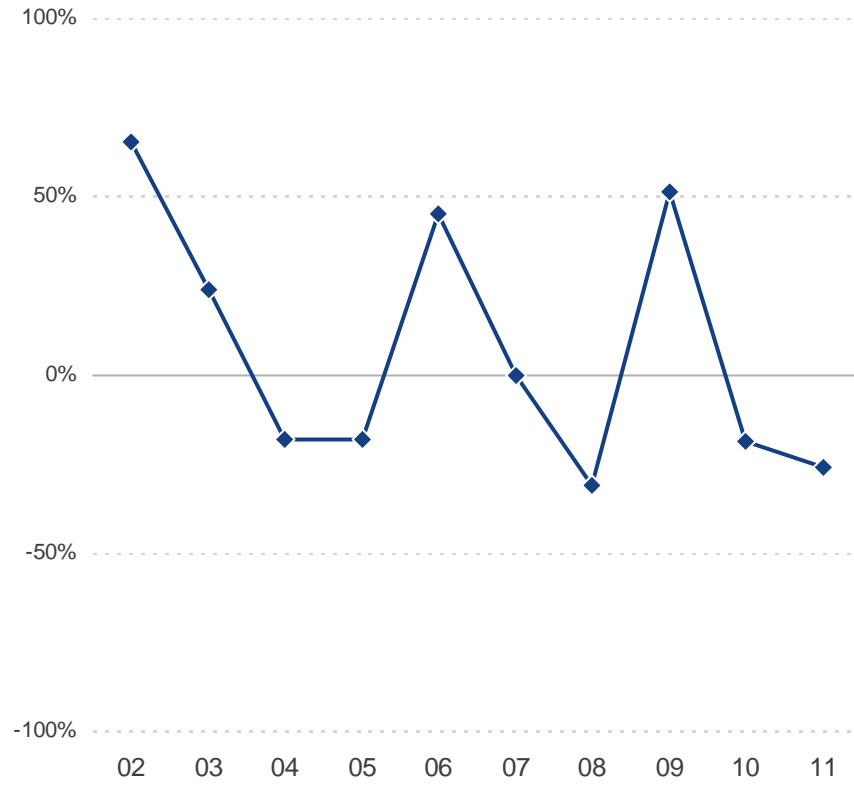
Further softening market except loss-affected areas

Global catastrophe XL

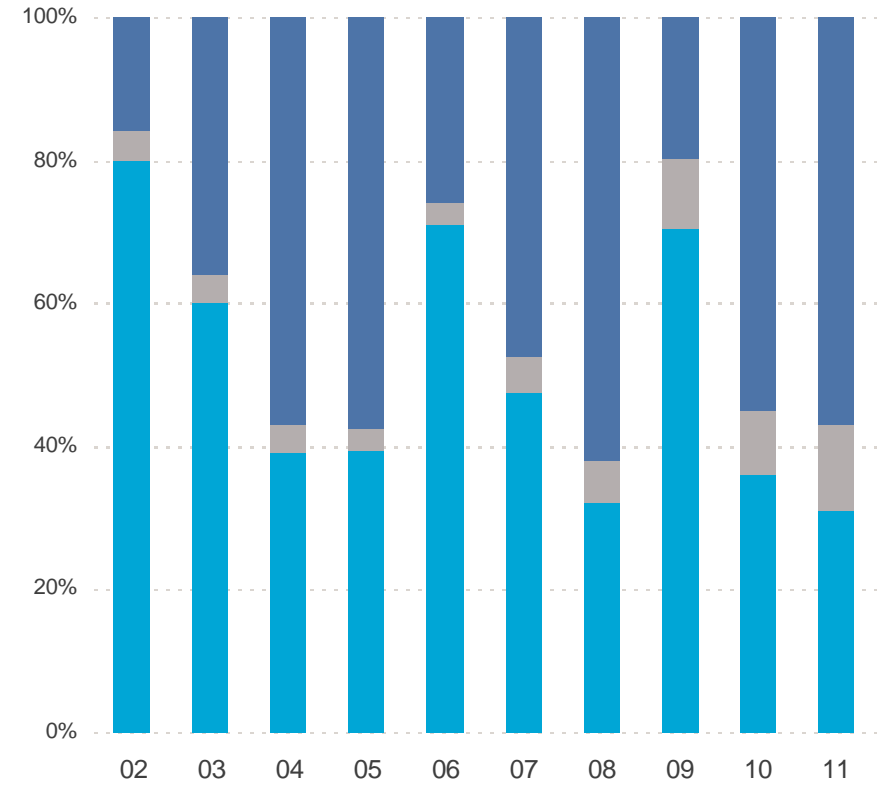
- ▶ Rates slightly decreased with exceptions in loss-affected areas
- ▶ Prices for property catastrophe protections decrease to flat
 - Loss-affected areas have seen an increase of up to 50%
 - Nationwide programmes in USA down by -7% to -14% after exposure adjustment; Regional programmes -10% to +15% depending on loss experience
 - Europe mostly stable due to moderate loss activity in 2009:
 - UK despite further price reductions attractive decreasing from all-time high level
 - France up to -5% less pricing in average
 - Germany lower by 5%
 - Australia: flat for loss-free, approx. +50% for loss-affected programmes
 - China, Hong Kong, Taiwan: we reduced our capacity (-5% to -20%)

In all, not as positive as it should be

Global catastrophe XL



Comparison of Rate on Line (RoL)

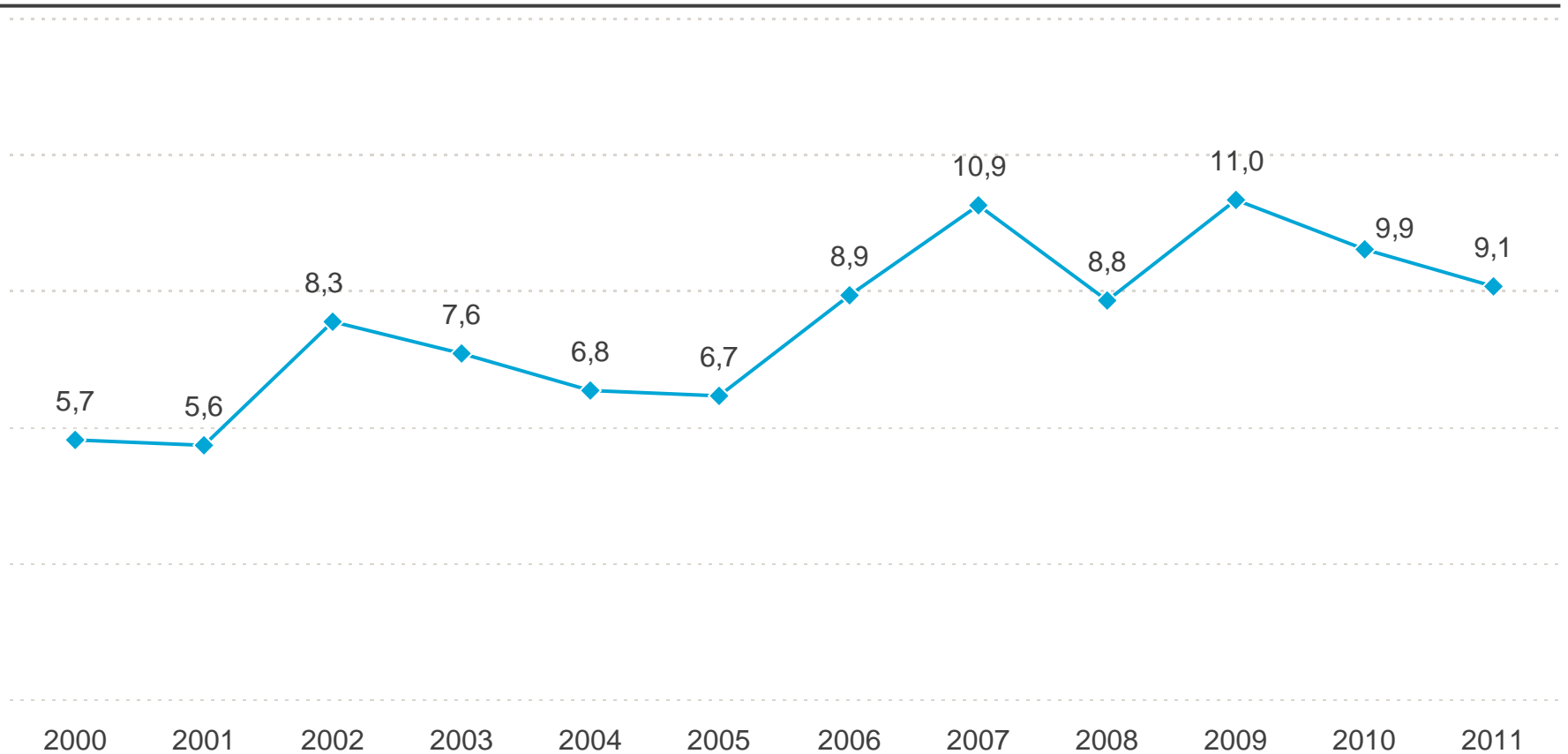


◆ Net change (improvement - deterioration)
 ■ Improvement
 ■ Unchanged
 ■ Deterioration

Softer rates are still higher than 2006

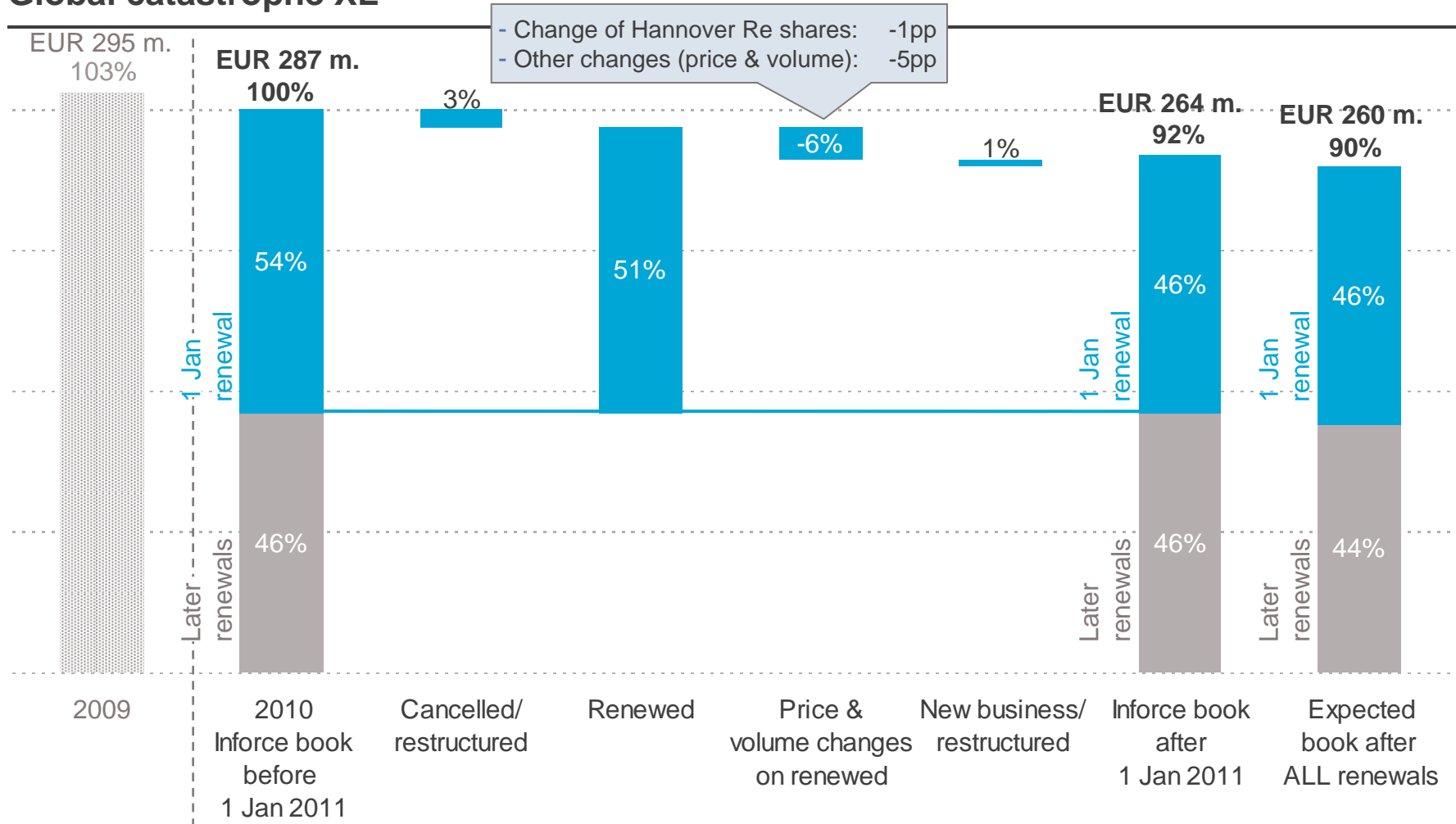
Hannover Re US property catastrophe RoL development

in %



Cycle management at work - again

Global catastrophe XL



Development of lines of business (C/Y)

Growth in most lines and satisfying profitability expected

Non-life reinsurance		2011e	
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

Guidance for 2011

- ▶ Hannover Re Group
 - Gross written premium (GWP)¹⁾ ~ +5%
 - Net premium earned (NPE)¹⁾ ~ +5%
- ▶ Non-life reinsurance (NPE)¹⁾ ~ +0% - +3%
- ▶ Life and health reinsurance (NPE)¹⁾ ~ +10% - +12%
- ▶ Return on investment²⁾ ~ 3.5%
- ▶ Net income²⁾ ~ EUR 650 m.
- ▶ Dividend pay-out ratio³⁾ 35% - 40%

1) At unchanged f/x rates

2) Subject to no major distortions in capital markets and/or large losses in 2011 not exceeding EUR 530 m.

3) Related to group net income according to IFRS

Disclaimer

This presentation does not address the investment objectives or financial situation of any particular person or legal entity. Investors should seek independent professional advice and perform their own analysis regarding the appropriateness of investing in any of our securities.

While Hannover Re has endeavoured to include in this presentation information it believes to be reliable, complete and up-to-date, the company does not make any representation or warranty, express or implied, as to the accuracy, completeness or updated status of such information.

Some of the statements in this presentation may be forward-looking statements or statements of future expectations based on currently available information. Such statements naturally are subject to risks and uncertainties. Factors such as the development of general economic conditions, future market conditions, unusual catastrophic loss events, changes in the capital markets and other circumstances may cause the actual events or results to be materially different from those anticipated by such statements.

This presentation serves information purposes only and does not constitute or form part of an offer or solicitation to acquire, subscribe to or dispose of, any of the securities of Hannover Re.

© Hannover Rückversicherung AG. All rights reserved.

Hannover Re is the registered service mark of Hannover Rückversicherung AG.