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Conference Call on Interim Report 2/2012

Hannover, 10 August 2012

Favourable results of Hannover Re's business

1H/2012 strong results largely unaffected by one-off effects

Favourable R/I-conditions

- Premium increase in non-life reinsurance (+15.1%)
- Accelerated growth in life and health reinsurance (+12.4%)

Benign major losses

- Net major losses of EUR 132.4 m. below budget

Volatile capital markets

- Net investment income up by 5.4%; RoI at 3.8%
- Results of inflation swaps and ModCo derivatives largely neutral at 1H/2012 but volatile quarterly
- Increase in assets under own management to EUR 30.3 bn. mainly resulting from positive cash flow

1H/2012 results	
GWP	+14.0%
NPE	+13.1%
Net income	EUR 405 m.
EPS	EUR 3.36
RoE	15.5%
Shareholders' equity	+10.1%
BVPS	EUR 45.37

Continuous growth and solid profitability

Reduced large losses improved underwriting result considerably

Group figures in m. EUR	Q2/2011	Q2/2012	1H/2011	1H/2012
Gross written premium	2,902	3,378	6,045	6,888
Net premium earned	2,657	3,009	5,148	5,825
Net underwriting result	(64)	(14)	(446)	(13)
- Incl. funds withheld	22	59	(285)	143
Net investment income	281	269	673	709
- From assets under own management	195	196	512	553
- From funds withheld	85	73	161	156
Other income and expenses	(16)	(51)	22	(99)
Operating profit/loss (EBIT)	**202**	**204**	**249**	**597**
Interest on hybrid capital	(25)	(25)	(52)	(51)
Net income before taxes	**176**	**179**	**197**	**547**
Taxes	(4)	(32)	54	(125)
Net income	**172**	**146**	**251**	**422**
- Non-controlling interests	6	2	33	16
Group net income	**166**	**144**	**218**	**405**
Retention	92.5%	88.5%	90.8%	89.8%
EBIT margin (EBIT/Net premium earned)	7.6%	6.8%	4.8%	10.3%
Tax ratio	2.5%	18.1%	(27.5%)	22.9%
Earnings per share	1.38	1.19	1.81	3.36

1H/2012 vs. 1H/2011

- GWP-Growth at +14.0%; f/x-adjusted +9.6%
- Net U/W result improved by lower large losses
- Normalisation of tax ratio after last years' effects from Federal court ruling and tax effects from Australian DII business
- Net income well in line with expectation

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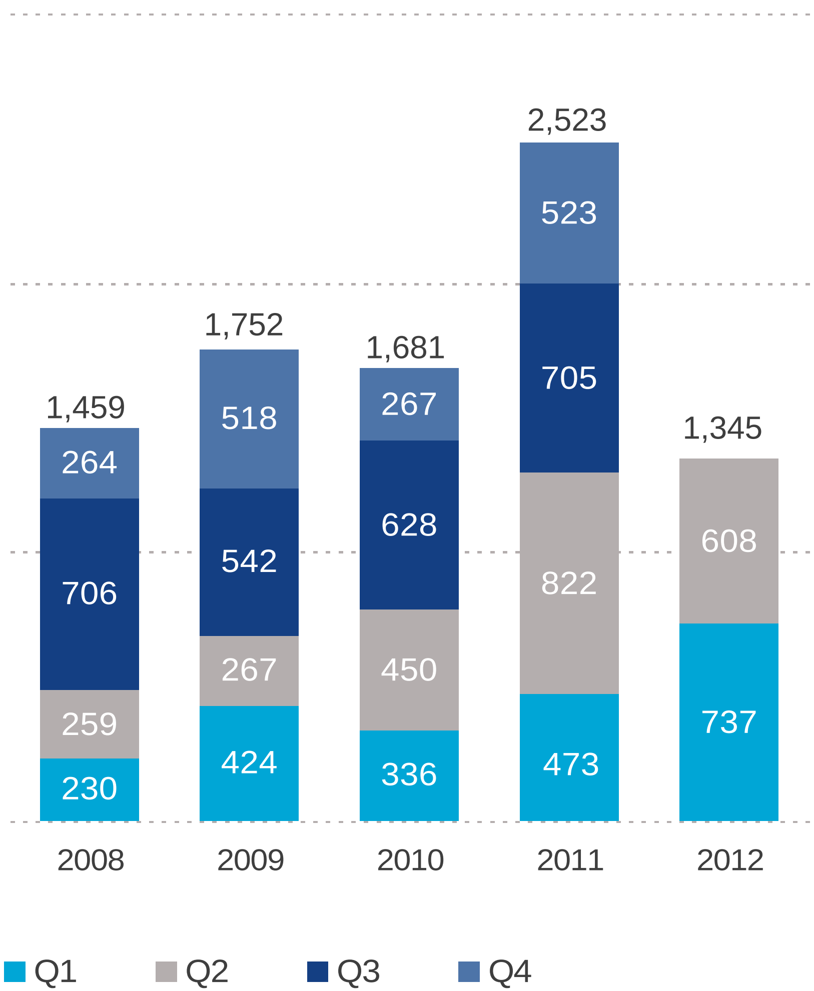
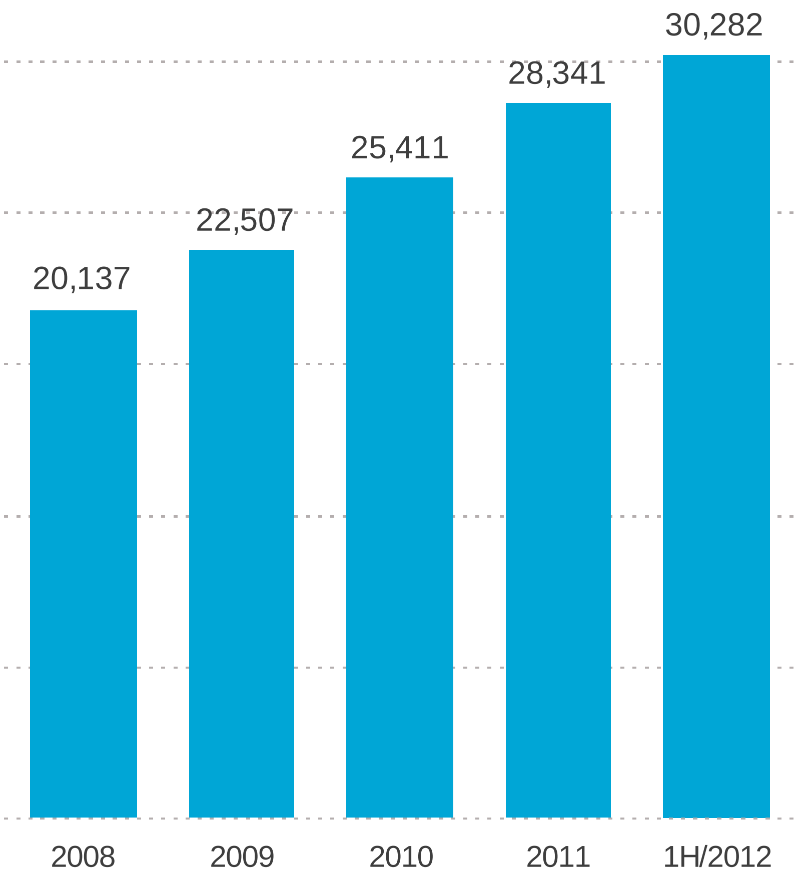
Constant positive operating cash flow supports asset growth
Assets under own management increased by 50% in 5 years

Operating cash flow
in m. EUR



Assets under own management
in m. EUR



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Continued solid growth of bottom and top line results

Combined ratio in line with our target

Non-life reinsurance in m. EUR	Q2/2011	Q2/2012	1H/2011	1H/2012
Gross written premium	1,620	1,963	3,544	4,080
Net premium earned	1,472	1,749	2,849	3,303
Net underwriting result incl. funds withheld	34	55	(293)	105
Combined ratio incl. interest on funds withheld	97.7%	96.8%	110.3%	96.8%
Net investment income from assets under own management	149	153	396	404
Other income and expenses	(8)	(41)	48	(79)
Operating profit/loss (EBIT)	176	167	151	431
Group net income	**147**	**132**	**164**	**306**
Earnings per share	1.22	1.10	1.36	2.53

1H/2012 vs. 1H/2011

- +15.1% GWP growth (f/x-adj. +11.3%); from specialty lines, US and Asian property, European markets, Chinese motor
- Net premium earned +16.0%
- Benign major losses: EUR 132.4 m. (4.0% of NPE)
- Increased NII despite low interest rate environment
- Other income & exp. down mainly due to last year's tax effect (EUR 66 m.) & f/x (EUR 26 m.)
- EBIT margin climbs to 13.0% (1H/2011: 5.3%)
- Tax ratio normalised at 25.7% in 1H/2012

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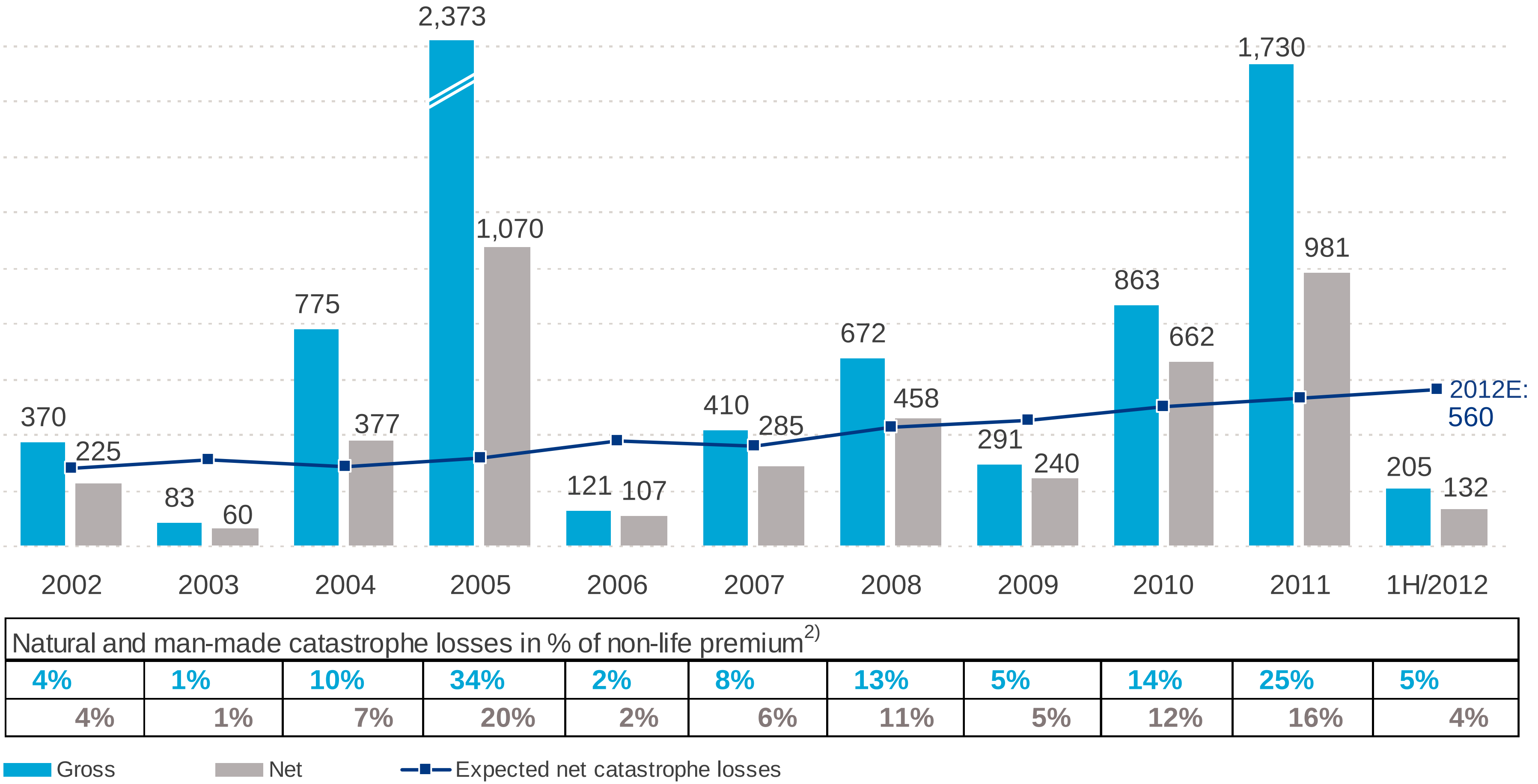
Major losses well below budget

Natural and man-made catastrophe losses[1)]

in m. EUR



Natural and man-made catastrophe losses in % of non-life premium[2)]										
4%	1%	10%	34%	2%	8%	13%	5%	14%	25%	5%
4%	1%	7%	20%	2%	6%	11%	5%	12%	16%	4%

1) Up to 2011 claims over EUR 5 m. gross, as of 2012 claims over EUR 10 m. gross
2) 2002 - 2006 adjusted to new segmentation

Major losses well below budget

Q2/2012: net major losses of EUR 73.6 m.

Catastrophe loss* in m. EUR	**Date**	**Gross**	**Net**
Storm USA	2 - 3 Mar	18.4	4.9
Earthquake Italy	20 May	44.6	44.6
Earthquake Italy	29 May	16.0	16.0
3 Natural catastrophes		**79.0**	**65.5**
Costa Concordia	13 Jan	95.3	37.3
1 Marine claim		17.9	16.6
1 Fire claim		13.0	13.0
6 Major losses		**205.2**	**132.4**

* Claims over EUR 10 m. gross

Accelerated growth and profitability in life and health R/I

Life/health reinsurance in m. EUR	Q2/2011	Q2/2012	1H/2011	1H/2012
Gross written premium	1,280	1,415	2,500	2,809
Net premium earned	1,183	1,260	2,298	2,521
Net underwriting result incl. funds withheld	(15)	2	4	33
Net investment income from assets under own management	41	39	96	136
Other income and expenses	(6)	(8)	(21)	(14)
Operating profit/loss (EBIT)	20	33	78	155
EBIT margin	1.7%	2.6%	3.4%	6.2%
Group net income	**32**	**28**	**74**	**128**
Earnings per share	0.27	0.23	0.61	1.06

1H/2012 vs. 1H/2011

- +12.4% GWP growth (f/x-adjusted +7.3%) mainly from US, Australia, China and UK- longevity BATs
- Improved net U/W result; previous year impacted by additional DII reserving
- NII affected by increase in AuM; unrealised gains from ModCo derivatives improved by EUR 21 m. to EUR 11 m. in 1H/2011 (Q2/2012 negatively affected by EUR -26 m.)
- EBIT margin above our long-term target
- Tax ratio at 16.3% due to good profitability of our Irish and Bermuda subsidiaries

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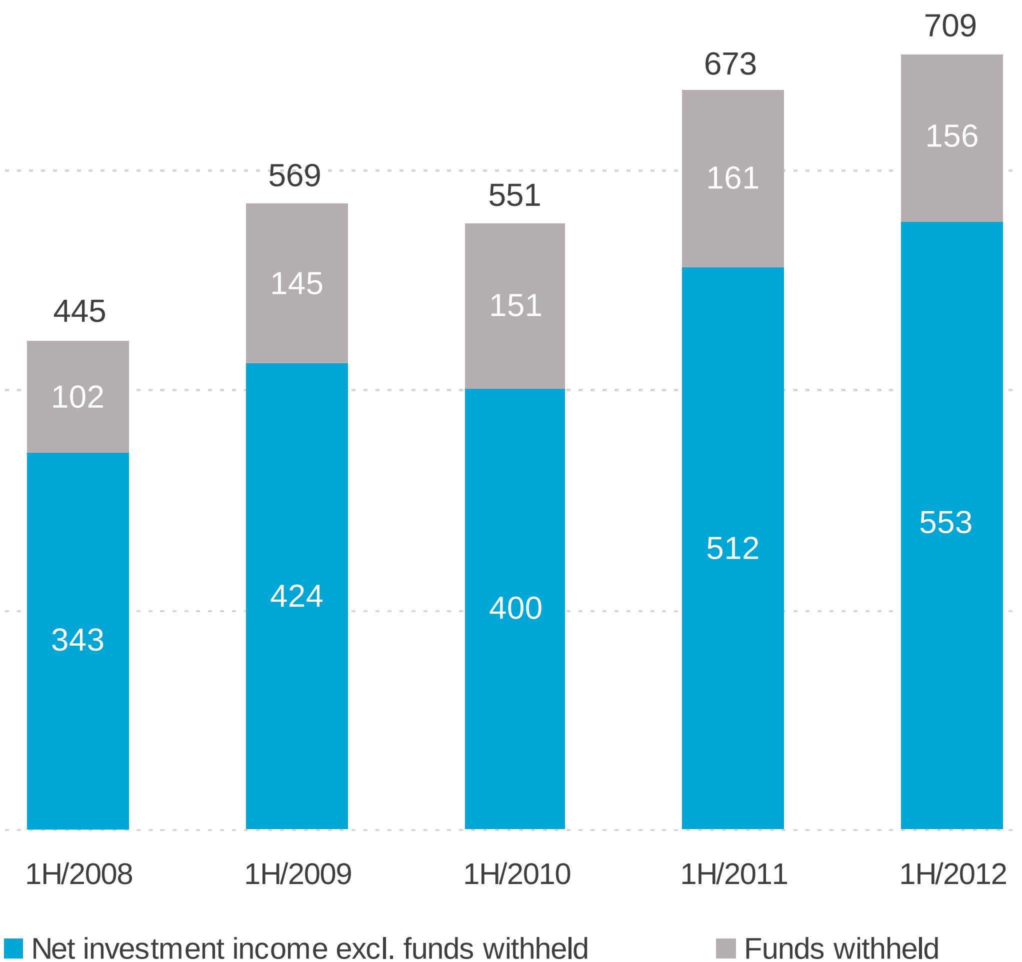
Net investment income up by 5.4%

Net investment income

in m. EUR



- Ordinary investment income grew significantly since 2009 despite deteriorating yields; supported by increase in assets
- Target yield of 3.5% outperformed despite high cash flow being invested at lower rates

RoI at 3.8%: Investment income again very satisfying
Derivative values with little impact in 1H/2012

in m. EUR	Q2/2011	Q2/2012	1H/2011	1H/2012	RoI
Ordinary investment income*	226	275	451	535	3.7%
Realised gains/losses	5	30	44	68	0.5%
Impairments/ appreciations & depreciations	(2)	(5)	(2)	(12)	-0.1%
Unrealised gains/losses	(15)	(82)	54	3	0.0%
Investment expenses	(18)	(23)	(36)	(41)	-0.3%
NII from assets under own mgmt.	195	196	512	553	3.8%
NII from funds withheld	85	73	161	156	
Total net investment income	**281**	**269**	**673**	**709**	

Unrealised gains/losses	31 Dec 11	30 Jun 12
Fixed income (AFS)	416	788
Fixed income (HTM, L&R)	368	477
Equities and shares in limited partnerships	222	287
Total unrealised gains and losses	**1,007**	**1,551**

1H/2012 vs. 1H/2011

- Increase of 18.6% in ordinary investment income with a higher share of interest coming from corporate bonds
- Realisations in the course of further asset re-allocation into credit exposure
- Unrealised gains (mostly ModCo/Inflation swaps) back on neutral level; both derivatives depressed Q2 stand-alone by EUR -79 m.
- Slightly decreasing investment income from funds withheld
- Unrealised reserves in OCI increased despite some realisations and credit spread tightening overcompensating realisations

* Incl. results from associated companies

Ongoing reallocation into corporate and covered bonds
Volume increase due to strong cash flow and increased market values

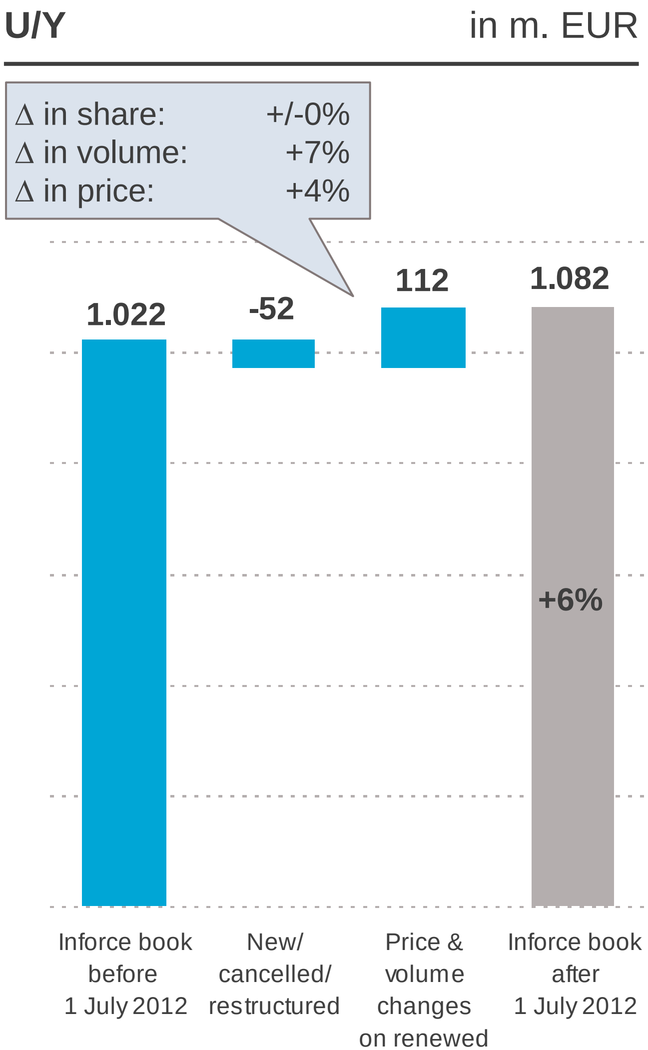
Tactical Asset Allocation[1)]						
Investment category	2007	2008	2009	2010	2011	30 Jun 12
Fixed-income securities	**79%**	**89%**	**87%**	**84%**	**89%**	**90%**
• Governmentals	19%	28%	25%	23%	19%	19%
• Semi-governmentals	20%	23%	26%	21%	23%	22%
• Corporates	26%	23%	22%	25%	30%	32%
Investment grade	24%	22%	20%	24%	29%	30%
Non-investment grade	2%	1%	2%	1%	1%	2%
• Pfandbriefe, Covered Bonds, ABS	15%	15%	15%	16%	16%	16%[2)]
Equities	**12%**	**3%**	**2%**	**4%**	**2%**	**2%**
• Listed	10%	< 1%	< 1%	2%	< 1%	< 1%
• Private Equity	2%	3%	2%	2%	2%	2%
Real Estate / Real Estate Funds	**< 1 %**	**< 1%**	**1%**	**2%**	**2%**	**2%**
Others	**2%**	**2%**	**2%**	**2%**	**2%**	**2%**
Short-term investments (STI) & cash	**6%**	**6%**	**8%**	**8%**	**5%**	**4%**
Total balance sheet values in bn. EUR	**19.8**	**20.1**	**22.5**	**25.4**	**28.3**	**30.3**

1) Economic view based on market values without outstanding commitments for Private Equity and Alternative Real Estate as well as fixed-income investments of EUR 475.5 m. (EUR 451.9 m.) as per 30 June 2012
2) Of which Pfandbriefe and Covered bonds = 84%

Outlook 2012

Attractive pricing led to 6% premium growth

2 April 2012 - 1 July 2012: non-life renewals



- 19% of traditional non-life treaty book renewed
- Positive pricing, but eased momentum
- Underlying profitability should be driven by continued favourable pricing development
- Significant differences in renewals by territory and line of business (approx. 13% - 20% from cat-exposed business)

Pleasing non-life renewals in the US
2 April 2012 - 1 July 2012

- Property per-risk XL (non-prop.)
  - Loss-free programmes: stable up to 5%
  - Loss-affected programmes: +20% to +30%
- Property cat. XL: Positive trend continues
  - Rate increases of +5% to +10% due to model adjustments and NatCat losses in 2011
  - ➥ Outlook: flattening expected if no large cat event occurs in the second half of this year
- Standard casualty/workers compensation
  - Casualty XL: slight improvements of terms
  - WC: Increasing demand on workers compensation cat layers
- Special casualty
  - Competitive market with plenty of reinsurance capacity available
  - Terms and conditions of reinsurance mostly holding
  - ➥ Outlook: hold on to core renewals book, only adding selectively new, small participations
- Professional liability
  - All in all, flat renewals
  - ➥ Outlook: still competitive for up to 2 years with moderate rate increases

Overall, promising market conditions and rate increases. . .
. . .in worldwide renewals 2 April 2012 - 1 July 2012

Australia/New Zealand

- Significant rate increases and improved conditions due to
  - NatCat losses in 2011
  - Higher demand for reinsurance cover also due to higher requirements of regulatory authorities
  - Reduced interest yield leads to higher discipline in price negotiation
- Renewed terms and conditions
  - Loss-free: single-digit rate increase
  - Loss-affected: double-digit rate increase
  - Liability: rate increases 5% - 10%

  ➥ Outlook: Continuation of positive trend

Canada

- Continued trend of improved pricing
  - Property: rate increases 5% - 10%
  - Casualty: rate increases up to 10%

  ➥ Outlook: positive trend continues
  further hardening of rates expected

Guidance for 2012

Hannover Re Group

- Gross written premium (GWP)[1)] ....~ +5% - +7%
  - Non-life reinsurance[1)] ....~ +5% - +7%
  - Life and health reinsurance[1)2)] ....~ +5% - +7%
- Return on investment[3)] ....~ 3.5%
- Dividend pay-out ratio[4)] .... 35% - 40%

1) At unchanged f/x rates
2) Organic growth
3) Subject to no major distortions in capital markets; excluding effects from inflation swaps
4) Related to group net income according to IFRS

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Appendix

Our strategic business groups at a glance
1H/2012

	Non-life reinsurance		Life and health reinsurance		Total	
in m. EUR	1H/2011	1H/2012	1H/2011	1H/2012	1H/2011	1H/2012
Gross written premium	3,544	4,080	2,500	2,809	6,045	6,888
Change in GWP	-	+15.1%	-	+12.4%	-	+14.0%
Net premium earned	2,849	3,303	2,298	2,521	5,148	5,825
Net underwriting result	(299)	99	(151)	(117)	(446)	(13)
- Net underwritung result Incl. funds withheld	(293)	105	4	33	(285)	143
Net investment income	403	410	251	286	673	709
- From assets under own management	396	404	96	136	512	553
- From funds withheld	6	6	155	150	161	156
Other income and expenses	48	(79)	(21)	(14)	22	(99)
Operating profit/loss (EBIT)	**151**	**431**	**78**	**155**	**249**	**597**
Interest on hybrid capital	0	(0)	0	0	(52)	(51)
Net income before taxes	**151**	**431**	**78**	**155**	**197**	**547**
Taxes	44	(111)	(3)	(25)	54	(125)
Net income	**195**	**320**	**76**	**130**	**251**	**422**
- Non-controlling interest	31	14	2	2	33	16
Group net income	**164**	**306**	**74**	**128**	**218**	**405**
Retention	90.0%	90.2%	92.1%	89.2%	90.8%	89.8%
Combined ratio (incl. interest on funds withheld)	110.3%	96.8%	99.8%	98.7%	105.5%	97.5%
EBIT margin (EBIT/Net premium earned)	5.3%	13.0%	3.4%	6.2%	4.8%	10.3%
Tax ratio	(29.0%)	25.7%	3.5%	16.3%	(27.5%)	22.9%
Earnings per share	1.36	2.53	0.61	1.06	1.81	3.36

Our strategic business groups at a glance
Q2/2012 stand-alone

	Non-life reinsurance		Life and health reinsurance		Total	
in m. EUR	Q2/2011	Q2/2012	Q2/2011	Q2/2012	Q2/2011	Q2/2012
Gross written premium	1,620	1,963	1,280	1,415	2,902	3,378
Change in GWP	-	+21.2%	-	+10.5%	-	+16.4%
Net premium earned	1,472	1,749	1,183	1,260	2,657	3,009
Net underwriting result	31	52	(97)	(68)	(64)	(14)
- Net underwritung result Incl. funds withheld	34	55	(15)	2	22	59
Net investment income	152	156	123	109	281	269
- From assets under own management	149	153	41	39	195	196
- From funds withheld	3	3	82	70	85	73
Other income and expenses	(8)	(41)	(6)	(8)	(16)	(51)
Operating profit/loss (EBIT)	**176**	**167**	**20**	**33**	**202**	**204**
Interest on hybrid capital	0	(0)	0	0	(25)	(25)
Net income before taxes	**176**	**167**	**20**	**33**	**176**	**179**
Taxes	(24)	(34)	13	(4)	(4)	(32)
Net income	**152**	**134**	**33**	**29**	**172**	**146**
- Non-controlling interest	5	1	1	1	6	2
Group net income	**147**	**132**	**32**	**28**	**166**	**144**
Retention	92.6%	89.1%	92.6%	87.6%	92.5%	88.5%
Combined ratio (incl. interest on funds withheld)	97.7%	96.8%	101.3%	99.9%	99.2%	98.0%
EBIT margin (EBIT/Net premium earned)	11.9%	9.6%	1.7%	2.6%	7.6%	6.8%
Tax ratio	13.4%	20.1%	-65.6%	13.1%	2.5%	18.1%
Earnings per share	1.22	1.10	0.27	0.23	1.38	1.19

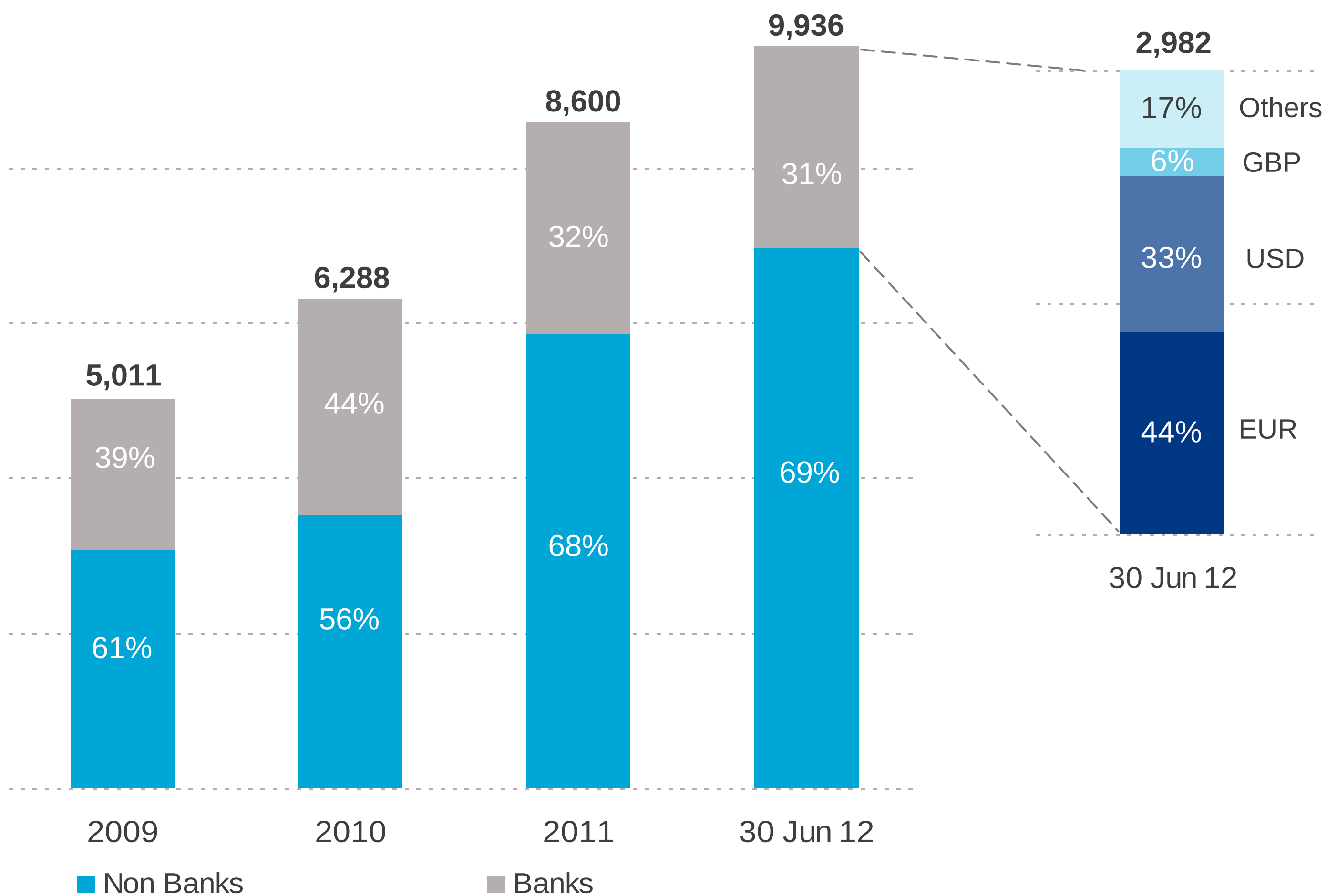
Stress tests on assets under own management

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%	-9	-9
Equities	Prices -30%	-13	-13
Fixed-income securities	Yield increase +50 bps	-610	-448
Fixed-income securities	Yield decline -50 bps	632	464
Fixed-income securities	Yield increase +100 bps	-1.192	-874
Fixed-income securities	Yield decline -100 bps	1.292	950

As at 30 June 2012

Continuously reduced share of bank exposure
Unchanged focus on conservative title selection

Corporate sector allocation in m. EUR | by currencies



Economic view based on market value as at 30 June 2012

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Bank exposure per rating and country/region

Cautions approach unchanged

	AA	A	BBB	<BBB	Total
Germany	1.4%	5.7%	2.3%	0.1%	9.5%
UK	0.2%	10.0%	1.7%	0.0%	11.9%
France	0.0%	8.5%	0.2%	0.0%	8.7%
Netherlands	4.9%	4.2%	0.0%	0.0%	9.0%
Sweden	4.1%	1.1%	0.0%	0.0%	5.2%
GIIPS	0.0%	1.6%	4.6%	0.1%	6.3%
Switzerland	0.0%	3.8%	0.1%	0.0%	3.9%
Rest of Europe	0.2%	2.5%	1.9%	0.5%	5.1%
USA	0.2%	10.2%	5.3%	0.2%	15.9%
Australia	13.2%	0.8%	0.5%	0.2%	14.7%
Asia	0.0%	1.3%	2.1%	0.6%	4.0%
Rest of World	2.9%	0.9%	1.5%	0.2%	5.6%
Total	**27.1%**	**50.8%**	**20.1%**	**2.0%**	**100.0%**

* Economic view based on market values as at 30 June 2012

Total bank exposure: EUR 2,982 m.*

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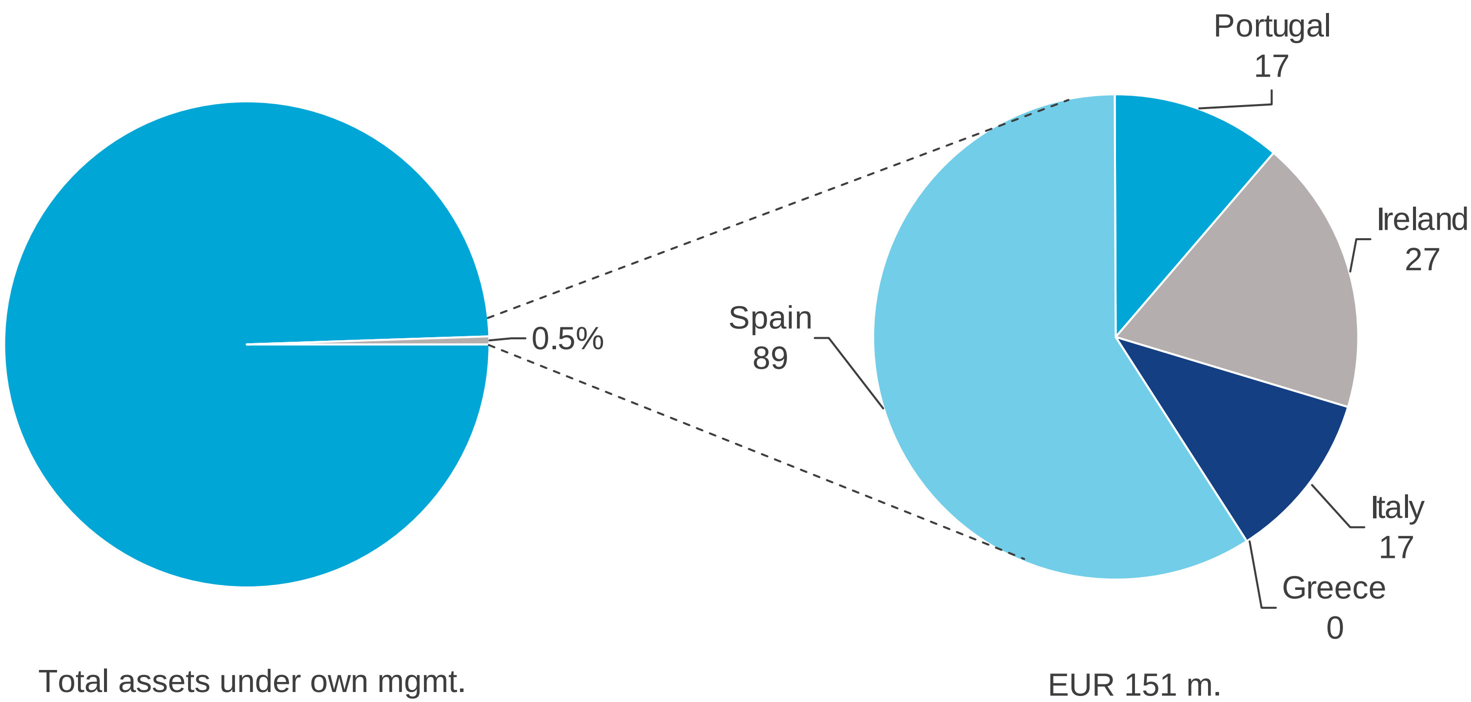
No material exposure in Southern Europe and Ireland*

Merely 0.5% of total assets under own management

Asset allocation

in m. EUR



* Investments in governmentals and semi-governmentals
Economic view based on market value as at 30 June 2012

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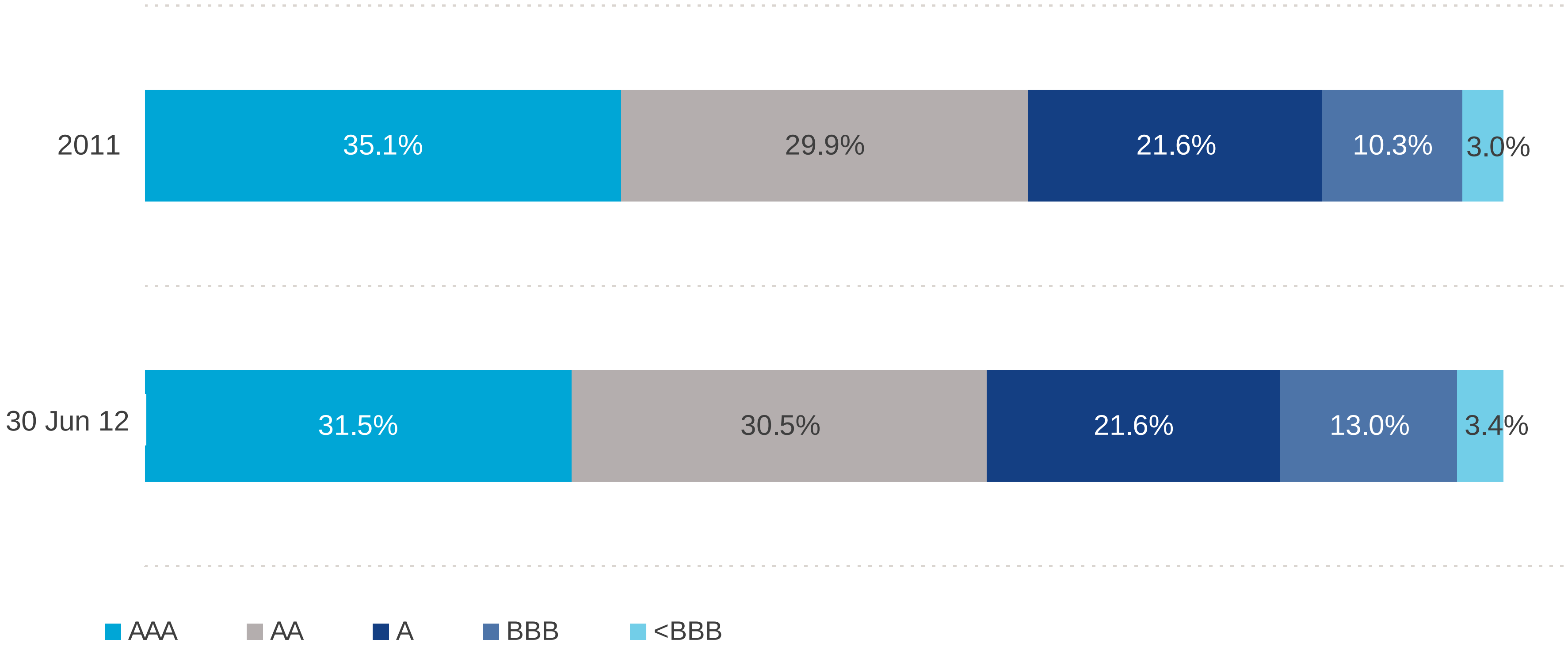
Unchanged focus on comprehensive credit process
Downgrade waves and allocation into corporates affect rating structure

Fixed-income portfolio in m. EUR



S&P financial strength rating
Economic view based on market value as at 30 June 2012

Modified duration as of 30 June 2012: 4.3 (2011: 3.8)

Fixed-income book well balanced

Allocation according to our business diversification

	Governmentals	Semi-governmentals	Corporates	Pfandbriefe, Covered Bonds, ABS	Short-term investments, cash	Total
AAA	24.9%	60.5%	2.2%	59.0%	-	31.5%
AA	57.6%	35.7%	14.8%	23.3%	-	30.5%
A	7.3%	2.9%	49.0%	8.4%	-	21.6%
BBB	8.0%	0.7%	28.2%	5.0%	-	13.0%
<BBB	2.2%	0.1%	5.8%	4.4%	-	3.4%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**-**	**100.0%**
Germany	7.1%	44.0%	6.8%	26.6%	37.5%	20.4%
UK	8.3%	6.2%	11.3%	10.0%	5.7%	9.0%
France	10.9%	3.0%	7.2%	10.5%	0.5%	7.2%
GIIPS	2.6%	0.1%	4.0%	12.4%	0.0%	4.1%
Rest of Europe	6.1%	18.2%	16.8%	24.6%	4.8%	15.8%
USA	39.7%	9.3%	34.9%	7.4%	13.0%	24.1%
Australia	6.3%	9.6%	8.7%	4.6%	5.3%	7.6%
Asia	10.4%	1.3%	3.3%	0.1%	20.8%	4.5%
Rest of World	8.7%	8.5%	6.9%	3.8%	12.4%	7.3%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

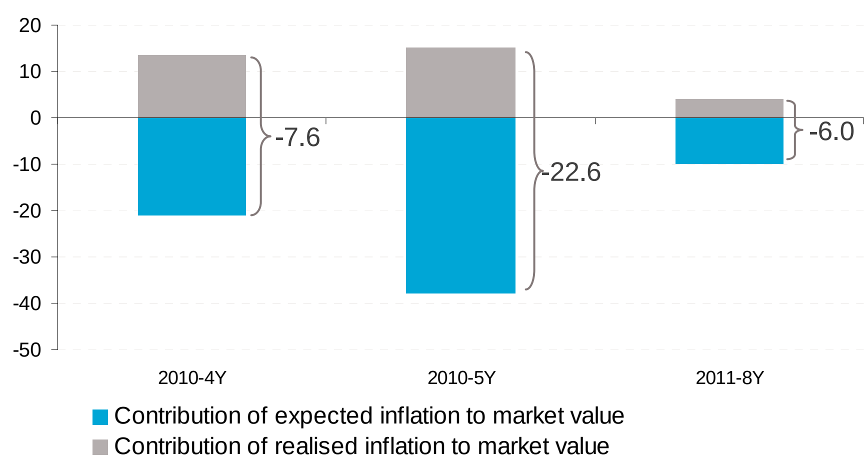
As at 30 June 2012

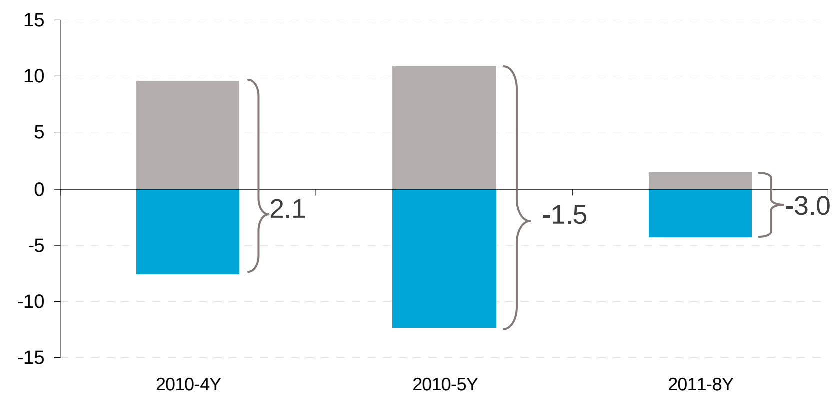
Inflation swaps affected by decreased inflation expectations
Continuously positive contribution of realised EUR- and US-inflation

- Partial hedge of non-life loss inflation provided by USD and EUR Zero Coupon Swaps
- Initially established in Q2/2010 (4 and 5 years)
- Protection reloaded in Q1/2011 (8 years)
- Positive contribution of so far realised inflations
- Overcompensated by decreased traded inflation expectations

Aggregated volume USD	USD 2,530 m.
Aggregated volume EUR	EUR 930 m.
Covered level of inflation	2.17%
Market values as of 30 June 2012	**USD - 36.2 m.** **EUR - 2.4 m.**

Market position as at 30 June 2012 . . .in m. USD . . .and in m. EUR





Impact of the inflation swaps

Overview of sensitivities

- Current (30 June 2012) holding of inflation swaps at EUR 2.8 bn. (equivalent swap volume) reacts as follows to underlying risk factors:

	Change in market value in m. EUR
Inflation expectation*: +100 bps	+88
Inflation expectation*: -100 bps	-86
Inflation expectation*: +400 bps	+367
Interest curves	marginal reagibility
Credit spreads	no reagibility
Equity markets	no reagibility

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

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