



somewhat
different

Conference Call on Interim Report 2/2014

Hannover, 6 August 2014

hannover **re**[®]

Favourable results for the first half of 2014

4.9% increase of Group net income; Shareholders' equity up by 8.9%

Group

| | | |
|--------------------------|----------------------|--|
| ▶ Gross written premium: | EUR 7,065 m. (-2.2%) | ▶ GWP impacted by currency fluctuations; f/x-adjusted growth of +0.4% in line with expectations |
| ▶ Net premium earned: | EUR 5,839 m. (-5.7%) | |
| ▶ EBIT: | EUR 684 m. | ▶ Group net income up by 4.9% fuelled by improved results from life and health |
| ▶ Group net income: | EUR 444 m. | |
| ▶ RoE: | 14.5% | ▶ Book value per share at record high ▶ Earnings and increase in OCI boost shareholders' equity |
| ▶ Book value per share: | EUR 53.17 | |
| ▶ Shareholders' equity: | EUR 6,412 m. | |

Non-life R/I

EBIT: EUR 521 m.

- ▶ Strong profitability (EBIT margin of 15.5%) driven by favourable underwriting result (C/R of 95.0%)
- ▶ Net major losses of only EUR 105 m. (3.1% of NPE)
- ▶ Continued selective U/W approach; increased volume from Chinese and South Asian business results in moderate f/x-adjusted growth of 2.0%

Life and health R/I

EBIT: EUR 155 m.

- ▶ Significantly improved operating result (+16%) compared to 1H/2013 in line with our full-year guidance
- ▶ Pleasing EBIT margin of 6.3%
- ▶ Good underlying growth masked by reduced premiums from UK enhanced annuities and single large transactions

Investments

NI: EUR 708 m.

- ▶ RoI of 3.3% above full-year target of 3.2%
- ▶ Ordinary investment income within expected range
- ▶ Change in fair value of investments has almost no impact in 1H/2014

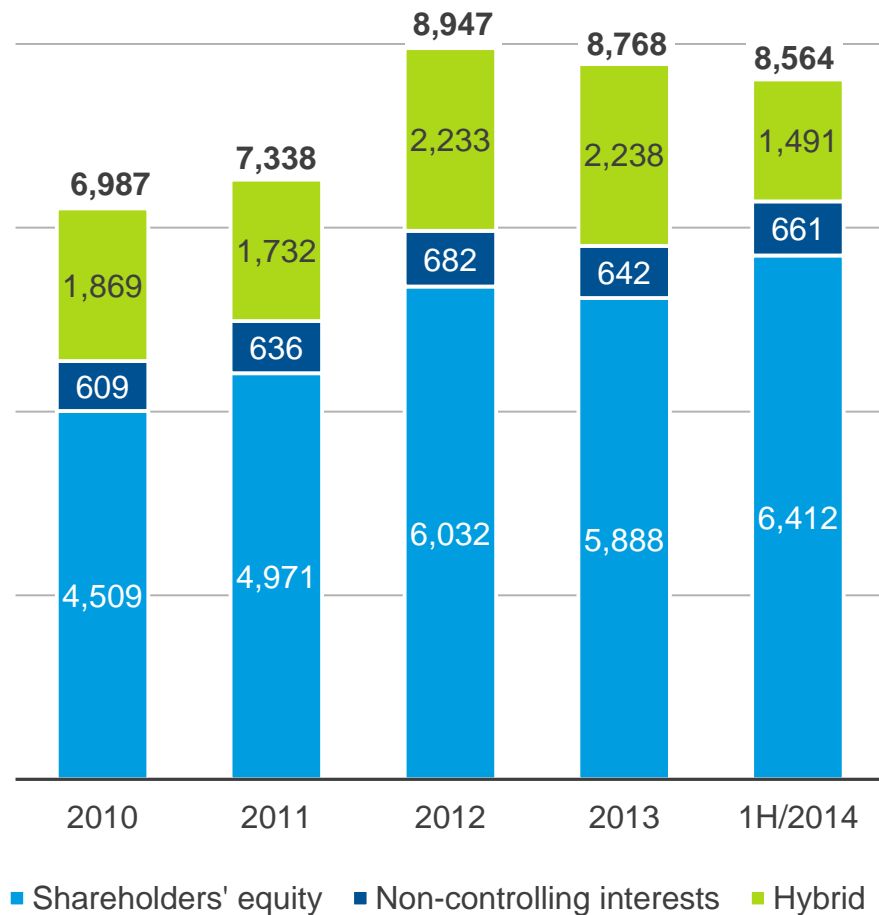
Pleasing underwriting result leads to strong operating profit

Half-year result fully in line with 2014 target

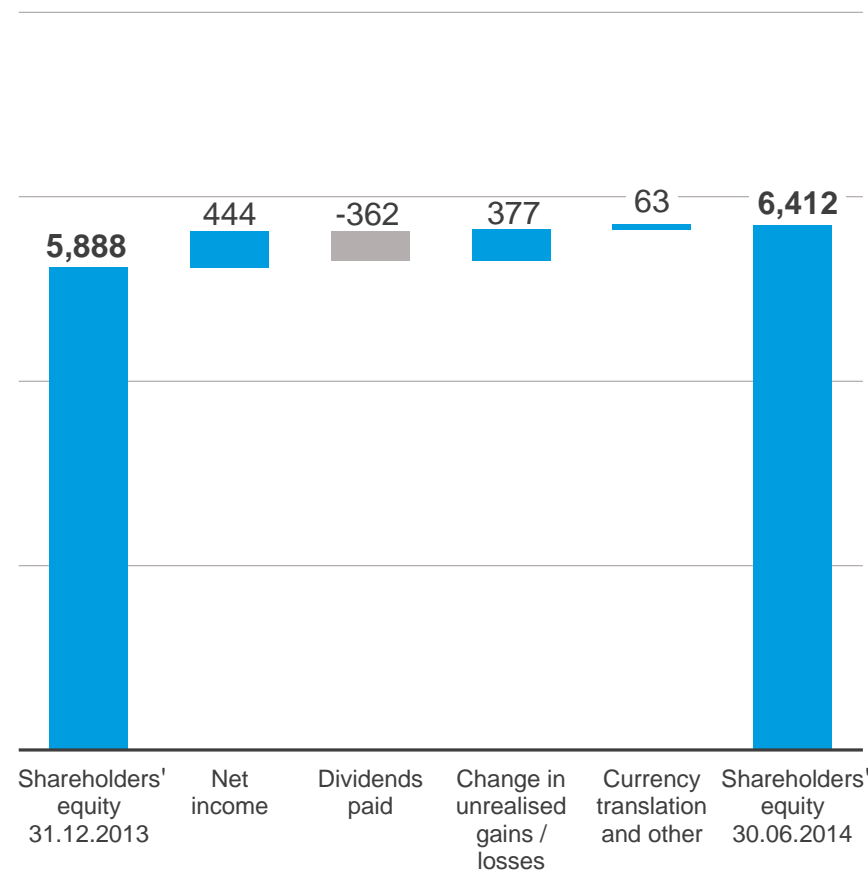
| Group figures in m. EUR | Q2/2013 | Q2/2014 | 1H/2013 | 1H/2014 | YTD |
|---------------------------------------|------------|------------|------------|------------|--|
| Gross written premium | 3,469 | 3,440 | 7,227 | 7,065 | ▶ GWP f/x-adjusted growth +0.4% |
| Net premium earned | 3,111 | 2,927 | 6,192 | 5,839 | ▶ NPE f/x-adjusted growth -3.1% |
| Net underwriting result | (15) | 12 | 17 | 14 | ▶ Other income and expenses lower due to normalisation of currency effects |
| - Incl. funds withheld | 79 | 98 | 204 | 189 | |
| Net investment income | 334 | 346 | 689 | 708 | ▶ Reduced interest on hybrid capital due to EUR 750 m. subordinated bond redemption in Q1/2014 |
| - From assets under own mgmt. | 241 | 260 | 501 | 533 | |
| - From funds withheld | 94 | 86 | 188 | 175 | |
| Other income and expenses | 7 | (24) | (13) | (38) | |
| Operating profit/loss (EBIT) | 327 | 334 | 693 | 684 | |
| Interest on hybrid capital | (32) | (21) | (63) | (49) | |
| Net income before taxes | 295 | 313 | 630 | 635 | |
| Taxes | (85) | (93) | (172) | (156) | |
| Net income | 209 | 220 | 458 | 479 | |
| - Non-controlling interests | 17 | 8 | 35 | 35 | |
| Group net income | 192 | 211 | 423 | 444 | |
| Retention | 90.1% | 87.1% | 90.0% | 87.7% | |
| EBIT margin (EBIT/Net premium earned) | 10.5% | 11.4% | 11.2% | 11.7% | |
| Tax ratio | 29.0% | 29.8% | 27.3% | 24.5% | |
| Earnings per share | 1.59 | 1.75 | 3.51 | 3.69 | |

Shareholders' equity increased by 8.9%

Policyholders' surplus in m. EUR



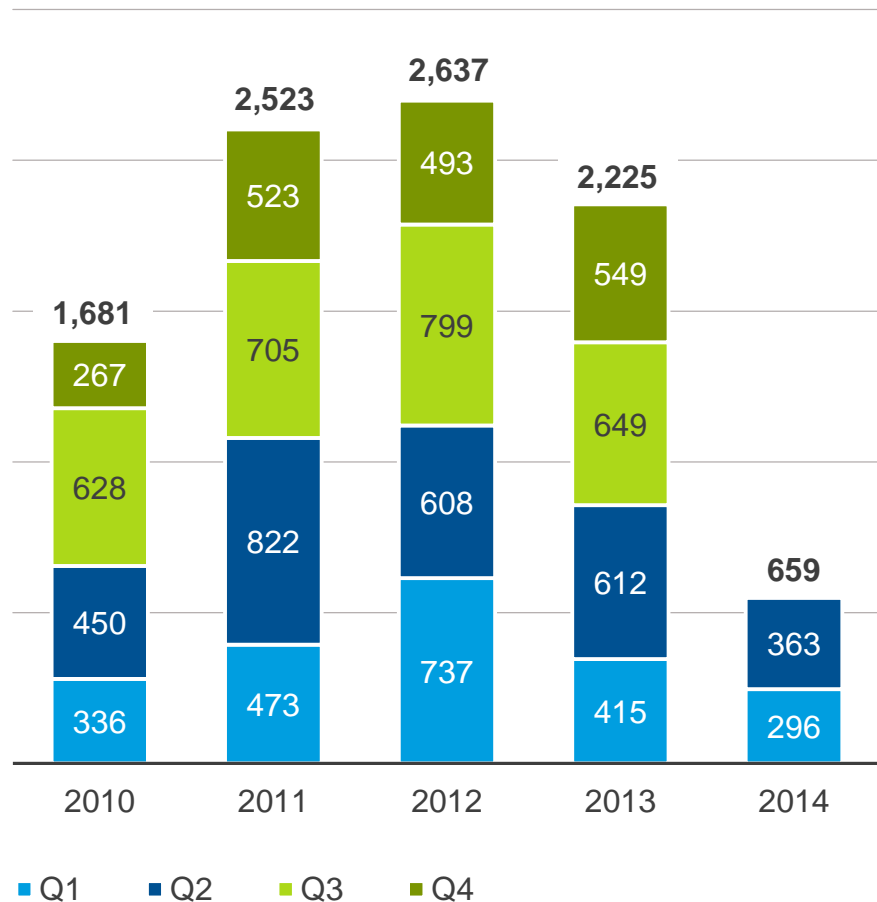
Change in shareholders' equity in m. EUR



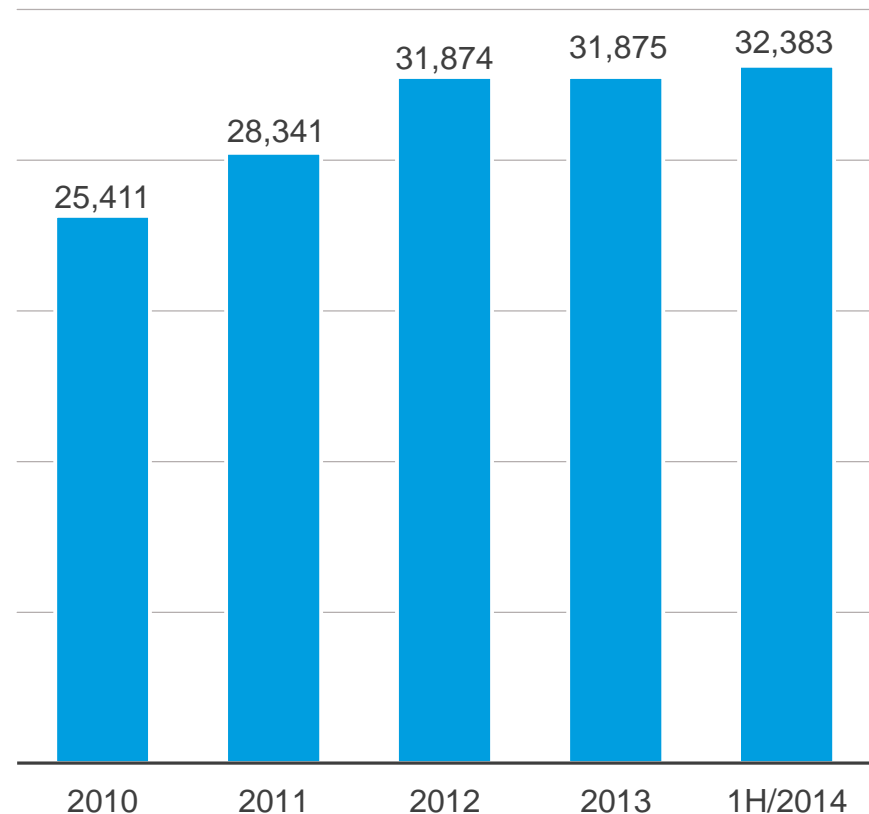
Continued positive cash flow despite reduced premium growth

Increased AuM despite payments of EUR 1.1 bn. for dividends and bond redemption

Operating cash flow in m. EUR



Assets under own management (AuM) in m. EUR



Pleasing U/W result in a competitive market environment

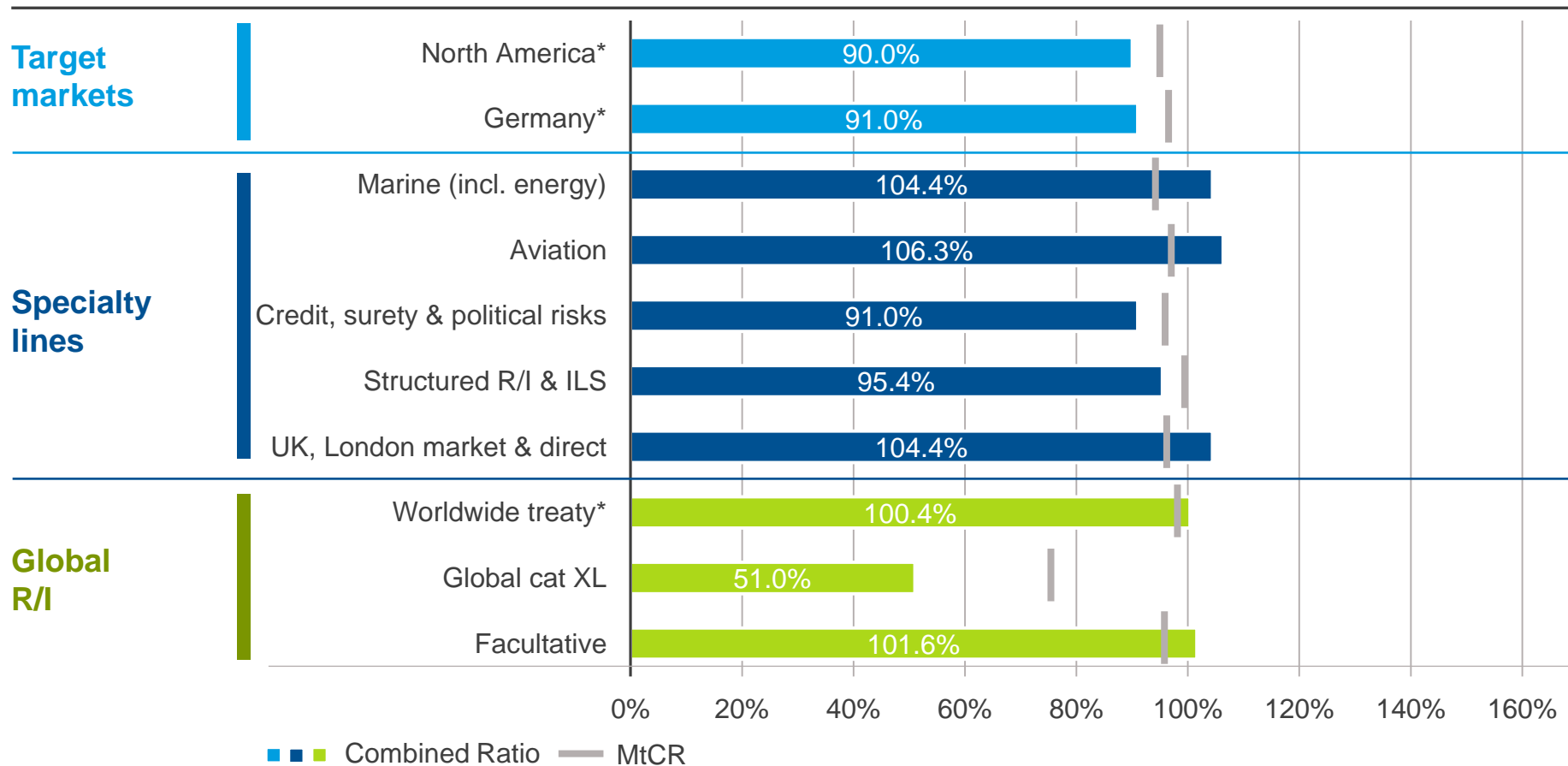
| Non-life reinsurance in m. EUR | Q2/2013 | Q2/2014 | 1H/2013 | 1H/2014 | YTD |
|---|----------------|----------------|----------------|----------------|--|
| Gross written premium | 1,899 | 1,970 | 4,097 | 4,078 | ▶ GWP f/x-adjusted growth +2.0%; mainly from Southeast Asia and China |
| Net premium earned | 1,712 | 1,739 | 3,404 | 3,370 | ▶ NPE f/x-adjusted growth +1.6% |
| Net underwriting result incl. funds withheld | 90 | 76 | 191 | 168 | ▶ Major losses of EUR 105 m. (3.1% of NPE) below budget (EUR 276 m. for 1H/2014) |
| Combined ratio incl. interest on funds withheld | 94.8% | 95.6% | 94.4% | 95.0% | ▶ Conservative loss reserving policy maintained in particular for the large loss budget |
| Net investment income from assets under own management | 172 | 188 | 355 | 389 | ▶ NII increased mainly due to normalised results from inflation swaps |
| Other income and expenses | 29 | (24) | 2 | (36) | ▶ Other inc. & exp. in line with expectations; not affected by positive currency effects as in 2013 |
| Operating profit/loss (EBIT) | 290 | 241 | 549 | 521 | ▶ EBIT margin of 15.5% (1H/2013: 16.1%), well above target |
| Tax ratio | 30.0% | 34.6% | 28.0% | 28.5% | |
| Group net income | 187 | 150 | 362 | 348 | |
| Earnings per share | 1.55 | 1.24 | 3.00 | 2.89 | |

Overall portfolio continues to outperform the MtCR

Costa Concordia takes its toll in marine

Combined Ratio 1H/2014 vs. MtCR

in %



MtCR = Maximum tolerable Combined Ratio

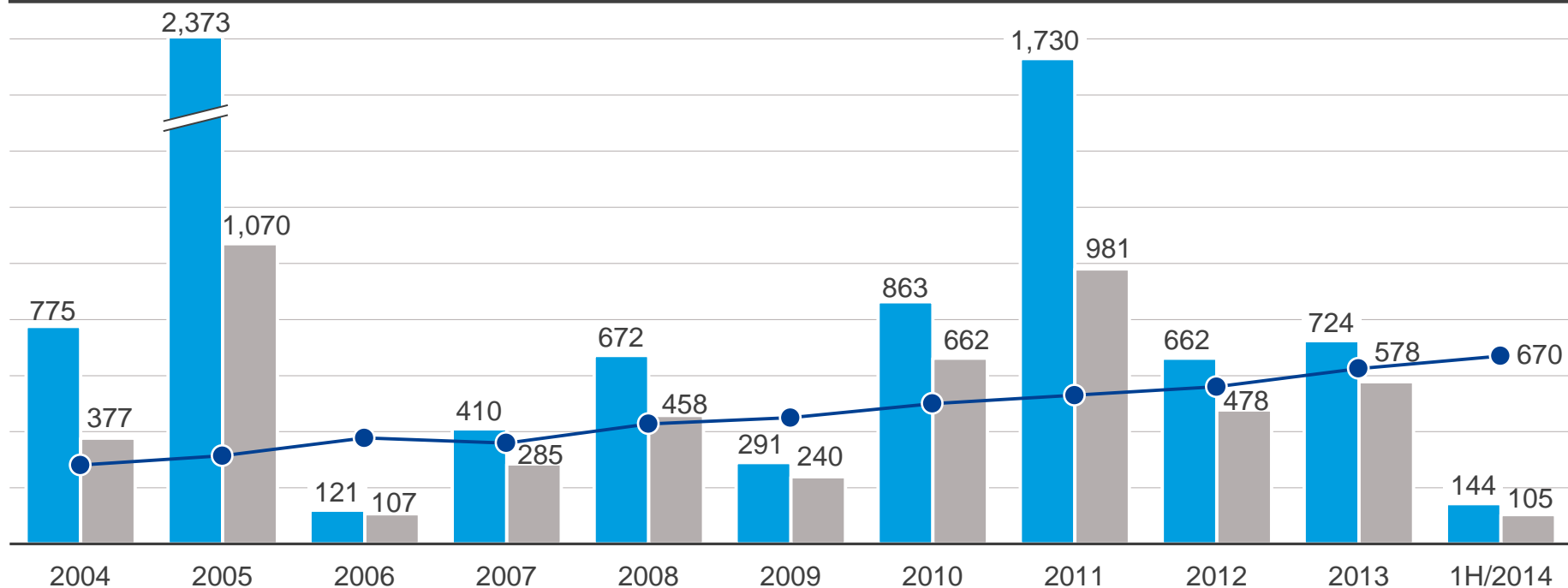
* All lines of non-life reinsurance except those stated separately

Major losses below expectation

Remaining large loss budget (EUR 565 m.) provides comfortable cushion for 2H/2014

Natural and man-made catastrophe losses¹⁾

in m. EUR



Natural and man-made catastrophe losses in % of non-life premium²⁾

| | | | | | | | | | | |
|-----|-----|----|----|-----|----|-----|-----|----|----|----|
| 10% | 34% | 2% | 8% | 13% | 5% | 14% | 25% | 9% | 9% | 4% |
| 7% | 20% | 2% | 6% | 11% | 5% | 12% | 16% | 7% | 8% | 3% |

— Gross — Net —●— Expected net catastrophe losses

1) Up to 2011 claims over EUR 5 m. gross, from 2012 onwards claims over EUR 10 m. gross

2) 2004 - 2006 adjusted to new segmentation

Benign large loss experience in 1H/2014

| Catastrophe losses* in m. EUR | Date | Gross | Net |
|-------------------------------------|------------|--------------|--------------|
| Snowstorm, Japan | 8 Feb | 10.5 | 8.9 |
| Storm "Ela", France/Belgium/Germany | 7 - 10 Jun | 39.2 | 33.3 |
| 2 Natural catastrophes | | 49.7 | 42.2 |
| 1 Aviation claim | | 51.5 | 30.9 |
| 3 Property claims | | 42.3 | 31.6 |
| 6 Major losses | | 143.5 | 104.7 |

* Natural catastrophes and other major losses in excess of EUR 10 m. gross

Significantly improved result in life and health reinsurance

| Life and health R/I in m. EUR | Q2/2013 | Q2/2014 | 1H/2013 | 1H2014 | YTD |
|--|-----------|-----------|------------|------------|--|
| Gross written premium | 1,569 | 1,470 | 3,130 | 2,987 | ▶ GWP f/x-adjusted -1.8%, mainly due to reduced premium income from enhanced annuities biz, single large transactions, run-off of US mortality block (ING); increased volume from UK-BAT |
| Net premium earned | 1,398 | 1,188 | 2,787 | 2,469 | |
| Net underwriting result incl. funds withheld | (10) | 22 | 14 | 22 | ▶ Technical result increased largely due to improved result from US mortality business |
| Net investment income from assets under own management | 64 | 67 | 136 | 134 | ▶ NII at expected level, minor impact from ModCo derivatives |
| Other income and expenses | (22) | 0 | (16) | (1) | ▶ Other income improved mainly due to reduced collateral costs for our US business |
| Operating profit/loss (EBIT) | 31 | 89 | 134 | 155 | ▶ Strong increase in EBIT by 16% |
| EBIT margin | 2.2% | 7.5% | 4.8% | 6.3% | ▶ EBIT margins well above targets: Financial solutions/longevity business: 4.8% Mortality and morbidity business: 7.1% |
| Tax ratio | 18.6% | 18.3% | 24.4% | 18.8% | |
| Group net income | 25 | 72 | 100 | 115 | |
| Earnings per share | 0.20 | 0.60 | 0.83 | 0.96 | |

Stable ordinary investment income as expected

Rol on track towards 2014 target of 3.2%

| in m. EUR | Q2/2013 | Q2/2014 | 1H/2013 | 1H/2014 | Rol | YTD |
|---|------------|------------|------------|------------|-------------|--|
| Ordinary investment income* | 263 | 250 | 510 | 494 | 3.1% | <ul style="list-style-type: none"> ▶ Ordinary income almost on 1H/2013 level while average portfolio volume remained stable ▶ Realisations on previous year's level ▶ Increase in regular depreciations due to higher real estate volume ▶ Normalisation of unrealised result in P/L leads to increase in NII ▶ Valuation reserves recovered due to lower yield levels of European governments and tighter spreads on US corporates |
| Realised gains/losses | 50 | 34 | 84 | 88 | 0.6% | |
| Impairments/appreciations & depreciations | (5) | (5) | (8) | (10) | -0.1% | |
| Change in fair value of financial instruments (through P&L) | (41) | 3 | (38) | 10 | 0.1% | |
| Investment expenses | (26) | (22) | (47) | (50) | -0.3% | |
| NII from assets under own mgmt. | 240 | 260 | 501 | 533 | 3.3% | |
| NII from funds withheld | 94 | 86 | 188 | 175 | | |
| Total net investment income | 334 | 346 | 689 | 708 | | |

| Change in fair value of financial instruments | 31 Dec 13 | 30 Jun 14 |
|---|--------------|--------------|
| Fixed income (AFS) | 426 | 931 |
| Fixed income (HTM, L&R) | 342 | 434 |
| Equities and shares in limited partnerships | 284 | 338 |
| Total | 1,052 | 1,703 |

* Incl. results from associated companies

Target Matrix 2014

Most targets achieved

| Business group | Key figures | Strategic targets | 1H/2014 |
|-----------------------------|--|---------------------|---------|
| Group | Return on investment ¹⁾ | ≥3.2% | 3.3% |
| | Return on equity | ≥9.6% ²⁾ | 14.5% |
| | Earnings per share growth (y-o-y) | ≥10% | 4.9% |
| | Value creation per share ³⁾ | ≥10% | n.a. |
| Non-life reinsurance | Gross premium growth ⁴⁾ | 3% - 5% | 2.0% |
| | Combined ratio | ≤96% ⁵⁾ | 95.0% |
| | EBIT margin ⁶⁾ | ≥10% | 15.5% |
| | xRoCA ⁷⁾ | ≥2% | n.a. |
| Life and health reinsurance | Gross premium growth ⁸⁾ | 5% - 7% | -1.8% |
| | Value of New Business (VNB) | ≥EUR 180 m. | n.a. |
| | EBIT margin ⁶⁾ financial solutions/longevity business | ≥2% | 4.8% |
| | EBIT margin ⁶⁾ mortality and morbidity business | ≥6% | 7.1% |
| | xRoCA ⁷⁾ | ≥3% | n.a. |

1) Excl. inflation swaps and ModCo

3) Growth of book value + paid dividend

5) Incl. expected net major losses of EUR 670 m.

7) Excess return on the allocated economic capital

2) 750 bps above 5-year rolling average of 10-year German government-bond rate ("risk free"), after tax

4) In average throughout the cycle; at unchanged f/x rates

6) EBIT/net premium earned

8) Organic growth only; at unchanged f/x rates; 5-year CAGR

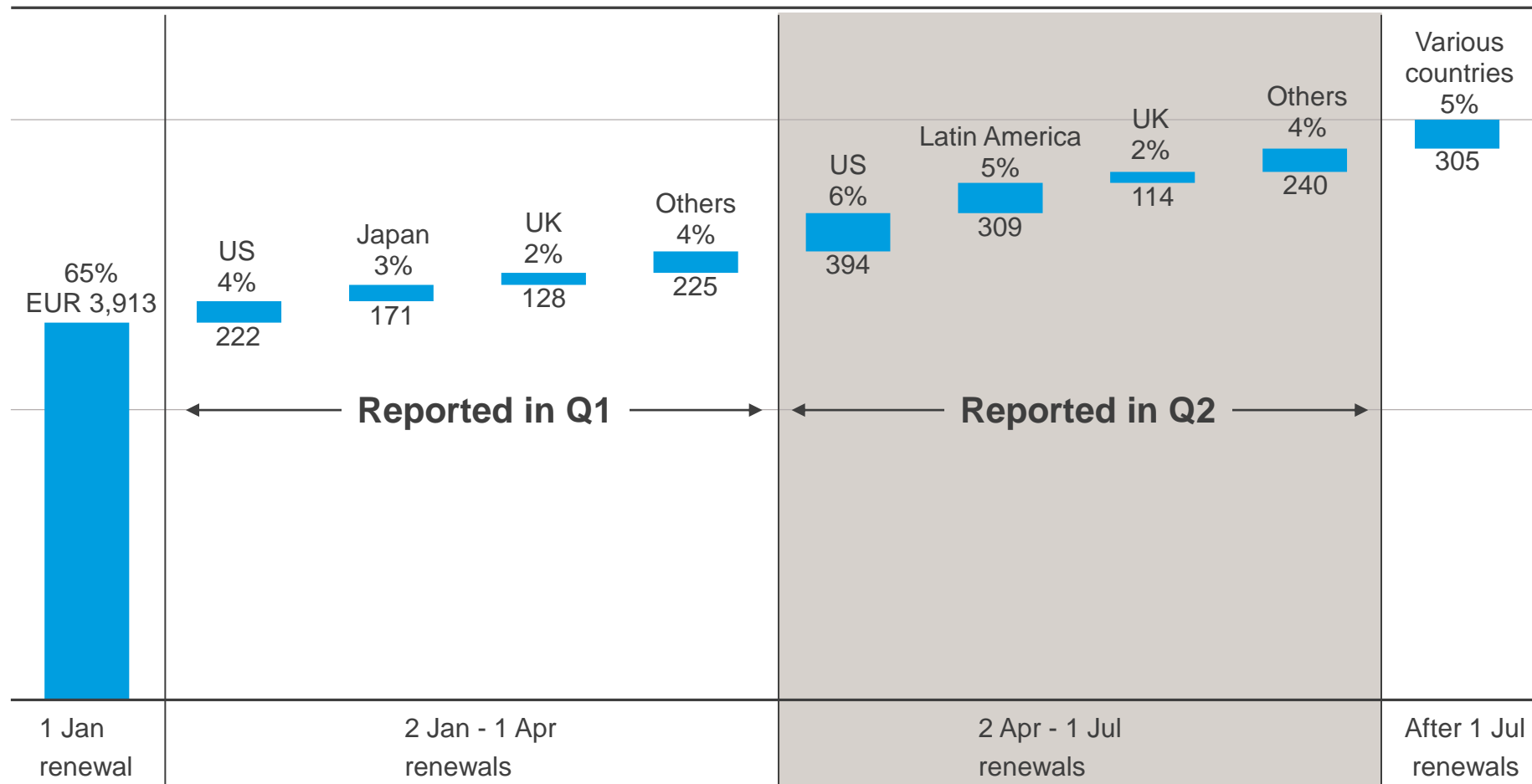
Q2/2014 renewals

17% of our non-life traditional treaty biz was up for renewal in Q2

Renewals 2014

Traditional treaty reinsurance (excl. structured R/I & ILS and facultative)

in m. EUR



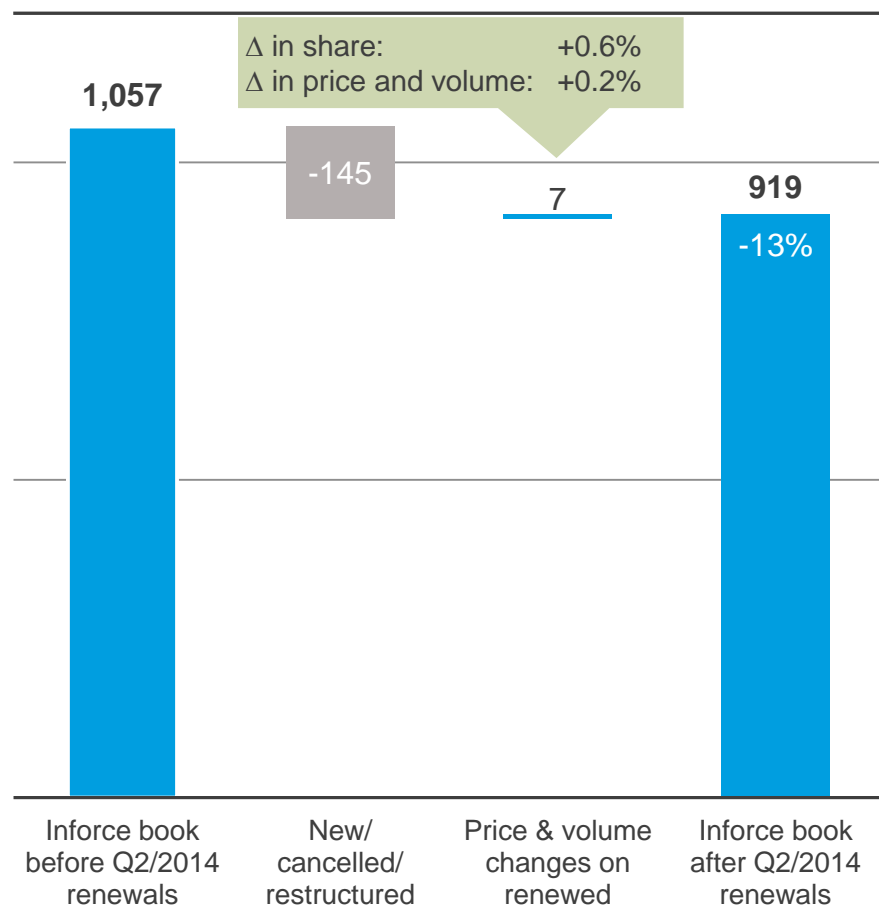
Based on 2013 U/Y

Premium reduced by 13% as we discontinued marginal business

We continued to strictly adhere to our selective underwriting approach

2 April to 1 July renewals

in m. EUR



- ▶ Premium decrease as expected due to discontinuation of two large proportional accounts in UK and Latin America
- ▶ Excluding one-off effects premium at a stable level
 - US property XL: loss-affected up to 30% rate increases loss free -5% to -15%
 - US casualty: XL rates -10% to -20%, prop. ceding commissions +2%p to +3,5%p
 - Agro: Overall growth due to new biz production
 - Latin America: rates stable in a few markets where we continue to be market leader, in other markets rate decreases of 5% to 15%
- ▶ Our strong security and market standing ensured excellent showing and signing

At unchanged f/x rates

Outlook 2014

Guidance for 2014

Major loss budget of EUR 670 m.

Hannover Re Group

- ▶ Gross written premium¹⁾ _____ flat to low single-digit increase in volume
- ▶ Return on investment²⁾ _____ ~ 3.2%
- ▶ Group net income³⁾ _____ ~ EUR 850 m.
- ▶ Dividend pay-out ratio⁴⁾ _____ 35% - 40%

1) At unchanged f/x rates











2) Excluding effects from derivatives (ModCo/inflation swaps)

3) Subject to no major distortions in capital markets and/or major losses in 2014 not exceeding approx. EUR 670 m.

4) Related to group net income according to IFRS

Overall largely stable portfolio with continued good quality

Development of non-life reinsurance lines of business (FY 2014e)

| | 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 | Worldwide treaty ³⁾ |  | + |
| | Global cat XL |  | + |
| | Facultative |  | +/- |

1) Premium development in EUR at unchanged f/x rates

2) ++ = well above CoC; + = above CoC; +/- = CoC earned; - = below Cost of Capital (CoC)

3) All lines of business except those stated separately

Life and health R/I profitability back on track in 2014

Positive contributions from all reporting categories

| | Reporting categories | Volume ¹⁾ | Profitability ²⁾ |
|----------------------------|----------------------|----------------------|-----------------------------|
| Financial Solutions | Financial Solutions | → | ++ |
| | Longevity | ↗ | + |
| Risk Solutions | Mortality | → | + |
| | Morbidity | → | +/- |

1) Premium development in EUR at unchanged f/x rates

2) ++ = well above CoC; + = above CoC; +/- = CoC earned; - = below Cost of Capital (CoC)

somewhat
different

Appendix

Our strategic business groups at a glance

1H/2014 vs. 1H/2013

| in m. EUR | Non-life reinsurance | | Life and health reinsurance | | Total | |
|---|----------------------|------------|-----------------------------|------------|------------|------------|
| | 1H/2013 | 1H/2014 | 1H/2013 | 1H/2014 | 1H/2013 | 1H/2014 |
| Gross written premium | 4,097 | 4,078 | 3,130 | 2,987 | 7,227 | 7,065 |
| Change in GWP | - | -0.5% | - | -4.6% | - | -2.2% |
| Net premium earned | 3,404 | 3,370 | 2,787 | 2,469 | 6,192 | 5,839 |
| Net underwriting result | 184 | 158 | (166) | (144) | 17 | 14 |
| Net underwriting result incl. funds withheld | 191 | 168 | 14 | 22 | 204 | 189 |
| Net investment income | 363 | 399 | 316 | 300 | 689 | 708 |
| From assets under own management | 355 | 389 | 136 | 134 | 501 | 533 |
| From funds withheld | 8 | 9 | 180 | 165 | 188 | 175 |
| Other income and expenses | 2 | (36) | (16) | (1) | (13) | (38) |
| Operating profit/loss (EBIT) | 549 | 521 | 134 | 155 | 693 | 684 |
| Interest on hybrid capital | (0) | 0 | 0 | (0) | (63) | (49) |
| Net income before taxes | 549 | 521 | 134 | 155 | 630 | 635 |
| Taxes | (154) | (148) | (33) | (29) | (172) | (156) |
| Net income | 395 | 372 | 101 | 126 | 458 | 479 |
| Non-controlling interest | 33 | 25 | 2 | 10 | 35 | 35 |
| Group net income | 362 | 348 | 100 | 115 | 423 | 444 |
| Retention | 90.2% | 91.1% | 89.6% | 83.1% | 90.0% | 87.7% |
| Combined ratio (incl. interest on funds withheld) | 94.4% | 95.0% | 99.5% | 99.1% | 96.7% | 96.8% |
| EBIT margin (EBIT / Net premium earned) | 16.1% | 15.5% | 4.8% | 6.3% | 11.2% | 11.7% |
| Tax ratio | 28.0% | 28.5% | 24.4% | 18.8% | 27.3% | 24.5% |
| Earnings per share | 3.00 | 2.89 | 0.83 | 0.96 | 3.51 | 3.69 |

Our strategic business groups at a glance

Q2 stand-alone

| in m. EUR | Non-life reinsurance | | Life and health reinsurance | | Total | |
|---|----------------------|------------|-----------------------------|-----------|------------|------------|
| | Q2/2013 | Q2/2014 | Q2/2013 | Q2/2014 | Q2/2013 | Q2/2014 |
| Gross written premium | 1,899 | 1,970 | 1,569 | 1,470 | 3,469 | 3,440 |
| Change in GWP | - | +3.7% | - | -6.3% | - | -0.8% |
| Net premium earned | 1,712 | 1,739 | 1,398 | 1,188 | 3,111 | 2,927 |
| Net underwriting result | 85 | 71 | (100) | (59) | (15) | 12 |
| Net underwriting result incl. funds withheld | 90 | 76 | (10) | 22 | 79 | 98 |
| Net investment income | 176 | 194 | 153 | 148 | 334 | 346 |
| From assets under own management | 172 | 188 | 64 | 67 | 241 | 260 |
| From funds withheld | 4 | 6 | 89 | 81 | 94 | 86 |
| Other income and expenses | 29 | (24) | (22) | 0 | 7 | (24) |
| Operating profit/loss (EBIT) | 290 | 241 | 31 | 89 | 327 | 334 |
| Interest on hybrid capital | (0) | 0 | 0 | (0) | (32) | (21) |
| Net income before taxes | 290 | 241 | 31 | 89 | 295 | 313 |
| Taxes | (87) | (83) | (6) | (16) | (85) | (93) |
| Net income | 203 | 157 | 26 | 73 | 209 | 220 |
| Non-controlling interest | 16 | 7 | 1 | 1 | 17 | 8 |
| Group net income | 187 | 150 | 25 | 72 | 192 | 211 |
| Retention | 90.8% | 91.1% | 89.3% | 81.7% | 90.1% | 87.1% |
| Combined ratio (incl. interest on funds withheld) | 94.8% | 95.6% | 100.7% | 98.1% | 97.5% | 96.6% |
| EBIT margin (EBIT / Net premium earned) | 17.0% | 13.8% | 2.2% | 7.5% | 10.5% | 11.4% |
| Tax ratio | 30.0% | 34.6% | 18.6% | 18.3% | 29.0% | 29.8% |
| Earnings per share | 1.55 | 1.24 | 0.20 | 0.60 | 1.59 | 1.75 |

Asset allocation unchanged

Rise in assets under management despite EUR 750 m. bond redemption in Feb.

Tactical asset allocation¹⁾

| Investment category | 2010 | 2011 | 2012 | 2013 | 1H/2014 |
|--|-------------|-------------|-------------|-------------|-------------------|
| Fixed-income securities | 84% | 89% | 91% | 89% | 89% |
| - Governments | 23% | 19% | 19% | 19% | 20% |
| - Semi-governments | 21% | 23% | 23% | 20% | 20% |
| - Corporates | 25% | 30% | 32% | 34% | 35% |
| Investment grade | 24% | 29% | 30% | 33% | 33% |
| Non-investment grade | 1% | 1% | 2% | 2% | 2% |
| - Pfandbriefe, Covered Bonds, ABS | 16% | 16% | 17% | 15% | 15% ²⁾ |
| Equities | 4% | 2% | 2% | 2% | 2% |
| - Listed | 2% | <1% | <1% | <1% | <1% |
| - Private Equity | 2% | 2% | 2% | 2% | 2% |
| Real estate/real estate funds | 2% | 2% | 2% | 4% | 4% |
| Others | 2% | 2% | 2% | 2% | 2% |
| Short-term investments & cash | 8% | 5% | 3% | 4% | 4% |
| Total balance sheet values in bn. EUR | 25.4 | 28.3 | 31.9 | 31.9 | 32.4 |

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 618.0 m. (EUR 598.5 m.) as at 30 June 2014

2) Of which Pfandbriefe and Covered Bonds = 82.4%

Stress tests on assets under own management

Unchanged focus on the credit portfolio

| Portfolio | Scenario | Change in market value in m. EUR | Changes in OCI before tax in m. EUR |
|------------------------------------|----------|-------------------------------------|--|
| Equity (Listed and Private Equity) | -10% | -64 | -64 |
| | -20% | -128 | -128 |
| Yield curves | +50 bps | -643 | -529 |
| | +100 bps | -1,267 | -1,034 |
| Credit spreads | +50% | -587 | -545 |

As at 30 June 2014

Fixed-income book well balanced

Allocation reflects reinsurance liabilities

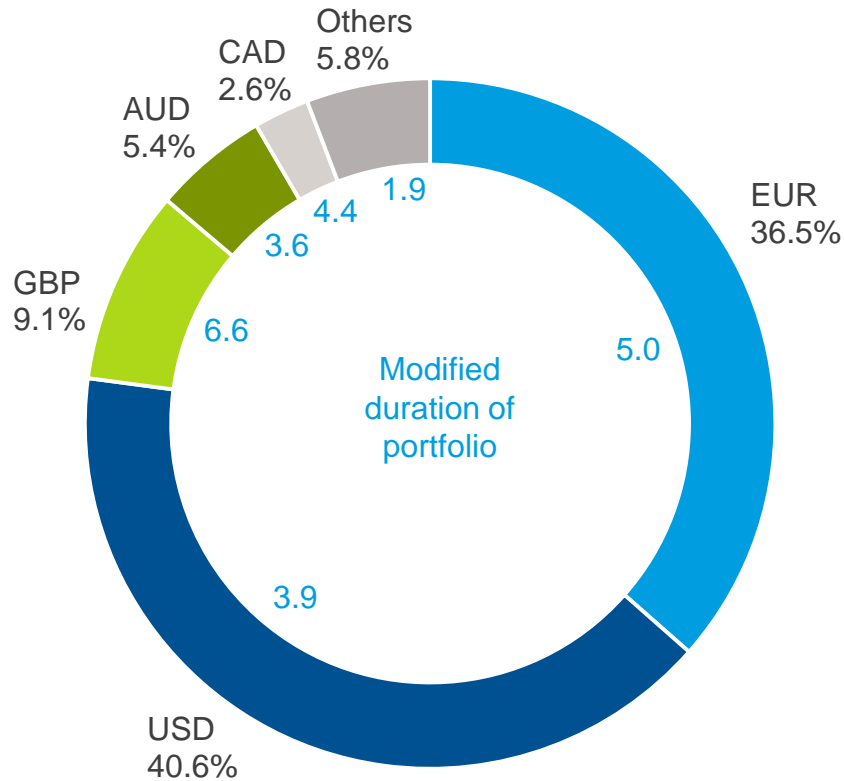
| | Governments | Semi-governments | Corporates | Pfandbriefe, Covered Bonds, ABS | Short-term investments, cash | Total |
|------------------------------------|---------------|------------------|---------------|---------------------------------|------------------------------|---------------|
| AAA | 66.1% | 53.6% | 1.6% | 61.7% | - | 37.1% |
| AA | 17.4% | 43.7% | 16.7% | 14.4% | - | 22.3% |
| A | 9.8% | 1.3% | 49.0% | 13.3% | - | 24.1% |
| BBB | 5.5% | 0.9% | 26.4% | 5.7% | - | 12.8% |
| <BBB | 1.2% | 0.5% | 6.3% | 4.9% | - | 3.7% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% | - | 100.0% |
| Germany | 8.8% | 41.8% | 5.1% | 24.9% | 26.0% | 17.4% |
| UK | 8.1% | 2.8% | 8.6% | 9.7% | 7.8% | 7.4% |
| France | 5.7% | 3.0% | 6.3% | 6.9% | 1.0% | 5.4% |
| GIIPS | 2.6% | 0.5% | 3.6% | 7.9% | 0.0% | 3.2% |
| Rest of Europe | 10.6% | 23.6% | 18.7% | 30.9% | 4.3% | 19.3% |
| USA | 45.3% | 8.7% | 35.3% | 4.5% | 12.7% | 26.3% |
| Australia | 3.9% | 7.3% | 8.7% | 9.0% | 14.9% | 7.7% |
| Asia | 9.1% | 2.8% | 4.7% | 0.0% | 23.7% | 5.3% |
| Rest of World | 5.9% | 9.5% | 9.0% | 6.2% | 9.6% | 8.0% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Total b/s values in bn. EUR | 6,499 | 6,194 | 11,328 | 4,602 | 1,182 | 29,805 |

As at 30 June 2014

Currency allocation matches liability profile of balance sheet

Active asset liability management ensures durational match

Currency split of investments



- ▶ Modified duration of fixed income mainly congruent with liabilities
- ▶ GBP's higher modified duration predominantly due to life business

Modified duration

| | |
|------|-----|
| 2013 | 4.4 |
| 2012 | 4.5 |
| 2011 | 4.2 |

Modified duration as at 30 June 2014: 4.4 (31 December 2013: 4.4)

Inflation hedges

Positive contribution at mid-year

- ▶ Average hedged inflation level of 2.04% EUR and 2.48% USD p.a.
 - P&L effect YTD EUR +4.5 m. (thereof EUR -5.2 m.; +9,7 m. EUR of USD)
 - OCI effect YTD EUR +2.4 m. (thereof EUR -3.1 m.; +5.5 m. EUR of USD)
- ▶ Instruments held as inflation hedges (30 June 2014) with volume of EUR 2,326 m.
 - EUR 1,740 m. swap volume with average duration of 1.5 years
 - EUR 586 m. volume of inflation linker with average duration of 4.8 years
- ▶ Sensitivity to inflation risk:

| in m. EUR | Inflation Swaps: Change in market value through P/L | Inflation Linked Bonds: Change in market value through OCI | Total economic inflation effect before taxes |
|---------------------------------|---|--|--|
| Inflation expectation*: +100 BP | 26 | 29 | 55 |
| Inflation expectation*: -100 BP | -26 | -28 | -54 |
| Inflation expectation*: +400 BP | 108 | 124 | 232 |

* 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)

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 Rück SE. All rights reserved.

Hannover Re is the registered service mark of Hannover Rück SE.