

# Hannover Re

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## Conference Call on 2024 Annual Results

Hannover, 13 March 2025

somewhat different



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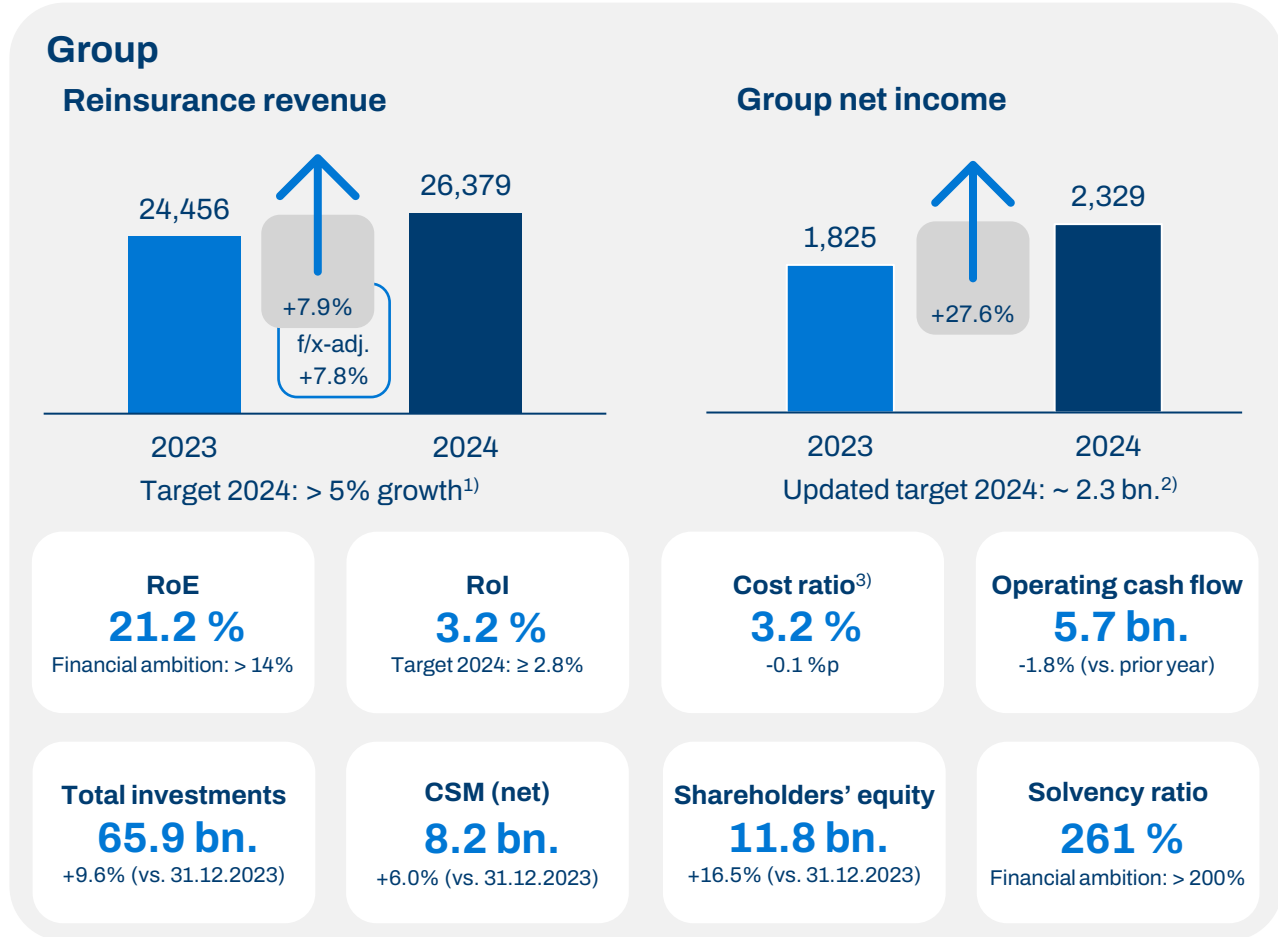
# 1

## Group overview

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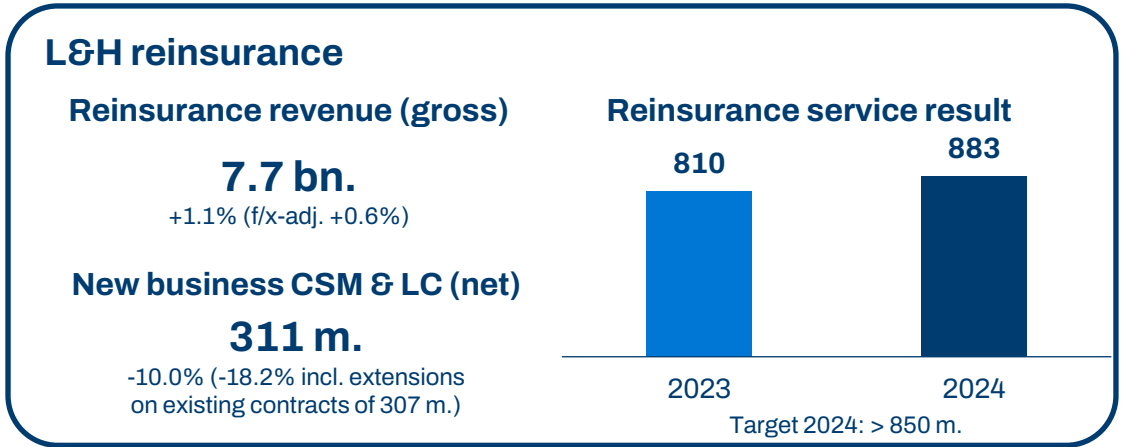
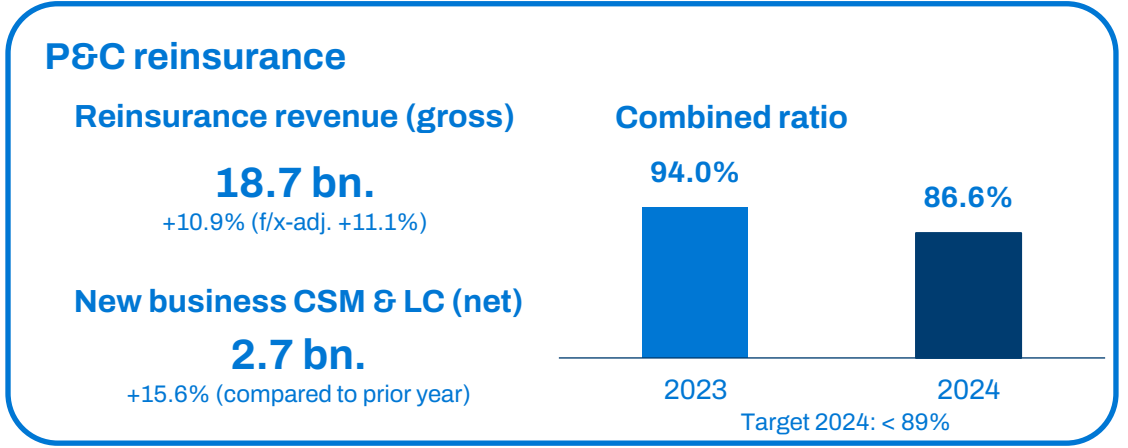
# Delivering on raised Group net income guidance

## Total dividend proposal increased by 25% to 9.00 EUR



Figures in EUR unless otherwise stated

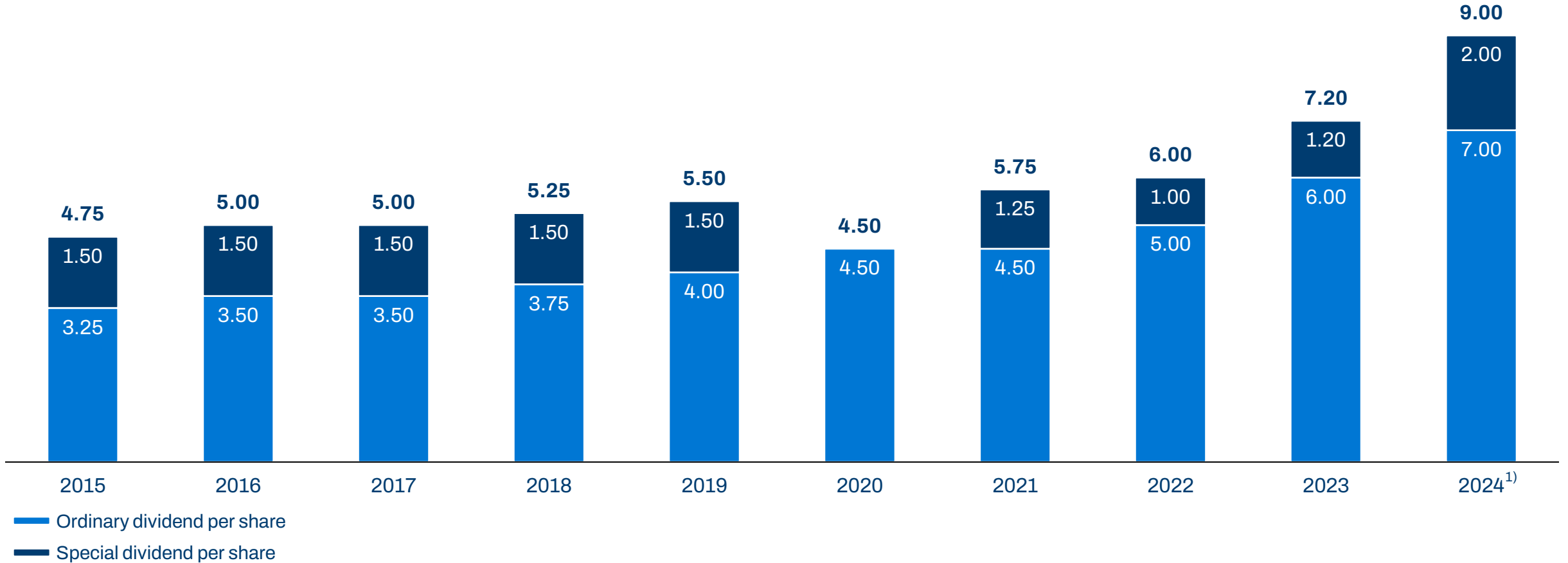
1) At unchanged f/x rates  
 2) Subject to no major distortions in capital markets and/or major losses not exceeding the large loss budget of EUR 1,825 bn. in 2024  
 3) Cost (directly + non-directly attributable) / Reinsurance revenue (gross)



# Increased ordinary dividend proposal reflects positive earnings trends

## Retained earnings will support future growth

### Dividend per share in EUR

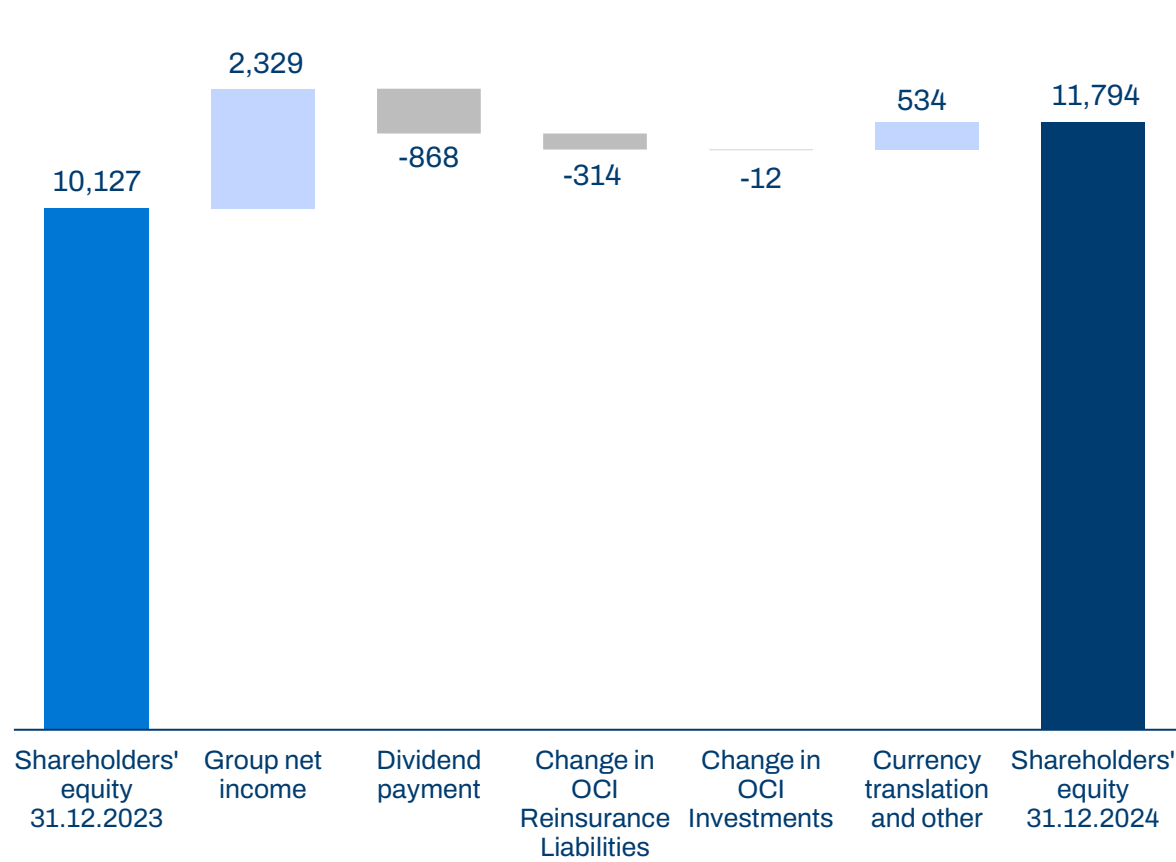


1) Dividend proposal; subject to consent of AGM

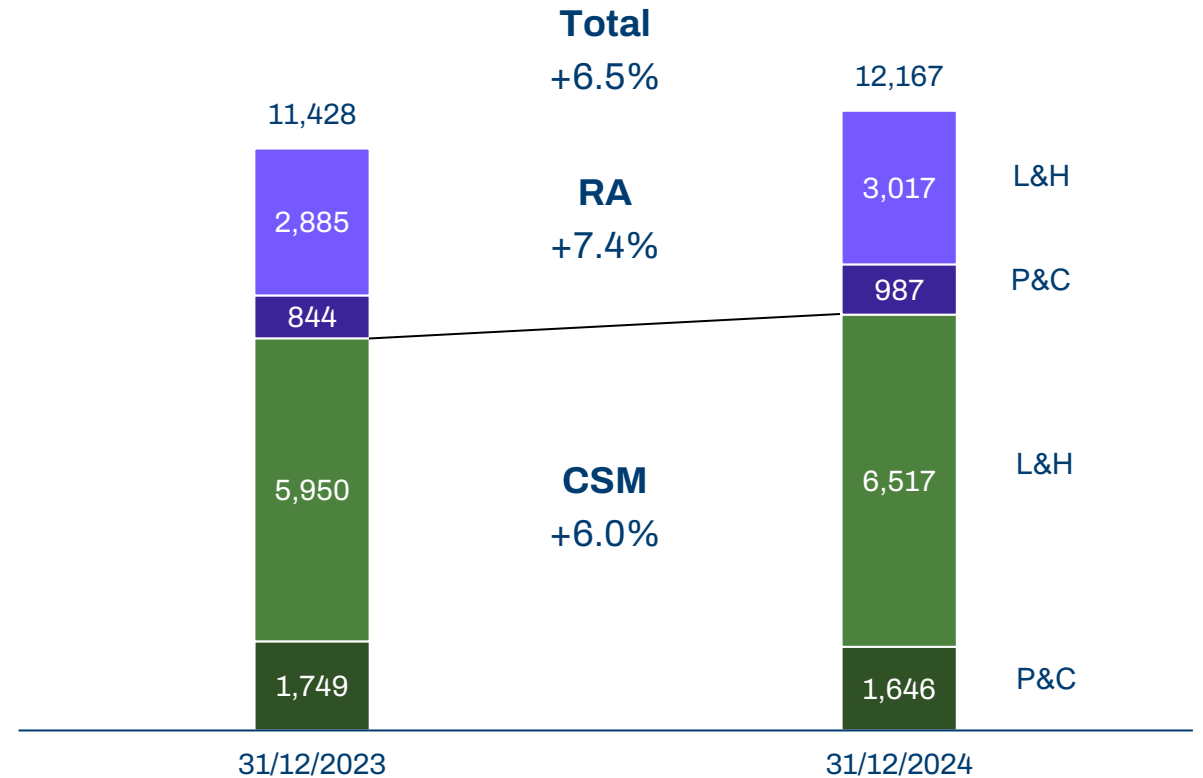
# Strong increase in CSM and RA further strengthens expected earnings outlook

## Shareholders' equity increased by 16.5%

Change in shareholders' equity



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

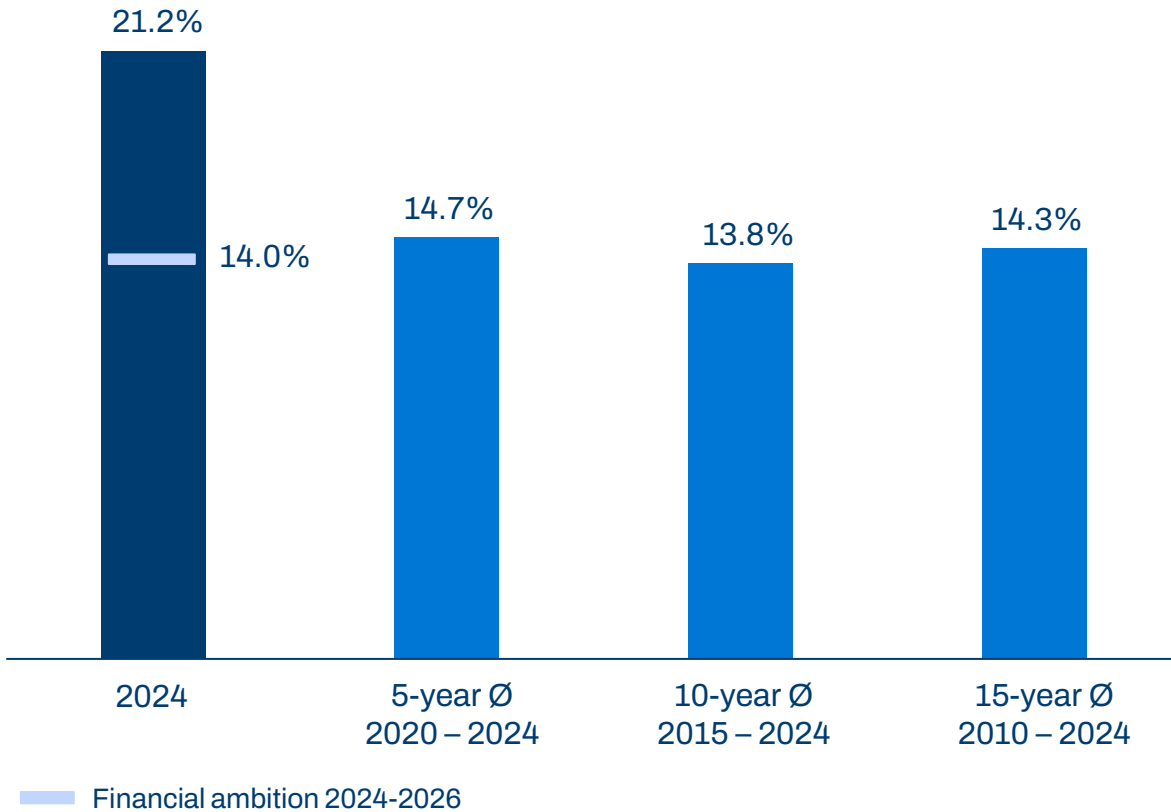


Figures in EUR m. unless otherwise stated

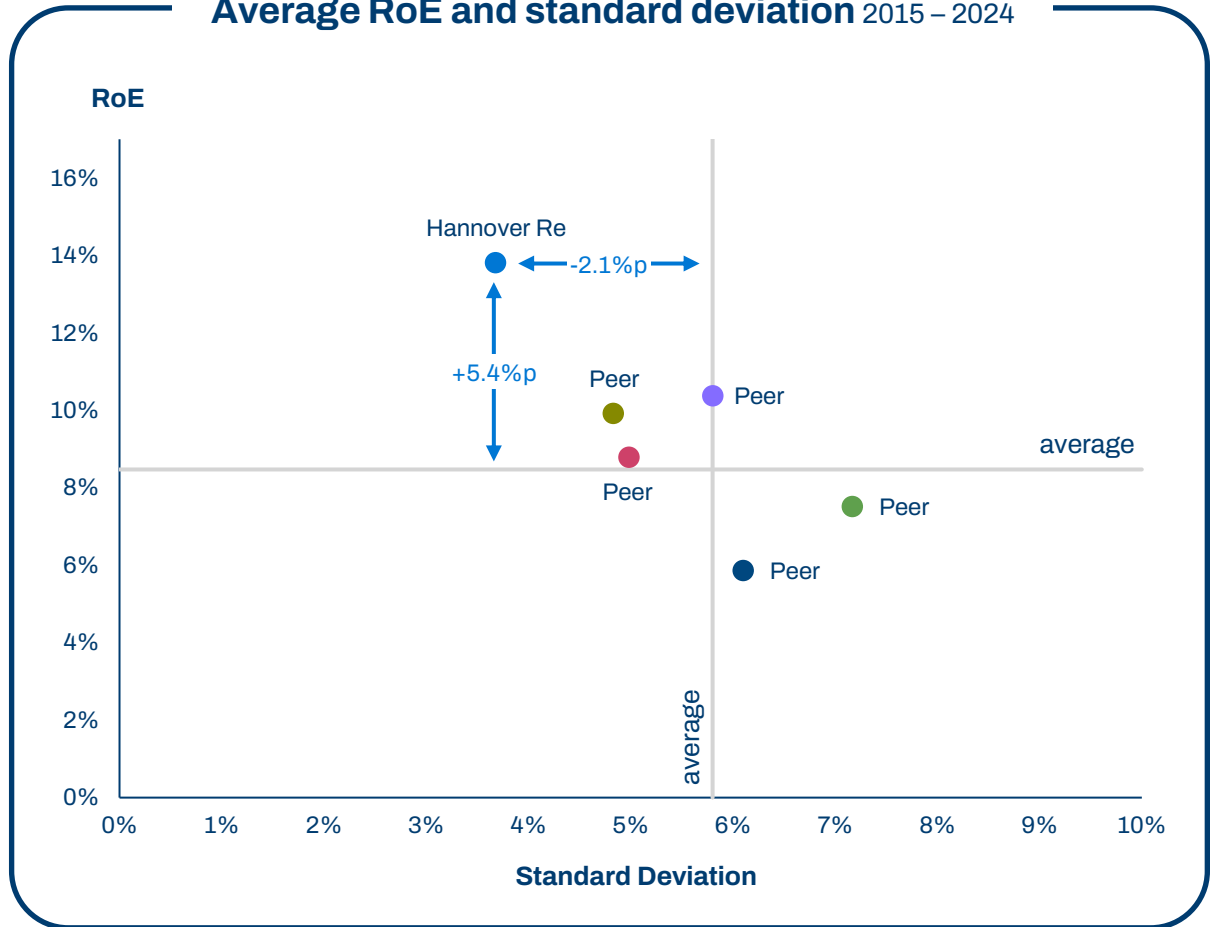
# Long-term track record of high and stable return on equity

RoE of 21.2% well above strategic ambition for 2024

## Return on Equity: average<sup>1)</sup>



## Average RoE and standard deviation 2015 – 2024



RoE based on reported company data, own calculation. Peers: Everest Re, Munich Re, RGA, SCOR, Swiss Re  
 1) 2009-2022 IFRS4

# 2

## Property & Casualty reinsurance



# Continued strong growth in a favourable market environment

Strong underlying profitability of P&C portfolio - combined ratio well within target range

Property & Casualty R/I	Q4/2023	Q4/2024	2023	2024
Reinsurance revenue (gross)	4,088	4,726	16,824	18,665
Reinsurance revenue (net)	3,313	3,846	14,198	15,886
Reinsurance service result	-36	674	848	2,136
Reinsurance finance result	-249	-279	-722	-945
Investment result	222	461	1,171	1,607
Other result	55	-206	-199	-411
<b>Operating profit/loss (EBIT)</b>	<b>-9</b>	<b>650</b>	<b>1,099</b>	<b>2,387</b>
Combined ratio (net)	101.1%	82.5%	94.0%	86.6%
New business CSM (net)	204	265	2,368	2,733
New business LC (net)	-1	-12	-40	-42

All figures in m. EUR unless otherwise stated  
LC = Loss component

## YTD

### Reinsurance revenue (RR)

- Reinsurance revenue (gross) growth +10.9% (f/x-adjusted +11.1%) mainly driven by Structured Reinsurance/ILS, EMEA and Americas

### Reinsurance service result (RSR)

- Large losses at 1,629 m. below budget of 1,825 m.
- Reserve resiliency increased at least in line with growth in total reserves; risk adjustment increased to ~1 bn.
- Overall positive run-off result from most lines of business, partly offset by unfavourable prior-year development of large losses and increase in reserve resiliency
- C/R well within target range including ~7.5% discounting effect

### Reinsurance finance result

- Increase reflects movements in interest rates

### Investment result

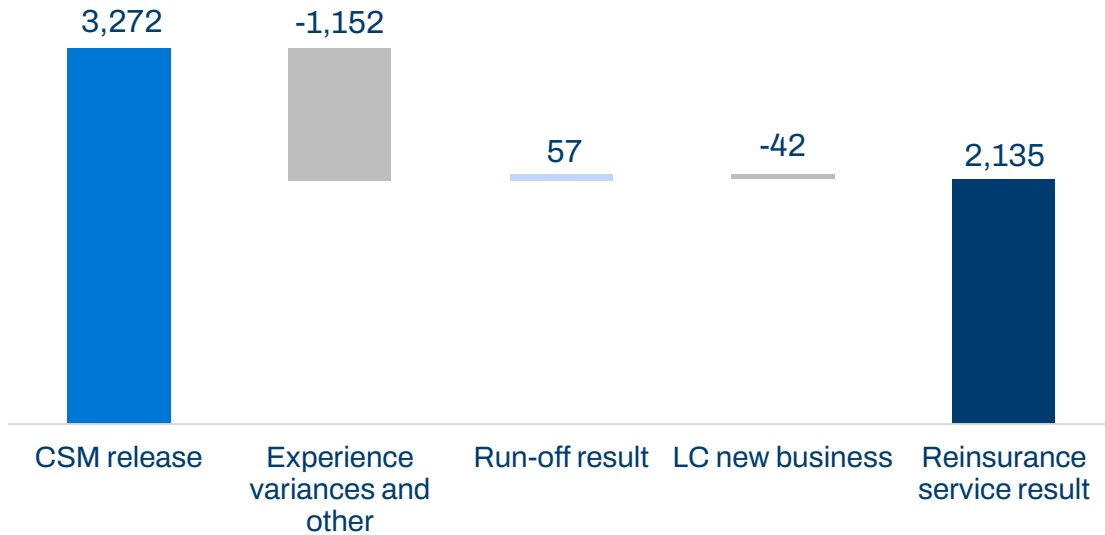
- Strong ordinary income supported by higher fixed-income yields, including 149 m. contribution from inflation-linked bonds; moderate impairments on real estate (37 m.)

### Other result

- Currency result -143 m. (+100 m.) , mainly affected by strengthening of USD

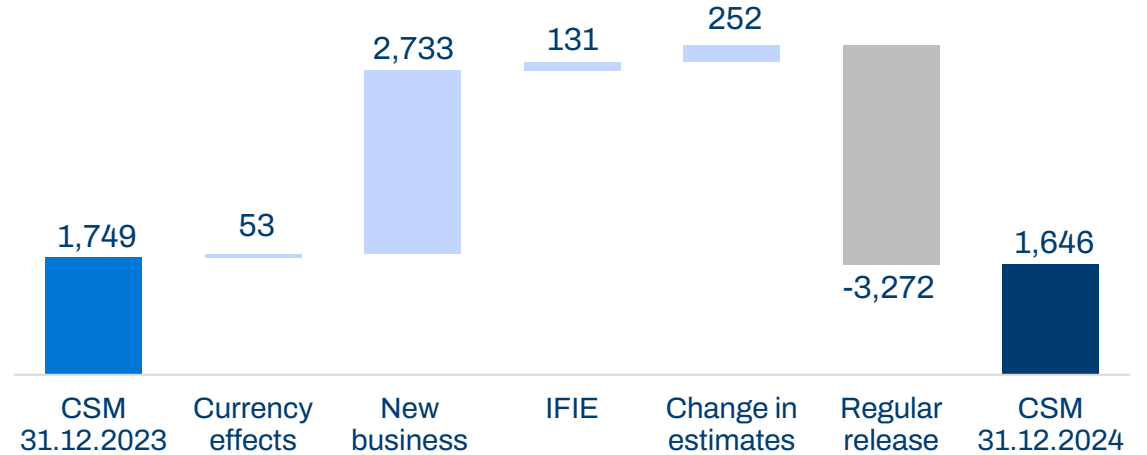
## Strong and diversified generation of new business CSM of EUR 2,733 m.

### Reinsurance Service Result



- CSM release resulting from successful renewals in 2023 and 2024 as well as catch-up effects due to prudent release in previous quarters
- Experience variance mainly driven by very prudent reserving for current underwriting year
- Overall positive run-off result from most lines of business, partly offset by unfavourable prior-year development of large losses and further increase in reserve resiliency
- New business LC reflects prudent reserving and favourable market conditions

### Contractual Service Margin (net)



- Diversified contribution to new business CSM, mainly driven by Americas, EMEA and Structured Reinsurance/ILS
- Underlying growth in CSM driven by strong new business CSM, offset by elevated CSM release (including catch-up effects due to prudent release in previous quarters)

All figures in m. EUR unless otherwise stated

# 3

## Life & Health reinsurance

# L&H performance reflects favourable profitability

## Reinsurance service result above target - strong increase in CSM and Risk Adjustment

Life & Health R/I	Q4/2023	Q4/2024	2023	2024
Reinsurance revenue (gross)	1,854	1,952	7,633	7,715
Reinsurance revenue (net)	1,659	2,064	6,892	7,149
Reinsurance service result	133	215	810	883
Reinsurance finance result	-29	-52	-158	-170
Investment result	100	98	415	396
Other result	-64	-42	-196	-175
<b>Operating profit/loss (EBIT)</b>	<b>141</b>	<b>218</b>	<b>871</b>	<b>934</b>
New business CSM (net)	132	94	359	317
New business LC (net)	-6	12	-14	-6
NB CSM & LC incl. extensions on existing contracts	123	210	755	618

All figures in m. EUR unless otherwise stated  
LC = Loss component

### YTD

#### Reinsurance revenue (RR)

- Reinsurance revenue (gross) change +1.1% (f/x-adjusted +0.6%), driven by Morbidity and Longevity, partly offset by US mortality run-off

#### Reinsurance service result (RSR)

- RSR above target of > 850 m. despite one-off from client insolvency (-37 m.)
- Normalisation of mortality result (last year included one-off recapture); increased contribution from Longevity and Financial Solutions
- Morbidity mainly impacted by reserve strengthening for critical illness in China

#### Investment result

- Increase in ordinary income and positive impact from fair value of financial instruments (+57 m.) mitigated by negative at-equity valuation impact (-36 m.)

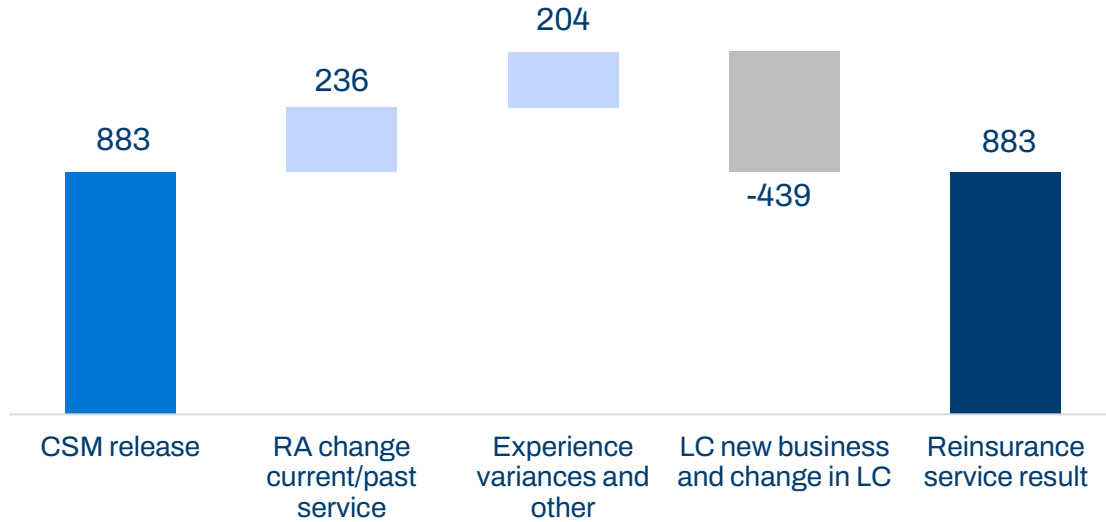
#### Other result

- Currency result improved to 35 m. (-13 m.)

# Growth in CSM and RA provide a strong foundation for future earnings

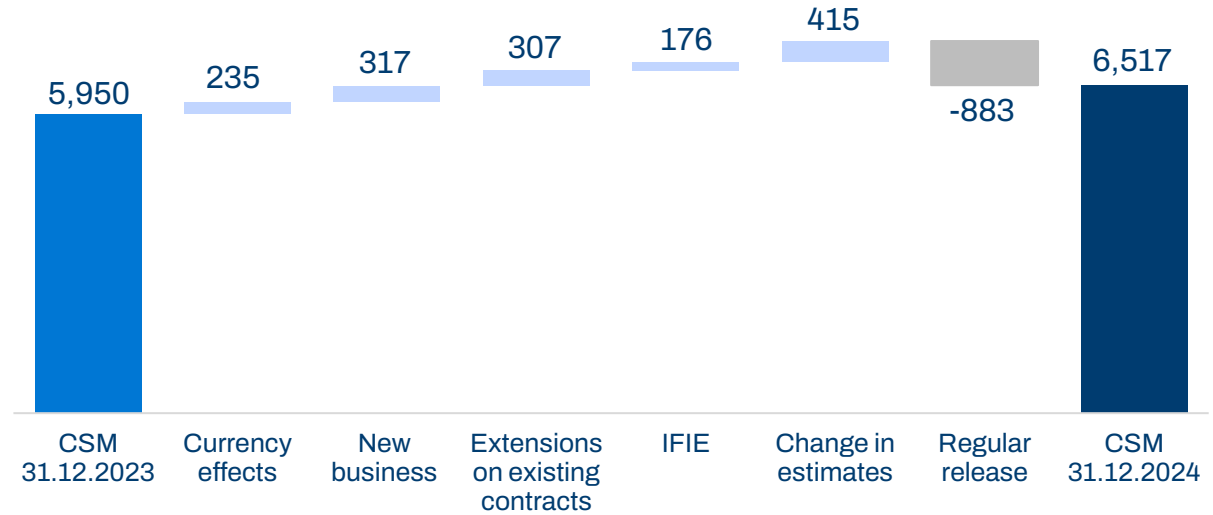
## CSM and Risk Adjustment release in line with expectations

### 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 impacted by reserve strengthening for critical illness business in China and one-off from client insolvency (-37 m.); new business LC -6 m.

### Contractual Service Margin (net)



- Overall successful new business generation of 624 m., diversified contribution from Financial Solutions, Morbidity and Mortality
- Changes in estimates mainly driven by Longevity

All figures in m. EUR unless otherwise stated

# 4

## Investments

# RoI of 3.2% clearly exceeds target

Very resilient portfolio with minor extraordinary effects

in m. EUR	Q4/2023	Q4/2024	2023	2024	RoI
Ordinary investment income <sup>1)</sup>	539	645	1,998	2,381	3.8%
Realised gains/losses	-96	-52	-154	-90	-0.1%
Depreciations Real Assets, Impairments	-86	-6	-133	-95	-0.2%
Change in ECL	-8	1	-23	-3	0.0%
FVTPL - valuation <sup>2)</sup>	18	21	76	3	0.0%
Investment expenses	-45	-50	-176	-190	-0.3%
<b>Investment result</b>	<b>323</b>	<b>560</b>	<b>1,588</b>	<b>2,005</b>	<b>3.2%</b>
<b>Unrealised gains/losses on investments (OCI)</b>			<b>31 Dec 23</b>	<b>31 Dec 24</b>	
Fixed Income			-3,217	-3,299	
Equities (non-recycling)			-1	-1	
Real Assets			492	529	
Others (Participations etc.)			348	355	
<b>Total</b>			<b>-2,378</b>	<b>-2,415</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 predominantly due to higher locked-in yields and higher contribution from alternative investments; contribution from inflation-linked bonds (149 m.)
- Realised gains/losses driven by regular portfolio maintenance with minor changes in asset allocation
- Minor effect from change in ECL and moderate impairments on real estate (37 m.)
- Overall minor impact from change in fair value valuation
- Increase in asset volume mainly driven by strong operating cash flow, supported by positive f/x effects

# 5

## Guidance 2025



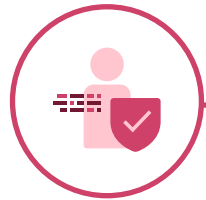
# Unchanged guidance for FY 2025



## Property & Casualty

### Expected contribution

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

## 2024 vs. 2023

Stand alone in m. EUR	Property & Casualty R/I			Life & Health R/I			Total		
	2023	2024	Δ-%	2023	2024	Δ-%	2023	2024	Δ-%
Reinsurance revenue (gross)	16,824	18,665	10.9%	7,633	7,715	1.1%	24,456	26,379	7.9%
Reinsurance service expenses	-14,088	-14,893	5.7%	-6,714	-6,805	1.4%	-20,802	-21,698	4.3%
Reinsurance service result (gross)	2,736	3,771	37.9%	919	910	-1.0%	3,654	4,681	28.1%
Reinsurance result (ceded)	-1,887	-1,636	-13.3%	-109	-27	-75.5%	-1,996	-1,663	-16.7%
<b>Reinsurance service result</b>	<b>848</b>	<b>2,136</b>	<b>151.7%</b>	<b>810</b>	<b>883</b>	<b>9.0%</b>	<b>1,658</b>	<b>3,019</b>	<b>82.0%</b>
Reinsurance finance result	-722	-945	30.8%	-158	-170	7.7%	-880	-1,115	26.7%
Investment result	1,171	1,607	37.3%	415	396	-4.6%	1,588	2,005	26.2%
Currency result	100	-143	-242.9%	-13	35	-360.9%	87	-108	-224.6%
Other result	-299	-268	-10.2%	-182	-210	15.0%	-482	-483	0.3%
<b>Operating profit/loss (EBIT)</b>	<b>1,099</b>	<b>2,387</b>	<b>117.3%</b>	<b>871</b>	<b>934</b>	<b>7.2%</b>	<b>1,971</b>	<b>3,318</b>	<b>68.3%</b>
<b>Net income before taxes</b>							<b>1,854</b>	<b>3,213</b>	<b>73.3%</b>
Taxes							-26	-817	-
<b>Net income</b>							<b>1,828</b>	<b>2,397</b>	<b>31.1%</b>
Non-controlling interest							3	68	-
<b>Group net income</b>							<b>1,825</b>	<b>2,329</b>	<b>27.6%</b>

# Our business groups at a glance

## Q4/2024 vs. Q4/2023

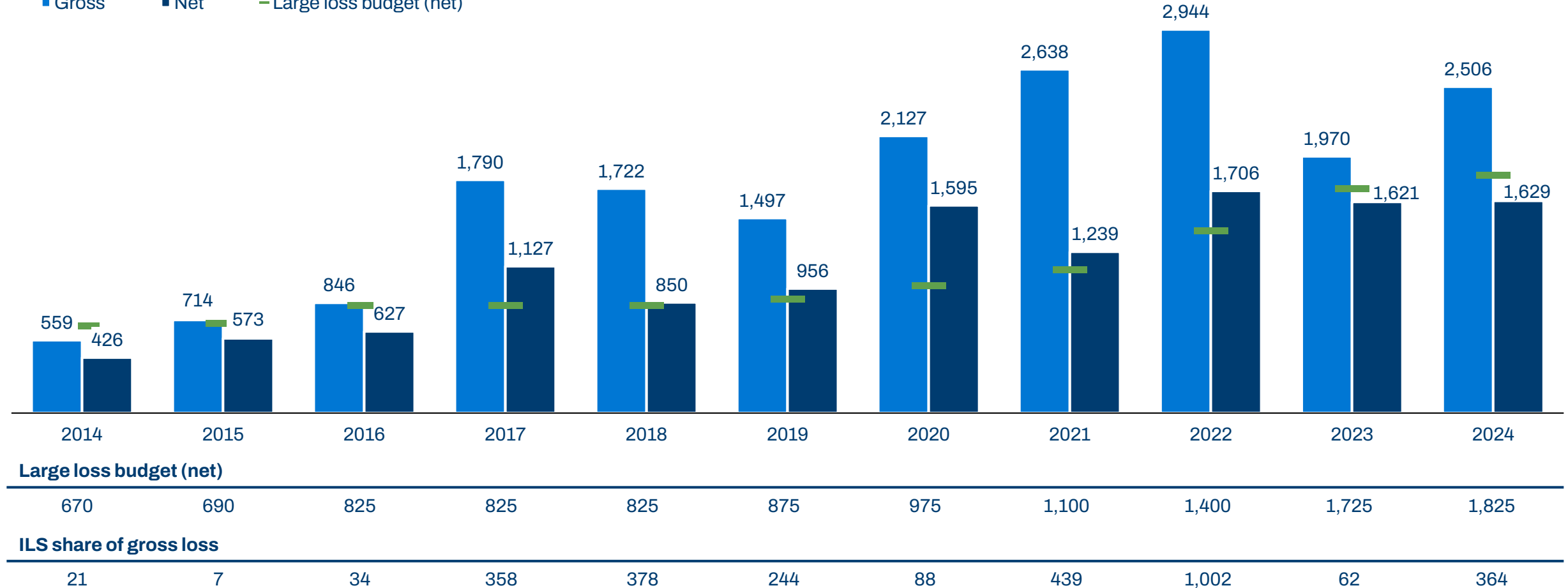
Stand alone in m. EUR	Property & Casualty R/I			Life & Health R/I			Total		
	Q4/2023	Q4/2024	Δ-%	Q4/2023	Q4/2024	Δ-%	Q4/2023	Q4/2024	Δ-%
Reinsurance revenue (gross)	4,088	4,726	15.6%	1,854	1,952	5.3%	5,942	6,678	12.4%
Reinsurance service expenses	-3,638	-3,546	-2.5%	-1,665	-1,713	2.9%	-5,303	-5,259	-0.8%
Reinsurance service result (gross)	450	1,180	162.2%	189	239	26.3%	639	1,419	121.9%
Reinsurance result (ceded)	-486	-506	4.0%	-56	-25	-56.0%	-543	-530	-2.3%
<b>Reinsurance service result</b>	<b>-36</b>	<b>674</b>	<b>-</b>	<b>133</b>	<b>215</b>	<b>61.2%</b>	<b>97</b>	<b>889</b>	<b>-</b>
Reinsurance finance result	-249	-279	11.8%	-29	-52	83.6%	-278	-331	19.2%
Investment result	222	461	107.6%	100	98	-2.0%	323	560	73.5%
Currency result	113	-155	-236.2%	-19	14	-177.1%	95	-140	-247.7%
Other result	-59	-51	-12.8%	-45	-57	25.2%	-102	-107	5.3%
<b>Operating profit/loss (EBIT)</b>	<b>-9</b>	<b>650</b>	<b>-</b>	<b>141</b>	<b>218</b>	<b>54.6%</b>	<b>134</b>	<b>869</b>	<b>-</b>
<b>Net income before taxes</b>							<b>108</b>	<b>843</b>	<b>-</b>
Taxes							292	-299	-202.6%
<b>Net income</b>							<b>400</b>	<b>544</b>	<b>35.9%</b>
Non-controlling interest							-25	39	-255.4%
<b>Group net income</b>							<b>425</b>	<b>504</b>	<b>18.6%</b>

# Large losses below budget of EUR 1,825 m.

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

in m. EUR

■ Gross ■ Net — Large loss budget (net)



# Large losses from natural catastrophes within budget despite high frequency of NatCat events

Catastrophe losses <sup>1)</sup> in m. EUR	Date	Gross	Net
Earthquake, Japan	2 Jan	25.3	22.3
Wildfire, Chile	2 - 11 Feb	12.4	7.6
Earthquake, Taiwan	3 Apr	36.5	36.5
Flood, Dubai	14 - 17 Apr	141.2	138.0
Storm / flood / hurricane, US	25 Apr - 2 May	37.2	33.7
Flood, Brazil	28 Apr - 15 May	85.4	85.3
Storm / tornadoes, US	6 - 10 May	14.3	8.9
Storm / hurricane, US	15 - 21 May	35.0	27.9
Flood, Germany	31 May - 6 Jun	78.5	52.8
Hurricane "Beryl", US, Caribbean	29 Jun - 9 Jul	93.9	73.7
Storm "Frieda", Western Europe	10 - 13 Jul	15.0	7.8
Wildfire, Canada	22 Jul - 17 Aug	35.1	25.0
Hailstorm, Canada	5 - 6 Aug	152.1	87.8
Hurricane "Debby", US, Canada	5 - 11 Aug	90.7	50.1
Typhoon "Yagi", East Asia	1 - 7 Sep	38.4	38.4
Flood, Europe	12 - 16 Sep	206.4	193.9
Hurricane "Helene", US	24 - 29 Sep	188.9	116.2
Hurricane "Milton", US	7 - 10 Oct	596.1	230.0
Flood, Spain	27 Oct - 16 Nov	27.9	27.9
<b>19 Natural catastrophes</b>		<b>1,910.3</b>	<b>1,263.8</b>

1) Major losses in excess of EUR 10 m. gross

Large loss budget 2024: EUR 1,825 m., thereof EUR 300 m. man-made and EUR 1,525 m. NatCat

## Man-made large losses above budget of EUR 300 m.

Catastrophe losses <sup>1)</sup> in m. EUR	Date	Gross	Net
<b>19 Natural catastrophes</b>		<b>1,910.3</b>	<b>1,263.8</b>
2 Aviation losses		27.1	26.5
1 Credit loss		10.7	10.7
8 Property losses		243.0	225.6
Baltimore Bridge, US		314.7	102.6
<b>12 Man-made losses</b>		<b>595.5</b>	<b>365.4</b>
<b>31 Major losses</b>		<b>2,505.8</b>	<b>1,629.2</b>

1) Major losses in excess of EUR 10 m. gross

Large loss budget 2024: EUR 1,825 m., thereof EUR 300 m. man-made and EUR 1,525 m. NatCat

## Moderate increase in credits utilising selective market opportunities

Asset class	2019	2020	2021	2022	2023	2024
<b>Fixed Income</b>	<b>87%</b>	<b>85%</b>	<b>86%</b>	<b>83%</b>	<b>85%</b>	<b>86%</b>
Governments	42%	42%	40%	42%	41%	38%
Semi-governments	8%	7%	8%	8%	9%	10%
Corporates	31%	30%	32%	27%	29%	32%
Investment grade	26%	25%	28%	23%	25%	27%
Non-Investment grade	4%	4%	4%	4%	4%	4%
Covered Bonds	4%	4%	4%	4%	4%	4%
ABS/MBS/CDO	2%	2%	2%	3%	3%	3%
<b>Equities</b>	<b>3%</b>	<b>3%</b>	<b>4%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>
Listed	<0.1%	1%	1%	0%	0%	0%
Private Equities	2%	3%	3%	3%	3%	3%
<b>Real Assets (without Infra-Debt)</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>	<b>7%</b>	<b>7%</b>	<b>7%</b>
<b>Others</b>	<b>2%</b>	<b>3%</b>	<b>2%</b>	<b>3%</b>	<b>3%</b>	<b>2%</b>
<b>Cash/STI</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>	<b>2%</b>	<b>2%</b>
<b>MV AuM in EUR bn.<sup>1)</sup></b>	<b>48.2</b>	<b>49.8</b>	<b>56.2</b>	<b>57.4</b>	<b>60.6</b>	<b>66.4</b>

Economic view based on market values without outstanding commitments for Private Equity and Alternative Real Estate as well as fixed-income investments of EUR 1,909.0 m. (EUR 1,161.6 m.) as at 31 December 2024

1) 2019 – 2022 IAS 39 incl. Cash / >2023 IFRS9 excl. Cash



# 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	24%	53%	1%	66%	-	24%
AA	58%	25%	9%	8%	-	31%
A	11%	8%	41%	9%	-	21%
BBB	5%	2%	39%	14%	-	17%
<BBB	3%	12%	10%	3%	-	7%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>-</b>	<b>100%</b>
Germany	18%	23%	9%	16%	8%	15%
UK	6%	5%	9%	5%	7%	7%
France	3%	1%	6%	9%	0%	4%
GIIPS	0%	0%	6%	2%	0%	2%
Rest of Europe	4%	14%	15%	24%	12%	11%
USA	48%	16%	29%	21%	26%	33%
Australia	5%	8%	8%	9%	5%	7%
Asia	12%	14%	8%	0%	32%	11%
Rest of World	5%	19%	11%	15%	9%	10%
<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>22,059</b>	<b>9,771</b>	<b>20,265</b>	<b>4,332</b>	<b>1,366</b>	<b>57,793</b>

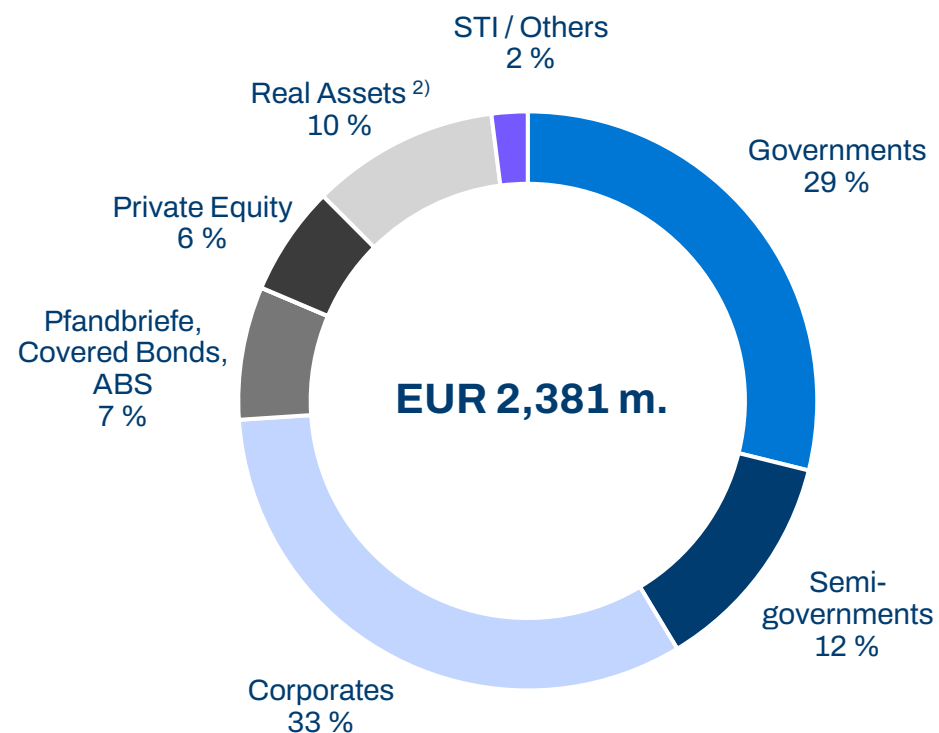
IFRS figures as at 31 December 2024

# Favourable ordinary income with normalised contribution from Alternatives and fixed income

## Higher locked-in interest rates stabilising

Asset class	2022	2023	2024
<b>Fixed Income</b>	<b>83%</b>	<b>85%</b>	<b>86%</b>
Governments	42%	41%	38%
Semi-governments	8%	9%	10%
Corporates	27%	29%	32%
Investment grade	23%	25%	24%
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>3%</b>
Listed	0%	0%	0%
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>3%</b>	<b>2%</b>
<b>STI</b>	<b>3%</b>	<b>2%</b>	<b>2%</b>
<b>MV AuM in EUR bn.</b>	<b>57.4</b>	<b>60.6</b>	<b>66.4</b>

### Ordinary income split



Economic view based on market values without outstanding commitments for Private Equity and Alternative Real Estate as well as fixed-income investments of EUR 1,909.0 m. (EUR 1,161.6 m.) as at 31 December 2024

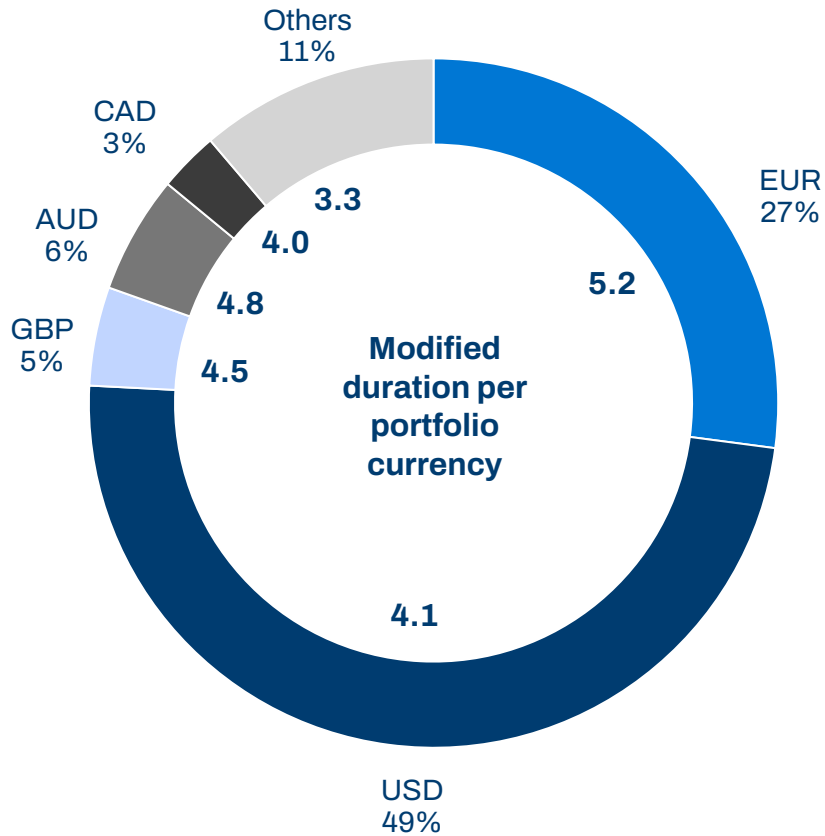
1) Of which Pfandbriefe and Covered Bonds = 56.4%

2) Before real estate-specific costs. Economic view based on market values as at 31 December 2024

# Currency allocation strategy to neutralise effects from SII liability profile

Duration-neutral strategy; modified duration changes rather result of yield curve deviations

## Currency split of investments



- Modified duration of fixed-income mainly congruent with liability- and capital-driven targets
- GBP’s higher modified duration predominantly due to life business

### Modified duration

2024	2023	2022	2021	2020
4.4	4.5	4.9	5.8	5.8

# Scenario analysis

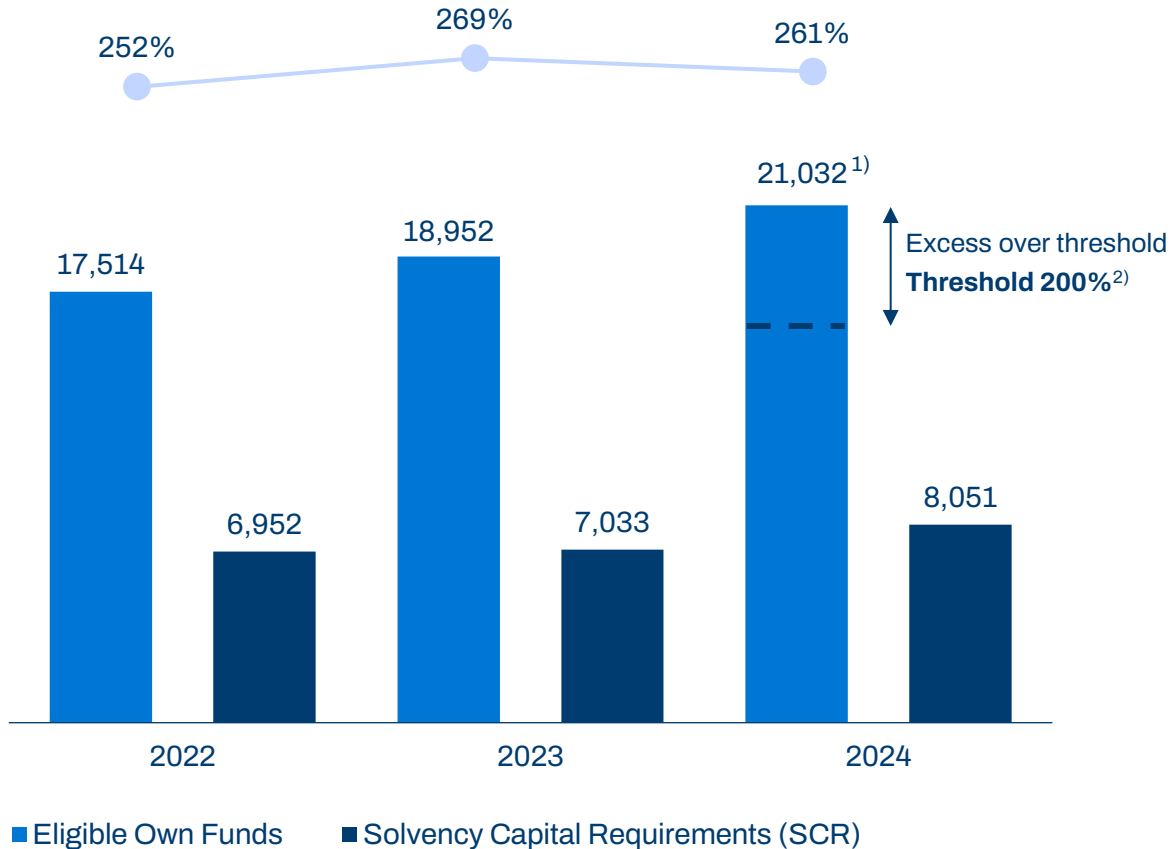
## Credit and Alternatives risks in focus

Portfolio	Scenario	Change in market value in m. EUR	Change in market value through P&L in m. EUR
Fixed-income securities	+50 bps	-1,314	-45
	+100 bps	-2,563	-90
Credit spreads	+50%	-855	-69
Equity (listed and private equity)	-10%	-213	-213

# Capital adequacy ratio remains very strong

Significant growth of 11% in Own Funds as well as 14% in SCR

## Development of the Solvency II ratio



1) Excluding minority shareholdings of EUR 636 m.

2) Hannover Re has implemented a minimum acceptable Solvency II ratio of 180% and a threshold of 200%  
All figures in m. EUR unless otherwise stated

Increase in eligible own funds driven by favourable new business development and investment income.

Increase in SCR mainly driven by business growth.

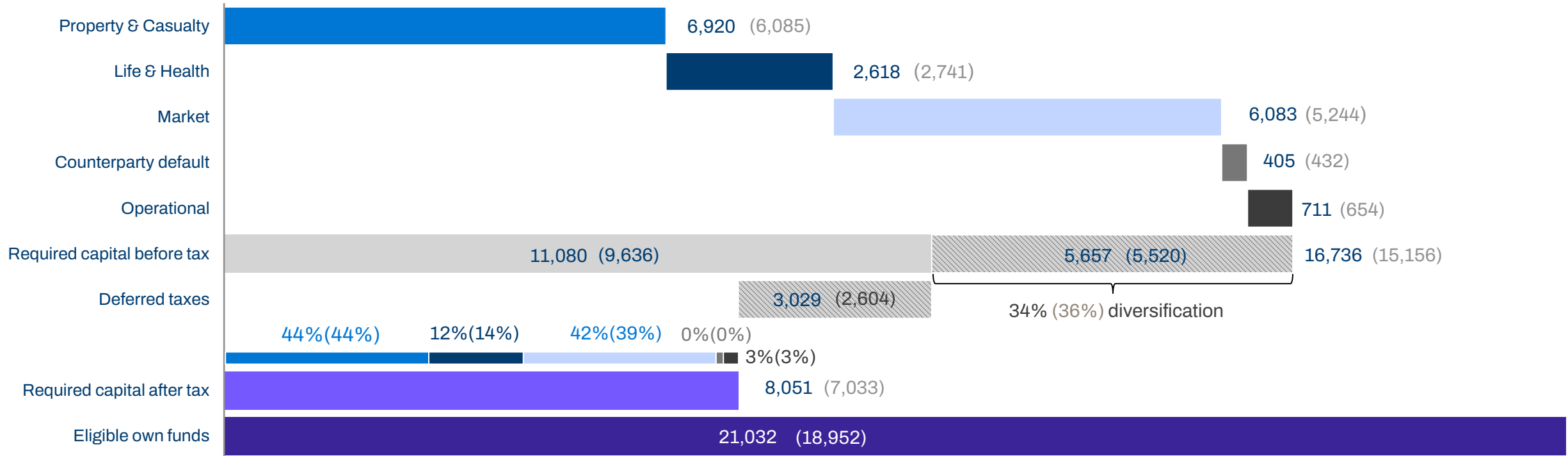
Very good capitalisation supports further business growth.

# Efficient capital deployment supported by significant diversification

## Increase in own funds and capital requirements in line with business growth

### Solvency Capital Requirements

in m. EUR



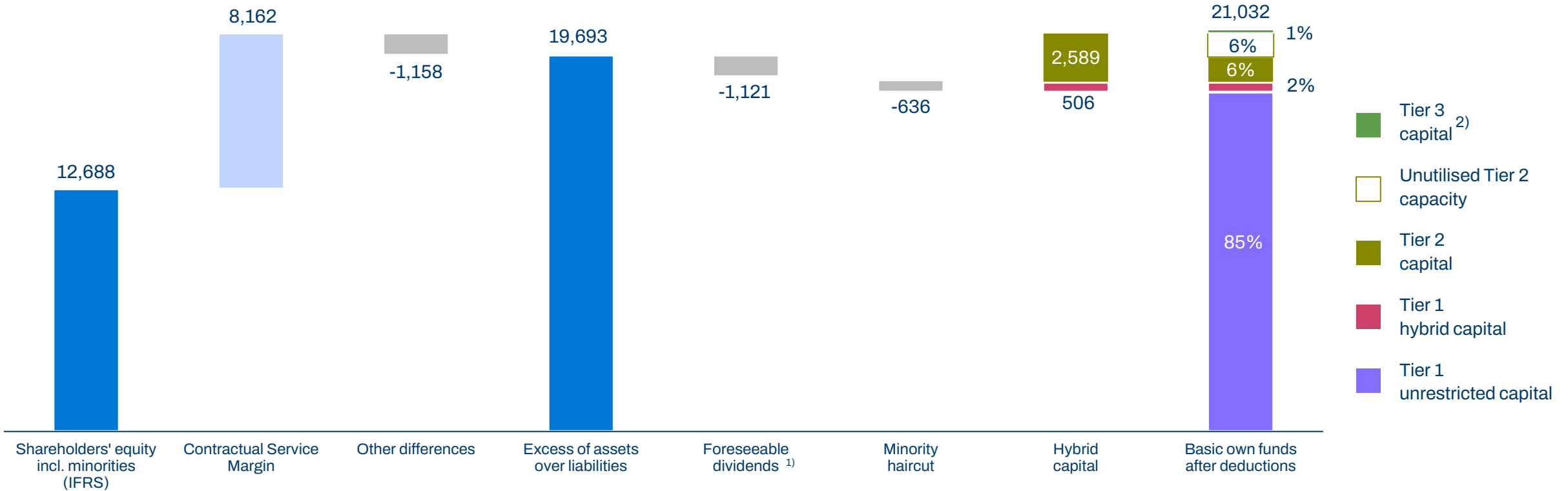
As at 31 December 2024 (2023)  
 Solvency capital requirements based on the internal model  
 Capital allocation based on Tail Value-at-Risk taking account of the dependencies between risk categories

# Our capital structure consists not only of equity

## Unutilised Tier 2 provides additional flexibility

### Reconciliation of IFRS Shareholders' equity vs. Solvency II own funds

in m. EUR



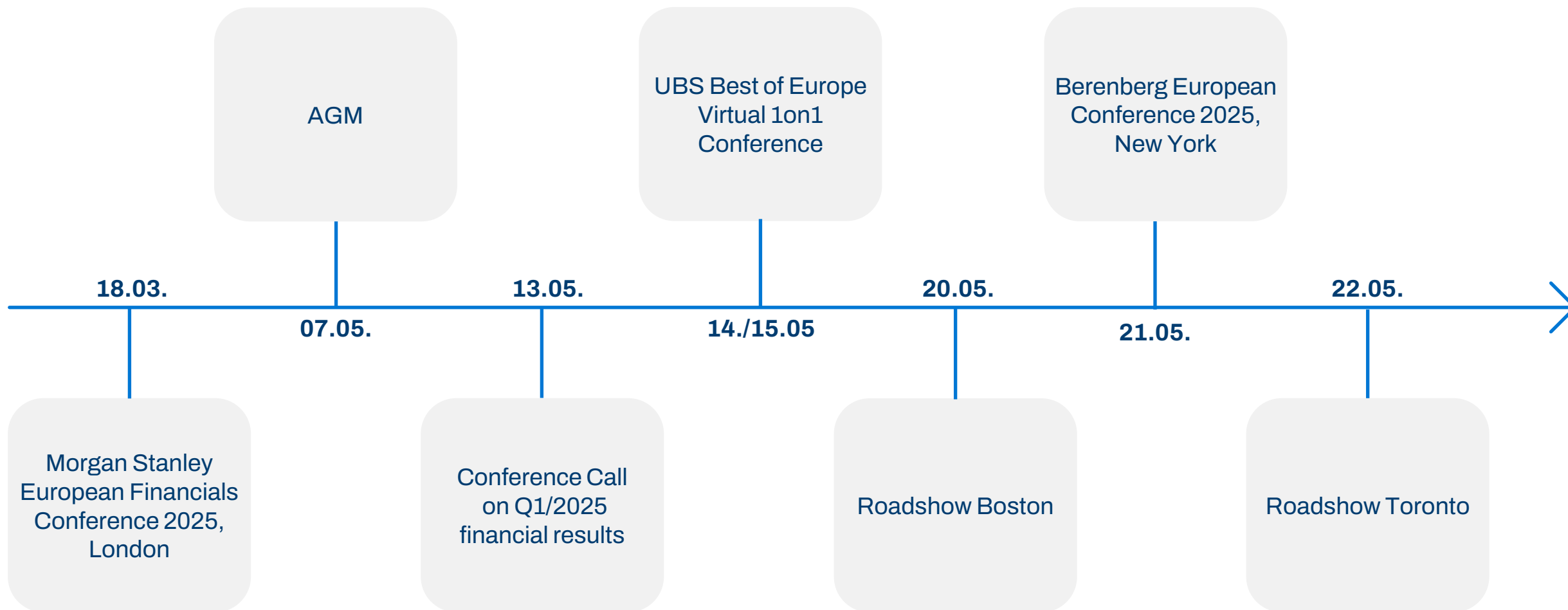
As at 31 December 2024

1) Foreseeable dividends and distributions incl. non-controlling interests

2) Net deferred tax assets

## IR calendar

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## Disclaimer

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