

Our strategy



We seek to strengthen and further expand our position as a leading, globally operating reinsurance group, delivering profitability that is above the average for the sector.

We are passionate about reinsurance and chart our own course.

Quick, flexible and independent, we strive for excellence in our actions.

We aspire to be the best option for our business partners when it comes to choosing a reinsurance provider.

Our mission: Growing Hannover Re profitably.

01

Our business model

- Optimise risk diversification across all lines and countries
- Generate an exceptionally high return on equity by reducing the required capital
- Expand primary insurance business in selected niche markets as a complement to our reinsurance activities
- E+S Rück: Rank among the top 2 reinsurers in Germany
- E+S Rück: Maintain or enlarge the number of minority shareholders and cultivate trusting cooperation
- E+S Rück: Expand lead mandates in Life and Non-Life

02

We have ambitious profit and growth targets

- Achieve triple-10 target
- Grow premium volume (by more than the market average)
- Generate profit clearly in excess of the cost of capital
- Generate an IFRS return on equity of at least 750 basis points above the risk-free interest rate
- Outperform Global Reinsurance Index over a three-year period
- Consistently pay an attractive dividend

03

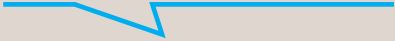
We manage risks actively

- Ensure protection of capital through quantitative and qualitative risk management
- Maximise risk-adjusted profits

04

We are a preferred business partner

- Enhance our clients' commercial success through our services
- Respond undogmatically, flexibly and quickly to the needs of our clients
- Offer standard products as well as specially tailored customer solutions that add value for both contracting parties
- Foster customer relationships to both parties' mutual benefit irrespective of the size of the account
- Safeguard our financial capability
- Systematically seek and explore new business opportunities
- Cooperate across business groups
- Generate additional business opportunities on the basis of Solvency II



For many years now we have reviewed our corporate strategy in a three-year cycle. The present strategy is the product of the review conducted in 2011.

05

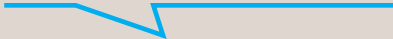
We aim for successful employees

- Promote and require a goal-oriented working approach among our staff
- Foster the qualifications, experience and commitment of our staff
- Ensure the greatest possible delegation of tasks, responsibilities and authority
- Offer attractive workplaces
- Manage staff according to our management principles

06

We maintain an adequate level of capitalisation

- Ensure that requirements for equity resources (economic capital model, solvency regulations, etc.) are met
 - Optimise composition of the available capital
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Our employees contributed to the strategy revision. The high degree of familiarity and insight thereby created is a guarantor of successful execution.

07

We strive for stable investment income

- Take into account the maturities of our liabilities and the liquidity requirements of our business
 - Ensure currency matching
 - Ensure stability of the return to be generated
 - Achieve target return – risk-free interest rate plus the cost of capital
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08

We ensure a lean organisation

- Ensure a lower administrative expense ratio than our competitors
 - Information and communication systems assure optimal support for business processes in light of cost /benefit considerations
 - Achieve efficient processes through excellent process management
 - Maintain lean structure and organisation
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09

We are committed to sustained compliance

- Ensure conformity with all legal requirements
 - Encourage sustainable actions with respect to all stakeholder groups
 - Support considered and pragmatic principles of corporate governance and recognise their central role in guiding our activities
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10

We strive for Performance Excellence

- Ensure rigorous derivation of strategic objectives across all areas of the company
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Our strategy in practice

Our strategy encompasses ten strategic principles for ensuring the accomplishment of our mission “Growing Hannover Re profitably” across business units. The orientation of the business groups is guided by these principles, hence enabling them to contribute directly to attainment of the overarching objectives. Implementation takes the form of each organisational unit defining its contribution to goal attainment and aligning its activities and measures accordingly.

This systematic approach is of crucial importance to the execution of our strategy in daily actions. In the context of our holistic management system Performance Excellence 2.0 we align all our activities such that they advance our strategic objectives with a view to successfully implementing our strategy. All organisational units determine substantial strategy contributions to the strategic objectives of the Hannover Re Group. This also includes defining performance criteria and indicators that can be used to establish fulfilment of the relevant strategy contributions.

We have developed a Strategy Cockpit for implementation of the strategy and systematic steering of the target contributions. This Web-based management portal assists managers with the development and implementation of strategy-related measures. We thereby ensure a high degree of transparency within the organisation with an eye to execution of the strategy.

Strategy cascade of Hannover Re

