

Consolidated balance sheet as at 30 September 2016

Assets in EUR thousand	30.9.2016	31.12.2015
Fixed-income securities – held to maturity	529,670	1,007,665
Fixed-income securities – loans and receivables	2,514,939	2,869,865
Fixed-income securities – available for sale	31,163,097	29,616,448
Fixed-income securities – at fair value through profit or loss	173,112	108,982
Equity securities – available for sale	826,809	452,108
Other financial assets – at fair value through profit or loss	44,751	39,602
Real estate and real estate funds	1,692,190	1,673,958
Investments in associated companies	115,917	128,008
Other invested assets	1,564,667	1,544,533
Short-term investments	1,117,195	1,113,130
Cash and cash equivalents	927,109	792,604
Total investments and cash under own management	40,669,456	39,346,903
Funds withheld	12,413,055	13,801,845
Contract deposits	185,353	188,604
Total investments	53,267,864	53,337,352
Reinsurance recoverables on unpaid claims	1,450,166	1,395,281
Reinsurance recoverables on benefit reserve	1,017,854	1,367,173
Prepaid reinsurance premium	210,721	164,023
Reinsurance recoverables on other technical reserves	4,600	8,687
Deferred acquisition costs	2,076,099	2,094,671
Accounts receivable	3,684,903	3,665,937
Goodwill	63,657	60,244
Deferred tax assets	355,021	433,500
Other assets	667,916	680,543
Accrued interest and rent	9,056	7,527
Assets held for sale	15,086	–
Total assets	62,822,943	63,214,938

Liabilities in EUR thousand	30.9.2016	31.12.2015
Loss and loss adjustment expense reserve	26,981,037	26,556,388
Benefit reserve	10,999,454	12,206,699
Unearned premium reserve	3,538,511	3,159,363
Other technical provisions	335,265	325,528
Funds withheld	838,227	1,265,035
Contract deposits	4,280,470	4,682,484
Reinsurance payable	1,288,791	1,390,006
Provisions for pensions	190,685	150,299
Taxes	252,267	271,674
Deferred tax liabilities	2,161,582	1,932,722
Other liabilities	650,121	698,933
Long-term debt and subordinated capital	1,793,050	1,798,337
Total liabilities	53,309,460	54,437,468
Shareholders' equity		
Common shares	120,597	120,597
Nominal value: 120,597		
Conditional capital: 60,299		
Additional paid-in capital	724,562	724,562
Common shares and additional paid-in capital	845,159	845,159
Cumulative other comprehensive income		
Unrealised gains and losses on investments	1,409,981	712,001
Cumulative foreign currency translation adjustment	344,349	509,189
Changes from hedging instruments	(6,162)	(1,217)
Other changes in cumulative other comprehensive income	(59,345)	(36,571)
Total other comprehensive income	1,688,823	1,183,402
Retained earnings	6,247,253	6,039,783
Equity attributable to shareholders of Hannover Rück SE	8,781,235	8,068,344
Non-controlling interests	732,248	709,126
Total shareholders' equity	9,513,483	8,777,470
Total liabilities	62,822,943	63,214,938

Consolidated statement of income as at 30 September 2016

in EUR thousand	1.7.–30.9.2016	1.1.–30.9.2016	1.7.–30.9.2015	1.1.–30.9.2015
Gross written premium	4,170,231	12,454,022	4,359,352	12,945,888
Ceded written premium	441,542	1,290,122	555,711	1,560,007
Change in gross unearned premium	(133,879)	(450,830)	(3,587)	(621,768)
Change in ceded unearned premium	5,080	53,482	10,693	65,990
Net premium earned	3,599,890	10,766,552	3,810,747	10,830,103
Ordinary investment income	283,952	851,978	313,810	912,488
Profit/loss from investments in associated companies	922	2,574	4,219	8,838
Realised gains and losses on investments	74,057	153,585	57,537	124,181
Change in fair value of financial instruments	8,699	29,238	(7,582)	(9,207)
Total depreciation, impairments and appreciation of investments	12,911	60,991	9,399	24,111
Other investment expenses	27,398	79,878	28,086	80,351
Net income from investments under own management	327,321	896,506	330,499	931,838
Income/expense on funds withheld and contract deposits	74,281	249,888	95,465	292,892
Net investment income	401,602	1,146,394	425,964	1,224,730
Other technical income	465	691	1,020	2,045
Total revenues	4,001,957	11,913,637	4,237,731	12,056,878
Claims and claims expenses	2,809,884	8,127,236	2,859,004	8,282,390
Change in benefit reserves	(79,716)	75,803	134,299	133,489
Commission and brokerage, change in deferred acquisition costs	714,269	2,198,386	749,194	2,172,004
Other acquisition costs	8,959	16,007	2,097	4,317
Other technical expenses	378	1,166	2,463	4,688
Administrative expenses	99,426	304,191	97,623	308,061
Total technical expenses	3,553,200	10,722,789	3,844,680	10,904,949
Other income and expenses	(4,839)	(1,725)	7,837	38,346
Operating profit (EBIT)	443,918	1,189,123	400,888	1,190,275
Interest on hybrid capital	17,953	53,858	17,991	66,444
Net income before taxes	425,965	1,135,265	382,897	1,123,831
Taxes	111,947	306,802	113,576	297,738
Net income	314,018	828,463	269,321	826,093
thereof				
Non-controlling interest in profit and loss	10,122	38,495	15,226	40,095
Group net income	303,896	789,968	254,095	785,998
Earnings per share (in EUR)				
Basic earnings per share	2.52	6.55	2.11	6.52
Diluted earnings per share	2.52	6.55	2.11	6.52

Consolidated statement of comprehensive income as at 30 September 2016

in EUR thousand	1.7.– 30.9.2016	1.1.– 30.9.2016	1.7.– 30.9.2015	1.1.– 30.9.2015
Net income	314,018	828,463	269,321	826,093
Not reclassifiable to the consolidated statement of income				
Actuarial gains and losses				
Gains (losses) recognised directly in equity	(1,937)	(37,221)	7,988	27,501
Tax income (expense)	629	12,141	(2,576)	(8,851)
	(1,308)	(25,080)	5,412	18,650
Income and expense recognised directly in equity that cannot be reclassified				
Gains (losses) recognised directly in equity	(1,937)	(37,221)	7,988	27,501
Tax income (expense)	629	12,141	(2,576)	(8,851)
	(1,308)	(25,080)	5,412	18,650
Reclassifiable to the consolidated statement of income				
Unrealised gains and losses on investments				
Gains (losses) recognised directly in equity	220,085	1,108,633	(29,538)	(295,858)
Transferred to the consolidated statement of income	(71,583)	(119,695)	(64,137)	(147,461)
Tax income (expense)	(41,220)	(260,830)	31,428	127,809
	107,282	728,108	(62,247)	(315,510)
Currency translation				
Gains (losses) recognised directly in equity	(47,982)	(174,423)	(164,298)	198,354
Tax income (expense)	5,292	8,041	27,344	(399)
	(42,690)	(166,382)	(136,954)	197,955
Changes from the measurement of associated companies				
Gains (losses) recognised directly in equity	6	8	(13)	375
Transferred to the consolidated statement of income	–	(1,251)	–	(424)
	6	(1,243)	(13)	(49)
Changes from hedging instruments				
Gains (losses) recognised directly in equity	221	(5,681)	4,544	6,744
Tax income (expense)	(72)	689	(241)	(1,125)
	149	(4,992)	4,303	5,619
Reclassifiable income and expense recognised directly in equity				
Gains (losses) recognised directly in equity	172,330	928,537	(189,305)	(90,385)
Transferred to the consolidated statement of income	(71,583)	(120,946)	(64,137)	(147,885)
Tax income (expense)	(36,000)	(252,100)	58,531	126,285
	64,747	555,491	(194,911)	(111,985)
Total income and expense recognised directly in equity				
Gains (losses) recognised directly in equity	170,393	891,316	(181,317)	(62,884)
Transferred to the consolidated statement of income	(71,583)	(120,946)	(64,137)	(147,885)
Tax income (expense)	(35,371)	(239,959)	55,955	117,434
	63,439	530,411	(189,499)	(93,335)
Total recognised income and expense	377,457	1,358,874	79,822	732,758
thereof				
Attributable to non-controlling interests	17,520	63,594	15,136	33,684
Attributable to shareholders of Hannover Rück SE	359,937	1,295,280	64,686	699,074

Group segment report

Segment statement of income	Property and casualty reinsurance	
in EUR thousand	1.1. – 30.9.2016	1.1. – 30.9.2015
Gross written premium	7,120,505	7,319,357
thereof		
From insurance business with other segments	–	–
From insurance business with external third parties	7,120,505	7,319,357
Net premium earned	5,925,274	5,965,363
Net investment income	642,494	672,844
thereof		
Change in fair value of financial instruments	493	(623)
Total depreciation, impairments and appreciation of investments	60,968	21,700
Income/expense on funds withheld and contract deposits	18,646	16,297
Claims and claims expenses	4,013,783	4,187,298
Change in benefit reserve	–	–
Commission and brokerage, change in deferred acquisition costs and other technical income/expenses	1,481,301	1,367,854
Administrative expenses	154,647	158,839
Other income and expenses	(25,073)	12,094
Operating profit/loss (EBIT)	892,964	936,310
Interest on hybrid capital	–	–
Net income before taxes	892,964	936,310
Taxes	244,267	247,392
Net income	648,697	688,918
thereof		
Non-controlling interest in profit or loss	35,217	37,889
Group net income	613,480	651,029

Life and health reinsurance		Consolidation		Total	
1.1.–30.9.2016	1.1.–30.9.2015	1.1.–30.9.2016	1.1.–30.9.2015	1.1.–30.9.2016	1.1.–30.9.2015
5,333,465	5,626,585	52	(54)	12,454,022	12,945,888
(52)	54	52	(54)	–	–
5,333,517	5,626,531	–	–	12,454,022	12,945,888
4,841,137	4,864,069	141	671	10,766,552	10,830,103
494,689	542,941	9,211	8,945	1,146,394	1,224,730
28,817	(8,584)	(72)	–	(29,238)	(9,207)
23	46	–	2,365	60,991	24,111
231,242	276,595	–	–	249,888	292,892
4,113,086	4,095,092	367	–	8,127,236	8,282,390
75,783	133,474	20	15	75,803	133,489
733,565	811,106	2	4	2,214,868	2,178,964
149,427	148,955	117	267	304,191	308,061
26,428	27,900	(3,080)	(1,648)	(1,725)	38,346
290,393	246,283	5,766	7,682	1,189,123	1,190,275
–	–	53,858	66,444	53,858	66,444
290,393	246,283	(48,092)	(58,762)	1,135,265	1,123,831
78,258	66,324	(15,723)	(15,978)	306,802	297,738
212,135	179,959	(32,369)	(42,784)	828,463	826,093
3,278	2,206	–	–	38,495	40,095
208,857	177,753	(32,369)	(42,784)	789,968	785,998

Consolidated cash flow statement as at 30 September 2016

in EUR thousand	1.1.–30.9.2016	1.1.–30.9.2015
I. Cash flow from operating activities		
Net income	828,463	826,093
Appreciation/depreciation	82,382	48,739
Net realised gains and losses on investments	(153,585)	(124,181)
Change in fair value of financial instruments (through profit or loss)	(29,238)	9,207
Realised gains and losses on deconsolidation	(1,921)	(424)
Income from the recognition of negative goodwill	(8,576)	–
Amortisation of investments	62,300	74,279
Changes in funds withheld	232,154	364,136
Net changes in contract deposits	(301,652)	(450,191)
Changes in prepaid reinsurance premium (net)	393,446	555,301
Changes in tax assets/provisions for taxes	110,369	76,122
Changes in benefit reserve (net)	(40,306)	154,363
Changes in claims reserves (net)	778,888	1,065,118
Changes in deferred acquisition costs	(30,169)	(119,417)
Changes in other technical provisions	12,072	(11,775)
Changes in clearing balances	(189,450)	(639,551)
Changes in other assets and liabilities (net)	(88,567)	(27,716)
Cash flow from operating activities	1,656,610	1,800,103
II. Cash flow from investing activities	(898,072)	(355,159)
III. Cash flow from financing activities	(623,457)	(1,057,816)
IV. Exchange rate differences on cash	(576)	(6,959)
Cash and cash equivalents at the beginning of the period	792,604	772,882
Change in cash and cash equivalents (I. + II. + III. + IV.)	134,505	380,169
Cash and cash equivalents at the end of the period	927,109	1,153,051
Supplementary information on the cash flow statement¹		
Income taxes paid (on balance)	(200,442)	(201,276)
Dividend receipts ²	103,892	92,473
Interest received	1,124,989	1,154,514
Interest paid	(160,353)	(157,252)

¹ The income taxes paid, dividend receipts as well as interest received and paid are included entirely in the cash flow from operating activities.

² Including dividend-like profit participations from investment funds