

Consolidated balance sheet as at 30 September 2017

Assets in EUR thousand	30.9.2017	31.12.2016 ¹
Fixed-income securities – held to maturity	352,986	484,955
Fixed-income securities – loans and receivables	2,394,952	2,563,594
Fixed-income securities – available for sale	31,553,087	32,182,173
Fixed-income securities – at fair value through profit or loss	216,932	239,917
Equity securities – available for sale	41,325	905,307
Other financial assets – at fair value through profit or loss	79,123	57,665
Real estate and real estate funds	1,821,025	1,792,919
Investments in associated companies	116,260	114,633
Other invested assets	1,791,617	1,764,678
Short-term investments	937,079	838,987
Cash and cash equivalents	892,266	848,667
Total investments and cash under own management	40,196,652	41,793,495
Funds withheld	10,800,943	11,673,259
Contract deposits	170,629	170,505
Total investments	51,168,224	53,637,259
Reinsurance recoverables on unpaid claims	2,078,025	1,506,292
Reinsurance recoverables on benefit reserve	964,947	1,189,420
Prepaid reinsurance premium	179,716	134,927
Reinsurance recoverables on other technical reserves	6,913	12,231
Deferred acquisition costs	2,251,164	2,264,033
Accounts receivable	3,951,960	3,678,030
Goodwill	91,984	64,609
Deferred tax assets	300,708	408,292
Other assets	877,846	674,389
Accrued interest and rent	10,084	9,978
Assets held for sale	–	15,086
Total assets	61,881,571	63,594,546

¹ Adjusted pursuant to IAS 8

Liabilities in EUR thousand	30.9.2017	31.12.2016¹
Loss and loss adjustment expense reserve	28,898,486	28,129,418
Benefit reserve	9,084,328	10,355,798
Unearned premium reserve	3,756,975	3,340,651
Other technical provisions	369,223	362,390
Funds withheld	992,927	1,234,073
Contract deposits	4,074,551	4,298,343
Reinsurance payable	1,091,403	1,216,036
Provisions for pensions	175,026	180,680
Taxes	337,322	409,023
Deferred tax liabilities	1,709,543	1,842,973
Other liabilities	707,992	680,396
Long-term debt and subordinated capital	1,747,073	1,804,218
Total liabilities	52,944,849	53,853,999
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	811,594	904,196
Cumulative foreign currency translation adjustment	24,741	680,082
Changes from hedging instruments	(6,779)	(6,703)
Other changes in cumulative other comprehensive income	(49,305)	(53,778)
Total other comprehensive income	780,251	1,523,797
Retained earnings	6,574,734	6,628,274
Equity attributable to shareholders of Hannover Rück SE	8,200,144	8,997,230
Non-controlling interests	736,578	743,317
Total shareholders' equity	8,936,722	9,740,547
Total liabilities and shareholders' equity	61,881,571	63,594,546

¹ Adjusted pursuant to IAS 8

Consolidated statement of income as at 30 September 2017

in EUR thousand	1.7.–30.9.2017	1.1.–30.9.2017	1.7.–30.9.2016 ¹	1.1.–30.9.2016 ¹
Gross written premium	4,485,970	13,483,568	4,170,231	12,454,022
Ceded written premium	460,086	1,334,589	441,542	1,290,122
Change in gross unearned premium	(21,408)	(666,699)	(133,879)	(450,830)
Change in ceded unearned premium	13,392	58,356	5,080	53,482
Net premium earned	4,017,868	11,540,636	3,599,890	10,766,552
Ordinary investment income	307,451	942,558	283,952	851,978
Profit/loss from investments in associated companies	4,740	10,393	922	2,574
Realised gains and losses on investments	259,895	343,256	74,057	153,585
Change in fair value of financial instruments	11,528	22,114	8,699	29,238
Total depreciation, impairments and appreciation of investments	10,919	33,975	12,911	60,991
Other investment expenses	26,335	81,959	27,398	79,878
Net income from investments under own management	546,360	1,202,387	327,321	896,506
Income/expense on funds withheld and contract deposits	56,764	180,144	74,281	249,888
Net investment income	603,124	1,382,531	401,602	1,146,394
Other technical income	38	846	465	691
Total revenues	4,621,030	12,924,013	4,001,957	11,913,637
Claims and claims expenses	3,634,808	9,436,174	2,809,884	8,127,236
Change in benefit reserves	20,575	(60,669)	(73,800)	81,719
Commission and brokerage, change in deferred acquisition costs	845,690	2,495,130	708,353	2,192,470
Other acquisition costs	4,862	19,437	8,959	16,007
Other technical expenses	1,529	3,413	378	1,166
Administrative expenses	100,250	316,614	99,426	304,191
Total technical expenses	4,607,714	12,210,099	3,553,200	10,722,789
Other income and expenses	(6,373)	92,455	(4,819)	243
Operating profit (EBIT)	6,943	806,369	443,938	1,191,091
Interest on hybrid capital	18,007	53,832	17,953	53,858
Net income before taxes	(11,064)	752,537	425,985	1,137,233
Taxes	(46,947)	142,838	111,947	306,802
Net income	35,883	609,699	314,038	830,431
thereof				
Non-controlling interest in profit and loss	22,020	60,822	10,122	38,495
Group net income	13,863	548,877	303,916	791,936
Earnings per share (in EUR)				
Basic earnings per share	0.11	4.55	2.52	6.57
Diluted earnings per share	0.11	4.55	2.52	6.57

¹ Adjusted pursuant to IAS 8 respectively IFRS 3

Consolidated statement of comprehensive income as at 30 September 2017

in EUR thousand	1.7.– 30.9.2017	1.1.– 30.9.2017	1.7.– 30.9.2016 ¹	1.1.– 30.9.2016 ¹
Net income	35,883	609,699	314,038	830,431
Not reclassifiable to the consolidated statement of income				
Actuarial gains and losses				
Gains (losses) recognised directly in equity	4,113	7,229	(1,937)	(37,221)
Tax income (expense)	(1,339)	(2,353)	629	12,141
	2,774	4,876	(1,308)	(25,080)
Income and expense recognised directly in equity that cannot be reclassified				
Gains (losses) recognised directly in equity	4,113	7,229	(1,937)	(37,221)
Tax income (expense)	(1,339)	(2,353)	629	12,141
	2,774	4,876	(1,308)	(25,080)
Reclassifiable to the consolidated statement of income				
Unrealised gains and losses on investments				
Gains (losses) recognised directly in equity	24,545	224,312	220,085	1,108,633
Transferred to the consolidated statement of income	(257,220)	(328,138)	(71,583)	(119,695)
Tax income (expense)	7,670	(3,581)	(41,220)	(260,830)
	(225,005)	(107,407)	107,282	728,108
Currency translation				
Gains (losses) recognised directly in equity	(183,728)	(708,794)	(48,076)	(174,609)
Tax income (expense)	11,036	43,858	5,292	8,041
	(172,692)	(664,936)	(42,784)	(166,568)
Changes from the measurement of associated companies				
Gains (losses) recognised directly in equity	(6)	(9)	6	8
Transferred to the consolidated statement of income	–	–	–	(1,251)
	(6)	(9)	6	(1,243)
Changes from hedging instruments				
Gains (losses) recognised directly in equity	(2,556)	(1,007)	221	(5,681)
Tax income (expense)	493	911	(72)	689
	(2,063)	(96)	149	(4,992)
Reclassifiable income and expense recognised directly in equity				
Gains (losses) recognised directly in equity	(161,745)	(485,498)	172,236	928,351
Transferred to the consolidated statement of income	(257,220)	(328,138)	(71,583)	(120,946)
Tax income (expense)	19,199	41,188	(36,000)	(252,100)
	(399,766)	(772,448)	64,653	555,305
Total income and expense recognised directly in equity				
Gains (losses) recognised directly in equity	(157,632)	(478,269)	170,299	891,130
Transferred to the consolidated statement of income	(257,220)	(328,138)	(71,583)	(120,946)
Tax income (expense)	17,860	38,835	(35,371)	(239,959)
	(396,992)	(767,572)	63,345	530,225
Total recognised income and expense	(361,109)	(157,873)	377,383	1,360,656
thereof				
Attributable to non-controlling interests	1,593	36,796	17,520	63,594
Attributable to shareholders of Hannover Rück SE	(362,702)	(194,669)	359,863	1,297,062

¹ Adjusted pursuant to IFRS 3

Group segment report

Segmentation of assets

Property and casualty reinsurance

in EUR thousand	30.9.2017	31.12.2016
Assets		
Fixed-income securities – held to maturity	275,974	342,793
Fixed-income securities – loans and receivables	2,357,112	2,539,270
Fixed-income securities – available for sale	23,948,504	24,337,185
Equity securities – available for sale	41,325	905,307
Financial assets at fair value through profit or loss	60,229	73,352
Other invested assets	3,484,647	3,391,140
Short-term investments	319,669	259,598
Cash and cash equivalents	683,855	579,112
Total investments and cash under own management	31,171,315	32,427,757
Funds withheld	1,544,263	1,263,533
Contract deposits	(84)	(105)
Total investments	32,715,494	33,691,185
Reinsurance recoverables on unpaid claims	1,857,333	1,250,770
Reinsurance recoverables on benefit reserve	–	–
Prepaid reinsurance premium	179,661	133,858
Reinsurance recoverables on other reserves	629	3,590
Deferred acquisition costs	835,021	758,429
Accounts receivable	2,534,430	2,130,342
Other assets in the segment	1,209,903	1,115,251
Assets held for sale	–	15,086
Total assets	39,332,471	39,098,511

Segmentation of liabilities

in EUR thousand		
Liabilities		
Loss and loss adjustment expense reserve	24,658,784	24,010,367
Benefit reserve	–	–
Unearned premium reserve	3,559,076	3,171,056
Provisions for contingent commissions	155,963	127,865
Funds withheld	401,484	456,877
Contract deposits	69,003	(3,628)
Reinsurance payable	636,790	675,669
Long-term liabilities	255,224	313,378
Other liabilities in the segment	1,925,822	2,150,083
Total liabilities	31,662,146	30,901,667

¹ Adjusted pursuant to IAS 8

Life and health reinsurance		Consolidation		Total	
30.9.2017	31.12.2016 ¹	30.9.2017	31.12.2016	30.9.2017	31.12.2016 ¹
72,012	134,045	5,000	8,117	352,986	484,955
37,840	24,324	–	–	2,394,952	2,563,594
7,604,583	7,831,889	–	13,099	31,553,087	32,182,173
–	–	–	–	41,325	905,307
235,826	224,230	–	–	296,055	297,582
191,275	210,413	52,980	70,677	3,728,902	3,672,230
617,410	565,899	–	13,490	937,079	838,987
194,308	267,623	14,103	1,932	892,266	848,667
8,953,254	9,258,423	72,083	107,315	40,196,652	41,793,495
9,256,680	10,409,726	–	–	10,800,943	11,673,259
170,713	170,610	–	–	170,629	170,505
18,380,647	19,838,759	72,083	107,315	51,168,224	53,637,259
220,886	255,716	(194)	(194)	2,078,025	1,506,292
964,947	1,189,420	–	–	964,947	1,189,420
93	1,069	(38)	–	179,716	134,927
6,284	8,641	–	–	6,913	12,231
1,416,143	1,505,604	–	–	2,251,164	2,264,033
1,417,530	1,547,740	–	(52)	3,951,960	3,678,030
740,363	723,648	(669,644)	(681,631)	1,280,622	1,157,268
–	–	–	–	–	15,086
23,146,893	25,070,597	(597,793)	(574,562)	61,881,571	63,594,546
4,239,896	4,119,245	(194)	(194)	28,898,486	28,129,418
9,084,328	10,355,798	–	–	9,084,328	10,355,798
197,899	169,595	–	–	3,756,975	3,340,651
213,260	234,525	–	–	369,223	362,390
591,443	777,196	–	–	992,927	1,234,073
4,005,548	4,301,971	–	–	4,074,551	4,298,343
454,040	539,581	573	786	1,091,403	1,216,036
–	–	1,491,849	1,490,840	1,747,073	1,804,218
1,700,750	1,659,712	(696,689)	(696,723)	2,929,883	3,113,072
20,487,164	22,157,623	795,539	794,709	52,944,849	53,853,999

Segment statement of income
Property and casualty reinsurance

in EUR thousand	1.1.–30.9.2017	1.1.–30.9.2016 ¹
Gross written premium	8,199,345	7,120,505
thereof		
From insurance business with other segments	–	–
From insurance business with external third parties	8,199,345	7,120,505
Net premium earned	6,752,623	5,925,274
Net investment income	946,721	642,494
thereof		
Change in fair value of financial instruments	1,201	493
Total depreciation, impairments and appreciation of investments	33,938	60,968
Income/expense on funds withheld and contract deposits	13,437	18,646
Claims and claims expenses	5,164,008	4,013,783
Change in benefit reserve	–	–
Commission and brokerage, change in deferred acquisition costs and other technical income/expenses	1,739,940	1,481,301
Administrative expenses	157,788	154,647
Other income and expenses	(35,922)	(23,105)
Operating profit/loss (EBIT)	601,686	894,932
Interest on hybrid capital	–	–
Net income before taxes	601,686	894,932
Taxes	96,618	244,267
Net income	505,068	650,665
thereof		
Non-controlling interest in profit or loss	56,319	35,217
Group net income	448,749	615,448

¹ Adjusted pursuant to IAS 8 respectively IFRS 3

Life and health reinsurance		Consolidation		Total	
1.1.–30.9.2017	1.1.–30.9.2016 ¹	1.1.–30.9.2017	1.1.–30.9.2016	1.1.–30.9.2017	1.1.–30.9.2016 ¹
5,284,223	5,333,465	–	52	13,483,568	12,454,022
–	(52)	–	52	–	–
5,284,223	5,333,517	–	–	13,483,568	12,454,022
4,787,892	4,841,137	121	141	11,540,636	10,766,552
432,695	494,689	3,115	9,211	1,382,531	1,146,394
20,913	28,817	–	(72)	22,114	29,238
37	23	–	–	33,975	60,991
166,707	231,242	–	–	180,144	249,888
4,272,166	4,113,086	–	367	9,436,174	8,127,236
(60,669)	81,699	–	20	(60,669)	81,719
777,194	727,649	–	2	2,517,134	2,208,952
158,722	149,427	104	117	316,614	304,191
132,762	26,428	(4,385)	(3,080)	92,455	243
205,936	290,393	(1,253)	5,766	806,369	1,191,091
–	–	53,832	53,858	53,832	53,858
205,936	290,393	(55,085)	(48,092)	752,537	1,137,233
65,706	78,258	(19,486)	(15,723)	142,838	306,802
140,230	212,135	(35,599)	(32,369)	609,699	830,431
4,503	3,278	–	–	60,822	38,495
135,727	208,857	(35,599)	(32,369)	548,877	791,936

Consolidated cash flow statement as at 30 September 2017

in EUR thousand	1.1. – 30.9.2017	1.1. – 30.9.2016 ¹
I. Cash flow from operating activities		
Net income	609,699	830,431
Appreciation/depreciation	29,234	82,382
Net realised gains and losses on investments	(343,256)	(153,585)
Change in fair value of financial instruments (through profit or loss)	(22,114)	(29,238)
Realised gains and losses on deconsolidation	–	(1,921)
Income from the recognition of negative goodwill	–	(10,543)
Amortisation of investments	42,807	62,300
Changes in funds withheld	77,834	232,154
Net changes in contract deposits	58,625	(301,652)
Changes in prepaid reinsurance premium (net)	608,224	393,446
Changes in tax assets/provisions for taxes	(107,555)	110,369
Changes in benefit reserve (net)	(544,779)	(34,391)
Changes in claims reserves (net)	1,783,412	778,888
Changes in deferred acquisition costs	(138,395)	(36,085)
Changes in other technical provisions	35,207	12,072
Changes in clearing balances	(608,716)	(189,450)
Changes in other assets and liabilities (net)	(11,493)	(88,567)
Cash flow from operating activities	1,468,734	1,656,610
II. Cash flow from investing activities	(682,501)	(863,120)
III. Cash flow from financing activities	(686,791)	(623,457)
IV. Exchange rate differences on cash	(55,843)	(1,843)
Cash and cash equivalents at the beginning of the period	848,667	820,995
Change in cash and cash equivalents (I. + II. + III. + IV.)	43,599	168,190
Cash and cash equivalents at the end of the period	892,266	989,185
Supplementary information on the cash flow statement²		
Income taxes paid (on balance)	(264,597)	(200,442)
Dividend receipts ³	180,062	103,892
Interest received	1,198,566	1,124,989
Interest paid	(225,413)	(160,353)

¹ Adjusted pursuant to IAS 8 respectively IFRS 3

² The income taxes paid, dividend receipts as well as interest received and paid are included entirely in the cash flow from operating activities.

³ Including dividend-like profit participations from investment funds