

Consolidated balance sheet as at 30 September 2018

Assets in EUR thousand	30.9.2018	31.12.2017
Fixed-income securities – held to maturity	291,054	336,182
Fixed-income securities – loans and receivables	2,454,179	2,455,164
Fixed-income securities – available for sale	32,687,209	31,281,908
Fixed-income securities – at fair value through profit or loss	547,597	212,042
Equity securities – available for sale	34,579	37,520
Other financial assets – at fair value through profit or loss	124,474	88,832
Real estate and real estate funds	2,023,040	1,968,702
Investments in associated companies	112,107	121,075
Other invested assets	1,762,580	1,761,678
Short-term investments	612,738	958,669
Cash and cash equivalents	818,676	835,706
Total investments and cash under own management	41,468,233	40,057,478
Funds withheld	11,204,668	10,735,012
Contract deposits	160,184	167,854
Total investments	52,833,085	50,960,344
Reinsurance recoverables on unpaid claims	1,623,147	1,651,335
Reinsurance recoverables on benefit reserve	899,549	959,533
Prepaid reinsurance premium	161,062	96,402
Reinsurance recoverables on other technical reserves	3,323	7,301
Deferred acquisition costs	2,363,745	2,228,246
Accounts receivable	4,484,210	3,821,124
Goodwill	94,661	91,692
Deferred tax assets	444,222	466,564
Other assets	872,137	904,253
Accrued interest and rent	13,065	10,052
Assets held for sale	1,011,699	–
Total assets	64,803,905	61,196,846

Liabilities in EUR thousand	30.9.2018	31.12.2017
Loss and loss adjustment expense reserve	28,195,833	28,378,545
Benefit reserve	9,237,122	8,977,946
Unearned premium reserve	3,968,378	3,541,194
Other technical provisions	497,348	394,460
Funds withheld	956,597	974,786
Contract deposits	3,796,508	3,949,207
Reinsurance payable	1,363,057	980,241
Provisions for pensions	177,103	177,786
Taxes	214,842	319,845
Deferred tax liabilities	1,734,493	1,819,867
Other liabilities	770,171	654,338
Long-term debt and notes payable	2,556,459	1,742,073
Liabilities related to assets held for sale	2,237,720	–
Total liabilities	55,705,631	51,910,288
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	318,051	818,350
Cumulative foreign currency translation adjustment	139,801	(62,548)
Changes from hedging instruments	(5,331)	(6,292)
Other changes in cumulative other comprehensive income	(50,726)	(50,598)
Total other comprehensive income	401,795	698,912
Retained earnings	7,106,506	6,984,407
Equity attributable to shareholders of Hannover Rück SE	8,353,460	8,528,478
Non-controlling interests	744,814	758,080
Total shareholders' equity	9,098,274	9,286,558
Total liabilities and shareholders' equity	64,803,905	61,196,846

Consolidated statement of income as at 30 September 2018

in EUR thousand	1.7. – 30.9.2018	1.1. – 30.9.2018	1.7. – 30.9.2017 ¹	1.1. – 30.9.2017 ¹
Gross written premium	5,007,103	14,992,395	4,485,970	13,483,568
Ceded written premium	515,060	1,379,169	460,086	1,334,589
Change in gross unearned premium	(89,045)	(927,424)	(30,947)	(665,881)
Change in ceded unearned premium	25,127	87,965	13,392	58,356
Net premium earned	4,428,125	12,773,767	4,008,329	11,541,454
Ordinary investment income	358,944	991,420	307,451	942,558
Profit/loss from investments in associated companies	752	2,544	4,740	10,393
Realised gains and losses on investments	47,455	100,835	259,895	343,256
Change in fair value of financial instruments	329	19,890	11,528	22,114
Total depreciation, impairments and appreciation of investments	15,888	36,948	10,919	33,975
Other investment expenses	29,290	85,637	26,335	81,959
Net income from investments under own management	362,302	992,104	546,360	1,202,387
Income/expense on funds withheld and contract deposits	49,471	163,267	56,764	180,144
Net investment income	411,773	1,155,371	603,124	1,382,531
Other technical income	–	76	38	846
Total revenues	4,839,898	13,929,214	4,611,491	12,924,831
Claims and claims expenses	3,347,619	9,366,815	3,634,808	9,436,174
Change in benefit reserves	133,653	74,850	11,035	(59,851)
Commission and brokerage, change in deferred acquisition costs	1,042,609	3,095,542	845,691	2,495,130
Other acquisition costs	5,392	15,970	4,862	19,437
Other technical expenses	976	2,886	1,529	3,413
Administrative expenses	101,973	321,305	100,250	316,614
Total technical expenses	4,632,222	12,877,368	4,598,175	12,210,917
Other income and expenses	42,154	105,265	(6,373)	92,455
Operating profit (EBIT)	249,830	1,157,111	6,943	806,369
Financing costs	20,344	58,028	18,007	53,832
Net income before taxes	229,486	1,099,083	(11,064)	752,537
Taxes	36,867	310,240	(46,947)	142,838
Net income	192,619	788,843	35,883	609,699
thereof				
Non-controlling interest in profit and loss	22,589	63,508	22,020	60,822
Group net income	170,030	725,335	13,863	548,877
Earnings per share (in EUR)				
Basic earnings per share	1.41	6.01	0.11	4.55
Diluted earnings per share	1.41	6.01	0.11	4.55

¹ Restated pursuant to IAS 8

Consolidated statement of comprehensive income as at 30 September 2018

in EUR thousand	1.7. – 30.9.2018	1.1. – 30.9.2018	1.7. – 30.9.2017	1.1. – 30.9.2017
Net income	192,619	788,843	35,883	609,699
Not reclassifiable to the consolidated statement of income				
Actuarial gains and losses				
Gains (losses) recognised directly in equity	696	(232)	4,113	7,229
Tax income (expense)	(225)	82	(1,339)	(2,353)
	471	(150)	2,774	4,876
Income and expense recognised directly in equity that cannot be reclassified				
Gains (losses) recognised directly in equity	696	(232)	4,113	7,229
Tax income (expense)	(225)	82	(1,339)	(2,353)
	471	(150)	2,774	4,876
Reclassifiable to the consolidated statement of income				
Unrealised gains and losses on investments				
Gains (losses) recognised directly in equity	(202,168)	(631,356)	24,545	224,312
Transferred to the consolidated statement of income	(20,197)	(69,085)	(257,220)	(328,138)
Tax income (expense)	58,879	176,434	7,670	(3,581)
	(163,486)	(524,007)	(225,005)	(107,407)
Currency translation				
Gains (losses) recognised directly in equity	18,645	205,780	(183,728)	(708,794)
Tax income (expense)	86	(825)	11,036	43,858
	18,731	204,955	(172,692)	(664,936)
Changes from the measurement of associated companies				
Gains (losses) recognised directly in equity	(3)	(10)	(6)	(9)
	(3)	(10)	(6)	(9)
Changes from hedging instruments				
Gains (losses) recognised directly in equity	(3,255)	676	(2,556)	(1,007)
Tax income (expense)	820	286	493	911
	(2,435)	962	(2,063)	(96)
Reclassifiable income and expense recognised directly in equity				
Gains (losses) recognised directly in equity	(186,781)	(424,910)	(161,745)	(485,498)
Transferred to the consolidated statement of income	(20,197)	(69,085)	(257,220)	(328,138)
Tax income (expense)	59,785	175,895	19,199	41,188
	(147,193)	(318,100)	(399,766)	(772,448)
Total income and expense recognised directly in equity				
Gains (losses) recognised directly in equity	(186,085)	(425,142)	(157,632)	(478,269)
Transferred to the consolidated statement of income	(20,197)	(69,085)	(257,220)	(328,138)
Tax income (expense)	59,560	175,977	17,860	38,835
	(146,722)	(318,250)	(396,992)	(767,572)
Total recognised income and expense	45,897	470,593	(361,109)	(157,873)
thereof				
Attributable to non-controlling interests	12,673	41,204	1,593	36,796
Attributable to shareholders of Hannover Rück SE	33,224	429,389	(362,702)	(194,669)

Group segment report

Segmentation of assets

in EUR thousand	Property and casualty reinsurance	
	30.9.2018	31.12.2017
Assets		
Fixed-income securities – held to maturity	229,407	259,284
Fixed-income securities – loans and receivables	2,419,484	2,417,894
Fixed-income securities – available for sale	24,025,420	23,662,710
Equity securities – available for sale	34,579	37,520
Financial assets at fair value through profit or loss	74,745	56,652
Other invested assets	3,601,571	3,612,795
Short-term investments	310,879	342,744
Cash and cash equivalents	585,810	610,585
Total investments and cash under own management	31,281,895	31,000,184
Funds withheld	2,192,628	1,636,993
Contract deposits	1,367	(121)
Total investments	33,475,890	32,637,056
Reinsurance recoverables on unpaid claims	1,439,530	1,443,869
Reinsurance recoverables on benefit reserve	–	–
Prepaid reinsurance premium	160,518	96,383
Reinsurance recoverables on other reserves	510	1,269
Deferred acquisition costs	972,559	841,911
Accounts receivable	2,912,779	2,458,038
Other assets in the segment	2,606,134	1,351,426
Assets held for sale	1,013,204	–
Total assets	42,581,124	38,829,952

Segmentation of liabilities

in EUR thousand		
Liabilities		
Loss and loss adjustment expense reserve	23,926,337	24,130,443
Benefit reserve	–	–
Unearned premium reserve	3,686,379	3,332,083
Provisions for contingent commissions	251,779	162,620
Funds withheld	388,395	400,290
Contract deposits	69,541	72,056
Reinsurance payable	782,657	512,372
Long-term liabilities	321,115	250,122
Other liabilities in the segment	1,745,747	1,948,148
Liabilities related to assets held for sale	2,237,720	–
Total liabilities	33,409,670	30,808,134

Life and health reinsurance		Consolidation		Total	
30.9.2018	31.12.2017	30.9.2018	31.12.2017	30.9.2018	31.12.2017
61,647	71,898	–	5,000	291,054	336,182
34,695	37,270	–	–	2,454,179	2,455,164
8,642,560	7,617,113	19,229	2,085	32,687,209	31,281,908
–	–	–	–	34,579	37,520
597,326	244,222	–	–	672,071	300,874
257,071	189,441	39,085	49,219	3,897,727	3,851,455
301,859	615,925	–	–	612,738	958,669
222,089	213,065	10,777	12,056	818,676	835,706
10,117,247	8,988,934	69,091	68,360	41,468,233	40,057,478
9,012,040	9,098,019	–	–	11,204,668	10,735,012
158,817	167,975	–	–	160,184	167,854
19,288,104	18,254,928	69,091	68,360	52,833,085	50,960,344
183,617	207,660	–	(194)	1,623,147	1,651,335
899,549	959,533	–	–	899,549	959,533
583	19	(39)	–	161,062	96,402
2,813	6,032	–	–	3,323	7,301
1,391,186	1,386,335	–	–	2,363,745	2,228,246
1,571,847	1,363,610	(416)	(524)	4,484,210	3,821,124
824,856	792,297	(2,006,905)	(671,162)	1,424,085	1,472,561
–	–	(1,505)	–	1,011,699	–
24,162,555	22,970,414	(1,939,774)	(603,520)	64,803,905	61,196,846
4,269,496	4,248,296	–	(194)	28,195,833	28,378,545
9,237,122	8,977,946	–	–	9,237,122	8,977,946
281,999	209,111	–	–	3,968,378	3,541,194
245,569	231,840	–	–	497,348	394,460
568,202	574,496	–	–	956,597	974,786
3,726,967	3,877,151	–	–	3,796,508	3,949,207
580,471	467,869	(71)	–	1,363,057	980,241
–	–	2,235,344	1,491,951	2,556,459	1,742,073
3,177,064	1,705,864	(2,026,202)	(682,176)	2,896,609	2,971,836
–	–	–	–	2,237,720	–
22,086,890	20,292,573	209,071	809,581	55,705,631	51,910,288

Segment statement of income

in EUR thousand	Property and casualty reinsurance	
	1.1. – 30.9.2018	1.1. – 30.9.2017
Gross written premium	9,657,530	8,199,345
thereof		
From insurance business with other segments	–	–
From insurance business with external third parties	9,657,530	8,199,345
Net premium earned	8,016,834	6,752,623
Net investment income	783,931	946,721
thereof		
Change in fair value of financial instruments	1,438	1,201
Total depreciation, impairments and appreciation of investments	36,925	33,938
Income/expense on funds withheld and contract deposits	26,594	13,437
Claims and claims expenses	5,333,793	5,164,008
Change in benefit reserve	–	–
Commission and brokerage, change in deferred acquisition costs and other technical income/expenses	2,287,821	1,739,940
Administrative expenses	162,609	157,788
Other income and expenses	(12,923)	(35,922)
Operating profit/loss (EBIT)	1,003,619	601,686
Financing costs	–	–
Net income before taxes	1,003,619	601,686
Taxes	268,891	96,618
Net income	734,728	505,068
thereof		
Non-controlling interest in profit or loss	62,356	56,319
Group net income	672,372	448,749

¹ Restated pursuant to IAS 8

Life and health reinsurance		Consolidation		Total	
1.1. – 30.9.2018	1.1. – 30.9.2017 ¹	1.1. – 30.9.2018	1.1. – 30.9.2017	1.1. – 30.9.2018	1.1. – 30.9.2017 ¹
5,334,865	5,284,223	–	–	14,992,395	13,483,568
–	–	–	–	–	–
5,334,865	5,284,223	–	–	14,992,395	13,483,568
4,756,819	4,788,710	114	121	12,773,767	11,541,454
369,108	432,695	2,332	3,115	1,155,371	1,382,531
18,452	20,913	–	–	19,890	22,114
23	37	–	–	36,948	33,975
136,673	166,707	–	–	163,267	180,144
4,033,022	4,272,166	–	–	9,366,815	9,436,174
74,850	(59,851)	–	–	74,850	(59,851)
826,501	777,194	–	–	3,114,322	2,517,134
158,495	158,722	201	104	321,305	316,614
122,161	132,762	(3,973)	(4,385)	105,265	92,455
155,220	205,936	(1,728)	(1,253)	1,157,111	806,369
–	–	58,028	53,832	58,028	53,832
155,220	205,936	(59,756)	(55,085)	1,099,083	752,537
61,067	65,706	(19,718)	(19,486)	310,240	142,838
94,153	140,230	(40,038)	(35,599)	788,843	609,699
1,152	4,503	–	–	63,508	60,822
93,001	135,727	(40,038)	(35,599)	725,335	548,877

Consolidated cash flow statement as at 30 September 2018

in EUR thousand	1.1. – 30.9.2018	1.1. – 30.9.2017 ¹
I. Cash flow from operating activities		
Net income	788,843	609,699
Appreciation/depreciation	59,548	29,234
Net realised gains and losses on investments	(100,835)	(343,256)
Change in fair value of financial instruments (through profit or loss)	(19,890)	(22,114)
Realised gains and losses on deconsolidation	(2,492)	–
Amortisation of investments	5,208	42,807
Changes in funds withheld	(363,424)	77,834
Net changes in contract deposits	(219,515)	58,625
Changes in prepaid reinsurance premium (net)	839,459	607,406
Changes in tax assets/provisions for taxes	(16,074)	(107,555)
Changes in benefit reserve (net)	249,842	(543,961)
Changes in claims reserves (net)	1,155,527	1,783,412
Changes in deferred acquisition costs	(258,147)	(138,395)
Changes in other technical provisions	114,273	35,207
Changes in clearing balances	(746,539)	(608,716)
Changes in other assets and liabilities (net)	223,382	(11,493)
Cash flow from operating activities	1,709,166	1,468,734
II. Cash flow from investing activities	(1,824,437)	(682,501)
III. Cash flow from financing activities	150,382	(686,791)
IV. Exchange rate differences on cash	14,131	(55,843)
Cash and cash equivalents at the beginning of the period	835,706	848,667
Change in cash and cash equivalents (I. + II. + III. + IV.)	49,242	43,599
Cash and cash equivalents at the end of the period	884,948	892,266
thereof cash and cash equivalents from IFRS 5	66,272	–
Cash and cash equivalents at the end of the period excluding the disposal group	818,676	892,266
Supplementary information on the cash flow statement²		
Income taxes paid (on balance)	(317,401)	(264,597)
Dividend receipts ³	166,892	180,062
Interest received	1,164,056	1,198,566
Interest paid	(249,940)	(225,413)

¹ Restated pursuant to IAS 8

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