

Consolidated balance sheet as at 31 March 2017

Assets in EUR thousand	31.3.2017	31.12.2016
Fixed-income securities – held to maturity	362,765	484,955
Fixed-income securities – loans and receivables	2,486,484	2,563,594
Fixed-income securities – available for sale	32,406,397	32,182,173
Fixed-income securities – at fair value through profit or loss	240,703	239,917
Equity securities – available for sale	967,125	905,307
Other financial assets – at fair value through profit or loss	81,935	57,665
Real estate and real estate funds	1,711,719	1,792,919
Investments in associated companies	115,037	114,633
Other invested assets	1,782,147	1,764,678
Short-term investments	827,338	838,987
Cash and cash equivalents	1,050,485	848,667
Total investments and cash under own management	42,032,135	41,793,495
Funds withheld	11,919,092	11,673,259
Contract deposits	187,126	170,505
Total investments	54,138,353	53,637,259
Reinsurance recoverables on unpaid claims	1,440,145	1,506,292
Reinsurance recoverables on benefit reserve	1,095,701	1,189,420
Prepaid reinsurance premium	192,469	134,927
Reinsurance recoverables on other technical reserves	12,311	12,231
Deferred acquisition costs	2,219,079	2,198,089
Accounts receivable	3,980,485	3,678,030
Goodwill	64,655	64,609
Deferred tax assets	332,550	408,292
Other assets	715,794	674,389
Accrued interest and rent	9,344	9,978
Assets held for sale	15,086	15,086
Total assets	64,215,972	63,528,602

Liabilities in EUR thousand	31.3.2017	31.12.2016
Loss and loss adjustment expense reserve	28,296,026	28,129,418
Benefit reserve	10,204,177	10,289,854
Unearned premium reserve	3,735,132	3,340,651
Other technical provisions	372,850	362,390
Funds withheld	1,078,333	1,234,073
Contract deposits	4,401,798	4,298,343
Reinsurance payable	1,079,462	1,216,036
Provisions for pensions	182,061	180,680
Taxes	430,724	409,023
Deferred tax liabilities	1,818,279	1,842,973
Other liabilities	815,394	680,396
Long-term debt and subordinated capital	1,761,422	1,804,218
Total liabilities	54,175,658	53,788,055
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	1,006,653	904,196
Cumulative foreign currency translation adjustment	627,430	680,082
Changes from hedging instruments	(1,695)	(6,703)
Other changes in cumulative other comprehensive income	(53,740)	(53,778)
Total other comprehensive income	1,578,648	1,523,797
Retained earnings	6,893,075	6,628,274
Equity attributable to shareholders of Hannover Rück SE	9,316,882	8,997,230
Non-controlling interests	723,432	743,317
Total shareholders' equity	10,040,314	9,740,547
Total liabilities and shareholders' equity	64,215,972	63,528,602

Consolidated statement of income as at 31 March 2017

in EUR thousand	1.1.–31.3.2017	1.1.–31.3.2016
Gross written premium	4,546,619	4,263,586
Ceded written premium	471,080	470,806
Change in gross unearned premium	(400,364)	(303,669)
Change in ceded unearned premium	56,966	52,907
Net premium earned	3,732,141	3,542,018
Ordinary investment income	319,089	268,463
Profit/loss from investments in associated companies	4,388	665
Realised gains and losses on investments	24,083	43,578
Change in fair value of financial instruments	10,945	10,467
Total depreciation, impairments and appreciation of investments	10,865	13,763
Other investment expenses	27,650	26,715
Net income from investments under own management	319,990	282,695
Income/expense on funds withheld and contract deposits	72,890	83,550
Net investment income	392,880	366,245
Other technical income	808	204
Total revenues	4,125,829	3,908,467
Claims and claims expenses	2,862,447	2,681,301
Change in benefit reserves	(43,214)	(24,844)
Commission and brokerage, change in deferred acquisition costs	827,541	750,662
Other acquisition costs	8,242	3,836
Other technical expenses	841	342
Administrative expenses	100,504	94,906
Total technical expenses	3,756,361	3,506,203
Other income and expenses	30,410	4,406
Operating profit (EBIT)	399,878	406,670
Interest on hybrid capital	17,708	17,847
Net income before taxes	382,170	388,823
Taxes	95,785	101,961
Net income	286,385	286,862
thereof		
Non-controlling interest in profit and loss	21,584	15,685
Group net income	264,801	271,177
Earnings per share (in EUR)		
Basic earnings per share	2.20	2.25
Diluted earnings per share	2.20	2.25

Consolidated statement of comprehensive income as at 31 March 2017

in EUR thousand	1.1.–31.3.2017	1.1.–31.3.2016
Net income	286,385	286,862
Not reclassifiable to the consolidated statement of income		
Actuarial gains and losses		
Gains (losses) recognised directly in equity	(1,056)	(22,486)
Tax income (expense)	337	7,335
	(719)	(15,151)
Income and expense recognised directly in equity that cannot be reclassified		
Gains (losses) recognised directly in equity	(1,056)	(22,486)
Tax income (expense)	337	7,335
	(719)	(15,151)
Reclassifiable to the consolidated statement of income		
Unrealised gains and losses on investments		
Gains (losses) recognised directly in equity	131,002	440,056
Transferred to the consolidated statement of income	(20,042)	(41,120)
Tax income (expense)	(3,718)	(100,029)
	107,242	298,907
Currency translation		
Gains (losses) recognised directly in equity	(54,255)	(247,045)
Tax income (expense)	128	5,204
	(54,127)	(241,841)
Changes from the measurement of associated companies		
Gains (losses) recognised directly in equity	2	–
Transferred to the consolidated statement of income	–	(1,251)
	2	(1,251)
Changes from hedging instruments		
Gains (losses) recognised directly in equity	5,386	(5,322)
Tax income (expense)	(377)	520
	5,009	(4,802)
Reclassifiable income and expense recognised directly in equity		
Gains (losses) recognised directly in equity	82,135	187,689
Transferred to the consolidated statement of income	(20,042)	(42,371)
Tax income (expense)	(3,967)	(94,305)
	58,126	51,013
Total income and expense recognised directly in equity		
Gains (losses) recognised directly in equity	81,079	165,203
Transferred to the consolidated statement of income	(20,042)	(42,371)
Tax income (expense)	(3,630)	(86,970)
	57,407	35,862
Total recognised income and expense	343,792	322,724
thereof		
Attributable to non-controlling interests	24,141	19,412
Attributable to shareholders of Hannover Rück SE	319,651	303,312

Group segment report as at 31 March 2017

Segmentation of assets	Property and casualty reinsurance	
in EUR thousand	31.3.2017	31.12.2016
Assets		
Fixed-income securities – held to maturity	277,265	342,793
Fixed-income securities – loans and receivables	2,455,027	2,539,270
Fixed-income securities – available for sale	24,425,519	24,337,185
Equity securities – available for sale	967,125	905,307
Financial assets at fair value through profit or loss	68,085	73,352
Other invested assets	3,335,055	3,391,140
Short-term investments	303,414	259,598
Cash and cash equivalents	755,951	579,112
Total investments and cash under own management	32,587,441	32,427,757
Funds withheld	1,343,595	1,263,533
Contract deposits	(103)	(105)
Total investments	33,930,933	33,691,185
Reinsurance recoverables on unpaid claims	1,174,342	1,250,770
Reinsurance recoverables on benefit reserve	–	–
Prepaid reinsurance premium	191,391	133,858
Reinsurance recoverables on other reserves	563	3,590
Deferred acquisition costs	797,072	758,429
Accounts receivable	2,655,595	2,130,342
Other assets in the segment	1,030,912	1,115,251
Assets held for sale	15,086	15,086
Total assets	39,795,894	39,098,511
Segmentation of liabilities		
in EUR thousand		
Liabilities		
Loss and loss adjustment expense reserve	23,979,880	24,010,367
Benefit reserve	–	–
Unearned premium reserve	3,551,502	3,171,056
Provisions for contingent commissions	134,102	127,865
Funds withheld	397,905	456,877
Contract deposits	658	(3,628)
Reinsurance payable	763,583	675,669
Long-term liabilities	270,287	313,378
Other liabilities in the segment	2,343,614	2,150,083
Total liabilities	31,441,531	30,901,667

Life and health reinsurance		Consolidation		Total	
31.3.2017	31.12.2016	31.3.2017	31.12.2016	31.3.2017	31.12.2016
80,500	134,045	5,000	8,117	362,765	484,955
31,457	24,324	–	–	2,486,484	2,563,594
7,974,100	7,831,889	6,778	13,099	32,406,397	32,182,173
–	–	–	–	967,125	905,307
254,553	224,230	–	–	322,638	297,582
207,807	210,413	66,041	70,677	3,608,903	3,672,230
523,924	565,899	–	13,490	827,338	838,987
289,202	267,623	5,332	1,932	1,050,485	848,667
9,361,543	9,258,423	83,151	107,315	42,032,135	41,793,495
10,575,497	10,409,726	–	–	11,919,092	11,673,259
187,229	170,610	–	–	187,126	170,505
20,124,269	19,838,759	83,151	107,315	54,138,353	53,637,259
265,997	255,716	(194)	(194)	1,440,145	1,506,292
1,095,701	1,189,420	–	–	1,095,701	1,189,420
1,204	1,069	(126)	–	192,469	134,927
11,748	8,641	–	–	12,311	12,231
1,422,007	1,439,660	–	–	2,219,079	2,198,089
1,324,890	1,547,740	–	(52)	3,980,485	3,678,030
907,014	723,648	(815,583)	(681,631)	1,122,343	1,157,268
–	–	–	–	15,086	15,086
25,152,830	25,004,653	(732,752)	(574,562)	64,215,972	63,528,602
4,316,340	4,119,245	(194)	(194)	28,296,026	28,129,418
10,204,177	10,289,854	–	–	10,204,177	10,289,854
183,630	169,595	–	–	3,735,132	3,340,651
238,748	234,525	–	–	372,850	362,390
680,428	777,196	–	–	1,078,333	1,234,073
4,401,140	4,301,971	–	–	4,401,798	4,298,343
315,154	539,581	725	786	1,079,462	1,216,036
–	–	1,491,135	1,490,840	1,761,422	1,804,218
1,697,397	1,659,712	(794,553)	(696,723)	3,246,458	3,113,072
22,037,014	22,091,679	697,113	794,709	54,175,658	53,788,055

Segment statement of income
Property and casualty reinsurance

in EUR thousand	1.1.–31.3.2017	1.1.–31.3.2016
Gross written premium	2,814,721	2,502,137
thereof		
From insurance business with other segments	–	–
From insurance business with external third parties	2,814,721	2,502,137
Net premium earned	2,165,747	1,961,310
Net investment income	243,388	207,167
thereof		
Change in fair value of financial instruments	554	(1,957)
Total depreciation, impairments and appreciation of investments	10,857	13,755
Income/expense on funds withheld and contract deposits	5,156	4,075
Claims and claims expenses	1,472,695	1,316,531
Change in benefit reserve	–	–
Commission and brokerage, change in deferred acquisition costs and other technical income/expenses	553,618	496,244
Administrative expenses	48,762	48,229
Other income and expenses	(24,252)	(7,812)
Operating profit/loss (EBIT)	309,808	299,661
Interest on hybrid capital	–	–
Net income before taxes	309,808	299,661
Taxes	76,561	80,538
Net income	233,247	219,123
thereof		
Non-controlling interest in profit or loss	17,881	14,809
Group net income	215,366	204,314

Life and health reinsurance		Consolidation		Total	
1.1.–31.3.2017	1.1.–31.3.2016	1.1.–31.3.2017	1.1.–31.3.2016	1.1.–31.3.2017	1.1.–31.3.2016
1,731,898	1,761,397	–	52	4,546,619	4,263,586
–	(52)	–	52	–	–
1,731,898	1,761,449	–	–	4,546,619	4,263,586
1,566,352	1,580,659	42	49	3,732,141	3,542,018
148,324	157,578	1,168	1,500	392,880	366,245
10,440	12,424	(49)	–	10,945	10,467
8	8	–	–	10,865	13,763
67,734	79,475	–	–	72,890	83,550
1,389,752	1,365,098	–	(328)	2,862,447	2,681,301
(43,214)	(24,855)	–	11	(43,214)	(24,844)
282,198	258,391	–	1	835,816	754,636
51,656	46,616	86	61	100,504	94,906
55,487	12,544	(825)	(326)	30,410	4,406
89,771	105,531	299	1,478	399,878	406,670
–	–	17,708	17,847	17,708	17,847
89,771	105,531	(17,409)	(16,369)	382,170	388,823
25,466	26,799	(6,242)	(5,376)	95,785	101,961
64,305	78,732	(11,167)	(10,993)	286,385	286,862
3,703	876	–	–	21,584	15,685
60,602	77,856	(11,167)	(10,993)	264,801	271,177

Consolidated cash flow statement as at 31 March 2017

in EUR thousand	1.1. – 31.3.2017	1.1. – 31.3.2016 ¹
I. Cash flow from operating activities		
Net income	286,385	286,862
Appreciation/depreciation	1,374	19,477
Net realised gains and losses on investments	(24,083)	(43,578)
Change in fair value of financial instruments (through profit or loss)	(10,945)	(10,467)
Realised gains and losses on deconsolidation	–	(1,387)
Amortisation of investments	13,396	20,165
Changes in funds withheld	(444,377)	58,330
Net changes in contract deposits	117,997	(137,071)
Changes in prepaid reinsurance premium (net)	343,210	253,270
Changes in tax assets/provisions for taxes	45,022	1,827
Changes in benefit reserve (net)	41,818	(249,866)
Changes in claims reserves (net)	307,640	344,755
Changes in deferred acquisition costs	(13,359)	(3,186)
Changes in other technical provisions	9,516	21
Changes in clearing balances	(424,978)	(266,978)
Changes in other assets and liabilities (net)	140,501	12,113
Cash flow from operating activities	389,117	284,287
II. Cash flow from investing activities	(98,170)	(38)
III. Cash flow from financing activities	(84,583)	(41,171)
IV. Exchange rate differences on cash	(4,546)	(14,213)
Cash and cash equivalents at the beginning of the period	848,667	820,995
Change in cash and cash equivalents (I. + II. + III. + IV.)	201,818	228,865
Cash and cash equivalents at the end of the period	1,050,485	1,049,860
Supplementary information on the cash flow statement²		
Income taxes paid (on balance)	(56,993)	(66,665)
Dividend receipts ³	54,309	18,593
Interest received	414,069	406,936
Interest paid	(62,188)	(31,850)

¹ Adjusted pursuant to IAS 8, cf. Group annual financial report 2016

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