

Quarterly statement  
as at 30 September 2021

## Key figures

in EUR million	2021					2020		
	1.1.– 30.6.	1.7.– 30.9.	+/ – previous year	1.1.– 30.9.	+/ – previous year	1.7.– 30.9.	1.1.– 30.9.	31.12. <sup>1</sup>
<b>Results</b>								
Gross written premium	14,464.6	7,155.0	+16.4%	21,619.6	+12.0%	6,148.8	19,294.9	
Net premium earned	11,515.3	6,118.6	+13.4%	17,633.9	+11.8%	5,393.6	15,771.7	
Net underwriting result <sup>2</sup>	124.3	(187.0)		(62.8)		(108.9)	(439.2)	
Net investment income	865.8	491.1	+25.3%	1,356.9	+14.5%	391.9	1,185.0	
Operating profit (EBIT)	956.1	324.5	-18.7%	1,280.6	+41.8%	399.3	902.9	
Group net income	670.6	185.4	-30.2%	855.9	+28.2%	265.5	667.8	
<b>Balance sheet</b>								
Policyholders' surplus	14,859.2			15,238.2	+8.3%			14,071.0
Equity attributable to shareholders of Hannover Rück SE	11,050.6			11,409.0	+3.8%			10,995.0
Non-controlling interests	831.7			851.7	+0.9%			844.4
Hybrid capital	2,976.9			2,977.5	+33.4%			2,231.6
Investments (excl. Funds withheld by ceding companies)	52,847.7			55,029.9	+12.3%			49,001.6
Total assets	78,099.2			81,788.2	+14.5%			71,437.5
<b>Share</b>								
Earnings per share (basic and diluted) in EUR	5.56	1.54	-30.2%	7.10	+28.2%	2.20	5.54	
Book value per share in EUR	91.63			94.60	+3.8%		89.74	91.17
Share price at the end of the period in EUR	141.10			151.35	+16.2%		132.20	130.30
Market capitalisation at the end of the period	17,016.3			18,252.4	+16.2%		15,942.9	15,713.8
<b>Ratios</b>								
Combined ratio (property and casualty reinsurance) <sup>2</sup>	96.0%	101.5%		97.9%		99.6%	101.4%	
Large losses as percentage of net premium earned (property and casualty reinsurance) <sup>3</sup>	4.2%	17.6%		8.9%		11.3%	10.9%	
Retention	90.4%	88.4%		89.8%		88.6%	90.1%	
Return on investment (excl. funds withheld by ceding companies)	2.7%	3.3%		2.9%		3.0%	2.8%	
EBIT margin <sup>4</sup>	8.3%	5.3%		7.3%		7.4%	5.7%	
Return on equity (after tax)	12.2%	6.6%		10.2%		9.9%	8.3%	

<sup>1</sup> Restated pursuant to IAS 8

<sup>2</sup> Including interest on funds withheld and contract deposits

<sup>3</sup> Hannover Re Group's net share for natural catastrophes and other major losses in excess of EUR 10 million gross as a percentage of net premium earned

<sup>4</sup> Operating result (EBIT)/net premium earned

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The present document is a quarterly statement pursuant to Section 51a of the Exchange Rules or the Frankfurter Wertpapierbörse.

For further information please see the section "Other information" on page 19 of this document.

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# Quarterly statement as at 30 September 2021

## Business development

- Gross premium for the Group up by 14.4% adjusted for exchange rate effects
- Property and casualty reinsurance records further vigorous growth at improved prices and conditions and major loss expenditure above expectations
- Life and health reinsurance reports pandemic-related losses of EUR 403.5 million as at the end of September
- Return on investment reaches 2.9% and is ahead of full-year target
- Group net income of EUR 855.9 million still in line with expectations
- Return on equity reaches 10.2% and thus remains above minimum target

Hannover Re can look back on a nine-month result that further underscored the resilience of its business model as a globally diversified and robustly capitalised reinsurer in a volatile market.

After major loss expenditure in property and casualty reinsurance had remained comfortably below expectations in the first half of the year, it came in significantly over budget in the third quarter. Furthermore, additional pandemic-related strains were incurred in life and health reinsurance in the third quarter. The result was also adversely affected by exchange rate losses.

These pressures were opposed by some positive effects. While the underlying property & casualty and life & health reinsurance business showed a stable development in line with expectations, the investments delivered a substantially better profit contribution than anticipated. As an additional factor, positive special effects were recorded in life and health reinsurance.

Gross written premium for the Group increased by 12.0% as at 30 September 2021 to EUR 21.6 billion (previous year: EUR: 19.3 billion). Growth would have reached 14.4 % at constant exchange rates. The retention is roughly on a par with the previous year at 89.8% (90.1%). Net premium earned increased by 11.8% to EUR 17.6 billion (EUR 15.8 billion), equivalent to growth of 13.9 % adjusted for exchange rate effects.

Investment income improved by 14.5% year-on-year to EUR 1,356.9 million (EUR 1,185.0 million). The annualised return on investment thus reached 2.9% and was above the original full-year target of around 2.4%

Other income and expenses declined by 37.4% to EUR 201.0 million (EUR 321.2 million). This was driven primarily by exchange rate losses of EUR 89 million, after gains of EUR 88 million in the previous year's period.

The operating profit (EBIT) for the Hannover Re Group improved by 41.8% to EUR 1,280.6 million (EUR 902.9 million). Group net income in the first nine months of the year grew by 28.2% to EUR 855.9 million (EUR 667.8 million). Earnings per share came in at EUR 7.10 (EUR 5.54).

Hannover Re's shareholders' equity increased to EUR 11.4 billion as at 30 September 2021 (31 December 2020: EUR 11.0 billion). The annualised return on equity amounted to 10.2% (31 December 2020: 8.3%), clearly beating the minimum target of 900 basis points above the risk-free interest rate. The book value per share thus totalled EUR 94.60 (31 December 2020: EUR 91.17).

The capital adequacy ratio at the end of September stood at 239% and was thus comfortably above our internal limit of 180% and our threshold of 200%.

In October Hannover Re also announced that it was joining the United Nations-convened Net-Zero Insurance Alliance. By committing to achieve net zero targets, Hannover Re is taking a major step towards advancing the transition to a climate-friendly economy. Among other things, we have undertaken to achieve net zero emissions in our own business operations by 2030 and in reinsurance business and investments by 2050.

# Results of operations, financial position and net assets

## Property and casualty reinsurance

- Gross premium up by 17.7% adjusted for exchange rate effects
- Major loss expenditure climbs to EUR 1,070.2 million after catastrophic flooding in Europe and Hurricane Ida
- No further net strains from the Covid-19 pandemic
- Sustained trend towards higher rates and improved conditions in treaty renewals
- Operating profit improves on previous year by 80.3%

The third quarter in property and casualty reinsurance was impacted by large losses that clearly exceeded expectations. As a result, the total major loss budget of EUR 1.1 billion that we had calculated for the full year was already virtually exhausted by the end of September.

On the other hand, no further net strains have been incurred for Covid-19-related losses over the course of the year.

In response to the present challenges, a sustained improvement in prices and conditions can be observed across a broad front in both primary insurance and reinsurance. In this context we continue to make the profitability of the underwriting results our highest priority, also bearing in mind the protracted low interest rate environment and the sharp uptick in inflation in some areas.

The treaty renewals in property and casualty reinsurance as at 1 June and 1 July passed off correspondingly favourably for Hannover Re. It is at this time of the year that parts of the North American portfolio, some natural catastrophe risks and certain reinsurance risks in credit and surety business are renegotiated. The main renewal season also took place for business in Australia and New Zealand. On the whole, further price increases were obtained here; these were more significant for programmes or regions that had suffered losses.

Gross written premium in the Property&Casualty reinsurance business group increased by 14.4% to EUR 15.3 billion (previous year: EUR 13.3 billion). At constant exchange rates growth would have reached 17,7 %. Net premium earned improved by 14.9% to EUR 12.1 billion (EUR 10.5 billion); growth would have amounted to 17.8% adjusted for exchange rate effects.

Particularly significant drivers of the major loss expenditure in the third quarter were the flood damage in Europe and hurricane losses in the United States, although losses caused by civil unrest in South Africa and by other natural perils were also a factor here. Our net burden of large losses as at 30 September came to altogether EUR 1,070.2 million (EUR 1,149.3 million). This was considerably higher than the figure of EUR 849 million that we had budgeted for the first nine months. The largest individual losses for net account were Hurricane Ida at EUR 305.7 million, storm damage associated with the low-pressure system Bernd costing EUR 214.2 million, civil unrest in South Africa in an amount of EUR 93.8 million and flooding in China totalling EUR 34.5 million. We designate events for which we anticipate gross loss payments of more than EUR 10 million as major losses.

The underwriting result for total property and casualty reinsurance including interest on funds withheld and contract deposits stood at EUR 252.6 million (EUR -145.8 million). The combined ratio amounted to 97.9% (101.4%). While large losses took a significant toll on the result, the underlying business developed as planned and the growth booked in an attractive pricing environment continued to surpass our expectations.

The income from assets under own management booked for property and casualty reinsurance grew by 43.4 % to EUR 956.9 million (EUR 667.1 million).

The operating profit (EBIT) for the Property&Casualty reinsurance business group improved by 80.3% to EUR 1,061.2 million (EUR 588.5 million). The net income generated in property and casualty reinsurance surged by 76.8% to EUR 739.2 million (EUR 418.2 million)

## Key figures for property and casualty reinsurance

in EUR million	2021					2020	
	1.1.– 30.6.	1.7.– 30.9.	+/- previous year	1.1.– 30.9.	+/- previous year	1.7.– 30.9.	1.1.– 30.9.
Gross written premium	10,266.5	5,002.8	+19.9%	15,269.3	+14.4%	4,173.4	13,347.6
Net premium earned	7,846.6	4,229.3	+16.1%	12,075.9	+14.9%	3,643.0	10,512.0
Net underwriting result <sup>1</sup>	316.8	(64.1)		252.6	-273.3%	14.9	(145.8)
Net investment income	584.4	404.9	+62.2%	989.3	+39.7%	249.6	708.3
Operating result (EBIT)	777.9	283.3	-5.1%	1,061.2	+80.3%	298.5	588.5
Group net income	592.1	147.1	-15.2%	739.2	+76.8%	173.4	418.2
Earnings per share in EUR	4.91	1.22	-15.2%	6.13	+76.8%	1.44	3.47
EBIT margin <sup>2</sup>	9.9%	6.7%		8.8%		8.2%	5.6%
Combined ratio <sup>1</sup>	96.0%	101.5%		97.9%		99.6%	101.4%
Retention	91.3%	88.4%		90.4%		88.0%	90.3%

<sup>1</sup> Including interest on funds withheld and contract deposits

<sup>2</sup> Operating result (EBIT)/net premium earned

## Life and health reinsurance

- Gross premium grows by 6.9% at constant exchange rates
- Sustained customer interest in tailor-made financial solutions and longevity covers
- Pandemic-related losses amount to EUR 403.5 million in the first nine months
- Operating result down by 30.2%

The Covid-19 pandemic continued to be a dominant issue in life and health reinsurance during the first nine months of the financial year, especially in the area of mortality covers. The pandemic-related strains incurred by Hannover Re in life and health reinsurance as at the end of September totalled EUR 403.5 million. Of this, the third quarter accounted for EUR 140.1 million.

The bulk of the claims relating to the Covid-19 pandemic in the first nine months were attributable – in an amount of EUR 196.6 million – to the United States, the largest market for mortality covers. South Africa, in particular, similarly saw further high pandemic-related losses in the third quarter. Overall, it remains our assumption that the expenditures will continue to diminish progressively as vaccination programmes make further progress.

As already reported, the losses incurred from the pandemic in the first quarter were offset by positive one-time income from a restructuring measure in US mortality business in an amount of EUR 129.3 million. A positive special effect of EUR 99.0 million was additionally booked in longevity business in the third quarter.

At the same time, we are benefiting from sustained brisk demand globally in financial solutions business, where we offer our clients individual reinsurance solutions designed to improve their solvency, liquidity and capital position. Similarly, we continue to see strong interest worldwide in coverage concepts for longevity risks among customers such as primary insurers and pension funds.

The gross premium volume climbed by 6.8% as at 30 September to EUR 6.4 billion (previous year: EUR 5.9 billion). Adjusted for exchange rate effects, growth stood at 6.9%. Net premium earned increased by 5.7% to EUR 5.6 billion (EUR 5.3 billion). At constant exchange rates the increase would have reached 6.0%.

The income generated for life and health reinsurance from assets under own management declined, in part due to positive one-time income recognised in the previous year, by 47.5% to EUR 184.5 million (EUR 351.7 million). The underwriting result including interest on funds withheld and contract deposits stood at EUR -315.3 million (EUR -293.2 million).

The operating result (EBIT) declined by 30.2% to EUR 220.1 million (EUR 315.5 million). The contribution made

by life and health reinsurance to Group net income fell by 49.5% to EUR 149.7 million (EUR 296.6 million).

### Key figures for life and health reinsurance

in EUR million	2021					2020	
	1.1.– 30.6.	1.7.– 30.9.	+/- previous year	1.1.– 30.9.	+/- previous year	1.7.– 30.9.	1.1.– 30.9.
Gross written premium	4,198.1	2,152.2	+9.0%	6,350.3	+6.8%	1,975.4	5,947.3
Net premium earned	3,668.5	1,889.2	+7.9%	5,557.7	+5.7%	1,750.5	5,259.4
Investment income	280.7	86.0	-39.3%	366.6	-22.8%	141.7	474.6
Operating result (EBIT)	179.1	41.1	-59.5%	220.1	-30.2%	101.3	315.5
Net income after tax	104.8	44.9	-58.5%	149.7	-49.5%	108.2	296.6
Earnings per share in EUR	0.87	0.37	-58.5%	1.24	-49.5%	0.90	2.46
Retention	88.2%	88.4%		88.3%		89.9%	89.5%
EBIT margin <sup>1</sup>	4.9%	2.2%		4.0%		5.8%	6.0%

<sup>1</sup> Operating result (EBIT)/net premium earned

## Investments

- Interest rates still very low after rising in the first quarter
- Ordinary investment income up by 17.8%
- Total investment income improves by 14.5%
- Return on investment reaches 2.9%

The performance of our investments in the first nine months of the year was very pleasing. In addition to the ongoing pandemic, however, numerous geopolitical and economic challenges remain. On the key fixed-income markets for our company increases in the interest rate level – which in some instances were very appreciable – were observed in the first quarter for our main currency areas, especially in the longer maturity segments. Despite modest retreats subsequently recorded in some areas, the renewed rise in the interest rate level seen at the end of the third quarter was beneficial both for new investments and our reinvesting activities. Interest rates nevertheless remain very low. The same is true of risk premiums on corporate bonds.

Equity markets surged sharply higher in the first three months of the year, but increasingly tended to move sideways as the second quarter progressed. The price corrections seen by the end of the third quarter were in some instances significant. We are keeping a close eye on inflation, but currently expect the effects to be primarily of a temporary nature – such as supply chain disruptions and pent-up demand. We no longer see any appreciable implications of the pandemic's economic impacts for our investments.

Going forward, sustainability considerations will exert an even greater influence on the selection and composition of our investments. As part of our sustainability strategy, we are actively scaling back the proportion of securities whose issuers are involved in coal production and converting coal into energy. What is more, we are increasingly making sustainable infrastructure investments and investing in impact investment funds, the goal of which is to generate not only a favourable financial return but also measurably positive effects on the environment and society. In accordance with the Paris Agreement on climate change we are actively reducing the carbon intensity of our investments

Our portfolio of assets under own management grew to EUR 55.0 billion as at 30 September (31 December 2020: EUR 49.0 billion). With credit spreads only slightly narrower overall, higher interest rates led to declines in the fair values of our fixed-income securities. These were comfortably offset by positive exchange rate effects, primarily from the US dollar and pound sterling. The inflow of cash from issuance of a bond and the one-time reclassification of holdings from the technical account to investments as part of a restructuring measure in US mortality business also had favourable implications for the portfolio. Driven principally by the rise in interest rates, the unrealised gains in our fixed-income portfolio contracted to

EUR 1.7 billion (31 December 2020: EUR 2.6 billion) as at the end of September.

In the first quarter we made the most of market opportunities and disposed of parts of our equity holdings. As far as fixed-income securities are concerned, we have increasingly focused our new investments and reinvestment activities throughout the year to date on instruments that offer higher returns – in due consideration of the risk profiles – relative to government bonds. We expanded our portfolio of inflation-linked bonds in response to requirements from the technical account as part of regular portfolio maintenance. Furthermore, we vigorously increased our exposure to the infrastructure and private equity segments. We significantly boosted our real estate portfolio in Asia, acting on attractive purchase opportunities in Singapore and Japan. In the area of high-yield bonds we shifted our portfolios out of fund structures and into direct investments. The modified duration of our fixed-income portfolio – at 5.7 (5.8) – was marginally reduced in comparison with the end of the previous year

Totalling EUR 1,083.2 million (EUR 919.4 million), it is pleasing to note that the ordinary investment income excluding interest on funds withheld and contract deposits came in comfortably above the level of the previous year's period and even exceeded our expectations. Ordinary income from fixed-income securities and the real estate sector was considerably higher than in the comparable period. Considerably stronger earnings from our portfolio of inflation-linked bonds, which we hold to limit possible inflation risks, were also a factor here. In addition, we generated very appreciable increases in income booked from alternative investment funds. Interest on funds withheld and contract deposits also came in sharply higher at EUR 214.5 million (EUR 164.1 million).

The net balance of gains realised on disposals amounted to EUR 237.6 million (EUR 192.1 million), primarily reflecting re-grouping moves as part of portfolio maintenance and restruc-

turing as well as the aforementioned share sales. In the United States we successfully made the most of conditions on the real estate market by selling a large property. We were also able to realise pleasing gains in connection with the realignment of our high-yield holdings noted above. Impairments of altogether EUR 51.8 were recognised; this amount is significantly lower than in the first three quarters of the previous year (EUR 101.6 million), which was clearly affected by the emerging economic impacts of the Covid-19 pandemic. Of this, EUR 16.0 million (EUR 50.3 million) was attributable to alternative investments and EUR 7.1 million (EUR 11.8 million) to real estate funds. Fixed-income securities accounted for EUR 0.2 million (EUR 11.8 million). The depreciation recognised on directly held real estate was stable at EUR 27.9 million (EUR 27.3 million).

We recognise a derivative for the credit risk associated with special life reinsurance treaties (ModCo) under which securities deposits are held by cedants for our account; the performance of this derivative in the period under review gave rise to unrealised losses of EUR 14.9 million (EUR -8.7 million) recognised in income. In economic terms we assume a neutral development for this item over time, and hence the volatility that can occur in specific quarters provides no insight into the actual business development. Altogether, the unrealised losses in our assets recognised at fair value through profit or loss amounted to EUR 48.5 million (gains of EUR 41.4 million). The key driver here was the performance of a derivative relating to the technical account.

The investment income of EUR 1,356.9 million (EUR 1,185.0 million) improved on the level of the comparable period despite negative changes in the fair values of assets recognised at fair value through profit or loss. Income from assets under own management accounted for EUR 1,142.4 million (EUR 1,020.9 million), producing an annualised average return (including effects from derivatives) of 2.9%.



## Net investment income

in EUR million	2021					2020	
	1.1.– 30.6.	1.7.– 30.9.	+/- previous year	1.1.– 30.9.	+/- previous year	1.7.– 30.9.	1.1.– 30.9.
Ordinary investment income <sup>1</sup>	681.7	401.5	+28.8%	1,083.2	+17.8%	311.7	919.4
Result from participations in associated companies	16.0	6.6	-88.8%	22.6	-65.3%	58.6	65.0
Realised gains/losses	142.0	95.6	+83.0%	237.6	+23.7%	52.2	192.1
Appreciation <sup>2</sup>	38.4	13.4	-18.7%	51.8	-49.0%	16.5	101.6
Change in fair value of financial instruments <sup>3</sup>	(43.1)	(5.3)	-42.1%	(48.5)	-216.9%	(9.2)	41.4
Investment expenses	64.6	36.2	+10.5%	100.8	+5.6%	32.8	95.4
Net investment income from assets under own management	693.7	448.7	+23.2%	1,142.4	+11.9%	364.1	1,020.9
Net investment income from funds withheld	172.2	42.4	+52.5%	214.5	+30.8%	27.8	164.1
<b>Total investment income</b>	<b>865.8</b>	<b>491.1</b>	<b>+25.3%</b>	<b>1,356.9</b>	<b>+14.5%</b>	<b>391.9</b>	<b>1,185.0</b>

<sup>1</sup> Excluding interest on funds withheld and contract deposits

<sup>2</sup> Including depreciation/impairments on real estate

<sup>3</sup> Portfolio at fair value through profit or loss and trading

## Outlook

- Gross premium for the Group expected to show growth at least in the upper single-digit percentages adjusted for exchange rate effects
- Return on investment should beat the 2.4% mark after good nine-month result
- Group net income guidance of EUR 1.15 billion to EUR 1.25 billion for 2021 confirmed

The Covid-19 pandemic continues to set the tone on global reinsurance markets in the current financial year. In property and casualty reinsurance, however, it is our assumption that the pandemic-related net reserves established in 2020 are still adequate overall. Following the considerable major losses incurred in the third quarter, the goal of a combined ratio of 96% or better is no longer attainable in this financial year if large losses in the fourth quarter come in around the budgeted level. The successful treaty renewals have to some extent already made themselves felt in improved profitability prospects in the current financial year and will continue to do so in subsequent years.

In life and health reinsurance, the future pandemic-related loss experience will be dependent on the success of ongoing vaccination campaigns and containment efforts around the world as well as the emergence of virus variants. On the whole, it remains our expectation that the strains will continue to diminish progressively as vaccination programmes make further progress.

Following the good performance in the first nine months, we now expect a return on investment of more than 2.4% for the current financial year. The growth in Group gross premium should be at least in the upper single-digit percentages adjusted for exchange rate effects.

Even after the heavy losses of the third quarter, we consider ourselves well placed in relation to our 2021 full-year guidance, which we still expect to achieve. On the Group level our expectation of net income between EUR 1.15 billion and EUR 1.25 billion for the 2021 financial year remains unchanged. Achievement of the earnings target is dependent on major loss expenditure not significantly exceeding the budgeted level for the fourth quarter of EUR 251 million and assumes that there are no Covid-19-related losses substantially above expectations in life and health reinsurance and no unforeseen distortions on capital markets.

The capital adequacy ratio at the end of the year should remain comfortably above our limit of 180% and our threshold of 200%.

Going forward, Hannover Re intends to place even greater emphasis on the continuity of its dividend payments. From the current financial year onwards, the ordinary dividend will at least be on the level of the previous year. This means that a practice already followed at our company over the past ten years has now been enshrined as a policy – one made possible by the resilience of our business model as a globally diversified and robustly capitalised reinsurer. The ordinary dividend will be supplemented by payment of a special dividend provided the capitalisation exceeds the capital required for future growth and the profit target is achieved.

### Outlook for 2022

For the 2022 financial year Hannover Re anticipates Group net income of EUR 1.4 billion to EUR 1.5 billion. In addition, we expect a return on investment of at least 2.3% and growth of at least 5% in Group gross premium adjusted for exchange rate effects.

The expectations for 2022 additionally reflect an increase in the net major loss budget to EUR 1.3 billion (EUR 1.1 billion) that is commensurate with the growth in the underlying business.

As usual, all forward-looking statements regarding future targets are based on the premise that there are no unforeseen distortions on capital markets, that major loss expenditure remains within the budgeted level and that the Covid-19 pandemic does not significantly affect the result in life and health reinsurance.



## Consolidated balance sheet as at 30 September 2021

<b>Assets</b>		
in EUR thousand	<b>30.9.2021</b>	31.12.2020 <sup>1</sup>
Fixed-income securities - held to maturity	71,782	185,577
Fixed-income securities - loans and receivables	2,377,690	2,312,840
Fixed-income securities - available for sale	43,668,290	38,851,723
Fixed-income securities - at fair value through profit or loss	73,405	105,711
Equity securities - available for sale	293,059	378,422
Other financial assets - at fair value through profit or loss	190,450	234,689
Investment property	1,856,959	1,589,238
Real estate funds	731,556	582,296
Investments in associated companies	383,514	361,617
Other invested assets	3,202,966	2,794,016
Short-term investments	493,024	327,426
Cash and cash equivalents	1,687,226	1,278,071
<b>Total investments and cash under own management</b>	<b>55,029,921</b>	<b>49,001,626</b>
Funds withheld	10,894,478	9,659,807
Contract deposits	408,915	298,344
<b>Total investments</b>	<b>66,333,314</b>	<b>58,959,777</b>
Reinsurance recoverables on unpaid claims	2,543,288	1,883,270
Reinsurance recoverables on benefit reserve	180,588	192,135
Prepaid reinsurance premium	308,846	165,916
Reinsurance recoverables on other technical reserves	1,782	1,106
Deferred acquisition costs	3,580,679	3,073,117
Accounts receivable	7,368,552	5,605,803
Goodwill	83,063	80,965
Deferred tax assets	510,038	597,986
Other assets	859,641	859,136
Accrued interest and rent	18,373	18,264
<b>Total assets</b>	<b>81,788,164</b>	<b>71,437,475</b>

<sup>1</sup> Restated pursuant to IAS 8

## Liabilities

in EUR thousand	30.9.2021	31.12.2020 <sup>1</sup>
Loss and loss adjustment expense reserve	39,082,146	33,929,230
Benefit reserve	7,373,009	7,217,988
Unearned premium reserve	7,235,633	5,070,009
Other technical provisions	750,740	701,577
Funds withheld	671,140	582,316
Contract deposits	3,612,995	3,255,453
Reinsurance payable	2,415,394	1,777,761
Provisions for pensions	204,597	229,252
Taxes	168,141	132,736
Deferred tax liabilities	2,752,146	2,731,648
Other liabilities	910,727	538,813
Financing liabilities	4,350,780	3,431,276
<b>Total liabilities</b>	<b>69,527,448</b>	<b>59,598,059</b>
Shareholders' equity		
Common shares	120,597	120,597
Nominal value: 120,597 Conditional capital: 24,119		
Additional paid-in capital	724,562	724,562
<b>Common shares and additional paid-in capital</b>	<b>845,159</b>	<b>845,159</b>
Cumulative other comprehensive income		
Unrealised gains and losses on investments	1,867,810	2,275,936
Cumulative foreign currency translation adjustment	163,279	(330,693)
Changes from hedging instruments	(8,459)	(8,678)
Other changes in cumulative other comprehensive income	(69,511)	(83,792)
<b>Total other comprehensive income</b>	<b>1,953,119</b>	<b>1,852,773</b>
Retained earnings	8,610,709	8,297,114
<b>Equity attributable to shareholders of Hannover Rück SE</b>	<b>11,408,987</b>	<b>10,995,046</b>
Non-controlling interests	851,729	844,370
<b>Total shareholders' equity</b>	<b>12,260,716</b>	<b>11,839,416</b>
<b>Total liabilities</b>	<b>81,788,164</b>	<b>71,437,475</b>

<sup>1</sup> Restated pursuant to IAS 8

## Consolidated statement of income as at 30 September 2021

in EUR thousand	1.7. - 30.9.2021	1.1. - 30.9.2021	1.7. - 30.9.2020	1.1. - 30.9.2020
Gross written premium	7,155,047	21,619,646	6,148,779	19,294,915
Ceded written premium	827,680	2,212,223	700,118	1,913,861
Change in gross unearned premium	(243,350)	(1,905,724)	(140,751)	(1,769,454)
Change in ceded unearned premium	34,539	132,155	85,661	160,055
<b>Net premium earned</b>	<b>6,118,556</b>	<b>17,633,854</b>	<b>5,393,571</b>	<b>15,771,655</b>
Ordinary investment income	401,511	1,083,212	311,748	919,409
Profit / loss from investments in associated companies	6,565	22,584	58,580	65,011
Realised gains and losses on investments	95,622	237,643	52,248	192,073
Change in fair value of financial instruments	(5,329)	(48,470)	(9,199)	41,449
Total depreciation, impairments and appreciation of investments	13,385	51,757	16,471	101,572
Other investment expenses	36,245	100,823	32,787	95,446
<b>Net income from investments under own management</b>	<b>448,739</b>	<b>1,142,389</b>	<b>364,119</b>	<b>1,020,924</b>
Income / expense on funds withheld and contract deposits	42,359	214,510	27,782	164,060
<b>Net investment income</b>	<b>491,098</b>	<b>1,356,899</b>	<b>391,901</b>	<b>1,184,984</b>
Other technical income	–	112	–	–
<b>Total revenues</b>	<b>6,609,654</b>	<b>18,990,865</b>	<b>5,785,472</b>	<b>16,956,639</b>
Claims and claims expenses	4,988,467	13,619,006	4,190,882	12,389,179
Change in benefit reserves	(144,949)	(258,450)	(23,117)	(168,599)
Commission and brokerage, change in deferred acquisition costs	1,378,443	4,164,024	1,256,928	3,803,522
Other acquisition costs	865	3,108	962	3,338
Administrative expenses	125,121	383,556	104,575	347,519
<b>Total technical expenses</b>	<b>6,347,947</b>	<b>17,911,244</b>	<b>5,530,230</b>	<b>16,374,959</b>
Other income	155,115	551,296	213,648	613,628
Other expenses	92,289	350,277	69,548	292,457
Other income and expenses	62,826	201,019	144,100	321,171
<b>Operating profit / loss (EBIT)</b>	<b>324,533</b>	<b>1,280,640</b>	<b>399,342</b>	<b>902,851</b>
Financing costs	21,307	61,432	24,449	71,553
<b>Net income before taxes</b>	<b>303,226</b>	<b>1,219,208</b>	<b>374,893</b>	<b>831,298</b>
Taxes	106,053	318,198	90,327	141,791
<b>Net income</b>	<b>197,173</b>	<b>901,010</b>	<b>284,566</b>	<b>689,507</b>
thereof				
Non-controlling interest in profit and loss	11,806	45,091	19,106	21,695
<b>Group net income</b>	<b>185,367</b>	<b>855,919</b>	<b>265,460</b>	<b>667,812</b>
<b>Earnings per share (in EUR)</b>				
Basic earnings per share	1.54	7.10	2.20	5.54
Diluted earnings per share	1.54	7.10	2.20	5.54

# Consolidated statement of comprehensive income as at 30 September 2021

in EUR thousand	1.7. - 30.9.2021	1.1. - 30.9.2021	1.7. - 30.9.2020	1.1. - 30.9.2020
<b>Net income</b>	<b>197,173</b>	<b>901,010</b>	<b>284,566</b>	<b>689,507</b>
<b>Not reclassifiable to the consolidated statement of income</b>				
<b>Actuarial gains and losses</b>				
Gains (losses) recognised directly in equity	4,852	23,367	(12,166)	(7,782)
Tax income (expense)	(1,579)	(7,620)	3,971	2,553
	<b>3,273</b>	<b>15,747</b>	<b>(8,195)</b>	<b>(5,229)</b>
<b>Changes from the measurement of associated companies</b>				
Gains (losses) recognised directly in equity	32	166	(61)	(39)
	<b>32</b>	<b>166</b>	<b>(61)</b>	<b>(39)</b>
<b>Income and expense recognised directly in equity that cannot be reclassified</b>				
Gains (losses) recognised directly in equity	4,884	23,533	(12,227)	(7,821)
Tax income (expense)	(1,579)	(7,620)	3,971	2,553
	<b>3,305</b>	<b>15,913</b>	<b>(8,256)</b>	<b>(5,268)</b>
<b>Reclassifiable to the consolidated statement of income</b>				
<b>Unrealised gains and losses on investments</b>				
Gains (losses) recognised directly in equity	34,973	(383,499)	319,860	1,048,515
Transferred to the consolidated statement of income	(93,843)	(222,661)	(38,544)	(104,596)
Tax income (expense)	44,775	198,178	(69,875)	(196,096)
	<b>(14,095)</b>	<b>(407,982)</b>	<b>211,441</b>	<b>747,823</b>
<b>Currency translation</b>				
Gains (losses) recognised directly in equity	211,486	566,597	(350,957)	(480,423)
Tax income (expense)	(19,744)	(65,582)	31,942	51,955
	<b>191,742</b>	<b>501,015</b>	<b>(319,015)</b>	<b>(428,468)</b>
<b>Changes from the measurement of associated companies</b>				
Gains (losses) recognised directly in equity	(1,829)	(1,884)	(2,151)	(2,117)
	<b>(1,829)</b>	<b>(1,884)</b>	<b>(2,151)</b>	<b>(2,117)</b>
<b>Changes from hedging instruments</b>				
Gains (losses) recognised directly in equity	2,889	491	(3,620)	(7,787)
Tax income (expense)	(640)	(252)	948	2,879
	<b>2,249</b>	<b>239</b>	<b>(2,672)</b>	<b>(4,908)</b>
<b>Reclassifiable income and expense recognised directly in equity</b>				
Gains (losses) recognised directly in equity	247,519	181,706	(36,868)	558,188
Transferred to the consolidated statement of income	(93,844)	(222,661)	(38,544)	(104,596)
Tax income (expense)	24,391	132,344	(36,985)	(141,262)
	<b>178,067</b>	<b>91,388</b>	<b>(112,397)</b>	<b>312,330</b>
<b>Total income and expense recognised directly in equity</b>				
Gains (losses) recognised directly in equity	252,403	205,238	(49,095)	550,367
Transferred to the consolidated statement of income	(93,844)	(222,661)	(38,544)	(104,596)
Tax income (expense)	22,812	124,724	(33,014)	(138,709)
	<b>181,372</b>	<b>107,301</b>	<b>(120,653)</b>	<b>307,062</b>
<b>Total recognised income and expense</b>	<b>378,545</b>	<b>1,008,311</b>	<b>163,913</b>	<b>996,569</b>
thereof				
Attributable to non-controlling interests	20,052	52,046	28,898	38,605
Attributable to shareholders of Hannover Rück SE	358,493	956,265	135,015	957,964

## Group segment report as at 30 September 2021

Segmentation of assets in EUR thousand	Property and casualty reinsurance	
	30.9.2021	31.12.2020 <sup>1</sup>
<b>Assets</b>		
Fixed-income securities - held to maturity	64,641	139,867
Fixed-income securities - loans and receivables	1,907,425	1,998,611
Fixed-income securities - available for sale	33,352,259	29,422,685
Equity securities - available for sale	293,059	378,422
Financial assets at fair value through profit or loss	76,806	110,304
Other invested assets	5,253,599	4,384,139
Short-term investments	316,222	244,474
Cash	1,254,464	901,989
<b>Total investments and cash under own management</b>	<b>42,518,475</b>	<b>37,580,491</b>
Funds withheld	3,526,979	2,569,420
Contract deposits	5,943	5,404
<b>Total investments</b>	<b>46,051,397</b>	<b>40,155,315</b>
Reinsurance recoverables on unpaid claims	2,392,769	1,730,507
Reinsurance recoverables on benefit reserve	–	–
Prepaid reinsurance premium	308,732	165,834
Reinsurance recoverables on other reserves	555	562
Deferred acquisition costs	1,700,724	1,169,521
Accounts receivable	5,823,361	4,155,372
Other assets in the segment	3,178,961	2,788,243
<b>Total assets</b>	<b>59,456,499</b>	<b>50,165,354</b>
<b>Segmentation of liabilities</b>		
in EUR thousand		
<b>Liabilities</b>		
Loss and loss adjustment expense reserve	33,668,219	29,194,354
Benefit reserve	–	–
Unearned premium reserve	6,808,309	4,709,229
Provisions for contingent commissions	440,695	395,296
Funds withheld	413,578	342,420
Contract deposits	82,270	80,369
Reinsurance payable	1,747,768	1,157,650
Financing liabilities	596,192	420,348
Other liabilities in the segment	2,696,921	2,478,161
<b>Total liabilities</b>	<b>46,453,952</b>	<b>38,777,827</b>

<sup>1</sup> Restated pursuant to IAS 8



Life and health reinsurance		Consolidation		Total	
30.9.2021	31.12.2020 <sup>1</sup>	30.9.2021	31.12.2020 <sup>1</sup>	30.9.2021	31.12.2020 <sup>1</sup>
7,141	45,710	-	-	71,782	185,577
454,543	299,180	15,722	15,049	2,377,690	2,312,840
10,296,800	9,429,038	19,231	-	43,668,290	38,851,723
-	-	-	-	293,059	378,422
187,049	230,096	-	-	263,855	340,400
917,732	920,960	3,664	22,068	6,174,995	5,327,167
176,611	82,221	191	731	493,024	327,426
428,319	371,972	4,443	4,110	1,687,226	1,278,071
<b>12,468,195</b>	<b>11,379,177</b>	<b>43,251</b>	<b>41,958</b>	<b>55,029,921</b>	<b>49,001,626</b>
7,367,499	7,090,387	-	-	10,894,478	9,659,807
402,972	292,940	-	-	408,915	298,344
<b>20,238,666</b>	<b>18,762,504</b>	<b>43,251</b>	<b>41,958</b>	<b>66,333,314</b>	<b>58,959,777</b>
150,519	152,763	-	-	2,543,288	1,883,270
180,588	192,135	-	-	180,588	192,135
199	82	(85)	-	308,846	165,916
1,227	544	-	-	1,782	1,106
1,879,955	1,903,596	-	-	3,580,679	3,073,117
1,545,191	1,450,628	-	(197)	7,368,552	5,605,803
540,806	470,282	(2,248,652)	(1,702,174)	1,471,115	1,556,351
<b>24,537,151</b>	<b>22,932,534</b>	<b>(2,205,486)</b>	<b>(1,660,413)</b>	<b>81,788,164</b>	<b>71,437,475</b>
5,413,927	4,734,876	-	-	39,082,146	33,929,230
7,373,009	7,217,988	-	-	7,373,009	7,217,988
427,324	360,780	-	-	7,235,633	5,070,009
310,045	306,281	-	-	750,740	701,577
257,562	239,896	-	-	671,140	582,316
3,530,725	3,175,084	-	-	3,612,995	3,255,453
667,966	620,111	(340)	-	2,415,394	1,777,761
32,217	35,010	3,722,371	2,975,918	4,350,780	3,431,276
3,586,860	2,863,934	(2,248,170)	(1,709,646)	4,035,611	3,632,449
<b>21,599,635</b>	<b>19,553,960</b>	<b>1,473,861</b>	<b>1,266,272</b>	<b>69,527,448</b>	<b>59,598,059</b>

Segment statement of income in EUR thousand	Property and casualty reinsurance	
	1.1. - 30.9.2021	1.1. - 30.9.2020
Gross written premium	15,269,339	13,347,606
Net premium earned	12,075,930	10,512,041
Net investment income	989,295	708,252
thereof		
Change in fair value of financial instruments	4,089	1,095
Total depreciation, impairments and appreciation of investments	51,734	99,761
Income / expense on funds withheld and contract deposits	32,390	41,111
Claims and claims expenses	8,436,706	7,658,185
Change in benefit reserve	–	–
Commission and brokerage, change in deferred acquisition costs and other technical income / expenses	3,233,639	2,881,802
Administrative expenses	185,354	158,947
Other income and expenses	(148,360)	67,161
<b>Operating profit / loss (EBIT)</b>	<b>1,061,166</b>	<b>588,520</b>
Financing costs	1,545	1,576
<b>Net income before taxes</b>	<b>1,059,621</b>	<b>586,944</b>
Taxes	276,043	148,079
<b>Net income</b>	<b>783,578</b>	<b>438,865</b>
thereof		
Non-controlling interest in profit or loss	44,342	20,687
<b>Group net income</b>	<b>739,236</b>	<b>418,178</b>

Life and health reinsurance		Consolidation		Total	
1.1. - 30.9.2021	1.1. - 30.9.2020	1.1. - 30.9.2021	1.1. - 30.9.2020	1.1. - 30.9.2021	1.1. - 30.9.2020
6,350,307	5,947,309	–	–	21,619,646	19,294,915
5,557,677	5,259,442	247	172	17,633,854	15,771,655
366,635	474,614	969	2,118	1,356,899	1,184,984
(52,559)	40,354	–	–	(48,470)	41,449
23	1,811	–	–	51,757	101,572
182,120	122,949	–	–	214,510	164,060
5,182,300	4,730,994	–	–	13,619,006	12,389,179
(258,450)	(168,599)	–	–	(258,450)	(168,599)
933,381	925,058	–	–	4,167,020	3,806,860
197,855	188,178	347	394	383,556	347,519
350,890	257,031	(1,511)	(3,021)	201,019	321,171
<b>220,116</b>	<b>315,456</b>	<b>(642)</b>	<b>(1,125)</b>	<b>1,280,640</b>	<b>902,851</b>
1,137	1,097	58,750	68,880	61,432	71,553
<b>218,979</b>	<b>314,359</b>	<b>(59,392)</b>	<b>(70,005)</b>	<b>1,219,208</b>	<b>831,298</b>
68,531	16,765	(26,376)	(23,053)	318,198	141,791
<b>150,448</b>	<b>297,594</b>	<b>(33,016)</b>	<b>(46,952)</b>	<b>901,010</b>	<b>689,507</b>
749	1,008	–	–	45,091	21,695
<b>149,699</b>	<b>296,586</b>	<b>(33,016)</b>	<b>(46,952)</b>	<b>855,919</b>	<b>667,812</b>

# Consolidated cash flow statement as at 30 September 2021

in EUR thousand	1.1. - 30.9.2021	1.1. - 30.9.2020
<b>I. Cash flow from operating activities</b>		
Net income	901,010	689,507
Appreciation / depreciation	87,597	116,437
Realised gains and losses on investments	(237,643)	(192,073)
Change in fair value of financial instruments (through profit or loss)	48,470	(41,449)
Amortisation	15,856	67,312
Changes in funds withheld	(763,800)	(780,265)
Net changes in contract deposits	125,512	(99,130)
Changes in prepaid reinsurance premium	1,773,637	1,609,399
Change in tax assets / provisions for taxes	277,048	(73,016)
Change in benefit reserve	(140,463)	(318,596)
Change in claims reserves	3,289,123	2,414,399
Change in deferred acquisition costs	(408,867)	(204,436)
Change in other technical provisions	25,924	60,746
Change in accounts receivable / payable	(1,006,611)	(526,582)
Change in other assets and liabilities	206,041	(132,616)
<b>Cash flow from operating activities</b>	<b>4,192,834</b>	<b>2,589,637</b>
<b>II. Cash flow from investing activities</b>	<b>(4,147,411)</b>	<b>(1,555,183)</b>
<b>III. Cash flow from financing activities</b>	<b>300,578</b>	<b>(725,819)</b>
<b>IV. Exchange rate differences on cash</b>	<b>63,154</b>	<b>(55,117)</b>
Cash and cash equivalents at the beginning of the period	1,278,071	1,090,852
Change in cash and cash equivalents (I. + II. + III. + IV.)	409,155	253,518
<b>Cash and cash equivalents at the end of the period</b>	<b>1,687,226</b>	<b>1,344,370</b>
<b>Supplementary information on the cash flow statement <sup>1</sup></b>		
Income taxes paid (on balance)	(53,670)	(202,013)
Dividend receipts <sup>2</sup>	217,721	101,217
Interest received	1,198,427	1,160,044
Interest paid	(315,083)	(225,304)

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

<sup>2</sup> Including dividend-like profit participations from investment funds

## Other information

The present document is a quarterly statement pursuant to Section 51a of the Exchange Rules for the Frankfurter Wertpapierbörse (BörsO FWB). It was drawn up according to the International Financial Reporting Standards (IFRS) that are to be applied within the European Union, but does not constitute an interim financial report as defined by IAS 34 “Interim Financial Reporting” or a financial statement as defined by IAS 1 “Presentation of Financial Statements”. In view of the Covid-19 pandemic, estimates are subject to a higher degree of uncertainty and greater use was therefore made of scenario calculations.

The accounting policies are essentially the same as those applied in the consolidated financial statement as at 31 December 2020. In the 2021 financial year a number of amendments to existing standards and interpretations were issued with no significant implications for the consolidated financial statement:

- Amendments to IFRS 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2
- Amendments to IFRS4 Insurance Contracts – deferral of IFRS 9

Hannover Re is exercising the temporary exemption from applying IFRS 9 “Financial Instruments” that is available to companies whose activities are predominantly connected with insurance.

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