

Quarterly Statement  
as at 31 March 2021

# Key figures

| EUR million   | 2021         |                   | 2020         |          |
|---|--------------|-------------------|--------------|----------|
|   | 1.1. – 31.3. | +/- previous year | 1.1. – 31.3. | 31.12.   |
| <b>Results</b>  |              |                   |              |          |
| Gross written premium   | 7,803.2      | +11.9%            | 6,975.3      |          |
| Net premium earned  | 5,686.6      | +11.7%            | 5,090.9      |          |
| Net underwriting result <sup>1</sup>  | 22.5         |                   | (44.8)       |          |
| Net investment income   | 444.0        | -5.9%             | 471.7        |          |
| Operating profit (EBIT)   | 403.8        | -5.3%             | 426.6        |          |
| Group net income  | 305.9        | +1.7%             | 300.9        |          |
| <b>Balance sheet</b>  |              |                   |              |          |
| Policyholders' surplus  | 14,822.2     | +5.3%             |              | 14,071.0 |
| Equity attributable to shareholders of Hannover Rück SE   | 11,043.0     | +0.4%             |              | 10,995.0 |
| Non-controlling interests   | 803.3        | -4.9%             |              | 844.4    |
| Hybrid capital  | 2,976.0      | +33.4%            |              | 2,231.6  |
| Investments (excl. funds withheld by ceding companies)  | 52,511.1     | +6.7%             |              | 49,220.9 |
| Total assets  | 77,044.4     | +7.8%             |              | 71,439.8 |
| <b>Share</b>  |              |                   |              |          |
| Earnings per share (basic and diluted) in EUR   | 2.54         | +1.7%             | 2.49         |          |
| Book value per share in EUR   | 91.57        | +0.4%             | 86.77        | 91.17    |
| Share price at the end of the period in EUR   | 155.80       | +19.6%            | 131.00       | 130.30   |
| Market capitalisation at the end of the period  | 18,789.0     | +19.6%            | 15,798.2     | 15,713.8 |
| <b>Ratios</b>   |              |                   |              |          |
| Combined ratio (property and casualty reinsurance) <sup>1</sup>                                   | 96.2%        |                   | 99.8%        |          |
| Large losses as percentage of net premium earned (property and casualty reinsurance) <sup>2</sup> | 5.0%         |                   | 8.5%         |          |
| Retention   | 91.5%        |                   | 91.1%        |          |
| Return on investment (excl. funds withheld by ceding companies)                                   | 2.5%         |                   | 3.2%         |          |
| EBIT margin <sup>3</sup>  | 7.1%         |                   | 8.4%         |          |
| Return on equity (after tax)  | 11.1%        |                   | 11.5%        |          |

<sup>1</sup> Including funds withheld

<sup>2</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>3</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 for 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 31 March 2021

## Business development

- Group gross premium grows by 16.8% in the first quarter adjusted for exchange rate effects
- Pandemic-related strains of EUR 151 million in life and health reinsurance
- Return on investment reaches 2.5%
- Group net income rises by 1.7% to EUR 305.9 million
- Return on equity beats minimum target at 11.1%

The first quarter of 2021 passed off in line with Hannover Re's expectations and was again notable for vigorous growth, especially in property and casualty reinsurance. Social and economic developments around the world continue to be dominated by the Covid-19 pandemic. As vaccinations rise and tests become more widely available, the losses caused by the pandemic should trend appreciably lower going forward.

Gross written premium for the Group rose by 11.9% to EUR 7.8 billion (previous year: EUR 7.0 billion) as at the end of March. Growth would have reached 16.8% at constant exchange rates. The retention increased to 91.5% (91.1%). Net premium earned grew by 11.7% to EUR 5.7 billion (EUR 5.1 billion). The increase would have been 16.4% adjusted for exchange rate effects.

In our **Property & Casualty reinsurance** business group the treaty renewals as at 1 January 2021 proved highly satisfactory on the whole. The positive pricing momentum of the past year was sustained here. What is more, we had already additionally boosted our IBNR reserves for Covid-19-related losses at the end of the 2020 financial year, thereby significantly reducing the risk of having to set aside further reserves in property and casualty reinsurance. In the course of the first quarter, therefore, no additional net strains were incurred in relation to Covid-19. The segment result consequently improved by 29.9%.

In **Life & Health reinsurance**, on the other hand, additional loss expenditures were recorded in connection with the elevated mortality resulting from the pandemic – most notably in the United States. These should, however, already begin to recede appreciably in the second quarter as the pace of vaccinations picks up. The additional strains incurred from the pandemic in the first quarter totalled EUR 151 million. This contrasted with positive one-time income of EUR 129.3 million from a restructuring measure in US mortality business. All in all, the first three months of the year passed off satisfactorily – thanks also to pleasing demand for financial solutions. The segment result deteriorated by 55.7% on account of pandemic-related losses.

Our portfolio of **investments** amounted to EUR 52.5 billion, corresponding to an increase of 6.7% compared to the position as at 31 December 2020. Investment income contracted as anticipated by 5.9% year-on-year and an annualised average return of 2.5% was generated.

Other income and expenses declined by 20.5% to EUR 67.9 million (EUR 85.4 million). This was driven primarily by movements in exchange rates, which particularly impacted the result in property and casualty reinsurance.

The operating profit (EBIT) generated by Hannover Re on the Group level fell by 5.3% to EUR 403.8 million (EUR 426.6 million). Group net income improved by a modest 1.7% to EUR 305.9 million (EUR 300.9 million) on the back of lower tax expenditure. Earnings per share thus came in at EUR 2.54 (EUR 2.49).

In March Hannover Rück SE issued subordinated debt in a nominal amount of EUR 750 million. The bond has a maturity date of 30 June 2042 and a first scheduled call option on 30 December 2031. In an attractive market environment it enables us, among other things, to act on additional market opportunities that emerge from the current favourable pricing trend on global reinsurance markets.

The shareholders' equity of Hannover Re as at 31 March 2021 climbed by 0.4% to EUR 11.0 billion (31 December 2020: EUR 11.0 billion). The annualised return on equity amounted to 11.1% (31 December 2020: 8.2%) and hence beat our minimum target of 900 basis points above the risk-free interest

rate. The book value per share stood at EUR 91.57 (31 December 2020: EUR 91.17). The capital adequacy ratio at the end of March was 252%, a level comfortably in excess of our internal limit of 180% and our threshold of 200%.

Going forward, the issue of **sustainability** will exert an even greater influence on the selection and composition of our investments and on our business. We recently took additional steps by signing the United Nations-supported Principles for Responsible Investment and the UN-backed Principles for Sustainable Insurance. Both in our underwriting activities and on the investment side we shall promote the expansion of environmentally-friendly technologies and progressively scale back our exposure to technologies that are harmful to the climate. This has been enshrined accordingly in our sustainability strategy, under which we have additionally set ourselves the goal of stepping up our commitment to closing the protection gap in developing countries and thereby enabling more people to access adequate insurance coverage.

# Results of operations, financial position and net assets

## Property and casualty reinsurance

- Gross premium in property and casualty reinsurance up by 20.1% adjusted for exchange rate effects
- No further pandemic-related losses for net account in the first quarter
- Combined ratio improves significantly to 96.2%
- Thoroughly satisfactory 1 January renewals; sustained improvements in prices and conditions
- Segment result climbs by 29.9% year-on-year

In property and casualty reinsurance no additional net strains were incurred in the first quarter for Covid-19-related losses. We continue to assume that we had largely reserved the losses anticipated from the Covid-19 pandemic back in the 2020 financial year.

Against the backdrop of the continued tense risk situation around the world, the main renewal season in traditional property and casualty reinsurance as at 1 January 2021 passed off thoroughly satisfactorily overall for Hannover Re. The pricing momentum of the past year was sustained and we again generated pleasing growth in our renewed portfolio at improved prices and conditions. Some 67% of Hannover Re's traditional property and casualty reinsurance portfolio (excluding facultative reinsurance, ILS activities and structured reinsurance) was up for renewal on 1 January. The average price increase amounted to 5.5%, reflecting further improvements in prices and conditions that varied in scope across all lines and regions.

Gross written premium in property and casualty reinsurance surged by a substantial 14.2% in the first quarter to EUR 5.7 billion (previous year: EUR 5.0 billion). Growth would have reached 20.1% at constant exchange rates. Net premium earned rose by 15.7% to EUR 3.9 billion (EUR 3.3 billion); at constant exchange rates, growth of 21.5% would have been recorded.

The burden of large losses came to altogether EUR 193.2 million (EUR 283.6 million), a figure slightly below our major

loss budget for the first quarter of EUR 214 million. No additional net strains were incurred in relation to Covid-19. The largest individual losses were the outbreak of extreme winter weather in the US state of Texas, with net expenditure of EUR 75.4 million, an industrial loss in Germany costing EUR 34.8 million and flood damage in Australia amounting to EUR 19.5 million. The combined ratio in property and casualty reinsurance improved significantly to 96.2% (99.8%) and was thus marginally higher than our anticipated maximum level of 96%.

The underwriting result for total property and casualty reinsurance including interest on funds withheld and contract deposits similarly improved considerably to EUR 147.3 million (EUR 7.2 million). The investment income booked from assets under own management declined, on the other hand, by 6.3% to EUR 267.9 million (EUR 286.1 million). Exchange losses of EUR 82.2 million, which were opposed by positive exchange rate movements in equity, were a corresponding drag on the segment result.

The operating profit (EBIT) climbed by 6.3% to EUR 324.0 million (EUR 304.7 million). The EBIT margin reached 8.4% (9.1%). The net income generated by the Property & Casualty reinsurance business group increased by 29.9% to EUR 269.2 million (EUR 207.3 million).

## Key figures for property and casualty reinsurance

| in EUR million                   | 2021         |                   | 2020         |
|----------------------------------|--------------|-------------------|--------------|
|                                  | 1.1. – 31.3. | +/- previous year | 1.1. – 31.3. |
| Gross written premium            | 5,692.9      | +14.2%            | 4,986.1      |
| Net premium earned               | 3,863.1      | +15.7%            | 3,338.0      |
| Underwriting result <sup>1</sup> | 147.3        |                   | 7.2          |
| Net investment income            | 271.5        | -8.4%             | 296.4        |
| Operating result (EBIT)          | 324.0        | +6.3%             | 304.7        |
| Group net income                 | 269.2        | +29.9%            | 207.3        |
| Earnings per share in EUR        | 2.23         | +29.9%            | 1.72         |
| EBIT margin <sup>2</sup>         | 8.4%         |                   | 9.1%         |
| Combined ratio <sup>1</sup>      | 96.2%        |                   | 99.8%        |
| Retention                        | 92.6%        |                   | 91.7%        |

<sup>1</sup> Including funds withheld

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

## Life and health reinsurance

- Gross premium for the Life & Health reinsurance business group up by 8.6% adjusted for exchange rate effects
- Strains of EUR 151 million from the Covid-19 pandemic in the first quarter
- Sustained strong demand worldwide for covers in the area of financial solutions
- Segment result well below the previous year at EUR 48.8 million

The impacts of the pandemic continued to be the dominant issue in life and health reinsurance, particularly in the area of mortality covers. The strains relating to Covid-19 amounted to EUR 151 million in the first quarter. While further loss expenditures are to be expected in life and health reinsurance, it is nevertheless our assumption that the losses in the second quarter will already be appreciably lower and will continue to trend downwards as the year progresses.

As already reported in connection with the 2020 annual financial statement, the additional strains anticipated from the pandemic are opposed by positive one-time income from a restructuring measure in US mortality business amounting to EUR 129.3 million. At the same time, we are benefiting from sustained strong demand worldwide in our financial solutions business. While the focus of new business here remains on the United States and Asia, the lively interest shown among customers is now generating new business opportunities in other markets too. Solutions designed to cover longevity risks similarly attracted growing attention worldwide in the first quarter. While demand was again especially strong in the United Kingdom, insurers and pension funds in Germany also

took a keen interest in covers for the longevity risk. The landscape for life and health reinsurance was satisfactory on the whole in the first quarter.

Gross premium income in the Life & Health reinsurance business group climbed by 6.1% to EUR 2.1 billion (previous year: EUR 2.0 billion); growth of 8.6% would have been booked at constant exchange rates. Net premium earned grew by 4.0% to EUR 1.8 billion (EUR 1.8 billion); the increase would have been 6.7% adjusted for exchange rate effects.

Investment income from assets under own management fell by 54.7% to EUR 45.0 million (EUR 99.4 million), inter alia in connection with the performance of a derivative. The operating result (EBIT) declined by 35.6% to EUR 80.1 million (EUR 124.2 million). Net income for the Life & Health reinsurance business group contracted sharply by 55.7% to EUR 48.8 million (EUR 110.2 million) on account of the considerable Covid-19-related losses.

## Key figures for life and health reinsurance

| in EUR million            | 2021         |                   | 2020         |
|---------------------------|--------------|-------------------|--------------|
|                           | 1.1. – 31.3. | +/- previous year | 1.1. – 31.3. |
| Gross written premium     | 2,110.3      | +6.1%             | 1,989.2      |
| Net premium earned        | 1,823.6      | +4.0%             | 1,752.8      |
| Investment income         | 172.0        | -1.5%             | 174.7        |
| Operating result (EBIT)   | 80.1         | -35.6%            | 124.2        |
| Net income after tax      | 48.8         | -55.7%            | 110.2        |
| Earnings per share in EUR | 0.40         | -55.7%            | 0.91         |
| Retention                 | 88.6%        |                   | 89.4%        |
| EBIT margin <sup>1</sup>  | 4.4%         |                   | 7.1%         |

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

## Investments

- Interest rate level still very low even after rising in the first quarter
- Portfolio of assets under own management grows to EUR 52.5 billion
- Investment income falls as expected by 5.9% to EUR 444.0 million
- Return on investment reaches 2.5%

Our investments delivered a very pleasing performance in the first three months of the year. 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 our main currency areas, especially in the longer maturity segments; these were beneficial both for new investments and reinvestment activities. On the whole, though, interest rates remained on a very low level. Euro bond yields, for example, were negative beyond the ten-year mark. Reductions in risk premiums have been seen on emerging market bonds and for lower-quality issuers since the beginning of the year. Equity markets trended sharply higher in the first quarter, thanks in part to the continued supportive approach taken by central banks.

Our portfolio of assets under own management increased to EUR 52.5 billion (31 December 2020: EUR 49.2 billion). With credit spreads virtually unchanged, higher interest rates led to declines in the fair values of our fixed-income securities. These were comfortably offset by positive currency 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. The unrealised gains in our fixed-income portfolio contracted above all due to rising interest rates to EUR 1.5 billion (31 December 2020: EUR 2.6 billion) as at the end of March.

In the first quarter we increasingly focused our new investments and reinvestment activities in the area of fixed-income

securities on instruments that offer higher returns – in due consideration of the risk profiles – relative to government bonds. The modified duration of our fixed-income portfolio – at 5.7 (5.8) – was reduced marginally in comparison with the end of the previous year. We also made the most of market opportunities and disposed of parts of our equity holdings.

Ordinary investment income excluding interest on funds withheld and contract deposits amounted to EUR 313.2 million, a level slightly below the previous year's period (EUR 326.3 million). Earnings from fixed-income securities were down significantly. This can also be attributed in part to lower inflation, which gives rise to reduced amortisation amounts in our portfolio of inflation-linked bonds. Investments in the real estate sector delivered somewhat lower earnings, while alternative investments proved substantially more profitable than in the comparable period. Interest on funds withheld and contract deposits climbed very sharply to EUR 130.5 million (EUR 85.6 million).

The net balance of gains realised on disposals totalled EUR 90.2 million (EUR 101.9 million) and can be attributed primarily to regrouping moves as part of regular portfolio maintenance as well as the aforementioned share sales. Impairments of altogether EUR 21.1 million (EUR 28.6 million) were taken. Of this amount, write-downs of EUR 8.0 million (EUR 5.6 million) were attributable to alternative investments, together with impairments of EUR 4.0 million (EUR 3.0 million) on real estate funds. The depreciation recognised on directly held real estate came to EUR 8.9 million (EUR 9.2 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 gave rise to unrealised losses of EUR 14.4 million (loss of EUR 26.6 million) recognised in investment income. In economic terms we assume a neutral development for this item. Altogether, the unrealised losses in our assets recognised at fair value through profit or loss amounted to EUR 49.7 million (gain of EUR 11.6 million) in the first quarter, crucially influenced by the performance of another derivative relating to a life reinsurance treaty.

The net investment income of EUR 444.0 million (EUR 471.7 million) was lower than in the comparable period. Income from assets under own management accounted for EUR 313.5 million (EUR 386.1 million), producing an annualised average return (including ModCo effects) of 2.5%.

Going forward, sustainability considerations will exert an even greater influence on the selection and composition of our investments. We continuously apply our sustainability strategy in our investing activities and regularly review our portfolio to verify conformity with our policy on coal and the ESG criteria that we have set ourselves. What is more, we are increasingly investing in sustainable infrastructure investments and impact investment funds, the goal of which is to generate not only a positive 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. We signed the UN-supported Principles for Responsible Investment (PRI) last year with a view to underscoring our stepped-up commitment to sustainability.

## Net investment income

| in EUR million   | 2021         |                   | 2020         |
|--|--------------|-------------------|--------------|
|  | 1.1. – 31.3. | +/- previous year | 1.1. – 31.3. |
| Ordinary investment income <sup>1</sup>                    | 313.2        | -4.0%             | 326.3        |
| Result from participations in associated companies         | 12.2         | +90.0%            | 6.4          |
| Realised gains/losses                                      | 90.2         | -11.5%            | 101.9        |
| Appreciation <sup>2</sup>                                  | 21.1         | -26.3%            | 28.6         |
| Change in fair value of financial instruments <sup>3</sup> | (49.7)       |                   | 11.6         |
| Investment expenses  | 31.3         | -0.7%             | 31.6         |
| Net investment income from assets under own management     | 313.5        | -18.8%            | 386.1        |
| Net investment income from funds withheld                  | 130.5        | +52.5%            | 85.6         |
| <b>Total investment income</b>                             | <b>444.0</b> | <b>-5.9%</b>      | <b>471.7</b> |

<sup>1</sup> Excluding expenses 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

## Rating structure of our fixed-income securities<sup>1</sup>

| Rating classes | Government bonds |                 | Securities issued by semi-governmental entities <sup>2</sup> |                | Corporate bonds |                 | Covered bonds/asset-backed securities |                |
|----------------|------------------|-----------------|--|----------------|-----------------|-----------------|---------------------------------------|----------------|
|                | in %             | in EUR million  | in %   | in EUR million | in %            | in EUR million  | in %                                  | in EUR million |
| AAA            | 74.6             | 12,877.5        | 59.7   | 4,536.4        | 0.6             | 94.6            | 59.1                                  | 1,878.5        |
| AA             | 8.4              | 1,456.9         | 23.7   | 1,805.4        | 11.5            | 1,883.3         | 17.4                                  | 553.8          |
| A              | 10.9             | 1,890.3         | 7.4  | 559.0          | 32.7            | 5,342.1         | 13.4                                  | 427.9          |
| BBB            | 4.2              | 729.8           | 1.6  | 124.7          | 44.7            | 7,279.2         | 8.3                                   | 263.5          |
| < BBB          | 1.9              | 329.0           | 7.6  | 579.2          | 10.5            | 1,718.7         | 1.8                                   | 58.5           |
| <b>Total</b>   | <b>100.0</b>     | <b>17,283.6</b> | <b>100.0</b>   | <b>7,604.7</b> | <b>100.0</b>    | <b>16,318.0</b> | <b>100.0</b>                          | <b>3,182.2</b> |

<sup>1</sup> Securities held through investment funds are recognised pro rata with their corresponding individual ratings.

<sup>2</sup> Including government-guaranteed corporate bonds

## Outlook

- Group gross premium expected to show growth in the upper single-digit percentages for 2021 at constant exchange rates
- Return on investment of roughly 2.4% anticipated for the full year
- 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 for global reinsurance markets in the 2021 financial year. Particularly in life and health reinsurance, further losses will be dependent on the success of ongoing vaccination campaigns and additional containment efforts. It is our assumption that the pandemic-related strains will already start to recede appreciably from the second quarter onwards. We therefore consider ourselves well placed overall to achieve our guidance for the current financial year.

On the Group level our expected net income for the 2021 financial year remains unchanged at EUR 1.15 billion to EUR 1.25 billion, with the return on investment anticipated to be roughly 2.4% and Group gross premium forecast to show growth in the upper single-digit percentages adjusted for exchange rate effects. In addition, we have raised our net major loss budget to EUR 1.1 billion (EUR 975 million). The in-

crease in the budget was prompted above all by the continued growth in the underlying business.

We renew our business in Japan and to a lesser extent in Australia, New Zealand, Asian markets and North America as at 1 April. Building on the 1 January 2021 renewals, these negotiations also concluded favourably for Hannover Re. The premium volume booked from this round of treaty renewals rose by altogether 7.4%. The price increase for the renewed business amounted to 5.0%.

Our dividend policy remains unchanged. Hannover Re envisages a payout ratio for the ordinary dividend in the range of 35% to 45% of IFRS Group net income. The ordinary dividend will be supplemented by payment of a special dividend subject to a comfortable level of capitalisation and Group net income within the bounds of expectations.

## Consolidated balance sheet as at 31 March 2021

### Assets

| in EUR thousand  | 31.3.2021         | 31.12.2020        |
|--|-------------------|-------------------|
| Fixed-income securities – held to maturity                     | 150,075           | 185,577           |
| Fixed-income securities – loans and receivables                | 2,689,612         | 2,532,146         |
| Fixed-income securities – available for sale                   | 41,433,632        | 38,851,723        |
| Fixed-income securities – at fair value through profit or loss | 115,080           | 105,711           |
| Equity securities – available for sale                         | 281,022           | 378,422           |
| Other financial assets – at fair value through profit or loss  | 181,209           | 234,689           |
| Investment property  | 1,631,097         | 1,589,238         |
| Real estate funds  | 633,255           | 582,296           |
| Investments in associated companies                            | 376,553           | 361,617           |
| Other invested assets  | 2,974,693         | 2,794,016         |
| Short-term investments   | 630,478           | 327,426           |
| Cash and cash equivalents                                      | 1,414,365         | 1,278,071         |
| <b>Total investments and cash under own management</b>         | <b>52,511,071</b> | <b>49,220,932</b> |
| Funds withheld   | 10,273,226        | 9,659,807         |
| Contract deposits  | 328,678           | 298,344           |
| <b>Total investments</b>                                       | <b>63,112,975</b> | <b>59,179,083</b> |
| Reinsurance recoverables on unpaid claims                      | 1,886,184         | 1,883,270         |
| Reinsurance recoverables on benefit reserve                    | 203,080           | 192,135           |
| Prepaid reinsurance premium                                    | 227,850           | 165,916           |
| Reinsurance recoverables on other technical reserves           | 1,293             | 1,106             |
| Deferred acquisition costs                                     | 3,282,738         | 2,857,071         |
| Accounts receivable  | 6,798,902         | 5,605,803         |
| Goodwill   | 83,557            | 80,965            |
| Deferred tax assets  | 599,885           | 597,986           |
| Other assets   | 828,338           | 858,170           |
| Accrued interest and rent                                      | 19,556            | 18,264            |
| <b>Total assets</b>  | <b>77,044,358</b> | <b>71,439,769</b> |

## Liabilities

| in EUR thousand  | 31.3.2021         | 31.12.2020        |
|--|-------------------|-------------------|
| Loss and loss adjustment expense reserve                       | 36,018,320        | 33,929,230        |
| Benefit reserve  | 7,516,753         | 7,217,988         |
| Unearned premium reserve                                       | 6,798,468         | 5,070,009         |
| Other technical provisions                                     | 763,068           | 701,577           |
| Funds withheld   | 635,841           | 582,316           |
| Contract deposits  | 3,524,425         | 3,255,453         |
| Reinsurance payable  | 1,824,397         | 1,777,761         |
| Provisions for pensions  | 213,929           | 229,252           |
| Taxes  | 161,259           | 132,736           |
| Deferred tax liabilities                                       | 2,615,952         | 2,731,648         |
| Other liabilities  | 943,543           | 541,107           |
| Long-term debt and notes payable                               | 4,182,154         | 3,431,276         |
| <b>Total liabilities</b>                                       | <b>65,198,109</b> | <b>59,600,353</b> |
| Shareholders' equity   |                   |                   |
| Common shares  | 120,597           | 120,597           |
| Nominal value: 120.597   |                   |                   |
| Conditional capital: 60.299                                    |                   |                   |
| 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                     | 1,595,207         | 2,275,936         |
| Cumulative foreign currency translation adjustment             | 80,700            | (330,693)         |
| Changes from hedging instruments                               | (7,380)           | (8,678)           |
| Other changes in cumulative other comprehensive income         | (74,234)          | (83,792)          |
| <b>Total other comprehensive income</b>                        | <b>1,594,293</b>  | <b>1,852,773</b>  |
| Retained earnings  | 8,603,514         | 8,297,114         |
| <b>Equity attributable to shareholders of Hannover Rück SE</b> | <b>11,042,966</b> | <b>10,995,046</b> |
| Non-controlling interests                                      | 803,283           | 844,370           |
| <b>Total shareholders' equity</b>                              | <b>11,846,249</b> | <b>11,839,416</b> |
| <b>Total liabilities and shareholders' equity</b>              | <b>77,044,358</b> | <b>71,439,769</b> |

## Consolidated statement of income as at 31 March 2021

| in EUR thousand   | 1.1.–31.3.2021   | 1.1.–31.3.2020   |
|---|------------------|------------------|
| Gross written premium   | 7,803,194        | 6,975,289        |
| Ceded written premium   | 663,044          | 623,686          |
| Change in gross unearned premium                                | (1,507,345)      | (1,338,110)      |
| Change in ceded unearned premium                                | 53,832           | 77,366           |
| <b>Net premium earned</b>                                       | <b>5,686,637</b> | <b>5,090,859</b> |
| Ordinary investment income                                      | 313,164          | 326,260          |
| Profit/loss from investments in associated companies            | 12,212           | 6,426            |
| Realised gains and losses on investments                        | 90,182           | 101,864          |
| Change in fair value of financial instruments                   | (49,699)         | 11,644           |
| Total depreciation, impairments and appreciation of investments | 21,054           | 28,569           |
| Other investment expenses                                       | 31,324           | 31,554           |
| <b>Net income from investments under own management</b>         | <b>313,481</b>   | <b>386,071</b>   |
| Income/expense on funds withheld and contract deposits          | 130,501          | 85,587           |
| <b>Net investment income</b>                                    | <b>443,982</b>   | <b>471,658</b>   |
| Other technical income  | 62               | –                |
| <b>Total revenues</b>   | <b>6,130,681</b> | <b>5,562,517</b> |
| Claims and claims expenses                                      | 4,385,771        | 3,924,954        |
| Change in benefit reserves                                      | (52,287)         | (84,789)         |
| Commission and brokerage, change in deferred acquisition costs  | 1,334,036        | 1,265,512        |
| Other acquisition costs   | 1,089            | 1,103            |
| Administrative expenses   | 126,109          | 114,494          |
| <b>Total technical expenses</b>                                 | <b>5,794,718</b> | <b>5,221,274</b> |
| Other income  | 261,531          | 289,333          |
| Other expenses  | 193,660          | 203,931          |
| Other income and expenses                                       | 67,871           | 85,402           |
| <b>Operating profit/loss (EBIT)</b>                             | <b>403,834</b>   | <b>426,645</b>   |
| Financing costs   | 18,720           | 23,461           |
| <b>Net income before taxes</b>                                  | <b>385,114</b>   | <b>403,184</b>   |
| Taxes   | 65,849           | 94,152           |
| <b>Net income</b>   | <b>319,265</b>   | <b>309,032</b>   |
| thereof   |                  |                  |
| Non-controlling interest in profit and loss                     | 13,372           | 8,155            |
| <b>Group net income</b>   | <b>305,893</b>   | <b>300,877</b>   |
| <b>Earnings per share (in EUR)</b>                              |                  |                  |
| Basic earnings per share  | 2.54             | 2.49             |
| Diluted earnings per share                                      | 2.54             | 2.49             |

# Consolidated statement of comprehensive income as at 31 March 2021

| in EUR thousand   | 1.1.–31.3.2021   | 1.1.–31.3.2020   |
|---|------------------|------------------|
| <b>Net income</b>   | <b>319,265</b>   | <b>309,032</b>   |
| <b>Not reclassifiable to the consolidated statement of income</b>                   |                  |                  |
| <b>Actuarial gains and losses</b>   |                  |                  |
| Gains (losses) recognised directly in equity  | 14,563           | 23,950           |
| Tax income (expense)  | (4,759)          | (7,790)          |
|   | <b>9,804</b>     | <b>16,160</b>    |
| <b>Changes from the measurement of associated companies</b>                         |                  |                  |
| Gains (losses) recognised directly in equity  | 134              | 98               |
|   | <b>134</b>       | <b>98</b>        |
| <b>Income and expense recognised directly in equity that cannot be reclassified</b> |                  |                  |
| Gains (losses) recognised directly in equity  | 14,697           | 24,048           |
| Tax income (expense)  | (4,759)          | (7,790)          |
|   | <b>9,938</b>     | <b>16,258</b>    |
| <b>Reclassifiable to the consolidated statement of income</b>                       |                  |                  |
| <b>Unrealised gains and losses on investments</b>                                   |                  |                  |
| Gains (losses) recognised directly in equity  | (851,093)        | (542,933)        |
| Transferred to the consolidated statement of income                                 | (82,191)         | (67,308)         |
| Tax income (expense)  | 233,449          | 200,683          |
|   | <b>(699,835)</b> | <b>(409,558)</b> |
| <b>Currency translation</b>   |                  |                  |
| Gains (losses) recognised directly in equity  | 475,221          | (7,961)          |
| Tax income (expense)  | (58,012)         | 13,255           |
|   | <b>417,209</b>   | <b>5,294</b>     |
| <b>Changes from the measurement of associated companies</b>                         |                  |                  |
| Gains (losses) recognised directly in equity  | 2,507            | (3,751)          |
|   | <b>2,507</b>     | <b>(3,751)</b>   |
| <b>Changes from hedging instruments</b>   |                  |                  |
| Gains (losses) recognised directly in equity  | 2,264            | (7,312)          |
| Tax income (expense)  | (945)            | 3,667            |
|   | <b>1,319</b>     | <b>(3,645)</b>   |
| <b>Reclassifiable income and expense recognised directly in equity</b>              |                  |                  |
| Gains (losses) recognised directly in equity  | (371,101)        | (561,957)        |
| Transferred to the consolidated statement of income                                 | (82,191)         | (67,308)         |
| Tax income (expense)  | 174,492          | 217,605          |
|   | <b>(278,800)</b> | <b>(411,660)</b> |
| <b>Total income and expense recognised directly in equity</b>                       |                  |                  |
| Gains (losses) recognised directly in equity  | (356,404)        | (537,909)        |
| Transferred to the consolidated statement of income                                 | (82,191)         | (67,308)         |
| Tax income (expense)  | 169,733          | 209,815          |
|   | <b>(268,862)</b> | <b>(395,402)</b> |
| <b>Total recognised income and expense</b>  | <b>50,403</b>    | <b>(86,370)</b>  |
| thereof   |                  |                  |
| Attributable to non-controlling interests   | 2,990            | (22,870)         |
| Attributable to shareholders of Hannover Rück SE                                    | 47,413           | (63,500)         |

## Group segment report as at 31 March 2021

| Segmentation of assets<br>in EUR thousand              | Property and casualty reinsurance |                   |
|--|-----------------------------------|-------------------|
|  | 31.3.2021                         | 31.12.2020        |
| <b>Assets</b>  |                                   |                   |
| Fixed-income securities – held to maturity             | 121,699                           | 139,867           |
| Fixed-income securities – loans and receivables        | 2,346,689                         | 2,217,917         |
| Fixed-income securities – available for sale           | 31,351,689                        | 29,422,685        |
| Equity securities – available for sale                 | 281,022                           | 378,422           |
| Financial assets at fair value through profit or loss  | 118,382                           | 110,304           |
| Other invested assets                                  | 4,649,790                         | 4,384,139         |
| Short-term investments                                 | 456,277                           | 244,474           |
| Cash and cash equivalents                              | 1,054,149                         | 901,989           |
| <b>Total investments and cash under own management</b> | <b>40,379,697</b>                 | <b>37,799,797</b> |
| Funds withheld   | 3,173,185                         | 2,569,420         |
| Contract deposits                                      | 3,134                             | 5,404             |
| <b>Total investments</b>                               | <b>43,556,016</b>                 | <b>40,374,621</b> |
| Reinsurance recoverables on unpaid claims              | 1,734,244                         | 1,730,507         |
| Reinsurance recoverables on benefit reserve            | –                                 | –                 |
| Prepaid reinsurance premium                            | 227,769                           | 165,834           |
| Reinsurance recoverables on other reserves             | 563                               | 562               |
| Deferred acquisition costs                             | 1,542,735                         | 1,169,521         |
| Accounts receivable                                    | 5,176,005                         | 4,155,372         |
| Other liabilities in the segment                       | 2,595,049                         | 2,579,470         |
| <b>Total assets</b>                                    | <b>54,832,381</b>                 | <b>50,175,887</b> |
| <b>Segmentation of liabilities</b>                     |                                   |                   |
| in EUR thousand  |                                   |                   |
| <b>Liabilities</b>                                     |                                   |                   |
| Loss and loss adjustment expense reserve               | 30,770,748                        | 29,194,354        |
| Benefit reserve  | –                                 | –                 |
| Unearned premium reserve                               | 6,377,393                         | 4,709,229         |
| Provisions for contingent commissions                  | 451,307                           | 395,296           |
| Funds withheld   | 384,563                           | 342,420           |
| Contract deposits                                      | 80,464                            | 80,369            |
| Reinsurance payable                                    | 1,222,473                         | 1,157,650         |
| Long-term liabilities                                  | 426,637                           | 420,348           |
| Other liabilities in the segment                       | 2,714,986                         | 2,483,144         |
| <b>Total liabilities</b>                               | <b>42,428,571</b>                 | <b>38,782,810</b> |



| Life and health reinsurance |                   | Consolidation      |                    | Total             |                   |
|-----------------------------|-------------------|--------------------|--------------------|-------------------|-------------------|
| 31.3.2021                   | 31.12.2020        | 31.3.2021          | 31.12.2020         | 31.3.2021         | 31.12.2020        |
|                             |                   |                    |                    |                   |                   |
| 28,376                      | 45,710            | –                  | –                  | 150,075           | 185,577           |
| 327,652                     | 299,180           | 15,271             | 15,049             | 2,689,612         | 2,532,146         |
| 10,080,256                  | 9,429,038         | 1,687              | –                  | 41,433,632        | 38,851,723        |
| –                           | –                 | –                  | –                  | 281,022           | 378,422           |
| 177,907                     | 230,096           | –                  | –                  | 296,289           | 340,400           |
| 962,207                     | 920,960           | 3,601              | 22,068             | 5,615,598         | 5,327,167         |
| 173,033                     | 82,221            | 1,168              | 731                | 630,478           | 327,426           |
| 331,280                     | 371,972           | 28,936             | 4,110              | 1,414,365         | 1,278,071         |
| <b>12,080,711</b>           | <b>11,379,177</b> | <b>50,663</b>      | <b>41,958</b>      | <b>52,511,071</b> | <b>49,220,932</b> |
| 7,100,041                   | 7,090,387         | –                  | –                  | 10,273,226        | 9,659,807         |
| 325,544                     | 292,940           | –                  | –                  | 328,678           | 298,344           |
| <b>19,506,296</b>           | <b>18,762,504</b> | <b>50,663</b>      | <b>41,958</b>      | <b>63,112,975</b> | <b>59,179,083</b> |
| 151,940                     | 152,763           | –                  | –                  | 1,886,184         | 1,883,270         |
| 203,080                     | 192,135           | –                  | –                  | 203,080           | 192,135           |
| 81                          | 82                | –                  | –                  | 227,850           | 165,916           |
| 730                         | 544               | –                  | –                  | 1,293             | 1,106             |
| 1,740,003                   | 1,687,550         | –                  | –                  | 3,282,738         | 2,857,071         |
| 1,623,089                   | 1,450,628         | (192)              | (197)              | 6,798,902         | 5,605,803         |
| 474,612                     | 469,316           | (1,538,325)        | (1,493,401)        | 1,531,336         | 1,555,385         |
| <b>23,699,831</b>           | <b>22,715,522</b> | <b>(1,487,854)</b> | <b>(1,451,640)</b> | <b>77,044,358</b> | <b>71,439,769</b> |
|                             |                   |                    |                    |                   |                   |
|                             |                   |                    |                    |                   |                   |
| 5,247,572                   | 4,734,876         | –                  | –                  | 36,018,320        | 33,929,230        |
| 7,516,753                   | 7,217,988         | –                  | –                  | 7,516,753         | 7,217,988         |
| 421,075                     | 360,780           | –                  | –                  | 6,798,468         | 5,070,009         |
| 311,761                     | 306,281           | –                  | –                  | 763,068           | 701,577           |
| 251,278                     | 239,896           | –                  | –                  | 635,841           | 582,316           |
| 3,443,961                   | 3,175,084         | –                  | –                  | 3,524,425         | 3,255,453         |
| 601,924                     | 620,111           | –                  | –                  | 1,824,397         | 1,777,761         |
| 35,050                      | 35,010            | 3,720,467          | 2,975,918          | 4,182,154         | 3,431,276         |
| 2,715,520                   | 2,652,472         | (1,495,823)        | (1,500,873)        | 3,934,683         | 3,634,743         |
| <b>20,544,894</b>           | <b>19,342,498</b> | <b>2,224,644</b>   | <b>1,475,045</b>   | <b>65,198,109</b> | <b>59,600,353</b> |

| <b>Segment statement of income</b>   | <b>Property and casualty reinsurance</b> |                |
|--|--|----------------|
| in EUR thousand  | <b>1.1.–31.3.2021</b>                    | 1.1.–31.3.2020 |
| Gross written premium  | 5,692,888                                | 4,986,069      |
| Net premium earned   | 3,863,057                                | 3,338,019      |
| Net investment income  | 271,469                                  | 296,425        |
| thereof  |  |                |
| Change in fair value of financial instruments  | 1,720                                    | (2,193)        |
| Total depreciation, impairments and appreciation of investments                                    | 21,046                                   | 27,050         |
| Income/expense on funds withheld and contract deposits   | 3,543                                    | 10,355         |
| Claims and claims expenses   | 2,642,608                                | 2,341,524      |
| Change in benefit reserve  | –  | –              |
| Commission and brokerage, change in deferred acquisition costs and other technical income/expenses | 1,015,608                                | 945,733        |
| Administrative expenses  | 61,053                                   | 53,946         |
| Other income and expenses  | (91,268)                                 | 11,477         |
| <b>Operating profit/loss (EBIT)</b>  | <b>323,989</b>                           | <b>304,718</b> |
| Financing costs  | 522                                      | 543            |
| <b>Net income before taxes</b>   | <b>323,467</b>                           | <b>304,175</b> |
| Taxes  | 41,605                                   | 89,317         |
| <b>Net income</b>  | <b>281,862</b>                           | <b>214,858</b> |
| thereof  |  |                |
| Non-controlling interest in profit or loss   | 12,694                                   | 7,577          |
| <b>Group net income</b>  | <b>269,168</b>                           | <b>207,281</b> |

| Life and health reinsurance |                | Consolidation   |                 | Total          |                |
|-----------------------------|----------------|-----------------|-----------------|----------------|----------------|
| 1.1.–31.3.2021              | 1.1.–31.3.2020 | 1.1.–31.3.2021  | 1.1.–31.3.2020  | 1.1.–31.3.2021 | 1.1.–31.3.2020 |
| 2,110,306                   | 1,989,220      | –               | –               | 7,803,194      | 6,975,289      |
| 1,823,580                   | 1,752,781      | –               | 59              | 5,686,637      | 5,090,859      |
| 171,978                     | 174,656        | 535             | 577             | 443,982        | 471,658        |
| (51,419)                    | 13,837         | –               | –               | (49,699)       | 11,644         |
| 8                           | 1,519          | –               | –               | 21,054         | 28,569         |
| 126,958                     | 75,232         | –               | –               | 130,501        | 85,587         |
| 1,743,163                   | 1,583,430      | –               | –               | 4,385,771      | 3,924,954      |
| (52,287)                    | (84,789)       | –               | –               | (52,287)       | (84,789)       |
| 319,455                     | 320,882        | –               | –               | 1,335,063      | 1,266,615      |
| 64,933                      | 60,414         | 123             | 134             | 126,109        | 114,494        |
| 159,760                     | 76,720         | (621)           | (2,795)         | 67,871         | 85,402         |
| <b>80,054</b>               | <b>124,220</b> | <b>(209)</b>    | <b>(2,293)</b>  | <b>403,834</b> | <b>426,645</b> |
| 393                         | 378            | 17,805          | 22,540          | 18,720         | 23,461         |
| <b>79,661</b>               | <b>123,842</b> | <b>(18,014)</b> | <b>(24,833)</b> | <b>385,114</b> | <b>403,184</b> |
| 30,194                      | 13,039         | (5,950)         | (8,204)         | 65,849         | 94,152         |
| <b>49,467</b>               | <b>110,803</b> | <b>(12,064)</b> | <b>(16,629)</b> | <b>319,265</b> | <b>309,032</b> |
| 678                         | 578            | –               | –               | 13,372         | 8,155          |
| <b>48,789</b>               | <b>110,225</b> | <b>(12,064)</b> | <b>(16,629)</b> | <b>305,893</b> | <b>300,877</b> |

# Consolidated cash flow statement as at 31 March 2021

| in EUR thousand  | 1.1.–31.3.2021     | 1.1.–31.3.2020   |
|--|--------------------|------------------|
| <b>I. Cash flow from operating activities</b>  |                    |                  |
| Net income   | 319,265            | 309,032          |
| Appreciation/depreciation  | 36,684             | 31,843           |
| Net realised gains and losses on investments   | (90,182)           | (101,864)        |
| Change in fair value of financial instruments (through profit or loss)                 | 49,699             | (11,644)         |
| Amortisation of investments  | 32,887             | 2,940            |
| Changes in funds withheld  | (217,412)          | (369,606)        |
| Net changes in contract deposits   | 146,125            | (73,665)         |
| Changes in prepaid reinsurance premium (net)   | 1,453,513          | 1,260,744        |
| Changes in tax assets/provisions for taxes   | 115,470            | (507)            |
| Changes in benefit reserve (net)   | (36,915)           | (61,328)         |
| Changes in claims reserves (net)   | 1,038,231          | 805,250          |
| Changes in deferred acquisition costs  | (309,184)          | (229,746)        |
| Changes in other technical provisions  | 42,118             | 20,811           |
| Changes in clearing balances   | (1,011,773)        | (552,145)        |
| Changes in other assets and liabilities (net)  | 117,751            | (95,190)         |
| <b>Cash flow from operating activities</b>   | <b>1,686,277</b>   | <b>934,925</b>   |
| <b>II. Cash flow from investing activities</b>   | <b>(2,288,056)</b> | <b>(563,518)</b> |
| <b>III. Cash flow from financing activities</b>  | <b>689,173</b>     | <b>(47,883)</b>  |
| <b>IV. Exchange rate differences on cash</b>   | <b>48,900</b>      | <b>(25,211)</b>  |
| <b>Cash and cash equivalents at the beginning of the period</b>                        | <b>1,278,071</b>   | <b>1,090,852</b> |
| <b>Change in cash and cash equivalents (I. + II. + III. + IV.)</b>                     | <b>136,294</b>     | <b>298,313</b>   |
| <b>Cash and cash equivalents at the end of the period</b>                              | <b>1,414,365</b>   | <b>1,389,165</b> |
| thereof cash and cash equivalents of the disposal group                                | –                  | 9,221            |
| <b>Cash and cash equivalents at the end of the period excluding the disposal group</b> | <b>1,414,365</b>   | <b>1,379,944</b> |
| <b>Supplementary information on the cash flow statement<sup>1</sup></b>                |                    |                  |
| Income taxes paid (on balance)   | 56,209             | (63,172)         |
| Dividend receipts <sup>2</sup>   | 60,828             | 27,439           |
| Interest received  | 360,910            | 388,693          |
| Interest paid  | (92,920)           | (51,613)         |

<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 International Financial Reporting Standards (IFRS) as applicable in the EU, 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“. Estimates are subject to a greater degree of uncertainty in view of the coronavirus pandemic.

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, the following amendments to standards

- Amendments to IFRS 9, IAS 39 and IFRS 17: Interest Rate Benchmark Reform – Phase 2
- Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9, Extension of the Temporary Exemption from Applying IFRS 9

were to be applied for the first time. 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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