

Quarterly Statement  
as at 31 March 2016

## Key figures

in EUR million	2016		2015	
	1.1. – 31.3.	+/- previous year	1.1. – 31.3.	31.12.
<b>Results</b>				
Gross written premium	4,263.6	-3.1%	4,400.2	
Net premium earned	3,542.0	+3.2%	3,431.9	
Net underwriting result	36.0		(6.2)	
Net investment income	366.2	-11.9%	415.7	
Operating profit (EBIT)	406.7	-5.2%	429.0	
Group net income	271.2	-3.1%	279.7	
<b>Balance sheet</b>				
Policyholders' surplus	10,551.6	+2.8%		10,267.3
Equity attributable to shareholders of Hannover Rück SE	8,371.7	+3.8%		8,068.3
Non-controlling interests	689.8	-2.7%		709.1
Hybrid capital	1,490.1	+0.0%		1,489.9
Investments (excl. funds withheld by ceding companies)	39,065.4	-0.7%		39,346.9
Total assets	61,889.8	-2.1%		63,214.9
<b>Share</b>				
Earnings per share (basic and diluted) in EUR	2.25	-3.1%	2.32	
Book value per share in EUR	69.42	+3.8%	70.68	66.90
Share price at the end of the period in EUR	102.40	-3.1%	96.20	105.65
Market capitalisation at the end of the period	12,349.1	-3.1%	11,601.4	12,741.1
<b>Ratios</b>				
Combined ratio (property and casualty reinsurance) <sup>1</sup>	94.7%		95.7%	
Large losses as percentage of net premium earned (property and casualty reinsurance) <sup>2</sup>	2.8%		3.3%	
Retention	89.0%		88.6%	
Return on investment (excl. funds withheld by ceding companies) <sup>3</sup>	2.9%		3.5%	
EBIT margin <sup>4</sup>	11.5%		12.5%	
Return on equity (after tax)	13.2%		13.9%	

<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> Excluding effects from ModCo derivatives

<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 for the Frankfurter Wertpapierbörse. For further information please see the section "Other information" on page 15 of this document.

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# Quarterly Statement as at 31 March 2016

## Business development

- Group net income of EUR 271 million signals good start to the 2016 financial year
- Sharply improved underwriting result in property and casualty reinsurance
- Life and health reinsurance beats EBIT targets with operating profit of EUR 106 million
- Investment income fully lives up to expectations

Hannover Re's business again developed very favourably in the first quarter of 2016. Factoring out a positive special effect of EUR 39 million in the previous year in life and health reinsurance, a pleasing increase in Group net income was generated.

Both business groups – namely Property & Casualty and Life & Health reinsurance – continued to develop well in spite of the competitive environment. We consistently adhered to our selective underwriting policy in view of the protracted rate erosion in property and casualty reinsurance. Premium income consequently contracted slightly. Gross written premium in total business declined by a modest 3.1% as at 31 March 2016 to EUR 4.3 billion (EUR 4.4 billion). At constant exchange rates the decrease would have been 2.1%. This figure puts us within the range of our forecast for the full financial year. The level of retained premium, on the other hand, climbed slightly relative to the corresponding period of the previous year to reach 89.0% (88.6%). Reflecting this increase and also the change in unearned premium, net premium earned rose by 3.2% to EUR 3.5 billion (EUR 3.4 billion).

Bearing in mind the challenging climate, we are also highly satisfied with the development of our investments. Following the marked increase recorded in 2015, our portfolio of assets under own management remained relatively stable at EUR 39.1 billion (31 December 2015: EUR 39.3 billion). The primary factor here was the slight fall in the value of the US dollar against the euro.

Ordinary investment income amounted to EUR 268.5 million as at 31 March 2016. This figure is EUR 43.8 million lower than the level of the previous year (EUR 312.2 million), principally due to the elimination of the aforementioned special effect recognised in the previous year (roughly EUR 39 million)

and the sustained low interest rate environment. Interest on funds withheld and contract deposits decreased slightly to EUR 83.5 million (EUR 99.0 million). Net realised gains were somewhat lower than in the previous year's period at EUR 43.6 million (EUR 45.0 million). Our financial assets measured at fair value through profit or loss gave rise to net gains of EUR 10.5 million (loss of EUR 10.6 million) in the period under review. The impairments taken in the reporting period were once again only very minimal. Income from investments under own management totalled EUR 282.7 million.

The operating profit (EBIT) for the Hannover Re Group contracted slightly to EUR 406.7 million (EUR 429.0 million). Group net income retreated by 3.1% to EUR 271.2 million (EUR 279.7 million). Factoring out the aforementioned special effect recorded in life and health reinsurance in the first quarter of 2015, Group net income would have come in higher as at 31 March 2016. Earnings per share amounted to EUR 2.25 (EUR 2.32).

Shareholders' equity climbed by 3.8% as at 31 March 2016 to reach EUR 8.4 billion (31 December 2015: EUR 8.1 billion). The annualised return on equity remained on an attractive level at 13.2% (31 December 2015: 14.7%). The book value per share stood at EUR 69.42 (EUR 66.90).

The capital adequacy ratio of the Hannover Re Group calculated in accordance with the requirements of Solvency II was published at the same time as the release of the results for the first quarter of 2016. Amounting to 221% as at 31 December 2015, it was exactly on a par with the previous quarter.

# Results of operations, financial position and net assets

## Property and casualty reinsurance

- Sustained competition in property and casualty reinsurance
- Treaty renewals as at 1 January 2016 produce solid outcome
- Major loss expenditure in first quarter significantly under budget
- Group net income boosted by 19.2%

Property and casualty reinsurance remains intensely competitive in the current financial year. The strong capital position of our ceding companies means that fewer risks overall are being passed on to the reinsurance market. In addition, the inflow of capital from the ILS market – especially in US natural catastrophe business – is leading to appreciable price erosion. These factors were also crucial in shaping the treaty renewals as at 1 January 2016, the date when around 65% of our portfolio was renegotiated. Even though the price decline was considerable in some markets, we still preserved the good profitability of our portfolio thanks to its broad diversification. Our long-standing customer relationships and our very good rating again had a stabilising effect on the treaty renewals.

Early indications of a bottoming out in reinsurance prices could be detected, most notably in the US market. We enlarged our premium volume here. Business with agricultural risks proved to be relatively detached from the rest of the soft property and casualty reinsurance market. Although competition can be felt in some regions, for the most part we achieved stable rates and conditions. Aviation and marine business, on the other hand, experienced sharp rate reductions, prompting us to scale back our premium volume accordingly. The premium volume booked from the treaty renewals as at 1 January 2016 contracted by 1.5% as a consequence of our selective underwriting policy.

In view of these developments, the gross premium booked for our Property & Casualty reinsurance business group fell to EUR 2.5 billion (EUR 2.6 billion); this corresponds to a decrease of 4.4%. It should also be borne in mind here that the comparable period was influenced by a positive special effect in facultative reinsurance in an amount of EUR 93 million. At constant exchange rates the decrease would have been 3.7%. The level of retained premium retreated to 87.9% (88.9%). Net premium earned nevertheless increased on account of the change in unearned premium, rising by 4.2% to EUR 2.0 billion (EUR 1.9 billion); adjusted for exchange rate effects, growth would have amounted to 5.2%.

As in the previous year, net expenditure on major losses came in below the budgeted level at EUR 55.5 million (EUR 62.0 million). The largest single loss event was an earthquake in southern Taiwan, for which we have reserved an amount of EUR 15.6 million. The underwriting result for total property and casualty reinsurance closed at an exceptionally pleasing EUR 100.3 million (EUR 76.6 million). The combined ratio improved again to 94.7% (95.7%) and is well in line with our goal of achieving a combined ratio below 96% for the full year.

The investment income booked for property and casualty reinsurance from assets under own management rose by 6.2% to EUR 203.1 million (EUR 191.2 million).

The operating profit (EBIT) in property and casualty reinsurance increased by a substantial 17.4% to EUR 299.7 million (EUR 255.2 million) as at 31 March 2016. The EBIT margin reached 15.3% (13.6%), thereby surpassing the minimum target of 10%. Group net income increased by 19.2% to EUR 204.3 million (EUR 171.4 million). Earnings per share stood at EUR 1.69 (EUR 1.42).

## Key figures for property and casualty reinsurance

in EUR million	2016		2015
	1.1.–31.3.	+/- previous year	1.1.–31.3.
Gross written premium	2,502.1	-4.4%	2,617.1
Net premium earned	1,961.3	+4.2%	1,882.3
Underwriting result	100.3	+31.0%	76.6
Net investment income	207.2	+6.2%	195.1
Operating result (EBIT)	299.7	+17.4%	255.2
Group net income	204.3	+19.2%	171.4
Earnings per share in EUR	1.69	+19.2%	1.42
EBIT margin <sup>1</sup>	15.3%		13.6%
Combined ratio <sup>2</sup>	94.7%		95.7%
Retention	87.9%		88.9%

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

<sup>2</sup> Including funds withheld

## Life and health reinsurance

- Solid profit contribution
- Rising demand for health insurance products and protection against the longevity risk

Life and health reinsurance enjoyed a favourable business development in the first quarter of 2016. The situation in the European insurance market has not changed significantly compared to the previous year. Particularly in Germany, the low interest rate environment continues to dominate developments at life and health insurers. The establishment of additional interest rate reserves is especially noteworthy in this regard. This requirement influences the need for reinsurance and should create added business potential.

Developments in northern European markets were pleasingly positive in the first quarter. Particularly in the disability segment, we were able to enlarge existing accounts and generate new business. In eastern European markets we noted increased interest in our automated underwriting system. Health insurance products also experienced stronger demand. Most strikingly, a growing need for protection in the event of illness can be observed among the consistently expanding middle class of some key emerging markets. As a further factor, the implementation of Solvency II in European markets at the start of 2016 prompted interest in reinsurance solutions with an eye to the more rigorous capital requirements.

In longevity business we consider ourselves to be well positioned due to our long-standing customer relationships – especially in the United Kingdom, where the market remains fiercely competitive. On a global level it is increasingly noticeable that the need for protection against the longevity risk is becoming more keenly felt. Drawing on local expertise we have already successfully transferred reinsurance solutions to other markets in the past and hence we believe that we are well placed in this segment as well.

In Asia our efforts are focused on innovative (re)insurance products. Our primary goal is to offer as broad a target group as possible insurance protection that is appropriate to their needs, which includes among other things term life products or riders for individuals with pre-existing conditions. Additionally, initial impetus from the new supervisory regime C-ROSS, which was adopted in China at the beginning of the year, has already made itself felt in the market.

Even though the circumstances and requirements vary – sometimes widely – from market to market, our expectations were fulfilled overall both in the mature insurance markets and in emerging growth markets.

Gross written premium in life and health reinsurance retreated slightly by 1.2% as at 31 March 2016 to EUR 1.8 billion (EUR 1.8 billion). At constant exchange rates modest growth of 0.3% would have been recorded. The retention increased to 90.5% (88.1%). Against this backdrop net premium earned climbed by 2.0% to EUR 1.6 billion (EUR 1.5 billion). Growth would have amounted to 3.6% at unchanged exchange rates.

Investment income from assets under own management contracted by 37.1% in the reporting period just ended to EUR 78.1 million (EUR 124.2 million). The elimination of a special affect amounting to around EUR 39 million in the corresponding period of the previous year was a key factor here. Income from securities deposited with ceding companies amounted to EUR 79.5 million (EUR 95.1 million).

Despite the fact that the operating result (EBIT) as at 31 March 2016 declined to EUR 105.5 million (EUR 173.3 million) in the absence of the corresponding period's positive special effect, we are satisfied with the development of business in the first quarter. In the financial solutions reporting category the EBIT margin of 17.9% comfortably surpassed the 2% target. The EBIT margin of 3.2% in longevity business met the 2% target.

In the reporting categories of mortality and morbidity an EBIT margin of 5.3% was generated, hence falling slightly short of the targeted 6%. Group net income totalled EUR 77.9 million (EUR 127.5 million). Earnings per share amounted to EUR 0.65 (EUR 1.06).

#### Key figures for life and health reinsurance

in EUR million	2016		2015
	1.1.–31.3.	+/- previous year	1.1.–31.3.
Gross written premium	1,761.4	-1.2%	1,783.3
Net premium earned	1,580.7	+2.0%	1,549.5
Investment income	157.6	-28.2%	219.4
Operating result (EBIT)	105.5	-39.1%	173.3
Net income after tax	77.9	-38.9%	127.5
Earnings per share in EUR	0.65	-38.9%	1.06
Retention	90.5%		88.1%
EBIT margin <sup>1</sup>	6.7%		11.2%

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

## Investments

- High-quality diversified investment portfolio to be maintained
- Ordinary investment income in line with expectations
- Return on investment on target at 2.9%

The investment climate was once again volatile in the period under review and notable for a high degree of uncertainty, a low level of interest rates overall and relatively low risk premiums on corporate bonds. Further declines in yields were observed for German, UK and US government bonds across virtually all durations, as a consequence of which German debt is now being sold at a negative return in net terms well into the medium-dated segment.

Credit spreads on European and US corporate bonds initially widened and then bounced back in most rating classes over the course of the first quarter, nevertheless remaining largely stable relative to the 31 December 2015 balance sheet date on a generally low level. In total, the unrealised gains on our fixed-income securities increased to EUR 1,517.0 million (EUR 1,046.7 million). After the significant growth recorded in 2015, our portfolio of assets under own management remained broadly stable at EUR 39.1 billion (31 December 2015: EUR 39.3 billion). We adjusted the allocation of our assets to the individual classes of securities in the first quarter such that we further expanded our holding of fixed-income instruments rated BBB or slightly lower while at the same time enlarging the proportion of government bonds in our portfolio. In this way we are able to increase the liquidity of the portfolio while maintaining the overall risk level of our

fixed-income holdings extensively unchanged and continuing to generate stable returns. The modified duration of our portfolio of fixed-income securities was unchanged relative to the previous year at 4.4 (4.4).

Against a backdrop of continued low interest rates, ordinary investment income excluding interest on funds withheld and contract deposits was appreciably lower than in the corresponding period of the previous year at EUR 268.5 million (EUR 312.2 million). This was due principally to a special effect recognised in the previous year in the investments from the area of life and health reinsurance. Interest on funds withheld and contract deposits fell to EUR 83.5 million (EUR 99.0 million).

Impairments of altogether just EUR 13.9 million (EUR 8.2 million) were taken. This includes impairments of only EUR 0.7 million (EUR 2.4 million) on fixed-income securities. Scheduled depreciation on directly held real estate increased modestly to EUR 6.9 million (EUR 5.1 million), a reflection of our growing involvement in this area. The write-downs were opposed by write-ups of EUR 0.1 million (EUR 0.0 million).

The net balance of gains realised on disposals stood at EUR 43.6 million (EUR 45.0 million) and was in large measure attributable to regrouping activities as part of regular portfolio maintenance and to the streamlining of our private equity portfolio through the sale of older exposures.

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 negative fair value changes of EUR 1.4 million (EUR 0.0 million) recognised in investment income. In economic terms we assume a neutral development for this item over time, and hence the volatility that can occur in specific quarters has no bearing on the actual business performance. The positive fair value changes in our assets recognised at fair value through profit or loss amounted to EUR 10.5 million. This contrasted with negative fair value changes of EUR 10.6 million in the corresponding period of the previous year.

Our investment income (incl. interest on funds withheld and contract deposits) fell short of the comparable period at EUR 366.2 million (EUR 415.7 million). In view of the low level of interest rates, the result is nevertheless very pleasing because ordinary investment income merely declined within the anticipated bounds and by far the bulk of the decrease was attributable to special effects recorded in the previous year. Income from assets under own management accounted for an amount of EUR 282.7 million (EUR 316.6 million), producing an annualised average return (excluding effects from ModCo derivatives) of 2.9%. We are thus well on track to achieve our anticipated target for the full financial year, which similarly stands at 2.9%.

### Net investment income

in EUR million	2016		2015
	1.1.–31.3.	+/- previous year	1.1.–31.3.
Ordinary investment income <sup>1</sup>	268.5	-14.0%	312.2
Result from participations in associated companies	0.7	-73.4%	2.5
Realised gains/losses	43.6	-3.2%	45.0
Appreciation	0.1		–
Depreciation <sup>2</sup>	13.9	+68.1%	8.2
Change in fair value of financial instruments <sup>3</sup>	10.5		(10.6)
Investment expenses	26.7	+10.1%	24.3
Net investment income from assets under own management	282.7	-10.7%	316.6
Net investment income from funds withheld	83.5	-15.6%	99.0
<b>Total investment income</b>	<b>366.2</b>	<b>-11.9%</b>	<b>415.7</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	73.5	7,637.0	65.2	4,245.7	1.3	162.7	69.5	2,597.3
AA	13.2	1,369.7	30.0	1,954.4	13.6	1,701.8	13.2	495.2
A	7.8	807.6	2.6	167.3	38.4	4,792.2	7.3	272.5
BBB	4.6	475.8	1.3	86.3	38.6	4,809.0	6.2	233.1
< BBB	0.9	96.8	0.9	56.1	8.1	1,014.8	3.8	142.9
<b>Total</b>	<b>100.0</b>	<b>10,386.9</b>	<b>100.0</b>	<b>6,509.7</b>	<b>100.0</b>	<b>12,480.4</b>	<b>100.0</b>	<b>3,741.0</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

- Business prospects for 2016 remain positive
- Stable or slightly reduced premium volume expected in total business
- Return on investment of 2.9% targeted for assets under own management
- Group net income forecast to reach at least EUR 950 million

Despite the challenging business conditions facing the international (re)insurance industry and the protracted low level of interest rates, Hannover Re expects to be able to operate with sustained success even in this environment. Based on constant exchange rates, we anticipate stable or slightly reduced gross premium volume for our total business in the current financial year.

In property and casualty reinsurance we expect to book slightly lower premium income – adjusted for exchange rate effects. This assumption is based on our selective underwriting policy, under which for the most part we only write business that meets our margin requirements.

We were broadly satisfied with the outcome of the treaty renewals as at 1 April. Business in Japan is traditionally renewed on this date and treaties also come up for renegotiation – albeit on a lesser scale – in the markets of Australia, New Zealand, Korea and North America. Thanks to our selective underwriting and our concentration on existing business, we were able to preserve the good quality of our property and casualty reinsurance portfolio. The premium volume renewed as at 1 April 2016 increased by 9.1% due to profitable business opportunities.

For the full 2016 financial year we anticipate a good underwriting result in property and casualty reinsurance that should be roughly on a par with 2015. This is conditional on major loss expenditure remaining within the budgeted level of EUR 825 million. We are aiming for a combined ratio of less than 96%. The targeted EBIT margin for property and casualty reinsurance is at least 10%.

In life and health reinsurance, too, we anticipate attractive business opportunities in 2016. Although some large-volume treaties are expected to be discontinued, the premium volume is nevertheless likely to remain broadly stable thanks to new business production. The value of new business should be in excess of EUR 220 million. Our targeted EBIT margins remain unchanged at 2% for financial solutions and longevity business and 6% for mortality and morbidity business.

With regard to our IVC targets – which we use to map economic value creation –, we are aiming for at least 2% xRoCA for property and casualty reinsurance and at least 3% xRoCA for life and health reinsurance.

The expected positive cash flow that we generate from the technical account and our investments should – subject to stable exchange rates and yield levels – lead to further growth in our asset portfolios. We are targeting a return on investment of 2.9% for 2016.

Assuming that the burden of major losses does not significantly exceed the expected level and that there are no unforeseen distortions on capital markets, Hannover Re continues to anticipate Group net income of at least EUR 950 million for the current financial year.

Hannover Re envisages a payout ratio for the dividend in the range of 35% to 40% of its IFRS Group net income. This figure could increase in light of capital management considerations if the company's comfortable level of capitalisation remains unchanged.

## Consolidated balance sheet as at 31 March 2016

<b>Assets</b> in EUR thousand	<b>31.3.2016</b>	31.12.2015
Fixed-income securities – held to maturity	763,508	1,007,665
Fixed-income securities – loans and receivables	2,852,891	2,869,865
Fixed-income securities – available for sale	29,391,285	29,616,448
Fixed-income securities – at fair value through profit or loss	110,337	108,982
Equity securities – available for sale	841,191	452,108
Other financial assets – at fair value through profit or loss	38,329	39,602
Real estate and real estate funds	1,648,895	1,673,958
Investments in associated companies	117,920	128,008
Other invested assets	1,449,364	1,544,533
Short-term investments	901,184	1,113,130
Cash and cash equivalents	950,487	792,604
<b>Total investments and cash under own management</b>	<b>39,065,391</b>	<b>39,346,903</b>
Funds withheld	12,897,142	13,801,845
Contract deposits	181,742	188,604
<b>Total investments</b>	<b>52,144,275</b>	<b>53,337,352</b>
Reinsurance recoverables on unpaid claims	1,348,997	1,395,281
Reinsurance recoverables on benefit reserve	1,270,059	1,367,173
Prepaid reinsurance premium	206,461	164,023
Reinsurance recoverables on other technical reserves	3,815	8,687
Deferred acquisition costs	2,043,284	2,094,671
Accounts receivable	3,650,903	3,665,937
Goodwill	64,259	60,244
Deferred tax assets	417,491	433,500
Other assets	732,337	680,543
Accrued interest and rent	7,967	7,527
<b>Total assets</b>	<b>61,889,848</b>	<b>63,214,938</b>

<b>Liabilities</b> in EUR thousand	<b>31.3.2016</b>	31.12.2015
Loss and loss adjustment expense reserve	26,265,926	26,556,388
Benefit reserve	11,394,750	12,206,699
Unearned premium reserve	3,371,764	3,159,363
Other technical provisions	315,332	325,528
Funds withheld	886,998	1,265,035
Contract deposits	4,418,490	4,682,484
Reinsurance payable	1,179,225	1,390,006
Provisions for pensions	173,363	150,299
Taxes	306,160	271,674
Deferred tax liabilities	1,998,907	1,932,722
Other liabilities	727,845	698,933
Long-term debt and subordinated capital	1,789,624	1,798,337
<b>Total liabilities</b>	<b>52,828,384</b>	<b>54,437,468</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	1,001,738	712,001
Cumulative foreign currency translation adjustment	270,133	509,189
Changes from hedging instruments	(5,994)	(1,217)
Other changes in cumulative other comprehensive income	(50,341)	(36,571)
<b>Total other comprehensive income</b>	<b>1,215,536</b>	<b>1,183,402</b>
Retained earnings	6,310,960	6,039,783
<b>Equity attributable to shareholders of Hannover Rück SE</b>	<b>8,371,655</b>	<b>8,068,344</b>
Non-controlling interests	689,809	709,126
<b>Total shareholders' equity</b>	<b>9,061,464</b>	<b>8,777,470</b>
<b>Total liabilities</b>	<b>61,889,848</b>	<b>63,214,938</b>

## Consolidated statement of income as at 31 March 2016

in EUR thousand	1.1.–31.3.2016	1.1.–31.3.2015
Gross written premium	4,263,586	4,400,225
Ceded written premium	470,806	502,898
Change in gross unearned premium	(303,669)	(512,559)
Change in ceded unearned premium	52,907	47,082
<b>Net premium earned</b>	<b>3,542,018</b>	<b>3,431,850</b>
Ordinary investment income	268,463	312,225
Profit/loss from investments in associated companies	665	2,501
Realised gains and losses on investments	43,578	44,998
Change in fair value of financial instruments	10,467	(10,638)
Total depreciation, impairments and appreciation of investments	13,763	8,186
Other investment expenses	26,715	24,255
<b>Net income from investments under own management</b>	<b>282,695</b>	<b>316,645</b>
Income/expense on funds withheld and contract deposits	83,550	99,009
<b>Net investment income</b>	<b>366,245</b>	<b>415,654</b>
Other technical income	204	589
<b>Total revenues</b>	<b>3,908,467</b>	<b>3,848,093</b>
Claims and claims expenses	2,681,301	2,712,847
Change in benefit reserves	(24,844)	(41,366)
Commission and brokerage, change in deferred acquisition costs	750,662	662,783
Other acquisition costs	3,836	1,362
Other technical expenses	342	2,045
Administrative expenses	94,906	100,984
<b>Total technical expenses</b>	<b>3,506,203</b>	<b>3,438,655</b>
Other income and expenses	4,406	19,560
<b>Operating profit (EBIT)</b>	<b>406,670</b>	<b>428,998</b>
Interest on hybrid capital	17,847	24,997
<b>Net income before taxes</b>	<b>388,823</b>	<b>404,001</b>
Taxes	101,961	125,676
<b>Net income</b>	<b>286,862</b>	<b>278,325</b>
thereof		
Non-controlling interest in profit and loss	15,685	(1,386)
<b>Group net income</b>	<b>271,177</b>	<b>279,711</b>
<b>Earnings per share (in EUR)</b>		
Basic earnings per share	2.25	2.32
Diluted earnings per share	2.25	2.32

## Consolidated statement of comprehensive income as at 31 March 2016

in EUR thousand	1.1.–31.3.2016	1.1.–31.3.2015
<b>Net income</b>	<b>286,862</b>	<b>278,325</b>
<b>Not reclassifiable to the consolidated statement of income</b>		
<b>Actuarial gains and losses</b>		
Gains (losses) recognised directly in equity	(22,486)	(18,326)
Tax income (expense)	7,335	5,843
	<b>(15,151)</b>	<b>(12,483)</b>
<b>Income and expense recognised directly in equity that cannot be reclassified</b>		
Gains (losses) recognised directly in equity	(22,486)	(18,326)
Tax income (expense)	7,335	5,843
	<b>(15,151)</b>	<b>(12,483)</b>
<b>Reclassifiable to the consolidated statement of income</b>		
<b>Unrealised gains and losses on investments</b>		
Gains (losses) recognised directly in equity	440,056	363,383
Transferred to the consolidated statement of income	(41,120)	(46,157)
Tax income (expense)	(100,029)	(105,269)
	<b>298,907</b>	<b>211,957</b>
<b>Currency translation</b>		
Gains (losses) recognised directly in equity	(247,045)	550,361
Tax income (expense)	5,204	(43,575)
	<b>(241,841)</b>	<b>506,786</b>
<b>Changes from the measurement of associated companies</b>		
Gains (losses) recognised directly in equity	–	392
Transferred to the consolidated statement of income	(1,251)	(424)
	<b>(1,251)</b>	<b>(32)</b>
<b>Changes from hedging instruments</b>		
Gains (losses) recognised directly in equity	(5,322)	3,821
Tax income (expense)	520	(1,220)
	<b>(4,802)</b>	<b>2,601</b>
<b>Reclassifiable income and expense recognised directly in equity</b>		
Gains (losses) recognised directly in equity	187,689	917,957
Transferred to the consolidated statement of income	(42,371)	(46,581)
Tax income (expense)	(94,305)	(150,064)
	<b>51,013</b>	<b>721,312</b>
<b>Total income and expense recognised directly in equity</b>		
Gains (losses) recognised directly in equity	165,203	899,631
Transferred to the consolidated statement of income	(42,371)	(46,581)
Tax income (expense)	(86,970)	(144,221)
	<b>35,862</b>	<b>708,829</b>
<b>Total recognised income and expense</b>	<b>322,724</b>	<b>987,154</b>
thereof		
Attributable to non-controlling interests	19,412	13,737
Attributable to shareholders of Hannover Rück SE	303,312	973,417

## Group segment report

Segment statement of income	Property and casualty reinsurance	
in EUR thousand	1.1.–31.3.2016	1.1.–31.3.2015
Gross written premium	2,502,137	2,617,080
thereof		
From insurance business with other segments	–	–
From insurance business with external third parties	2,502,137	2,617,080
Net premium earned	1,961,310	1,882,294
Net investment income	207,167	195,069
thereof		
Change in fair value of financial instruments	(1,957)	(21,096)
Total depreciation, impairments and appreciation of investments	13,755	5,813
Income/expense on funds withheld and contract deposits	4,075	3,888
Claims and claims expenses	1,316,531	1,330,983
Change in benefit reserve	–	–
Commission and brokerage, change in deferred acquisition costs and other technical income/expenses	496,244	423,077
Administrative expenses	48,229	51,635
Other income and expenses	(7,812)	(16,492)
<b>Operating profit/loss (EBIT)</b>	<b>299,661</b>	<b>255,176</b>
Interest on hybrid capital	–	–
<b>Net income before taxes</b>	<b>299,661</b>	<b>255,176</b>
Taxes	80,538	82,445
<b>Net income</b>	<b>219,123</b>	<b>172,731</b>
thereof		
Non-controlling interest in profit or loss	14,809	1,319
<b>Group net income</b>	<b>204,314</b>	<b>171,412</b>

Life and health reinsurance		Consolidation		Total	
1.1.–31.3.2016	1.1.–31.3.2015	1.1.–31.3.2016	1.1.–31.3.2015	1.1.–31.3.2016	1.1.–31.3.2015
1,761,397	1,783,306	52	(161)	4,263,586	4,400,225
(52)	161	52	(161)	–	–
1,761,449	1,783,145	–	–	4,263,586	4,400,225
1,580,659	1,549,530	49	26	3,542,018	3,431,850
157,578	219,369	1,500	1,216	366,245	415,654
12,424	10,485	–	(27)	10,467	(10,638)
8	8	–	2,365	13,763	8,186
79,475	95,121	–	–	83,550	99,009
1,365,098	1,381,864	(328)	–	2,681,301	2,712,847
(24,855)	(41,390)	11	24	(24,844)	(41,366)
258,391	242,522	1	2	754,636	665,601
46,616	49,265	61	84	94,906	100,984
12,544	36,692	(326)	(640)	4,406	19,560
<b>105,531</b>	<b>173,330</b>	<b>1,478</b>	<b>492</b>	<b>406,670</b>	<b>428,998</b>
–	–	17,847	24,997	17,847	24,997
<b>105,531</b>	<b>173,330</b>	<b>(16,369)</b>	<b>(24,505)</b>	<b>388,823</b>	<b>404,001</b>
26,799	48,519	(5,376)	(5,288)	101,961	125,676
<b>78,732</b>	<b>124,811</b>	<b>(10,993)</b>	<b>(19,217)</b>	<b>286,862</b>	<b>278,325</b>
876	(2,705)	–	–	15,685	(1,386)
<b>77,856</b>	<b>127,516</b>	<b>(10,993)</b>	<b>(19,217)</b>	<b>271,177</b>	<b>279,711</b>

## Consolidated cash flow statement as at 31 March 2016

in EUR thousand	1.1.–31.3.2016	1.1.–31.3.2015
<b>I. Cash flow from operating activities</b>		
Net income	286,862	278,325
Appreciation/depreciation	19,477	14,111
Net realised gains and losses on investments	(43,578)	(44,998)
Change in fair value of financial instruments (through profit or loss)	(10,467)	10,638
Realised gains and losses on deconsolidation	(1,387)	(424)
Amortisation of investments	20,165	23,452
Changes in funds withheld	58,330	(469,217)
Net changes in contract deposits	(137,071)	347,237
Changes in prepaid reinsurance premium (net)	253,270	465,477
Changes in tax assets/provisions for taxes	1,827	89,075
Changes in benefit reserve (net)	(249,866)	(49,069)
Changes in claims reserves (net)	344,755	764,116
Changes in deferred acquisition costs	(3,186)	(70,777)
Changes in other technical provisions	21	(36,842)
Changes in clearing balances	(266,978)	(675,443)
Changes in other assets and liabilities (net)	12,113	43,486
<b>Cash flow from operating activities</b>	<b>284,287</b>	<b>689,147</b>
<b>II. Cash flow from investing activities</b>	<b>(73,622)</b>	<b>(332,249)</b>
<b>III. Cash flow from financing activities</b>	<b>(41,171)</b>	<b>(42,439)</b>
<b>IV. Exchange rate differences on cash</b>	<b>(11,611)</b>	<b>43,123</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>792,604</b>	<b>772,882</b>
<b>Change in cash and cash equivalents (I. + II. + III. + IV.)</b>	<b>157,883</b>	<b>357,582</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>950,487</b>	<b>1,130,464</b>
<b>Supplementary information on the cash flow statement<sup>1</sup></b>		
Income taxes paid (on balance)	(66,665)	(50,477)
Dividend receipts <sup>2</sup>	18,593	9,024
Interest received	406,936	377,383
Interest paid	(31,850)	(11,157)

<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

In the context of incorporation in German law of the amending Directive 2013/50/EU, the previous legal basis for quarterly reporting ceased to apply. The Frankfurter Wertpapierbörse (Frankfurt Stock Exchange) consequently amended its Exchange Rules; the revised version of the Exchange Rules as amended on 30 November 2015 requires companies listed in Prime Standard to draw up quarterly statements for the first and third quarters of each financial year. The half-yearly financial reporting remains unaffected.

The present document is a quarterly statement pursuant to Section 51a of the Exchange Rules for the Frankfurter Wertpapierbörse (BörsO FWB) as amended on 30 November 2015. The consolidated balance sheet, consolidated statement of income, consolidated statement of comprehensive income and consolidated cash flow statement were drawn up according to

the International Financial Reporting Standards (IFRS) that are to be used within the European Union in conformity with IAS 34 “Interim Financial Reporting” and released for publication by a resolution of the Executive Board on 25 April 2016. The accounting policies were the same as those applied in the preceding consolidated annual financial statement. Changes that were necessary in specific justified cases are reported separately.

The present interim financial statement was drawn up in euros (EUR), the amounts shown have been rounded to EUR thousands and in our notes – provided this does not detract from transparency – to EUR millions. Figures indicated in brackets refer to the previous year.

### Key exchange rates

1 EUR corresponds to:	31.3.2016	31.12.2015	1.1.–31.3.2016	1.1.–31.3.2015
	Mean rate of exchange on the balance sheet date		Average rate of exchange	
AUD	1.4797	1.4981	1.5103	1.4474
BHD	0.4294	0.4122	0.4155	0.4282
CAD	1.4733	1.5158	1.5001	1.4045
CNY	7.3539	7.0970	7.1914	7.0818
GBP	0.7911	0.7381	0.7701	0.7469
HKD	8.8314	8.4692	8.5686	8.8076
KRW	1,294.4578	1,281.5964	1,309.5438	1,250.4020
MYR	4.4281	4.6929	4.5576	4.0976
SEK	9.2315	9.1938	9.2732	9.3754
USD	1.1389	1.0927	1.1031	1.1358
ZAR	16.7684	16.8447	17.1500	13.3540

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