somewhat different

Half-yearly Financial Report 2024

hannover re®

Key figures

in EUR million	2024					2023		
	1.1.– 31.3.[1]	1.4.– 30.6.[1]	+/– previous year	1.1.– 30.6.	+/– previous year	1.4.– 30.6.[1]	1.1.– 30.6.	31.12.
Results								
Reinsurance revenue (gross)	6,672.6	6,243.8	+9.5%	12,916.4	+5.2%	5,702.5	12,272.7	
Reinsurance service result (net)	719.9	691.5	+35.5%	1,411.4	+30.8%	510.4	1,078.7	
Reinsurance finance result (net)	-261.3	-238.5	+35.8%	-499.7	+45.9%	-175.6	-342.5	
Investment result	498.3	511.1	+8.8%	1,009.4	+18.7%	469.9	850.7	
Operating profit / loss (EBIT)	810.5	846.7	+33.9%	1,657.2	+22.5%	632.3	1,352.6	
Group net income	558.1	603.0	+26.8%	1,161.1	+20.9%	475.6	960.0	
Balance sheet								
Policyholders' surplus	14,941.3			14,731.6	+3.4%		13,393.0	14,249.4
Equity attributable to shareholders of Hannover Rück SE	10,850.3			10,666.3	+5.3%		9,256.8	10,126.8
Non-controlling interests	860.3			833.6	-6.6%		907.8	892.7
Hybrid capital	3,230.7			3,231.7	+0.1%		3,228.4	3,229.9
Contractual service margin (net)	8,868.2			9,273.9	+20.5%		7,275.4	7,699.1
Risk adjustment for non-financial risk	3,912.1			3,968.3	+6.4%		3,651.2	3,728.6
Investments	61,383.6			61,976.5	+3.1%		56,467.1	60,128.9
Total assets	68,098.5			68,223.8	+2.6%		63,924.0	66,487.3
Share								
Earnings per share (basic and diluted) in EUR	4.63	5.00	+26.8%	9.63	+20.9%	3.94	7.96	
Book value per share in EUR	89.97			88.45	+5.3%		76.76	83.97
Share price at the end of the period in EUR	253.70			236.70	+9.4%		194.35	216.30
Market capitalisation at the end of the period	30,595.5			28,545.3	+9.4%		23,438.1	26,085.2
Ratios								
Combined ratio (property and casualty reinsurance) [2]	88.0%	87.6%		87.8%		90.8%	91.7%	
EBIT margin [3]	13.5%	16.1%		14.7%		13.0%	12.6%	
Return on investment	3.3%	3.3%		3.3%		3.3%	3.0%	
Return on equity	21.3%	22.4%		22.3%		20.3%	21.0%	

[1] Information was not subject to an auditor's review.
[2] Reinsurance service result / reinsurance revenue (net)
[3] EBIT / reinsurance revenue (net)

Jean-Jacques Henchoz
Chairman of the
Executive Board

Dear shareholders, ladies and gentlemen,

When you open the pages of this half-yearly report from Hannover Re, the midway point of 2024 – and a thoroughly satisfactory first six months – will already be well behind us. We generated Group net income of EUR 1.2 billion.

Nevertheless, we should not forget that the traditionally more loss-intensive months and potentially eventful weeks of what forecasters predict will be an extremely challenging hurricane season still lie ahead of us.

While the first quarter passed off largely benignly, the subsequent months brought natural catastrophes on a sometimes considerable scale. Among other things, we are looking back on heavy rainfall and associated massive flooding, most notably in parts of southern Germany and Austria. Even the desert state of Dubai found itself facing the most intensive downpours since weather records began – resulting in widespread severe flooding.

Figures released by the EU Climate Change Service Copernicus show that 2023 was the warmest year since global weather records began to be kept. A contributory factor here was El Niño, a natural climate phenomenon that triggers extreme weather events in many regions of the world. 2024 may prove to be an even warmer year. Heatwaves are growing in intensity. Extreme weather events are on the rise. Rainfall events are more frequent, heavier and longer. As a reinsurer, we play a pivotal part in alleviating losses caused by natural disasters. Our payments help our clients, primary insurers, to reliably compensate their policyholders. Furthermore, equipped with our expertise in risk assessment and risk management, we are also able to play a major role as a reinsurer in advising on preventive steps that can be taken. If we, as a society, are to tackle the changing climate, we need measures for adaptation and mitigation.

Demand for high-quality reinsurance protection, such as that offered by Hannover Re, remains strong. We secured slightly improved risk-adjusted prices and conditions overall in the treaty renewals held during the year in property and casualty reinsurance and we continued to profitably expand our book of business. Price momentum in property and casualty reinsurance has broadly stabilised on a high level in the recent rounds of renewals.

The increased profitability of our business is reflected in the new business value reported by Hannover Re. In total, this was up sharply in the first half of the year. At this point I would also like to emphasise the significant growth in property and casualty reinsurance and the very satisfactory contributions from our investments and life and health reinsurance business. All in all, we are well on track to achieve our targets for the current financial year.

Hannover Re is and remains a financially strong reinsurance partner at the side of our clients and an anchor of reliability for our shareholders. The capital adequacy ratio under Solvency II as at the end of June was 276 percent, whereby this does not take into account the dividend payments for 2024.

My thanks go out – on behalf of the entire Executive Board – to our employees, who dedicate themselves to charting Hannover Re's successful course through the treaty renewals and in so doing lay the foundation for future success that will benefit the company and you, our valued shareholders.

Yours sincerely,

Jean-Jacques Henchoz
Chairman of the Executive Board

Interim management report

Report on economic position

Business development

- Reinsurance revenue (gross) rises by 5.2% to EUR 12.9 billion
- Large loss expenditures within the budgeted expectation for the first half-year
- Contractual service margin (net) increased by 20.5 % to EUR 9.3 billion
- Return on investment of 3.3% beats minimum 2.8% target
- Group net income grows by 20.9% to EUR 1,161.1 million
- Return on equity reaches 22.3%

The first half of 2024 passed off satisfactorily for Hannover Re. We thus remain well on track to achieve our full-year targets.

Reinsurance revenue (gross) increased by 5.2% as at 30 June to EUR 12,916.4 million (previous year: EUR 12,272.7 million). Growth would have reached 6.1% at constant exchange rates.

The reinsurance service result (net), reflecting the profitability of underwriting activity after deduction of business ceded (primarily retrocessions and insurance-linked securities), rose sharply by 30.8% to EUR 1,411.4 million (EUR 1,078.7 million).

Expenditures for large losses in property and casualty reinsurance at the mid-year point were within the budgeted and booked expectation for the first half-year.

Adjusted for exchange rate effects, the reinsurance finance result (net) – which is structurally negative – amounted to EUR -499.7 million (EUR -342.5 million).

Our investments reached a total volume of EUR 62.0 billion as at the end of June (31 December 2023: EUR 60.1 billion). The investment result was boosted by 18.7% year-on-year to EUR 1,009.4 million. The resulting annualised return on investment stood at 3.3% and was thus ahead of the minimum 2.8% full-year target.

Other income and expenses improved by 22.8% to EUR -207.2 million (EUR -268.4 million).

The operating profit (EBIT) on the Group level improved by 22.5% to EUR 1,657.2 million (EUR 1,352.6 million). Group net income climbed by 20.9% to EUR 1,161.1 million (EUR 960.0 million). Earnings per share came in at EUR 9.63 (EUR 7.96).

The shareholders‘ equity of Hannover Re as at 30 June 2024 amounted to EUR 10.7 billion (31 December 2023: EUR 10.1 billion). The increase in shareholders' equity derived principally from the Group profit generated in the first half of the year less the dividend distributed to shareholders of Hannover Re for the 2023 financial year. The annualised return on equity reached 22.3% (previous year: 21.0%). The book value per share stood at EUR 88.45 (31 December 2023: EUR 83.97).

The contractual service margin (net) rose by 20.5% to EUR 9,273.9 million (31 December 2023: EUR 7,699.1 million). The increase can be attributed primarily to new business written. The risk adjustment for non-financial risk similarly increased by 6.4% to EUR 3,968.3 million (31 December 2023: EUR 3,728.6 million).

Results of operations, financial position and net assets

Property and casualty reinsurance

- Reinsurance revenue (gross) up sharply by 8.8% to EUR 9.1 billion
- Large losses in the first half-year within budgeted expectation, increased losses from secondary risks
- Combined ratio stands at 87.8%
- New business CSM (net) improves by 1.9%
- Operating profit for the first half-year surges by 40.0% to EUR 1,160.5 million

Based on what remains a good pricing level in property and casualty reinsurance, we continued to substantially expand our portfolio and generated a good result in the first six months.

In the main renewal season for traditional property and casualty reinsurance as at 1 January of this year, we achieved an inflation- and risk-adjusted price increase on renewed business of 2.3%. The volume of business renewed grew by 6.9%. The market environment for the renewals was more stable than in the previous year. At the same time, demand for reinsurance covers increased, this being restricted primarily to capacities provided by existing market players.

In the treaty renewals as at 1 April, traditionally encompassing business in the Asia-Pacific region and North America as well as some specialty lines, we secured slightly improved risk-adjusted prices and conditions overall. The inflation- and risk-adjusted price increase on renewed business was 1.5%. The volume renewed grew by 7.1%.

Thanks to our quality-focused underwriting approach, the new business CSM (net) improved by 1.9% to EUR 1,864.2 million. The new business LC (net) amounted to EUR 15.7 million (EUR 35.2 million).

Reinsurance revenue (gross) in property and casualty reinsurance rose sharply by 8.8% in the first six months to EUR 9,099.5 million (previous year: EUR 8,364.9 million). Growth would have reached 10.1% at constant exchange rates.

Payments for large losses in the first half-year totalled EUR 566.5 million (EUR 606.9 million) and thus came in within our budget of EUR 801 million for the first six months.

The largest net individual losses in the first half of the year were the flooding in southern Germany caused by heavy rain at a cost of EUR 120 million, civil unrest in the French overseas territory of New Caledonia amounting to EUR 82 million, flooding following intense downpours in Dubai and other parts of the United Arab Emirates in the order of EUR 82 million as well as floods after heavy rainfall in Brazil with expenditures of EUR 47 million. In addition, losses anticipated in connection with the bridge collapse in Baltimore are still comfortably covered by the remaining large loss budget, even though it continues to be difficult to put a concrete number on them. Naturally, the result in non-life reinsurance is influenced by prior-year events. In the current reporting period, the run-off result was again positive. In the reporting period, there was a negative development, such as major losses (e.g. the hailstorm events in Italy in 2023) and a significant increase in precautionary provisions for the war in Ukraine.

The reinsurance service result (net) increased by 61.2% to EUR 963.3 million (EUR 597.6 million), reflecting the healthy profitability of our underwriting activity. The combined ratio improved to 87.8% (91.7%) and thus came in within our expectation of less than 89% for the full year. The reinsurance finance result (net) adjusted for exchange rate effects amounted to EUR -419.9 million (EUR -284.7 million).

The investment result for property and casualty reinsurance rose by 27.7% to EUR 797.4 million (EUR 624.6 million).

The operating profit (EBIT) surged by 40.0% to EUR 1,160.5 million (EUR 829.1 million).

Key figures for property and casualty reinsurance

in EUR million	2024					2023	
	1.1.– 31.3.[1]	1.4.– 30.6.[1]	+/– previous year	1.1.– 30.6.	+/– previous year	1.4.– 30.6.[1]	1.1.– 30.6.
Reinsurance revenue (gross)	4,743.3	4,356.1	+15.7%	9,099.5	+8.8%	3,764.8	8,364.9
Reinsurance service result (net)	508.9	454.3	+60.7%	963.3	+61.2%	282.7	597.6
Reinsurance finance result (net)	-228.2	-191.7	+23.4%	-419.9	+47.5%	-155.3	-284.7
Investment result	421.5	375.9	+15.1%	797.4	+27.7%	326.5	624.6
Operating result (EBIT)	628.8	531.7	+46.6%	1,160.5	+40.0%	362.8	829.1
EBIT margin [2]	14.8%	14.5%		14.7%		11.8%	11.5%
Combined ratio [3]	88.0%	87.6%		87.8%		90.8%	91.7%
New business CSM & LC (net)	1,430.6	417.9	+14.6%	1,848.5	+3.1%	364.7	1,793.7

[1] Information was not subject to an auditor's review.
[2] EBIT / reinsurance revenue (net)
[3] Reinsurance service result / reinsurance revenue (net)

Life and health reinsurance

- Reinsurance revenue down by 2.3% to EUR 3,816.9 million
- Sustained demand for longevity covers and financial solutions
- New business CSM (net) amounts to EUR 184.8 million
- Operating profit for the half-year declines by 4.4% to EUR 501.4 million

Developments in the Life & Health reinsurance business group were in line with expectations in the first six months.

The new business CSM (net) amounted to EUR 184.8 million (EUR 151.8 million). In addition, contract renewals and amendments in the in-force portfolio led to a sharp increase in the contractual service margin (net) to EUR 6,393.1 million. The new business LC (net) stood at EUR 9.9 million.

The reinsurance revenue (gross) for life and health reinsurance contracted by 2.3% to EUR 3,816.9 million (EUR 3,907.8 million); this is equivalent to a decline of 2.5% adjusted for exchange rate effects.

Demand for financial solutions has been sustained, with new business written in the first half-year in the United States, among other geographies. As anticipated, growth in business with longevity covers was moderate, with growing interest observed in markets outside the United Kingdom, such as the United States, Australia, Europe and Asia.

Developments in traditional reinsurance business involving mortality and morbidity risks were in line with expectations overall. Health insurance business in Latin America and low-volume new business in Europe and the Middle East, among other segments, delivered good contributions.

The reinsurance service result (net) was down as expected by 6.9% to EUR 448.1 million (EUR 481.1 million), a figure ahead of the pro-rata level for the full-year target of EUR 850 million. The reinsurance finance result before exchange rate effects amounted to EUR -79.9 million (EUR -57.8 million).

Net income from investments for life and health reinsurance contracted by 6.1% to EUR 211.1 million (EUR 224.8 million).

The operating result (EBIT) declined by 4.4% to EUR 501.4 million (EUR 524.5 million).

Key figures for life and health reinsurance

in EUR million	2024					2023	
	1.1.– 31.3.[1]	1.4.– 30.6.[1]	+/– previous year	1.1.– 30.6.	+/– previous year	1.4.– 30.6.[1]	1.1.– 30.6.
Reinsurance revenue (gross)	1,929.3	1,887.7	-2.6%	3,816.9	-2.3%	1,937.7	3,907.8
Reinsurance service result (net)	211.0	237.1	+4.2%	448.1	-6.9%	227.6	481.1
Reinsurance finance result (net)	-33.1	-46.8	+131.3%	-79.9	+38.2%	-20.2	-57.8
Investment result	76.4	134.8	-5.2%	211.1	-6.1%	142.2	224.8
Operating result (EBIT)	181.0	320.3	+18.0%	501.4	-4.4%	271.5	524.5
EBIT margin [2]	10.3%	20.0%		14.9%		15.3%	14.8%
New business CSM & LC (net)	89.1	85.8	+24.2%	174.9	+19.4%	69.1	146.5

[1] Information was not subject to an auditor's review.
[2] EBIT / reinsurance revenue (net)

Investments

- Portfolio of investments grows to EUR 62.0 billion
- Strong ordinary income, primarily from fixed-income securities
- Investment result rises to EUR 1,009.4 million
- Return on investment reaches 3.3% to stay ahead of minimum 2.8% target

Our investments performed highly satisfactorily in the first half of the year, even though numerous geopolitical and economic challenges continued to cause volatility, above all on interest rate markets. The global economy, on the other hand, generally surprised on the upside, driven first and foremost by the United States and – with some qualifications in Germany – Europe. This was evident primarily in significant movements in the price of asset classes with a higher risk profile.

While the ECB and other central banks made modest cuts to their policy rates, further interest rate increases were recorded across the board – with the exception of very short maturities – in our main currency areas. This led to fair value declines in our fixed-income portfolio. These were to some extent offset by fair value increases, on the other hand, that were observed due to narrowing of credit spreads on corporate bonds. Overall, this dynamic on interest rate markets was reflected in an increase in unrealised losses on our fixed-income securities, although these were partially compensated by our high proportion of US dollar holdings and their modest appreciation against the euro.

Our investments benefited from our continued rather cautious stance. Furthermore, in the context of our asset/liability management we consistently strive for the most balanced possible interest rate positioning of our investments in relation to the technical reserves in order to leverage the opposing effects of changes in market interest rates on movements in the value of investments and reserves. Due to the applicable financial reporting standards IFRS 17 and IFRS 9, this is also reflected in the balance sheet.

Our investment portfolio amounted to EUR 62.0 billion as at the end of June (31 December 2023: EUR 60.1 billion). The main drivers behind the portfolio growth were the operating cash flow and currency effects. The aforementioned interest rate increases were an opposing factor. The unrealised losses on our fixed-income portfolio consequently increased overall to EUR 3.8 billion (31 December 2023: EUR 3.2 billion). On the other hand, the higher interest rates had a clearly positive effect on new investments and reinvesting activities.

As in the previous year, we kept the cautious posture of our asset allocation broadly stable overall in the first six months. We continuously monitor the markets relevant to our company very closely so as to be able to act on attractive entry opportunities. Minimal adjustments to the asset allocation were motivated principally by our constant striving to ensure currency and interest rate matching with our technical liabilities. The modified duration of our fixed-income portfolio – at 4.6 (4.7) – similarly remained virtually unchanged in comparison with the end of the previous year. We were able to make the most of attractive market opportunities in our real estate portfolio by acquiring two logistics properties in Germany and the US and disposing of an office building in the United States.

The ordinary investment income of EUR 1,109.3 million was significantly higher than in the comparable period (EUR 924.8 million), principally due to another increase in the income booked from fixed-income securities. This is evident both in the pure coupon earnings and in the positive amortisation amounts. The primary factor here was our holding of inflation-linked bonds, which contributed EUR 80.6 million (EUR 74.2 million).

The net balance of gains and losses realised on disposals totalled EUR -29.5 million (EUR -44.4 million) and reflects our currently cautious positioning. We were able to reduce the provisions established for expected credit losses (ECL) through profit or loss in accordance with IFRS 9 by EUR 11.3 million (EUR 8.6 million) to EUR 182.4 million in the reporting period. Depreciation recognised on directly held real estate totalled EUR 30.1 million (EUR 26.6 million).

The net changes in the fair value of our assets recognised at fair value through profit or loss amounted to EUR 5.4 million (EUR 57.0 million). Particularly significant here were positive changes in the fair values of derivatives relating to the technical account and of infrastructure funds, which to some extent were offset by opposing effects from interest rate components of currency hedges and real estate funds.

The investment result of EUR 1,009.4 million (EUR 850.7 million) was significantly above the level of the previous year's corresponding period. This was due primarily to the income generated from our fixed-income portfolio, which more than offset the lower income from changes in the fair value of our assets recognised at fair value through profit or loss. Our investments thus delivered an annualised average return of 3.3 %, beating the target of at least 2.8% set for the full financial year.

Investment result

in EUR million	2024					2023	
	1.1.–31.3.[1]	1.4.–30.6.[1]	+/– previous year	1.1.–30.6.	+/– previous year	1.4.–30.6.[1]	1.1.–30.6.
Ordinary investment income	552.6	556.7	+16.9%	1,109.3	+20.0%	476.1	924.8
Expected credit losses, impairment, depreciation and appreciation of investments	-12.1	-6.7	-20.5%	-18.8	+4.5%	-8.4	-18.0
Change in fair value of financial instruments	-14.9	20.3	-66.7%	5.4	-90.5%	60.9	57.0
Profit / loss from investments in associated companies and joint ventures	25.2	14.2	+1.4%	39.4	+138.7%	14.0	16.5
Realised gains and losses on investments	-5.4	-24.1	-21.1%	-29.5	-33.4%	-30.5	-44.4
Other investment expenses	47.1	49.3	+16.9%	96.4	+13.1%	42.2	85.2
Net income from investments	498.3	511.1	+8.8%	1,009.4	+18.7%	469.9	850.7

[1] Information was not subject to an auditor's review.

Opportunities and risk report

Risk report

- Hannover Re continues to have capital resources in excess of the defined threshold. The capital position is reviewed on an ongoing basis.
- Our risk management constantly monitors newly added and changing risks and is able to respond flexibly to changes in internal and external factors.

The present opportunities and risk report summarises the key risk information for the first half of 2024.

Strategic framework conditions

Hannover Re adopted this year the new group strategy for its strategic cycle 2024–2026, summarised under the title «Staying Focused. Thinking Ahead.». Based on the foundations sustainability and embedded governance, the strategy builds on three beacons: focus, grow and accelerate.

Our risk strategy derives from the corporate strategy. It is the core element of our risk management activities. The risk strategy, the risk register and the central system of limits and thresholds are components of our Risk and Capital Management Guideline which is reviewed at least once a year. In this way we ensure that our risk management system is kept up to date.

Our solvency ratio needs to be at least 180%; however, 200% is already the threshold we have set for the triggering of countermeasures should the solvency ratio fall below this threshold. This guarantees adherence to the regulatory requirement of a solvency ratio of at least 100%. Solvency capital requirements are monitored using our internal capital model and the Executive Board is informed quarterly of the adherence to the key thresholds as part of regular risk reporting. Major events or significant changes to the risk landscape are reported ad hoc to the Executive Board. In addition to the above-mentioned threshold of 200%, the capital adequacy is also influenced by the expectations of rating agencies and customers.

Risk landscape of Hannover Re

In the context of its business operations the Hannover Re Group takes a broad variety of risks. These risks are deliberately accepted, steered and monitored to seize the associated opportunities. The risk appetite and respective parameters set by the Executive Board are fundamental for the acceptance of risks by the Hannover Re Group. These decisions are based on risk bearing capacity calculations. Through our business operations on all continents and the diversification between our Property & Casualty and Life & Health reinsurance business we are able to effectively use our capital under opportunity and risk considerations. Along with our principal business operations as a reinsurer of property & casualty and life & health business, we also facilitate the transfer of insurance risks to the capital markets and, to a limited extent, conduct primary insurance activities. In this context our risk management has crucial importance, among other things to ensure that risks remain calculable for the reinsurance portfolio and even exceptional major losses do not have an unduly adverse impact on the financial results. The risk landscape of Hannover Re encompasses:

- underwriting risks in property & casualty and life & health reinsurance which originate from our business activities and manifest themselves inter alia in fluctuations in loss estimates as well as in unexpected catastrophes and changes in biometric factors such as mortality,
- market risks which arise in connection with our investments, and also as a consequence of the valuation of sometimes long-term payment obligations associated with the technical account,
- counterparty default risks resulting from our diverse business relationships and payment obligations inter alia with clients, retrocessionaires and banks,
- operational risks which may derive, for example, from deficient processes or systems and
- sustainability and reputation risks, liquidity risks, strategic risks and emerging risks.

In principle, all risk types are influenced by long-term trends such as climate change. This means that there is a connection between sustainability considerations and Hannover Re's risk landscape.

At the present time, our most significant individual risks are the default and spread risks within the market risks, the reserving and catastrophe risks within the underwriting risks of property & casualty reinsurance and the mortality risks (including catastrophe risk) within the underwriting risks of life & health reinsurance.

Major external factors influencing risk management

Climate change

In the first half of 2024, the flood in Southern Germany, the flood in Dubai, the flood in Brazil and storms / flooding / tornadoes in the USA caused high losses.

Natural disasters should be viewed as inextricably linked to climate change. Climate change means that the probabilities of weather-related events occurring are changing, depending on the region and hazard. The associated impacts present a major challenge for risk management. We use both external and internal risk models for the stochastic modelling of the impacts of catastrophic events. Climate change trends are taken into account in the models. The monitoring of these risks is rounded off with scenario analyses. We are currently focussing on the dangers of storms, floods and forest fires, which are most strongly influenced by climate change in the short term.

Climate change, defined as naturally occurring or human-caused climatic changes, and the associated effects, is already influencing our lives today.

Climate change poses a significant macroeconomic risk and has also wide-ranging implications for the (re)insurance industry.

In 2015, with a view to combating climate change, the international community reached agreement on ambitious goals to protect the climate at the UN Climate Change Conference in Paris. Signed by 195 countries, the Paris Agreement seeks to limit the rise in the global average temperature to well below 2°C, preferably to 1.5°C, compared to pre-industrial levels. The path to achieving the Paris climate goal depends on a fundamental shift in the economic system and in human habits.

The consequences of climate change affect all areas of our business, not only in property & casualty and life & health reinsurance but also in our investing activities. At the same time, the implications of climate change represent the most significant sustainability risk for our company and are therefore closely analysed, monitored and controlled. The focus of climate change risk analysis is currently on changes in the frequency and severity of natural catastrophes (physical risks). In addition, we analyse investments (including transition risk), biometric factors and liability contracts in relation to risks from climate change (litigation risk). The climate-related dislocation of infectious diseases and their vectors to global zones where they were previously unknown also poses a risk for life and health reinsurance.

In addition, ESG risks – in common with compliance risks that are generally associated with laws and regulations relating to environmental law or ESG standards – are subject to scrutiny under every New Product Process. Our Sustainability and Reputation Risk Management Guideline, which contains supplementary work instructions and definitions regarding climate change and other ESG issues, is applicable throughout the Group. Various committees and organisations similarly develop and discuss climate-related strategic goals and operational measures.

It is our expectation that over the long term (> 50 years) climate change will be material for all risk categories. Within the next five years we anticipate primarily impacts only on our property & casualty natural catastrophe business. The annual renewal of our treaties and the price adjustments described above, as well as the ongoing annual adjustment of the major loss budget, result in short response times for price / premium risk and reserving risk.

Climate change can result in shifts that are reflected in stronger demand for reinsurance products to protect against natural catastrophes and in new business opportunities. Hannover Re offers a wide range of products that help customers to protect themselves against increased losses and damage (both in terms of frequency and severity) from natural disasters.

Capital market environment

In the first half of the year, our investments performed very satisfactorily and in line with our expectations, although numerous geopolitical and economic challenges continued to cause uncertainty. This was once again reflected in volatile interest rate markets in particular. Nevertheless, the global economy provided positive surprises across the board, driven primarily by the USA and – to a lesser extent in Germany – Europe. This was reflected above all in the clear performance of asset classes with a steeper risk profile.

An important external factor influencing the achievable return on our investments is the general interest rate level. The market expectations of key interest rate cuts by the central banks that were priced in at the end of 2023 have now largely disappeared from valuations, while the ECB and other central banks have actually made slight interest rate cuts. Overall, there were further interest rate increases in our main currency areas, with the exception of very short maturities, which had a somewhat greater overall impact than the narrowing of risk premiums on corporate bonds that was also observed. Even if the continued high interest rates compared to the past initially reduced the market value of our fixed-interest securities, we benefited from the overall increase in the level of new investments and reinvestments. In addition, the balanced interest rate positions of our investments in relation to technical provisions as a result of the interaction of the applicable IFRS 17 and IFRS 9 accounting standards were reflected in the balance sheet in a higher resilience to market fluctuations, as the accounting treatment is now much closer to the actual economic mechanisms than under the previous accounting standards.

Overall, the market value of our fixed-income securities declined, although this was partially offset by our high proportion of US Dollars and their slight increase in value against the Euro.

In contrast to interest rate markets, equity markets were characterised by high valuation levels and low volatility. Due to the liquidation of our positions in the previous year, equity markets currently have no direct implications for our investments.

Inflation remains a key issue, with the measured inflation indices in both the Euro and the US dollar having noticeably reduced their momentum, even if inflation levels have not yet returned to the levels targeted by the central banks across the board. This is reflected in lower income from realized inflation amortization in our ordinary investment result. We assume that this trend will essentially continue in the second half of the year.

We continue to have exposure to the private equity market. Fair value changes here tend to be less influenced by general market conditions and more by company-specific evaluations. The risks are therefore primarily associated with the business model and profitability and less so with the interest rate component as part of cash flow forecasts. We thus similarly view the declines in fair value on isolated assets in the reporting period in the context of the risk profile specific to this asset class and set of company characteristics.

The significance of real estate risks remains substantial for us owing to our consistent participation in this sector. We spread these risks through broadly diversified investments in high-quality markets around the world, with each investment decision being preceded by extensive analyses of the relevant property, manager and market.

As part of our liquidity management we have defined asset holdings that have proven to be highly liquid – even in times of financial stress such as the 2008 financial crisis. They consist primarily of unrestricted German, UK and US government bonds and are intended to assure our ability to meet financial obligations even in the unlikely scenario of assumed extreme events coinciding. This liquid asset reserve stood at EUR 8.2 billion (previous year: EUR 8.6 billion) as at the balance sheet date. In addition, we manage the liquidity of the portfolio by checking on each trading day the liquidity of the instruments contained therein. These measures serve to effectively reduce the liquidity risk.

As far as our investments are concerned, we anticipate continuing elevated volatility on global capital markets in the immediate future, although we also see this as an opportunity and believe that we are appropriately prepared with our current investment posture. For further information please see the «Investments» section of the management report.

Regulatory developments

In the first half of 2024, there were numerous regulatory developments at the international, European, and national levels.

Solvency-II-Review

In the legislative process for the Solvency-II-Review and the Directive on Recovery and Resolution in (re-)insurance (IRRD), the expert group of the European Commission for Banking, Payments, and Insurance (EGBPI) met on 15 May 2024, to discuss the detailed technical aspects of the Level-2 measures under Solvency-II. It is expected that the Solvency-II-Review and IRRD will be published in the Official Journal of the EU by the end of the year. From that point, the EU Commission will have 24 months to finalize the delegated regulation, and member states must transpose the directive into national law. Hannover Re has begun implementing the new regulations.

Corporate Sustainability Due Diligence

The Directive (EU) 2024/1760 on Corporate Sustainability Due Diligence (CSDDD) was published in the Official Journal of the European Union on 5 July 2024, and will enter into force on 25 July 2024. It must be transposed into national law by 26 July 2026. The directive obliges large EU companies and third-country companies with significant revenue in the EU to consider human rights and environmental issues in their supply chains and to create transition plans to limit global warming to 1.5°C. The implementation will be phased: from July 2027 for the largest companies, from July 2028 for medium-sized companies, and from July 2029 for all other affected companies. Hannover Re has established a project to implement these requirements.

Corporate Sustainability Reporting

The federal government approved a draft law on 24 July 2024 to implement binding European regulations on corporate sustainability reporting into German law. The draft law of the Federal Ministry of Justice is a 1:1 implementation of the European law without additional requirements. Hannover Re has established a project to implement the requirements of the CSRD.

Artificial Intelligence

On 21 May 2024, the EU Council finally approved the EU AI Act. The AI Act will adopt various regulations based on a risk-based approach, including unacceptable risk, high risk, limited risk, and minimal risk. Hannover Re is currently implementing the new requirements from the AI Act.

Opportunities report

Speed is one of the qualities used to measure successful knowledge adaptability. Hannover Re's ambition is to offer quick and effective solutions that keep us one step ahead of the competition. Hannover Re searches systematically for new business opportunities in order to generate sustainable growth and strengthen the company's profitable development. With a view to identifying opportunities and successfully translating ideas into business, Hannover Re adopts a number of closely related approaches in order to assure holistic opportunity and risk management. Of significance here is the interplay without overlaps of the various functions within opportunity and risk management, which is ensured by defined interfaces.

The focus of Hannover Re's business opportunity management is on various market-specific innovations in the Life & Health and Property & Casualty reinsurance business groups (see Combined management report in Group Annual Report 2023).

Trends affecting these business groups are systematically identified and analysed with the support of external sources and partners, and the needs of our clients are anticipated along the entire insurance-related value-added chain. Business opportunities that promise access to innovative technologies and enhance our appeal in the eyes of customers are specifically pinpointed. With this in mind, Hannover Re cultivates relevant partnerships with outside accelerators, incubators, company builders, start-ups and research institutes in order to boost our competitiveness in the insurtech sector and the field of digital solutions. Various competence centres have been set up in the Hannover Re Group to evaluate the strategic and technical significance of innovative new digital technologies and the goals pursued by these innovation units have been put on a strategic footing. The interplay between these units is based on a dedicated approach that enhances the activities with specific expertise and efficiency. In addition, a new property & casualty business unit for cyber and digital business was established in April 2024. The unit aims to bundle the cyber and digital expertise gathered at Hannover Re and apply a uniquely developed underwriting approach to the constantly changing risk landscape.

In-house accelerator units covering life & health business and Technology explore the specifics of their respective fields and maintain a close dialogue with one another. The tasks performed by these organisational units include, among others, global scaling of existing regional products and solutions, developing new sector- and customer-specific digital assets as well as providing systematic support for insurtechs as they build their digital business models. An intensive exchange and targeted collaboration with the market departments are crucially important here in order to build on existing networks and expertise.

In this way, we strive to identify business opportunities at an early stage and provide the appropriate customers with innovative solutions.

This broad spectrum of tasks is geared to the clearly defined goals of generating new profitable premium potential for the Group, optimising risk assessment through the use of innovative tools, cultivating new strategic partnerships and acquiring new capabilities in the fields of digitalisation and data analytics.

A sought-after area of application for parametric insurance solutions, which pay out quickly when a predefined event occurs, are covers against extreme weather and climate risks in developing and emerging markets. Heavy natural catastrophes consistently cause high losses worldwide. Especially in developing and emerging markets there is a large gap between insured and uninsured losses («Protection Gap»). Adequate insurance cover helps to strengthen the financial resilience of these countries against extreme weather and climate events. Against this background, Hannover Re cooperates with the public as well as the private sector to further close this insurance protection gap.

Hannover Re provides capacity for the Natural Disaster Fund (NDF), for regional risk pools, e.g., in Africa or the Caribbean, and for a number of other reinsurance programmes which serve to financially protect against natural disasters. The NDF is a public-private partnership, whose parametric risk transfer programmes are targeted at the poor and vulnerable populations worldwide. In addition, Hannover Re, as a member of the Insurance Development Forum, develops together with other partners parametric covers against flood risk in five cities in Argentina. The offer of parametric covers has been expanded especially in Africa and South America. Furthermore, Hannover Re has successfully facilitated the Catastrophe Bond of the newly structured parametric cover for Puerto Rico.

The dynamic networking of the members of staff active in the field of innovation at Hannover Re gives rise to close links with other projects, working groups and bodies, such as with the working group on «Emerging Risks und Scientific Affairs» in regard to emerging risks and opportunities. This working group carries out qualitative assessments of emerging risks. As a result, however, not only are the potential risks explored but also any available business opportunities. Analyses are compiled here exploring how Hannover Re can counter megatrends such as climate change, digitalisation or shifting demographics with novel (re)insurance products or capital investments. In the first half of 2024, issues such as «Fracking» and «Mental Health» were analysed.

If a business idea is translated into reality and a new reinsurance product results, the normal procedure – provided the criteria defined for this purpose by risk management are applicable – is to work through the so-called new product process. This process is supported by risk management at Hannover Re. The process is always worked through if a contractual commitment is to be entered into in a form not previously used by Hannover Re or if a new type of risk is to be insured. If this is the case, all material internal and external influencing factors are examined beforehand by risk management (e.g., implications for the overall risk profile or the risk strategy) and evaluated. Risk management ensures that before it can be used or sold a new reinsurance product must be approved by the Executive Board.

Overall assessment by the Executive Board

Based on our current insights derived from a holistic analysis of the opportunities and risks, the Executive Board of Hannover Re does not observe any risks that could jeopardise the continuity of the Hannover Re Group in the short or medium term or have a material and lasting effect on its assets, financial position or net income. We are convinced that:

- our established risk management system continuously allows us a transparent overview of the current risk situation,
- our overall risk profile is appropriate, and
- our opportunity management plays an important part in Hannover Re's sustainable and profitable growth.

As an internationally operating reinsurance group, we operate in a highly complex environment. Nevertheless, thanks to our business activities in all reinsurance segments we are able to achieve optimal risk spreading through geographical and risk-specific diversification whilst maintaining a balanced opportunities / risk profile. We consider the risks described in the above sections to be manageable, particularly because our steering and monitoring measures are effectively and closely interlinked. Despite these diverse measures, individual and especially accumulation risks can decisively affect our assets, financial position and net income. However, we understand that it is not only the risks but also the opportunities that need to be taken into account. We therefore only take those risks that offer corresponding opportunities. Our steering and monitoring tools as well as our organisational and operational structure ensure a timely identification of risks, and allow us to act proactively on our opportunities. Our group wide established risk management system is our central monitoring tool, which consolidates both qualitative and quantitative information.

Our own evaluation of the manageability of existing risks is confirmed by various financial indicators and by external assessments of rating agencies (Standard & Poor's and A.M. Best). Our central system of limits and thresholds for the material risks of the Hannover Re Group determines mandatory specific monitoring indicators, corresponding notification thresholds and potential escalation steps. As a result, the system provides us with a precise overview of potentially undesirable developments in the defined risk tolerances and enables us to react in a timely manner. Our capital adequacy is determined by the requirements of our internal capital model, solvency regulations, the assumptions of rating agencies for our target rating and the expectations of our clients and shareholders. Our capital cushion is sufficient to both absorb risks and act on lucrative business opportunities. Similarly, our financial strength ratings also attest to our financial stability. The quality of our risk management, for example, is assessed as very good by Standard & Poor's as a key factor in the rating process. Special consideration is given to our established risk management culture, which promotes the development of appropriate risk monitoring systems and supports strategic risk management. The rating encompasses in particular the areas of risk culture, risk controls, emerging risk management, risk models and strategic risk management. This external appraisal confirms the quality of our holistic approach to risk management.

The Group-wide risk management system and the internal control system are regularly audited by the internal audit function and are part of the assessment of the governance system by the Executive Board.

Outlook

- Group net income of at least EUR 2.1 billion expected
- Reinsurance revenue to grow by more than 5% adjusted for exchange rate effects
- Return on investments under own management of at least 2.8% targeted for the full financial year

Ongoing geopolitical risks will likely continue to pose considerable challenges for insurers and reinsurers in 2024. Extreme weather events, including predictions of a particularly active hurricane season in the second half of the year, are an additional factor to consider.

On the Group level we anticipate net income of at least EUR 2.1 billion for the 2024 financial year. This assumes that no unforeseen distortions occur on capital markets and that large loss expenditure remains within the expectation of EUR 1.825 billion.

We are looking to grow the reinsurance revenue by more than 5% based on constant exchange rates. The currency-adjusted growth in reinsurance revenue should again be stronger in property and casualty reinsurance than in life and health reinsurance.

The combined ratio in property and casualty reinsurance is expected to come in below 89% for the current financial year in view of the sustained positive market climate. The reinsurance service result generated in life and health reinsurance should reach more than EUR 850 million in the current financial year. Assuming roughly stable exchange rates and interest rate levels, our asset portfolio should continue to show moderate growth. The return on investment from the asset portfolio under own management should reach at least 2.8%.

The treaty renewals in property and casualty reinsurance as at 1 June and 1 July 2024 once again brought improved prices and conditions for Hannover Re. At this time of the year parts of the North American portfolio are traditionally renewed, especially natural catastrophe risks, as well as business from Australia and New Zealand and in the credit and surety lines. Volume growth of altogether 11.5% was booked. The inflation- and risk-adjusted price increase for the renewed business amounted to 1.3%.

The ordinary dividend is expected to increase year-on-year over the 2024-2026 strategy cycle. The ordinary dividend will be supplemented by a special dividend provided the capitalisation exceeds the capital required for future growth and the profit target is achieved.

Consolidated financial statements

Consolidated balance sheet as at 30 June 2024

Assets

in EUR million	30.6.2024	31.12.2023
Financial investments – at fair value through OCI	52,235.6	50,619.1
Financial investments – at fair value through profit or loss	4,009.4	3,954.1
Investment property	2,682.2	2,536.5
Investments in associated companies and joint ventures	2,118.7	2,056.2
Other invested assets	930.6	963.0
Total investments	**61,976.5**	**60,128.9**
Reinsurance recoverables on liability for incurred claims	2,228.5	2,231.4
Reinsurance recoverables on liability for remaining coverage	-751.8	-705.5
Recoverables on reinsurance contracts retroceded	**1,476.7**	**1,525.9**
Reinsurance contracts issued in an asset position	966.4	1,019.8
Goodwill	79.1	78.0
Deferred tax assets	570.4	627.9
Other assets	2,086.1	2,052.0
Cash and cash equivalents	1,068.6	1,054.8
Total assets	**68,223.8**	**66,487.3**

Liabilities

in EUR million	30.6.2024	31.12.2023
Liability for incurred claims (LIC)	48,507.6	46,214.1
Liability for remaining coverage (LRC)	-3,002.4	-1,974.7
Liabilities from reinsurance contracts issued	**45,505.2**	**44,239.4**
Reinsurance contracts retroceded in a liability position	495.6	698.9
Provisions for pensions	151.2	164.3
Financing liabilities	4,880.1	4,875.5
Taxes	327.1	225.9
Deferred tax liabilities	2,126.0	2,097.3
Other liabilities	3,238.7	3,166.5
Total liabilities	**56,723.9**	**55,467.8**
Shareholders' equity		
Common shares	120.6	120.6
Nominal value: 120.6 Conditional capital: 24.1		
Additional paid-in capital	724.6	724.6
Common shares and additional paid-in capital	**845.2**	**845.2**
Cumulative other comprehensive income		
Unrealised gains and losses on investments	-2,352.4	-1,985.1
Cumulative foreign currency translation adjustment	435.9	160.5
Cumulative reinsurance finance income and expenses	2,360.7	2,026.3
Other changes in cumulative other comprehensive income	-35.7	-44.1
Total other comprehensive income	**408.5**	**157.6**
Retained earnings	9,412.6	9,124.0
Equity attributable to shareholders of Hannover Rück SE	**10,666.3**	**10,126.8**
Non-controlling interests	833.6	892.7
Total shareholders' equity	**11,499.9**	**11,019.5**
Total liabilities	**68,223.8**	**66,487.3**

Consolidated statement of income as at 30 June 2024

in EUR million	1.4.–30.6.2024 [1]	1.1.–30.6.2024	1.4.–30.6.2023 [1]	1.1.–30.6.2023
Reinsurance revenue (gross)	6,243.8	12,916.4	5,702.5	12,272.7
Reinsurance service expenses (gross)	5,131.5	10,655.5	4,683.1	10,290.6
Reinsurance service result (gross)	**1,112.3**	**2,260.9**	**1,019.4**	**1,982.1**
Reinsurance revenue (retroceded)	987.3	1,658.4	845.1	1,546.0
Reinsurance service expenses (retroceded)	566.5	808.9	336.1	642.6
Result from reinsurance contracts (retroceded)	**-420.8**	**-849.5**	**-509.0**	**-903.4**
Reinsurance service result (net)	**691.5**	**1,411.4**	**510.4**	**1,078.7**
Finance income or expenses from reinsurance contracts (gross)	-384.8	-930.2	-265.5	-145.0
Finance income or expenses from reinsurance contracts (retroceded)	25.4	-2.7	28.4	5.7
Reinsurance finance result (net)	**-359.3**	**-932.9**	**-237.1**	**-139.4**
thereof: Currency gains/losses from reinsurance finance result (net) [2]	-120.9	-433.2	-61.5	203.1
Reinsurance finance result (net) before currency gains/losses [2]	**-238.5**	**-499.7**	**-175.6**	**-342.5**
Ordinary investment income	556.7	1,109.3	476.1	924.8
Expected credit losses, impairment, depreciation and appreciation of investments	-6.7	-18.8	-8.4	-18.0
Change in fair value of financial instruments	20.3	5.4	60.9	57.0
Profit/loss from investments in associated companies and joint ventures	14.2	39.4	14.0	16.5
Realised gains and losses on investments	-24.1	-29.5	-30.5	-44.4
Other investment expenses	49.3	96.4	42.2	85.2
Investment result	**511.1**	**1,009.4**	**469.9**	**850.7**
Currency gains/losses on investments	110.2	407.7	33.9	-204.9
Currency gains/losses from reinsurance finance result (net) [2]	-120.9	-433.1	-61.5	203.1
Other currency gains/losses	-8.9	-31.3	18.9	35.8
Currency result [2]	**-19.6**	**-56.7**	**-8.7**	**34.1**
Other income	72.3	120.9	45.8	92.1
Other expenses	170.1	328.1	209.5	360.5
Other income/expenses	**-97.8**	**-207.2**	**-163.7**	**-268.4**
Operating profit/loss (EBIT)	**846.7**	**1,657.2**	**632.3**	**1,352.6**
Financing costs	26.2	52.1	32.7	64.6
Net income before taxes	**820.5**	**1,605.1**	**599.6**	**1,288.0**
Taxes	231.9	445.0	128.1	298.3
Net income	**588.6**	**1,160.1**	**471.5**	**989.6**
thereof				
Non-controlling interest in profit and loss	-14.4	-1.0	-4.1	29.6
Group net income	**603.0**	**1,161.1**	**475.6**	**960.0**
Earnings per share (in EUR)				
Basic earnings per share	5.00	9.63	3.94	7.96
Diluted earnings per share	5.00	9.63	3.94	7.96

[1] Information was not subject to an auditor's review

[2] In order to clarify the matching currency coverage of the technical liabilities by investments, the currency effects are initially eliminated from the reinsurance finance result within the meaning of IFRS 17 and subsequently reported in the net currency result

Consolidated statement of comprehensive income as at 30 June 2024

in EUR million	1.4.-30.6.2024 [1]	1.1.–30.6.2024	1.4.-30.6.2023 [1]	1.1.-30.6.2023
Net income	**588.6**	**1,160.1**	**471.5**	**989.6**
Not reclassifiable to the consolidated statement of income				
Actuarial gains and losses	7.9	12.5	0.3	2.1
Investments in equity instruments	-1.3	-1.5	3.5	2.8
Changes from the measurement of associated companies and joint ventures	-0.1	-0.1	–	–
Tax income (expense)	-2.6	-4.1	-0.2	-0.7
Total not reclassifiable to the consolidated statement of income	**3.9**	**6.8**	**3.6**	**4.2**
Reclassifiable to the consolidated statement of income				
Unrealised gains and losses on investments				
Gains (losses) recognised directly in equity	-270.3	-583.9	-430.7	349.9
Transferred to the consolidated statement of income	24.1	32.9	28.2	44.8
Currency translation				
Gains (losses) recognised directly in equity	135.6	282.7	-9.2	-209.2
Transferred to the consolidated statement of income	–	–	-1.7	0.3
Changes from insurance contracts				
Gains (losses) recognised directly in equity	115.7	382.5	421.2	-223.6
Changes from the measurement of associated companies and joint ventures				
Gains (losses) recognised directly in equity	6.9	20.4	-11.1	-11.1
Changes from hedging instruments				
Gains (losses) recognised directly in equity	0.4	0.3	2.5	-3.3
Other changes				
Tax income (expense)	60.1	98.9	-10.6	34.0
Total reclassifiable income and expense recognised directly in equity	**72.5**	**233.8**	**-11.5**	**-18.4**
Total income and expense recognised directly in equity	**76.4**	**240.6**	**-7.9**	**-14.2**
Total recognised income and expense	**665.0**	**1,400.7**	**463.6**	**975.5**
thereof				
Attributable to non-controlling interests	-23.6	-11.5	14.5	54.7
Attributable to shareholders of Hannover Rück SE	688.6	1,412.2	449.2	920.8

[1] Information was not subject to an auditor's review

Consolidated statement of changes in shareholders' equity as at 30 June 2024

in EUR million	Common shares	Additional paid-in capital	Other reserves (cumulative other comprehensive income)	
			Unrealised gains/losses	Currency translation
Balance as at 1.1.2023	**120.6**	**724.6**	**-3,154.0**	**509.0**
Net income	–	–	–	–
Total income and expense recognised directly in equity	–	–	257.3	-144.1
Total recognised income and expense	**–**	**–**	**257.3**	**-144.1**
Dividends paid	–	–	–	–
Changes in ownership interest with no change of control status	–	–	–	–
Capital increases/additions	–	–	–	–
Capital repayments	–	–	–	–
Balance as at 30.6.2023	**120.6**	**724.6**	**-2,896.7**	**364.9**
Balance as at 1.1.2024	**120.6**	**724.6**	**-1,985.1**	**160.5**
Net income	–	–	–	–
Total income and expense recognised in equity	–	–	-367.1	275.4
Total recognised income and expense	**–**	**–**	**-367.1**	**275.4**
Dividends paid	–	–	–	–
Changes in ownership interest with no change of control status	–	–	–	–
Directly reclassified to retained earnings	–	–	-0.2	–
Capital increases/additions	–	–	–	–
Capital repayments	–	–	–	–
Acquisition/disposal of treasury shares	–	–	–	–
Balance as at 30.6.2024	**120.6**	**724.6**	**-2,352.4**	**435.9**

Continuation: Other reserves (cumulative other comprehensive income)			Retained earnings	Equity attributable to shareholders of Hannover Rück SE	Non-controlling interests	Total shareholders' equity
Insurance contracts	Hedging instruments	Actuarial gains/losses				
2,871.1	**0.2**	**-36.6**	**8,024.8**	**9,059.7**	**897.2**	**9,956.9**
–	–	–	960.0	960.0	29.6	989.6
-150.8	-3.1	1.4	–	-39.3	25.1	-14.2
-150.8	**-3.1**	**1.4**	**960.0**	**920.8**	**54.7**	**975.5**
–	–	–	-723.6	-723.6	-44.1	-767.7
–	–	–	–	–	-0.2	-0.2
–	–	–	–	–	0.2	0.2
–	–	–	–	–	-0.1	-0.1
2,720.4	**-2.9**	**-35.2**	**8,261.3**	**9,256.8**	**907.8**	**10,164.6**
2,026.3	**1.2**	**-45.3**	**9,124.0**	**10,126.8**	**892.7**	**11,019.5**
–	–	–	1,161.1	1,161.1	-1.0	1,160.1
334.4	0.7	7.7	–	251.1	-10.5	240.6
334.4	**0.7**	**7.7**	**1,161.1**	**1,412.2**	**-11.5**	**1,400.7**
–	–	–	-868.3	-868.3	-44.0	-912.3
–	–	–	-4.2	-4.2	-2.9	-7.1
–	–	–	0.2	–	–	–
–	–	–	–	–	0.1	0.1
–	–	–	–	–	-0.8	-0.8
–	–	–	-0.2	-0.2	–	-0.2
2,360.7	**1.9**	**-37.6**	**9,412.6**	**10,666.3**	**833.6**	**11,499.9**

Consolidated cash flow statement as at 30 June 2024

in EUR million	1.1.–30.6.2024	1.1.–30.6.2023
I. Cash flow from operating activities		
Net income	1,160.1	989.6
Change in insurance contracts (gross)	591.4	1,539.4
Change in reinsurance contracts held (retroceded)	-130.5	436.5
Change in other receivables/liabilities	515.9	-143.3
Other non-cash expenses and income	503.6	-88.3
Cash flow from operating activities	**2,640.5**	**2,733.9**
II. Cash flow from investing activities		
Outflows for acquisition of investment property	-191.8	-206.2
Inflows from disposal of investment property	27.1	0.2
Outflows for acquisition of investments in affiliated companies and participating interests (not consolidated)	-411.0	-0.4
Inflows from disposal of investments in affiliated companies and participating interests (not consolidated)	393.8	0.7
Outflows for acquisition of investments valued at FV through OCI	-10,688.5	-4,395.2
Inflows from disposal of investments valued at FV through OCI	9,664.2	3,871.6
Outflows for acquisition of investments valued at FV through P&L	-1,608.2	-211.9
Inflows from disposal of investments valued at FV through P&L	1,341.2	151.9
Short-term Investments (net)	9.6	-424.6
Outflows for acquisition of other invested assets	-2,908.2	-2,995.8
Inflows from disposal of other invested assets	2,851.8	2,834.7
Other changes	-130.1	-44.7
Cash flow from investing activities	**-1,650.1**	**-1,419.8**
III. Cash flow from financing activities		
Cash inflow from financing liabilities/financial/puttable instruments	–	34.5
Cash outflow from financing liabilities/financial/puttable instruments	-65.9	-670.3
Cash inflow from capital measures	0.1	0.2
Cash outflow from capital measures	-0.8	-0.1
Changes in interests in a subsidiary that do not result in a loss of control	-7.1	-0.2
Cash outflow from dividends	-912.3	-767.7
Cash flow from financing activities	**-986.0**	**-1,403.5**
IV. Exchange rate differences on cash	**9.4**	**-38.6**
Cash and cash equivalents at the beginning of the period	**1,054.8**	**1,323.2**
Change in cash and cash equivalents (I. + II. + III. + IV.)	**13.8**	**-128.0**
Cash and cash equivalents at the end of the period	**1,068.6**	**1,195.2**
Supplementary information on the cash flow statement [1]		
Income taxes paid (on balance)	-254.2	-148.3
Dividend receipts [2]	34.6	34.6
Interest received	1,087.8	912.0
Interest paid – recognised in the cash flow from operating activities	-92.9	-115.9
Interest paid – recognised in the cash flow from financing activities	-41.9	-65.0

[1] The income taxes paid, dividend received as well as interest received are included entirely in the cash flow from operating activities.
[2] Including dividend-like profit participations from investment funds

Notes to the consolidated financial statements as at 30 June 2024

Notes

1. General reporting principles

Hannover Rück SE and its subsidiaries (collectively referred to as the “Hannover Re Group” or “Hannover Re”) are 50.2% (rounded) owned by Talanx AG and included in its consolidated financial statement. Talanx AG is majority-owned by HDI Haftpflichtverband der Deutschen Industrie V.a.G. (HDI). Hannover Re is obliged to prepare a consolidated financial statement and group management report in accordance with § 290 German Commercial Code (HGB). Furthermore, HDI is required by §§ 341 i et seq. German Commercial Code (HGB) to prepare consolidated annual accounts that include the annual financial statements of Hannover Rück SE and its subsidiaries. Hannover Rück SE is a European Company, Societas Europaea (SE), and its registered office is located at Karl-Wiechert-Allee 50, 30625 Hannover, Germany.

The present consolidated half-yearly financial report of Hannover Re was drawn up in conformity with IAS 34 and in accordance with the International Financial Reporting Standards (IFRS) that are to be used for interim reporting, as adopted by the EU. This also applies to all figures provided in this report for previous periods.

The consolidated financial statement was drawn up in euros (EUR), the amounts shown have been rounded to EUR millions. Unless otherwise explicitly indicated, amounts in brackets refer to the previous year.

The present consolidated financial statement was prepared by the Executive Board on 7 August 2024 and released for publication.

2. Accounting principles including major accounting policies

The quarterly accounts of the consolidated companies included in the consolidated financial statement were drawn up as at 30 June 2024.

In conformity with IAS 34, the accounting policies applied in the period under review were the same as those applied in the preceding consolidated annual financial statement. For more details of the accounting policies, please see the Group annual financial report for the previous year.

All standards adopted by the IASB as at 30 June 2024 with binding effect for the period under review have been observed in the consolidated financial statement.

Accounting standards applied for the first time

In connection with the introduction of global minimum taxation, the IASB issued "Amendments to IAS 12 Income Taxes: International Tax Reform – Pillar Two Model Rules" in May 2023 after the OECD had previously released the Pillar Two Model Rules (Global Anti-Base Erosion Proposal, GloBE). The amendments to IAS 12 introduce a temporary, mandatory exception to accounting for deferred taxes related to implementation of the Pillar Two Model Rules together with certain disclosure requirements. The temporary exception applies retrospectively in conformity with IAS 8 and immediately upon publication, while the new disclosure requirements are to be fulfilled with effect from year-end 2023. Hannover Re is currently implementing the Pillar Two rules and is fulfilling the new disclosure requirements accordingly: effective 1 January 2024 the Minimum Tax Act (MinStG) entered into force in Germany. As a subgroup of the HDI Group, Hannover Re falls within the scope of application of the rules.

Under the minimum taxation rules, Hannover Re is required to pay a supplementary tax for the difference between the effective rate of taxation per tax jurisdiction and the minimum tax rate of 15%.

With regard to the recognition of deferred tax assets and liabilities as well as fulfilment of certain disclosure requirements in connection with the implementation of global minimum taxation, Hannover Re is exercising the temporary exemption provided for in IAS 12.

Based on data from the qualified Country-by-Country Reporting (qCbCR) 2023 of the HDI Group as well as the quarterly data for 2024, Hannover Re is established in 31 jurisdictions in the year under review with entities relevant to the minimum taxation rules and for the most part is subject to an effective tax load of more than 15% in these jurisdictions. The impact analysis per jurisdiction revealed that no supplementary tax is expected for the 2024 financial year in 26 jurisdictions. An effective tax rate of less than 15% is anticipated for the jurisdictions of Bahrain, Bermuda, Cayman Islands, Hong Kong and South Korea. The resulting implications for the effective tax rate of Hannover Re are expected to be in the low single-digit percentage range.
In addition, the following amendments to existing standards were applicable for the first time in the reporting period. These

amendments did not have any significant implications for the consolidated financial statement:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 Presentation of Financial Statements: Non-current Liabilities with Covenants
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback

Standards or changes in standards that have not yet entered into force or are not yet applicable

In May 2024 the IASB issued "Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)". These amendments address specific matters that were identified during the post-implementation review of the classification and measurement requirements of IFRS 9 "Financial Instruments". The amendments are effective for reporting periods beginning on or after 1 January 2026 and have still to be endorsed by the EU.

In April 2024 the IASB issued IFRS 18 "Presentation and Disclosure in Financial Statements". The standard replaces the previous IAS 1 "Presentation of Financial Statements". IFRS 18 introduces defined subtotals and categories in the statement of income and sets out requirements to improve the aggregation or disaggregation of items presented in financial statements. In addition, requirements for disclosures in the notes on "management-defined performance measures" (MPMs) are formulated and targeted improvements to the cash flow statement are made through amendment of IAS 7 "Statement of Cash Flows". The standard is to be applied retrospectively for annual reporting periods beginning on or after 1 January 2027 and has still to be endorsed by the EU.

Furthermore, the IASB has issued the following amendments to existing standards, application of which was not yet mandatory in the reporting period. Hannover Re is refraining from early application of these amendments, which are not expected to have any significant implications for the Group's net assets, financial position or results of operations.

- Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements

Key exchange rates

The individual companies' statements of income prepared in the respective functional currency are converted into euro at the average rates of exchange and transferred to the consolidated financial statement. The conversion of foreign currency items in the balance sheets of the individual companies and the transfer of these items to the consolidated financial statement are effected at the mean rates of exchange on the balance sheet date.

Key exchange rates

	30.6.2024	31.12.2023	1.1.–30.6.2024	1.1.–30.6.2023
1 EUR corresponds to:	Mean rate of exchange on the balance sheet date		Average rate of exchange	
AUD	1.6073	1.6273	1.6406	1.6107
BHD	0.4032	0.4166	0.4082	0.4066
CAD	1.4656	1.4651	1.4675	1.4586
CNY	7.7674	7.8454	7.8015	7.5131
GBP	0.8461	0.8689	0.8556	0.8750
HKD	8.3519	8.6323	8.4647	8.4517
INR	89.1780	91.9631	90.1482	88.7591
KRW	1,472.3800	1,426.8600	1,461.1314	1,401.9114
MYR	5.0453	5.0776	5.1036	4.8251
SEK	11.3676	11.0896	11.3774	11.3722
USD	1.0695	1.1051	1.0827	1.0785
ZAR	19.4614	20.3788	20.2759	19.6924

Major discretionary decisions and estimates

As provided for by IAS 34, in our preparation of the consolidated interim financial statement, consisting of the consolidated balance sheet, consolidated statement of income, consolidated statement of comprehensive income, consolidated cash flow statement, consolidated statement of changes in shareholders' equity and selected explanatory notes, we draw on estimates and assumptions to a greater extent than is the case with the annual financial reporting. This can have implications for items in the balance sheet and the statement of income as well as for other financial obligations.

Estimates and assumptions influence in particular the consolidation method, the recognition of reinsurance contracts and financial instruments, goodwill, provisions for non-technical matters and deferred taxes. Estimates are always based on realistic premises, but they are of course subject to uncertainties that may be reflected accordingly in the result.

Risks connected with the impacts of climate change are of great significance to a reinsurance company's business model. The estimation of occurrence probabilities and loss amounts for climate-related storms, floods or droughts is a major integral component of our risk management system. It exerts a considerable influence on our underwriting policy for catastrophe-exposed risks and requires appropriate risk capital to be kept available. Physical risks such as extreme weather events and their consequences as well as long-term changes in climatic and environmental conditions, such as precipitation amounts, the rise in sea levels or the increase in average temperatures, can also affect the value of our real estate holdings or the measurement of securities in our investment portfolio.

Along with the influence of these physical risks, the measurement of our investment portfolio is also subject to transition risks as a consequence of climate change. Transition risks refer to those risks connected with the effects of climate change that result from the shift towards a low-carbon economy. This transition is substantially initiated and supported by political regulatory policies. Insofar as such regulatory measures negatively affect, for example, issuers of shares or corporate bonds in our asset portfolio, there are corresponding implications for the measurement of these instruments.

All in all, the evaluation of climate risks is considered inter alia in the context of the impairment test for non-financial assets, including goodwill pursuant to IAS 36, in the determination of the useful life and residual value of assets pursuant to IAS 16 or IAS 38, in connection with the recognition and subsequent measurement of investments pursuant to IFRS 9 as well as in the establishment of provisions and the disclosure of contingent liabilities pursuant to IAS 37.

The war in Ukraine also gave rise to estimation uncertainties in the reporting period. We conducted probability-weighted scenario analyses for all relevant lines of business, taking into consideration the market insights available to us at the present moment in time and using them to determine our reserves on the basis of our own estimates. The affected lines at the balance sheet date primarily encompass political violence, property covers and aviation as well as other lines such as political risk and marine. We have significantly strengthened our precautionary reserves for this loss complex in the reporting period compared to the previous year. The range of potential loss scenarios remains considerable and can result in significantly higher loss payments at a later point in time in the event of adverse developments not currently anticipated or unfavourable court decisions. In particular, legal uncertainties continue to surround the status of leased aircraft still in Russia. Business with Russian cedants has been discontinued in conformity with existing sanctions regulations.

Discretionary decisions, estimates and assumptions are of considerable significance when it comes to the assets and liabilities from reinsurance contracts issued or held: the classification, the aggregation level and the measurement of reinsurance and retrocession contracts entail discretionary decisions. Depending on the assessment of whether they transfer a significant insurance risk, contracts are classified either as reinsurance or investment contracts. An appropriate aggregation level must be found because it is necessary to differentiate between contract portfolios by separating groups of contracts that are onerous upon initial recognition from those that do not have a significant probability of subsequently becoming onerous.

In addition, assumptions are made and estimation uncertainties exist regarding the measurement of reinsurance and retrocession contracts. In measuring such contracts, the measurement method is to be defined that is used for estimating the risk adjustments for non-financial risk and the quantity of services to be rendered under a contract. Changes in material assumptions relating to discount rates (including illiquidity premiums), loss experience or future cash flows and differences between interest on credit balances and discount rates could result in significant changes in fulfilment values in the following financial year or in adjustment of the contractual service margin.

Supplementary or complete estimates of the corresponding profit and loss items, assets and liabilities including relevant retrocessions are made where ceding company accounts with substantial premium income are missing. Missing ceding company accounts with a low premium volume are included in the following year.

In applying statistical methods, separate consideration is given to large losses. By analysing a broad range of observable information, it is possible to classify losses as major individual loss events. Measurement of the obligations existing in this connection is carried out using a separate process, which is based largely on contract-specific estimates.

In determining the carrying amounts of certain financial assets it is sometimes necessary to make assumptions in order to calculate fair values and determine the risk provisioning for expected credit losses. In this regard we refer the reader to our comments on financial instruments measured at fair value through profit or loss and on impairments in section 5.1 "Investments" and section 6.2 "Investment result".

For further information we additionally refer to our remarks in the previous annual financial report.

3. Consolidated companies and consolidation principles

Capital consolidation

The capital consolidation is carried out according to the requirements of IFRS 10 “Consolidated Financial Statements” on the basis of a consistent consolidation model for all entities that identifies control as the single basis for verifying the consolidation requirement, irrespective of whether control is substantiated in company law, contractually or economically. Group companies are consolidated from the point in time when Hannover Re gains control over them. Control exists if Hannover Re directly or indirectly has decision-making power over a Group company on the basis of voting rights or other rights, if it has exposure or rights to positive and negative variable returns from its involvement with the Group company and if it can use its power to influence these returns. All of these criteria must be met. Other circumstances may also give rise to control, for example the existence of a principal-agent relationship. In this case a party outside the Group with decision-making powers (agent) acts for Hannover Re, but does not control the company since it merely exercises decision-making powers that have been delegated by Hannover Re (principal). In the context of their operational activities some companies belonging to the Hannover Re Group enter into business relations with structured entities that are also to be examined in accordance with IFRS 10 in conjunction with IFRS 12 with an eye to their implications for consolidation. Structured entities are entities designed in such a way that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. Consolidation decisions are reviewed as necessary and at least once a year. Group companies are consolidated until the Hannover Re Group loses control over them. The accounting policies of Group companies are adjusted, where necessary, in order to ensure consistent application of the Hannover Re Group’s accounting policies. The capital consolidation is based on the acquisition method. In the context of the acquisition method the acquisition costs, measured at the fair value of the consideration rendered by the parent company on the acquisition date, are netted with the proportionate shareholders’ equity of the subsidiary at the time when it is first included in the consolidated financial statement after the revaluation of all assets and liabilities. After recognition of all acquired intangible assets that in accordance with IFRS 3 “Business Combinations” are to be accounted for separately from goodwill, the difference between the revalued shareholders’ equity of the subsidiary and the purchase price is recognised as goodwill. Under IFRS 3 goodwill is not amortised, but instead impairment is taken where necessary on the basis of annual impairment tests. Immaterial and negative goodwill are recognised in the statement of income in the year of their occurrence. Costs associated with acquisition are expensed.

Companies over which Hannover Re is able to exercise a significant influence or whose relevant activities can only be decided with the unanimous approval of the parties sharing control and in which we only have rights to the net assets are included as associated companies or joint ventures using the equity method of accounting. Under this method, we measure investments in associated companies and joint ventures with the proportion of the equity attributable to the Group. In accordance with the equity method of accounting required by IAS 28 "Investments in Associates and Joint Ventures", the goodwill attributable to associated companies and joint ventures is recognised together the carrying amount of the investments in associated companies and joint ventures. The share of the year-end result of an associated company or joint venture relating to the Group is included in the investment income and recognised separately in the consolidated statement of income. The equity and result are taken from the last available financial statement of the associated company or joint venture.

Non-controlling interests in shareholders’ equity are reported separately within Group shareholders’ equity in accordance with IAS 1 “Presentation of Financial Statements”. The non-controlling interest in profit or loss, which forms part of net income and is shown separately after net income as a “thereof ” note, amounted to EUR -1.1 million (EUR 29.6 million) as at 30 June 2024.

For further details we would refer to the relevant information in the Group annual financial report as at 31 December 2023.

Consolidation of business transactions within the Group

Receivables and liabilities between the companies included in the consolidated financial statement are offset against each other. Profits and expenses from business transactions within the Group are also eliminated.

Transactions between a disposal group and the continuing operations of the Group are similarly eliminated in accordance with IFRS 10.

Major acquisitions and new formations

No major acquisitions or new formations took place in the period under review.

Major disposals

No major disposals took place in the period under review.

4. Group segment report

Segmentation of assets	Property and casualty reinsurance	
in EUR million	30.6.2024	31.12.2023
Assets		
Financial investments – at fair value through OCI	41,380.9	39,841.3
Financial investments – at fair value through profit or loss	3,432.8	3,458.1
Investment property	2,682.2	2,536.5
Investments in associated companies and joint ventures	2,062.0	1,974.3
Other invested assets	470.9	505.1
Total investments	**50,028.8**	**48,315.4**
Reinsurance recoverables on liability for incurred claims	1,750.2	1,890.4
Reinsurance recoverables on liability for remaining coverage	-476.2	-555.0
Recoverables on reinsurance contracts retroceded	**1,274.0**	**1,335.3**
Reinsurance contracts issued in an asset position	131.8	153.8
Cash and cash equivalents	823.9	698.8
Other segment assets	3,470.8	3,778.9
Total segment assets	**55,729.2**	**54,282.2**
Deferred tax assets and tax receivables		
Total assets		

Segmentation of liabilities		
in EUR million		
Liabilities		
Liability for incurred claims (LIC)	39,464.4	37,421.0
Liability for remaining coverage (LRC)	-3,032.2	-2,155.6
Liabilities from reinsurance contracts issued	**36,432.2**	**35,265.4**
Reinsurance contracts retroceded in a liability position	299.8	417.2
Financing liabilities	847.3	849.0
Other segment liabilities	2,111.2	2,163.4
Total segment liabilities	**39,690.5**	**38,695.1**
Taxes		
Deferred tax liabilities		
Total liabilities		

Life and health reinsurance		Consolidation		Total	
30.6.2024	31.12.2023	30.6.2024	31.12.2023	30.6.2024	31.12.2023
10,822.3	10,748.6	32.3	29.2	52,235.6	50,619.1
574.9	494.9	1.7	1.2	4,009.4	3,954.1
–	–	–	–	2,682.2	2,536.5
56.7	81.9	–	–	2,118.7	2,056.2
459.7	457.8	–	–	930.6	963.0
11,913.7	**11,783.1**	**34.0**	**30.4**	**61,976.5**	**60,128.9**
478.3	341.0	–	–	2,228.5	2,231.4
-275.6	-150.5	–	–	-751.8	-705.5
202.7	**190.6**	**–**	**–**	**1,476.7**	**1,525.9**
834.6	866.0	–	–	966.4	1,019.8
243.0	350.0	1.7	6.0	1,068.6	1,054.8
790.0	809.2	-2,343.7	-2,617.5	1,917.0	1,970.5
13,983.9	**13,998.9**	**-2,308.0**	**-2,581.1**	**67,405.1**	**65,699.9**
				818.6	787.4
				68,223.8	**66,487.3**

9,043.3	8,793.1	–	–	48,507.6	46,214.1
29.8	180.9	–	–	-3,002.4	-1,974.7
9,073.0	**8,974.0**	**–**	**–**	**45,505.2**	**44,239.4**
195.8	281.7	–	–	495.6	698.9
35.0	31.3	3,997.7	3,995.2	4,880.1	4,875.5
3,586.8	3,765.4	-2,308.2	-2,597.9	3,389.9	3,330.8
12,890.7	**13,052.3**	**1,689.6**	**1,397.2**	**54,270.7**	**53,144.6**
				327.1	225.9
				2,126.0	2,097.3
				56,723.9	**55,467.8**

Segment statement of income	**Property and casualty reinsurance**	
in EUR million	**1.1.–30.6.2024**	1.1. - 30.6.2023
Reinsurance revenue (gross)	9,099.5	8,364.9
Reinsurance service expenses (gross)	7,281.2	6,895.6
Reinsurance service result (gross)	**1,818.2**	**1,469.3**
Reinsurance revenue (retroceded)	1,204.8	1,181.7
Reinsurance service expenses (retroceded)	349.9	310.0
Result from reinsurance contracts (retroceded)	**-855.0**	**-871.7**
Reinsurance service result (net)	**963.3**	**597.6**
Reinsurance finance result (net) before currency gains/losses	-419.9	-284.7
Investment result	797.4	624.6
thereof		
Expected credit losses, impairment, depreciation and appreciation of investments	-20.8	-20.6
Change in fair value of financial instruments	-28.0	3.8
Profit/loss from investments in associated companies and joint ventures	68.2	9.7
Currency result	-73.7	59.2
Other income/expenses	-106.6	-167.7
Operating profit/loss (EBIT)	**1,160.5**	**829.1**
Financing costs	1.0	1.0
Net income before taxes	**1,159.4**	**828.1**
Taxes		
Net income		
thereof		
Non-controlling interest in profit and loss		
Group net income		

The segment information shown here is based on the same principles as those applied in the consolidated financial statement as at 31 December 2023. It follows the system used for internal reporting purposes, on the basis of which the full Executive Board regularly evaluates the performance of segments and decides on the allocation of resources to them. The “Consolidation” column includes not only the elimination of cross-segment transactions but also, more significantly, companies whose business operations cannot be unambiguously allocated to property and casualty reinsurance or life and health reinsurance. These are principally the service and financing companies belonging to the Group. Since the performance indicators used to steer the segments correspond to the system according to which the consolidated financial statement is prepared, a separate reconciliation of the segment results with the Group result is not provided. We would also refer to the relevant information in the Group annual financial report as at 31 December 2023.

In the current financial year there have been no material changes in the consolidated group.

Life and health reinsurance		Consolidation		Total	
1.1.–30.6.2024	1.1. - 30.6.2023	1.1.–30.6.2024	1.1. - 30.6.2023	1.1.–30.6.2024	1.1. - 30.6.2023
3,816.9	3,907.8	–	–	12,916.4	12,272.7
3,374.3	3,395.0	–	–	10,655.5	10,290.6
442.6	**512.8**	**–**	**–**	**2,260.9**	**1,982.1**
453.5	364.3	–	–	1,658.4	1,546.0
459.0	332.6	–	–	808.9	642.6
5.5	**-31.7**	**–**	**–**	**-849.5**	**-903.4**
448.1	**481.1**	**–**	**–**	**1,411.4**	**1,078.7**
-79.9	-57.8	–	–	-499.7	-342.5
211.1	224.8	0.9	1.2	1,009.4	850.7
2.0	2.6	–	–	-18.8	-18.0
33.4	53.2	–	–	5.4	57.0
-28.7	6.8	–	–	39.4	16.5
17.0	-25.2	–	0.1	-56.7	34.1
-95.0	-98.3	-5.6	-2.4	-207.2	-268.4
501.4	**524.5**	**-4.7**	**-1.1**	**1,657.2**	**1,352.6**
0.5	0.4	50.5	63.1	52.1	64.6
500.9	**524.1**	**-55.2**	**-64.2**	**1,605.1**	**1,288.0**
				445.0	298.3
				1,160.1	**989.6**
				-1.0	29.6
				1,161.1	960.0

5. Notes on the individual items of the balance sheet

5.1. Investments

Investments are classified and measured in accordance with IFRS 9 “Financial Instruments”. Hannover Re classifies investments in the categories of measured at fair value through other comprehensive income and at fair value through profit or loss, while measurement at amortised cost is only used in exceptional cases. The allocation and measurement of investments are determined by the investment intent (business model) and the type of cash flows.

The investments also encompass investment property, investments in associated companies and joint ventures as well as other invested assets. Real estate as well as investments held by disposal groups which are intended for sale as defined by IFRS 5 are recognised separately in the consolidated balance sheet. Intentions to sell are substantiated by individual real estate market conditions and specific property circumstances, taking into consideration current and future opportunity / risk profiles.

The following table shows the regional origin of the investments.

Investments

in EUR million	30.6.2024	31.12.2023
Regional origin		
Germany	11,461.9	11,065.3
United Kingdom	3,884.6	3,245.4
France	2,302.1	2,152.1
Other	8,027.7	7,544.0
Europe	**25,676.2**	**24,006.9**
USA	20,061.3	20,191.5
Other	4,578.8	4,683.4
North America	**24,640.2**	**24,874.8**
Asia	6,091.1	6,002.5
Australia	4,009.7	3,821.1
Australasia	**10,100.8**	**9,823.6**
Africa	225.6	191.2
Other	1,333.7	1,232.4
Total	**61,976.5**	**60,128.9**

Maturities of the fixed-income and variable-yield securities

in EUR million	30.6.2024		31.12.2023	
	Amortised cost [1]	Fair value	Amortised cost [1]	Fair value
Financial investments – at fair value through OCI				
due in one year	8,635.7	8,592.9	8,152.6	8,112.0
due after one through two years	5,023.4	4,929.4	4,579.2	4,493.1
due after two through three years	6,294.3	6,106.9	6,626.4	6,440.1
due after three through four years	4,058.2	3,914.3	3,237.5	3,111.5
due after four through five years	4,639.0	4,446.9	4,334.3	4,217.1
due after five through ten years	15,051.5	13,805.4	15,310.2	14,134.5
due after more than ten years	11,951.1	10,104.2	11,348.3	9,862.4
no maturity	250.3	250.3	248.3	248.3
Total	**55,903.5**	**52,150.3**	**53,836.8**	**50,619.1**
Financial investments – at fair value through profit or loss				
due in one year	1,367.9	1,367.9	1,435.8	1,435.8
due after one through two years	123.8	123.8	173.9	173.9
due after two through three years	79.8	79.8	102.1	102.1
due after three through four years	60.8	60.8	49.8	49.8
due after four through five years	19.4	19.4	11.1	11.1
due after five through ten years	36.8	36.8	32.3	32.3
due after more than ten years	225.7	225.7	199.9	199.9
no maturity	2,095.1	2,095.1	1,949.1	1,949.1
Total	**4,009.4**	**4,009.4**	**3,954.1**	**3,954.1**

[1] Including accrued interest

Amortised cost, unrealised gains and losses and accrued interest on financial instruments measured at fair value through OCI as well as their fair value

in EUR million	30.6.2024				
	Cost or amortised cost incl. accrued interests	thereof accrued interest	Unrealised gains	Unrealised losses	Fair value
Debt instruments					
Government debt securities of EU member states	5,859.0	22.8	3.5	708.7	5,153.8
US Treasury notes	11,347.1	65.6	9.5	854.2	10,502.3
Other foreign government debt securities	5,792.0	46.6	47.4	239.6	5,599.9
Debt securities issued by semi-governmental entities	9,604.2	90.9	45.7	605.2	9,044.7
Corporate securities	19,014.9	193.0	78.8	1,327.7	17,766.0
Covered bonds/asset-backed securities	4,007.2	42.7	16.5	218.4	3,805.3
Other	279.2	2.5	–	0.8	278.3
Total	**55,903.5**	**464.1**	**201.4**	**3,954.6**	**52,150.3**
Equity instruments					
Shares	1.2	–	0.6	1.2	0.6
Participating interests – other (financial investments)	86.5	–	1.0	2.9	84.6
Total	**87.7**	**–**	**1.6**	**4.1**	**85.2**
Total	**55,991.2**	**464.1**	**203.0**	**3,958.6**	**52,235.6**

in EUR million	31.12.2023				
	Cost or amortised cost incl. accrued interests	thereof accrued interest	Unrealised gains	Unrealised losses	Fair value
Debt instruments					
Government debt securities of EU member states	5,570.4	24.4	14.3	557.0	5,027.8
US Treasury notes	11,660.7	60.1	24.0	703.2	10,981.5
Other foreign government debt securities	5,471.0	41.5	35.5	174.0	5,332.4
Debt securities issued by semi-governmental entities	9,399.9	93.0	63.7	543.5	8,920.1
Corporate securities	17,282.3	195.8	113.5	1,266.0	16,129.8
Covered bonds/asset-backed securities	4,176.3	46.8	18.3	242.6	3,951.9
Other	276.2	1.4	–	0.7	275.5
Total	**53,836.8**	**463.0**	**269.4**	**3,487.0**	**50,619.1**
Equity instruments					
Shares	1.2	–	–	1.2	–
Total	**1.2**	**–**	**–**	**1.2**	**–**
Total	**53,837.9**	**463.0**	**269.4**	**3,488.2**	**50,619.1**

Fair value of financial assets at fair value through profit or loss before and after accrued interest as well as accrued interest on such financial assets

in EUR million	30.6.2024	31.12.2023	30.6.2024	31.12.2023	30.6.2024	31.12.2023
	Fair value before accrued interest		Accrued interest		Fair value	
Debt instruments						
US Treasury notes	–	–	–	–	–	–
Debt securities issued by semi-governmental entities	6.0	0.6	0.1	–	6.1	0.7
Corporate securities	424.5	425.0	4.7	5.2	429.2	430.2
Covered bonds/asset-backed securities	1.4	1.5	–	–	1.4	1.5
Other	51.1	53.3	–	–	51.1	53.3
	483.0	**480.5**	**4.8**	**5.2**	**487.8**	**485.7**
Derivative instruments	212.6	263.6	-0.5	-1.2	212.1	262.5
Investment funds measured at fair value through profit or loss	2,491.6	2,233.0	–	–	2,491.6	2,233.0
Short-term investments	795.0	949.1	10.2	11.3	805.2	960.4
Other financial instruments at fair value through profit and loss	12.6	12.6	–	–	12.6	12.6
	3,511.8	**3,458.3**	**9.8**	**10.2**	**3,521.5**	**3,468.4**
Total	**3,994.8**	**3,938.7**	**14.6**	**15.4**	**4,009.4**	**3,954.1**

Development of expected credit losses (ECL)

	30.6.2024							
in EUR million	Opening balance	Transfer to Stage 1	Transfer to Stage 2	Transfer to Stage 3	Additions	Disposals	Other [1]	Closing balance
Stage 1	46.7	1.0	-0.5	–	10.9	6.8	-6.2	45.0
Stage 2	16.4	-1.0	0.5	-0.2	–	2.3	1.3	14.7
Stage 3	122.9	–	–	0.2	–	3.5	3.0	122.7
Simplified impairment model	0.7	–	–	–	–	–	0.1	0.8
Total	**186.7**	**–**	**–**	**–**	**10.9**	**12.6**	**-1.7**	**183.2**

[1] Including changes in underlying risk parameters, including probability of default, point-in-time adjustment factor

	30.6.2023							
in EUR million	Opening balance	Transfer to Stage 1	Transfer to Stage 2	Transfer to Stage 3	Additions	Disposals	Other [1]	Closing balance
Stage 1	48.4	5.1	-5.2	–	11.2	4.7	-14.6	40.2
Stage 2	14.9	-5.1	12.1	–	–	3.3	2.1	20.6
Stage 3	116.0	–	-6.9	–	–	2.3	-8.7	98.1
Simplified impairment model	0.4	–	–	–	0.1	–	0.1	0.6
Total	**179.7**	**–**	**–**	**–**	**11.3**	**10.4**	**-21.2**	**159.5**

[1] Including changes in underlying risk parameters, including probability of default, point-in-time adjustment factor

Information on fair values and fair value hierarchy

The methods and models set out below are used to establish the fair value of financial instruments on the assets and liabilities side of the balance sheet. The fair value of a financial instrument corresponds in principle to the amount that Hannover Re would receive or pay if it were to sell or settle the said financial instrument on the balance sheet date. Insofar as market prices are listed on markets for financial instruments, their bid price is used. In other cases the fair values are established on the basis of the market conditions prevailing on the balance sheet date for financial assets with similar credit rating, duration and return characteristics or using recognised models of mathematical finance. Hannover Re uses a number of different valuation models for this purpose. The details are set out in the following table.

Valuation models

Financial instrument	Parameter	Pricing model
Fixed-income securities		
Unlisted plain vanilla bonds, interest rate swaps	Interest rate curve	Present value method
Unlisted structured bonds	Interest rate curve, volatility surfaces	Hull-White, Black-Karasinski, LIBOR market model etc
Unlisted ABS/MBS, CDO/CLO	Risk premiums, default rates, prepayment speed and recovery rates	Present value method
Other invested assets		
Unlisted equities and equity investments	Acquisition cost, cash flows, EBIT multiples, as applicable book value	Capitalised earnings method, discounted cash flow method, multiple-based approaches
Private equity funds, private equity real estate funds	Audited net asset values (NAV)	Net asset value method
Unlisted bond, equity and real estate funds	Audited net asset values (NAV)	Net asset value method
Other financial assets – at fair value through profit or loss		
Currency forwards	Interest rate curves, spot and forward rates	Interest parity model
Inflation swaps	Inflation swap rates (Consumer Price Index), historical index fixings, interest rate curve	Present value method with seasonality adjustment
OTC stock options, OTC stock index options	Listing of the underlying share, implicit volatilities, money-market interest rate, dividend yield	Black-Scholes
Insurance derivatives	Fair values, actuarial parameters, interest rate curve	Present value method

Fair value hierarchy

For the purposes of the disclosure requirements pursuant to IFRS 13 "Fair Value Measurement", it is necessary to assign financial assets and liabilities to a three-level fair value hierarchy.

The fair value hierarchy, which reflects characteristics of the price data and inputs used for measurement purposes, is structured as follows:

- Level 1: Assets or liabilities measured at (unadjusted) prices quoted directly in active and liquid markets.
- Level 2: Assets or liabilities which are measured using observable market data and are not allocable to level 1. Measurement is based, in particular, on prices for comparable assets and liabilities that are traded on active markets, prices on markets that are not considered active as well as inputs derived from such prices or market data.
- Level 3: Assets or liabilities that cannot be measured or can only be partially measured using observable market inputs. The measurement of such instruments draws principally on valuation models and methods.

If input factors from different levels are used to measure a financial instrument, the level of the lowest input factor material to measurement is determinative.

The operational units responsible for coordinating and documenting measurement are organisationally separate from the operational units that enter into investment risks. All relevant valuation processes and valuation methods are documented. Decisions on fundamental valuation issues are taken by a valuation committee that meets monthly.

In the current reporting period, as in the comparable period of the previous year, no financial assets or liabilities had to be reclassified to a different level of the fair value hierarchy.

The following table shows the breakdown of financial assets and liabilities recognised at fair value into the three-level fair value hierarchy.

Fair value hierarchy of financial assets and liabilities recognised at fair value

	30.6.2024			
in EUR million	Level 1	Level 2	Level 3	Total
Financial investments – at fair value through OCI				
Debt instruments	–	51,264.7	885.6	52,150.3
Equity instruments	–	–	85.2	85.2
	–	**51,264.7**	**970.8**	**52,235.6**
Financial investments – at fair value through profit or loss				
Debt instruments	–	438.4	62.0	500.4
Derivative instruments	–	57.3	154.8	212.1
Investment funds	405.8	187.5	1,898.4	2,491.6
Short–term investments	805.2	–	–	805.2
	1,211.0	**683.2**	**2,115.2**	**4,009.4**
Other invested assets				
	–	**–**	**930.6**	**930.6**
Financial liabilities (at fair value)				
Negative market values from derivative instruments	–	96.1	6.5	102.5
	–	**96.1**	**6.5**	**102.5**

	31.12.2023			
in EUR million	Level 1	Level 2	Level 3	Total
Financial investments – at fair value through OCI				
Debt instruments	–	49,935.0	684.1	50,619.1
	–	**49,935.0**	**684.1**	**50,619.1**
Financial investments – at fair value through profit or loss				
Debt instruments	–	434.1	64.2	498.3
Derivative instruments	–	107.8	154.7	262.5
Investment funds	296.3	192.2	1,744.4	2,233.0
Short–term investments	960.4	–	–	960.4
	1,256.7	**734.1**	**1,963.3**	**3,954.1**
Other invested assets				
	–	**–**	**963.0**	**963.0**
Financial liabilities (at fair value)				
Negative market values from derivative instruments	–	67.9	8.9	76.8
	–	**67.9**	**8.9**	**76.8**

The following table provides a reconciliation of the fair values of financial assets and liabilities included in level 3 at the beginning of the period with the fair values as at the balance sheet date.

Movements in level 3 financial assets and liabilities

in EUR million	30.6.2024 Financial investments – at fair value through OCI: Debt instruments	Equity instruments	Financial investments – at fair value through profit or loss: Debt instruments	Derivative instruments	Investment funds	Other invested assets	Financial liabilities (at fair value): Negative fair values from derivative instruments
Net book value at 31 December of the previous year	**684.1**	**–**	**64.2**	**154.7**	**1,744.4**	**963.0**	**8.9**
Currency translation at 1 January	17.0	–	2.1	5.1	33.4	8.9	0.3
Net book value after currency translation	**701.1**	**–**	**66.3**	**159.8**	**1,777.9**	**971.9**	**9.2**
Income and expenses recognised in the statement of income	3.2	–	-2.1	48.7	-12.4	19.2	0.2
Income and expenses recognised directly in shareholders' equity	-10.0	-1.9	–	–	–	-11.9	–
Purchases	132.7	26.5	0.9	–	231.3	334.0	–
Sales	8.4	1.6	2.9	52.5	99.0	320.5	2.6
Settlements	11.8	–	0.3	–	–	–	–
Transfers from level 3	–	–	–	–	–	–	–
Transfers to level 3	75.7	–	–	–	–	–	–
Reclassification	–	61.4	–	–	–	-61.4	–
Currency translation at 30 June	3.0	0.9	–	-1.2	0.6	-0.7	-0.2
Net book value at 30 June of the year under review	**885.6**	**85.2**	**62.0**	**154.8**	**1,898.4**	**930.6**	**6.5**

in EUR million	30.6.2023 Financial investments – at fair value through OCI: Debt instruments	Equity instruments	Financial investments – at fair value through profit or loss: Debt instruments	Derivative instruments	Investment funds	Other invested assets	Financial liabilities (at fair value): Negative fair values from derivative instruments
Net book value at 31 December of the previous year	**585.2**	**–**	**81.4**	**215.4**	**1,530.3**	**813.5**	**14.4**
Currency translation at 1 January	-9.3	–	-1.3	-3.6	-14.8	-0.3	-0.2
Net book value after currency translation	**576.0**	**–**	**80.1**	**211.8**	**1,515.4**	**813.2**	**14.2**
Income and expenses recognised in the statement of income	–	–	-1.4	32.0	-8.7	–	0.6
Income and expenses recognised directly in shareholders' equity	4.9	–	–	–	–	2.8	–
Purchases	167.6	–	0.8	–	199.2	0.1	–
Sales	15.6	–	21.3	79.8	47.3	0.4	3.6
Settlements	13.2	–	–	–	–	–	–
Transfers from level 3	–	–	–	–	–	–	–
Transfers to level 3	–	–	–	–	–	–	–
Currency translation at 30 June of the year under review	-0.6	–	0.1	9.6	-0.8	–	0.7
Net book value at 30 June for the year under review	**719.1**	**–**	**58.3**	**173.6**	**1,657.9**	**815.7**	**11.9**

The breakdown of income and expenses recognised in the statement of income in the reporting period in connection with financial assets and liabilities assigned to level 3 is as follows.

Income and expenses from level 3 financial assets and liabilities

	30.6.2024					
	Financial investments – at fair value through OCI	Financial investments – at fair value through profit or loss			Other invested assets	Financial liabilities (at fair value)
in EUR million	Debt instruments	Debt instruments	Derivative instruments	Investment funds		Negative fair values from derivative financial instruments
Total in the financial year						
Ordinary investment income	3.2	–	–	–	–	–
Realised gains and losses on investments	–	–	–	–	–	–
Change in fair value of financial instruments	–	-2.1	48.7	-12.4	19.2	-0.2
Thereof attributable to financial instruments included in the portfolio at 30 June						
Ordinary investment income	0.4	–	–	–	–	–
Change in fair value of financial instruments	–	0.2	6.9	-12.6	19.2	-0.2

	30.6.2023					
	Financial investments – at fair value through OCI	Financial investments – at fair value through profit or loss			Other invested assets	Financial liabilities (at fair value)
in EUR million	Debt instruments	Debt instruments	Derivative instruments	Investment funds		Negative fair values from derivative financial instruments
Total in the financial year						
Ordinary investment income	-0.4	–	–	–	–	–
Realised gains and losses on investments	0.4	–	–	–	–	–
Change in fair value of financial instruments	–	-1.5	32.0	-8.7	–	-0.6
Thereof attributable to financial instruments included in the portfolio at 30 June						
Ordinary investment income	–	–	–	–	–	–
Change in fair value of financial instruments	–	-1.4	27.8	-8.7	–	-0.6

If models are used to measure financial assets and liabilities included in level 3 under which the adoption of alternative inputs leads to a material change in fair value, IFRS 13 requires disclosure of the effects of these alternative assumptions. Of the financial assets included in level 3 with fair values of altogether EUR 4,016.6 million (EUR 3,610.4 million) as at the balance sheet date, Hannover Re measures financial assets with a volume of EUR 1,898.4 million (EUR 1,744.4 million) using the net asset value method. These items consist principally of shares in private equity and real estate funds. Assuming that the present values of the assets and liabilities contained in the funds would be 10% lower than used for measurement as at the balance sheet date, the fair values for these items would amount to EUR 1,708.5 million. The remaining financial assets included in level 3 with a volume of EUR 2,118.2 million (EUR 1,866.0 million) relate to financial assets, the valuation of which is based on technical parameters. Derivative financial instruments in connection with the reinsurance business were recognised under the other liabilities included in level 3 in the year under review. Their performance is dependent upon the risk experience of an underlying group of primary insurance contracts with statutory reserving requirements. The application of alternative inputs and assumptions has no material effect on the consolidated financial statement.

5.3. Technical assets and liabilities

In order to show the net technical liabilities remaining in the retention, the following table presents a summary comparison of the gross liabilities with the corresponding reinsurance recoverables, which are shown as assets in the balance sheet.

Technical liabilities

	30.6.2024			31.12.2023		
in EUR million	Issued	Retroceded	Net	Issued	Retroceded	Net
Liability for incurred claims (LIC)	48,507.6	2,228.5	46,279.1	46,214.1	2,231.4	43,982.7
Liability for remaining coverage (LRC)	-3,002.4	-751.8	-2,250.6	-1,974.7	-705.5	-1,269.2
Total	**45,505.2**	**1,476.7**	**44,028.5**	**44,239.4**	**1,525.9**	**42,713.5**

The liability for incurred claims is in principle calculated on the basis of the information supplied by ceding companies. Additional IBNR reserves are established for losses that have already been incurred but not yet reported. The movement in the liability for remaining coverage is shown in the following tables. The presentation differentiates in each case between reinsurance contracts issued and held.

Movement in carrying amount of liabilities for remaining coverage and for incurred claims – reinsurance contracts issued

	30.6.2024			
in EUR million	LRC excluding loss component	Loss component	LIC	Total
Opening balance – assets	**1,394.4**	**-2.3**	**-372.3**	**1,019.8**
Opening balance – liabilities	**-2,480.3**	**505.6**	**46,214.1**	**44,239.4**
Opening balance – net	**-3,874.8**	**507.9**	**46,586.5**	**43,219.6**
Contracts under the modified retrospective approach	-1,053.1	–	–	-1,053.1
Contracts under the fair value approach	-2,407.8	–	–	-2,407.8
Other contracts	-9,455.5	–	–	-9,455.5
Reinsurance revenue	**-12,916.4**	**–**	**–**	**-12,916.4**
Incurred claims and other reinsurance service expenses	0.2	-100.6	10,239.3	10,138.8
Amortisation of insurance acquisition cash flows	458.8	–	–	458.8
Losses and reversal of losses on onerous contracts	–	218.5	–	218.5
Adjustments to liabilities for incurred claims	–	–	-160.5	-160.5
Reinsurance service expenses	**458.9**	**117.8**	**10,078.8**	**10,655.5**
Investment component	**-2,714.9**	**–**	**2,714.9**	**–**
Reinsurance finance result before currency gains/losses plus changes through OCI	176.6	13.2	42.6	232.4
Currency gains/losses	39.3	3.9	684.6	727.8
Reinsurance finance result	**215.8**	**17.1**	**727.2**	**960.2**
Premiums received	14,450.0	–	–	14,450.0
Claims and other reinsurance service expenses paid, including investment components	–	–	-11,347.7	-11,347.7
Insurance acquisition cash flows paid	-482.3	–	–	-482.3
Cash flows	**13,967.6**	**–**	**-11,347.7**	**2,619.9**
Closing balance – assets	**1,219.6**	**-1.2**	**-252.1**	**966.4**
Closing balance – liabilities	**-3,644.1**	**641.7**	**48,507.6**	**45,505.2**
Closing balance – net	**-4,863.7**	**642.9**	**48,759.7**	**44,538.8**

in EUR million	31.12.2023 LRC excluding loss component	Loss component	LIC	Total
Opening balance – assets	**2,204.4**	**45.9**	**-802.2**	**1,448.1**
Opening balance – liabilities	**-1,691.2**	**534.8**	**42,925.4**	**41,769.0**
Opening balance – net	**-3,895.6**	**488.9**	**43,727.6**	**40,320.9**
Contracts under the modified retrospective approach	-2,337.9	–	–	-2,337.9
Contracts under the fair value approach	-5,109.3	–	–	-5,109.3
Other contracts	-17,009.3	–	–	-17,009.3
Reinsurance revenue	**-24,456.5**	**–**	**–**	**-24,456.5**
Incurred claims and other reinsurance service expenses	4.5	-281.5	20,633.1	20,356.1
Amortisation of insurance acquisition cash flows	545.7	–	–	545.7
Losses and reversal of losses on onerous contracts	–	306.6	–	306.6
Adjustments to liabilities for incurred claims	–	–	-406.3	-406.3
Reinsurance service expenses	**550.1**	**25.2**	**20,226.8**	**20,802.1**
Investment component	**-5,854.1**	**–**	**5,854.1**	**–**
Reinsurance finance result before currency gains/losses plus changes through OCI	705.6	12.1	1,417.3	2,135.0
Currency gains/losses	16.0	-18.3	-952.2	-954.4
Reinsurance finance result	**721.6**	**-6.2**	**465.1**	**1,180.6**
Premiums received	29,620.2	–	–	29,620.2
Claims and other reinsurance service expenses paid, including investment components	–	–	-23,687.2	-23,687.2
Insurance acquisition cash flows paid	-560.5	–	–	-560.5
Cash flows	**29,059.7**	**–**	**-23,687.2**	**5,372.5**
Closing balance – assets	**1,394.4**	**-2.3**	**-372.3**	**1,019.8**
Closing balance – liabilities	**-2,480.3**	**505.6**	**46,214.1**	**44,239.4**
Closing balance – net	**-3,874.8**	**507.9**	**46,586.5**	**43,219.6**

Movement in carrying amount by measurement components – reinsurance contracts issued

in EUR million	30.6.2024 EPV of future cash flows	30.6.2024 Risk adjustment for non-financial risk
Opening balance – assets	**2,322.9**	**-113.4**
Opening balance – liabilities	**33,564.3**	**3,822.2**
Opening balance – net	**31,241.3**	**3,935.6**
CSM recognised in the profit or loss for services provided	–	–
Change in risk adjustment for non-financial risk expired	–	-25.3
Experience adjustments	-474.0	–
Reinsurance service result – changes relate to current service	**-474.0**	**-25.3**
Contracts initially recognised in the year	-3,317.4	240.7
Changes in estimates that adjust the CSM	-607.3	53.7
Changes in estimates that result in losses and reversal of losses on onerous contracts	67.4	125.5
Reinsurance service result – changes relate to future service	**-3,857.2**	**419.8**
Reinsurance service result – changes that relate to past service	**39.4**	**-199.9**
Reinsurance finance result before currency gains/losses plus changes through OCI	96.3	-28.3
Currency gains/losses	454.3	82.7
Reinsurance finance result	**550.6**	**54.4**
Premiums received	14,450.0	–
Claims and other reinsurance service expenses paid, including investment components	-11,347.7	–
Insurance acquisition cash flows paid	-482.3	–
Cash flows	**2,619.9**	**–**
Closing balance – assets	**2,031.7**	**-72.2**
Closing balance – liabilities	**32,151.7**	**4,112.3**
Closing balance – net	**30,120.0**	**4,184.6**

30.6.2024			
CSM			Total
Contracts under modified retrospective approach	Contracts under fair value approach	Other contracts	
-320.5	**-385.3**	**-483.9**	**1,019.8**
2,085.4	**2,455.3**	**2,312.3**	**44,239.4**
2,405.9	**2,840.6**	**2,796.2**	**43,219.6**
-110.8	-183.5	-1,525.4	-1,819.7
–	–	–	-25.3
–	–	–	-474.0
-110.8	**-183.5**	**-1,525.4**	**-2,319.0**
–	–	3,102.5	25.7
173.6	174.6	205.3	–
–	–	–	192.9
173.6	**174.6**	**3,307.8**	**218.6**
–	**–**	**–**	**-160.5**
40.4	29.9	94.1	232.4
46.3	76.1	68.5	727.8
86.7	**106.0**	**162.6**	**960.2**
–	–	–	14,450.0
–	–	–	-11,347.7
–	–	–	-482.3
–	**–**	**–**	**2,619.9**
-99.8	**-365.3**	**-528.1**	**966.4**
2,455.7	**2,572.4**	**4,213.0**	**45,505.2**
2,555.5	2,937.7	4,741.1	44,538.8

in EUR million	31.12.2023 EPV of future cash flows	31.12.2023 Risk adjustment for non-financial risk
Opening balance – assets	**2,573.4**	**-123.6**
Opening balance – liabilities	**32,207.7**	**3,784.6**
Opening balance – net	**29,634.3**	**3,908.1**
CSM recognised in the profit or loss for services provided	–	–
Change in risk adjustment for non-financial risk expired	–	-310.7
Experience adjustments	355.0	–
Reinsurance service result – changes relate to current service	**355.0**	**-310.7**
Contracts initially recognised in the year	-3,985.6	350.3
Changes in estimates that adjust the CSM	-1,029.2	-44.3
Changes in estimates that result in losses and reversal of losses on onerous contracts	78.0	173.9
Reinsurance service result – changes relate to future service	**-4,936.9**	**479.8**
Reinsurance service result – changes that relate to past service	**-101.2**	**-305.0**
Reinsurance finance result before currency gains/losses plus changes through OCI	1,616.6	258.0
Currency gains/losses	-698.9	-94.6
Reinsurance finance result	**917.7**	**163.4**
Premiums received	29,620.2	–
Claims and other reinsurance service expenses paid, including investment components	-23,687.2	–
Insurance acquisition cash flows paid	-560.5	–
Cash flows	**5,372.5**	**–**
Closing balance – assets	**2,322.9**	**-113.4**
Closing balance – liabilities	**33,564.3**	**3,822.2**
Closing balance – net	**31,241.3**	**3,935.6**

31.12.2023			
CSM			Total
Contracts under modified retrospective approach	Contracts under fair value approach	Other contracts	
-355.9	**-424.8**	**-221.1**	**1,448.1**
1,492.4	**2,513.0**	**1,771.3**	**41,769.0**
1,848.3	**2,937.8**	**1,992.4**	**40,320.9**
-255.7	-581.6	-2,766.2	-3,603.5
–	–	–	-310.7
–	–	–	355.0
-255.7	**-581.6**	**-2,766.2**	**-3,559.2**
–	–	3,690.1	54.7
761.2	517.6	-200.8	4.5
–	–	–	251.9
761.2	**517.6**	**3,489.4**	**311.1**
–	**–**	**–**	**-406.3**
62.5	54.9	142.9	2,135.0
-10.4	-88.1	-62.3	-954.4
52.1	**-33.2**	**80.6**	**1,180.6**
–	–	–	29,620.2
–	–	–	-23,687.2
–	–	–	-560.5
–	**–**	**–**	**5,372.5**
-320.5	**-385.3**	**-483.9**	**1,019.8**
2,085.4	**2,455.3**	**2,312.3**	**44,239.4**
2,405.9	**2,840.6**	**2,796.2**	**43,219.6**

Movement in carrying amount of liabilities for remaining coverage and for incurred claims – reinsurance contracts held

	30.6.2024			
in EUR million	Reinsurance recoverables on LRC without loss recovery component	Loss recovery component	Reinsurance recoverables on LIC	Total
Opening balance – assets	**-711.0**	**5.5**	**2,231.4**	**1,525.9**
Opening balance – liabilities	**1,734.8**	**-21.4**	**-1,014.5**	**698.9**
Opening balance – net	**-2,445.9**	**26.9**	**3,245.9**	**827.0**
Reinsurance revenue (ceded)	-1,658.4	–	–	-1,658.4
Incurred claims and other reinsurance service expenses	-0.9	-0.5	714.4	713.1
Amortisation of insurance acquisition cash flows	0.2	–	–	0.2
Losses and reversal of losses on onerous contracts	–	-2.1	–	-2.1
Adjustments to liabilities for incurred claims	–	–	97.6	97.6
Reinsurance service result – net expenses from reinsurance contracts retroceded	**-1,659.1**	**-2.5**	**812.1**	**-849.5**
thereof changes in non-performance risk of reinsurers	3.0	–	–	3.0
Investment component	**-42.8**	**–**	**42.8**	**–**
Reinsurance finance result before currency gains/losses plus changes through OCI	60.0	0.5	-0.9	59.6
Currency gains/losses	-58.4	0.4	81.6	23.5
Reinsurance finance result	**1.5**	**0.9**	**80.7**	**83.1**
Premiums paid	2,160.4	–	–	2,160.4
Claims and other reinsurance service expenses received, including investment components	–	–	-1,242.0	-1,242.0
Insurance acquisition cash flows	2.1	–	–	2.1
Cash flows	**2,162.5**	**–**	**-1,242.0**	**920.5**
Closing balance – assets	**-756.3**	**4.5**	**2,228.5**	**1,476.7**
Closing balance – liabilities	**1,227.4**	**-20.8**	**-711.0**	**495.6**
Closing balance – net	**-1,983.7**	**25.3**	**2,939.5**	**981.1**

in EUR million	31.12.2023			
	Reinsurance recoverables on LRC without loss recovery component	Loss recovery component	Reinsurance recoverables on LIC	Total
Opening balance – assets	**166.5**	**21.5**	**2,401.5**	**2,589.6**
Opening balance – liabilities	**1,548.5**	**0.1**	**-991.8**	**556.7**
Opening balance – net	**-1,381.9**	**21.4**	**3,393.4**	**2,032.8**
Reinsurance revenue (ceded)	-3,367.0	–	–	-3,367.0
Incurred claims and other reinsurance service expenses	-1.4	-0.7	1,441.3	1,439.2
Amortisation of insurance acquisition cash flows	4.1	–	–	4.1
Losses and reversal of losses on onerous contracts	–	6.8	–	6.8
Adjustments to liabilities for incurred claims	–	–	-79.2	-79.2
Reinsurance service result – net expenses from reinsurance contracts retroceded	**-3,364.3**	**6.1**	**1,362.1**	**-1,996.1**
thereof changes in non-performance risk of reinsurers	-57.3	–	-3.3	-60.6
Investment component	**-432.3**	**–**	**432.3**	**–**
Reinsurance finance result before currency gains/losses plus changes through OCI	21.0	0.7	105.2	127.0
Currency gains/losses	28.8	-1.3	-62.8	-35.3
Reinsurance finance result	**49.8**	**-0.5**	**42.5**	**91.7**
Premiums paid	2,678.9	–	–	2,678.9
Claims and other reinsurance service expenses received, including investment components	–	–	-1,984.3	-1,984.3
Insurance acquisition cash flows	4.0	–	–	4.0
Cash flows	**2,682.9**	**–**	**-1,984.3**	**698.6**
Closing balance – assets	**-711.0**	**5.5**	**2,231.4**	**1,525.9**
Closing balance – liabilities	**1,734.8**	**-21.4**	**-1,014.5**	**698.9**
Closing balance – net	**-2,445.9**	**26.9**	**3,245.9**	**827.0**

Movement in carrying amount by measurement components – reinsurance contracts held

	30.6.2024	
in EUR million	EPV of future cash flows	Risk adjustment for non-financial risk
Opening balance – assets	**1,043.3**	**140.8**
Opening balance – liabilities	**766.8**	**-66.2**
Opening balance – net	**276.5**	**207.0**
CSM recognised in the profit or loss for services provided	–	–
Change in risk adjustment for non-financial risk expired	–	-22.5
Experience adjustments	-398.7	–
Reinsurance service result – changes relate to current service	**-398.7**	**-22.5**
Contracts initially recognised in the year	-1,084.1	30.5
Changes in recoveries of losses on onerous underlying contracts	–	–
Changes in estimates that adjust the CSM	-55.3	4.8
Changes in estimates that result in losses and reversal of losses on onerous contracts	-2.4	0.4
Reinsurance service result – changes relate to future service	**-1,141.8**	**35.7**
Reinsurance service result – changes that relate to past service	**108.3**	**-10.7**
Reinsurance service result – Changes in non-performance risk of reinsurers	**3.0**	**–**
Reinsurance finance result before currency gains/losses plus changes through OCI	34.4	1.8
Currency gains/losses	2.1	5.0
Reinsurance finance result	**36.5**	**6.8**
Premiums paid	2,160.4	–
Claims and other reinsurance service expenses received, including investment components	-1,242.0	–
Insurance acquisition cash flows	2.1	–
Cash flows	**920.5**	**–**
Closing balance – assets	**577.5**	**152.4**
Closing balance – liabilities	**773.1**	**-63.9**
Closing balance – net	**-195.6**	**216.3**

30.6.2024			
CSM			Total
Contracts under modified retrospective approach	Contracts under fair value approach	Other contracts	
52.9	**46.8**	**242.1**	**1,525.9**
-5.7	**29.5**	**-25.6**	**698.9**
58.7	**17.2**	**267.7**	**827.0**
-47.4	-0.8	-477.8	-526.1
–	–	–	-22.5
–	–	–	-398.7
-47.4	**-0.8**	**-477.8**	**-947.3**
–	–	1,053.5	-0.1
–	–	–	–
71.7	15.9	-37.9	-0.8
–	–	–	-2.0
71.7	**15.9**	**1,015.6**	**-2.9**
–	**–**	**–**	**97.6**
–	**–**	**–**	**3.0**
4.3	0.2	18.8	59.6
0.6	0.5	15.4	23.5
4.8	**0.7**	**34.3**	**83.1**
–	–	–	2,160.4
–	–	–	-1,242.0
–	–	–	2.1
–	**–**	**–**	**920.5**
252.2	**40.1**	**454.5**	**1,476.7**
164.4	**7.1**	**-385.2**	**495.6**
87.8	**32.9**	**839.7**	**981.1**

in EUR million	31.12.2023 EPV of future cash flows	Risk adjustment for non-financial risk
Opening balance – assets	**2,475.8**	**64.2**
Opening balance – liabilities	**855.2**	**-126.9**
Opening balance – net	**1,620.6**	**191.1**
CSM recognised in the profit or loss for services provided	–	–
Change in risk adjustment for non-financial risk expired	–	-20.8
Experience adjustments	-918.1	–
Reinsurance service result – changes relate to current service	**-918.1**	**-20.8**
Contracts initially recognised in the year	-1,030.0	66.3
Changes in recoveries of losses on onerous underlying contracts	0.9	–
Changes in estimates that adjust the CSM	-87.9	18.9
Changes in estimates that result in losses and reversal of losses on onerous contracts	7.5	-0.7
Reinsurance service result – changes relate to future service	**-1,109.6**	**84.6**
Reinsurance service result – changes that relate to past service	**-25.4**	**-53.8**
Reinsurance service result – Changes in non-performance risk of reinsurers	**-60.6**	**–**
Reinsurance finance result before currency gains/losses plus changes through OCI	100.2	9.1
Currency gains/losses	-29.2	-3.2
Reinsurance finance result	**71.0**	**5.9**
Premiums paid	2,678.9	–
Claims and other reinsurance service expenses received, including investment components	-1,984.3	–
Insurance acquisition cash flows	4.0	–
Cash flows	**698.6**	**–**
Closing balance – assets	**1,043.3**	**140.8**
Closing balance – liabilities	**766.8**	**-66.2**
Closing balance – net	**276.5**	**207.0**

31.12.2023			
CSM			Total
Contracts under modified retrospective approach	Contracts under fair value approach	Other contracts	
-3.7	**17.5**	**35.7**	**2,589.6**
-162.9	**-55.0**	**46.3**	**556.7**
159.2	**72.5**	**-10.6**	**2,032.8**
-204.3	2.2	-720.6	-922.8
–	–	–	-20.8
–	–	–	-918.1
-204.3	**2.2**	**-720.6**	**-1,861.7**
–	–	963.6	–
–	–	-0.9	–
95.4	-58.5	30.7	-1.4
–	–	–	6.8
95.4	**-58.5**	**993.5**	**5.4**
–	**–**	**–**	**-79.2**
–	**–**	**–**	**-60.6**
4.8	1.4	11.5	127.0
3.5	-0.3	-6.1	-35.3
8.3	**1.0**	**5.4**	**91.7**
–	–	–	2,678.9
–	–	–	-1,984.3
–	–	–	4.0
–	**–**	**–**	**698.6**
52.9	**46.8**	**242.1**	**1,525.9**
-5.7	**29.5**	**-25.6**	**698.9**
58.7	**17.2**	**267.7**	**827.0**

Confidence level of the technical liabilities

Using our "pricing margin approach" and allowing for risk diversification among the companies belonging to the Hannover Re Group, the confidence level for our technical liabilities is 86.7% (83.1%) as at the balance sheet date. In contrast to the risk capital calculation under Solvency II, an ultimate perspective – rather than a one-year horizon – is adopted to determine the confidence level. Presentation based on a one-year horizon would result in a higher confidence level.

Contracts initially recognised – reinsurance contracts issued

in EUR million	30.6.2024 Profitable contracts issued [1]	30.6.2024 Onerous contracts issued
Expected present value of cash outflows	14,125.1	330.4
Insurance acquisition cash flows	854.7	4.1
Expected present value of cash inflows	-18,320.1	-311.6
Risk adjustment for non-financial risk	238.1	2.6
Contractual service margin	3,102.5	–
Loss component	–	25.6

[1] Profitable contract includes the buckets profitable and remaining

in EUR million	31.12.2023 Profitable contracts issued [1]	31.12.2023 Onerous contracts issued
Expected present value of cash outflows	16,960.2	337.5
Insurance acquisition cash flows	808.0	6.2
Expected present value of cash inflows	-21,805.2	-292.5
Risk adjustment	346.8	3.5
Contractual service margin	3,690.1	–
Loss component	–	54.7

[1] Profitable contract includes the buckets profitable and remaining

Contracts initially recognised – reinsurance contracts held

in EUR million	30.6.2024 Contracts retroceded without loss recovery component	30.6.2024 Contracts retroceded with loss recovery component
Expected present value of cash inflows	1,658.7	0.1
Insurance acquisition cash flows	39.8	–
Expected present value of cash outflows	-2,782.6	-0.1
Risk adjustment	30.5	–
Contractual service margin	1,053.5	–
Loss recovery amount	–	–

in EUR million	31.12.2023 Contracts retroceded without loss recovery component	31.12.2023 Contracts retroceded with loss recovery component
Expected present value of cash inflows	1,688.3	1.3
Insurance acquisition cash flows	–	–
Expected present value of cash outflows	-2,718.2	-0.4
Risk adjustment for non-financial risk	66.3	–
Contractual service margin	963.6	-0.9
Loss recovery amount	–	–

5.4. Financing liabilities

Hannover Re recognised altogether six (six) bonds as at the balance sheet date. Of these, five (five) bonds are subordinated with an amortised cost of EUR 3,231.7 million (EUR 3,229.4 million). The bonds were placed on the European capital market.

The subordinated bonds from the 2014 and 2020 financial years with volumes of EUR 500.0 million each and from the 2019, 2021 and 2022 financial years with volumes of EUR 750.0 million each, the combined fair values of which were EUR 3,058.6 million (EUR 3,030.4 million), were issued by Hannover Rück SE.

In addition, Hannover Rück SE issued a senior unsecured bond in April 2018 with a volume of EUR 750.0 million and a maturity of 10 years. The fair value of this bond was EUR 707.4 million (EUR 720.0 million) as at the balance sheet date.

For further information regarding the maturity and coupon of these bonds please see the Group annual financial report for the previous year.

Long-term debt of EUR 793.2 million (EUR 797.7 million), which is principally used for financing our real estate transactions, as well as lease liabilities of EUR 107.8 million (EUR 100.8 million) existed as at the balance sheet date.

5.5. Shareholders' equity, non-controlling interests and treasury shares

Shareholders' equity is shown as a separate component of the financial statement in accordance with IAS 1 "Presentation of Financial Statements" and subject to IAS 32 "Financial Instruments: Disclosure and Presentation" in conjunction with IFRS 9 "Financial Instruments". The change in shareholders' equity comprises not only the net income deriving from the statement of income but also the changes in the value of asset and liability items not recognised in the statement of income.

The common shares (share capital of Hannover Rück SE) amount to EUR 120,597,134.00. They are divided into 120,597,134 voting and dividend-bearing registered ordinary shares in the form of no-par shares. The shares are paid in in full. Each share carries an equal voting right and an equal dividend entitlement.

Conditional capital of up to EUR 24.1 million (EUR 24.1 million) is available. It can be used to grant shares to holders of bonds and / or profit-sharing rights with conversion rights and warrants and has a time limit of 4 May 2026.

In addition, authorised capital of up to EUR 24.1 million (EUR 24.1 million) is similarly available with a time limit of 4 May 2026. The subscription right of shareholders may be excluded in each case with the consent of the Supervisory Board under certain conditions. The Executive Board is authorised, with the consent of the Supervisory Board, to use an amount of up to EUR 1.0 million (EUR 1.0 million) of the existing authorised capital to issue employee shares.

The Executive Board is further authorised, with the consent of the Supervisory Board, to acquire treasury shares – including through the use of derivatives – up to an amount of 10% of the share capital. The authorisation has a time limit of 5 May 2025.

The Annual General Meeting of Hannover Rück SE resolved on 6 May 2024 to distribute a gross dividend of EUR 7.20 per share, altogether EUR 868.3 million (EUR 723.6 million), for the 2023 financial year. The distribution is comprised of a dividend in the amount of EUR 6.00and a special dividend in the amount of EUR 1.20per share.

IAS 1 requires separate disclosure of treasury shares in shareholders' equity. As part of this year's employee share option plan Hannover Rück SE acquired altogether 14,799 (18,714) treasury shares during the second quarter of 2024 on the legal basis of § 71 Para. 1 No. 2 Stock Corporation Act (AktG) and delivered them to eligible employees at preferential conditions. These shares are blocked until 31 May 2028. This transaction resulted in an expense of EUR 0.9 million (EUR 0.7 million), which was recognised under personnel expenditure, as well as a negligible change in retained earnings recognised in equity. The company was no longer in possession of treasury shares as at the balance sheet date.

The translation of long-term debt or loans with no maturity date extended to Group companies and branches abroad, which is recognised in equity, gave rise to a net increase of EUR 12.7 million in the financial year just ended (net decrease of EUR 92.0million in the previous year) in the other reserves from currency translation.

6. Notes on the individual items of the statement of income

6.1. Components of the reinsurance revenue (gross)

Components of the reinsurance revenue (gross)

in EUR million	1.1.–30.6.2024	1.1.–30.6.2023
Components		
Expected incurred claims and other insurance expenses	10,164.0	9,695.6
CSM recognised for services provided	1,819.7	1,625.3
Release of risk adjustment for non-financial risk	284.7	303.2
Experience adjustments for past or current services	189.3	303.7
Recovery of insurance acquisition cash flows	458.8	344.9
Total	**12,916.4**	**12,272.7**

6.2. Investment result

Investment result

in EUR million	1.1.–30.6.2024	1.1.–30.6.2023
Income from real estate	120.8	110.4
Dividends	2.5	4.4
Interest income	843.0	693.0
Other investment income	142.9	117.0
Ordinary investment income	**1,109.3**	**924.8**
Expected credit losses	11.3	8.6
Impairments/Depreciation on real estate	30.1	26.6
Change in fair value of financial instruments	5.4	57.0
Profit/loss from investments in associated companies and joint ventures	39.4	16.5
Realised gains on investments	30.4	15.7
Realised losses on investments	59.9	60.1
Other investment expenses	96.4	85.2
Investment result	**1,009.4**	**850.7**

We generated income of EUR 11.3 million (income of EUR 8.6 million) on balance from the change in the provisions for expected credit losses on financial instruments (ECL). This can be attributed mostly to lower overall default probabilities of our financial instruments held in Stage 1. We carried fixed-income securities with a total fair value of EUR 122.7 million (EUR 122.9 million) in Stage 3 of our risk provisioning model as at the balance sheet date. We were not required to take any impairments for investments that are not covered by the 3-stage model for expected credit losses.

The portfolio did not contain any overdue, unadjusted assets as at the balance sheet date.

Interest income on investments

in EUR million	1.1.–30.6.2024	1.1.–30.6.2023
Financial investments – at fair value through OCI	755.7	626.5
Financial investments – at fair value through profit or loss	84.3	66.4
Other	3.0	0.1
Total	**843.0**	**693.0**

7. Other notes

7.1. Derivative financial instruments and financial guarantees

Derivatives are financial instruments, the fair value of which is derived from an underlying trading instrument such as equities, bonds, indices or currencies. We use derivative financial instruments in order to hedge parts of our portfolio against interest rate and market price risks, optimise returns or realise intentions to buy / sell. In this context we take special care to limit the risks, select first-class counterparties and adhere strictly to the standards defined by investment guidelines.

Hannover Re holds derivative financial instruments to hedge interest rate risks from loans connected with the financing of real estate; these gave rise to recognition of financial assets at fair value through profit or loss in an amount of EUR 0.8 million (EUR 2.1 million).

For the purpose of structuring the asset/liability management of non-current liabilities in certain currencies, with effect from the 2023 financial year onwards Hannover Re has used derivatives – in addition to those mentioned above and for other scenarios – for interest rate hedging that result in the recognition of financial assets at fair value through profit or loss in an amount of EUR 5.5 million (EUR 2.2 million) and other liabilities in an amount of EUR 12.0 million (EUR 8.2 million).

Hannover Re's portfolio contained forward exchange transactions that gave rise t recognition of other liabilities in an amount of EUR 82.5 million (EUR 56.8 million) and financial assets at fair value through profit or loss in an amount of EUR 42.7 million (EUR 92.1 million).

The increase in equity from hedging instruments recognised directly in equity pursuant to IFRS 9 derived in an amount of EUR 2.6 million (decrease in equity of EUR 1.2 million recognised directly in equity) from the forward exchange transactions taken out to hedge currency risks from long-term investments in foreign operations. These hedging instruments resulted in the recognition of other liabilities in an amount of EUR 0.3 million (EUR 1.1 million).

Inflation swaps are taken out in the form of cash flow hedges to minimise the inflation risk associated with payments under a morbidity loss reserve portfolio. These swaps serve primarily to hedge volatility in reinsurance payments due. The structuring is such that separate inflation swaps are taken out for the loss payments incurred in each year. These financial instruments result in disclosure of financial assets at fair value through profit or loss in an amount of EUR 3.1 million (EUR 4.3 million). The hedge gave rise to a decrease in equity from hedging instruments recognised directly in equity in an amount of EUR 0.9 million (EUR 1.0 million).

In order to hedge the risk of share price changes in connection with the stock appreciation rights granted under the share award plan, Hannover Re has taken out hedges in the form of so-called equity swaps since 2014. The fair value of these instruments amounted to EUR 2.1 million as at the balance sheet date (other assets of EUR 2.2 million) and was recognised under other assets. The hedge gave rise to a decrease in equity from hedging instruments recognised directly in equity in an amount of EUR 1.3 million (EUR 1.2 million).

The net changes in the fair value of all these instruments reduce the result of the period under review by EUR 55.6 million (increase in the result of EUR 12.4 million).

Derivative financial instruments in connection with reinsurance

A number of treaties in life and health reinsurance meet criteria which require application of the stipulations contained in IFRS 17 "Insurance Contracts" governing embedded derivatives. These accounting regulations require that certain derivatives embedded in reinsurance contracts be separated from the underlying insurance contract ("host contract"), reported separately at fair value in accordance with IFRS 9 "Financial Instruments" and recognised under investments. Fluctuations in the fair value of the derivative components are to be recognised through profit and loss in subsequent periods.

A number of transactions concluded in the life and health reinsurance business group in previous years, under which Hannover Re companies offer their contracting parties coverage for risks from possible future payment obligations arising out of hedging instruments, are also to be classified as derivative financial instruments. The payment obligations result from contractually defined events and relate to the development of an underlying group of primary insurance contracts with statutory reserving requirements. The contracts are to be categorised and recognised as stand-alone credit derivatives pursuant to IFRS 9. These derivative financial instruments were carried in equity on initial recognition. The fair value of these instruments was EUR 15.3 million (EUR 16.0 million) on the balance sheet date and was recognised under financial assets at fair value through profit or loss. The change in value in subsequent periods is dependent upon the risk experience and has led to an improvement in investment income of EUR 41.9 million (EUR 20.1 million) in the course of the financial year to date.

The portfolio contains a hedge against an extreme increase in mortality that protects the Hannover Re Group against a rise in mortality rates, for example due to pandemics, natural catastrophes or terrorist attacks. The risk swap is indexed against a weighted combination of US, UK and Australian population mortality. Payment under the cover is triggered proportionately between 110% and 120% of the mortality index. The derivative was recognised with a negative fair value of EUR 1.3 million (EUR 1.8 million) as at the balance sheet date under other liabilities. The change in the fair value of the derivative has given rise to income of EUR 0.5 million (EUR 11.7 million) in the course of the financial year to date.

In the area of life and health reinsurance, a reinsurance treaty with a financing component was also written in the past under which the amount and timing of the return flows are dependent on lapse rates within an underlying primary insurance portfolio. This treaty and a corresponding retrocession agreement, which were classified as financial instruments pursuant to IFRS 9, resulted in the recognition of financial assets at fair value through profit or loss in an amount of EUR 139.5 million (EUR 125.9 million) and other liabilities of EUR 6.5 million (EUR 8.9 million). Altogether, these arrangements have given rise to an improvement in income of EUR 6.2 million (EUR 7.9 million) in the course of the financial year to date.

At the end of the 2017 financial year an index-linked cover was written for longevity risks. The resulting derivative was recognised as at the balance sheet date with a positive fair value of EUR 5.2 million (EUR 7.1 million) under financial assets at fair value through profit or loss. The change in the fair value of the derivative has given rise to income of EUR 0.9 million (EUR 0.9 million) in the course of the year to date.

In the 2022 financial year a cover containing a financing component was taken out for biometric risks in life and health reinsurance. IFRS 9 requires that a derivative financial instrument be separated from this arrangement. The derivative has resulted in recognition of financial assets at fair value through profit or loss in an amount of EUR 0 million (EUR 12.7 million) in the course of the year to date. The change in the fair value of this derivative has given rise to income of EUR 0.4 million (EUR 3.3 million) in the course of the financial year to date.

All in all, application of the standards governing the accounting for derivatives in connection with the technical account led to recognition of assets totalling EUR 160.0 million (EUR 161.8 million) as well as recognition of liabilities in an amount of EUR 7.8 million (EUR 10.6 million) from the derivatives resulting from technical items as at the balance sheet date. Improvements in investment income amounting to EUR 49.9 million (EUR 43.9 million) have been recognised in the current year under review from all separately measured derivatives in connection with the technical account.

Financial guarantees

Structured transactions were entered into in the life and health reinsurance segment in order to finance statutory reserves (so-called Triple-X or AXXX reserves) of US ceding companies. In each case such structures necessitated the involvement of a special purpose entity. The special purpose entities carry extreme mortality risks securitised by the cedants above a contractually defined retention and transfer these risks by way of a fixed / floating swap to a member company of the Hannover Re Group. The total amount of the contractually agreed capacities of the transactions is equivalent to EUR 820.9 million (EUR 794.5 million); an amount equivalent to EUR 770.0 million (EUR 735.2 million) had been taken up as at the balance sheet date. The variable payments to the special purpose entities that are guaranteed by companies belonging to the Hannover Re Group cover their payment obligations. Under some of the transactions the payments resulting from the swaps in the event of a claim are reimbursed by the parent companies of the cedants by way of compensation agreements. In this case the reimbursement claims from the compensation agreements are to be capitalised separately from and up to the amount of the provision. Under IFRS 9 these transactions are to be recognised at fair value as financial guarantees. To this end Hannover Re uses the net method, according to which the present value of the agreed fixed swap premiums is netted with the present value of the guarantee commitment. The fair value on initial recognition therefore amounted to zero. The higher of the fair value and the amount carried as a provision on the liabilities side pursuant to IAS 37 is recognised at the point in time when utilisation is considered probable. This was not the case as at the balance sheet date.

7.2. Related party disclosures

IAS 24 “Related Party Disclosures” defines related parties as group entities of a common parent, associated entities and joint ventures, legal entities under the influence of key management personnel and the key management personnel of the entity itself. Transactions between Hannover Rück SE and its subsidiaries, which are to be regarded as related parties, were eliminated through consolidation and are therefore not discussed in the notes to the consolidated financial statement. In the period under review the significant business relations described below existed with related parties.

Talanx AG holds an unchanged majority interest of 50.22% in Hannover Rück SE. For its part, Haftpflichtverband der Deutschen Industrie Versicherungsverein auf Gegenseitigkeit (HDI), Hannover, holds a stake of 76.7% in Talanx AG.

The business relationship between Hannover Rück SE and its subsidiary E+S Rückversicherung AG is based on a cooperation agreement. A retrocession by Hannover Rück SE to E+S Rückversicherung AG exists in property and casualty reinsurance. E+S Rückversicherung AG and Hannover Rück SE bear exclusive responsibility for German business and for international markets respectively.

Companies belonging to the Talanx Group granted the Hannover Re Group insurance protection inter alia in the areas of public liability, building, contractors all risks, group accident, marine and business travel insurance. Divisions of Talanx AG also performed services for the Hannover Re Group in the areas of taxes and general administration. Divisions of Hannover Rück SE performed services in connection with the insurance and reinsurance business of HDI Global Specialty SE, a participating interest of HDI Global SE.

Talanx Reinsurance Broker GmbH and Talanx AG grant Hannover Rück SE and E+S Rückversicherung AG a preferential position as reinsurers of cedants within the Talanx Group. In addition, Hannover Rück SE and E+S Rückversicherung AG are able to participate in the protection covers on the retention of Group cedants and share in the protection afforded by them. In certain circumstances Hannover Rück SE and E+S Rückversicherung AG are obliged to assume unplaced shares of the reinsurance of Group cedants from Talanx Reinsurance Broker GmbH or Talanx AG.

The Hannover Re Group provides reinsurance protection for the HDI Group. To this extent, numerous underwriting business relations exist with related parties in Germany and abroad which are not included in Hannover Re’s consolidation. This includes business both assumed and ceded at usual market conditions.

The reinsurance relationships with related parties for the year under review and the previous year are shown with their total amounts in the following table.

Business assumed and ceded in Germany and abroad

in EUR million	1.1.-30.6.2024 Property and casualty reinsurance	Life and health reinsurance	Total	1.1.-30.6.2023 Property and casualty reinsurance	Life and health reinsurance	Total
Material items in the statement of income						
Business assumed						
Reinsurance revenue	445.5	21.6	467.1	377.3	52.8	430.1
Reinsurance service expenses	-399.0	-11.1	-410.1	-405.9	-41.1	-447.0
Reinsurance service result	**46.5**	**10.5**	**57.0**	**-28.6**	**11.7**	**-16.9**
Business ceded						
Reinsurance expenses	-3.0	-16.3	-19.3	-3.1	-22.8	-25.9
Income from reinsurance contracts held	-0.3	10.6	10.3	4.4	15.4	19.8
Net result from reinsurance contracts held	**-3.3**	**-5.7**	**-9.0**	**1.3**	**-7.4**	**-6.1**
Reinsurance service result (net)	**43.2**	**4.8**	**48.0**	**-27.3**	**4.3**	**-23.0**

in EUR million	30.6.2024 Property and casualty reinsurance	Life and health reinsurance	Total	31.12.2023 Property and casualty reinsurance	Life and health reinsurance	Total
Material items in the balance sheet						
Assets						
Reinsurance recoverables on liability for incurred claims	13.9	–	13.9	17.5	–	17.5
Reinsurance recoverables on liability for remaining coverage	-0.4	–	-0.4	14.8	–	14.8
Recoverables on reinsurance contracts ceded	**13.5**	**–**	**13.5**	**32.3**	**–**	**32.3**
Reinsurance contracts issued in an asset position	2.9	41.4	44.3	28.9	49.0	77.9
Liabilities						
Liability for incurred claims LIC	2,887.9	33.2	2,921.1	2,986.7	12.9	2,999.6
Liability for remaining coverage LRC	-27.0	-4.7	-31.7	-27.3	10.7	-16.6
Liabilites from reinsurance contracts issued	**2,860.9**	**28.5**	**2,889.4**	**2,959.4**	**23.6**	**2,983.0**
Reinsurance contracts ceded in a liability position	2.2	4.9	7.1	2.4	10.9	13.3

In addition, other assets of EUR 160.0 million (EUR 148.6 million) as well as other liabilities of EUR 135.2 million (EUR 138.3 million) exist with respect to Talanx AG and its subsidiaries, which do not belong to the scope of consolidation of the Hannover Re Group.

HDI Lebensversicherung AG, Cologne, participated in a nominal amount of EUR 50.0 million in the subordinated bond issued by Hannover Rück SE in September 2014 with a coupon of 3.375%.

Within the contractually agreed framework, Ampega Asset Management GmbH performs real estate management services as well as investment and asset management services for Hannover Rück SE and the majority of its subsidiaries. Altogether EUR 28.3 million (EUR 27.8 million) was recognised in profit or loss in the reporting period for the rendering of these services.

Hannover Rück SE has concluded agreements with Ampega Asset Management GmbH, HDI Global Specialty SE, Talanx Reinsurance Broker GmbH and Svedea AB that enable these companies to use software for screening sanctions lists.

IT and management services were also performed for Talanx Reinsurance Broker GmbH, Hannover, under service contracts.

Actuarial opinions with respect to the pension commitments given to staff are drawn up for Hannover Rück SE and E+S

Rückversicherung AG by HDI Pensionsmanagement AG under an actuarial service contract.

Talanx AG performs various services in the area of taxes for a number of investment vehicles of the Hannover Re Group in the asset classes of private equity and real estate. In this regard corresponding agreements have been concluded with Hannover Re companies.

Since 2012 a service agreement has existed between Hannover Rück SE and Talanx AG regarding the use of data acquisition software for Group accounting purposes.

Hannover Rück SE performs IT services for HDI Global Specialty SE and for Talanx AG. In addition, since May 2024 Hannover Rück SE has made joint use with HDI AG of data centre space leased from a provider. In this context HDI AG holds the lease agreement with the provider, while Hannover Rück SE is the sub-lessee.

Hannover Rück SE has concluded a service contract with Talanx Service AG in the area of flight services as well as a contract regarding the reciprocal provision of business continuity management services.

Since 2004 a service agreement has existed between Hannover Rück SE, E+S Rückversicherung AG and Talanx Reinsurance Broker GmbH regarding the receipt of market security services and access to the business partner information system of Hannover Rück SE.

7.3. Staff

As at the balance sheet date altogether 3,856 (3,756) staff were employed by the Hannover Re Group, with 1,679 (1,644) employed in Germany and 2,177 (2,112) working for the consolidated Group companies abroad.

7.4. Earnings per share

Calculation of the earnings per share

	1.1.-30.6.2024	1.1.-30.6.2023
Group net income in EUR million	1,161.1	960.0
Weighted average of issued shares	120,596,887	120,596,685
Basic earnings per share in EUR	9.63	7.96
Diluted earnings per share in EUR	9.63	7.96

The earnings per share is calculated by dividing the net income attributable to the shareholders of Hannover Rück SE by the weighted average number of shares outstanding within the period under review.

Neither in the period under review nor in the previous reporting period were there any dilutive effects.

The weighted average number of issued shares was slightly below the number of shares outstanding as at the balance sheet date. On the basis of this year's employee share option plan Hannover Rück SE acquired treasury shares in the course of the second quarter of 2024 and sold them to eligible employees at a later date.

The weighted average number of shares does not include 14,799 (18,714) treasury shares pro rata temporis for the duration of the holding period. For further details please see our comments in section 5.4 "Shareholders' equity, non-controlling interests and treasury shares".

There were no other extraordinary components of income which should have been recognised or disclosed separately in the calculation of the earnings per share.

The earnings per share could potentially be diluted in future through the issue of shares or subscription rights from the authorised or conditional capital.

7.5. Contingent liabilities and commitments

As security for technical liabilities to our US clients, we have established two trust accounts (master trust and supplemental trust) in the United States. They amounted to EUR 4,330.0 million (EUR 4,188.5 million) and EUR 485.1 million (EUR 465.7 million) respectively as at the balance sheet date. In addition, we furnished further collateral to ceding companies in an amount of EUR 7,498.7 million (EUR 5,650.7 million) in the form of so-called "single trust funds". This amount includes a sum equivalent to EUR 6,959.8 million (EUR 5,111.8 million) which was furnished by investors as security for potential reinsurance obligations from ILS transactions.

As part of our business activities we hold collateral available outside the United States in various blocked custody accounts and trust accounts, the total amount of which in relation to the Group's major companies was EUR 3,361.7 million (EUR 3,351.0 million) as at the balance sheet date.

The securities held in the blocked custody accounts and trust accounts are recognised predominantly as financial assets measured at fair value through OCI in the investments.

As security for technical liabilities, various financial institutions have furnished sureties in the form of letters of credit. The total amount as at the balance sheet date was EUR 1,558.6 million (EUR 1,610.9 million).

We put up own investments with a book value of EUR 79.6 million (EUR 34.3 million) as collateral for existing derivative transactions. We received collateral with a fair value of EUR 25.0 million (EUR 58.4 million) for existing derivative transactions.

As collateral for commitments in connection with participating interests in real estate companies and real estate transactions, the usual collateral under such transactions has been furnished to various banks, the amount of which totalled EUR 1,171.7 million (EUR 1,210.4 million) as at the balance sheet date.

Outstanding capital commitments with respect to alternative investments exist on the part of the Group in an amount of EUR 1,244.5 million (EUR 1,161.6 million). These primarily involve as yet unfulfilled payment obligations from investment commitments given to private equity funds and venture capital firms.

Group companies are members of the association for the reinsurance of pharmaceutical risks and several atomic and nuclear pools. The failure of one of the other pool members to meet its liabilities would result in an additional call according to the quota participation.

Hannover Rück SE has put up a guarantee limited to GBP 10.0 million (EUR 11.8 million) for an indefinite period in favour of the pension scheme "The Congregational & General Insurance Plc Pension and Life Assurance Scheme" of the liquidated company Congregational & General Insurance Plc., Bradford/UK, at usual market conditions.

The application of tax regulations may not have been resolved at the time when tax items are brought to account. The calculation of tax refund claims and tax liabilities is based on what we consider to be the regulations most likely to be applied in each case. The revenue authorities may, however, take a differing view, as a consequence of which additional tax liabilities could arise in the future.

Hannover Rück SE enters into contingent liabilities as part of its normal business operations. A number of reinsurance treaties concluded by Group companies with outside third parties include letters of comfort, guarantees or novation agreements under which Hannover Rück SE guarantees the liabilities of the subsidiary in question or enters into the rights and obligations of the subsidiary under the treaties if particular constellations materialise.

7.6. Events after the end of the reporting period

At the beginning of July 2024 Hurricane Beryl tracked across parts of the Caribbean, Central America and the United States, causing extensive damages and losses. The scale of insured losses in the Hannover Re Group cannot be definitively assessed at this point in time, but overall we anticipate large loss expenditure in the high double-digit to low triple-digit millions which will likely not exceed our expectation for such events in the third quarter.

Hannover, 7 August 2024

Executive Board

Henchoz Althoff Chèvre Jungsthöfel

Dr. Miller Ooi Dr. Pickel Sehm

Review report by the independent auditors

To Hannover Rück SE, Hannover

We have reviewed the condensed consolidated interim financial statements – comprising the consolidated balance sheet, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows and selected explanatory notes – and the interim group management report of Hannover Rück SE, Hanover, for the period from 1 January to 30 June 2024, which are part of the half-year financial report pursuant to § (Article) 115 WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the company's management. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU nor that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Hannover, 8 August 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

sgd. Martin Eibl	sgd. Janna Reineke
Wirtschaftsprüfer	Wirtschaftsprüferin
(German Public Auditor)	(German Public Auditor)

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Hannover, 7 August 2024

Executive Board

Henchoz	Althoff	Chèvre	Jungsthöfel
Dr. Miller	Ooi	Dr. Pickel	Sehm

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