

somewhat
different

Hannover Rück SE

Annual Report

2023

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Key figures

in EUR million	2023	+/- previous year	2022	2021	2020	2019
Results						
Gross written premium	27,321.3	-1.1%	27,621.1	21,941.5	19,217.0	18,072.9
Net premium earned	17,406.6	-2.9%	17,923.6	14,768.3	12,923.3	12,226.6
Underwriting result	-336.9		31.8	-126.9	-209.1	-23.1
Change in the equalisation reserve and similar provisions	594.9	-208.5%	-548.3	-545.7	-694.0	-210.6
Investment result	1,453.1	-25.1%	1,940.8	1,687.4	1,673.3	1,325.8
Pre-tax profit	1,082.3	+31.8%	820.9	776.0	393.8	799.8
Profit for the financial year	892.3	+18.5%	753.0	701.2	386.8	674.5
Investments	53,918.8	+3.6%	52,053.5	45,535.4	38,944.1	40,597.3
Capital and reserves ¹	1,631.7		1,631.7	1,631.7	1,631.7	1,631.7
Subordinated liabilities	3,250.0	-13.3%	3,750.0	3,000.0	2,250.0	2,250.0
Equalisation reserve and similar provisions	4,270.5	-12.2%	4,865.3	4,317.0	3,771.4	3,077.4
Net technical provisions	40,684.5	+5.0%	38,736.3	35,233.4	29,933.3	30,921.8
Total capital, reserves and technical provisions	49,836.7	+1.7%	48,983.3	44,182.1	37,586.4	37,880.9
Number of employees	1,847	+9.8%	1,682	1,611	1,542	1,464
Retention	64.3%		65.4%	69.0%	68.3%	69.7%
Loss ratio ²	73.1%		73.0%	71.1%	71.4%	71.2%
Expense ratio ²	29.7%		26.5%	29.0%	30.6%	30.1%
Combined ratio ²	102.8%		99.5%	100.1%	102.0%	101.3%

¹ Excluding disposable profit

² Excluding life and health reinsurance

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Boards and officers

Executive Board

Jean-Jacques Henchoz

Chairman of the Executive Board Hannover Rück SE, Hannover, Germany

Member of the Board of Management Talanx AG, Hannover, Germany

Chairman of the Board of Directors Hannover Re (Bermuda) Ltd., Hamilton, Bermuda

Member of the Board of Directors Hannover Life Re of Australasia Ltd, Sydney, Australia

Member of the Board of Directors Hannover Life Reassurance Company of America (Bermuda) Ltd., Hamilton, Bermuda

Sven Althoff

Member of the Executive Board Hannover Rück SE, Hannover, Germany

Chairman of the Board of Directors Argenta Holdings Limited, London, United Kingdom

Chairman of the Board of Directors Glencar Insurance Company, Orlando, USA

Chairman of the Board of Directors Hannover Re Services USA, Inc., Illinois, USA

Member of the Board of Directors Argenta Syndicate Management Limited, London, United Kingdom

Member of the Board of Directors HDI Global Specialty SE, Hannover, Germany¹

Claude Chèvre

Member of the Executive Board Hannover Rück SE, Hannover, Germany

Chairman of the Board of Directors Hannover ReTakaful B.S.C. (c), Manama, Bahrain

Deputy Chairman of the Board of Directors Hannover Life Re of Australasia Ltd, Sydney, Australia

Deputy Chairman of the Board of Directors Hannover Reinsurance Group Africa (Pty) Ltd., Johannesburg, South Africa

Deputy Chairman of the Board of Directors Hannover Re South Africa Limited, Johannesburg, South Africa

Member of the Board of Directors Bristol Re Ltd., Hamilton, Bermuda

Member of the Board of Directors Hannover Re Services Japan, Tokyo, Japan

Member of the Board of Directors Hannover Life Reassurance Company of America, Orlando, USA

Clemens Jungsthöfel

Member of the Executive Board Hannover Rück SE, Hannover, Germany

Member of the Executive Board E+S Rückversicherung AG, Hannover, Germany

Chairman of the Board of Directors Hannover Finance, Inc., Wilmington, USA

Deputy Chairman of the Supervisory Board Ampega Asset Management GmbH, Cologne, Germany

Deputy Chairman of the Supervisory Board Ampega Investment GmbH, Cologne, Germany

Member of the Board of Directors Hannover Life Reassurance Company of America, Orlando, USA

Member of the Board of Directors Hannover Life Reassurance Company of America (Bermuda) Ltd., Hamilton, Bermuda

Member of the Board of Directors Hannover Re (Bermuda) Ltd., Hamilton, Bermuda

Member of the Board of Directors Hannover Re (Ireland) Designated Activity Company, Dublin, Ireland

Dr. Klaus Miller

Member of the Executive Board Hannover Rück SE, Hannover, Germany

Member of the Executive Board E+S Rückversicherung AG, Hannover, Germany

Chairman of the Board of Directors Bristol Re Ltd., Hamilton, Bermuda

Chairman of the Board of Directors Hannover Life Reassurance Company of America, Orlando, USA

Chairman of the Board of Directors Hannover Life Reassurance Company of America (Bermuda) Ltd., Hamilton, Bermuda

Chairman of the Board of Directors Kubera Insurance (SAC) Ltd., Hamilton, Bermuda

Member of the Board of Directors Hannover Re (Bermuda) Ltd., Hamilton, Bermuda

Member of the Board of Directors Hannover Re (Ireland) Designated Activity Company, Dublin, Ireland

Member of the Supervisory Board Viridium Holding AG, Neu-Isenburg, Germany¹

Member of the Advisory Board Viridium Group GmbH & Co. KG, Neu-Isenburg, Germany

Alternate Director of the Board of Directors Monument Finco Limited, George Town, Cayman Islands

Alternate Director of the Board of Directors Monument Insurance Group Limited, Hamilton, Bermuda

Alternate Director of the Board of Directors Monument Midco Limited, Hamilton, Bermuda

Alternate Director of the Board of Directors Monument Re Limited, Hamilton, Bermuda

Sharon Ooi (since 11 January 2023)

Member of the Executive Board Hannover Rück SE, Hannover, Germany

Chairwoman of the Board of Directors Hannover Reinsurance Group Africa (Pty) Limited, Johannesburg, South Africa²

Chairwoman of the Board of Directors Hannover Re South Africa Limited, Johannesburg, South Africa²

Member of the Board of Directors Hannover Re Services Japan, Tokyo, Japan

Dr. Michael Pickel

Member of the Executive Board Hannover Rück SE, Hannover, Germany

Chairman of the Executive Board E+S Rückversicherung AG, Hannover, Germany

Chairman of the Board of Directors Hannover Re Services Italy S.r.l., Milan, Italy

Deputy Chairman of the Board of Directors Hannover ReTakaful B.S.C. (c), Manama, Bahrain

Member of the Board of Directors Hannover Re Holdings (UK) Limited, London, United Kingdom

Member of the Supervisory Board Delvag Luftversicherungs-AG, Cologne, Germany¹

Member of the Advisory Board Barmenia Versicherungsunternehmen, Wuppertal, Germany

Silke Sehm

Member of the Executive Board Hannover Rück SE, Hannover, Germany

Chairwoman of the Board of Directors Hannover Re (Ireland) Designated Activity Company, Dublin, Ireland

Member of the Board of Directors Hannover Re (Bermuda) Ltd., Hamilton, Bermuda

¹ Details of supervisory board memberships within the meaning of § 125 (1) Sentence 5, first half-Sentence of the Stock Corporation Act (AktG). The other details are those on comparable control boards at other domestic and foreign business enterprises pursuant to § 125 (1) Sentence 5, second half-Sentence of the Stock Corporation Act (AktG).

² Subject to Prudential Authority approval

Supervisory Board

Torsten Leue^{1, 2, 3}

Hannover, Germany
(since 7 May 2018)⁴

Chairman

Chief Executive Officer HDI Haftpflichtverband der Deutschen Industrie V.a.G., Hannover, Germany

Chief Executive Officer Talanx AG, Hannover, Germany

Chairman of the Supervisory Board E+S Rückversicherung AG, Hannover, Germany⁵

Chairman of the Supervisory Board HDI AG, Hannover, Germany⁵

Chairman of the Supervisory Board HDI Deutschland AG, Hannover, Germany⁵

Chairman of the Supervisory Board HDI Global SE, Hannover, Germany⁵

Chairman of the Supervisory Board HDI International AG, Hannover, Germany⁵

Member of the Advisory Board Commerzbank AG, Frankfurt am Main, Germany^{6, 7}

Herbert K. Haas^{1, 2, 3}

Burgwedel, Germany
(since 24 May 2002)⁴

Deputy Chairman

Member of various Supervisory Boards

Chairman of the Supervisory Board HDI Haftpflichtverband der Deutschen Industrie V.a.G., Hannover, Germany⁵

Chairman of the Supervisory Board Talanx AG, Hannover, Germany^{5, 7}

Natalie Bani Ardalan⁸

Springe, Germany
(since 8 May 2019)⁴

Employee

Frauke Heitmüller⁸

Hannover, Germany
(since 3 May 2012)⁴

Employee

Ilka Hundeshagen⁸

Hannover, Germany
(since 8 May 2019)⁴

Employee

Dr. Ursula Lipowsky²

Munich, Germany
(since 7 May 2018)⁴

Member of various Supervisory Boards

Member of the Supervisory Board Mecklenburgische Krankenversicherungs-AG, Hannover, Germany

Member of the Supervisory Board Mecklenburgische Lebensversicherungs-AG, Hannover, Germany

Member of the Supervisory Board Württembergische Lebensversicherung AG, Kornwestheim, Germany

Dr. Michael Ollmann

Hamburg, Germany

(since 8 May 2019)⁴

Member of various Supervisory Boards

Member of the Supervisory Board HDI Global SE, Hannover, Germany⁵

Member of the Supervisory Board HDI International AG, Hannover, Germany⁵

Dr. Andrea Pollak³

Vienna, Austria

(since 3 May 2011)⁴

Independent Management Consultant

Deputy Chairwoman of the Supervisory Board Fronius International GmbH, Pettenbach, Austria⁶

Dr. Erhard Schipporeit¹

Hannover, Germany

(since 3 May 2007)⁴

Member of various Supervisory Boards

Member of the Supervisory Board BDO AG, Hamburg, Germany

Member of the Supervisory Board HDI Haftpflichtverband der Deutschen Industrie V.a.G., Hannover, Germany (until 22.06.2023)⁵

Member of the Supervisory Board RWE AG, Essen, Germany⁷

Member of the Supervisory Board Talanx AG, Hannover, Germany (until 04.05.2023)^{5, 7}

¹ Member of the Standing Committee

² Member of the Finance and Audit Committee

³ Member of the Nomination Committee

⁴ Date when member was first appointed/elected to the company's Supervisory Board.

Current term of office for the entire Supervisory Board commenced at the end of the Annual General Meeting on 8 May 2019

⁵ Seat held on a Group body

⁶ Memberships of comparable supervisory bodies at other companies in Germany and abroad

⁷ Listed company

⁸ Staff representative

Combined management report

The management report of Hannover Rück SE and the Group management report are combined in accordance with § 315 (5) of the German Commercial Code (HGB) and published in the Group Annual Report 2023. The annual financial statement and the management report of Hannover Rück SE – combined with the Group management report – for the 2023 financial year are submitted electronically to the register-keeping authority of the Company Register and published in the Company Register.

Accounts



Balance sheet as at 31 December 2023

Assets

in EUR thousand

	2023			2022
A. Intangible assets				
I. Purchased franchises, trademarks, patents, licences and similar rights and assets			58,346	38,611
II. Prepayments on intangible assets			12,356	21,652
			70,702	60,263
B. Investments				
I. Land and buildings, rights to land and buildings, leasehold			28,105	29,003
II. Investments in affiliated companies and participating interests				
1. Shares in affiliated companies		8,795,441		7,976,003
2. Loans to affiliated companies		810,824		867,431
3. Participating interests		1,811,972		1,809,528
			11,418,237	10,652,962
III. Other financial investments				
1. Shares, units or shares in investment funds and other variable-yield securities		2,002,083		1,894,021
2. Bearer debt securities and other fixed-income securities		28,979,773		28,374,860
3. Other loans				
a) Registered debt securities	124,927			133,961
b) Debentures and loans	147,290			177,305
c) Other loans	345,605			8,135
		617,822		319,401
4. Deposits with banks		1,073,385		1,143,912
5. Other investments		10,301		10,301
			32,683,364	31,742,495
IV. Deposits with ceding companies			9,789,140	9,629,070
			53,918,846	52,053,530

Liabilities

in EUR thousand

	2023			2022
A. Capital and reserves				
I. Subscribed capital			120,597	120,597
II. Capital reserve			880,608	880,608
III. Retained earnings				
1. Statutory reserve		511		511
2. Other retained earnings		630,000		630,000
			630,511	630,511
IV. Disposable profit			1,484,000	1,316,000
				3,115,716
				2,947,716
B. Subordinated liabilities				3,250,000
				3,750,000
C. Technical provisions				
I. Provision for unearned premiums				
1. Gross		4,366,232		4,443,993
2. Less: reinsurance ceded		1,039,668		1,189,329
			3,326,564	3,254,664
II. Life assurance provision				
1. Gross		7,222,928		7,500,127
2. Less: reinsurance ceded		175,605		213,702
			7,047,323	7,286,425
III. Provisions for outstanding claims				
1. Gross		38,820,800		37,310,257
2. Less: reinsurance ceded		9,364,333		9,751,617
			29,456,467	27,558,640
IV. Provision for bonuses and rebates				
1. Gross		555		505
2. Less: reinsurance ceded		685		478
			-130	27
V. Equalisation reserve and similar provisions			4,270,493	4,865,347
VI. Other technical provisions				
1. Gross		1,160,910		901,876
2. Less: reinsurance ceded		306,645		265,328
			854,265	636,548
				44,954,982
				43,601,651

Assets

in EUR thousand

	2023			2022
C. Receivables				
I. Accounts receivable arising out of reinsurance operations			5,343,920	5,647,610
from affiliated companies:				
TEUR 735,216 (2022: TEUR 731,651)				
II. Other receivables			584,746	840,655
from affiliated companies:				
TEUR 456,637 (2022: TEUR 631,306)				
D. Other assets				
I. Tangible assets and stocks			20,033	21,617
II. Current accounts with banks, cheques and cash in hand			397,805	627,815
III. Sundry assets			65,961	68,357
			483,799	717,789
E. Prepayments and accrued income				
I. Accrued interest and rent			316,689	277,373
II. Other accrued income			15,990	14,216
			332,679	291,589
Total assets			60,734,692	59,611,436

Liabilities

in EUR thousand

	2023			2022
D. Provisions for other risks and charges				
I. Provisions for pensions and similar obligations			119,997	115,427
II. Provisions for taxation			151,954	104,993
III. Other provisions			276,473	273,111
			548,424	493,531
E. Deposits received from retrocessionaires			4,998,161	5,111,583
F. Other liabilities				
I. Accounts payable arising out of reinsurance operations			2,401,638	2,252,902
to affiliated companies:				
TEUR 459,849 (2022: TEUR 531,812)				
II. Bonds			750,000	750,000
III. Other liabilities			715,771	704,053
thereof				
from taxes:				
TEUR 11,229 (2022: TEUR 6,199)				
for social security:				
TEUR 506 (2022: TEUR 463)				
to affiliated companies:				
TEUR 58,270 (2022: TEUR 90,128)				
to companies in which a participating interest is held:				
TEUR 146,963 (2022: TEUR 208,963)				
Total liabilities			60,734,692	59,611,436

Profit and loss account for the 2023 financial year

in EUR thousand	2023 1.1.–31.12.		2022 1.1.–31.12.
I. Technical account			
1. Earned premiums, net of retrocession			
a) Gross written premiums	27,321,291		27,621,123
b) Retrocession premiums	9,752,725		9,554,823
		17,568,566	18,066,300
c) Change in the gross provisions for unearned premiums	-76,635		-355,067
d) Change in the provisions for unearned premiums, retrocessionaires' share	-85,366		212,392
		-162,001	-142,675
		17,406,565	17,923,625
2. Allocated investment return transferred from the non-technical account, net of retrocession		159,777	204,342
3. Other technical income, net of retrocession		1	–
4. Claims incurred, net of retrocession			
a) Claims paid			
aa) Gross	16,697,351		15,746,629
bb) Retrocessionaires' share	5,886,449		4,730,115
		10,810,902	11,016,514
b) Change in provisions for outstanding claims			
aa) Gross	-2,437,984		-5,549,272
bb) Retrocessionaires' share	-79,402		2,543,277
		-2,517,386	-3,005,995
		13,328,288	14,022,509
5. Changes in other technical provisions, net of retrocession			
a) Net life assurance provision		-149,126	120,956
b) Other net technical provisions		-62	-118
		-149,188	120,838
6. Bonuses and rebates, net of retrocession		-131	-95
7. Operating expenses, net of retrocession			
a) Gross acquisition expenses		6,879,472	6,586,005
b) Less: commissions and profit commissions received on retrocession		2,454,474	2,392,515
		4,424,998	4,193,490
8. Other technical charges, net of retrocession		869	1,080
9. Subtotal		-336,869	31,821
10. Change in the equalisation reserve and similar provisions		594,854	-548,303
11. Net technical result		257,985	-516,482

in EUR thousand	2023			2022
	1.1.–31.12.			1.1.–31.12.
Balance brought forward			257,985	-516,482
II. Non-technical account				
1. Investment income				
a) Income from participating interests		22,081		24,849
thereof affiliated companies:				
TEUR 19,735 (2022: TEUR 18,850)				
b) Income from other investments				
thereof affiliated companies:				
TEUR 47,013 (2022: TEUR 41,193)				
aa) Income from land and buildings, rights to land and buildings, leasehold	3,382			3,295
bb) Income from other investments	1,136,104			892,756
		1,139,486		896,051
c) Appreciation on investments		3,069		3,387
d) Gains on the realisation of investments		139,571		1,250,323
e) Income from profit pools, profit and loss transfer agreements or partial profit and loss transfer agreements		419,697		604,562
			1,723,904	2,779,172
2. Investment charges				
a) Expenditure for the management of investments, interest expenditure and other investment expenditure		97,972		176,117
b) Depreciation		41,681		157,039
thereof impairments in accordance with § 253 (3) Sentence 5 of the Commercial Code (HGB):				
TEUR 22,888 (2022: TEUR 150,266)				
c) Losses on the realisation of investments		131,172		505,247
			270,825	838,403
			1,453,079	1,940,769
3. Allocated investment return transferred to the technical account			-161,418	-205,849
			1,291,661	1,734,920
4. Other income			192,556	167,263
5. Other charges			659,955	564,803
			-467,399	-397,540
6. Profit or loss on ordinary activities before tax			1,082,247	820,898
7. Taxes on profit and income			185,779	61,831
8. Other taxes			4,207	6,116
			189,986	67,947
9. Profit for the financial year			892,261	752,951
10. Profit brought forward from previous year			592,417	564,567
			-	-
11. Allocations to other retained earnings			678	1,518
12. Disposable profit			1,484,000	1,316,000

Notes

Hannover Rück SE has its registered office in Hannover, Germany, at Karl-Wiechert-Allee 50 and is entered with the registry court of Hannover under HRB 6778.

Valuation of assets

Valuation is carried out in accordance with the provisions of §§ 341 et seq. of the Commercial Code (HGB).

Other intangible assets are valued at acquisition cost less amortisation in accordance with the normal operational useful life.

Land and buildings, rights to land and buildings, including leasehold, are valued at the purchase or construction cost less depreciation in accordance with the normal operational useful life. Impairments are taken only if the reduction in value is expected to be permanent (§ 253 (3) Sentence 5 of the Commercial Code (HGB)).

Shares in affiliated companies and participations are valued on a purchase cost basis at the lower of amortised cost or fair value allowing for write-downs. Interests in funds that invest in private equity are valued at the lower of amortised cost or fair value allowing for time effects.

Loans to affiliated companies and to enterprises in which the company has a participating interest are valued at amortised cost in accordance with § 341 c (3) of the Commercial Code (HGB) using the effective interest rate method, or at a lower fair value.

The portfolio of securities is allocated to fixed assets or current assets depending on the intended use and valued at purchase cost less write-downs to the lower fair value in accordance with the provisions of § 341 b of the Commercial Code (HGB). In conformity with § 253 (3) Sentence 6 of the Commercial Code (HGB), a small part of the assets reported as fixed assets is written down to the lower fair value even when impairment is not expected to be permanent. Write-downs of EUR 17,883 thousand were taken in the financial year for assets with a book value of EUR 183,391 thousand.

Shares, units or shares in investment funds and other variable-yield securities are valued according to the strict or modified lower-of-cost-or-market principle depending on the intended use. Securities intended for use on a continuing basis in the normal course of business activities are valued according to the modified lower-of-cost-or-market principle (§ 341 b (2) of the Commercial Code (HGB) in conjunction with § 253 (3) of the

Commercial Code (HGB)). Permanently impaired instruments are written down to the lower fair value through profit or loss.

Bearer debt securities and other fixed-income securities are valued according to the strict or modified lower-of-cost-or-market principle depending on the intended use. Bearer debt securities intended for use on a continuing basis in the normal course of business activities are valued at initial cost plus or minus cumulative amortisation according to § 341 c (3) of the Commercial Code (HGB). Where impairment is expected to be permanent, an impairment loss is recognised on the book values of bearer debt securities through profit or loss.

Registered debt securities, debentures and loans as well as other loans are carried at acquisition cost – taking into account amortisation – or at the lower fair value.

Other investments are allocated to fixed assets or current assets and valued at purchase cost less write-downs to the lower fair value in accordance with the requirements of § 341 b of the Commercial Code (HGB). Valuation is made according to the strict or modified lower-of-cost-or-market principle depending on the intended use.

Alternative investments, which are allocated to fixed assets, are valued using various models. Individual and fund investments are valued at purchase cost. A write-down to lower fair value is made on individual investments if certain applicability criteria are met and the need to take a write-down is established using a standardised method. In addition, for CLO positions compliance with collateral tests of the respective higher tranche is verified. Fair value is used as an impairment criterion for high-yield bond funds listed as publicly offered funds. In the case of yield enhancement funds, actually incurred defaults as well as instruments at high risk of default in the respective funds are taken as an indication of impairment. Subsequent valuation of shares in private equity funds is based on net asset value (NAV).

Derivative instruments are valued on a mark-to-market basis. Derivative financial instruments are considered to be pending transactions and are generally not recognised in accordance with general accepted accounting practice. Provisions for anticipated losses from pending transactions are established in the event of negative fair values as at the balance sheet date.

Deposits, reverse repurchase agreements, cash at banks in current accounts, cash in hand, other assets, deposits and accounts receivable arising out of reinsurance operations, other receivables as well as prepaid expenses and accrued income are valued at the nominal amounts. Valuation adjustments are set up for default risks. Tangible assets are valued at purchase cost less

straight-line or declining-balance depreciation according to the normal operational useful life. Low-value items are written off in the year of acquisition.

Write-ups are made in accordance with § 253 (5) of the Commercial Code (HGB).

Valuation of liabilities

The provision for unearned premiums, life assurance provision, provisions for outstanding claims, provisions for bonuses and rebates and other technical provisions are entered as liabilities according to the information provided by the ceding companies.

The basis for the valuation of the provision for unearned premiums is the reinsurance premium less 92.5% of the reinsurance commission in accordance with the order of the Minister of Finance of the State of North Rhine-Westphalia dated 29 May 1974. In marine insurance the provision for unearned premiums and the provisions for outstanding claims are regarded as one unit and shown as provisions for outstanding claims.

Where the provisions indicated by ceding companies are not expected to be adequate, they are increased by appropriate additional amounts. Where no figures are available from cedants, the provisions are estimated in the light of the business experience to date. The results of new treaties are at least neutralised. In some cases, provisions are determined on an actuarial basis. If necessary, additional or complete estimates of the corresponding profit and loss items including relevant retrocessions are made where ceding company accounts with substantial premium income are missing. Missing ceding company accounts with a low premium income are included in the following year. The estimated gross premium income for 2023 is 35.26% of the total volume.

In all major lines IBNR claims reserves have been set up. The calculation is largely carried out in accordance with statistical mathematical methods.

From 2010 onwards the run-off result of the previous year's provision for outstanding claims is calculated by Hannover Rück SE on an accident-year basis and hence appropriately allocated.

The shares of retrocessionaires in the technical reserves are determined on the basis of the reinsurance contracts. Provision is made for bad debts.

The equalisation reserve is set up in accordance with the notes to § 29 of the Regulation on the Accounting of Insurance Undertakings (RechVersV); the similar provisions are constituted in accordance with § 30 of the Regulation on the Accounting of Insurance Undertakings (RechVersV). With respect to insurance lines 28 Other property insurance and 29 Other indemnity in-

surance, separate profit and loss accounts are drawn up only for the fidelity line.

The provision for nuclear plants is calculated in accordance with § 30 (2) of the Regulation on the Accounting of Insurance Undertakings (RechVersV).

The catastrophe risk provision for pharmaceutical product liability is calculated in accordance with § 30 (1) of the Regulation on the Accounting of Insurance Undertakings (RechVersV).

The catastrophe risk provision for terrorism is calculated in accordance with § 30 (2a) of the Regulation on the Accounting of Insurance Undertakings (RechVersV).

The pension commitments are carried in the settlement amount required according to reasonable and prudent business judgement. They are discounted at a forecast 1.83% (1.79%) using the average interest rate for the last ten years published by the German Bundesbank pursuant to the Regulation on the Discounting of Provisions (RückAbzinsVO) with an assumed maturity of 15 years. The pension provisions for uninsured employer-funded commitments were calculated according to the projected unit credit method; in the case of insured employer-funded commitments, the value of the insurance coverage calculated using the actuarial bases applied by the insurer has been adopted. The principles set out by IDW RH FAB 1.021 were applied for the first time in the last financial year to the measurement of provisions for insured direct commitments. The pension provisions for non-unit-linked employee-funded commitments are calculated according to the projected unit credit method, insofar as the benefits are not covered by a pension insurance policy. In the case of insured benefits, the settlement amount corresponds to the present value of the actuarial reserve for the life insurance contract plus surplus participation. In the previous year the effect of application of IDW RH FAB 1.021 impacted the result in an amount of EUR -22.2 million. A rate of compensation increase of 3.50% (3.50%) and pension indexation of 2.34% (2.34%) are assumed. Fluctuation probabilities are determined separately according to age and gender. The benefit adjustment based on surplus participations from insured pension commitments was recognised in an amount of 0.0% (0.0%) for direct commitments from one-time deferred compensation and in an amount of 2.1% (2.1%) for insured provi-

dent funds. The valuation is based on the decrement probabilities of the “2018G standard tables”, which were strengthened based on the observable risk experience in the Group.

With respect to employee-funded pension commitments, the amount of which is determined solely according to the fair value of a claim under a pension insurance policy, valuation is carried out in accordance with § 253 (1) Sentence 3 of the Commercial Code (HGB). For these commitments the settlement amount corresponds to the fair value of the actuarial reserve plus surplus participation. The expected overall return needed for the valuation of insured direct commitments was carried in the amount of the net return published in the life insurer's last annual report; for pension insurance policies with Allianz Lebensversicherungs-AG this amounts to 3.6%, while for HDI Lebensversicherung AG it is 3.3%.

The provisions for taxation and other provisions take into account all identifiable risks and uncertain liabilities.

Further accounting policies

The option to establish valuation units in accordance with § 254 of the Commercial Code (HGB) is exercised. For information on the valuation units we would refer to the section “Other notes” in the Notes. Assets and liabilities denominated in foreign currencies are converted pursuant to § 256 a of the Commercial Code (HGB) at the average spot exchange rate on the balance sheet date. Assets and liabilities denominated in foreign currencies that are not included in a valuation unit have a maturity of less than one year.

Deferred taxes are calculated using a tax rate of 32.63%. Deferred tax liabilities, which refer largely to the balance sheet items shares in affiliated companies, receivables from affiliated companies and participating interests (owing to diverging recognition of shares in partnerships and booking of income from participating interests in a different accounting period), are netted in particular with deferred tax assets from the balance sheet item “Provisions for outstanding claims”. No deferred taxes are recognised in view of the surplus of deferred tax assets.

The other provisions are established in the settlement amount required according to reasonable and prudent business judgement, in some cases on the basis of actuarial opinions. Provisions with a maturity of more than one year are discounted using the average market rate published by the German Bundesbank for the last seven years in accordance with their maturity.

The deposits received from retrocessionaires and other liabilities are valued at the settlement amounts.

The technical interest results in the main from the interest income earned on the basis of the life assurance provision. Standard methods are used for the calculation.

The declaration of conformity required pursuant to § 161 of the Stock Corporation Act (AktG) regarding compliance with the German Corporate Governance Code has been submitted and made permanently available to the shareholders.

Notes on Assets

Change in asset items A, B. I. to B. III.

in EUR thousand		2022	2023					Book values 31.12.	
		Book values 31.12.	Additions	Reclassifi- cation	Disposals	Write-ups	Deprecia- tion		Currency effects
A.	Intangible assets								
	1. Purchased franchises, trademarks, patents, licences and similar rights and assets	38,611	26,647	17,552	-	-	24,309	-155	58,346
	2. Prepayments on intangible assets	21,652	8,649	-17,552	393	-	-	-	12,356
	Total A.	60,263	35,296	-	393	-	24,309	-155	70,702
B.I.	Land and buildings, rights to land and buildings, leasehold	29,003	20	-	-	-	918	-	28,105
B.II.	Investments in affiliated companies and participating interests								
	1. Shares in affiliated companies	7,976,003	860,227	-	10,674	-	-	-30,115	8,795,441
	2. Loans to affiliated companies	867,431	3,301	-	30,808	-	-	-29,100	810,824
	3. Participating interests	1,809,528	16,524	-	210	-	11,382	-2,488	1,811,972
	4. Loans to enterprises in which the company has a participating interest	-	-	-	-	-	-	-	-
	Total B.II.	10,652,962	880,052	-	41,692	-	11,382	-61,703	11,418,237
B.III.	Other financial investments								
	1. Shares, units or shares in investment funds and other variable-yield securities	1,894,021	369,340	-	238,247	2,480	5,106	-20,405	2,002,083
	2. Bearer debt securities and other fixed-income securities	28,374,860	14,361,580	-	13,093,383	589	23,620	-640,253	28,979,773
	3. Other loans								
	a) Registered debt securities	133,961	185	-	9,219	-	-	-	124,927
	b) Debentures and loans	177,305	28,841	-	58,593	-	-	-263	147,290
	c) Other loans	8,135	4,331,850	-	3,967,634	-	-	-26,746	345,605
	4. Deposits with banks	1,143,912	22,652,572	-	22,656,176	-	-	-66,923	1,073,385
	5. Other investments	10,301	-	-	-	-	-	-	10,301
	Total B.III.	31,742,495	41,744,368	-	40,023,252	3,069	28,726	-754,590	32,683,364
Total		42,484,723	42,659,736	-	40,065,337	3,069	65,335	-816,448	44,200,408

Land and buildings and rights to land and buildings

On 31 December 2023 the company had at its disposal five developed properties with commercial and other buildings in Hannover. The book value for the own-use buildings amounted to EUR 28,105 thousand (EUR 29,003 thousand) as at 31 December 2023.

Shares in affiliated companies and participations

Our major shares in affiliated companies and participations are listed below.

We have omitted companies of subordinate economic importance with no material influence on the net assets, financial position or results of operations.

List of shareholdings in 2023

Name and registered office of the company	Participation (in %)	Currency	Capital and reserves (§ 266 (3) Commercial Code)	Result for the last financial year
Figures in currency units of 1,000				
Shares in affiliated companies				
Companies resident in Germany				
Hannover Rück Beteiligung Verwaltungs-GmbH, Hannover/Germany	100.00	EUR	6,008,543	–
holds 64.79% of the shares in: E+S Rückversicherung AG, Hannover/Germany		EUR	708,257	-15,294
holds 20.00% of the shares in: WeHaCo Unternehmensbeteiligungs-GmbH ¹ , Hannover/Germany		EUR	100,152	7,733
holds 100.00% of the shares in: Hannover Re Holdings (UK) Limited, London/United Kingdom		EUR	4,094,836	290,060
holds 100.00% of the shares in: Hannover Finance, Inc., Wilmington/USA	100.00	USD	1,778,587	807
holds 100.00% of the shares in: Hannover Life Reassurance Company of America, Hamilton/Bermuda	100.00	USD	1,495,777	313,465
holds 100.00% of the shares in: Hannover Life Reassurance Company of America, Orlando/USA	100.00	USD	621,707	-80,110
holds 100.00% of the shares in: Glencar Insurance Company, Orlando/USA		USD	60,931	-2,433
holds 100.00% of the shares in: Glencar Underwriting Managers, Inc., Chicago/USA		USD	4,085	-143
holds 100.00% of the shares in: Kubera Insurance (SAC) Ltd., Hamilton/Bermuda		USD	6,024	854
holds 100.00% of the shares in: Hannover Re (Bermuda) Ltd., Hamilton/Bermuda		USD	2,203,708	856,401
holds 100.00% of the shares in: Hannover Re (Ireland) Designated Activity Company, Dublin/Ireland		USD	1,407,714	330,919
holds 100.00% of the shares in: Hannover Life Re of Australasia Ltd., Sydney/Australia		AUD	547,233	-40,325
holds 95.00% of the shares in: Hannover ReTakaful B.S.C. (c), Manama/Bahrain		BHD	88,571	10,088

Name and registered office of the company	Participation (in %)	Currency	Capital and reserves (§ 266 (3) Commercial Code)	Result for the last financial year
Figures in currency units of 1,000				
HILSP Komplementär GmbH ² , Hannover/Germany	100.00	EUR	25	–
FUNIS GmbH & Co. KG ³ , Hannover/Germany	100.00	EUR	–	–
holds 100.00% of the shares in: Integra Insurance Solutions Limited, Bradford/United Kingdom		GBP	10,863	2,278
holds 30.00% of the shares in: Reaseguradora del Ecuador S.A., Guayaquil/Ecuador		USD	23,223	4,170
holds 20.00% of the shares in: Monument Insurance Group Limited ³ , Hamilton/Bermuda		GBP	–	–
holds 19.70% of the shares in: Trinity Underwriting Managers Ltd. ³ , Toronto/Canada		CAD	–	–
holds 15.00% of the shares in: YOUPLUS Holding AG ³ , Freienbach/Switzerland		CHF	–	–
Hannover Re Global Alternatives GmbH & Co. KG, Hannover/Germany	85.00	EUR	979,515	7,170
holds 100.00% of the shares in: PAG Real Estate Asia Select Fund Limited, George Town/Cayman Islands		USD	485,329	-39
holds 99.99% of the shares in: HR US Infra Debt LP, George Town/Cayman Islands		USD	426,834	21,101
Hannover Re Euro RE Holdings GmbH, Hannover/Germany	65.00	EUR	1,214,035	35,468
holds 99.99% of the shares in: HR GLL Central Europe GmbH & Co. KG, Munich/Germany		EUR	332,476	-1,076
HAPEP II Komplementär GmbH, Hannover/Germany	–	EUR	64	8
Companies resident abroad				
Inter Hannover (No.1) Limited, London/United Kingdom	100.00	GBP	138	–
Hannover Finance (Luxembourg) S.A., Roeser/Luxembourg	100.00	EUR	16,997	772
Hannover Finance (UK) Limited, London/United Kingdom	100.00	GBP	771	9
holds 100.00% of the shares in: Hannover Services (UK) Limited, London/United Kingdom		GBP	2,052	200
Hannover Reinsurance Group Africa (Pty) Ltd., Johannesburg/South Africa	100.00	ZAR	1,195,381	150,385
holds 100.00% of the shares in: Hannover Re South Africa Limited, Johannesburg/South Africa		ZAR	2,569,486	186,452
holds 100.00% of the shares in: Compass Insurance Company Limited, Johannesburg/South Africa		ZAR	437,115	84,807
holds 70.00% of the shares in: Lireas Holdings (Pty) Ltd., Johannesburg/South Africa		ZAR	443,548	49,823
Leine Investment General Partner S.à.r.l., Luxembourg/Luxembourg	100.00	EUR	207	403
holds 100.00% of the shares in: LI RE, Hamilton/Bermuda		USD	–	–
Argenta Holdings Limited, London/United Kingdom	100.00	GBP	63,053	2,330
holds 100.00% of the shares in: Argenta Private Capital Limited, London/United Kingdom		GBP	4,797	2,670
holds 100.00% of the shares in: Argenta Syndicate Management Limited, London/United Kingdom		GBP	10,246	8,238
holds 100.00% of the shares in: Argenta Tax & Corporate Services Limited, London/United Kingdom		GBP	386	–
holds 100.00% of the shares in: Argenta Underwriting Asia Pte. Ltd., Singapore/Singapore		SGD	9,192	2,906

Name and registered office of the company	Participation (in %)	Currency	Capital and reserves (§ 266 (3) Commercial Code)	Result for the last financial year
Figures in currency units of 1,000				
holds 100.00% of the shares in: Argenta Underwriting No.1 Limited, London/United Kingdom		GBP	22	–
holds 100.00% of the shares in: Argenta Underwriting No.2 Limited, London/United Kingdom		GBP	1,281	2,935
holds 100.00% of the shares in: Argenta Underwriting No.3 Limited, London/United Kingdom		GBP	800	1,946
holds 100.00% of the shares in: Argenta Underwriting No.4 Limited, London/United Kingdom		GBP	-152	–
holds 100.00% of the shares in: Argenta Underwriting No.7 Limited, London/United Kingdom		GBP	–	–
holds 100.00% of the shares in: Argenta Underwriting No.9 Limited, London/United Kingdom		GBP	148	312
holds 100.00 % of the shares in: Argenta Underwriting No.10 Limited, London/United Kingdom		GBP	-86	30
holds 100.00% of the shares in: Argenta Underwriting No.11 Limited, London/United Kingdom		GBP	-16	–
holds 100.00% of the shares in: Residual Services Limited, London/United Kingdom		GBP	–	–
Leine Investment SICAV-SIF, Luxembourg/Luxembourg	100.00	USD	188,531	25,316
Kaith Re Ltd., Hamilton/Bermuda	90.40	USD	446	40
Hannover Re Real Estate Holdings, Inc., Orlando/USA	86.50	USD	1,353,960	-46,247
holds 100.00% of the shares in: HR US Infra Equity LP, Wilmington/USA		USD	229,877	18,886
holds 99.90% of the shares in: GLL HRE CORE Properties L.P., Wilmington/USA		USD	1,095,849	7,242
Hannover ReTakaful B.S.C. (c), Manama/Bahrain	5.00	BHD	88,571	10,088
Participations				
Joint HR MR Private Equity GmbH, Munich/Germany	41.33	EUR	4,127,487	55,113
HANNOVER Finanz GmbH ¹ , Hannover/Germany	27.78	EUR	67,771	3,401
WeHaCo Unternehmensbeteiligungs-GmbH ¹ , Hannover/Germany	20.00	EUR	100,152	7,733
Meribel Mottaret Limited ³ , St. Helier/Jersey	18.96	EUR	–	–
Mosaic Insurance Holdings Limited ¹ , Hamilton/Bermuda	14.18	USD	5,530	-17,432
FinLeap GmbH, Berlin/Germany	8.41	EUR	53,454	-32,728
Somerset Holdings International Ltd. ¹ , Hamilton/Bermuda	5.25	USD	923,450	–

¹ Financial year ending 31 December 2022

² Financial year ending 30 September 2023

³ No disclosure requirement according to § 286 (3) Sentence 2 Commercial Code (HGB)

Key exchange rates

1 EUR corresponds to:	Exchange rates on 31.12.2023
AUD	1.62730
BHD	0.41660
CAD	1.46512
CNY	7.84540
GBP	0.86893
USD	1.10510
ZAR	20.37880

Investments in affiliated companies and participating interests

As at 31 December 2023 the company held shares in affiliated companies with a book value of EUR 8,795,441 thousand (EUR 7,976,003 thousand). Write-downs of EUR 11,247 thousand (EUR 2,121 thousand) were not taken on shares in affiliated companies with a book value of EUR 113,013 thousand (EUR 17,000 thousand) because the impairments in question are purely temporary. Based on the assumption that

impairments on loans to affiliated companies will not be permanent and are attributable to the underlying measurement parameters, write-downs of EUR 7,887 thousand (EUR 8,297 thousand) were not taken on a portfolio with a book value of EUR 487,398 thousand (EUR 516,079 thousand). No write-downs were taken on participating interests.

Other investments

The securities shown under the “Other financial investments” in the item “Shares, units or shares in investment funds and other variable-yield securities” amounted to altogether EUR 2,002,083 thousand (EUR 1,894,021 thousand). Of this, EUR 1,907,758 thousand (EUR 1,798,710 thousand) was allocated to fixed assets and EUR 94,325 thousand (EUR 95,311 thousand) to current assets. The fair value of the holdings measured as fixed assets amounted to EUR 2,071,472 thousand (EUR 1,785,178 thousand). Based on the assumption that the impairments will not be permanent, write-downs of EUR 18,481 thousand (EUR 56,856 thousand) were not taken on a portfolio with a book value of EUR 424,297 thousand (EUR 1,546,958 thousand). In the case of shares and investment fund certificates, a separate and standardised method is used to check the permanence of the impairment. An indication of probable permanent impairment exists if the fair value of the fund in the last six months is permanently more than 20% below the book value, or if the average value of the daily market prices of the fund in the last 12 months is more than 10% below the book value.

When it comes to establishing a permanent impairment with respect to bond funds, a check is made at the level of the debt instruments contained in the fund to verify, in particular, whether a credit-induced impairment exists due to a significant downgrade in the debtor's rating. The permanence of the impairment for high-yield and emerging market funds is established on the basis of the difference between the cost price and fair value and depending on the ratings of the assets held within the funds. In the case of private equity, real estate investment and infrastructure funds, the permanence of the impairment is verified by referring to the difference between the cost price and fair value and making allowance for the investment structure (J-curve or core funds).

Altogether, bearer debt securities and other fixed-income securities with a book value of EUR 26,212,021 thousand (EUR 24,664,348 thousand) and a fair value of EUR 24,446,278 thousand (EUR 22,515,555 thousand) were allocated to fixed assets. Write-downs of EUR 1,602,956 thousand (EUR 2,412,799 thousand) were not taken on bearer debt securities with a book value

of EUR 18,212,510 thousand (EUR 21,278,370 thousand). Given that there were no indications of issuer default, it is expected that the nominal value will be repaid in full upon maturity and hence a permanent impairment is not anticipated. The holdings that were not written down to fair value relate inter alia to CDO/CLO investments. Model-based fair value measurement, making allowance for applicability criteria and verification of compliance with collateral tests of the respective higher tranches, is used to test for impairment of the carrying amounts.

Write-downs of EUR 14,114 thousand (EUR 18,207 thousand) were not taken on debentures with a book value of EUR 88,000 thousand (EUR 145,000 thousand) based on the premise that the nominal value will be repaid in full on maturity.

Based on determination of the fair value as at 31 December 2023, no requirement to recognise a permanent impairment on registered debt securities with a book value of EUR 92,871 thousand (EUR 101,460 thousand) was identified. There were no indications of issuer default, and hence write-downs of EUR 5,045 thousand (EUR 8,151 thousand) were not taken.

The portfolio includes a special fund launched for Hannover Rück SE by an external manager. The company's share of the fund is 100.0%. The fund in question is a high-yield fund investing principally in European fixed-income securities. An index composed of the iBoxx universe is used as the benchmark. For Hannover Rück SE a total amount of EUR 12,075 thousand (EUR 10,621 thousand) was distributed in the year under review. As in the previous year, no gains on disposal were realised through the sale of unit certificates because no sale occurred. The units can be returned at any time within at most five days. The fund units have a fair value of EUR 1,439,066 thousand (EUR 1,291,742 thousand) and a book value of EUR 1,414,360 thousand (EUR 1,329,785 thousand), producing unrealised gains of EUR 24,706 thousand (unrealised losses of EUR 38,043 thousand).

Assets with a balance sheet value of EUR 10,048,909 thousand (EUR 11,548,411 thousand) are blocked in favour of companies.

Fair values pursuant to § 54 of the Regulation on the Accounting of Insurance Undertakings (RechVersV)

The fair values of land and buildings are determined annually using the gross rental method in accordance with the Decree on the Principles for Determining the Market Value of Property (ImmoWertV) and the supplementary valuation guidelines. Income values or net asset values are determined for shares in affiliated companies and participating interests. In individual cases the amortised cost is taken as the fair value.

Shares, units or shares in investment funds, bearer debt securities and other securities are carried at market or stock exchange prices. These are obtained from publicly available prices and bid prices as at the balance sheet date. In the case of special investments for which there are no publicly available

prices, valuation is model-based using risk premiums, default rates, prepayment speed and recovery rates or at net asset value (NAV). The fair values of securities traded in illiquid markets as well as those of the sundry loans and loans to affiliated companies and participating interests are calculated on the basis of yield curves, taking into account the creditworthiness of the specific debtor and the currency of the loan. Loans to affiliated companies as well as to enterprises in which the company has a participating interest are in some cases carried at book value.

Deposits with banks and other investments are carried at nominal values and in individual cases at book value.

Fair values pursuant to § 54 RechVersV of asset items B.I. to B.III.

in EUR thousand

		2023		
		Book values 31.12.	Fair values 31.12.	Difference 31.12.
B.I.	Land and buildings, rights to land and buildings, leasehold	28,105	48,780	20,675
B.II.	Investments in affiliated companies and participating interests			
	1. Shares in affiliated companies	8,795,441	14,174,228	5,378,787
	2. Loans to affiliated companies	810,824	802,937	-7,887
	3. Participating interests	1,811,972	2,362,596	550,624
	4. Loans to enterprises in which the company has a participating interest	–	–	–
	Total B.II.	11,418,237	17,339,761	5,921,524
B.III.	Other financial investments			
	1. Shares, units or shares in investment funds and other variable-yield securities	2,002,083	2,071,472	69,389
	2. Bearer debt securities and other fixed-income securities	28,979,773	27,868,886	-1,110,887
	3. Other loans			
	a) Registered debt securities	124,927	120,444	-4,483
	b) Debentures and loans	147,290	133,678	-13,612
	c) Other Loans	345,605	343,159	-2,446
	4. Deposits with banks	1,073,385	1,074,085	700
	5. Other investments	10,301	10,280	-21
	Total B.III.	32,683,364	31,622,004	-1,061,360
Total		44,129,706	49,010,545	4,880,839

The fair value disclosures pursuant to § 55 (7) of the Regulation on the Accounting of Insurance Undertakings (RechVersV) were determined entirely in the 2023 financial year.

Other receivables

in EUR thousand	2023	2022
Receivables from affiliated companies	456,637	631,306
Receivables from insured pension commitments	75,392	72,636
Receivables from revenue authorities	16,002	27,357
Receivables from collateral provided	11,247	4,827
Receivables from VAT/GST	9,799	8,014
Interest and rent due	6,075	3,092
Trade accounts receivable	3,850	2,985
Deposits	2,729	3,020
Receivables from representative offices	1,102	1,422
Receivables from unallocated payments	741	20,198
Receivables from securities transactions	56	64,230
Other receivables	1,116	1,568
Total	584,746	840,655

Sundry assets

The sundry assets relate to tax refund claims in an amount of EUR 65,961 thousand (EUR 68,357 thousand).

Prepayments and accrued income

in EUR thousand	2023	2022
Accrued interest and rent	316,689	277,373
Accrued administrative expenses	15,990	14,216
Total	332,679	291,589

Notes on liabilities

Subscribed capital

The company's subscribed capital remained unchanged as at 31 December 2023 in the amount of EUR 120,597 thousand. It is divided into 120,597,134 no-par-value registered shares.

Contingent capital of EUR 24,119 thousand is available. It can be used to grant shares to holders of bonds and/or profit-sharing rights with conversion rights or warrants or conversion

obligations. This contingent capital has a time limit of 4 May 2026.

Authorised capital is also available in an amount of up to EUR 24,119 thousand with a time limit of 4 May 2026. Of this, an amount of up to EUR 1,000 thousand may be used to issue employee shares.

Treasury shares

By a resolution of the Annual General Meeting of Hannover Rück SE adopted on 5 May 2021, the company was authorised until 4 May 2026 to acquire treasury shares of up to 10% of the capital stock existing on the date of the resolution.

The company did not hold fully paid, no-par-value treasury shares as at 31 December 2023. Within the financial year just ended the company acquired shares for employees in the Group, which it subsequently sold to them.

	2023	
	Date of acquisition	Date of sale
Number of shares	11 May	12 May
Amount of capital stock attributable to the shares (EUR)	18,714	18,714
Proportion of capital stock	18,714.00	18,714.00
Price (EUR)	0.02%	0.02%
	191.06	191.06

Capital reserve

The company's capital reserve remained unchanged as at 31 December 2023 in the amount of EUR 880,608 thousand. The capital reserve refers solely to the amount generated upon

the issue of shares in excess of the par value of the subscribed capital.

Retained earnings

The retained earnings were unchanged as at 31 December 2023 in an amount of EUR 630,511 thousand. They were reduced by EUR 678 thousand due to the issue of employee shares and an amount of EUR 678 thousand was allocated to retained earnings from the 2023 profit for the year. Pursuant to § 268 (8) Sentence 3 in conjunction with Sentence 1 of the Commercial Code (HGB), there is a restriction on distribution of EUR 7 thousand (EUR 0 thousand) for the excess of fair value over historical cost of the assets used to cover retirement benefit

obligations less corresponding deferred tax liabilities. Based on the discounting of pension obligations with the average market interest rate of the last ten years compared to discounting with the average market interest rate of the last seven years, there is an additional restriction on distribution in an amount of EUR 0.3 million (EUR 1.5 million) after allowance for deferred taxes.

Disposable profit

The disposable profit for the financial year includes a profit carried forward from the previous year of EUR 592,417 thousand.

Subordinated liabilities

Under a loan agreement dated 19 November 2012 Hannover Finance (Luxembourg) S.A. granted Hannover Re a junior loan of EUR 500,000 thousand at a coupon of 5.131% p.a. and with a maturity date of 20 November 2042 as well as a first call option on 20 June 2023 which was exercised.

On 15 September 2014 Hannover Re placed another subordinated bond with a volume of EUR 500,000 thousand on the capital market at a coupon of 3.375% p.a. and with a perpetual maturity as well as a first scheduled call option on 26 June 2025.

On 9 October 2019 Hannover Re placed further subordinated debt in an amount of EUR 750,000 thousand on the capital market at a coupon of 1.125% p.a. and with a maturity date of 9 October 2039 as well as a first scheduled call option on 9 July 2029.

On 8 July 2020 Hannover Re placed further subordinated debt in an amount of EUR 500,000 thousand on the capital market at a coupon of 1.75% p.a. and with a maturity date of 8 October 2040 as well as a first scheduled call option on 8 July 2030.

On 15 March 2021 Hannover Re placed further subordinated debt in an amount of EUR 750,000 thousand on the capital market at a coupon of 1.375% p.a. and with a maturity date of 30 June 2043 as well as a first scheduled call option on 15 March 2031.

On 14 November 2022 Hannover Re placed further subordinated debt in an amount of EUR 750,000 thousand on the capital market at a coupon of 5.875% p.a. and with a maturity date of 26 August 2043 as well as a first scheduled call option on 26 February 2033.

Provision for unearned premiums

in EUR thousand	2023		2022	
	gross	net	gross	net
Insurance line				
Fire	964,373	738,589	904,739	659,924
Casualty	1,057,062	845,083	1,087,548	855,052
Accident	95,194	50,952	164,331	90,428
Motor	454,046	328,987	529,284	366,970
Aviation	99,107	87,010	100,611	82,939
Life	327,306	292,119	340,820	301,643
Other lines	1,369,144	983,824	1,316,660	897,708
Total	4,366,232	3,326,564	4,443,993	3,254,664

Life assurance provisions

in EUR thousand	2023		2022	
	gross	net	gross	net
Insurance line				
Accident	6,945	5,039	8,730	6,090
Life	7,173,376	7,016,778	7,436,800	7,246,733
Other lines	42,607	25,506	54,597	33,602
Total	7,222,928	7,047,323	7,500,127	7,286,425

Provisions for outstanding claims

in EUR thousand	2023		2022	
	gross	net	gross	net
Insurance line				
Provision for reimbursements and surrenders (except annuities)				
Fire	6,753,907	4,700,395	6,105,364	4,116,002
Casualty	13,046,074	10,875,690	12,322,859	10,194,874
Accident	1,031,048	639,242	989,897	622,462
Motor	5,878,936	4,301,344	5,675,502	4,105,353
Aviation	928,031	729,835	916,390	703,261
Marine	1,550,802	1,062,170	1,437,923	968,372
Life	1,644,817	1,525,353	1,592,482	1,460,156
Other lines	7,890,094	5,526,756	8,170,941	5,261,931
	38,723,709	29,360,785	37,211,358	27,432,411
Separate value adjustment on retrocessions	–	–	–	28,896
	38,723,709	29,360,785	37,211,358	27,461,307
Provision for annuities				
Casualty	2,883	2,792	2,931	2,841
Accident	42,873	42,866	39,666	39,660
Motor	16,897	15,586	17,532	16,062
Life	34,438	34,438	38,770	38,770
	97,091	95,682	98,899	97,333
Total	38,820,800	29,456,467	37,310,257	27,558,640

With effect from the 2023 financial year, the separate value adjustment on retrocessions is spread across the respective lines of business.

The net run-off result in property and casualty insurance excluding health is positive (previous year: negative) overall and amounts to EUR 25.4 million (EUR -20.6 million) or 0.10% (-0.09%) relative to the original provision. This can be attributed primarily to the other (EUR 189.3 million) and fire (EUR 120.7 million) lines.

Equalisation reserve and similar provisions

in EUR thousand	2023			
	Position at 1.1.	Addition	Withdrawal and release	Position at 31.12.
Insurance line				
Equalisation reserve				
Fire	511,234	1,558	3,339	509,453
Casualty	2,089,407	–	394,217	1,695,190
Motor	808,169	–	46,746	761,423
Aviation	267,420	–	81,837	185,583
Marine	401,479	–	65,819	335,660
Other lines	680,125	–	10,435	669,690
	4,757,834	1,558	602,393	4,156,999
Provisions which are similar to the equalisation reserve – major risks –				
Fire	27,689	535	–	28,224
Casualty	14,231	3,015	–	17,246
Motor	1,231	30	–	1,261
Other lines	64,362	2,401	–	66,763
Total	4,865,347	7,539	602,393	4,270,493

Other technical provisions

in EUR thousand	2023		2022	
	gross	net	gross	net
Type of provision				
Profit commission	1,156,533	849,241	899,222	632,970
Commissions	2,771	3,423	1,110	2,039
Premium cancellation	1,606	1,601	1,544	1,539
Total	1,160,910	854,265	901,876	636,548

Technical provisions – total

in EUR thousand	2023		2022	
	gross	net	gross	net
Insurance line				
Fire	8,607,815	6,256,370	7,829,012	5,540,339
Casualty	15,986,221	13,580,331	15,622,186	13,246,868
Accident	1,287,197	756,278	1,298,911	762,472
Motor	7,191,689	5,476,180	7,073,223	5,333,350
Aviation	1,219,650	1,008,341	1,290,061	1,058,399
Marine	1,943,977	1,446,612	1,867,638	1,393,447
Life	9,397,489	9,055,788	9,632,319	9,239,911
Other lines	10,207,881	7,375,082	10,408,756	6,997,969
	55,841,919	44,954,982	55,022,106	43,572,755
Separate value adjustment on retrocessions	–	–	–	28,896
Total	55,841,919	44,954,982	55,022,106	43,601,651

Provisions for other risks and charges

in EUR thousand	2023	2022
Provisions for pensions and similar liabilities	119,997	115,427
Provisions for taxation	151,954	104,993
Sundry provisions		
Provisions for anticipated losses	126,354	147,828
Provisions for outstanding remuneration payments	91,267	74,273
Provision for company pension plan	20,149	16,065
Provisions for interest pursuant to § 233 a AO (Fiscal Code)	11,885	10,868
Provisions for annual accounts costs	7,087	8,666
Provisions for suppliers' invoices	5,518	4,487
Provisions for partial retirement	4,027	3,206
Provisions for consulting fees	1,576	1,552
Provisions for costs of legal action	45	47
Other provisions	8,565	6,119
	276,473	273,111
Total	548,424	493,531

The difference between the discounting of the pension obligations with the average market interest rate of the last ten years compared to discounting with the average market interest rate of the last seven years – allowing for deferred tax liabilities – was EUR 0.3 million (EUR 1.5 million).

Assets and the associated expenses and income were offset pursuant to § 246 (2) Sentence 2 of the Commercial Code (HGB) with respect to the provisions for pensions and the provision for partial retirement. Pension liabilities and pension insurance policies were netted in an amount of EUR 199 thousand (EUR 123 thousand). The provision for partial retirement of EUR 7,446 thousand (EUR 5,817 thousand) was netted with plan assets with a fair value of EUR 3,607 thousand

(EUR 2,611 thousand) pursuant to § 246 (2) of the Commercial Code (HGB). In this connection, income of EUR 119 thousand (EUR 5 thousand) was offset against total expenses of EUR 26 thousand (EUR 120 thousand).

The plan assets for partial retirement were measured pursuant to § 253 (1) Sentence 3 of the Commercial Code (HGB) on the basis of fair values. The acquisition cost of the plan assets amounted to EUR 3,596 thousand (EUR 2,741 thousand).

The provisions for anticipated losses decreased in comparison with the previous year. This development relates primarily to a derivative on the life side.

Miscellaneous liabilities

in EUR thousand	2023	2022
Liabilities from repurchase agreements	315,864	250,122
Liabilities to companies in which a participating interest is held	146,963	208,963
Liabilities from cash collateral received	75,303	86,899
Accounts due to affiliated companies	58,270	90,128
Liabilities from interest and LOC	47,024	34,544
Liabilities to joint ventures	16,132	–
Liabilities from VAT/GST	13,377	13,353
Liabilities from hedge accounting	12,587	3,429
Liabilities from securities transactions	11,970	37
Liabilities in respect of the revenue authorities	11,229	6,199
Trade accounts payable	4,542	4,594
Liabilities from outstanding commitments to old-age pension scheme	89	78
Other liabilities	2,421	5,707
Total	715,771	704,053

Term repurchase agreements (repos) were entered into as a supplementary liquidity management tool in the year under review. The asset portfolios exchanged in this context are fully collateralised. As at the balance sheet date the liabilities from repos amounted to EUR 315,864 thousand (EUR 250,122 thousand). The liabilities to companies in which a participating interest is held are connected to the joint venture with Münchener Rückversicherungs-Gesellschaft AG.

Notes on the profit and loss account

Total insurance business

in EUR thousand	2023	2022	2023	2022	2023	2022	2023	2022
Insurance line	Gross written premium		Gross premium earned		Net premium earned		Technical result for own account	
Fire	5,787,824	5,601,981	5,690,559	5,503,471	3,455,700	3,335,401	-64,239	85,961
Casualty	3,416,803	3,668,699	3,416,108	3,607,993	2,236,632	2,853,008	92,121	-430,593
Accident	695,632	860,791	760,236	791,207	521,583	517,820	-42,881	-207,262
Motor	3,839,581	3,989,416	3,889,461	4,018,476	2,125,804	2,211,002	-159,415	-119,730
Aviation	303,097	279,794	301,402	308,047	208,238	233,380	79,555	42,084
Marine	702,335	645,404	702,335	645,405	469,324	414,879	123,155	108,241
Other lines	6,811,986	6,533,109	6,719,508	6,347,767	3,903,537	3,634,464	193,485	-158,131
Total property and casualty	21,557,258	21,579,194	21,479,609	21,222,366	12,920,818	13,199,954	221,781	-679,430
Life	5,764,033	6,041,929	5,765,047	6,043,690	4,485,747	4,723,671	36,204	162,948
Total insurance business	27,321,291	27,621,123	27,244,656	27,266,056	17,406,565	17,923,625	257,985	-516,482

in EUR thousand	2023	2022
Gross claims incurred	19,135,334	21,295,901
Gross operating expenses	6,495,095	6,243,134
Reinsurance balance	1,576,570	-323,476

In accordance with the disclosure required pursuant to § 27 (3) and (4) of the Regulation on the Accounting of Insurance Undertakings (RechVersV), insurance contracts with the HDI property/casualty group are booked with a time delay of one month. The premium volume for 2023 amounts to altogether EUR 706.6 million (EUR 750.7 million). Of this, EUR 0.4 million (EUR 0.9 million) relates to the month of December 2022.

We calculated the allocated investment return transferred from the non-technical account to the technical account in accordance with § 38 of the Regulation on the Accounting of Insurance Undertakings (RechVersV).

Investment charges

in EUR thousand	2023	2022
Fixed-income securities	153,537	581,004
Forward exchange transactions	50,279	151,985
Administrative expenses	44,450	43,859
Shares in affiliated companies and participations as well as loans to affiliated companies and enterprises in which the company has a participating interest	11,382	500
Shares and investment fund certificates	6,371	4,416
Land and buildings	4,149	4,369
Deposits with ceding companies	654	50,742
Others	3	1,528
Total	270,825	838,403

The decrease compared to the previous year is mainly attributable to reduced losses on the disposal of fixed-income securities in an amount of EUR 129,917 thousand (EUR 479,254 thousand) and lower impairments on fixed-income securities in an amount of EUR 23,620 thousand (EUR 101,750 thousand). A provision for anticipated losses amounting to EUR 3,736 thousand (EUR 96,504 thousand) was established in connection with forward exchange transactions. The expenses for shares in affiliated companies and participations as well as loans to affiliated companies and companies in which participations are held are attributable to write-downs on two participations.

Other income

in EUR thousand	2023	2022
Exchange rate gains	110,343	43,155
Profit from services rendered	44,280	34,876
Separate value adjustments on accounts receivable and retrocessions	10,217	41,214
Allocated investment return	8,838	8,742
Income from guarantees given	6,781	7,062
Income from the release of non-technical provisions	3,204	3,475
Reimbursement of expenses	2,547	295
Income from reinsurance contracts	1,497	1,558
Profit from clearing transactions	1,447	1,089
Interest pursuant to § 233 a AO (Fiscal Code)	19	15,166
Amounts realised	13	54
Income from discounting pursuant to § 277 (5) HGB (Commercial Code)	9	9
Income from tax refunds	–	7,629
Other income	3,361	2,939
Total	192,556	167,263

Other expenses

in EUR thousand	2023	2022
Deposit interest	165,168	93,136
Exchange rate losses	156,184	228,541
Financing interest	118,839	86,500
Expenses for the company as a whole	82,929	80,461
Separate value adjustments on accounts receivable and retrocessions	50,729	14,105
Expenses from services rendered	44,280	35,561
Expenses for joint ventures	13,331	11,250
Interest for repo transactions	12,903	–
Interest charges on old-age pension scheme	3,508	3,352
Write-downs on accounts receivable	2,982	2,703
Expenses for letters of credit	2,734	2,955
Interest pursuant to § 233 a AO (Fiscal Code)	1,477	179
Amortisation of intangible assets	1,469	–
Interest for hedge accounting	1,031	–
Interest charges from reinsurance transactions	349	532
Expenses from reinsurance contracts	194	462
Compounding of interest on provisions/expense from compounding pursuant to § 277 (5) HGB (Commercial Code)	8	9
Other interest and expenses	3,481	6,564
	661,596	566,310
Less: Technical interest	1,641	1,507
Total	659,955	564,803

With respect to the fees paid to the independent auditor, we made use of the exemption afforded by § 285 No. 17 of the Commercial Code (HGB); the required disclosures are included in the consolidated financial statement of Hannover Re.

In addition to the audit of the annual financial statement and management report as at 31 December 2023, the independent auditor reviewed the reporting package compiled in accordance with International Financial Reporting Standards (IFRS) and

drew up the review report on the quarterly financial statements for the second and third quarter. The solvency balance sheet as at 31 December 2023 was also audited.

Furthermore, the independent auditor performed other assurance services in connection with the combined non-financial statement as well as consulting services in connection with implementation of the VAIT (Supervisory Requirements for IT in Insurance Undertakings).

Expenses for personnel

in EUR thousand	2023	2022
1. Wages and salaries	212,470	187,061
2. Social security payments and expenses for welfare	30,252	27,524
3. Expenses for old-age pension scheme	11,561	-3,144
Total	254,283	211,441

The income relating to the expenses for old-age provision in the previous year derives from modified recognition of the insured part of the pension obligations.

Proposal for the appropriation of the disposable profit

The Executive Board and Supervisory Board intend to propose to the Annual General Meeting that the disposable profit should be appropriated as follows:

Proposal for the appropriation of the disposable profit

in EUR	2023
Payment of a dividend of EUR 6.00 on each eligible no-par value share	723,582,804.00
Payment of a special dividend of EUR 1.20 on each eligible no-par value share	144,716,560.80
Profit carried forward to new account	617,700,635.20
Disposable profit	1,484,000,000.00

Other notes

Hannover Re has placed two subordinated debts of EUR 500.0 million each, a senior bond of EUR 750.0 million and three subordinated debts of EUR 750.0 million each on the European capital market. The total amount of liabilities with a remaining maturity of more than five years is EUR 4,000.0 million.

As security for technical liabilities, various financial institutions have furnished sureties for our company in the form of letters of credit. The total amount, which also provides security for subsidiaries, was EUR 1,597.5 million (EUR 1,628.8 million) as at the balance sheet date.

Outstanding capital commitments with respect to special investments and shares in affiliated companies exist in the amount of EUR 222.1 million (EUR 204.7 million).

Under novation clauses in reinsurance contracts written by the subsidiaries with outside third parties we shall – in certain constellations – assume the rights and duties of the subsidiaries under the contracts. In the event of the contracts being transferred to Hannover Re, assets shall be transferred from the relevant subsidiary in the amount of the reserves. As at 31 December 2023 reserves equivalent to EUR 7,315,207 thousand (EUR 5,257,072 thousand) existed at the subsidiaries. No soft letters of comfort were provided in the financial year.

Hannover Re has provided guarantees of altogether USD 1,997.5 million (USD 2,333.5 million) to third parties for affiliated companies. The term of the guarantees is determined in each case by the secured liabilities of the affiliated company. Hannover Re receives guarantee commissions for this. In addition, a guarantee of GBP 10.0 million (GBP 10.0 million) was furnished. Furthermore, there are financial commitments to affiliated companies in an amount of USD 150.0 million (USD 150.0 million) and payment obligations to a subsidiary in

South Africa based on the insurance and reinsurance contracts that it has written as well as a contingent liability to our Australian subsidiary in connection with a financing instrument. A long-term compensation obligation in an amount of EUR 7,387 thousand (EUR 7,500 thousand) exists with respect to HDI Unterstützungskasse.

There are no other obligations with a remaining maturity of more than five years.

No significant court cases were pending during the year under review or as at the balance sheet date – with the exception of proceedings within the scope of ordinary insurance and reinsurance business activities.

There were no further contingent liabilities or other financial commitments that were not evident from the annual balance sheet.

The average size of the workforce was 1,847 in the year under review, of whom 104 were executive staff and 1,727 employees.

Details of remuneration systems can be found in the section “Declaration on Corporate Governance” in the Group Annual Report and in the 2023 remuneration report on the Hannover Re website under “Remuneration report and system”. The total remuneration of the Executive Board of Hannover Re amounted to EUR 15.1 million (EUR 11.1 million). In the year under review 27,956 share awards with a fair value of EUR 6.2 million were granted to active members of the Executive Board. Pension payments to former members of the Executive Board and their surviving dependants amounted to EUR 1,432 thousand. A liability of EUR 22,236 thousand was recognised for current pensions of former members of the Executive Board. The remuneration of the Supervisory Board amounted to EUR 1,037 thousand (EUR 1,035 thousand).

The particulars for the Executive Board and Supervisory Board are provided on pages 4 to 7.

The list of shareholdings is provided on pages 20 to 22.

Talanx AG, Hannover, holds a majority interest in our company.

Talanx AG, Hannover, and HDI Haftpflichtverband der Deutschen Industrie V.a.G., Hannover, include our financial statement in their consolidated financial statements, which are published electronically in the Company Register.

Against the backdrop of its group affiliation with HDI V.a.G., Hannover Re – as a part-owned parent company – falls within the scope of application of the minimum taxation rules effective from 30 December 2023. However, given that the legal provisions had not yet entered into force in the year under review, these provisions do not give rise to any actual income tax charge. The company is applying the exemption pursuant to § 274 (3) No. 1 of the Commercial Code (HGB) for the recognition of deferred tax assets and liabilities.

A special feature envisaged by the national taxation procedure is the so-called minimum tax group, under which the group leader is solely liable for the tax. The group leader HDI V.a.G. is currently in the process of assessing the implications of the Minimum Tax Directive Implementation Act after entry into force of the legislation. The initial assessment indicated that any additional amounts can largely be allocated pro rata to the entities abroad to the extent that they caused the additional amounts. The business activity of Hannover Re itself will probably not cause any additional amount. An effective tax rate of more than 15% is expected for the tax jurisdiction of Germany.

On 8 November 2023 the Executive Board and Supervisory Board of Hannover Rück SE submitted an updated Declaration of Conformity pursuant to § 161 of the Stock Corporation Act (AktG) regarding compliance with the German Corporate Governance Code and made it permanently accessible on the company's website (www.hannover-re.com/200801/declaration-of-conformity).

The company combined opposing forward exchange transactions in notional amounts of ZAR 800.0 million (USD 43.4 million), CAD 165.8 million (USD 124.5 million), AUD 152.5 million (USD 98.6 million), GBP 225.0 million (USD 286.2 million), SGD 53.0 million (USD 39.7 million), HKD 316.0 million (USD 40.5 million), CNY 600.0 million (USD 84.7 million), NZD 140.5 million (USD 89.8 million), TWD 6.2 billion (USD 199.8 million), USD 402.8 million (EUR 361.4 million), and USD 11.0 million (JPY 1,621.3 million) into valuation units as at the balance sheet date pursuant to § 254 of the Commercial Code (HGB). The risk entered into vis-à-vis the counterparty is passed on in full – including the default risk – to four affiliated companies. In this context, the transactions with the affiliated companies constitute the underlying transactions and those with the counter-

parties outside the Group constitute the hedge instruments that make up the valuation unit. Both the interest rate risks and the currency risks of the underlying transactions are hedged by means of micro-hedging. The opposing effects from the valuation units are fully correlated and recognised in the balance sheet using the net hedge presentation method. The effectiveness of the micro-hedges is assessed using the critical term method. As at 31 December 2023 the underlying transactions show altogether positive fair values of EUR 6.0 million and negative fair values totalling EUR 9.0 million. The forward exchange transactions, which were concluded in several tranches, have various maturity dates; the last transaction expires in 2038.

The company's portfolio also includes one hundred and thirty forward exchange transactions in notional amounts of AUD 88.0 million (USD 65.8 million), USD 87.1 million (AUD 128.6 million), NZD 105.0 million (AUD 95.8 million), CAD 155.8 million (EUR 104.9 million), USD 34.3 million (HKD 266.3 million), PHP 1.4 billion (USD 25.0 million), IDR 320.2 billion (USD 21.0 million), KRW 91.4 billion (USD 72.0 million), USD 24.0 million (JPY 3.4 billion), USD 125.0 million (TWD 3.9 billion), AUD 480.0 million (EUR 264.0 million), USD 625.0 million (EUR 576.2 million), BRL 639.4 million (USD 98.5 million), TWD 18.7 billion (USD 617.7 million), USD 13.0 million (PKR 4.2 billion), USD 17.0 million (IDR 270.6 billion), USD 82.8 million (KRW 107.0 billion), USD 17.0 million (PHP 968.3 million), INR 3.9 billion (USD 45.9 million) and CAD 610.7 million (USD 461.3 million), USD 53.0 million (INR 4.4 billion), CHF 32.7 million (USD 41.1 million) and USD 46.0 million (MYR 213.5 million) with different maturity dates (the last transaction runs until 2033) that are not combined into valuation units. Risks underlying the transactions are transferred to the branches in Australia, France, Hong Kong and Malaysia or remain with Hannover Re in Germany. The negative fair values of EUR 13.8 million (AUD 22.4 million), EUR 0.03 million (HKD 0.2 million), EUR 0.5 million (TWD 18.4 million) and EUR 15.7 million (USD 17.4 million) are carried in full on the liabilities side of the balance sheet as a provision for anticipated losses. The calculation is made on the basis of yield curves as well as spot and forward rates using the interest rate parity model.

Hannover Re hedges against currency risks by matching foreign currency liabilities with foreign currency assets. The intention is that changes in the value of foreign currency liabilities (underlying) caused by movements in exchange rates will be offset by opposing changes in the value of the foreign currency assets (hedge instrument). Matched liabilities are combined with their matching assets per currency into a valuation unit which is recognised in the balance sheet in the context of portfolio hedges. The volume amounts to EUR 33,661.9 million (EUR 32,484.3 million).

The stock participation rights granted in the form of virtual shares (share awards) in an amount of EUR 25.7 million were hedged by equity swaps in the financial year. The hedge is effected at the level of tranches and on a rolling basis with a maturity of three months until the share awards are paid out after

five years. The hedged risk amounts to EUR 10.9 million. The underlying and the hedge were combined in a single valuation unit pursuant to § 254 of the Commercial Code (HGB). The offsetting changes in value are not recognised in the profit and loss account (net hedge presentation method). The effectiveness derives from the parallelism between the payments from the equity swaps and the change in value of the Hannover Re share. Effectiveness is measured retrospectively through the change in value of equity swaps and share awards. In April 2023 share awards with a value of EUR 5.3 million were paid out. Hedging

through equity swaps resulted in a positive earnings effect of EUR 2.3 million.

We received an adequate consideration for all transactions with affiliated companies according to the circumstances of which we were aware at the time when the transactions were effected. We incurred no disadvantages requiring compensation as defined by § 311 (1) of the Stock Corporation Act (AktG).

No significant events beyond the scope of ordinary business activities have occurred since the balance sheet date.

Hannover, 13 March 2024

Executive Board



Henchoz



Althoff



Chèvre



Jungsthöfel



Dr. Miller



Ooi



Dr. Pickel



Sehm

Independent Auditor's Report

(Disclaimer: Translation of the auditor's report issued in German language of the annual/consolidated financial statements prepared in German language by the management of Hannover Rück SE which is authoritative.)

To Hannover Rück SE, Hannover

Report on the audit of the annual financial statements and of the management report

Audit Opinions

We have audited the annual financial statements of Hannover Rück SE, Hannover, which comprise the balance sheet as at 31 December 2023, and the statement of profit and loss for the financial year from 1 January to 31 December 2023 and notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of Hannover Rück SE, which is combined with the group management report, for the financial year from 1 January to 31 December 2023. In accordance with the German legal requirements, we have not audited the content of those parts of the management report listed in the "Other Information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Company as at

31 December 2023 and of its financial performance for the financial year from 1 January to 31 December 2023 in compliance with German Legally Required Accounting Principles and

- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the management report does not cover the content of those parts of the management report listed in the „Other Information“ section of our auditor's report.

Pursuant to § [Article] 322 Abs. [paragraph] 3 Satz [sentence] 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). We performed the audit of the annual financial statements in supplementary compliance with the International Standards on Auditing (ISAs). Our responsibilities under those requirements, principles and standards are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Manage-

ment Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from 1 January to 31 December 2023. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

- (1) Measurement of investments
- (2) Measurement of provisions for claims outstanding in the property reinsurance business segment
- (3) Calculation of estimated gross premium

Our presentation of these key audit matters has been structured in each case as follows:

- (a) Matter and issue
- (b) Audit approach and findings
- (c) Reference to further information

Hereinafter we present the key audit matters:

(1) Measurement of investments

(a) In the Company's annual financial statements investments amounting to EUR 53,918.8 million (88.8% of total assets) are reported in the balance sheet. The individual investments are measured in accordance with German commercial law at the lower of cost and fair value. The market price of the respective investment – if available – is used for the purpose of determining the fair value. Pursuant to § 341b Abs. 2 Satz 1 HGB, certain investments held by insurance undertakings that are intended to serve the business on a permanent basis may be measured in accordance with the provisions applicable to fixed assets. The Company has applied § 341b Abs. 2 second Halbsatz [half-sentence] HGB and measured investments amounting to EUR 28,119.8 million as fixed assets. In this case, the carrying amounts of assets are only written down to their lower fair value if the impairment is expected to be permanent (less strict principle of lower of cost or market value), and impairment losses that are merely temporary are carried forward to subsequent periods as hidden liabilities. Determining that investments are intended to serve the business on a permanent basis presupposes the intention and ability to hold them permanently. In the case of investments that are not valued on the basis of stock market prices or other market prices, such as unlisted shares in affiliated companies and participations, asset-backed securities, other structured and illiquid bonds and real estate, there is an increased valuation risk due to the need to use model calculations.

In this context, the legal representatives must make judgments, estimates and assumptions, also with regard to the possible effects of macroeconomic and geopolitical factors, including interest rate trends, on the valuation of the investments. Minor changes to these assumptions and the methods used can have a significant impact on the valuation of the investments.

Due to the material significance of the amounts of the investments for the net assets and results of operations of the Company, the extent of hidden liabilities carried forward in application of the less strict principle of lower of cost or market value, and the estimates made by the executive directors with respect to the intention and ability to hold the investments permanently, the measurement of investments was of particular significance in the context of our audit.

(b) Given the significance of investments for the Company's overall business, as part of our audit we worked together with our internal specialists for investments to assess the measurement methods used by the Company and the estimates made by the executive directors. Among other things, we used our valuation expertise for investments, our industry knowledge and our industry experience as a basis. In addition, we assessed the design and effectiveness of the controls established by the Company to measure the investments and recognise the investment result. Based on this, we performed further analytical and substantive audit procedures in relation to the valuation of the investments. In this context, we also evaluated the executive directors' assessment of the impact of macroeconomic and geopolitical factors, including interest rate trends, on the valuation of the investments. Among other things, we also verified the underlying valuations and their recoverability on the basis of the documents provided and reviewed the consistent application of the valuation methods and the accrual basis of accounting. With regard to the assessment of existing hidden liabilities, we evaluated the extent to which the requirements for the intention and ability to hold the assets permanently were met and existing impairments are not permanent. In addition, we assessed the valuation reports prepared or obtained by the company (including the valuation parameters applied and assumptions made) for the significant shares in affiliated companies and investments and properties of the company. Among other things, we as-

sessed the company's liquidity planning, in particular with regard to major losses, maturity structure, reinvestment and assumptions regarding cancellations and new business. On the basis of our audit procedures, we were able to satisfy ourselves that the estimates and assumptions made by the

legal representatives for the valuation of the investments are justified and adequately documented.

- (c) The Company's disclosures relating to investments are contained in the section entitled "Measurement of assets" in the notes to the financial statements.

(2) Measurement of provisions for claims outstanding in the property reinsurance business segment

- (a) In the annual financial statements of the Company provisions for unsettled claims amounting to EUR 38,904.2 million (64,1% of total assets) are reported under the "Technical provisions" balance sheet item. A significant portion of the gross provision for unsettled claims is attributable to property reinsurance. Pursuant to § 341g HGB provisions must be recognized for obligations incurred as a result of claims incurred but not yet settled by the end of the financial year ("claims provisions").
- (b) Given the significance of claims provisions, as part of our audit we assessed together with our actuaries the methods used by the Company and the assumptions made by the executive directors. The assessment was based on our industry expertise and experience, among other things. Among other things, we evaluated the appropriateness of the design of the process for recognizing reserves as well as carried out functional tests in order to assess the effectiveness of the internal controls. We focused in particular on controls designed to ensure that the data used are appropriate and complete and that the calculation process is subject to a sufficient form of quality assurance.

The claims provisions under property reinsurance are estimated taking into account cedant information based on empirical values. The claims provision in accordance with German commercial law is measured based on actuarial methods, which require a sufficiently long data history and stability of the observed data. The mathematical methods use assumptions concerning premiums, ultimate loss ratios and run-off patterns, which are based on an expert estimate derived from past experience and, among other things, also take into account the expected effects of increased inflation rates. The executive directors calculate the amount of the claims provision in accordance with German commercial law taking into account the results of the actuarial methods and other factors in relation to uncertainties. The technical provisions, and therefore in particular the claims provisions must ensure that the Company as an insurer is able to fulfil permanently its obligations (particularly principle of prudence) and that the principle of accounting consistency is complied with.

Based on the controls testing, we carried out additional analytical and substantive audit procedures relating to the measurement of the claims provision. In light of the significance of the claims provision for the overall business of the Company, our internal measurement specialists assessed the appropriateness of the methods used by the Company. Furthermore, our internal measurement specialists evaluated the models used by the Company and assumptions made by the executive directors based on industry expertise and experience with recognized actuarial practice. In this context, the assessment of the legal representatives regarding increased inflation rates was also acknowledged. In particular, we examined whether sufficient collateral was factored into the valuation according to criteria of German commercial law and whether it was necessary to strengthen reserves. Thereby, we verified the valuation methods for consistency of use.

The determination of the claims provision required the use of judgments, estimates and assumptions by the executive directors. Minor changes to those assumptions or to the methods used may have a material impact on the measurement of this provision. Against this background and also due to the material significance of the amount of this provision for the assets, liabilities and financial performance of the Company, the measurement of this provision was of particular significance in the context of our audit.

Based on our audit procedures, we were able to satisfy ourselves that the estimates and assumptions made by the executive directors with respect to the claims provisions are appropriate overall.

- (c) The Company's disclosures on the property reinsurance claims provisions are contained in the sections "measurement of equity and liabilities" and "notes to equity and liabilities" of the notes to the financial statements. Disclosures on risks are contained in the Company's management report in the section "Report on risks and opportunities", subsection "Technical risks of property reinsurance".

(3) Calculation of estimated gross premium

(a) The company shows gross amounts of EUR 27,321.3 million booked in the profit and loss account in its annual financial statements. Acquired reinsurance premiums are accounted for in accordance with the terms and conditions of the reinsurance policies. In the absence of settlements of cedants, the Company made supplementary or complete estimates of the contributions. Of the total gross premiums recognized, approximately EUR 9,633.4 million (35.3%) were estimated. The estimates were based on assumptions and are therefore subject to considerable uncertainties and scope for judgment.

Due to the material significance of the amount of the estimated premiums for the assets, liabilities and financial performance of the Company as well as the considerable scope for judgment on the part of the executive directors and the associated uncertainties in the estimations made, this matter was of particular significance in the context of our audit.

(b) For the assessment of the estimated gross premium, we first conducted a design testing of the contribution and estimation process. In that connection, we identified the material key controls and analyzed their design. Based on that

analysis, we conducted a functional testing regarding the effectiveness of the key control implemented in the process and assessed the appropriateness of the material assumptions by verifying and analyzing the calculating method for deriving the estimated gross premium. In context of our tests of details procedures, we critically questioned the material assumptions underlying an estimate and had the Company explain to us the reasons for such estimates. Based on information on the contributions expected in the previous year, we reconciled the expectations against the actual results and thus were able to draw conclusions as to the quality of the estimates.

Based on our audit procedures, we were able to satisfy ourselves that the calculation procedures applied by the executive directors to derive the estimated gross premium are appropriate overall.

(c) The Company's disclosures on the estimated gross premium are contained in the sections "measurement of equity and liabilities" and "notes to the income statement" of the notes to the financial statements.

Other Information

The executive directors are responsible for the other information. The other information comprises the following non-audited parts of the management report:

- the statement on corporate governance pursuant to § 289f HGB and § 315d HGB included in section "Unternehmensführung" of the management report
- the non-financial statement to comply with §§ 289b to 289e HGB and with §§ 315b to 315c HGB included in section "Zusammengefasste nicht-finanzielle Erklärung" of the management report
- the disclosures contained in the management report and marked as unaudited regarding Solvency II reporting.

The other information comprises further all remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited annual financial statements, the audited management report and our auditor's report.

Our audit opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based

on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) and supplementary compliance with the ISAs will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Report on the Assurance on the Electronic Rendering of the Annual Financial Statements and the Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

Assurance Opinion

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the annual financial statements and the management report (hereinafter the “ESEF documents”) contained in the electronic file HannoverRueckSE_EA_LB_2023-12-31.zip and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format (“ESEF format”). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the annual financial statements and the management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the annual financial statements and the management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying annual financial statements and the accompanying management report for the financial year from 1 January to 31 December 2023 contained in the “Report on the Audit of the Annual Financial Statements and on the Management Report” above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the annual financial statements and the management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering, of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the

International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the “Auditor’s Responsibilities for the Assurance Work on the ESEF Documents” section. Our audit firm applies the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the annual financial statements and the management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary

to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF-documents as part of the financial reporting process.

Auditor's Responsibilities for the Assurance Work on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work.

We also:

- Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.

- Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regula-

tion (EU) 2019/815 in the version in force at the date of the annual financial statements on the technical specification for this electronic file.

- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited annual financial statements and to the audited management report.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor by the annual general meeting on 3 May 2023. We were engaged by the supervisory board on 7 July 2023. We have been the auditor of the Hannover Rück SE, Hannover, without interruption since the financial year 2018.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Reference to an other matter – use of the auditor's report

Our auditor's report must always be read together with the audited annual financial statements and the audited management report as well as the assured ESEF documents. The annual financial statements and the management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited annual financial statements and the audited management report

and do not take their place. In particular, the "Report on the Assurance on the Electronic Rendering of the Annual Financial Statements and the Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

German public auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Janna Brüning.

Hannover, 14 March 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

sgd. Martin Eibl	sgd. Janna Brüning
Wirtschaftsprüfer	Wirtschaftsprüferin
(German public auditor)	(German public auditor)

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the annual financial statements give a true and fair view of the assets, liabilities, financial position and results of operations of Hannover Rück SE, and the combined management report includes a fair review of the develop-

ment and performance of the business and the position of the company, together with a description of the principal opportunities and risks associated with the expected development of Hannover Rück SE.

Hannover, 13 March 2024

Executive Board



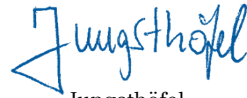
Henchoz



Althoff



Chèvre



Jungsthöfel



Dr. Miller



Ooi



Dr. Pickel



Sehm

Report of the Supervisory Board

of Hannover Rück SE

In the 2023 financial year the Supervisory Board again fulfilled its tasks and duties in accordance with the law, the Articles of Association and its Rules of Procedure. The Supervisory Board monitored the management of business based on regular written and verbal reporting by the Executive Board. The Executive Board informed the Supervisory Board in a regular, timely and comprehensive manner about all matters relevant to the company, especially concerning the strategy, planning, business development, risk position, risk management and compliance. The Chairman of the Supervisory Board also stayed in touch with the Chief Executive Officer between meetings to discuss with him issues relating to the company's strategy, business development, risk position, risk management and compliance. As the Chairwoman of the Finance and Audit Committee, Dr. Lipowsky additionally engaged in a regular dialogue with the Chief Financial Officer and the independent auditor on matters of accounting, auditing and the internal control system. The full Supervisory Board was also informed in writing of important events outside the meetings.

The Supervisory Board held four regular in-person meetings in the 2023 financial year. At all meetings the Executive Board reported on the course of business and elaborated on individual business areas as well as divergences from the planning. In this context, the annual and consolidated financial statements with the audit reports of the independent auditor as well as the half-yearly financial report and the quarterly statements were a core source of information for the Supervisory Board. In addition, the capital adequacy and risk position were discussed with the Executive Board at every meeting. The Supervisory Board regularly communicated about personnel matters on the level of the Executive Board and on issues relating to the internal organisation of the Supervisory Board, including without the presence of the Executive Board.

All the meetings of the Supervisory Board and its committees held in 2023 were attended in person by all respective members. In addition, two representatives of the Federal Financial Supervisory Authority attended one meeting of the Supervisory Board in person. The individual participation in the meetings is shown in the following table:

	Participation rate	
	Number of meetings	in %
Participation in full meetings of the Supervisory Board		
Torsten Leue (Chairman)	4/4	100
Herbert K. Haas (Deputy Chairman)	4/4	100
Natalie Bani Ardalan	4/4	100
Frauke Heitmüller	4/4	100
Ilka Hundeshagen	4/4	100
Dr. Ursula Lipowsky	4/4	100
Dr. Michael Ollmann	4/4	100
Dr. Andrea Pollak	4/4	100
Dr. Erhard Schipporeit	4/4	100
Participation in meetings of the Finance and Audit Committee		
Dr. Ursula Lipowsky (Chairwoman)	4/4	100
Herbert K. Haas	4/4	100
Torsten Leue	4/4	100
Participation in meetings of the Standing Committee		
Torsten Leue (Chairman)	2/2	100
Herbert K. Haas	2/2	100
Dr. Erhard Schipporeit	2/2	100
Participation in meetings of the Nomination Committee		
Torsten Leue (Chairman)	2/2	100
Herbert K. Haas	2/2	100
Dr. Andrea Pollak	2/2	100

Key points of deliberation in the full meetings of the Supervisory Board

In 2023 the Supervisory Board regularly discussed geopolitical developments, climate change and social challenges with the Executive Board. The Covid-19 pandemic and the war in Ukraine were still particularly noteworthy, along with the war in the Middle East as well as rising inflation and the effects of weather events. The company's resilience and its future-readiness were at the heart of the discussions.

At its meeting on 8 March 2023 the Supervisory Board discussed and approved the audited annual and consolidated financial statements as well as the Executive Board's proposal for the appropriation of the disposable profit for the 2022 financial year. In this regard, as in the previous year, the Executive Board described all key performance indicators from the technical and non-technical accounts as well as key data on the investment side. The independent auditor presented the results of the audit and confirmed that an unqualified audit certificate had been issued for the individual and consolidated financial statements. In addition, the Supervisory Board examined and approved the non-financial statement. The report by the Executive Board on relations with affiliated companies was also duly noted and approved by the Supervisory Board. The report by the Supervisory Board for 2022 was similarly adopted.

The Executive Board also reported on the course of business to date and discussed with the Supervisory Board the outlook for the current financial year. The war in Ukraine was a particular focus in this regard. Furthermore, the Executive Board informed the Supervisory Board about the property and casualty reinsurance renewals as at 1 January 2023. The Supervisory Board also exchanged views with the Executive Board on the strategy cycle 2021– 2023 and the status of target attainment. A further point of emphasis in the meeting was the annual reporting on risk management, compliance and internal auditing. The respective key function holders attended the meeting in person and were available to take questions. The Supervisory Board additionally adopted a resolution on the updating of the investment guidelines, in which regard no significant change to the general investment strategy had been proposed. Furthermore, the variable remuneration of the members of the Executive Board was defined on the basis of the findings with respect to attainment of the respective individual targets for the 2022 financial year. As in previous years, the adequacy and market conformity of the remuneration structure and the amount of Executive Board remuneration were again reviewed by an external consultant. This external review confirmed the adequacy and market conformity of the Executive Board remuneration of Hannover Rück SE. The Supervisory Board also considered the agenda and the proposed resolutions for the Annual General Meeting on 3 May 2023 and approved holding it as a virtual Annual General Meeting. The report on the remuneration of the Executive Board was to be presented to the Annual General Meeting for approval of its content in accordance with § 120 a Para. 4 Stock Corporation

Act (AktG). Details of the remuneration system can be found in the section of the Group Annual Report entitled "Declaration on Corporate Governance" and the 2023 remuneration report on the Hannover Re website under <https://www.hannover-re.com/1849339/remuneration-report-and-system>. The Supervisory Board further proposed to the Annual General Meeting – at the recommendation of the Finance and Audit Committee – that PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Hannover, should be appointed as the auditor of the financial statements for the 2023 financial year and as the auditor for the review reports on the interim financial statements for the 2023 financial year and the interim financial statement for the first quarter of the 2024 financial year.

At the meeting held on 10 May 2023 the Executive Board reported on the first quarter of 2023. The quality and adequacy of the loss reserves in property and casualty reinsurance were also considered in detail. Both internal and external experts participated in the meeting for this purpose. In addition to the outlook for the current financial year, which continued to be shaped by geopolitical developments and the impacts of weather events, the examination of the Own Risk and Solvency Assessment (ORSA) report on the previous year, the Regular Supervisory Report (RSR) and the capitalisation under Solvency II constituted further key points of deliberation. The Supervisory Board also took note of the audit report on the Solvency II balance sheet.

The Supervisory Board's Rules of Procedure and Information Policy were also updated at the meeting. The Information Policy sets out in greater detail the duties of the Executive Board to inform and report to the Supervisory Board.

On 8 August 2023, the Executive Board reported on the first half of 2023, describing as usual key performance indicators from the underwriting and non-underwriting side and outlining the progress made in attaining the strategic targets. The Chief Risk Officer also reported on the company's risk position. Furthermore, an account of related party transactions was routinely provided. It was concluded that there were no transactions in the reporting period that fall under the legal requirements governing mandatory approval (§ 111b Stock Corporation Act (AktG)) or compulsory disclosure (§ 111c Stock Corporation Act (AktG)). The Executive Board also described developments at the subsidiaries and strategic participations. Moreover, the Supervisory Board explored with the Executive Board the strategy and measures relating to talent management. In this context, the emphasis was on topics such as international mobility and executive development. After preparation by the Finance and Audit Committee, the Supervisory Board also authorised a capital measure at a subsidiary. Following the meeting of the Supervisory Board, the Executive Board informed the Supervisory Board about implementation of the CSRD project at Hannover Re. The officer responsible for sustainability reporting took part

in the sharing of information and reported in particular on regulatory matters and the progress of the project.

At the last meeting of the year held on 8 November 2023, the Executive Board first reported on the results of the third quarter and the outlook for the current financial year. In addition, the Executive Board presented the operational planning for 2024 and the medium-term planning, which was approved by the Supervisory Board.

The focus of this meeting was on discussing and approving the Group strategy 2024–2026. The Supervisory Board was able to explore with the Executive Board all key strategic aspects for various business segments and markets. In addition, special topics such as the sustainability strategy were discussed.

Following approval of the strategy, the Chief Risk Officer reported on the risk position. The Executive Board further informed the Supervisory Board about the status of major pending legal proceedings and reported on employee capacities and the elaboration of the remuneration system for senior executives.

The second part of the meeting in November took place without the entire Executive Board. In this second part the Supervisory Board focused its attention on matters relating to the Executive Board and corporate governance issues. After preparation by the Standing Committee, the Supervisory Board considered the adequacy of the remuneration system, extensions of terms of office on the level of the Executive Board and the review of the remuneration received by members of the Executive Board. Decisions were also taken on the strategic target return and the goals for 2024. A further point of emphasis in the discussions was the results of the Organisational Health Check. Furthermore, the Supervisory Board approved the updating of the schedule of responsibilities for the Executive Board.

Committees of the Supervisory Board

In order to fulfil its function efficiently and effectively, the Supervisory Board has formed committees that prepare or even assume responsibility for deliberations on or the adoption of resolutions by the Supervisory Board. The committee chairperson reports regularly to the Supervisory Board on the committee's activities. The general advisory and supervisory duties of the Supervisory Board remain unchanged. Particularly when the committees are engaged in work to prepare resolutions, care is taken to ensure that the Supervisory Board can also continue to discuss and decide on the proposed resolution with the required diligence.

The **Nomination Committee** held in-person meetings in May and August 2023. All the committee members attended these meetings. The Nomination Committee is tasked with proposing to the Supervisory Board suitable candidates for election to the

The Supervisory Board then turned to the annual self-assessment of its expertise, which it conducts to ensure that an effective and self-reflexive control activity takes place once each calendar year. On this basis, the need for development and existing development opportunities are identified. According to the results of the self-assessment, the Supervisory Board as a whole has the expertise, skills and experience required to supervise the Executive Board. In the 2023 financial year, as in previous years, the members of the Supervisory Board undertook the (further) training measures needed for their tasks at their own responsibility and took part in training on the topics of sustainability, accounting and the duties of the Supervisory Board.

In addition, the Supervisory Board considered the requirements profile for the Supervisory Board. The basis for this discussion consisted not only of regulatory requirements but also the updated competency profile in the form of the skills matrix. This is published in the present Annual Report as part of the Declaration on Corporate Governance. Against the backdrop of continuously evolving corporate governance, the Supervisory Board took the decision to update the Rules of Procedure for the Finance and Audit Committee and the Standing Committee. The Supervisory Board also discussed and approved the Declaration of Conformity pursuant to § 161 Stock Corporation Act (AktG) regarding compliance with the German Corporate Governance Code.

The Chairman of the Nomination Committee, Mr. Leue, reported at length to the Supervisory Board on the work of the committee. The candidates who are to be proposed to the Annual General Meeting for election as new shareholder representatives on the Supervisory Board also introduced themselves in person to the Supervisory Board. The Supervisory Board had the opportunity to engage in a dialogue with the candidates.

Supervisory Board that it can put forward to the Annual General Meeting. At the meeting on 10 May 2023 the Nomination Committee discussed the requirements profile for the Supervisory Board. The discussion revolved around not only regulatory requirements but also the skills matrix and the internal guideline on professional and personal requirements for members of the Supervisory Board. Consideration was also given here to the BaFin Consultation 05/2023 regarding the draft circular on the professional suitability and reliability of members of management and members of administrative and supervisory bodies. The committee considered the proposals to the Annual General Meeting for the election of new shareholder representatives to the Supervisory Board and discussed candidates, especially with an eye to the issues of fit & proper, conflicts of interests and over-boarding.

Moreover, the committee deliberated on a shorter term of office for the elected Supervisory Board members and formulated a corresponding recommendation to the Supervisory Board. After holding personal discussions with the candidates, the committee made a concrete recommendation at its meeting on 8 August 2023 regarding the proposals to the Annual General Meeting for the election of new shareholder representatives to the Supervisory Board.

The **Finance and Audit Committee** met four times in the financial year. Prior to the second meeting in May, the Chairwoman also convened a special meeting on IFRS 9/17 which was intended primarily for training purposes. All committee members, the Chief Financial Officer and representatives from specialist departments attended this meeting to discuss the new accounting standards using practical examples.

The training documents were made available to the Supervisory Board.

All committee members attended all meetings of the Finance and Audit Committee in person. This year, the committee again dealt with the oversight of the accounting process, the effectiveness of the internal control system, the risk management system, the internal audit system and the auditing of the financial statements, in particular the selection and independence of the auditor, the quality of the audit and the additional services provided by the auditor. The committee determined the audit concentrations for the auditing of the financial statements of the year under review and deliberated at length on the audit plan and the audit approach for the auditing of the financial statements. It discussed the assessment of the audit risk and the resulting scope of the audit with the auditors and maintained a dialogue with the auditors, including without the involvement of the Executive Board. Among other things, the Finance and Audit Committee gave preparatory consideration to the consolidated financial statement in accordance with IFRS, including the reporting on non-financial matters (CSR), and engaged with the auditors over their reports. As in previous years, an expert opinion on the adequacy of the loss reserves in property and casualty reinsurance was noted, the retrocession structure of the Hannover Re Group as well as reports of the key functions were received and considered. The Executive Board also reported on capital adequacy in accordance with Solvency II. Capital planning and possible capital measures were also discussed by the committee on a preparatory basis. One meeting focused

specifically on current sustainability reporting. While strategic sustainability issues and planning topics continue to be discussed by the Supervisory Board, the Finance and Audit Committee again focuses on audit-related issues and topics relating to the internal control system when it comes to sustainability.

The committee again opted for an external review of the 2024 non-financial statement and placed the mandate for this review with PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft. In preparation for the discussion and approval of the Group strategy by the Supervisory Board, the Finance and Audit Committee focused specifically on the financial metrics that will be crucial for monitoring execution of the strategy.

At each meeting the Chief Risk Officer gave an account of the latest developments in risk management and answered questions about the risk report. The committee was able to discuss special topics with him, such as climate change and the implications of the wars in Ukraine and the Middle East. In addition, the committee regularly engaged with the latest developments in the run-off of losses and exchanged views on this with the Executive Board.

At the last meeting of the year, the committee received a detailed report on the implementation of global effective minimum taxation.

The **Standing Committee** met twice in the year under review. All committee members were physically present at both meetings. As in previous years, the Standing Committee reviewed the adequacy of the remuneration system for the members of the Executive Board, determined the variable remuneration of the members of the Executive Board for the 2023 financial year based on the findings pertaining to attainment of their respective targets and examined the remuneration for the Board members who were due for review, among other things. The committee drew up corresponding recommendations for the Supervisory Board with regard to all these matters. In the context of the extensions of the terms of office for individual members of the Executive Board, the Supervisory Board engaged in a dialogue among its own members and, in particular, with the Chief Executive Officer regarding medium- and long-term succession arrangements. Furthermore, the individual targets of the members of the Executive Board for 2024 were defined and prepared for adoption of a resolution by the Supervisory Board.

Audit of the annual financial statements and consolidated financial statements

The accounting, annual financial statements, consolidated financial statements and the combined management report were audited by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft. The auditor was chosen by the General Meeting following the recommendation of the Supervisory Board; the Chairman of the Supervisory Board awarded the audit mandate. The auditor's independence declaration was received. The audit concentrations defined by the European Securities and Markets Authority and the Federal Financial Supervisory Authority were commissioned. The mandate for the review report by the independent auditors on the Half-yearly Financial Report and the audit of the Solvency II balance sheet was also awarded again. The special challenges associated with the international aspects of the audits were met without reservation. Since the audits did not give rise to any objections, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft issued unqualified audit certificates. It was also determined that the annual financial statement contains the information pursuant to § 289f German Commercial Code (HGB). The Finance and Audit Committee discussed the financial statements and the combined management report with the participation of the auditors and in light of the audit reports, and it informed the Supervisory Board of the outcome of its reviews. The audit reports were distributed to all the members of the Supervisory Board and explored in detail – with the participation of the auditors – at the Supervisory Board meeting held in March to consider the annual results. The auditors will also be present at the Annual General Meeting.

The report on the company's relations with affiliated companies drawn up by the Executive Board has likewise been examined by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft and given the following unqualified audit certificate:

"Having audited the report in accordance with our professional duties, we confirm that

1. the factual details of the report are correct,
2. in the case of the transactions detailed in the report, the expenditure of the company was not unreasonably high."

We have examined

- a. the annual financial statements of the company, the financial statements of the Hannover Re Group and the combined management report prepared by the Executive Board for the company and the Group, and
- b. the report of the Executive Board pursuant to § 312 Stock Corporation Act (AktG) (Report on relations with affiliated companies)

– in each case drawn up as at 31 December 2023 – and have no objections in this regard; nor do we have any objections to the statement made by the Executive Board at the end of the report on relations with affiliated companies.

The Supervisory Board concurred with the opinions of the auditors and approved the annual financial statements and the consolidated financial statements; the annual financial statements are thereby adopted. Our proposal regarding the appropriation of the disposable profit for 2023 is in accordance with that of the Executive Board.

We considered the report by the Executive Board on non-financial matters (cf. section "Non-financial statement" of the combined management report in the Group Annual Report) and examined it. PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft also reviewed the information statement with limited assurance in accordance with the audit standard ISAE 3000 (Revised) (see here the Independent Practitioner's Report on a Limited Assurance Engagement on Non-financial Reporting in the Group Annual Report).

Changes on the Supervisory Board and the Executive Board

There were no changes in the composition of the Supervisory Board or its committees in the year under review. The term of office of the company's Supervisory Board ends pursuant to § 10 (3) of the Articles of Association of Hannover Rück SE at the end of the General Meeting that ratifies the acts of management for the 2023 financial year.

There was one change in the composition of the Executive Board in 2023: with effect from 11 January 2023, Ms. Sharon Ooi is a member of the Executive Board of Hannover Rück SE, thereby expanding the body from seven to eight members.

Word of thanks to the Executive Board and members of staff

Thanks to the extraordinary performance and prudent management of the Executive Board in this and past years and even though the 2023 financial year once again presented enormous challenges, Hannover Rück SE generated a good result. A great debt of gratitude is owed here in particular to the employees of the company and the Group for their dedication and their considerable flexibility.

The Supervisory Board would like to express its recognition and special appreciation to the Executive Board and the employees for their efforts.

Hannover, 15 March 2024

For the Supervisory Board



Torsten Leue
Chairman of the Supervisory Board of Hannover Rück SE

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For reasons of sustainability Hannover Re does not print or mail out the annual and interim reports. The present Annual Report of Hannover Rück SE can be accessed online in English and German as a PDF file:

www.hannover-re.com

The Annual Report of the Hannover Re Group is also available here in English and German.

