

somewhat  
different

Hannover Rück SE

Annual Report  
2020

hannover **re**<sup>®</sup>

## Key figures

	2020	+/- previous year	2019	2018	2017	2016
in EUR million						
<b>Results</b>						
Gross written premium	19,217.0	+6.3%	18,072.9	14,640.8	13,292.9	11,917.1
Net premium earned	12,923.3	+5.7%	12,226.6	10,412.9	10,208.9	8,534.8
Underwriting result	(209.1)		(23.1)	(0.2)	(12.7)	336.8
Allocation to the equalisation reserve and similar provisions	(694.0)	+229.5%	(210.6)	25.3	165.9	8.7
Investment result	1,673.3	+26.2%	1,325.8	1,231.7	1,197.5	1,287.0
Pre-tax profit	393.8	-50.8%	799.8	869.7	968.0	1,241.8
Profit for the financial year	386.8	-42.7%	674.5	665.4	843.4	949.2
Investments	38,944.1	-4.1%	40,597.3	36,874.1	34,460.8	35,646.3
Capital and reserves <sup>1</sup>	1,631.7		1,631.7	1,631.7	1,631.7	1,631.7
Subordinated liabilities	2,250.0		2,250.0	1,500.0	1,500.0	1,500.0
Equalisation reserve and similar provisions	3,771.4	+22.6%	3,077.4	2,866.8	2,892.1	3,058.0
Net technical provisions	29,933.3	-3.2%	30,921.8	28,676.3	27,334.6	27,822.1
<b>Total capital, reserves and technical provisions</b>	<b>37,586.4</b>	<b>-0.8%</b>	<b>37,880.9</b>	<b>34,674.8</b>	<b>33,358.4</b>	<b>34,011.8</b>
Number of employees	1,542	+5.3%	1,464	1,402	1,292	1,267
Retention	68.3%		69.7%	71.8%	78.4%	72.4%
Loss ratio <sup>2</sup>	71.4%		71.2%	73.2%	69.7%	69.0%
Expense ratio <sup>2</sup>	30.6%		30.1%	31.0%	30.7%	25.9%
Combined ratio <sup>2</sup>	102.0%		101.3%	104.2%	100.4%	94.9%

<sup>1</sup> Excluding disposable profit

<sup>2</sup> 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 Life Reassurance Company of America, Orlando, USA

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

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

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

### 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 Hannover ReTakaful B.S.C. (c), Manama, Bahrain

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

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

### Claude Chèvre

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

Chairman of the Board of Directors Hannover Life Reassurance Africa Limited, Johannesburg, South Africa

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

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

Member of the Board of Directors Bristol Re Ltd., Hamilton, Bermuda (since 19 October 2020)

Member of the Board of Directors Hannover Life Reassurance Bermuda Ltd., Hamilton, Bermuda

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

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

### Clemens Jungsthöfel (since 1 September 2020)

**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 (since 30 September 2020)

Chairman of the Board of Directors Hannover Finance (Luxembourg) S.A., Leudelange, Luxembourg (since 1 October 2020)

Deputy Chairman of the Board of Directors Hannover Life Reassurance Bermuda Ltd., Hamilton, Bermuda (since 30 September 2020)

Member of the Supervisory Board Ampega Asset Management GmbH, Cologne, Germany (since 1 October 2020 Deputy Chairman)

Member of the Board of Directors Hannover Life Reassurance Company of America (Bermuda) Ltd., Hamilton, Bermuda (since 1 October 2020)

Member of the Board of Directors Hannover Life Reassurance Company of America, Orlando, USA (since 30 September 2020)

Member of the Board of Directors Hannover Re (Bermuda) Ltd., Hamilton, Bermuda (since 1 October 2020)

**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 (since 19 October 2020)

Chairman of the Board of Directors Hannover Life Reassurance Bermuda Ltd., Hamilton, Bermuda

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

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

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

Member of the Supervisory Board Proxalto Lebensversicherung AG, Munich, Germany

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

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

**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 Glencar Insurance Company, Orlando, USA

Chairman of the Board of Directors Glencar Underwriting Managers, Inc., Chicago, USA

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

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

Member of the Board of Directors Hannover Re Holdings (UK) Limited, London, United Kingdom (since 1 August 2020)

Member of the Supervisory Board Delvag Luftversicherungs-AG, Cologne, Germany<sup>1</sup>

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 Reinsurance Africa Limited, Johannesburg, South Africa

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

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

**Roland Vogel (until 30 September 2020)****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 (until 30 September 2020)

Chairman of the Board of Directors Hannover Finance (Luxembourg) S.A., Leudelange, Luxembourg

(until 30 September 2020)

Chairman of the Board of Directors Hannover Finance (UK) Limited, London, United Kingdom (until 30 September 2020)

Deputy Chairman of the Board of Directors Hannover Life Reassurance Bermuda Ltd., Hamilton, Bermuda

(until 30 September 2020)

Chairman of the Advisory Board Hannover Finanz GmbH, Hannover, Germany

Deputy Chairman of the Supervisory Board Ampega Asset Management GmbH, Cologne, Germany (until 30 September 2020)

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

(until 30 September 2020)

Member of the Board of Directors Hannover Life Reassurance Company of America, Orlando, USA (until 30 September 2020)

Member of the Board of Directors Hannover Re (Bermuda) Ltd., Hamilton, Bermuda (until 30 September 2020)

Member of the Board of Directors Meribel Mottaret Limited, St. Helier, Jersey (until 30 September 2020)

Member of the Supervisory Board HDI Global Specialty SE (until 1 March 2020), Hannover, Germany<sup>1</sup>Member of the Administrative Board HDI Global Specialty SE (since 2 March 2020), Hannover, Germany<sup>1</sup>

Member of the Advisory Board Commerzbank AG, Frankfurt am Main, Germany

Member of the Advisory Board WeHaCo Unternehmensbeteiligungs-GmbH, Hannover, Germany

<sup>1</sup> 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).

# Supervisory Board

## **Torsten Leue**<sup>1,2,3</sup>

Hannover, Germany  
(since 7 May 2018)<sup>6</sup>

### **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, Germany

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

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

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

Chairman of the Supervisory Board HDI Kundenservice AG, Cologne, Germany

Chairman of the Supervisory Board HDI Service AG, Hannover, Germany

## **Herbert K. Haas**<sup>1,2,3</sup>

Burgwedel, Germany  
(since 24 May 2002)<sup>6</sup>

### **Deputy Chairman**

**Former Chief Executive Officer of Talanx AG and HDI Haftpflichtverband der Deutschen Industrie V.a.G., Hannover, Germany**

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

Chairman of the Supervisory Board Talanx AG, Hannover, Germany

## **Natalie Bani Ardalan**<sup>4</sup>

Springe, Germany  
(since 8 May 2019)<sup>6</sup>

### **Employee**

## **Frauke Heitmüller**<sup>4</sup>

Hannover, Germany  
(since 3 May 2012)<sup>6</sup>

### **Employee**

## **Ilka Hundeshagen**<sup>4</sup>

Hannover, Germany  
(since 8 May 2019)<sup>6</sup>

### **Employee**

## **Dr. Ursula Lipowsky**<sup>2</sup>

Munich, Germany  
(since 7 May 2018)<sup>6</sup>

**Member of the Supervisory Board of the Association, Association of German Dioceses (VDD), Corporation under Public Law, Bonn, Germany**

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, Stuttgart, Germany

**Dr. Michael Ollmann**

Hamburg, Germany  
(since 8 May 2019)<sup>6</sup>

**Member of various Supervisory Boards**

Member of the Supervisory Board HDI Global SE, Hannover, Germany  
Member of the Supervisory Board HDI International AG, Hannover, Germany

**Dr. Andrea Pollak<sup>3</sup>**

Vienna, Austria  
(since 3 May 2011)<sup>6</sup>

**Independent Management Consultant**

Deputy Chairwoman of the Supervisory Board Fronius International GmbH, Pettenbach, Austria<sup>5</sup>

**Dr. Erhard Schipporeit<sup>1</sup>**

Hannover, Germany  
(since 3 May 2007)<sup>6</sup>

**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  
Member of the Supervisory Board RWE AG, Essen, Germany  
Member of the Supervisory Board Talanx AG, Hannover, Germany

<sup>1</sup> Member of the Standing Committee

<sup>2</sup> Member of the Finance and Audit Committee

<sup>3</sup> Member of the Nomination Committee

<sup>4</sup> Staff representative

<sup>5</sup> Memberships of supervisory boards and comparable control boards required by law at other companies in Germany and abroad

<sup>6</sup> 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

# 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 2020.

The annual financial statement and the management report of Hannover Rück SE – combined with the Group management report – for the 2020 financial year are submitted to the operator of the electronic Federal Gazette and published in the electronic Federal Gazette.



# Accounts



## Balance sheet as at 31 December 2020

### Assets

in EUR thousand

	2020			2019
<b>A. Intangible assets</b>				
I. Purchased franchises, trademarks, patents, licences and similar rights and assets			40,716	48,334
II. Prepayments on intangible assets			20,723	13,417
			<b>61,439</b>	<b>61,751</b>
<b>B. Investments</b>				
I. Land and buildings, rights to land and buildings, leasehold			31,554	30,850
II. Investments in affiliated companies and participating interests				
1. Shares in affiliated companies		7,395,963		7,467,536
2. Loans to affiliated companies		576,662		654,651
3. Participating interests		313,872		321,883
4. Loans to enterprises in which the company has a participating interest		78,535		83,333
			8,365,032	8,527,403
III. Other financial investments				
1. Shares, units or shares in investment funds and other variable-yield securities		1,798,169		1,590,335
2. Bearer debt securities and other fixed-income securities		19,820,748		20,587,443
3. Other loans				
a) Registered debt securities	397,791			348,233
b) Debentures and loans	344,865			392,924
		742,656		741,157
4. Deposits with banks		621,807		357,329
5. Other investments		10,301		10,301
			22,993,681	23,286,565
IV. Deposits with ceding companies			7,553,787	8,752,445
			<b>38,944,054</b>	<b>40,597,263</b>

**Liabilities**

in EUR thousand

	2020		2019
<b>A. Capital and reserves</b>			
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		1,100,000	1,377,000
			<b>2,731,716</b>
			<b>3,008,716</b>
<b>B. Subordinated liabilities</b>			
			<b>2,250,000</b>
			<b>2,250,000</b>
<b>C. Technical provisions</b>			
I. Provision for unearned premiums			
1. Gross	3,333,386		3,129,835
2. Less: reinsurance ceded	830,488		665,391
		2,502,898	2,464,444
II. Life assurance provision			
1. Gross	7,093,318		8,478,943
2. Less: reinsurance ceded	145,395		733,223
		6,947,923	7,745,720
III. Provisions for outstanding claims			
1. Gross	25,874,338		26,075,365
2. Less: reinsurance ceded	5,746,629		5,673,528
		20,127,709	20,401,837
IV. Provision for bonuses and rebates			
1. Gross	594		619
2. Less: reinsurance ceded	508		513
		86	106
V. Equalisation reserve and similar provisions		3,771,372	3,077,368
VI. Other technical provisions			
1. Gross	525,985		507,069
2. Less: reinsurance ceded	171,305		197,325
		354,680	309,744
			<b>33,704,668</b>
			<b>33,999,219</b>

**Assets**

in EUR thousand

	2020		2019
<b>C. Receivables</b>			
I. Accounts receivable arising out of reinsurance operations		3,971,472	3,657,608
from affiliated companies:			
945,090 (2019: 398,787)			
II. Other receivables		1,025,511	549,807
from affiliated companies:			
899,012 (2019: 403,627)			
<b>D. Other assets</b>			
I. Tangible assets and stocks		24,650	18,005
II. Current accounts with banks, cheques and cash in hand		519,576	376,850
III. Sundry assets		128,706	19,474
			<b>672,932</b>
			<b>414,329</b>
<b>E. Prepayments and accrued income</b>			
I. Accrued interest and rent		179,744	187,615
II. Other accrued income		9,043	8,958
			<b>188,787</b>
			<b>196,573</b>
<b>Total assets</b>			<b>44,864,195</b>
			<b>45,477,331</b>

**Liabilities**

in EUR thousand

	2020		2019
<b>D. Provisions for other risks and charges</b>			
I. Provisions for pensions and similar obligations		113,737	107,586
II. Provisions for taxation		90,657	110,578
III. Other provisions		142,115	127,418
			<b>346,509</b>
			<b>345,582</b>
<b>E. Deposits received from retrocessionaires</b>			<b>3,332,731</b>
			<b>3,203,822</b>
<b>F. Other liabilities</b>			
I. Accounts payable arising out of reinsurance operations		1,262,557	1,185,478
to affiliated companies:			
236,395 (2019: 360,964)			
II. Bonds		750,000	750,000
III. Miscellaneous liabilities		486,014	734,514
thereof			<b>2,498,571</b>
from taxes:			
6,136 (2019: 69,099)			
for social security:			
434 (2019: 114)			
to affiliated companies:			
409,629 (2019: 548,864)			
<b>Total liabilities</b>			<b>44,864,195</b>
			<b>45,477,331</b>

## Profit and loss account for the 2020 financial year

in EUR thousand	2020 1.1.–31.12.		2019 1.1.–31.12.
<b>I. Technical account</b>			
<b>1. Earned premiums, net of retrocession</b>			
a) Gross written premiums	19,217,021		18,072,869
b) Retrocession premiums	6,097,772		5,469,582
		13,119,249	12,603,287
c) Change in the gross provisions for unearned premiums	(432,397)		(634,858)
d) Change in the provisions for unearned premiums, retrocessionaires' share	236,474		258,123
		(195,923)	(376,735)
		<b>12,923,326</b>	<b>12,226,552</b>
<b>2. Allocated investment return transferred from the non-technical account, net of retrocession</b>		<b>189,357</b>	<b>137,460</b>
<b>3. Other technical income, net of retrocession</b>		–	–
<b>4. Claims incurred, net of retrocession</b>			
a) Claims paid			
aa) Gross	12,888,968		10,720,395
bb) Retrocessionaires' share	3,930,839		3,127,475
		8,958,129	7,592,920
b) Change in provisions for outstanding claims			
aa) Gross	(1,404,634)		(1,980,037)
bb) Retrocessionaires' share	439,173		492,397
		(965,461)	(1,487,640)
		<b>9,923,590</b>	<b>9,080,560</b>
<b>5. Changes in other technical provisions, net of retrocession</b>			
a) Net life assurance provision		(101,084)	(177,570)
b) Other net technical provisions		(179)	(152)
		<b>(101,263)</b>	<b>(177,722)</b>
<b>6. Bonuses and rebates, net of retrocession</b>		<b>17</b>	<b>40</b>
<b>7. Operating expenses, net of retrocession</b>			
a) Gross acquisition expenses		4,509,884	5,079,270
b) Less: commissions and profit commissions received on retrocession		1,213,325	1,950,521
		<b>3,296,559</b>	<b>3,128,749</b>
<b>8. Other technical charges, net of retrocession</b>		<b>374</b>	<b>86</b>
<b>9. Subtotal</b>		<b>(209,120)</b>	<b>(23,145)</b>
<b>10. Change in the equalisation reserve and similar provisions</b>		<b>(694,004)</b>	<b>(210,561)</b>
<b>11. Net technical result</b>		<b>(903,124)</b>	<b>(233,706)</b>

in EUR thousand	2020 1.1. – 31.12.			2019 1.1. – 31.12.
Balance brought forward			(903,124)	(233,706)
II. Non-technical account				
<b>1. Investment income</b>				
a) Income from participating interests		9,301		75,338
thereof affiliated companies:				
8,065 (2019: 73,311)				
b) Income from other investments				
thereof affiliated companies:				
27,266 (2019: 30,189)				
aa) Income from land and buildings, rights to land and buildings, leasehold	3,920			3,469
bb) Income from other investments	701,488			700,394
		705,408		703,863
c) Appreciation on investments		1,522		50,259
d) Gains on the realisation of investments		200,925		251,624
e) Income from profit pools, profit and loss transfer agreements or partial profit and loss transfer agreements		886,124		331,573
			<b>1,803,280</b>	<b>1,412,657</b>
<b>2. Investment charges</b>				
a) Expenditure for the management of investments, interest expenditure and other investment expenditure		60,944		44,695
b) Depreciation		34,378		11,419
thereof impairments in accordance with § 253 (3) sentence 5 of the Commercial Code (HGB):				
11,912 (2019: 8,173)				
c) Losses on the realisation of investments		34,676		30,722
d) Expenses from loss transfer		–		–
			<b>129,998</b>	<b>86,836</b>
			<b>1,673,282</b>	<b>1,325,821</b>
<b>3. Allocated investment return transferred to the technical account</b>			(196,977)	(143,457)
			<b>1,476,305</b>	<b>1,182,364</b>
<b>4. Other income</b>			<b>186,711</b>	<b>142,359</b>
<b>5. Other charges</b>			<b>366,123</b>	<b>291,263</b>
			(179,412)	(148,904)
<b>6. Profit or loss on ordinary activities before tax</b>			<b>393,769</b>	<b>799,754</b>
<b>7. Taxes on profit and income</b>			(5,377)	115,363
<b>8. Other taxes</b>			12,333	9,898
			6,956	125,261
<b>9. Profit for the financial year</b>			<b>386,813</b>	<b>674,493</b>
<b>10. Profit brought forward from previous year</b>			<b>713,716</b>	<b>702,865</b>
<b>11. Allocations to other retained earnings</b>			<b>529</b>	<b>358</b>
<b>12. Disposable profit</b>			<b>1,100,000</b>	<b>1,377,000</b>

# 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 and goodwill acquired for a consideration are valued at acquisition cost less amortisation in accordance with the normal operational useful life.

Property is 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 will probably 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 loans to enterprises in which the company has a participating interest are valued at the lower of amortised cost or 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).

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)). Permanent impairments are recognised 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). Permanent impairments are recognised through profit or loss pursuant to § 253 (3) Sentence 5 of the Commercial Code (HGB).

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. Forward exchange transactions, cross currency swaps and inflation total return swaps are subject to a reporting prohibition based on the principle of not recognising pending transactions. Provisions for anticipated losses from pending transactions are established in the event of negative fair values as at the balance sheet date.



Deposits, 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.

## 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 the 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 2020 is 34.18% 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.

Fixed 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).

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 insurance, 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 2.31% 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 provision for pensions is calculated according to the projected unit credit method. A rate of compensation increase of 2.50% and pension indexation of 1.64% are assumed. Fluctuation probabilities are determined separately according to age and gender. The benefit adjustment based on surplus participations from insured pension commitments is recognised in an amount of 0.0%. The valuation is based on the decrement probabilities of the "2018G standard tables".

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

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.

## Further accounting policies

Transactions booked in foreign currencies are converted to the reporting currency at the applicable monthly exchange rate at the date of entry in the accounts. Assets and liabilities entered in the balance sheet are converted to euros at the average exchange rates on the balance sheet date.

In order to reduce currency risks as far as possible, matching cover is extensively established for liability items by setting up corresponding asset items in the different currencies. In relation to specific currencies, foreign currency liabilities are combined with matching foreign currency assets into valuation units on the basis of offsetting opposing changes in value pursuant to § 254 of the Commercial Code (HGB) (portfolio hedges) and the result of currency conversion of these foreign currency positions is recognised without regard to the purchase cost method or the imparity principle.

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.

A provision is constituted for virtual stock options in accordance with actuarial principles on the basis of a recognised financial option pricing model (Black-Scholes Model with the aid of a trinomial tree method). Discounting is carried out pursuant to § 253 (2) of the Commercial Code (HGB) not using risk-free interest rates but with the average interest rates for the last seven years published by the German Bundesbank.

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

The remaining assets and liabilities outside the aforementioned valuation units have a maturity of less than one year and are measured in accordance with § 256 a of the Commercial Code (HGB).

In addition, the provisions for currency risks from past balance sheet dates are written back on a year-by-year basis.

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		2019	2020						2019
		Book values 31.12.	Additions	Reclassifications	Disposals	Write-ups	Depreciation	Currency effects	Book values 31.12.
<b>A.</b>	<b>Intangible assets</b>								
	1. Purchased franchises, trademarks, patents, licences and similar rights and assets	48,334	3,678	9,264	–	–	20,550	(10)	40,716
	2. Prepayments on intangible assets	13,417	16,570	(9,264)	–	–	–	–	20,723
	3. Total A.	<b>61,751</b>	<b>20,248</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>20,550</b>	<b>(10)</b>	<b>61,439</b>
<b>B. I.</b>	<b>Land and buildings, rights to land and buildings, leasehold</b>	<b>30,850</b>	<b>1,558</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>854</b>	<b>–</b>	<b>31,554</b>
<b>B. II.</b>	<b>Investments in affiliated companies and participating interests</b>								
	1. Shares in affiliated companies	7,467,536	1,337,371	–	1,322,366	–	3,288	(83,290)	7,395,963
	2. Loans to affiliated companies	654,651	2	–	21,381	–	–	(56,610)	576,662
	3. Participating interests	321,883	–	–	–	–	8,011	–	313,872
	4. Loans to enterprises in which the company has a participating interest	83,333	–	–	1	–	–	(4,797)	78,535
	5. Total B. II.	<b>8,527,403</b>	<b>1,337,373</b>	<b>–</b>	<b>1,343,748</b>	<b>–</b>	<b>11,299</b>	<b>(144,697)</b>	<b>8,365,032</b>
<b>B. III.</b>	<b>Other financial investments</b>								
	1. Shares, units or shares in investment funds and other variable-yield securities	1,590,335	601,457	–	335,531	–	10,222	(47,870)	1,798,169
	2. Bearer debt securities and other fixed-income securities	20,587,443	10,210,129	–	9,861,901	1,458	11,912	(1,104,469)	19,820,748
	3. Other loans								
	a) Registered debt securities	348,233	270,213	–	221,823	–	–	1,168	397,791
	b) Debentures and loans	392,924	3,239	–	34,730	49	–	(16,617)	344,865
	4. Deposits with banks	357,329	11,518,393	–	11,220,762	–	–	(33,153)	621,807
	5. Other investments	10,301	–	–	–	–	–	–	10,301
	6. Total B. III.	<b>23,286,565</b>	<b>22,603,431</b>	<b>–</b>	<b>21,674,747</b>	<b>1,507</b>	<b>22,134</b>	<b>(1,200,941)</b>	<b>22,993,681</b>
<b>Total</b>		<b>31,906,569</b>	<b>23,962,610</b>	<b>–</b>	<b>23,018,495</b>	<b>1,507</b>	<b>54,837</b>	<b>(1,345,648)</b>	<b>31,451,706</b>

## Land and buildings and rights to land and buildings

On 31 December 2020 the company had at its disposal six developed properties with commercial and other buildings in Hannover and near Paris as well as one floor of offices in Madrid. The book value of the floor of offices in Madrid amounted to EUR 655 thousand (EUR 671 thousand) as at 31 December 2020; the book value of the developed property near Paris was EUR 928 thousand (EUR 959 thousand). Five buildings in Hannover with a book value of EUR 29,971 thousand (EUR 29,220 thousand) are for own use.

## 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 2020

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				
<b>Shares in affiliated companies</b>				
<b>Companies resident in Germany</b>				
Hannover Rück Beteiligung Verwaltungs-GmbH, Hannover/Germany	100.00	EUR	4,943,869	–
holds 64.79% of the shares in: E+S Rückversicherung AG, Hannover/Germany		EUR	805,347	11,500
holds 20.00% of the shares in: WeHaCo Unternehmensbeteiligungs-GmbH <sup>1</sup> , Hannover/Germany		EUR	82,093	647
holds 100.00% of the shares in: Hannover Re Holdings (UK) Limited, London/United Kingdom		EUR	4,094,707	379,945
holds 100.00% of the shares in: Hannover Finance, Inc., Wilmington/USA	100.00	USD	1,777,242	7,003
holds 100.00% of the shares in: Hannover Life Reassurance Company of America (Bermuda) Ltd., Hamilton/Bermuda	100.00	USD	2,821,507	101,134
holds 100.00% of the shares in: Hannover Life Reassurance Company of America, Orlando/USA	100.00	USD	573,391	19,847
holds 100.00% of the shares in: Glencar Insurance Company, Orlando/USA		USD	60,816	(5,222)
holds 100.00% of the shares in: Glencar Underwriting Managers, Inc., Chicago/USA		USD	4,200	(482)
holds 100.00% of the shares in: Kubera Insurance (SAC) Ltd., Hamilton/Bermuda		USD	19,542	(160)
holds 100.00% of the shares in: Hannover Re (Bermuda) Ltd., Hamilton/Bermuda		USD	1,484,571	261,033
holds 100.00% of the shares in: Hannover Re (Ireland) Designated Activity Company, Dublin/Ireland		USD	775,712	16,494
holds 100.00% of the shares in: Hannover Life Re of Australasia Ltd., Sydney/Australia		AUD	541,551	12,026

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 95.00% of the shares in: Hannover ReTakaful B.S.C. (c), Manama/Bahrain		BHD	77,127	8,477
Hannover America Private Equity Partners II GmbH & Co. KG, Hannover/Germany	87.00	EUR	632,862	32,843
holds 100.00% of the shares in: HAPEP II Holding GmbH, Hannover/Germany		EUR	26,490	1,042
Hannover Re Euro PE Holdings GmbH & Co. KG, Hannover/Germany	74.99	EUR	421,461	43,062
HILSP Komplementär GmbH <sup>2</sup> , Hannover/Germany	100.00	EUR	27	(1)
FUNIS GmbH & Co. KG, Hannover/Germany	100.00	EUR	103,348	8,248
holds 100.00% of the shares in: Integra Insurance Solutions Limited, Bradford/United Kingdom		GBP	7,018	397
holds 30.00% of the shares in: Reaseguradora del Ecuador S.A., Guayaquil/Ecuador		USD	20,171	3,489
holds 20.00% of the shares in: Monument Insurance Group Limited <sup>1</sup> , Hamilton/Bermuda		GBP	–	–
holds 20.37% of the shares in: Trinity Underwriting Managers Ltd., Toronto/Canada		CAD	–	–
holds 15.00% of the shares in: SWISS INSUREVOLUTION PARTNERS Holding (CH) AG <sup>1</sup> , Zurich/Switzerland		CHF	–	–
holds 15.00% of the shares in: SWISS INSUREVOLUTION PARTNERS Holding (FL) AG <sup>1</sup> , Triesen/Liechtenstein		CHF	–	–
Inter Hannover (No.1) Limited, London/United Kingdom	100.00	GBP	–	–
U FOR LIFE SDN. BHD. <sup>1</sup> , Petaling Jaya/Malaysia	100.00	MYR	568	(40)
Hannover Re Global Alternatives GmbH & Co. KG, Hannover/Germany	85.00	EUR	481,436	(10,382)
holds 100.00% of the shares in: PAG Real Estate Asia Select Fund Limited, George Town/Cayman Islands		USD	210,919	2,039
holds 99.99% of the shares in: HR US Infra Debt LP, George Town/Cayman Islands		USD	249,233	10,345
Hannover Re Euro RE Holdings GmbH, Hannover/Germany	65.00	EUR	1,049,571	30,986
holds 99.99% of the shares in: HR GLL Central Europe GmbH & Co. KG, Munich/Germany		EUR	143,286	25,939
HAPEP II Komplementär GmbH, Hannover/Germany	50.00	EUR	49	3
HDI Global Specialty SE, Hannover/Germany	49.78	EUR	238,327	(17,435)
holds 53.00% of the shares in: Svedea AB, Stockholm/Sweden		SEK	109,359	40,578
<b>Affiliated companies resident abroad</b>				
Hannover Finance (Luxembourg) S.A., Leudelange/Luxembourg	100.00	EUR	22,205	765
holds 13.49% of the shares in: Sureify Labs, Inc. <sup>3</sup> , Wilmington/USA		USD	1,995	(2,587)
Hannover Finance (UK) Limited, London/United Kingdom	100.00	GBP	681	82
holds 100.00% of the shares in: Hannover Services (UK) Limited, London/United Kingdom		GBP	1,239	(46)
Hannover Reinsurance Group Africa (Pty) Ltd., Johannesburg/South Africa	100.00	ZAR	252,060	78
holds 100.00% of the shares in: Hannover Life Reassurance Africa Limited, Johannesburg/South Africa		ZAR	1,027,288	135,564

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: Hannover Reinsurance Africa Limited, Johannesburg/South Africa		ZAR	1,102,232	39,039
holds 100.00% of the shares in: Compass Insurance Company Limited, Johannesburg/South Africa		ZAR	306,470	60,247
holds 70.00% of the shares in: Lireas Holdings (Pty) Ltd., Johannesburg/South Africa		ZAR	331,460	42,259
Leine Investment General Partner S.à.r.l., Luxembourg/Luxembourg	100.00	EUR	714	584
holds 100.00% of the shares in: LI RE, Hamilton/Bermuda		USD	–	–
Argenta Holdings Limited, London/United Kingdom	100.00	GBP	56,030	3,129
holds 100.00% of the shares in: Argenta Private Capital Limited, London/United Kingdom		GBP	3,244	1,045
holds 100.00% of the shares in: Argenta Syndicate Management Limited, London/United Kingdom		GBP	4,553	2,506
holds 100.00% of the shares in: Argenta Tax & Corporate Services Limited, London/United Kingdom		GBP	458	381
holds 100.00% of the shares in: Argenta Underwriting Asia Pte. Ltd., Singapore/Singapore		SGD	2,441	971
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	(1,038)	(2,384)
holds 100.00% of the shares in: Argenta Underwriting No.3 Limited, London/United Kingdom		GBP	(2,176)	(1,900)
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	31	(520)
holds 100.00% of the shares in: Argenta Underwriting No.10 Limited, London/United Kingdom		GBP	70	88
holds 100.00% of the shares in: Argenta Underwriting No.11 Limited, London/United Kingdom		GBP	(1)	16
holds 100.00% of the shares in: Argenta No.13 Limited, London/United Kingdom		GBP	–	–
holds 100.00% of the shares in: Argenta No.14 Limited, London/United Kingdom		GBP	–	–
holds 100.00% of the shares in: Argenta No.15 Limited, London/United Kingdom		GBP	–	–
holds 100.00% of the shares in: Argenta No.16 Limited, London/United Kingdom		GBP	–	–
holds 100.00% of the shares in: Residual Services Limited, London/United Kingdom		GBP	3	–

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				
Leine Investment SICAV-SIF, Luxembourg/Luxembourg	99.99	USD	138,383	5,361
Kaith Re Ltd., Hamilton/Bermuda	90.40	USD	47	(304)
Hannover Re Real Estate Holdings, Inc., Orlando/USA	86.50	USD	1,006,788	(370)
holds 99.99% of the shares in: HR US Infra Equity LP, Wilmington/USA		USD	90,269	(1,374)
holds 99.90% of the shares in: GLL HRE CORE Properties L.P., Wilmington/USA		USD	800,978	(269)
Hannover ReTakaful B.S.C. (c), Manama/Bahrain	5.00	BHD	77,127	8,477
<b>Participations</b>				
HANNOVER Finanz GmbH <sup>1</sup> , Hannover/Germany	27.78	EUR	63,434	4,449
WeHaCo Unternehmensbeteiligungs-GmbH <sup>1</sup> , Hannover/Germany	20.00	EUR	82,093	647
Meribel Mottaret Limited, St. Helier/Jersey	18.92	EUR	–	–
FinLeap GmbH <sup>1</sup> , Berlin/Germany	8.41	EUR	95,099	(16,411)

<sup>1</sup> Financial year ending 31 December 2019

<sup>2</sup> Financial year ending 30 September 2020

<sup>3</sup> Financial year ending 31 July 2019

#### Key exchange rates

1 EUR corresponds to:	Exchange rates on 31.12.2020
AUD	1.60300
BHD	0.46340
CAD	1.57038
CNY	8.01990
GBP	0.90405
USD	1.22910
ZAR	18.01140

## Investments in affiliated companies and participating interests

As at 31 December 2020 the company held shares in affiliated companies with a book value of EUR 7,395,963 thousand (EUR 7,467,536 thousand). Write-downs of EUR 5,930 thousand (EUR 21 thousand) were not taken on shares in affiliated companies with a book value of EUR 117,978 thousand (EUR 158 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 0 thousand (EUR 48 thousand) were not taken on a portfolio with a book value of EUR 0 thousand (EUR 22,845 thousand). Write-downs of EUR 1,356 thousand (EUR 0 thousand) were not taken on participating interests with a book value of EUR 18,188 thousand (EUR 0 thousand) because the impairments in question are purely temporary.

## Other investments

The securities totalling EUR 1,744,324 thousand (EUR 1,534,455 thousand) shown under the “Other financial investments” in the item “Shares, units or shares in investment funds and other variable-yield securities” were allocated to fixed assets. The fair value of these holdings amounted to EUR 2,152,932 thousand (EUR 1,836,790 thousand). Based on the assumption that the impairments will not be permanent, write-downs of EUR 10,475 thousand (EUR 9,967 thousand) were not taken on a portfolio with a book value of EUR 99,642 thousand (EUR 124,520 thousand). In the case of shares and investment fund certificates, a separate and standardised method is used to check the permanence of the impairment. For bond funds the permanence of the impairment is checked on the basis of the difference between the cost price and fair value. 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 16,763,624 thousand (EUR 16,149,445 thousand) and a fair value of EUR 17,896,111 thousand (EUR 16,755,960 thousand) were allocated to fixed assets. Write-downs of EUR 14,750 thousand (EUR 51,285 thousand) were not taken on bearer debt securities with a book value of EUR 1,523,440 thousand (EUR 3,004,391 thousand). Given that there were no indications of issuer default,

In the 2020 financial year Hannover Re Holdings (UK) Ltd., London/United Kingdom (HHL), was established as a subsidiary of Hannover Rück Beteiligung Verwaltungs-GmbH, Hannover. This serves as an intermediate holding company for the reinsurance entities in the United States and Bermuda. In this connection Hannover Life Reassurance Company of America, Orlando, USA (HLR US), Hannover Finance, Inc., Wilmington, USA (HF US), as well as Hannover Re (Bermuda) Ltd., Hamilton, Bermuda (HRB), and Hannover Life Reassurance Bermuda Ltd., Hamilton, Bermuda (HLRB), were included in HHL. HLR US was initially included in HF US and then in Hannover Life Reassurance Company of America (Bermuda), Hamilton, Bermuda (HLR AmBer). Effective 31 December 2020 HLRB was also merged into HRB.

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 1,772 thousand (EUR 0 thousand) were not taken on debentures with a book value of EUR 5,000 thousand (EUR 0 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 2020, no requirement to recognise a permanent impairment on registered debt securities with a book value of EUR 10,000 thousand (EUR 159,080 thousand) was identified. There were no indications of issuer default, and hence write-downs of EUR 537 thousand (EUR 2,407 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 10,427 thousand (EUR 10,358 thousand) was distributed in the year under review. In addition, a gain on disposal of EUR 4,200 thousand (EUR 0 thousand) was realised through the sale of unit certificates. The units can be returned at any time within at most five days. The fund units have a fair value of EUR



1,443,300 thousand (EUR 1,397,152 thousand) and a book value of EUR 1,231,124 thousand (EUR 1,214,413 thousand), producing unrealised gains of EUR 212,176 thousand (EUR 182,739 thousand).

Assets with a balance sheet value of EUR 6,912,925 thousand (EUR 7,259,361 thousand) are blocked in favour of companies.

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

The current 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 publically available prices and bid prices as at the balance sheet date. In the case

of special investments for which there are no publically available prices, valuation is model-based using risk premiums, default rates, prepayment speed and recovery rates or at net asset value (NAV). The current 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.

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

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

in EUR thousand

		2020		
		Book values 31.12.	Current values 31.12.	Difference 31.12.
<b>B. I.</b>	<b>Land and buildings, rights to land and buildings, leasehold</b>	<b>31,554</b>	<b>53,710</b>	<b>22,156</b>
<b>B. II.</b>	<b>Investments in affiliated companies and participating interests</b>			
	1. Shares in affiliated companies	7,395,963	12,242,897	4,846,934
	2. Loans to affiliated companies	576,662	597,768	21,106
	3. Participating interests	313,872	541,710	227,838
	4. Loans to enterprises in which the company has a participating interest	78,535	79,468	933
	5. Total B. II.	<b>8,365,032</b>	<b>13,461,843</b>	<b>5,096,811</b>
<b>B. III.</b>	<b>Other investments</b>			
	1. Shares, units or shares in investment funds and other variable-yield securities	1,798,169	2,208,467	410,298
	2. Bearer debt securities and other fixed-income securities	19,820,748	21,134,248	1,313,500
	3. Other loans			
	a) Registered debt securities	397,791	422,341	24,550
	b) Debentures and loans	344,865	362,990	18,125
	4. Deposits with banks	621,807	622,948	1,141
	5. Other investments	10,301	10,280	(21)
	6. Total B. III.	<b>22,993,681</b>	<b>24,761,274</b>	<b>1,767,593</b>
<b>Total</b>		<b>31,390,267</b>	<b>38,276,827</b>	<b>6,886,560</b>

The fair value disclosures pursuant to § 55 (7) of the Regulation on the Accounting of Insurance Undertakings (RechVersV) were determined entirely in the 2020 financial year.

## Other receivables

in EUR thousand	2020	2019
Receivables from affiliated companies	899,012	403,627
Receivables from pension insurance policies	70,360	67,932
Receivables from hedges	20,703	4,330
VAT receivables	11,954	51,473
Receivables from the revenue authorities	11,449	11,391
Deposits	2,924	2,618
Receivables from representative offices	2,673	4,236
Receivables from securities transactions	1,777	–
Interest and rent due	362	1,356
Other receivables	4,297	2,844
<b>Total</b>	<b>1,025,511</b>	<b>549,807</b>

## Sundry assets

The sundry assets relate to tax refund claims in an amount of EUR 128,706 thousand (EUR 19,474 thousand).

## Prepayments and accrued income

in EUR thousand	2020	2019
Accrued interest and rent	179,744	187,615
Accrued administrative expenses	9,043	8,958
Other	–	–
<b>Total</b>	<b>188,787</b>	<b>196,573</b>

## Notes on liabilities

### Subscribed capital

The company's subscribed capital remained unchanged as at 31 December 2020 in the amount of EUR 120,597 thousand. It is divided into 120,597,134 no-par-value registered shares.

Contingent capital of EUR 60,299 thousand is available. It can be used to grant shares to holders of convertible bonds and bonds with warrants as well as to convert participating bonds

or profit-sharing rights. This contingent capital has a time limit of 9 May 2021.

Authorised capital is also available in an amount of up to EUR 60,299 thousand with a time limit of 9 May 2021. 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 6 May 2020, the company was authorised until 5 May 2025 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 2020. Within the financial year just ended the company acquired shares for employees in the Group, which it subsequently sold to them.

	2020	
	Date of first acquisition	Date of first sale
	13 May	13 May
Number of shares	16,511	16,511
Amount of capital stock attributable to the shares (EUR)	16,511.00	16,511.00
Proportion of capital stock	0.01%	0.01%
Price (EUR)	137.31	137.31

## Capital reserve

The company's capital reserve remained unchanged as at 31 December 2020 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 2020 in an amount of EUR 630,511 thousand. They were reduced by EUR 529 thousand due to the issue of employee shares and an amount of EUR 529 thousand was allocated to retained earnings from the 2020 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 37 thousand (EUR 33 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 8.9 million (EUR 8.8 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 713,716 thousand.

## Subordinated liabilities

Under a loan agreement dated 15 September 2010 Hannover Finance (Luxembourg) S.A. granted Hannover Re a junior loan of EUR 500,000 thousand at a coupon of 5.85% and with a maturity date of 11 September 2040 as well as a first call option as at 11 September 2020. This was exercised in the 2020 financial year.

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% and with a maturity date of 20 November 2042 as well as a first call option as at 20 June 2023.

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% and with a perpetual maturity as well as a first scheduled call option as at 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% 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% and with a maturity date of 8 October 2040 as well as a first scheduled call option on 8 July 2030.

## Provision for unearned premiums

in EUR thousand	2020		2019	
	gross	net	gross	net
Insurance line				
Fire	615,301	474,691	548,732	445,870
Casualty	764,121	624,257	668,197	552,299
Accident	121,818	54,292	97,717	45,342
Motor	460,844	377,912	526,189	442,008
Aviation	103,226	87,330	81,849	69,644
Life	288,950	247,430	264,253	225,588
Other lines	979,126	636,986	942,898	683,693
<b>Total</b>	<b>3,333,386</b>	<b>2,502,898</b>	<b>3,129,835</b>	<b>2,464,444</b>

## Life assurance provisions

in EUR thousand	2020		2019	
	gross	net	gross	net
Insurance line				
Accident	13,460	8,455	12,329	(11,075)
Life	7,029,924	6,913,074	8,434,530	7,739,068
Other lines	49,934	26,394	32,083	17,727
<b>Total</b>	<b>7,093,318</b>	<b>6,947,923</b>	<b>8,478,942</b>	<b>7,745,720</b>

## Provisions for outstanding claims

in EUR thousand	2020		2019	
	gross	net	gross	net
Insurance line				
Provision for reimbursements and surrenders (except annuities)				
Fire	3,614,910	2,590,191	3,518,319	2,563,882
Casualty	9,206,414	7,591,142	9,573,326	7,940,702
Accident	359,377	288,323	375,311	294,615
Motor	4,209,859	3,266,603	4,315,897	3,367,658
Aviation	850,603	636,037	998,254	726,979
Marine	1,168,151	786,626	1,264,537	853,995
Life	1,322,987	1,214,292	1,216,884	1,131,910
Other lines	5,058,193	3,621,393	4,729,406	3,383,613
	<b>25,790,494</b>	<b>19,994,607</b>	<b>25,991,934</b>	<b>20,263,354</b>
Separate value adjustment on retrocessions	–	51,002	–	56,618
	<b>25,790,494</b>	<b>20,045,609</b>	<b>25,991,934</b>	<b>20,319,972</b>
Provision for annuities				
Casualty	3,006	2,927	2,599	2,545
Accident	36,445	36,438	33,581	33,574
Motor	17,724	16,066	19,037	17,532
Life	26,669	26,669	28,214	28,214
	<b>83,844</b>	<b>82,100</b>	<b>83,431</b>	<b>81,865</b>
<b>Total</b>	<b>25,874,338</b>	<b>20,127,709</b>	<b>26,075,365</b>	<b>20,401,837</b>

The net run-off result in property and casualty insurance (excluding health) is positive overall and amounts to EUR 263.0

million (EUR 188.7 million) or 1.5% (1.1%) relative to the original provision.

## Equalisation reserve and similar provisions

in EUR thousand	2020			
	Position at 1.1.	Addition	Withdrawal and release	Position at 31.12.
Insurance line				
Equalisation reserve				
Fire	206,024	134,861	–	340,885
Casualty	1,024,365	316,996	–	1,341,361
Accident	22,444	22,817	–	45,261
Motor	488,822	209,031	–	697,853
Aviation	170,718	38,004	–	208,722
Marine	299,643	25,525	–	325,168
Other lines	765,839	14,390	60,140	720,089
	<b>2,977,855</b>	<b>761,624</b>	<b>60,140</b>	<b>3,679,339</b>
Provisions which are similar to the equalisation reserve – major risks –				
Fire	32,812	–	6,205	26,607
Casualty	15,920	210	5,289	10,841
Accident	–	–	–	–
Motor	1,103	53	–	1,156
Aviation	–	–	–	–
Marine	–	–	–	–
Other lines	49,678	3,751	–	53,429
<b>Total</b>	<b>3,077,368</b>	<b>765,638</b>	<b>71,634</b>	<b>3,771,372</b>

## Other technical provisions

in EUR thousand	2020		2019	
	gross	net	gross	net
Type of provision				
Profit commissions	525,898	353,800	508,948	311,011
Commissions	(1,236)	(443)	(3,013)	(2,412)
Premium cancellation	1,323	1,323	1,134	1,145
Traffic accident victims' assistance	–	–	–	–
<b>Total</b>	<b>525,985</b>	<b>354,680</b>	<b>507,069</b>	<b>309,744</b>

## Technical provisions – total

in EUR thousand	2020		2019	
	gross	net	gross	net
Insurance line				
Fire	4,724,208	3,542,187	4,413,408	3,340,401
Casualty	11,365,119	9,604,688	11,320,977	9,567,607
Accident	661,287	430,406	627,869	383,716
Motor	5,396,600	4,368,096	5,356,071	4,321,529
Aviation	1,167,887	936,551	1,256,270	971,163
Marine	1,504,490	1,121,206	1,571,448	1,158,791
Life	8,861,664	8,556,501	10,137,891	9,265,552
Other lines	6,917,738	5,094,031	6,585,265	4,933,842
	<b>40,598,993</b>	<b>33,653,666</b>	<b>41,269,199</b>	<b>33,942,601</b>
Separate value adjustment on retrocessions	–	51,002	–	56,618
<b>Total</b>	<b>40,598,993</b>	<b>33,704,668</b>	<b>41,269,199</b>	<b>33,999,219</b>

## Provisions for other risks and charges

in EUR thousand	2020	2019
Provisions for pensions and similar liabilities	113,737	107,586
Provisions for taxation	90,657	110,577
Sundry provisions		
Provisions for outstanding remuneration payments	52,730	59,316
Provision for interest pursuant to § 233a AO (Fiscal Code)	33,185	36,845
Provision for anticipated losses	28,165	5,778
Provision for company pension scheme	8,829	5,631
Provisions for annual accounts costs	4,417	4,565
Provision for partial retirement	2,399	1,923
Provisions for suppliers' invoices	2,370	2,832
Provisions for costs of legal action	854	894
Other provisions	9,166	9,635
	<b>142,115</b>	<b>127,419</b>
<b>Total</b>	<b>346,509</b>	<b>345,582</b>

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 8.9 million (EUR 8.8 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 187 thousand (EUR 183 thousand). The provision for partial

retirement of EUR 3,656 thousand (EUR 2,357 thousand) was netted with plan assets with a fair value of EUR 1,508 thousand (EUR 652 thousand) pursuant to § 246 (2) of the Commercial Code (HGB). In this connection, income of EUR 7 thousand (EUR 29 thousand) was offset against total expenses of EUR 5 thousand (EUR 4 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 1,494 thousand (EUR 1,484 thousand).

## Miscellaneous liabilities

in EUR thousand	2020	2019
Accounts due to affiliated companies	409,629	548,864
Liabilities from repurchase agreements	22,969	59,978
Liabilities from interest and LOC	21,120	21,090
Trade accounts payable	7,125	8,601
Amounts due to revenue authorities	6,136	69,099
Liabilities from cash collateral received	5,761	10,762
Liabilities from hedge accounting	5,231	14,003
Liabilities from unallocated payments	2,339	–
VAT liabilities	1,740	–
Liabilities from outstanding commitments to old-age pension scheme	473	238
Liabilities from leases	8	8
Liabilities from securities transactions	1	855
Liabilities from option premiums	–	–
Other liabilities	3,482	1,016
<b>Total</b>	<b>486,014</b>	<b>734,514</b>

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 22,969 thousand (EUR 59,978 thousand).

## Notes on the profit and loss account

### Total insurance business

in EUR thousand	2020	2019	2020	2019	2020	2019	2020	2019
Insurance line	Gross written premium		Gross premium earned		Net premium earned		Technical result for own account	
Fire	3,312,703	2,937,280	3,193,578	2,788,789	2,025,089	1,762,536	(14,431)	(21,562)
Casualty	2,410,171	2,316,791	2,267,980	2,123,418	1,796,744	1,677,114	(307,374)	(197,832)
Accident	509,702	442,018	480,757	425,433	291,819	252,741	25,266	34,653
Motor	2,734,725	2,945,180	2,751,762	2,898,760	1,744,543	1,861,459	(177,754)	(156,348)
Aviation	322,379	257,670	293,630	258,399	236,055	173,797	27,352	10,172
Marine	459,883	453,540	459,883	453,540	181,051	174,862	6,334	140,149
Other lines	4,441,274	3,962,446	4,350,553	3,816,653	2,722,805	2,506,086	(420,443)	(137,550)
<b>Total property and casualty</b>	<b>14,190,837</b>	<b>13,314,925</b>	<b>13,798,143</b>	<b>12,764,992</b>	<b>8,998,106</b>	<b>8,408,595</b>	<b>(861,050)</b>	<b>(328,318)</b>
Life	5,026,184	4,757,944	4,986,481	4,673,019	3,925,220	3,817,957	(42,074)	94,612
<b>Total insurance business</b>	<b>19,217,021</b>	<b>18,072,869</b>	<b>18,784,624</b>	<b>17,438,011</b>	<b>12,923,326</b>	<b>12,226,552</b>	<b>(903,124)</b>	<b>(233,706)</b>

in EUR thousand	2020	2019
Gross claims incurred	11,220,532	12,700,432
Gross operating expenses	3,670,208	4,791,399
Reinsurance balance	(280,670)	(358,934)

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 2020 amounts to altogether EUR 854.6 million (EUR 822.6 million). Of this, EUR 2.7 million (EUR 0.7 million) relates to the month of December 2019.

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	2020	2019
Fixed-income securities	46,236	38,438
Administrative expenses	33,431	31,718
Forward exchange transactions	15,811	5,389
Shares in affiliated companies and participations as well as loans to affiliated companies and enterprises in which the company has a participating interest	11,299	456
Shares and investment fund certificates	10,306	1,168
Futures and options contracts, technical derivatives	7,665	4,366
Land and buildings	3,522	3,296
Deposit, bank and consultancy fees	1,363	981
Interest charges	353	118
Deposits with ceding companies	7	892
Registered debt securities and sundry loans	5	–
Other	–	14
<b>Total</b>	<b>129,998</b>	<b>86,836</b>

## Other income

in EUR thousand	2020	2019
Exchange rate gains	105,402	71,144
Income from services rendered	34,071	25,292
Income from guarantees furnished	9,277	10,963
Separate value adjustments on accounts receivable and retrocessions	7,998	9,020
Income from the release of non-technical provisions	6,297	6,868
Interest pursuant to § 233a AO (Fiscal Code)	5,690	3,543
Allocated investment return	4,958	4,059
Income from reinsurance contracts	4,549	4,706
Income from joint ventures	2,024	–
Profit from clearing transactions	631	1,001
Amounts realised	68	49
Reimbursement of expenses	43	330
Income from discounting pursuant to § 277 (5) HGB (Commercial Code)	35	46
Income from tax refunds	–	1,379
Miscellaneous income	5,668	3,959
<b>Total</b>	<b>186,711</b>	<b>142,359</b>



## Other charges

in EUR thousand	2020	2019
Financing interest	87,904	90,272
Exchange rate losses	85,133	30,772
Deposit interest	72,017	68,141
Expenses for the company as a whole	60,469	60,811
Expenses from services rendered	34,905	26,053
Separate value adjustments on accounts receivable and retrocessions	17,296	7,886
Expenses for joint ventures	7,800	4,726
Interest charges on old-age pension scheme	2,632	2,898
Expenses for letters of credit	2,109	1,758
Expenses from reinsurance contracts	1,197	1,139
Write-downs on accounts receivable	237	527
Interest charges from reinsurance transactions	205	213
Compounding of interest on provisions/ expense from compounding pursuant to § 277 (5) HGB (Commercial Code)	43	47
Interest pursuant to § 233a AO (Fiscal Code)	38	–
Miscellaneous interest and charges	1,757	2,017
	<b>373,742</b>	<b>297,260</b>
Less: Technical interest	7,619	5,997
<b>Total</b>	<b>366,123</b>	<b>291,263</b>

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 2020, 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. The solvency balance sheet as at 31 December 2020 was also audited.

Furthermore, the independent auditor performed other assurance services in connection with the combined non-financial information statement. The tax consultancy services encompass tax advice provided on specific matters.

## Expenses for personnel

in EUR thousand	2020	2019
1. Wages and salaries	149,786	149,248
2. Social security payments and expenses for welfare	22,580	21,454
3. Expenses for old-age pension scheme	13,914	13,138
<b>Total expenses</b>	<b>186,280</b>	<b>183,840</b>

# 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	2020
Payment of a dividend of EUR 4.50 on each eligible no-par value share	542,687,103.00
Profit carried forward to new account	557,312,897.00
<b>Disposable profit</b>	<b>1,100,000,000.00</b>

## Other notes

Hannover Re has placed subordinated debt on the European capital market through its subsidiary Hannover Finance (Luxembourg) S.A. Hannover Re has secured by subordinated guarantee the debt issued in 2012, which has a volume of EUR 500.0 million. In addition, Hannover Re has placed two subordinated debts of EUR 500.0 million each, a senior bond of EUR 750.0 million and subordinated debt of EUR 750.0 million on the European capital market. The total amount of liabilities with a remaining maturity of more than five years is EUR 3,000.0 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 of the letters of credit, which also provide security for subsidiaries, was EUR 2,200.1 million (EUR 2,359.7 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 292.1 million (EUR 405.1 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 2020 reserves equivalent to EUR 5,287,947 thousand (EUR 5,049,278 thousand) existed at the subsidiaries. No soft letters of comfort were provided in the financial year.

Hannover Re has provided guarantees of altogether USD 6,089.1 million (USD 5,996.4 million) to third parties for affil-

iated 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 250.0 million (USD 400.0 million), payment obligations to subsidiaries in South Africa based on the insurance and reinsurance contracts that they have written and a contingent liability in relation to our Australian subsidiary in connection with a financing instrument. A long-term compensation obligation in an amount of EUR 6,350 thousand (EUR 3,380 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 1,542 in the year under review, of whom 90 were executive staff and 1,452 employees. The remuneration report is provided in the combined management report of the company on pages 119 to 140 of the Group Annual Report. The total remuneration of the Executive Board of Hannover Re amounted to EUR 7.6 million (EUR 9.3 million). In the year under review 8,029 share awards with a fair value of EUR 1.0 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 1,298 thousand. A liability of EUR 20,414 thousand

was recognised for current pensions of former members of the Executive Board. The remuneration of the Supervisory Board amounted to EUR 760 thousand (EUR 780 thousand).

The particulars for the Executive Board and Supervisory Board are provided on pages 2 to 5.

The list of shareholdings is provided on pages 18 to 21.

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 in the electronic Federal Gazette.

On 3 November 2020 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](http://www.hannover-re.com/200801/declaration-of-conformity)).

The company combined opposing forward exchange transactions in notional amounts of ZAR 1,335.26 million (USD 77.7 million), CAD 36.0 million (USD 27.4 million), AUD 113.5 million (USD 86.2 million), GBP 116.5 million (USD 158.6 million), SGD 56.0 million (USD 41.6 million), HKD 320.0 million (USD 41.3 million), CNY 261.0 million (USD 39.4 million), TWD 1,997.8 million (USD 70.8 million), KRW 7,206.5 million (USD 6.5 million), USD 521.4 million (EUR 426.9 million) and USD 12.5 million (INR 938.3 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 counterparties 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 2020 the underlying transactions show positive fair values of altogether EUR 14.6 million and negative fair values totalling EUR 1.5 million. The forward exchange transactions, which were concluded in several tranches, have various maturity dates; the last transaction expires in 2022.

The company's portfolio also includes 20 forward exchange transactions in notional amounts of HKD 640.0 million (USD 82.4 million), HKD 1,010.8 million (TWD 3,357.0 million), PHP 1,059.2 million (USD 20.9 million), IDR 379.0 billion (USD 25.0 million), KRW 25.2 billion (EUR 21.0 million), INR 4,969.3 million (USD 64.9 million), AUD 520 million (EUR 299.4 million), AUD 44.0 million (USD 31.6 million) and CAD 139.7 million (EUR 89.1 million) with different maturity dates (the last transaction runs until 2027) that are not combined into valuation units. Risks underlying the transactions are transferred to the branches in Hong Kong and Malaysia or remain with Hannover Re in Germany. The negative fair values of EUR 1.8 million (USD 1.5 million), EUR 13.3 million (AUD 21.3 million) and EUR 0.7 million (TWD 24.6 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 24,983.9 million (EUR 25,876.3 million). The portfolio contains derivatives associated with the technical account in a nominal volume of EUR 4.9 million which relate to earthquake risks in Japan. The risks are offset by countertrade transactions.

The stock participation rights granted in the form of virtual shares (share awards) in an amount of EUR 16.8 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 3.8 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 2020 share awards with a value of EUR 7.0 million were paid out. Hedging through equity swaps resulted in a positive earnings effect of EUR 2.4 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 events of special significance occurred after the balance sheet date that had a material impact on the results of operations, financial position or net assets of Hannover Re.

Hannover, 8 March 2021

Executive Board



Henchoz



Althoff



Chèvre



Jungsthöfel



Dr. Miller



Dr. Pickel



Sehm

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The following copy of the auditor's report also includes a "Report on the audit of the electronic renderings of the financial statements and the management report prepared for disclosure purposes in accordance with § 317 Abs. 3b HGB" ("Separate report on ESEF conformity"). The subject matter (ESEF documents to be audited) to which the separate report on ESEF conformity relates is not attached. The audited ESEF documents can be inspected in or retrieved from the Federal Gazette.

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# Independent Auditor's Report

(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)

**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 2020, and the statement of profit and loss for the financial year from 1 January to 31 December 2020, 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 2020. 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 2020 and of its financial performance for the financial year from 1 January to 31 December 2020 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 Ger-

man Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further de-

scribed in the “Auditor’s Responsibilities for the Audit of the Annual Financial Statements and of the Management 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 ac-

cordance 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 January 1 to December 31, 2020. 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 premium reserves

(a) Premium reserves amounting to EUR 7,093.3 million (14.5% of total assets) are reported under the “Technical provisions” balance sheet item in the Company’s annual financial statements. The premium reserve was recognized primarily for the reinsurance activities in the life and health reinsurance segments.

The premium reserve in accordance with German commercial law is measured by using actuarial methods to derive the present value of future benefits to cedants, less the present value of premiums still to be paid by cedants in accordance with the principle of prudence and the realization principle set out in German commercial law in accordance with the relevant requirements of commercial and prudential law. Depending on the structure of the relevant policy and the regular business, the calculation is based either on a combination of previous cedant settlements, where necessary adjusted to account for estimates of the course of the policy for settlement periods not yet settled or based on model-driven own calculations of the premium reserve. The measurement also takes into account estimates of valuation parameters, particularly with respect to the biometric accounting bases to be recognized such as probabilities for mortality and longevity,

- (1) Measurement of premium reserves
- (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:

where applicable including trends, invalidity and socioeconomic factors such as assumed behaviors on the part of the policyholders (e.g., cancellation). This also includes the expected impact of the ongoing coronavirus crisis on the premium reserves.

The estimate of the sufficiency of the reported premium reserves, the estimates made in the absence of cedant settlements as well as model-driven calculations of the premium reserve is subject to considerable discretion to be exercised by the executive directors and the associated estimate uncertainties.

In light of this and due to the material significance of the amount of the premium reserves for the assets liabilities and financial performance of the Company and the complexity of the underlying calculations, this matter was of particular significance in the context of our audit.

- (b) Given the significance of premium reserves, as part of our audit we worked with our actuaries to assess 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.

For the purposes of the assessment, we also evaluated the design and effectiveness of the controls established by the Company for the purpose of calculating and recording the premium reserves. We focused in particular on controls designed to ensure that new products and policies are correctly classified and that changes in assumptions are correctly implemented in the systems.

Based on the reviews of controls, we carried out additional analytical and substantive audit procedures and tests of details relating to the measurement of the premium reserves. In tests of details we assessed the correct and proper use of the available cedant settlements when calculating the premium reserves. We also assessed the appropriateness of the material assumptions by analyzing how the actuarial methods applied were derived. In particular, we examined whether sufficient collateral was factored into the valuation in accordance with commercial law and whether it was necessary to strengthen reserves. Furthermore we analyzed the development of premium

reserves as compared to the previous year, particularly in light of the fact that the assumptions correspond to the currently available cedant information, current business developments and our expectations based on market observations. In this context, we also assessed the executive directors' estimate as to the impact of the coronavirus crisis.

Based on our audit procedures, we were able to satisfy ourselves that the estimates and assumptions made by the executive directors for the purpose of measuring the premium reserves are appropriate overall.

## (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 25,874.3 million (52.8% 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 asserted but not yet settled by the end of the financial year ("claims provisions").

The claims provisions under property reinsurance are estimated based on cedant information based on experience. The claims provision in accordance with 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 runoff patterns, which are based on an expert estimate derived from past experience. This also includes the expected impact of the ongoing coronavirus crisis on the recognition of the claims provision for the business as a whole. The executive directors calculate the amount of the claims provision in accordance with commercial law taking into account the results of the actuarial methods and other factors in relation to uncertainty. The actuarial provisions, and thus in particular the claims provisions must ensure that the company as an insurer is able at all

(c) The Company's disclosures on the premium reserve are contained in the sections of the notes entitled "measurement of equity and liabilities" and "notes to equity and liabilities". Disclosures on risks are contained in the Company's management report in the section entitled "Report on risks and opportunities", subsection "Technical risks of personal reinsurance".

times to satisfy its obligations (particularly prudence principle) and that the continuity principle is complied with.

The calculation 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. In light of this and also due to the material significance of the amount of this reserve for the assets liabilities and financial performance of the Company, the measurement of these reserves was of particular significance in the context of our audit.

(b) Given the significance of the claims provision, as part of our audit we worked with our actuaries to assess 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 assessed the appropriateness of the structure of the process for recognizing reserves and carried out functional audits 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.

Based on the review of controls, we carried out additional analytical and substantive audit procedures and tests of details 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 valuation specialists assessed the appropriateness of the methods used by the Company. Furthermore, our internal valuation specialists also assessed the models and assumptions used by the executive directors based on industry expertise and experience with recognized actuarial practice. In this context, we also assessed the executive directors' estimate as to the impact of the coronavirus crisis on the business as a whole. In particular, we examined whether sufficient collateral was factored into the valuation in accordance with commercial law and whether it was necessary to strengthen reserves. In the course of

### (3) Calculation of estimated gross premium

- (a) In its annual financial statements, the Company reported gross premiums of EUR 19,217.0 million in the income statement.

Acquired reinsurance premiums are accounted for in accordance with the terms and conditions of the reinsurance policies. In the absence of invoices for cedants, the Company made supplementary or complete estimates of the contributions. Of the total gross premiums recognized, approximately EUR 6,568.4 million (34.18%) were estimated. The estimates are based on assumptions and are therefore subject to considerable uncertainty and judgment, including with respect to the impact of the coronavirus.

Due to the material significance of the estimated premiums for the net assets and results of operations 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 purposes of auditing the estimated gross premium, we first conducted a supplementary audit of the contribution and estimation process. In that connection, we identified the material key controls and analyzed their

that examination, we reviewed the valuation methods for consistency of use.

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 of the notes entitled "measurement of equity and liabilities" and "notes to equity and liabilities". Disclosures on risks are contained in the Company's management report in the section entitled "Report on risks and opportunities", subsection "Technical risks of property reinsurance".

structure. Based on that analysis, we conducted a functional review to test the effectiveness of the key controls implemented in the process and to assess the appropriateness of the material assumptions by verifying and analyzing the procedure for calculating and deriving the estimated gross premium. In this context, we also assessed the executive directors' estimate as to the impact of the coronavirus crisis.

In tests of details, we critically reviewed the material assumptions underlying an estimate and asked the Company to explain to us the grounds for such estimates. Based on information on the contributions expected in the previous year, we reconciled the expectations against the actual events 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 used to derive the estimated gross premium are appropriate overall.

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



## 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 “Enterprise management” of the management report
- the non-financial statement pursuant to § 289b Abs. 1 HGB and § 315b Abs. 1 HGB included in section “Combined non-financial information statement” of the management report
- the disclosures contained in the management report and marked as unaudited regarding Solvency II reporting.

The other information comprises further the remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited annual finan-

cial 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 and, in so doing, to consider whether the other information

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

## 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 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 state-

ments 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) 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 audi-

tor'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, the related safeguards.

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

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

#### Reasonable Assurance Conclusion

We have performed an assurance engagement in accordance with § 317 Abs. 3b HGB to obtain reasonable assurance about whether the reproduction of the annual financial statements and the management report (hereinafter the “ESEF documents”) contained in the attached electronic file Hannover-RueckSE\_EA\_LB\_2020-12-31.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 engagement only extends 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 this reproduction nor to any other information contained in the above-mentioned electronic file.

#### Basis for the Reasonable Assurance Conclusion

We conducted our assurance engagement on the reproduction of the annual financial statements and the management report contained in the above mentioned attached electronic file in accordance with § 317 Abs. 3b HGB and the Exposure Draft of IDW Assurance Standard: Assurance in Accordance with § 317 Abs. 3b HGB on the Electronic Reproduction of Financial Statements and Management Reports Prepared for

In our opinion, the reproduction of the annual financial statements and the management report contained in the above-mentioned attached electronic file and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. We do not express any opinion on the information contained in this reproduction nor on any other information contained in the above-mentioned electronic file beyond this reasonable assurance conclusion 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 2020 contained in the “Report on the Audit of the Annual Financial Statements and on the Management Report” above.

Publication Purposes (ED IDW AsS 410) and the International Standard on Assurance Engagements 3000 (Revised). Accordingly, our responsibilities are further described below in the “Auditor’s Responsibilities for the Assurance Engagement on the ESEF Documents” section. Our audit firm has applied the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QS 1).

#### 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 reproduction of the annual financial statements and the management report in accordance with § 328 Abs. 1 Satz 4 Nr. 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 executive directors of the Company are also responsible for the submission of the ESEF documents together with the auditor’s report and the attached audited annual financial statements and audited management report as well as other documents to be published to the operator of the German Federal Gazette [Bundesanzeiger].

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

#### Auditor’s Responsibilities for the Assurance Engagement 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 engagement. 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 conclusion.

- Obtain an understanding of internal control relevant to the assurance engagement 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 conclusion 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 Regulation (EU) 2019/815 in the version applicable as at the balance sheet date on the technical specification for this electronic file.
- Evaluate whether the ESEF documents enables a XHTML reproduction 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 supervisory board on 10 March 2020. We were engaged by the supervisory board on 18 June 2020. 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).

## German public auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Mathias Röcker.

Hannover, 9 March 2021

PricewaterhouseCoopers GmbH  
Wirtschaftsprüfungsgesellschaft

sgd. Mathias Röcker  
Wirtschaftsprüfer  
(German Public Auditor)

sgd. ppa. Dennis Schnittger  
Wirtschaftsprüfer  
(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 development 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, 8 March 2021

Executive Board



Henchoz



Althoff



Chèvre



Jungsthöfel



Dr. Miller



Dr. Pickel



Sehm

# Report of the Supervisory Board of Hannover Rück SE

In our function as the Supervisory Board we considered at length during the 2020 financial year the position and development of the company and its major subsidiaries. The implications of the Covid-19 crisis were a point of emphasis this year. We advised the Executive Board on the direction of the company and monitored the management of business on the basis of written and verbal reports. The Supervisory Board of Hannover Rück SE held four regular meetings in order to adopt the necessary resolutions after appropriate discussion. In addition, the Supervisory Board adopted two resolutions in the reporting period by a written procedure. In conformity with the applicable safeguards to reduce the risk of infection with Covid-19 the meetings were held in a hybrid format, i.e. with partially physical and partially virtual attendance. With the exception of the meeting in May, in which Dr. Lipowsky and Dr. Schipporeit were unable to participate, all the Supervisory Board members took part in the Supervisory Board meetings held in 2020. The meetings of the committees were duly attended in all cases by all the members of the respective bodies. In addition, two representatives of the Federal Financial Supervisory Authority attended two meetings of the Supervisory Board on a virtual basis. The individual participation in the meetings is shown in the following table:

	Participation rate	
	Number of meetings	in %
<b>Participation in full meetings of the Supervisory Board</b>		
Torsten Leue	4/4	100
Herbert K. Haas	4/4	100
Natalie Bani Ardalan	4/4	100
Frauke Heitmüller	4/4	100
Ilka Hundeshagen	4/4	100
Dr. Ursula Lipowsky	3/4	75
Dr. Michael Ollmann	4/4	100
Dr. Andrea Pollak	4/4	100
Dr. Erhard Schipporeit	3/4	75
<b>Participation in meetings of the Finance and Audit Committee</b>		
Torsten Leue	4/4	100
Herbert K. Haas	4/4	100
Dr. Ursula Lipowsky	4/4	100
<b>Participation in meetings of the Standing Committee</b>		
Torsten Leue	4/4	100
Herbert K. Haas	4/4	100
Dr. Erhard Schipporeit	4/4	100

We were informed by the Executive Board in writing and orally on the basis of the quarterly statements about the course of business as well as the position of the company and the Group. In the intervals between regular meetings we received inter alia written reports on material changes due to business impacts from Covid-19, the disclosure to the capital market regarding the communicated profit guidance for 2020 dated 21 April 2020 and on the company's position with respect to its dividend policy. With regard to reports on topics that fall under the responsibility of key functions, we had an opportunity to engage directly in a dialogue with the respective key function holders. The quarterly reports with the components of the financial statements and the key figures for the Hannover Re Group constituted an important source of information for the Supervisory Board. We also held discussions without the presence of the Executive Board, inter alia regarding personnel matters on the level of the Executive Board and regularly in relation to matters of the Supervisory Board's internal organisation.

We received an analysis of the 2019 results in property & casualty and life & health reinsurance as well as a presentation from the Executive Board covering the profit expectations for the 2020 financial year and the operational planning for the 2021 financial year. In addition, the Chairman of the Supervisory Board was constantly kept informed by the Chairman of the Executive Board of major developments and impending decisions as well as of the company's risk situation. All in all, we were involved in decisions taken by the Executive Board and assured ourselves of the lawfulness, regularity and efficiency of the company's management as required by our statutory responsibilities and those placed upon us by the company's Articles of Association.

No audit measures pursuant to § 111 Para. 2 Sentence 1 Stock Corporation Act (AktG) were required in the 2020 financial year.

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

At its meeting on 10 March 2020 the Supervisory Board discussed in detail the audited annual and consolidated financial statements as well as the Executive Board's proposal for the appropriation of the disposable profit for the 2019 financial year. In this regard, as in the previous year, the Executive Board described all material indicators from the technical and non-technical accounts as well as key data on the investment side. The independent auditors directly presented the results of the audit and elaborated on the audit procedure. The assurance report on the non-financial information statement was also discussed. The Executive Board outlined the prospects for the current 2020 financial year and we discussed the major insights from the compliance, audit and risk reports. Among the steps taken as part of the annual revision of the investment guidelines, they were specified in greater detail inter alia with respect to certain formal and procedural clarifications as well as adjustment of the rating limits for allocation of the credit risk. At the recommendation of the Finance and Audit Committee, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft – following its initial appointment for the audit of the 2018 financial year – was again awarded the mandate to audit the annual financial statements. In preparation for the Annual General Meeting on 6 May 2020, the agenda was discussed and approved. In addition, a resolution was adopted on updating of the Rules of Procedure for the Executive Board and for the Supervisory Board, which was essentially warranted by the growth of the company since the last revisions. The Rules of Procedure of the Supervisory Board were also subsequently published on the company's website (<https://www.hannover-re.com/1535197/rules-of-procedure-for-the-supervisory-board-of-hannover-rueck-se.pdf>). In addition, 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 targets for the 2019 financial year. In this context, as usual, we factored the findings of external remuneration surveys into our deliberations for the purpose of making a market comparison. We also considered in detail the findings of the market comparison that was commissioned regarding the occupational retirement provision for members of the Executive Board.

Following the meeting, the Supervisory Board resolved on 31 March 2020 by a written procedure that the Annual General Meeting on 6 May 2020 should be held virtually with no physical attendance in light of the pandemic situation and that corresponding use should be made of the formal special arrangements facilitated by the legislator for convening and holding the Annual General Meeting.

On 5 May 2020 our meeting was held for the first time in a hybrid format owing to the pandemic situation, i.e. with par-

tially in-person and partially virtual participation as well as the resulting precautionary measures. Dr. Lipowsky and Dr. Schipporeit were unable to participate and cast their votes on the relevant resolutions in writing pursuant to § 12 (2) of the Articles of Association of Hannover Rück SE. The Executive Board reported to us on the first quarter of 2020, with additional detailed elaboration on the effects and measures associated with the Covid-19 pandemic. We explored the overall results of the previous year in greater detail; in this regard, the Executive Board presented relevant analyses regarding the quality of the loss reserves in property and casualty reinsurance and the intrinsic value creation (IVC). In addition to the outlook for the current financial year – which was similarly shaped by the uncertainties around the Covid-19 crisis –, the examination of the Own Risk and Solvency Assessment (ORSA) and the capitalisation under Solvency II constituted further key points of deliberation. Following up on this, the structure of the Regular Supervisory Report (RSR) and its differences and overlaps relative to the ORSA were explained. In addition to the Covid-19 crisis, the discussion of the principles underlying the strategy for the upcoming cycle 2021 – 2023 and adoption of a corresponding resolution were a focus of the meeting. Picking up on the strategy 2018 – 2020, the Executive Board presented to us in this context the company's strengths that are to be cultivated and carried forward, specific areas where opportunities are seen and investments planned as well as the objectives for the next cycle. In part owing to the uncertainties surrounding the further course of the pandemic and what its long-term business repercussions might be, we invited the Executive Board to give us another report on the status of strategy development at the November meeting. In addition, we were provided with a peer comparison of the return on investment and a detailed report on how profitability is safeguarded in life and health reinsurance business. Lastly, the Executive Board looked ahead to the internal preparations being made for potential issuance of additional hybrid capital in an amount of EUR 500 million in the current year.

The issuance of additional hybrid capital in an amount of EUR 500 million announced at the May meeting was approved by the Supervisory Board and its Finance and Audit Committee by a written procedure in June 2020.

On 4 August 2020 the Executive Board reported at an all-day meeting again conducted in a hybrid format on the first half of 2020; in this context, as usual, it described the material indicators from the technical and non-technical accounts and outlined the attainment status of the strategic objectives. The outlook for the current financial year was followed by more concrete analyses of possible effects of the Covid-19 pandemic on the reinsurance and investment performance. We were

informed about the key insights from the risk report and the Executive Board reported – in response to a prior request from the Supervisory Board – on the development of the company's costs in a peer comparison. Another key topic at the August meeting was the sustainability of the income generated from the highly profitable Life & Health financial solutions business. We also deliberated on a restructuring activity within the Group, which went hand-in-hand with a capital increase through a non-cash contribution that had to be approved by the Supervisory Board. We received the audit report on the solvency balance sheet. The Supervisory Board was additionally required to approve fulfilment of the requirements of the Act Implementing the Second Shareholders' Rights Directive (ARUG II) in internal processes with an eye to the monitoring and potential approval of related party transactions. As far as personnel matters were concerned, we considered in depth the personnel change on the Executive Board in autumn 2020. Mr. Jungsthöfel made himself available to the Supervisory Board for part of the discussions for purposes of a personal introduction and to answer any questions and he was then appointed by us as a member of the Executive Board and as the new Chief Financial Officer effective 1 September 2020. At the same time, we parted with Mr. Vogel, who had served as an exceptionally reliable partner for the Supervisory Board over a long period of time with his expertise and his trusted leadership of his area of responsibility. Secondly, we discussed the remuneration scheme for the Executive Board in the context of personnel issues. The current scheme was in some respects no longer compatible with the new requirements arising out of the ARUG II amendments as well as the recommendations of the German Corporate Governance Code, and we therefore developed a new adequate scheme based on externally commissioned advice and approved it after in-depth consultation. Subject to the consent of the individual Executive Board members to the corresponding contractual changes and provided the Annual General Meeting approves the scheme as adequate, the specifics will in future be provided in detail in the remuneration report. With an eye to the self-assessment of the Supervisory Board's areas of expertise that had once more been carried out, the Supervisory Board decided that the present extensive list of topics which goes beyond the regulatory requirements will be used again in 2021. During the afternoon we listened to presentations given by company experts on a number of key topics in the field of (group) tax law in reinsurance business as well as IFRS 9 and 17. In addition to the informative content of the presentations, this gave us an opportunity to inquire directly with the function holders about the current status of the relevant topics as well as the actions taken within the company and the concrete challenges.

At the last meeting of the year held on 4 November 2020, we deliberated at length on the key preliminary results in the business performance together with the outlook for the cur-

rent financial year. The effects of the Covid-19 pandemic were again a focus of the reporting. Mr. Jungsthöfel attended the meeting for the first time in his new role as Chief Financial Officer. We were provided with the report on employee capacities. The Executive Board also presented to us the operational planning for 2021; we considered this in detail and subsequently approved the annual and results planning submitted to us. We discussed the latest insights from the risk report and were informed of the status of major pending legal proceedings. The supplementary report on the ongoing development of business and the status of the strategy for the cycle 2021 – 2023 was another particular focal point of our deliberations. The Supervisory Board exchanged views with the Executive Board on specific questions relating to the individual strategic business initiatives. Furthermore, we agreed that the internal Group restructuring which we had previously approved in August should already be implemented in the current year. Based on the findings of the „Fit & Proper“ self-assessment that had been conducted among the Supervisory Board members, the Supervisory Board engaged in an extensive exchange of views on a development plan for the entire Supervisory Board. It was again the case this year that the individual members of the Supervisory Board attended numerous advanced training measures in relation to various core topics; the costs incurred in this connection were paid by the company. Topics covered in 2020 included, among others, ARUG II, risk management and reporting as well as liability aspects. The presentations on taxes and accounting issues given to the full Supervisory Board at the August meeting were very well received and are planned again for 2021 in a similar form. A significant amount of our discussion time at the meeting was also devoted to corporate governance issues and we approved the amended Declaration of Conformity accordingly (for further information see below and the Declaration on Corporate Governance on p. 112 et seq. of the combined management report in the Group Annual Report). We received the yearly report of the Executive Board pursuant to § 3 Para. 5 of the Regulation on the Supervisory Law Requirements for Remuneration Schemes in the Insurance Sector (VersVergV) and exchanged opinions on the necessary changes to the Supervisory Board remuneration, which are to be submitted to the Annual General Meeting in May 2021 for adoption of a resolution. As part of implementing the process behind the Executive Board remuneration that had been newly approved in August, it was also necessary for the first time to decide in the full Supervisory Board on the target criteria for members of the Executive Board for the year 2021. The focus of our deliberations in this respect was on this year's findings from the Organisational Health Check, sustainability and the new strategic objectives.

As in every year, we were regularly briefed on the work of the Supervisory Board committees.



## Committees of the Supervisory Board

Of the committees formed by the Supervisory Board within the meaning of § 107 Para. 3 Stock Corporation Act (AktG), the Finance and Audit Committee met on four occasions, with two resolutions additionally adopted by a written procedure – in the first place, regarding the aforementioned issuance of additional subordinated debt and, secondly, regarding mandating of the independent auditor to conduct a limited assurance review of the non-financial information statement. The Standing Committee similarly met four times in 2020. The Chairman of the Supervisory Board updated the full Supervisory Board on the major deliberations of the committee meetings at its next meeting and provided an opportunity for further questions.

The Finance and Audit Committee considered inter alia the consolidated financial statement and the quarterly reports drawn up in accordance with IFRS and the individual financial statement of Hannover Rück SE drawn up in accordance with the German Commercial Code (HGB), and it discussed with the independent auditors their reports on these financial statements. As in the 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, the risk reports and the compliance report were discussed, and reports on the major subsidiaries were received and considered. In addition, the Committee examined the investment structure and investment income – including the stress tests with regard to the investments and their implications for net income and the equity base. The audit concentrations of the independent auditors for the 2020 financial year were defined. In order to review the quality of the auditing a system was developed this year that will be used by the Committee in future as the basis for its assessment. The Committee continued to be provided with ongoing detailed reports on the recognition and measurement of the risk-oriented book of US life reinsurance business acquired in 2009 from Scottish Re as well as on the rate increases that had been initiated and/or implemented. The measures for safeguarding profitability in Life & Health business – which

were also subsequently reported to the full Supervisory Board – were discussed in detail and the Committee was able to obtain a good understanding of the sustainability of the financial solutions portfolio after receiving an additional report from the division. Furthermore, the Committee examined in detail the functioning of the volatility adjustment in the internal model and its effect on the solvency ratio. The Committee also had an opportunity to engage with the Executive Board in an advisory capacity regarding the strategy 2021-2023,

As in the previous years, among other things, the Standing Committee reviewed the adequacy of the remuneration scheme for the members of the Executive Board, determined the variable remuneration of the members of the Executive Board for the 2019 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. More specific consideration was also given to the occupational pension commitments in the adequacy review. In the summer the Standing Committee also considered the appointment of Mr. Clemens Jungsthöfel as a member of the Executive Board, in which regard Mr. Jungsthöfel – who already worked for the Group as a member of the Executive Board of HDI Global SE – attended part of the meeting as a guest. With regard to all these matters the Committee drew up corresponding recommendations for the full Supervisory Board. In addition, it was necessary to bring the Executive Board remuneration scheme into line with the requirements of ARUG II and the more extensive recommendations of the German Corporate Governance Code. Taking into account external consulting support, a new scheme was developed for this purpose after extensive adequacy analyses and submitted to the full Supervisory Board for adoption of a resolution. The Committee again deliberated at length on the medium – and long-time succession arrangements for the Executive Board. Furthermore, the individual objectives of the members of the Executive Board for 2021 were defined on the basis of the new remuneration scheme and prepared for adoption of a resolution by the full Supervisory Board.

## Corporate Governance

The Government Commission on the German Corporate Governance Code (DCKG) elaborated an extensive revision of the German Corporate Governance Code, which on publication in the Federal Gazette by the Federal Ministry of Justice and Consumer Protection on 20 March 2020 formed the basis for the most recent Declaration of Conformity published by the company. Based on the review and discussion of the new recommendations in the previous year and the already imple-

mented measures, we therefore devoted considerable attention to the topic of corporate governance. The remuneration scheme for the Executive Board was adjusted according to the requirements and will be submitted to the Annual General Meeting on 5 May 2021. Changes to the remuneration scheme for the Supervisory Board were also discussed. In the summer we also explored the process for monitoring and, as appropriate, submission and disclosure of so-called related par-

ty transactions. The Rules of Procedure for our bodies were revised and updated, including explicit stipulation of certain already practised procedures that are now recommended in the Code. The evaluation of the quality of the auditing is now performed by the Finance and Audit Committee according to a systematically defined process. Some of the recommendations specified in relation to disclosure are now fulfilled in the context of the Declaration on Corporate Governance.

We considered the report by the Executive Board on non-financial matters (cf. page 70 et seq. 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 Auditor's Report on page 260 et seq. in the Group Annual Report).

In addition, the Supervisory Board received a report on the design of the remuneration schemes as well as the compliance, internal audit and risk reports. It remains the assessment that at least three members of the Supervisory Board – namely Dr. Andrea Pollak, Dr. Ursula Lipowsky and Dr.

Michael Ollmann – are to be considered independent members.

Notwithstanding the high importance that the Supervisory Board attaches to the standards of good and responsible enterprise management defined in the German Corporate Governance Code as amended on 16 December 2019, the Supervisory Board decided not to fully comply with Recommendation C. 10 in conjunction with Recommendation C. 7 regarding the independence of the Chair of the Audit Committee from the company and the management board. Justification for these divergences is provided in the Declaration of Conformity pursuant to § 161 Stock Corporation Act (AktG) regarding compliance with the German Corporate Governance Code, which is reproduced both on the company's website and in the present Annual Report as part of the Declaration on Corporate Governance (cf. p. 112 et seq.). The other divergences indicated therein from the recommendations of the Code as amended on 16 December 2019 are of a purely temporary nature and can be attributed to this year's changeover from the previous version to the newly valid Code. They were therefore disclosed and justified as a precautionary measure. Further information on the topic of corporate governance is available on the website of Hannover Rück SE.

## 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 Supervisory Board chose the auditor and the Chairman of the Supervisory Board awarded the audit mandate. The auditor's independence declaration was received. Along with the audit concentrations of the German Financial Reporting Enforcement Panel (DPR) and the additional audit concentrations defined by the European Securities and Markets Authority (ESMA), activities relating to the implementation of IFRS 17 and credit risks on the assets side were also included in the scope of the audit as points of emphasis. The mandate for the review report by the independent auditors on the Half-yearly Financial Report and the solvency 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 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 2020 – 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 2020 is in accordance with that of the Executive Board.

## 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.

Effective 1 September 2020 we appointed Mr. Clemens Jungsthöfel to the Executive Board so that he could take over as Chief Financial Officer from Mr. Roland Vogel on 30 September, following the latter's retirement. We are most grate-

ful to Mr. Vogel for his many years of service to the Group and the unfailingly open and constructive dialogue. He made himself available in an advisory capacity during and after the familiarisation phase, which in the eyes of the Supervisory Board ensured the smoothest possible transition. Mr. Jungsthöfel had already served on the Executive Board of HDI Global SE since 2018 and he impressed us not only from a technical standpoint but also on the personal level. We look forward to further successful cooperation with the new Chief Financial Officer and with the entire Executive Board.

## 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 despite the enormous challenges in the 2020 financial year, Hannover Rück SE generated a good result. A great debt of gratitude is owed 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 above all to the employees for their efforts.

Hannover, 10 March 2021

The Supervisory Board

Leue

Haas

Bani Ardalan

Heitmüller

Hundeshagen

Dr. Lipowsky

Dr. Ollmann

Dr. Pollak

Dr. Schipporeit

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A printed version of the Annual Report of Hannover Rück SE is also available in German. The report can be downloaded online in PDF format in English and German at:

[www.hannover-re.com](http://www.hannover-re.com)

This is a translation of the original German text; the German version shall be authoritative in case of any discrepancies in the translation.

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