

Consolidated financial statements



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Consolidated balance sheet as at 31 December 2015

N01

Assets in EUR thousand	Notes	31.12.2015	31.12.2014
Fixed-income securities – held to maturity	6.1	1,007,665	2,139,742
Fixed-income securities – loans and receivables	6.1	2,869,865	2,988,187
Fixed-income securities – available for sale	6.1	29,616,448	26,817,523
Fixed-income securities – at fair value through profit or loss	6.1	108,982	64,494
Equity securities – available for sale	6.1	452,108	32,804
Other financial assets – at fair value through profit or loss	6.1	39,602	66,394
Real estate and real estate funds	6.1	1,673,958	1,299,258
Investments in associated companies	6.1	128,008	154,822
Other invested assets	6.1	1,544,533	1,316,604
Short-term investments	6.1	1,113,130	575,300
Cash and cash equivalents	6.1	792,604	772,882
Total investments and cash under own management		39,346,903	36,228,010
Funds withheld	6.2	13,801,845	15,826,480
Contract deposits	6.3	188,604	92,069
Total investments		53,337,352	52,146,559
Reinsurance recoverables on unpaid claims	6.7	1,395,281	1,376,432
Reinsurance recoverables on benefit reserve	6.7	1,367,173	676,219
Prepaid reinsurance premium	6.7	164,023	149,257
Reinsurance recoverables on other technical reserves	6.7	8,687	5,446
Deferred acquisition costs	6.4	2,094,671	1,914,598
Accounts receivable	6.4	3,665,937	3,113,978
Goodwill	6.5	60,244	58,220
Deferred tax assets	7.5	433,500	393,923
Other assets	6.6	680,543	618,280
Accrued interest and rent		7,527	4,672
Total assets		63,214,938	60,457,584

Liabilities			
in EUR thousand	Notes	31.12.2015	31.12.2014
Loss and loss adjustment expense reserve	6.7	26,556,388	24,112,056
Benefit reserve	6.7	12,206,699	11,757,132
Unearned premium reserve	6.7	3,159,363	2,748,594
Other technical provisions	6.7	325,528	324,240
Funds withheld	6.8	1,265,035	817,137
Contract deposits	6.9	4,682,484	6,072,338
Reinsurance payable		1,390,006	1,101,317
Provisions for pensions	6.10	150,299	171,501
Taxes	7.5	271,674	260,137
Deferred tax liabilities	7.5	1,932,722	1,875,591
Other liabilities	6.11	698,933	694,234
Long-term debt and subordinated capital	6.12	1,798,337	2,270,347
Total liabilities		54,437,468	52,204,624
Shareholders' equity			
Common shares	6.13	120,597	120,597
Nominal value: 120,597			
Conditional capital: 60,299	6.13		
Additional paid-in capital		724,562	724,562
Common shares and additional paid-in capital		845,159	845,159
Cumulative other comprehensive income			
Unrealised gains and losses on investments		712,001	1,169,255
Cumulative foreign currency translation adjustment		509,189	190,454
Changes from hedging instruments		(1,217)	(8,748)
Other changes in cumulative other comprehensive income		(36,571)	(48,288)
Total other comprehensive income		1,183,402	1,302,673
Retained earnings		6,039,783	5,402,926
Equity attributable to shareholders of Hannover Rück SE		8,068,344	7,550,758
Non-controlling interests	6.14	709,126	702,202
Total shareholders' equity		8,777,470	8,252,960
Total liabilities		63,214,938	60,457,584

Consolidated statement of income 2015

N02

in EUR thousand	Notes	1.1.–31.12.2015	1.1.–31.12.2014
Gross written premium	7.1	17,068,663	14,361,801
Ceded written premium		2,219,094	1,781,064
Change in gross unearned premium		(259,834)	(154,362)
Change in ceded unearned premium		3,307	(3,294)
Net premium earned		14,593,042	12,423,081
Ordinary investment income	7.2	1,253,443	1,068,361
Profit/loss from investments in associated companies	7.2	19,169	1,042
Realised gains and losses on investments	7.2	135,847	182,453
Change in fair value of financial instruments	7.2	901	(33,257)
Total depreciation, impairments and appreciation of investments	7.2	38,098	27,558
Other investment expenses	7.2	101,202	95,256
Net income from investments under own management		1,270,060	1,095,785
Income/expense on funds withheld and contract deposits	7.2	395,033	376,056
Net investment income		1,665,093	1,471,841
Other technical income	7.3	1,290	1,641
Total revenues		16,259,425	13,896,563
Claims and claims expenses	7.3	11,075,407	9,464,172
Change in benefit reserves	7.3	101,157	28,625
Commission and brokerage, change in deferred acquisition costs	7.3	2,918,429	2,579,368
Other acquisition costs		5,652	4,878
Other technical expenses	7.3	1,348	7,461
Administrative expenses	7.3	398,512	363,859
Total technical expenses		14,500,505	12,448,363
Other income and expenses	7.4	(3,684)	18,190
Operating profit/loss (EBIT)		1,755,236	1,466,390
Interest on hybrid capital	6.12	84,316	95,720
Net income before taxes		1,670,920	1,370,670
Taxes	7.5	456,207	305,563
Net income		1,214,713	1,065,107
thereof			
Non-controlling interest in profit and loss	6.14	63,988	79,458
Group net income		1,150,725	985,649
Earnings per share (in EUR)	8.5		
Basic earnings per share		9.54	8.17
Diluted earnings per share		9.54	8.17

Consolidated statement of comprehensive income 2015

N03

in EUR thousand	1.1.–31.12.2015	1.1.–31.12.2014
Net income	1,214,713	1,065,107
Not reclassifiable to the consolidated statement of income		
Actuarial gains and losses		
Gains (losses) recognised directly in equity	18,997	(51,190)
Tax income (expense)	(5,721)	16,287
	13,276	(34,903)
Income and expense recognised directly in equity that cannot be reclassified		
Gains (losses) recognised directly in equity	18,997	(51,190)
Tax income (expense)	(5,721)	16,287
	13,276	(34,903)
Reclassifiable to the consolidated statement of income		
Unrealised gains and losses on investments		
Gains (losses) recognised directly in equity	(481,349)	1,051,409
Transferred to the consolidated statement of income	(162,990)	(147,075)
Tax income (expense)	164,008	(240,809)
	(480,331)	663,525
Currency translation		
Gains (losses) recognised directly in equity	339,324	476,440
Transferred to the consolidated statement of income	–	50
Tax income (expense)	(13,672)	(33,301)
	325,652	443,189
Changes from the measurement of associated companies		
Gains (losses) recognised directly in equity	2,831	10,217
Transferred to the consolidated statement of income	(424)	–
	2,407	10,217
Changes from hedging instruments		
Gains (losses) recognised directly in equity	9,420	1,066
Tax income (expense)	(1,819)	(340)
	7,601	726
Reclassifiable income and expense recognised directly in equity		
Gains (losses) recognised directly in equity	(129,774)	1,539,132
Transferred to the consolidated statement of income	(163,414)	(147,025)
Tax income (expense)	148,517	(274,450)
	(144,671)	1,117,657
Total income and expense recognised directly in equity		
Gains (losses) recognised directly in equity	(110,777)	1,487,942
Transferred to the consolidated statement of income	(163,414)	(147,025)
Tax income (expense)	142,796	(258,163)
	(131,395)	1,082,754
Total recognised income and expense	1,083,318	2,147,861
thereof		
Attributable to non-controlling interests	51,864	123,107
Attributable to shareholders of Hannover Rück SE	1,031,454	2,024,754

Consolidated statement of changes in shareholders' equity 2015

N04

in EUR thousand	Common shares	Additional paid-in capital	Other reserves (cumulative other comprehensive income)	
			Unrealised gains/losses	Currency translation
Balance as at 1.1.2014	120,597	724,562	533,745	(246,279)
Changes in ownership interest with no change of control status	-	-	2,172	(103)
Changes in the consolidated group	-	-	-	-
Capital increases/additions	-	-	-	-
Capital repayments	-	-	-	-
Acquisition/disposal of treasury shares	-	-	-	-
Total income and expense recognised directly in equity	-	-	633,338	436,836
Net income	-	-	-	-
Dividends paid	-	-	-	-
Balance as at 31.12.2014	120,597	724,562	1,169,255	190,454
Balance as at 1.1.2015	120,597	724,562	1,169,255	190,454
Changes in ownership interest with no change of control status	-	-	-	-
Changes in the consolidated group	-	-	-	-
Capital increases/additions	-	-	-	-
Capital repayments	-	-	-	-
Acquisition/disposal of treasury shares	-	-	-	-
Total income and expense recognised in equity	-	-	(457,254)	318,735
Net income	-	-	-	-
Dividends paid	-	-	-	-
Balance as at 31.12.2015	120,597	724,562	712,001	509,189

Continuation: Other reserves (cumulative other comprehensive income)		Retained earnings	Equity attributable to shareholders of Hannover Rück SE	Non-controlling interests	Total shareholders' equity
Hedging instruments	Other				
(9,455)	(16,452)	4,781,718	5,888,436	641,591	6,530,027
–	(60)	(2,637)	(628)	(19,452)	(20,080)
–	–	–	–	(1,387)	(1,387)
–	–	–	–	4	4
–	–	–	–	(72)	(72)
–	–	(13)	(13)	–	(13)
707	(31,776)	–	1,039,105	43,649	1,082,754
–	–	985,649	985,649	79,458	1,065,107
–	–	(361,791)	(361,791)	(41,589)	(403,380)
(8,748)	(48,288)	5,402,926	7,550,758	702,202	8,252,960
(8,748)	(48,288)	5,402,926	7,550,758	702,202	8,252,960
–	–	(1,320)	(1,320)	(1,189)	(2,509)
–	–	–	–	966	966
–	–	–	–	189	189
–	–	–	–	(9)	(9)
–	–	(10)	(10)	–	(10)
7,531	11,717	–	(119,271)	(12,124)	(131,395)
–	–	1,150,725	1,150,725	63,988	1,214,713
–	–	(512,538)	(512,538)	(44,897)	(557,435)
(1,217)	(36,571)	6,039,783	8,068,344	709,126	8,777,470

Consolidated cash flow statement 2015

N05

in EUR thousand	1.1.–31.12.2015	1.1.–31.12.2014
I. Cash flow from operating activities		
Net income	1,214,713	1,065,107
Appreciation/depreciation	64,493	58,384
Net realised gains and losses on investments	(135,847)	(182,453)
Change in fair value of financial instruments (through profit or loss)	(901)	33,257
Realised gains and losses on deconsolidation	(835)	(2,602)
Amortisation of investments	96,540	83,382
Changes in funds withheld	3,454,332	(482,106)
Net changes in contract deposits	(1,923,135)	119,362
Changes in prepaid reinsurance premium (net)	256,527	157,349
Changes in tax assets/provisions for taxes	159,250	182,543
Changes in benefit reserve (net)	(958,105)	57,841
Changes in claims reserves (net)	1,229,670	1,106,308
Changes in deferred acquisition costs	(97,673)	(121,881)
Changes in other technical provisions	(9,106)	38,995
Changes in clearing balances	(97,390)	73,975
Changes in other assets and liabilities (net)	(147,658)	(256,569)
Cash flow from operating activities	3,104,875	1,930,892

in EUR thousand	1.1.–31.12.2015	1.1.–31.12.2014
II. Cash flow from investing activities		
Fixed-income securities – held to maturity		
Maturities	1,184,382	618,208
Purchases	–	(1,395)
Fixed-income securities – loans and receivables		
Maturities, sales	358,350	427,121
Purchases	(153,057)	(100,302)
Fixed-income securities – available for sale		
Maturities, sales	10,400,105	11,304,019
Purchases	(12,362,146)	(13,167,728)
Fixed-income securities – at fair value through profit or loss		
Maturities, sales	20,211	9,649
Purchases	(58,570)	(34,622)
Equity securities – available for sale		
Sales	5,284	10,932
Purchases	(402,902)	(9,793)
Other financial assets – at fair value through profit or loss		
Sales	74,043	59,706
Purchases	(33,312)	(19,148)
Other invested assets		
Sales	183,271	142,588
Purchases	(379,296)	(259,511)
Affiliated companies and participating interests		
Sales	59,723	24,688
Purchases	(28,453)	(45,408)
Real estate and real estate funds		
Sales	104,414	102,472
Purchases	(458,294)	(230,502)
Short-term investments		
Changes	(531,057)	11,735
Other changes (net)	(30,771)	(38,050)
Cash flow from investing activities	(2,048,075)	(1,195,341)

in EUR thousand	1.1.–31.12.2015	1.1.–31.12.2014
III. Cash flow from financing activities		
Contribution from capital measures	4,007	876
Payment on capital measures	(3,604)	(4,769)
Structural change without loss of control	(2,509)	(20,080)
Dividends paid	(557,435)	(403,380)
Proceeds from long-term debts	23,400	554,095
Repayment of long-term debts	(518,642)	(774,338)
Other changes (net)	(10)	(13)
Cash flow from financing activities	(1,054,793)	(647,609)
IV. Exchange rate differences on cash	17,715	46,058
Cash and cash equivalents at the beginning of the period	772,882	642,936
Change in cash and cash equivalents (I. + II. + III. + IV.)	19,722	134,000
Changes in the consolidated group	–	(4,054)
Cash and cash equivalents at the end of the period	792,604	772,882
Supplementary information on the cash flow statement¹		
Income taxes paid (on balance)	(311,241)	(113,032)
Dividend receipts ²	162,612	71,844
Interest received	1,509,625	1,415,936
Interest paid	(182,910)	(175,025)

¹ The income taxes paid, dividend receipts as well as interest received and paid are included entirely in the cash flow from operating activities.

² Including dividend-like profit participations from investment funds