Hannover Re

Annual Report 2025

Hannover Re Group

somewhat different

Key Figures

in EUR million	2023	2024	2025	+/- previous year
Results				
Reinsurance revenue (gross)	24,456.5	26,379.3	26,786.0	+1.5%
Reinsurance service result (net)	1,658.3	3,018.5	3,496.1	+15.8%
Reinsurance finance result (net) [1]	-880.2	-1,115.0	-1,363.3	+22.3%
Investment income	1,588.2	2,005.1	1,672.9	-16.6%
Operating profit / loss (EBIT)	1,971.2	3,317.6	3,507.7	+5.7%
Group net income	1,824.8	2,328.7	2,641.5	+13.4%
Balance sheet				
Policyholders' surplus	14,249.4	15,921.3	16,666.5	+4.7%
Equity attributable to shareholders of Hannover Rück SE	10,126.8	11,794.5	12,928.7	+9.6%
Non-controlling interests	892.7	893.8	1,001.7	+12.1%
Hybrid capital	3,229.9	3,233.1	2,736.0	-15.4%
Contractual service margin (net)	7,699.1	8,162.4	7,907.7	-3.1%
Risk adjustment for non-financial risk	3,728.6	4,004.1	3,740.6	-6.6%
Investments	60,128.9	65,888.2	66,339.2	+0.7%
Total assets [2]	65,665.1	72,127.3	71,327.1	-1.1%
Share				
Earnings per share (basic and diluted) in EUR	15.13	19.31	21.90	+13.4%
Book value per share in EUR	83.97	97.80	107.21	+9.6%
Dividend per share in EUR	7.20	9.00	12.50 [3]	+38.9%
Ordinary dividend per share in EUR	6.00	7.00	—	
Special dividend per share in EUR	1.20	2.00	—	
Dividend payment in EUR million	868.3	1,085.4	1,507.5 [3]	+38.9%
Share price at the end of the period in EUR	216.30	241.40	266.20	+10.3%
Market capitalisation at the end of the period	26,085.2	29,112.1	32,103.0	+10.3%
Ratios				
Combined ratio (property and casualty reinsurance) [4]	94.0%	86.6%	84.0%	
EBIT margin [5]	9.3%	14.4%	15.1%	
Return on investment	2.8%	3.2%	2.5%	
Return on equity	19.0%	21.2%	21.4%	
Solvency ratio (Solvency II)	269%	261%	256%	

[1] Excluding exchange rate effects
[2] Adjusted, cf. section 3.1 of the notes to the Annual Report 2024
[3] Proposed dividend, dividend policy modified in 2025
[4] Reinsurance service expenses (net) / reinsurance revenue (net)
[5] EBIT/reinsurance revenue (net)

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About us

Hannover Re is one of the world's leading reinsurers. We transact all lines of property & casualty and life & health reinsurance and are present worldwide with around 4,000 staff. Property and casualty reinsurance in Germany is written by the subsidiary E+S Rück. Established in 1966, Hannover Re is recognised as a reliable partner for innovative risk solutions, exceptional customer intimacy and financial soundness. The rating agencies most relevant to the insurance industry have awarded both Hannover Re and E+S Rück very good financial strength ratings: Standard & Poor's AA- "Very Strong" and A.M. Best A+ "Superior".

For our investors

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Clemens Jungsthöfel
Chairman of the Executive Board

Dear Shareholders, Ladies and Gentlemen,

Partnership-oriented, pragmatic, reliable – "somewhat different": that's what Hannover Re stands for. Since taking on the role of Chief Executive Officer, I have gained new perspectives on our company's values and felt the appreciation of our clients and business partners. These experiences have confirmed to me that qualities such as these are crucial in times of increasing complexity. They are also reflected in our results.

In 2019 we generated Group net income of EUR 1.28 billion. Today, we have more than doubled this profit. With Group net income of EUR 2.6 billion, we achieved the full-year earnings guidance that we had revised higher in November.

Natural disasters resulted in fewer insured losses in 2025 than in the previous year. Yet the California wildfires and Hurricane Melissa showed the devastating scale of damage that individual events can cause. More extreme weather phenomena, increased losses and geopolitical uncertainties are shaping the environment in which we operate. Despite these challenges, we further boosted our profitability.

After years of significantly improved rates, property and casualty reinsurance now finds itself moving back into a softening market. The high-quality reinsurance protection offered by Hannover Re nevertheless remains in demand. In a world of declining margins, reliable partnerships are of pivotal importance. Life and health reinsurance continues to be a cornerstone of our diversification. On the investment side, we have taken targeted steps to strengthen our resilience by reducing unrealised losses in our fixed-income portfolio to improve future earnings.

These actions, combined with our lean operating model and the strengthening of our reserves, leave us optimally placed to navigate an increasingly challenging market environment. This is how we create space for further profitable growth in partnership with our clients – wherever conditions are commensurate with the risks.

Dear shareholders, with a solvency ratio of 256 percent, robust shareholders' equity and a return on equity of 21.4%, Hannover Re remains an attractive investment. Our new dividend policy underscores this. The payout ratio for the dividend will be around 55 percent of IFRS Group net income going forward. By way of comparison, the payout ratio for the total dividend in 2024 was 46 percent. What is more, we have set ourselves the goal of distributing a dividend per share at least on the level of the previous year and increasing it over the long term. The Executive Board of Hannover Re will therefore propose to the Annual General Meeting a dividend of EUR 12.50 per share for the 2025 financial year.

Our success would not be possible without our greatest strength: the people behind Hannover Re. My special thanks therefore go to our employees for their exceptional dedication. I would like to thank you, our valued shareholders, for your trust.

Together, we shall continue to evolve Hannover Re. With our usual focus, robust resilience and the ambition to build further on proven strengths – to ensure that Hannover Re remains successful in the future.

Yours sincerely

Clemens Jungsthöfel

Executive Board of Hannover Rück SE

As of 31 December 2025

Thorsten Steinmann

Property & Casualty Reinsurance
Worldwide responsibility for Agricultural Risks
Regional responsibility for Continental Europe, Latin America and North Africa

Brona Magee

Life & Health Reinsurance
Worldwide responsibility for Longevity Solutions
Regional responsibility for North America, Bermuda, United Kingdom and Ireland.

Sharon Ooi

Property & Casualty Reinsurance
Worldwide responsibility for Facultative Reinsurance
Regional responsibility for Asia-Pacific and Sub-Saharan Africa

Dr. Christian Hermelingmeier

Asset Management, Finance & Accounting, Reinsurance Valuation & Steering, Tax, Coordination of International Operations, Investor & Rating Agency Relations

Clemens Jungsthöfel

Chief Executive Officer
Corporate Communications, Audit, Operations & Strategy, Information Technology, Risk Management, Actuarial Function, Human Resources, Legal Services, Compliance

Silke Sehm

Property & Casualty Reinsurance
Worldwide responsibility for Catastrophe XL (Cat XL), Structured Reinsurance, Insurance-Linked Securities, Retrocessions, Cyber & Digital

Claude Chèvre

Life & Health Reinsurance
Worldwide responsibility for Life & Health services
Regional responsibility for Africa, Asia, Australia, Latin America, Middle East, Continental Europe

Sven Althoff

Coordination of Property & Casualty Reinsurance business group
Worldwide responsibility for Aviation and Marine, Credit, Surety and Political Risks, Quotations
Regional responsibility for North America, United Kingdom, London Market

From left to right

Hannover Re share

- Share price up 10.3% in a volatile environment
- Dividend proposal: EUR 12.50 per share

Equity markets in a volatile environment

The 2025 stock market year built on the positive trend of prior years. International equity markets benefited from easing inflation as the year progressed as well as the incremental trimming of key interest rates in the United States and Europe. Robust corporate earnings gave markets added tailwind and boosted confidence in a sustained economic recovery. However, geopolitical tensions around the world as well as trade policy measures, in particular increased trade tariffs, led to appreciable volatility at times.

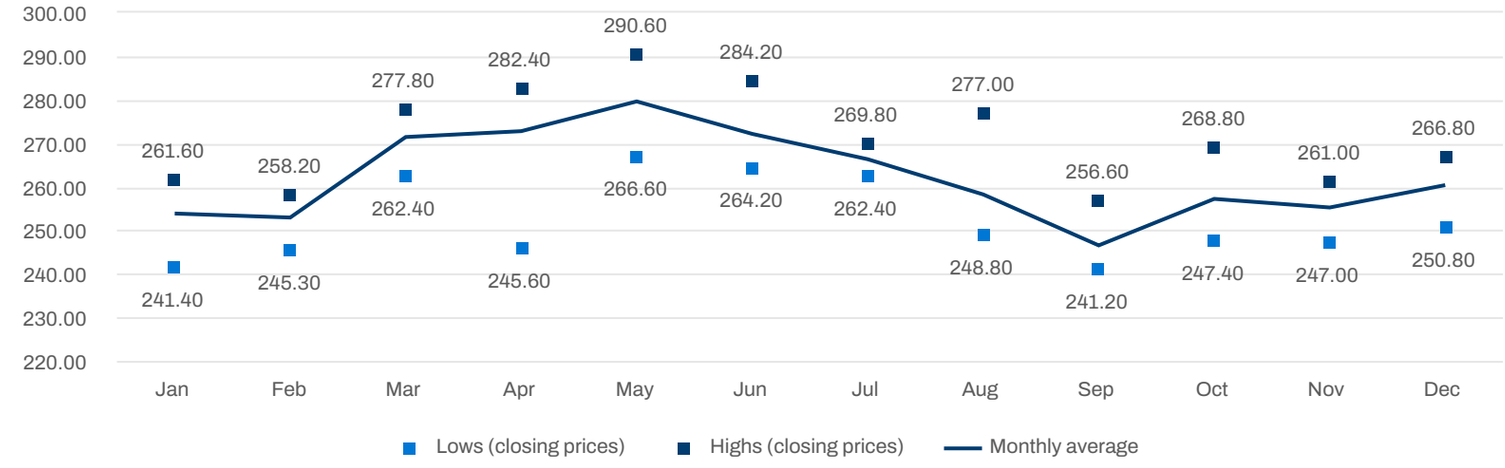
Performance of benchmark indices

in index points	Opening price 2025	Closing price 2025	Change
DAX	19,909.14	24,490.41	+23.0%
S&P 500	5,903.26	6,845.50	+16.0%
MSCI World	3,707.84	4,430.38	+19.5%
STOXX Europe 600 Insurance	410.07	534.91	+30.4%

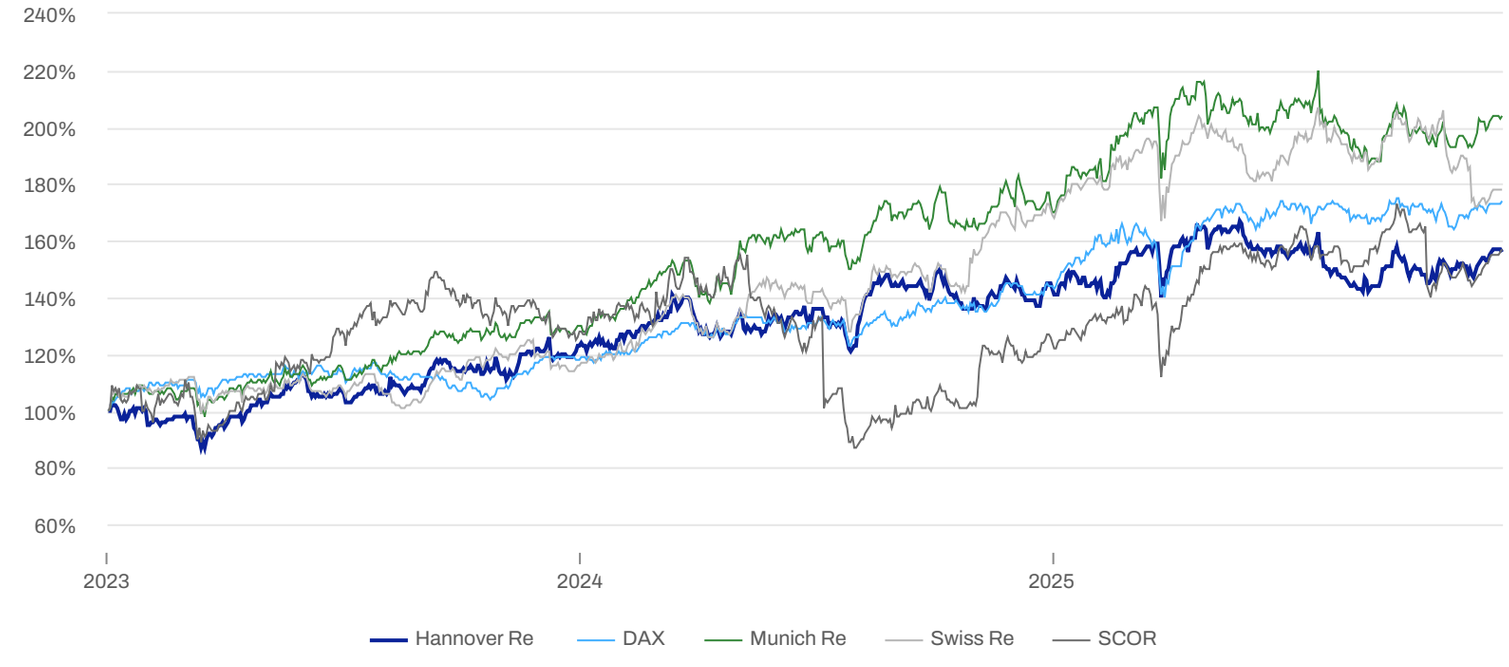
This development was also reflected on the German bellwether index: the DAX initially maintained the positive momentum of the previous year, only to slump sharply in April on the announcement of new US tariffs on European goods. By year-end the index had stabilised, closing out with a significant gain of 23.0%.

The insurance industry also fared extremely well in the 2025 financial year. The sector index STOXX Europe 600 Insurance, comprised of the largest European insurers, closed up 30.4% on the year. Robust balance sheets and strong business results, coupled with sustained healthy demand for insurance solutions, were the major drivers behind this performance. The insurance sector thus ranked among the strongest segments on European financial markets in 2025.

Highs and lows of the Hannover Re share 2025
in EUR



Relative performance of the Hannover Re share (including reinvested dividends)



Hannover Re share in 2025: Positive performance despite price pressure in property and casualty reinsurance

The Hannover Re share similarly delivered a positive performance overall in 2025. Steady increases in revenue and profits, an earnings forecast that was revised upwards and the potential for growth in profitability were key influencing factors.

The Hannover Re share entered the year at EUR 247.20, continuing to rise sharply in the months through to May. It reached its highest point of the year on 5 May 2025 at EUR 290.60. Throughout the remainder of the year, discussions intensified around the growing pressure on prices in the reinsurance industry. This triggered price declines among reinsurance stocks in the months that followed – also impacting Hannover Re.

After a relatively benign hurricane season, the share stabilised in the autumn months. The favourable responses to a modified dividend policy and the outlook for 2026 were still tempered by cautious investor sentiment as regards the future price trend in property and casualty reinsurance. The share ended the year up 10.3% at a closing price of EUR 266.20.

By the end of the 2025 financial year, 21 analysts had handed down opinions on Hannover Re; eleven recommended the Hannover Re share as “buy” or “overweight”, nine were a “hold”. “Underweight” or “sell” recommendations were issued by one analyst.

Annual General Meeting approves dividend increase

The virtual Annual General Meeting of Hannover Rück SE took place on 7 May 2025. In his first address to the General Meeting as Chief Executive Officer, Clemens Jungsthöfel took stock of the development of Hannover Re’s business. With an eye to the current strategy cycle 2024–2026, Hannover Re considers itself well on course to achieve the targets that it has set.

The key themes of his speech were Hannover Re’s profitable growth, robust balance sheet and future-readiness. Through innovations, new products and targeted partnerships, the company seeks to grow while also closing protection gaps. Clemens Jungsthöfel highlighted the importance of reinsurance in the face of global crises and climate change.

The Annual General Meeting approved the proposal made by the Executive Board and Supervisory Board to pay a 25% higher total dividend for the 2024 financial year. The payout is comprised of an ordinary dividend of EUR 7.00 (previous year: EUR 6.00) per share and a special dividend of EUR 2.00 (EUR 1.20) per share. This corresponded to a distribution of EUR 1.1 billion by Hannover Re to its shareholders.

Realignment of the dividend policy

In the autumn of 2025, the Executive Board of Hannover Re adopted a modified dividend policy for future profit sharing.

The payout ratio for the regular dividend is raised to around 55% of IFRS Group net income (payout ratio of the total dividend for 2024: 46%). The goal is to distribute a dividend per share at least on the level of the previous year and to increase it over the long term. The special dividend, a tool which had been routinely used in the past, becomes part of the regular dividend.

The realignment of the dividend policy in the form of an increased payout ratio is motivated by Hannover Re’s very good capitalisation, which enables further attractive and profitable growth despite a higher payout. The Executive Board and Supervisory Board will propose to the General Meeting on 6 May 2026 that a dividend of EUR 12.50 per share should be distributed. This corresponds to an increase of 38.9% compared to the previous year.

Communication with the capital market

The Executive Board and representatives of the Investor Relations team once again kept up a close and continuous dialogue with (institutional) investors and rating agencies in the 2025 financial year.

Hannover Re’s presence at international conferences and roadshows was on a par with the previous year, with activities spanning more than 35 days. The focus remained on the financial centres of Europe and North America, while contacts with investors in the Asia-Pacific region were also stepped up.

At Hannover Re’s Investors’ Day held in Frankfurt on 9 October 2025, numerous analysts and investors made the most of the opportunity to obtain extensive insights into the development of the company’s business. The presentations centred around growth opportunities in the property & casualty and life & health reinsurance segments as well as on the investment side. The core takeaway: Hannover Re will continue to improve its results.

Further growth in the number of shareholders

Hannover Re’s share register showed 100,809 shareholders at the end of the year, another increase in the number of shareholders year-on-year (78,550). The largest shareholders at year-end were Talanx AG with 50.2%, as well as BlackRock, Inc. with a reported 3.16%, Deutsche Asset Management Investment GmbH with a reported 3.0% and FMR LLC with a reported 3.0% of the voting rights. Within the free float, institutional investors accounted for 37.7% (38.6%) of the total shares outstanding, while private investors held 12.0% (11.2%).

Basic information

Securities identification number / ISIN	840221 / DE 000 840 221 5
Ticker symbols	HRN1 (Bloomberg), HRNGn (Reuters), HVRRY (ADR)
Exchange listings	
Germany	Xetra, Frankfurt, Munich, Stuttgart, Hamburg, Berlin, Düsseldorf, Hannover (official trading: Xetra, Frankfurt and Hannover)
United States	American Depositary Receipts (Level 1 ADR program; 6 ADRs = 1 share)
Market segment	Prime Standard
Index membership	DAX
First listed	30 November 1994
Number of issued shares (as at 31 December 2025)	120,597,134
Share capital	EUR 120,597,134.00
Class of shares	No-par-value registered shares

Key figures

in EUR	2016 [1]	2017 [1]	2018 [1]	2019 [1]	2020 [1]	2021 [1]	2022 [2]	2023	2024	2025
Number of shares in million	120.6	120.6	120.6	120.6	120.6	120.6	120.6	120.6	120.6	120.6
Annual low [3]	84.12	95.95	104.70	116.40	107.50	128.00	131.35	162.65	212.10	241.20
Annual high [3]	106.20	115.65	125.30	175.20	192.40	167.95	187.60	228.90	263.50	290.60
Year-opening price [3]	105.65	102.80	104.90	117.70	172.30	130.30	167.15	185.50	216.30	247.20
Year-ending price [3]	102.80	104.90	117.70	172.30	130.30	167.15	185.50	216.30	241.40	266.20
Market capitalisation at year-end in EUR million	12,397.4	12,650.6	14,194.3	20,778.9	15,713.8	20,157.8	22,370.8	26,085.2	29,112.1	32,103.0
Equity attributable to shareholders of Hannover Rück SE in EUR million	8,997.2	8,528.5	8,776.8	10,528.0	10,995.0	11,885.0	9,059.7	10,126.8	11,794.5	12,928.7
Book value per share	74.61	70.72	72.78	87.30	91.17	98.55	75.12	83.97	97.80	107.21
Earnings per share (basic and diluted)	9.71	7.95	8.79	10.65	7.32	10.21	6.47	15.13	19.31	21.90
Dividend per share	5.00	5.00	5.25	5.50	4.50	5.75	6.00	7.20	9.00	12.50 [4]
Base dividend per share	3.50	3.50	3.75	4.00	4.50	4.50	5.00	6.00	7.00	—
Special dividend per share	1.50	1.50	1.50	1.50	—	1.25	1.00	1.20	2.00	—
Cash flow per share	19.33	14.05	18.45	20.81	26.79	40.97	41.02	47.99	47.11	47.16
Return on equity (after tax) [5] in %	13.7	10.9	12.2	13.3	8.2	10.8	8.2	19.0	21.2	21.4
Dividend yield [6] in %	4.9	4.8	4.5	3.2	3.5	3.1	3.2	3.3	3.7	4.7
Price-to-book (P/B) ratio [6]	1.4	1.5	1.6	2.0	1.4	1.7	2.5	2.6	2.5	2.5
Price/earnings (P/E) ratio [6]	10.6	13.2	13.4	16.2	17.8	16.4	28.7	14.3	12.5	12.2
Price-to-cash flow (P/CF) ratio [6]	5.3	7.5	6.4	8.3	4.9	4.1	4.5	4.5	5.1	5.6

[1] IAS 39, IFRS 4
[2] Restated pursuant to IAS 8
[3] Xetra daily closing from Bloomberg
[4] Proposed dividend, dividend policy modified in 2025
[5] Earnings per share / average of book value per share at start and end of year
[6] In relation to year-end closing price

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Foundations of the Group

Business model and strategy

- Worldwide reinsurance, transacting all lines of property & casualty and life & health reinsurance with the goal of achieving the broadest and most balanced possible diversification both regionally and in relation to the underlying risks
- Competitive advantages due to our low cost of capital and administrative expenses
- Financial strength secured through sophisticated risk management
- Commitment to responsible and transparent corporate governance geared to long-term success

The Hannover Re Group is one of the world's leading reinsurers. Hannover Rück SE is a European Company, Societas Europaea (SE), based in Hannover, Germany.

The strategy cycle at Hannover Re spans three years. The Group strategy 2024–2026 “Staying Focused. Thinking Ahead.” is focused on industry-leading performance in terms of profitability and earnings growth, reliable economic value creation as well as an attractive and increasing dividend. Hannover Re’s capital strength is another strategic criterion. Along with these financial targets, the ambition set out in the Group strategy also includes strategic targets in relation to employee engagement and environmental stewardship. The Group strategy is specified and supported by corresponding business group strategies.

Our business model is aligned with our Group strategy. It is focused on reinsurance, which we transact worldwide in the Property & Casualty and Life & Health reinsurance business groups. In this way, we strive for the broadest possible diversification and hence an efficient risk balance. This is achieved by accepting reinsurance risks with mostly little or no correlation across all lines and regions of property & casualty and life & health reinsurance. In conjunction with efficient capital management, this is the key to our comparatively low cost of capital.

Guided by a clearly defined risk appetite, the Executive Board steers the company with the support of risk management to capitalise on business opportunities while securing our long-term financial strength.

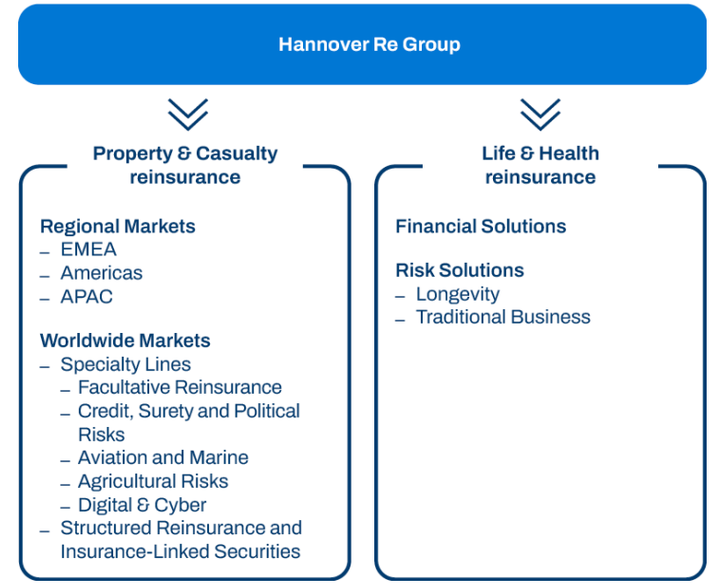
Primary insurers and their customers alike benefit from a robust and resilient insurance market. The extensive spreading of original risks across different risk carriers is a major aspect of the value chain in the insurance industry. In this way, not only do primary insurers obtain protection for their risks from reinsurers, but reinsurers are also able to partially pass on risks to so-called retrocessionaires. The resulting diversification has positive effects on primary insurers’ stability, capacity and power of innovation and hence also on policyholders.

Our business operations are committed to being the preferred business partner for our clients. It is for this reason that our clients and their concerns are at the core of our activities.

By conducting our reinsurance business with lower administrative expenses than our peers, we generate competitive advantages to the benefit of our clients and shareholders. This enables us to deliver above-average profitability and at the same time offer our customers reinsurance protection on competitive terms.

Our subsidiary E+S Rückversicherung AG (E+S Rück), as the “Reinsurer for Germany”, offers a range of products and services tailored to the specific features of the German market. Of special importance here are the mutual insurers with whom we maintain a strategic partnership that is underscored through their participation in E+S Rück.

Business groups of the Hannover Re Group



In the Property & Casualty reinsurance business group we consider ourselves to be a reliable, flexible and innovative market player that ranks among the best in any given market. Cost leadership, effective cycle management and superlative risk management are the key elements of our competitive positioning. Particularly in the current market environment, we actively manage our portfolio to ensure long-term profitability on the underwriting side.

In the Life & Health reinsurance business group we are recognised – as customer surveys confirm – as one of the top players for traditional covers and a leading provider of structured solutions. We achieve this, among other things, by anticipating the future needs of our customers through the early identification of trends.

With a view to assuring Hannover Re's lasting stability, our strategy is grounded on a solid foundation: sustainability and integrated corporate governance. Sustainability reflects our aspiration to economic, social and environmental accountability. Through integrated corporate governance we foster the trust placed in Hannover Re, especially by regulators and investors but also by our clients and staff.

Management system

Value-based management

Our integrated system of enterprise management constitutes the basis for attainment of our strategic objectives. It is geared to achieving our earnings and growth targets on a sustained basis and ensuring long-term stability. In addition to traditional key performance indicators geared to the IFRS balance sheet and income statement, our system of strategic targets also includes economic targets derived from our internal capital model approved by the regulator and from the economic equity pursuant to Solvency II reporting. The targets are regularly analysed and adjusted in the context of the strategy review conducted at periodic intervals. Given that reinsurance business is subject to cyclical fluctuations, our primary focus is on medium- and long-term attainment of the strategic targets across the cycle.

We seek to deliver industry-leading performance in terms of profitability and earnings growth, reliable economic value creation as well as an attractive and increasing dividend. Furthermore, we aspire to a high level of employee engagement and environmental stewardship. In concrete numbers, Hannover Re is looking to generate a return on equity of more than 14% and EBIT growth of more than 5% per year on average over the three-year strategy cycle. An increase in the contractual service margin (net) of more than 2% per year on average is targeted across the cycle. In addition, the capital adequacy ratio under Solvency II shall be greater than 200%.

Target attainment

Key metrics	Targets for 2025	Target attainment
Return on Equity	> 14 %	21.4%
EBIT growth	> 5 %	5.7%
CSM growth	> 2 %	-3.1%
Solvency II ratio [1, 2]	> 200 %	256.4%
Dividend	> previous year	achieved

[1] This information has not been audited by the independent auditor.
[2] According to our internal capital model and Solvency II requirements

Value-based management and capital allocation

Value-based management, which constitutes a core element of our management system, is focused on maximising the value of the company. The basis of value-based management is the risk-appropriate allocation of capital to the individual business activities. This enables us to evaluate the acceptance of underwriting risks and investment risks both in light of individual risk/return aspects and against the backdrop of our overall risk appetite. Based on our internal capital model, the allocation of capital is optimised to generate a sustainable return. Starting out from the Group's overall risk situation, capital is first allocated to the functional areas of underwriting and investments. We then further divide the capital within the underwriting sector, first between the business groups of Property & Casualty reinsurance and Life & Health reinsurance and then between the various reinsurance products according to risk categories/treaty types and lines. In this way, we ensure consistent adherence to our profit targets – allowing for risk, cost and return considerations – in the evaluation and pricing of our various reinsurance products and we generate long-term value creation.

IVC – the strategic management ratio

In order to manage the portfolios and individual treaties we apply underwriting-year-oriented measurement principles based on expected cash flows that appropriately accommodate the specific characteristics of property & casualty and life & health reinsurance. The attainment of targets in a particular financial year is also of interest – especially from the standpoint of shareholders. Based on our economic measurement and our internal capital model, the foundation of our enterprise management, we strive to generate a profit in excess of the cost of capital. This return – which is the decisive ratio for the management of our business activities – is referred to as Intrinsic Value Creation (IVC).

The IVC ratio makes it possible to compare the value contributions of the Group as a whole, its two business groups and the individual operational units. This enables us to reliably identify value creators and value destroyers.

In this way, we can
- optimise the allocation of capital and resources,
- identify opportunities and risks,
- measure strategy contributions with an eye to our demanding profit and growth targets, and
- secure profitable growth.

The IVC (Intrinsic Value Creation) is calculated according to the following formula: adjusted economic profit – (capital allocated × weighted cost of capital) = IVC.

The adjusted economic profit is comprised of two factors, each of which is considered after tax: the reported IFRS Group net income and the change in the unrealised gains and losses recognised in the contractual service margin, after adjustment for reserving components. The latter makes allowance in the calculated values for economic effects not recognised in profit or loss under IFRS. In addition, interest on hybrid capital already recognised in the IFRS Group net income and the non-controlling interest in profit or loss are included back in the calculation.

The allocated capital consists of the economic equity pursuant to Solvency II including non-controlling interests and the hybrid capital. Capital is allocated to the profit centres as described above according to the risk content of the business in question. A systematic distinction is made here between the assumption of underwriting risks, on the one hand, and investment risks, on the other.

In calculating the cost of capital, our assumption – based on a Capital Asset Pricing Model (CAPM) approach – is that the investor's opportunity costs are 625 basis points above the risk-free interest rate, meaning that economic value is created above this threshold. Our strategic return on equity target of more than 14% thus already contains a substantial target value creation. We allocate equity sparingly and use equity substitutes to optimise our average cost of capital, which amounted to (unaudited by the independent auditor) 5.7% in 2025 (previous year: 5.2%).

Since comparison of absolute amounts is not always meaningful, we have introduced the xRoCA (excess return on capital allocated) in addition to the IVC. This risk-adjusted return describes the IVC in relation to the allocated capital and shows us the relative excess return generated above and beyond the weighted cost of capital.

The close interlinking of our internal capital model with the capital allocation and value-based management helps us to fulfil the requirements of the Solvency II use test.

Operational management system

A number of IFRS-based financial KPIs are also embedded in our strategic system of targets and coordinated with our metrics for value creation derived from the internal capital model. We use these KPIs for the implementation of strategy within the year in our operational management, in part because they are available promptly and also because they already provide initial pointers as to whether we are likely to achieve our higher-order strategic objectives. For 2025, these were the growth in reinsurance revenue and the EBIT for both business groups and the return on investment for the Group as a whole.

Management by Objectives

Key performance indicators from our management system are integrated into the individual agreements on objectives with managers. When it comes to the definition of objectives, the participants take into account not only standardised financial indicators but also non-financial variables derived from the strategic parameters. Further information on the individual objectives and associated remuneration elements of the members of the Executive Board is provided in the separately published remuneration report.

Report on economic position

Macroeconomic climate and industry-specific environment

- Slightly slower growth in the world economy year-on-year
- S&P Global Ratings reaffirms stable outlook for global reinsurance sector
- Insured losses from natural catastrophes again over USD 100 billion

Macroeconomic climate

The global economy proved to be more robust than anticipated in 2025, even though the underlying weaknesses persisted. Positive factors identified by the Organisation for Economic Co-operation and Development (OECD) included supportive macroeconomic policy, improved financing conditions, rising investments and optimism around the impacts of artificial intelligence. This helped to support demand and cushion the negative effects of political uncertainty and increasing trade barriers.

After getting off to a strong start before higher US tariffs came into effect, growth in global trade slowed over the remainder of the year. Despite successes in the fight against inflation, price increases in some countries had still not returned to target levels, while softer demand for labour became evident on the job market. According to OECD estimates, the pace of growth in the global economy has likely slowed slightly to 3.2% (previous year: 3.3%).

In the United States, vigorous investment in information technology and software fired up growth, offsetting weaker private consumption. The scale of these investments is all the more remarkable given that they had already reached a high level in the US, roughly twenty times that of investment spending in the United Kingdom or Canada. Other technology-related investments also surged sharply higher. Real investment in data centre construction in the first half of 2025 increased by 21% on an annualised basis, accounting for more than 5% of total investment in non-residential construction. The recent strength of investment in data centres in the US can probably be attributed in part to the greater use of AI technologies.

In contrast, corporate investments in the euro area were sluggish overall, even though declining inflation rates, rising real income and more accommodative fiscal policies supported the economy. The OECD assessed GDP growth as surprisingly robust in many emerging economies.

Economic development by regions

in %	GPD 2024	GPD 2025
USA	2.8	2.0
Europe		
Eurozone	0.8	1.3
Germany	-0.5	0.3
France	1.1	0.8
UK	1.1	1.4
Asia		
China	5.0	5.0
Japan	-0.2	1.3
Australia	1.1	1.8
World	**3.3**	**3.2**

Source: OECD Economic Outlook, Volume 2025, Issue 2

Capital markets

The investment landscape was once again highly volatile in the 2025 reporting period. Markets were overshadowed by protracted uncertainty, triggered by global trade disputes, geopolitical tensions and monetary policy realignment on the part of some central banks.

This was also reflected once again in volatile interest rate markets. At the same time, though, the inverted yield curves of the past – especially in the EUR and GBP areas – normalised again. US Treasuries saw sometimes significant rate declines across all maturities. This development reflects, on the one hand, the easing of monetary policy in response to lower current inflation rates, and, on the hand, the markets' structural risk assessment with an eye to future inflation and supportive economic framework conditions.

The European Central Bank and the Bank of England forged ahead with their more accommodative interest rate policy, making multiple additional rate cuts over the course of the year, while the US central bank pressed the pause button on its previous cycle of interest rate reductions in the first six months of the year, only to make three more modest cuts in the second half of the year. Overall, the policy pursued by central banks in the main currency areas continued to thread the needle between, on the one hand, controlling the potential for inflation that still exists, while, on the other hand, delivering appreciable macroeconomic stimuli and stabilising economic momentum, which in some areas remains fragile.

At the beginning of the second quarter, tariff announcements by the US administration prompted considerable jitters on credit markets, as reflected in sharply increased risk premiums. By the end of the period under review, however, these were largely back around their long-term lows and were thus on the level prior to the tariff proclamations.

The robust state of the economy, especially in the United States, falling inflation and interest rate cuts led to new record highs on almost all major equity indices. Gold, too, soared to new record levels, while cryptocurrencies again experienced wild swings. While we do not invest directly in either of these asset classes, they serve among other things as indicators for the risk appetite and inflation expectations of market players.

The euro fluctuated rather sharply in value against the US dollar over the course of the year, closing the year under review on a significantly higher level. The euro similarly moved higher against the British pound and Chinese renminbi. The gains made by the euro here, as against the Australian and Canadian dollar, were nowhere near as considerable as against the US dollar.

Industry-specific environment

The trend towards more buyer-friendly market conditions gathered added pace in the mid-year treaty renewals. Along with traditional reinsurance, increased capacity also became available from the insurance-linked securities (ILS) markets, which appreciably stepped up the competitive intensity. The rating agency S&P Global Ratings nevertheless retained its stable outlook for the global reinsurance sector for the third time in a row. It cited as justification the robust capital resources and expectations of strong earnings, while noting that the pressure from US liability insurance continues to present headwinds. In addition, S&P Global Ratings expects reinsurers to maintain their discipline and treaty conditions to hold stable despite the price pressure in the industry. Notwithstanding the losses caused by the California wildfires in January 2025, the reinsurance sector will likely have earned its cost of capital in 2025. According to the rating agency's basic scenario, the global reinsurance sector's undiscounted combined ratio for 2025 will be in the range of 94 to 96%, after 92% in the previous year. Reinsurance capital is projected to have reached a record level of USD 838 billion at the end of 2025. Traditional capital is expected to have increased by around 8% to USD 710 billion, with alternative capital growing by roughly 12% to USD 128 billion.

Insured losses from natural catastrophes are forecast to have surpassed the USD 100 billion level for the sixth time in succession in 2025. At an estimated USD 107 billion, however, they likely remained 3% below the ten-year average. The bulk of the losses were attributable to the United States, with the California wildfires at the beginning of 2025 and severe convective storms responsible for particularly heavy expenditures. Despite an active hurricane season, the associated loss expenditures remained moderate. While Europe experienced heavy hailstorms in May and June, the insured losses were limited in scale. All in all, severe convective storms continued to be a key factor in the worldwide losses caused by natural catastrophes.

Southeast Asia suffered severe flooding and flash floods in November, especially in Vietnam, Thailand and Indonesia. A complex weather phenomenon, in which several cyclone systems and an intensified monsoon collided, resulted in a destructive combination of rain, landslides and flash floods with widespread devastation.

Regulatory developments

Numerous regulatory developments occurred on the international, European and national level in 2025. Growing protectionism presented additional barriers to market access in many parts of the world. These developments pose challenges for the cross-border business of global reinsurance.

Substantial legislative progress was made in 2025 as part of the Solvency II review. The amended Solvency II Directive was published in the Official Journal of the European Union on 8 January 2025. The Member States are required to transpose the new regulations into national law within two years, with the rules becoming applicable from 30 January 2027. Supplementary to this, the European Commission published a draft delegated regulation in July 2025 that was open for public consultation until September. The final draft was presented in October and specified the Level 2 amendments, in particular with regard to the valuation of liabilities, capital requirements, reporting and disclosure obligations as well as group supervision.

Parallel to the Solvency II review, the Insurance Recovery and Resolution Directive (IRRD) also moved forward significantly. The directive was similarly published in the Official Journal of the European Union on 8 January 2025 and entered into force on 28 January. Transposition into national must be completed by no later than 29 January 2027, with application also envisaged effective 30 January 2027. In accordance with the IRRD, recovery and resolution plans will be drawn up at the request of the supervisory or resolution authority in 2027 at the earliest. In the course of the year, EIOPA held several rounds of consultations on technical standards focusing on the design of recovery and resolution plans, the assessment of resolvability, the definition of critical functions and the setting up of Resolution Colleges.

On the global level, the Insurance Capital Standard (ICS) entered into force in January 2025. The International Association of Insurance Supervisors (IAIS) additionally published further Level 2 texts and calibration documents. Furthermore, the high-level principles for the assessment of national implementation, which are intended to serve as a basis for self-assessment, were adopted in July. The steps mark the transition from pure standard setting to operational implementation and pave the way for the planned global implementation assessments from 2027 onwards. Given that Solvency II is to be considered a direct implementation of the ICS in the EU, it is unlikely that further supervisory implications are to be anticipated for the Hannover Re Group.

In February 2025, the European Commission published the Sustainability Omnibus Package containing several proposals to simplify the EU framework for sustainability reporting. The European Parliament and the Council adopted a directive in April 2025 postponing the application deadlines for the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD) for certain undertakings, although this does not affect Hannover Re's reporting obligations. In December 2025, a trilogue agreement was reached on further content amendments to both directives, among other things significantly reducing their scope of application. The new application thresholds of the CSDDD apply exclusively to companies with more than

5,000 employees and more than EUR 1.5 billion in turnover. Hannover Re has fewer than 5,000 employees at the current point in time.

With a view to further easing the burden on companies associated with CSRD reporting, the European Commission also issued a mandate to simplify the European Sustainability Reporting Standards (ESRS). Following extensive consultation activities, the European Financial Reporting Advisory Group (EFRAG) presented a reform proposal that is currently under review by the Commission. The revised ESRS are expected to be finalised by the middle of 2026. In September 2025, the federal government presented a draft bill for implementation of the CSRD. Originally planned for 2025, adoption was delayed to take into account adjustments from the Omnibus Package. The legislative procedure is expected to be finalised in 2026.

As part of the Omnibus Package, the European Commission also adopted a Delegated Regulation in July 2025 containing amendments to taxonomy reporting; among other things, it introduced a materiality threshold for financial materiality of 10% of the relevant KPI denominator. Furthermore, companies were temporarily granted the option to defer taxonomy reporting until 31 December 2027. Hannover Re is not exercising this option in the current reporting year.

The federal government also introduced draft legislation in September 2025 amending the German Supply Chain Due Diligence Act (LkSG) to ease the reporting requirements for companies affected by the LkSG. The draft bill, which has still to be passed into law, envisages the retroactive removal of reporting obligations under the LkSG and limits fines to severe human rights violations. In view of the planned relief measures, the Federal Office for Economic Affairs and Export Control (BAFA) was instructed to suspend reviews of reports and to impose fines only in the case of serious violations.

The EU AI Act, which has been in force since August 2024, has already been in a phased implementation process since February 2025. The remaining regulations governing the handling of high-risk systems were originally intended to take effect from August 2026, but will now probably be linked to the Digital Omnibus, thereby further delaying their implementation. The Digital Omnibus is the European Commission's 2025 simplification package intended to consolidate overlapping digital regulations in the areas of data, AI, cybersecurity and reporting obligations. The accompanying trilogue negotiations are expected to extend through 2026, with significant implications therefore not expected before 2027. Hannover Re welcomes the Digital Omnibus in principle. The most notable positive feature is the future single entry point for reporting ICT incidents. Some aspects, however, are coming under criticism in the insurance sector, including for example the potential legal uncertainty – especially due to the "pending" postponement of high-risk AI obligations without a fixed deadline as well as the continuing duplication of regulation between the AI Act, GDPR, Solvency II and DORA.

The Financial Data Access Regulation (FiDA) underwent crucial developments in 2025: following submission of the proposal by the European Commission in 2023, the trilogue negotiations between the Commission, Parliament and Council began in April 2025. In May 2025 the Commission published a "non-paper" proposing simplification of the FiDA that envisages, among other things, a ten-year time limit for data, the exclusion of large corporations (including Big Tech and reinsurers) as well as phased implementation. Gatekeepers for third-country companies, specifically Big Tech firms, are also under discussion. It is our expectation that reinsurers will only be defined as "data users" and not as "data owners" under the FiDA and will therefore potentially have fewer compliance obligations to fulfil. This assessment is shared by the German Insurance Association (GDV). The FiDA is expected to enter into force in 2028 at the earliest.

When the Digital Operational Resilience Act (DORA) came into effect on 17 January 2025, the requirements around the digital resilience of financial undertakings underwent a fundamental overhaul. For insurance companies, this means the complete replacement of the previous VAIT requirements ("Supervisory Requirements for IT in Insurance Undertakings"). The DORA regulation defines consistent Europe-wide standards for information and communication systems. In addition, the amendment of § 35 (1) Insurance Supervision Act (VAG) requires independent auditors for the first time to evaluate compliance with these standards as part of their audit of financial statements. The German Institute of Public Auditors (IDW) published the audit standard IDW EPS 528 (08.2025) to support these new audit requirements.

Overall assessment of the business position

The development of Hannover Re's business was extremely satisfactory in the 2025 financial year despite a continued challenging macroeconomic and geopolitical landscape. Both business groups, namely Property & Casualty reinsurance and Life & Health reinsurance, delivered good results.

Expenditures for large losses remained within our budgeted expectation in property and casualty reinsurance. The combined ratio improved significantly and beat the target that we had set. The good results in life and health reinsurance were facilitated above all by sustained strong demand for financial solutions and longevity covers. Our investment result came in below the level of the previous year, primarily due to the strategic reduction of unrealised losses. Overall, therefore, we achieved the Group net income guidance that we had revised higher in November.

At the time of preparing the management report, it remains the case that both the business position of the Group and its financial strength can be assessed as very good. Within the framework of our Group strategy, we determine our necessary equity resources according to the requirements of our internal capital model, solvency regulations, the expectations of rating agencies for our target rating and the expectations of our clients and shareholders.

Business development

- Reinsurance revenue (gross) on the Group level up by 4.7% to EUR 26.8 billion adjusted for exchange rate effects
- Property and casualty reinsurance: Reinsurance revenue increases to EUR 18.8 billion
- Large losses in property and casualty reinsurance within budgeted expectation
- Life and health reinsurance: Result grows in line with expectations
- Contractual service margin (net) decreases by -3.1% to EUR 7.9 billion
- Return on investment of 2.5% below target of around 2.9% due to active realisation of unrealised losses
- Group net income increases by 13.4% to EUR 2.6 billion
- Return on equity reaches 21.4%

As one of the leading reinsurers in the world, Hannover Re has a far-reaching international network and extensive underwriting expertise. On this basis, we are able to offer our customers traditional, tailor-made and innovative reinsurance solutions and we work with them to open up new business opportunities.

The 2025 financial year passed off extremely satisfactorily for Hannover Re. In view of the challenges noted around the world, high-quality reinsurance protection remains in demand. Against this backdrop, our business continued to deliver selective and profitable growth.

Reinsurance revenue (gross) for the Group increased by 1.5% in the 2025 financial year to EUR 26.8 billion (previous year: EUR 26.4 billion). At constant exchange rates, growth would have reached 4.7%.

The reinsurance service result (net), reflecting the profitability of underwriting activity after deduction of business ceded (primarily retrocessions and insurance-linked securities), rose by a substantial 15.8% to EUR 3,496.1 million (EUR 3,018.5 million). The reinsurance finance result (net) adjusted for exchange rate effects, which is structurally negative, changed by 22.3% to EUR -1,363.3 million (EUR -1,115.0 million).

The currency result improved significantly to EUR 243.2 million (EUR -108.0 million), driven primarily by the appreciation of the euro against the US dollar. Other income and expenses amounted to EUR -541.2 million (EUR -482.9 million). The operating profit (EBIT) rose by 5.7% to EUR 3,507.7 million (EUR 3,317.6 million).

Expenditure for taxes decreased to EUR 645.3 million (EUR 816.5 million). This was lower than anticipated due to, among other things, a one-time tax effect associated with the reform of corporate taxation in Germany as well as different regional profit contributions.

Group net income increased to EUR 2.6 billion (EUR 2.3 billion). We thus achieved our earnings guidance, which we had raised to around EUR 2.6 billion. Earnings per share stood at EUR 21.90 (EUR 19.31).

The shareholders' equity attributable to shareholders of Hannover Rück SE amounted to EUR 12,928.7 million (EUR 11,794.5 million) as at 31 December 2025. The increase in shareholders' equity derived principally from the Group profit generated less the dividend distributed to shareholders of Hannover Re for the 2024 financial year. The return on equity stood at 21.4% (21.2%) and thus exceeded our financial ambition of more than 14% defined for our strategy cycle 2024–2026. The book value per share reached EUR 107.21 (EUR 97.80).

The contractual service margin (net) decreased by -3.1% to EUR 7,907.7 million (EUR 8,162.4 million). The risk adjustment for non-financial risk changed by -6.6% to EUR 3,740.6 million (EUR 4,004.1 million).

The total policyholders' surplus, consisting of shareholders' equity, non-controlling interests and hybrid capital, amounted to EUR 16.7 billion (EUR 15.9 billion) as at 31 December 2025.

Reinsurance revenue (gross) in our Property & Casualty reinsurance business group rose by 3.8% adjusted for exchange rate effects.

Payments for large losses amounting to EUR 1.7 billion remained below our budgeted expectation for the financial year of EUR 2.1 billion. The combined ratio in property and casualty reinsurance improved year-on-year to 84.0% (86.6%). It thus came in below the revised target of less than 87%, despite further provision for risks in aviation business and continued adherence to our conservative reserving policy.

Thanks to its comparatively low administrative expenses and cost of capital as well as its above-average financial strength, Hannover Re has been and remains able to assert itself successfully in the market. Based on our positioning as one of the largest and most robustly capitalised reinsurers in the world, we enjoy sustained very good access to profitable business. The operating profit (EBIT) booked in property and casualty reinsurance improved by 10.4% to EUR 2,635.3 million (EUR 2,387.3 million).

Reinsurance revenue (gross) booked in the Life & Health reinsurance business group grew by 6.8% adjusted for exchange-rate effects. The reinsurance service result (net) reached EUR 903.0 million (EUR 882.9 million), comfortably surpassing the target of more than EUR 875 million. The operating result (EBIT) in life and health reinsurance contracted to EUR 886.1 million (EUR 933.9 million), primarily owing to lower contributions from the investment income and currency result.

Our portfolio of investments amounted to EUR 66.3 billion at the end of the year (EUR 65.9 billion). The investment result deteriorated compared to the previous year by -16.6% to stand at EUR 1,672.9 million (EUR 2,005.1 million). This was attributable in particular to the strategic realisation of unrealised losses in our fixed-income portfolio. The resulting return on our investments stood at 2.5% and thus fell short of our revised full-year target of around 2.9%.While we were unable to achieve some of the guidance shown in the following table, for the most part we even outperformed it.

Business development and guidance in the year under review

	Guidance 2025	Revised [2]	Actual 2025
Growth in reinsurance revenue (gross) in P&C reinsurance [1]	more than 7.0%	—	3.8%
Combined ratio in P&C reinsurance	< 88%	< 87%	84.0%
Reinsurance service result (net) in Life & Health reinsurance	> EUR 875 million	—	EUR 903 million
Return on investment	at least 3.2%	around 2.9%	2.5%
Group net income	around EUR 2.4 billion	around EUR 2.6 billion	EUR 2.6 billion

[1] At constant exchange rates
[2] The guidance was revised in November 2025.

Results of operations

Property & Casualty reinsurance

- Reinsurance revenue (gross) grows by 3.8% adjusted for exchange rate effects
- New business CSM (net) amounts to EUR 3.1 billion
- Broadly stable conditions and risk-adequate prices in the various rounds of treaty renewals during 2025
- Large losses below budgeted expectation
- Combined ratio improves to 84.0%
- Operating profit rises sharply by 10.4% to EUR 2,635.3 million

The business experience in property and casualty reinsurance was extremely satisfactory in 2025.

The treaty renewals held throughout the year resulted in broadly stable conditions and continued risk-adequate prices. In view of the ongoing good state of the market, Hannover Re made the most of growth opportunities to further profitably expand its portfolio.

Treaty renewals in 2025

in %	As at 1.1.	As at 1.4.	As at 1.6./1.7.
Change in premium income	+7.6	+10.4	-2.1
Risk-adjusted prices	-2.1	-2.4	-2.9

The outcome of the treaty renewals held throughout 2025 together with our quality-focused underwriting approach are reflected in the positive development of the new business CSM (net), which was boosted by a substantial 12.1% to EUR 3,063.1 million (previous year: EUR 2,732.6 million) in the 2025 financial year.

Reinsurance revenue (gross) in property and casualty reinsurance grew by a modest 0.6% to EUR 18,770.5 million (EUR 18,664.7 million). Growth would have reached 3.8% at constant exchange rates.

Net expenditures from large losses in the 2025 financial year came to EUR 1,725.1 million (EUR 1,629.2 million) and thus came in under our budgeted full-year expectation of EUR 2.1 billion. Although fewer events were recorded overall, individual natural catastrophes led to above-average loss amounts.

The largest payments (net) for individual losses were for the California wildfires at the start of 2025 in an amount of EUR 595.4 million, Hurricane Melissa in October at EUR 328.5 million, the earthquake in Myanmar at a cost of EUR 118.1 million and severe hailstorms that impacted Australia in November to the tune of EUR 102.3 million. Furthermore, Hannover Re made provision for additional risks in the financial year. Most notably, we further increased our loss reserves for risks in the aviation sector.

The reinsurance service result (net) climbed to EUR 2,593.0 million (EUR 2,135.6 million). The included new business LC (net) reached EUR 32.7 million (EUR 42.0 million). The combined ratio improved from 86.6% to 84.0%, principally due to the improved profitability of the business and underutilisation of the large loss budget. The reinsurance finance result (net) adjusted for exchange rate effects amounted to EUR -1,173.3 million (EUR -944.7 million).

The net investment result for the Property & Casualty reinsurance business group contracted sharply to EUR 1,301.0 million (EUR 1,607.3 million). This development was influenced primarily by the active realisation of unrealised losses in the investments so as to enhance the portfolio's future profitability. The operating profit (EBIT) increased to EUR 2,635.3 million (EUR 2,387.3 million) on the back of the substantially improved reinsurance service result, among other factors.

On the following pages we report in detail on developments in our Property & Casualty reinsurance business group. This is split into a number of reporting categories, sorted according to regional markets and worldwide markets.

Key figures for Property & Casualty reinsurance

in EUR million	2024	2025	+/- previous year
Reinsurance revenue (gross)	18,664.7	18,770.5	+0.6%
Reinsurance service result (net)	2,135.6	2,593.0	+21.4%
Reinsurance finance result (net) [1]	-944.7	-1,173.3	+24.2%
Investment income	1,607.3	1,301.0	-19.1%
Operating result (EBIT)	2,387.3	2,635.3	+10.4%
EBIT margin [2]	15.0%	16.3%	
Combined ratio [3]	86.6%	84.0%	
New business CSM (net)	2,732.6	3,063.1	+12.1%

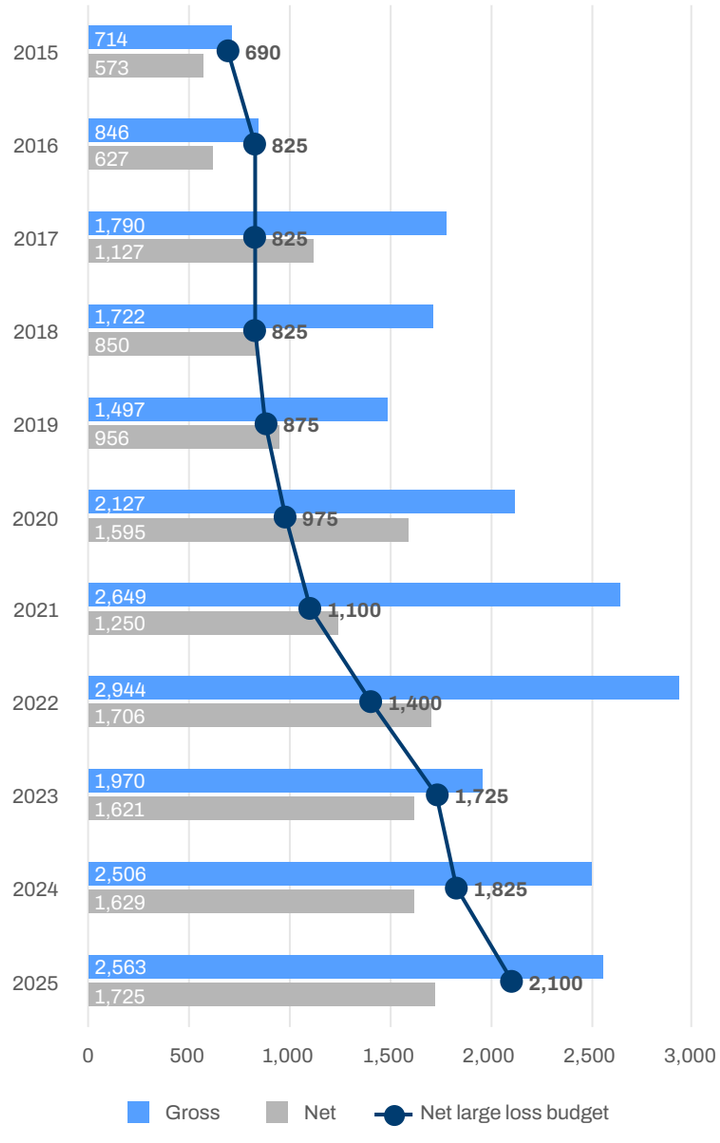
[1] Excluding exchange rate effects
[2] EBIT / reinsurance revenue (net)
[3] Reinsurance service expenses (net) / reinsurance revenue (net)

Property & Casualty reinsurance: Revenue development in individual markets and lines in 2025

in EUR million	Reinsurance revenue (gross) 2024 [1]	Reinsurance revenue (gross) 2025	+/- previous year
Regional markets			
Americas	4,881.3	5,066.4	+3.8%
Europe, Middle East and Africa	3,998.2	4,318.0	+8.0%
Asia-Pacific	1,946.6	1,667.7	-14.3%
Worldwide markets			
Speciality lines	3,447.8	3,478.9	+0.9%
Structured Reinsurance and Insurance-Linked Securities	4,390.9	4,239.5	-3.4%

[1] Adjusted

Property & Casualty reinsurance: Large loss trend [1]



[1] Natural catastrophes and other large losses in excess of EUR 10 million gross

Regional markets

Americas

North America is the largest insurance market in the world. Our business here is written mostly through brokers. Economic developments in the year under review continued to be overshadowed by uncertainties, and the hoped-for economic recovery consequently fell short of expectations. This also influenced the insurance industry as purchasing power and investment activity signalled general hesitancy. The reinsurance revenue (gross) increased to EUR 5,066.4 million.

The devastating wildfires in California at the start of the year resulted in higher claims expenditure, while this year's hurricane season passed off far less eventfully than predicted. Only Hurricane Melissa resulted in heavy insured losses in the Caribbean. Additionally, various tornado and hail events in the Midwest and Canada as well as a number of fire losses caused minor and more sizeable losses on multiple occasions.

The primary insurance market remained stable on the whole in the year under review. The trend towards further modest rate increases was sustained in view of the claims burden and inflation seen in prior years. The rate adjustments for liability lines were again more significant than those for property business.

On the reinsurance side, by contrast, rates came under appreciable pressure in the property insurance segment, especially in property catastrophe business. The markets in the United States and Canada are, however, heavily focused on technical underwriting, with the result that risk-adjusted rate increases could still be obtained under loss-affected programmes. Conversely, risk-adjusted rate reductions were granted in areas where reinsurance programmes performed very well. All in all, sufficient capacity was available in all markets segments.

The pace of growth in primary insurance and reinsurance business slowed in **Latin America**. The global economic situation led to minimal economic growth in Mexico, where factors such as high inflation and geopolitical tensions – among others – put the brakes on demand for Mexican exports and investments. At the same time, tax reforms in countries including Mexico and Brazil created additional uncertainty among our clients. This uncertainty derives above all from the fact that the reforms not only cause higher costs in the short term, but could also fundamentally change insurers' business models and market structures over the long term. On a positive note, the region was spared sizeable catastrophe losses in 2025, leading to improved market results. Some countries, however, recorded substantial fire losses, which were carried primarily by reinsurers.

Europe, Middle East and Africa

In contrast to previous years, European markets were scarcely affected overall by extreme weather events and natural catastrophe losses in the year under review. The reinsurance revenue (gross) in the EMEA region increased to EUR 4,318.0 million.

Responsibility within the Hannover Re Group for property and casualty reinsurance in **Germany** is assigned to our subsidiary E+S Rückversicherung AG.

The claims experience in Germany was notable in the year under review for the absence of major natural disasters as well as below-average expenditure from fire losses in industrial and commercial lines. The combined ratio in property business market-wide consequently improved significantly overall

The tariff measures implemented by primary insurers in conjunction with the exceptionally low losses from natural perils events led to appreciably improved results in German motor insurance. Unlike the previous year, a combined ratio comfortably under 100% was achieved here, thereby assuring profitability in the year under review. The trend towards rising costs for repairs and spare parts was nevertheless sustained and remains a challenge for the industry.

Italy enjoyed a serene claims year. The compulsory insurance for small and mid-sized enterprises introduced in 2025, which encompasses coverage for earthquakes and other natural perils, delivered slight to moderate additional growth.

Spain, too, was spared sizeable natural catastrophe events in 2025 for the first time in years. The local motor market showed a marked recovery and moved back into the black. Adjustments made to the Baremo system, the legally binding method used to calculate compensation for personal injuries in road traffic accidents, created added complexity for the calculation of large claims in liability business.

In **France and the Benelux countries**, the year passed off largely benignly in terms of natural catastrophes. The most notable human-caused losses

were in industrial fire business, once again underscoring the importance of risk-appropriate insurance protection.

In **Central and Eastern Europe**, the prices obtained in the year under review were commensurate with the risks. The region was not impacted by large loss events, with the most sizeable loss being the fire at a refinery in Hungary in the fourth quarter.

In **Northern Europe**, too, the year under review brought lower natural catastrophe activity than in the previous year and a smaller number of large losses, accompanied by isolated negative run-offs from earlier catastrophe losses.

In the **United Kingdom and the London Market**, further minimal rate increases were seen over the course of the year, although they were slightly below the level of inflation. The liability market proved to be more stable overall than property insurance business. Geopolitical developments, especially in Ukraine and the Middle East, continued to influence market conditions for our reinsurance book of terrorism and political risks, a specialty segment of the London Market.

In the **Middle East,** we transact both traditional reinsurance for the Middle East and North Africa region and business in accordance with Islamic law, known as retakaful. We offer Sharia-compliant reinsurance capacities worldwide through our subsidiary Hannover ReTakaful. Our focus here is on the Middle East, North Africa and Southeast Asia.

The reinsurance market in the Middle East was notable for stable conditions and modestly positive developments overall on core markets in the financial year just ended. The year passed off largely without any major natural catastrophe events, delivering satisfactory results for both the reinsurance and retakaful segments.

In **South Africa**, the low claims burden led to strong underwriting results across the entire industry. Both in traditional reinsurance and in specialty lines, we generated additional growth while maintaining pricing discipline and attractive margins.

Asia-Pacific

The **Asia-Pacific** region as a whole remained intensely competitive. The reinsurance revenue (gross) decreased to EUR 1,667.7 million.

Sustained economic growth in Southeast Asia opened up further new business opportunities in the financial year, driven by robust domestic demand. Following marked improvements in prior years, conditions came under slight pressure in the course of the year due to adequate capacities and growth ambitions in the catastrophe market. The year was notable for above-average claims activity, both in natural catastrophe business and in terms of human-caused losses. While the severe earthquake in Myanmar at the beginning of the year caused considerable economic losses, local insured losses remained low. However, aftershocks, particularly in the Thai capital Bangkok, resulted in substantial insured losses. In the second half of the year, persistent monsoon rains and Cyclone Senyar caused widespread flooding in Thailand, Malaysia and Indonesia. At the end of the year, Sri Lanka was impacted by Cyclone Ditwah, which proved to be the region's deadliest natural disaster since 2004 and led to extensive flooding and landslides.

Against a backdrop of considerable natural catastrophe activity – including flooding in northeastern China – and human-caused losses, results in China were satisfactory overall in 2025, Primary insurers generated positive underwriting results on the back of the deregulation of motor business by the National Financial Regulatory Administration (NFRA) as well as healthy investment income. In addition, more companies issued subordinated bonds in the low interest rate environment. This further fuelled tendencies towards softening prices and conditions in this region. Thanks to our long-standing client relationships, we were nevertheless able to stand our ground in the market and maintain our market share.

The Indian market remained competitive. No sizeable natural disasters and hence only minimal large losses were recorded.

The markets in Australia and New Zealand were similarly notable for brisk competition in 2025 as well as losses caused by natural catastrophes, including Cyclone Alfred in February and flooding in May. The fourth quarter brought severe convective storms, resulting in some losses under core programmes. Based on our long-standing customer relationships and our positioning as a strategic partner, we maintained and in some instances even expanded our market shares in all major reinsurance programmes, whether through existing or new business opportunities.

Worldwide markets

Speciality Lines

In speciality lines, encompassing facultative reinsurance, credit, surety and political risks, cyber and digital business, aviation and marine reinsurance as well as agricultural risks, the reinsurance revenue (gross) increased to EUR 3,478.9 million.

In contrast to obligatory reinsurance, we write primarily individual risks in **facultative reinsurance**. The general framework conditions for both types of reinsurance in the various markets are extensively correlated. After the significant rate increases recorded around the world in recent years, reinsurance conditions saw increasing rate erosion in the financial year. Pressure on prices was most marked in regions or lines where the most appreciable improvements in conditions had been achieved over the past few years. Nevertheless, we are also seeing that further improvements can be obtained in lines prone to the heaviest losses. The supply of facultative reinsurance solutions was on a consistently high level in the year under review. By writing new business that meets our minimum margin requirements at very good reinsurance conditions, we succeeded in offsetting the reduction in premium caused by rate erosion and thereby generating a stable premium volume overall. The business result in facultative reinsurance was impacted only marginally by natural catastrophes.

Loss ratios in **credit and surety insurance** as well as in the **political risks** segment moved only moderately higher despite rising insolvency numbers. Prices in primary insurance and reinsurance consequently remained broadly stable, with demand unchanged.

In our striving to create the greatest possible consistency for our clients and business partners and offer them optimal capacity, we combine our global business in **cyber and digital** lines with a focus on tailored solutions. The market is still characterised by an oversupply of capacity and declining prices. We are addressing the current challenges in cyber insurance, such as increasing losses and systemic risks, with alternative structures and individual solutions.

Conditions in **aviation reinsurance** were broadly stable. This was especially true of proportional business, whereas modest rate reductions in the single digits could be observed for non-proportional covers. This trend ran contrary to a sizeable number of claims in the major airline segment, the

implications of which are not yet fully reflected in the insurance market. This also applies to the judgement handed down in 2025 on aircraft leasing losses in Russia connected with sanctions imposed due to the war in Ukraine. The general aviation and war risks segments saw further slight rate reductions, while product liability business remained stable.

Developments in **marine business** were once again shaped by increasing geopolitical tensions and conflicts in 2025. At the same time, conventional shipping accidents also occurred in the first half of the year, including off the coast of India. Despite the general global landscape and associated uncertainties, both the primary and reinsurance markets remained competitive – as reflected in rate reductions. Offshore energy business similarly came under pricing pressure, while at the same time recording below-average loss expenditure in the reporting period.

The premium volume in business with **agricultural risks** declined in the year under review owing to falling grain prices. In terms of loss expenditures, 2025 was a benign year in which we achieved stable prices and conditions overall, Generally speaking, demand for insurance and reinsurance solutions is steadily increasing in the face of a growing need for commodities and foodstuffs as well as an accumulation of extreme weather events. We support our customers and partners here with a range of traditional and innovative reinsurance solutions.

Structured Reinsurance and Insurance-Linked Securities

In the **Structured Reinsurance and Insurance-Linked Securities** reporting category we combine our business involving tailor-made property and casualty reinsurance solutions and insurance-linked securities (ILS). The reinsurance revenue (gross) contracted to EUR 4,239.5 million.

In **structured reinsurance** we rank as one of the world's largest providers of innovative and bespoke reinsurance solutions. These deliver solvency relief and thus have a positive effect on our clients' capital and rating, or they protect them against the strain of frequency losses. Furthermore, structured concepts offer an alternative in cases where traditional reinsurance capacity cannot be accessed to the full extent. Along with the traditional clientele of primary insurers, structured reinsurance is increasingly in demand among large corporate groups and their in-house insurance captives.

In 2025, we further expanded our customer base globally and increased the number of treaties and associated premium volume on attractive terms. Given the favourable conditions still prevailing on property and casualty reinsurance markets around the world, we continue to be able to offer our clients alternative coverage concepts at good conditions.

Hannover Re leverages the entire spectrum of opportunities offered by the **insurance-linked securities** (ILS) market. On the one hand, we ourselves take out reinsurance with ILS investors, while at the same time we transfer our clients' risks to the capital market. This is done in the form of catastrophe bonds or through collateralised reinsurance, under which our business partners are primarily specialised ILS funds. We also invest in catastrophe bonds.

In 2025, the volume of new exposures that we transferred to the capital market in the form of catastrophe bonds was unchanged at around USD 3.4 billion, spread across twelve transactions. Covers were placed to protect against losses from natural catastrophes such as windstorm events and earthquakes. In addition, Hannover Re worked with the North Carolina Insurance Underwriting Association and GC Securities, the unit of reinsurance broker Guy Carpenter specialising in capital markets and ILS transactions, to place the first catastrophe bond on the capital market that includes potential payments to homeowners for preventive resilience and structural improvement measures.

The volume of collateralised reinsurance, which remains by far our largest segment in the ILS sector, remained stable in the year under review on a high level.

Complementing its existing range of ILS solutions, Hannover Re established an insurance agent in Bermuda: Hannover Re Capital Partners (HCP). HCP uses third-party investor capital to write additional non-proportional natural catastrophe business. In this context, Hannover Re draws on its many years of expertise and worldwide client network.

The important role played by the capital market in the purchasing of our own retrocession protection was unchanged. Since as long ago as 1994, we have placed a protection cover for Hannover Re known as the "K cession" – a modelled quota share consisting of non-proportional reinsurance treaties in the property, catastrophe, aviation and marine (including offshore) lines – inter alia on the ILS market. In addition, we made use of the ILS market for further protection covers, including in the areas of cyber and natural catastrophe risks.

Life & Health reinsurance

- Reinsurance revenue (gross) up by 6.8% to EUR 8,015.5 million adjusted for exchange rate effects
- New CSM generation (net) amounts to EUR 766.4 million
- Contractual service margin (net) declines by -3.7% to EUR 6.3 billion
- Longevity covers and financial solutions still in particularly high demand among customers
- Reinsurance service result (net) beats target at EUR 903.0 million
- Operating result down by -5.1% to EUR 886.1 million

In life and health reinsurance we enjoyed sustained demand overall from our clients in 2025. Our business was once again shaped by intense competition on global life and health reinsurance markets in the year under review.

The new CSM generation (net), comprised of new business (net) and contract extensions (net), amounted to EUR 766.4 million (previous year: EUR 624.1 million). The contractual service margin (net) decreased to EUR 6,275.4 million (EUR 6,516.8 million) as at the end of the financial year and thus fell short of the roughly 2% growth target. Adjusted for exchange rate effects, growth would have reached 3.4%.

Reinsurance revenue for the Life & Health reinsurance business group reached EUR 8.0 billion (EUR 7.7 billion); the increase in reinsurance revenue would have been 6.8% at constant exchange rates.

The reinsurance service result (net) improved by 2.3% to EUR 903.0 million (EUR 882.9 million), thereby beating the target of more than EUR 875 million. The included new business LC (net) amounted to EUR 12.7 million (EUR 6.3 million).The reinsurance finance result (net) before exchange rate effects, reflecting interest accretion on technical provisions discounted in prior years, increased to EUR -190.0 million (EUR -170.3 million).

Investment income generated by the Life & Health reinsurance business group fell by -6.5% to EUR 370.5 million (EUR 396.1 million). The key

drivers here were strong ordinary investment income and a reduced profit from a participating interest measured at equity. In addition, unrealised losses in the investments were actively realised to boost future profitability.

The operating result (EBIT) contracted by -5.1% to EUR 886.1 million (EUR 933.9 million). The change can be attributed to, among other things, declines in the currency result and the investment income.

Key figures for Life & Health reinsurance

in EUR million	2024	2025	+/- previous year
Reinsurance revenue (gross)	7,714.5	8,015.5	+3.9%
Reinsurance service result (net)	882.9	903.0	+2.3%
Reinsurance finance result (net) [1]	-170.3	-190.0	+11.5%
Investment income	396.1	370.5	-6.5%
Operating result (EBIT)	933.9	886.1	-5.1%
EBIT margin [2]	13.1%	12.5%	
New CSM generation (net)	624.1	766.4	+22.8%
New business CSM (net)	316.7	490.4	+54.9%
New CSM from extensions on existing contracts (net)	307.5	276.0	-10.2%

[1] Excluding exchange rate effects
[2] EBIT / reinsurance revenue (net)

We provide below a detailed overview of developments in the individual reporting categories – Financial Solutions, Longevity Solutions and Traditional Business.

Key figures broken down by segments

in EUR million	Reinsurance revenue (gross) 2024	Reinsurance revenue (gross) 2025	+/- previous year
Financial Solutions	1,059.1	1,198.1	+13.1%
Longevity Solutions	1,787.1	1,818.8	+1.8%
Traditional Business	4,868.5	4,998.6	+2.7%

Financial Solutions

In the Financial Solutions reporting category, we offer a broad range of reinsurance solutions specially tailored to our customers' diverse needs. These solutions help our clients to improve their financial stability, liquidity and capital position.

In Europe, especially in France, demand for lapse solvency relief transactions remained on a high level. These specialised reinsurance covers enable clients to obtain targeted capital relief by protecting against the risk of a sudden “mass lapse” event. The publication of a guidance document by the European Insurance and Occupational Pensions Authority (EIOPA) in July 2025 addressing the handling of these reinsurance solutions as well as increased broker activity and the ongoing high interest rate environment led to an extremely dynamic market landscape.

In Asia, we have established Hannover Re as a preferred partner in the rapidly growing markets of Southeast Asia and in Japan. We were able to write new business in China and Hong Kong, while business in the United Kingdom also developed favourably. In the United States, business with health financial solutions continued to grow. The sustained high level of new business in the annuity sector drove expansion of our annuity financial solutions portfolio.

Longevity Solutions

In the Longevity Solutions reporting category, we group together our reinsurance business in which we cover longevity risks for our customers. We develop tailored annuity products here that meet the individual needs of policyholders in different life situations. They include deferred annuities, unit-linked annuities, reinsurance solutions for reverse mortgages and occupied life annuities, immediate LTC annuities and enhanced annuities, which offer pensioners with pre-existing conditions a higher annuity payment due to diminished life expectancy. In addition, we reinsure traditional annuity policies and pension blocks.

In longevity business, we enjoyed continued growing interest in our products around the world, enabling us to write new business globally in 2025. The United Kingdom, by far the most developed market for coverage of longevity risks, remains intensely competitive. Business with smaller pension funds or pension insurers performed particularly well here in the year under review.

Traditional Business

Our Traditional Business includes mortality solutions, which account for the bulk of the premium income generated in life and health reinsurance. Here, we provide reinsurance protection for the risk that the actual mortality diverges from what was originally expected. Morbidity solutions, which protect against the risk of a deteriorating state of health due to disease, injury or infirmity, also come under this reporting category. We offer a wide range of possible combinations of covered risks, including for example strict (any occupation) disability, occupational disability and long-term care insurance.

In the United Kingdom, we successfully entered the market for group life covers. The market landscape in the United States remained intensely competitive in the year under review. Market conditions were also influenced by unfavourable mortality trends. The book of business in Latin America developed in line with expectations, while France also delivered a good contribution with a positive business performance.

In the Asia-Pacific region, we further extended our leading position in the core markets of Malaysia, Vietnam, India and Thailand, both by writing new business and by growing existing market shares. In China, we also worked with a client to successfully launch a new product module in the health insurance segment.

Investments

- Further very strong ordinary investment income
- Higher interest rates and increased portfolio lead to rising earnings from fixed-income securities
- Return on investment of 2.5% due to active realisation of unrealised losses and hence below revised target of around 2.9%

Ordinary investment income was significantly above the previous year’s level at EUR 2,544.1 million (previous year: EUR 2,353.2 million), driven primarily by another increase in earnings from fixed-income securities. This was evident not only from the pure coupon payments but also in the positive amortisation amounts. In addition, we booked higher current earnings from alternative investments. Income from measurement of our investments in associated companies at equity declined to EUR -33.2 million (EUR 27.4 million). This primarily reflects the measurement of one of our participating interests.

The net losses realised on disposals amounted to EUR -564.2 million (EUR -90.4 million), reflecting the active realisation of unrealised losses from our portfolio of older fixed-income securities with lower returns. In the

context of reinvesting activities, we increased both the current interest return on our fixed-income portfolio and our flexibility in liquidity management. We were able to generate offsetting realisation gains on other fixed-income instruments and the sale of real estate properties.

We increased the provisions established for expected credit losses (ECL) in accordance with IFRS 9 by a net amount of EUR 1.8 million through profit or loss in the reporting period (charge of EUR 2.9 million). Depreciation recognised on directly held real estate totalled EUR 62.0 million (EUR 60.5 million). In addition, we recognised impairments here on selected properties in a total amount of EUR 26.1 million (EUR 37.5 million).

The net changes in the fair value of our assets recognised at fair value through profit or loss amounted to EUR 22.4 million (EUR 2.7 million). Particularly significant here were positive changes in the fair values of investments in equity and infrastructure funds as well as derivatives relating to the technical account. This was offset by changes in the fair values of alternative investment funds, primarily from the area of private equity and real estate, as well as interest rate differences on our currency hedges.

The net investment income of EUR 1,672.9 million (EUR 2,005.1 million) was clearly lower than in the previous year. Our investments thus delivered an average return of 2.5%, thereby falling short of the guided target return of around 2.9% for the year under review. This was due principally to the strategically motivated active realisation of unrealised losses in our fixed-income portfolio as well as a profit from participating interests measured at equity that came in lower than expected. This was opposed by ordinary income that surpassed expectations. In addition, the impairment losses taken in the real estate sector proved to be significantly lower than anticipated.

Investment income

in EUR million	2024	2025	+/- previous year
Ordinary investment income	2,353.2	2,544.1	+8.1%
Expected credit losses, impairment, depreciation and appreciation of investments	-98.3	-85.7	-12.8%
Change in fair value of financial instruments	2.7	22.4	+715.8%
Profit / loss from investments in associated companies and joint ventures	27.4	-33.2	-221.1%
Realised gains and losses on investments	-90.4	-564.2	+523.9%
Other investment expenses	189.6	210.5	+11.0%
Net investment income	**2,005.1**	**1,672.9**	**-16.6%**

Financial position and net assets

- Risk-commensurate investment policy
- Highly diversified investment portfolio
- Equity base remains robust

Investment policy

Hannover Re's investment policy continues to be guided by the following core principles:
- generation of stable and risk-commensurate returns while at the same time maintaining the high quality standard of the portfolio
- ensuring liquidity and solvency at all times
- high diversification of risks
- limitation of currency exposure and maturity risks through active matching of currencies and maturities

With these goals in mind, we engage in active risk management and continuously strive for balanced risk/return profiles. To this end, we adhere to centrally implemented investment guidelines and incorporate insights gained from dynamic financial analysis. They form the basis for investment ranges which are specified in light of the prevailing state of the market and the requirements on the liabilities side and within which operational management of the portfolio takes place. These measures are intended to safeguard the generation of an appropriate level of return. In so doing, we pay strict attention to compliance with our clearly defined risk appetite, which is reflected in the risk capital allocated to the investments and constitutes the foundation for the asset allocation of the entire Group and the individual portfolios. Our ability to meet our payment obligations at all times is also ensured in this way. Within the scope of our asset/liability management (ALM), the allocation of investments by currencies and maturities is determined by the liabilities. The modified duration of our bond portfolio is geared largely to the technical liabilities.

By adjusting the maturity pattern of our fixed-income securities to the average expected payment patterns of our liabilities, we reduce the economic exposure to the interest rate risk. Through active and regular management of the currency spread in our fixed-income portfolio we also aim for extensive matching of currencies on the assets and liabilities sides of the balance sheet, as a consequence of which fluctuations in exchange rates have only a limited effect on our result. As at year-end 2025 we held 29.6% (previous year: 27.1%) of our investments in euros, 45.3% (48.7%) in US dollars, 6.0% (5.5%) in Australian dollars and 4.9% (4.6%) in pound sterling.

Breakdown of investments

in %	2024	2025
Government bonds	33.2	30.9
Semi-government bonds	14.7	16.5
Corporate bonds	31.5	32.9
Covered bonds	6.5	6.2
Equity (listed, private)	3.4	4.0
Real assets	6.6	6.7
Other	2.0	1.4
Short-term investments	2.1	1.3
in EUR million		
Investments	65,888.2	66,339.1

Investment portfolio

At EUR 66.3 billion, our portfolio of assets under own management was slightly higher than the comparable level of the previous year (EUR 65.9 billion). On the one hand, effects associated with the revaluation of some of our investments held in foreign currencies – especially US dollar holdings – had a particularly significant adverse impact. Higher euro interest

rates in medium and long maturities also made themselves felt. On the other hand, the very pleasing operating cash flow and lower interest rates – most notably in the area of USD and GBP – comfortably offset these declines.

Our investments benefited from our stable positioning. Furthermore, in the context of our asset-liability management we always strive for the most balanced possible interest rate positions of our investments in relation to the technical liabilities so as to be able to leverage opposing effects of changes in market rates on the value development of investments and provisions. This is also reflected in the balance sheet due to the applicable IFRS 17 and IFRS 9 accounting standards. Observed interest rate volatility therefore has only a limited impact on our shareholders' equity and solvency.

We held our asset allocation largely stable in the year under review. In so doing, we consistently keep a very close eye on the markets relevant to our portfolio so as to be able to act on attractive entry opportunities. We therefore made the most of the price declines on stock markets triggered by a looming trade war – most notably between the United States and China – at the start of the second quarter to move back into equities and equity funds on a limited scale. Further minimal adjustments to the asset allocation were prompted primarily by the constant goal of maintaining matching currencies and durations with our technical liabilities. In line with the maturity profiles of our technical liabilities, we somewhat shortened the modified duration of our portfolio of fixed-income securities compared to the end of the previous year to 3.8 (4.4). In addition, while largely maintaining our asset allocation, we systematically sold extensive holdings of interest-bearing securities with unrealised losses and reinvested at current interest rate levels. In this way, we further expanded our flexibility to take action on the markets and in our liquidity management.

We made the most of market opportunities in our real estate portfolio by acquiring five properties in Europe, Asia and the United States, and selling five properties in the same markets. We monitor movements on markets relevant to our worldwide real estate portfolio very closely. Uncertainties around the future development of specific properties were recognised in the valuation at the balance sheet date.

In all other asset classes we made only minimal changes in the context of regular portfolio maintenance.

The net charges on debt instruments recognised at fair value through OCI in other income and expenses amounted to EUR 2.1 billion (EUR 3.3 billion). As to the quality of the bonds measured in terms of rating categories, the proportion of securities rated “A” or better remained on a consistently high level of 76.9% (75.7%) at year-end.

Rating of fixed-income securities

in %	2025
AAA	27.3
AA	27.6
A	22.0
BBB	17.2
< BBB	5.9

Holdings of alternative investment funds increased overall in the year under review. As at 31 December 2025 an amount of EUR 2,185.8 million (EUR 2,265.1 million) was invested in private equity funds, with a further EUR 730.2 million (EUR 673.9 million) attributable predominantly to fund investments in high-yield bonds and loans. In addition, altogether EUR 1,273.8 million (EUR 1,221.2 million) was invested in structured real estate and infrastructure investments. The uncalled capital with respect to the aforementioned alternative investments totalled EUR 2,187.5 million (EUR 1,909.0 million).

At the end of the year under review, we held a total amount of EUR 875.5 million (EUR 1,365.7 million) in short-term investments.

Analysis of the capital structure

Our business as a reinsurer shapes the structure of our balance sheet. Accordingly, our investments serve to cover our technical liabilities. Both the equity including non-controlling interests, at 19.5% (17.6%) of the balance sheet total, and the long-term debt – especially notes payable – at altogether 5.8% (6.5%) of the balance sheet total represent our most important sources of financing.

The technical provisions and liabilities are of course by far the most significant item in our balance sheet. The technical provisions and liabilities shown, including the contractual service margin and the risk adjustment for non-financial risk, make up 67.5% (68.7%) of the balance sheet total. They are clearly more than covered by our investments and the reinsurance recoverables on technical reserves.

Through ongoing monitoring and by taking appropriate steering actions, we ensure that our business is backed with sufficient capital at all times. The following table shows our capital structure as at 31 December 2025.

Capital structure as at 31 December

in %	2025
Equity	19.5
Contractual service margin (net)	11.1
Risk adjustment for non-financial risk	5.2
Other technical provisions and liabilities [1]	51.2
Long-term debt and notes payable	5.8
Other liabilities	7.4

[1] Plus asset items included in the CSM and in the risk adjustment

Group shareholders’ equity

Compared to the position as at 31 December 2024, Group shareholders’ equity increased in the year under review from EUR 12,688.3 million to EUR 13,930.5 million. After adjustment for non-controlling interests, it grew by EUR 1,134.2 million or 9.6% to EUR 12,928.7 million. The book value per share increased accordingly by 9.6% to EUR 107.21. The changes in the shareholders’ equity were shaped chiefly by the following developments:

Cumulative foreign currency losses amounting to EUR -673.3 million were recorded as at the balance sheet date due to exchange rate movements of foreign currencies relative to the euro. Compared to the cumulative foreign currency gains of EUR 667.5 million in the previous year, this constitutes a decline of EUR 1,340.8 million in the foreign currency gains and losses recognised in OCI. This decrease in the currency translation reserve from the translation of the shareholders’ equity of foreign subsidiaries resulted principally from the devaluation of the euro against almost all relevant currencies, especially the US dollar.

The balance of unrealised gains and losses on investments stood at EUR -1,494.5 million, an increase of EUR 502.9 million compared to the beginning of the year under review, and can be attributed largely to the realisation of unrealised losses on fixed-income securities in the financial

year. The fair value of our technical provisions and liabilities retreated by EUR 136.0 million to EUR 1,576.0 million due to interest rate effects.

Non-controlling interests in shareholders' equity increased by EUR 107.9 million to EUR 1,001.7 million as at 31 December 2025. The bulk of this is attributable to the non-controlling interests in E+S Rückversicherung AG.

The Group net income for 2025 attributable to the shareholders of Hannover Rück SE amounted to EUR 2,641.5 million (EUR 2,328.7 million). The non-controlling interest in the profit generated in the year under review totalled EUR 126.0 million (EUR 68.1 million).

In its capital management Hannover Re is guided by the requirements and expectations of the rating agencies with an eye to its targeted rating. Furthermore, while making appropriate allowance for business policy considerations and factors that influence market presence, the allocation of capital to the Group's operational companies is based upon the economic risk content of the business group in question. The Group companies are also subject to national capital and solvency requirements. Adherence to these capital requirements is continuously monitored by the responsible organisational units on the basis of the latest actual figures as well as the corresponding planned and forecast figures. From the Group perspective we manage Hannover Re's solvency largely through the use of our internal capital model (see the **"Opportunity and risk report"**).

Financing and Group debt

In addition to the financing effect of the changes in shareholders' equity described above, debt financing on the capital market is a significant component of Hannover Re's financing. It is essentially composed of bonds issued to ensure lasting protection of our capital base – in part also in observance of rating requirements. The total volume of notes payable stood at EUR 3,484.5 million (EUR 3,980.8 million) as at the balance sheet date.

Our bonds supplement our equity resources with the aim of reducing the cost of capital and also help to ensure liquidity at all times. As at the balance sheet date altogether six (previous year: six) bonds had been placed on the European capital market through Hannover Rück SE.

The following table presents an overview of the amortised cost of the issued bonds.

Amortised cost of our bonds

in EUR million	Issue date	Coupon	2024	2025
Hannover Rück SE, subordinated debt, EUR 500 million; 2014/undated	15.9.2014	3.375%	499.6	—
Hannover Rück SE, senior bond, EUR 750 million; 2018/2028	18.4.2018	1.125%	747.7	748.5
Hannover Rück SE, subordinated bond, EUR 750 million; 2019/2039	9.10.2019	1.125%	745.1	746.2
Hannover Rück SE, subordinated bond, EUR 500 million; 2020/2040	8.7.2020	1.750%	497.0	497.5
Hannover Rück SE, subordinated bond, EUR 750 million; 2021/2042	22.3.2021	1.375%	745.2	745.8
Hannover Rück SE, subordinated bond, EUR 750 million; 2022/2043	14.11.2022	5.875%	746.3	746.6
Total			**3,980.8**	**3,484.5**

Several Group companies have also taken up long-term debt – principally in the form of mortgage loans – amounting to EUR 565.7 million (EUR 581.5 million).

For further explanatory information please see our remarks in the notes to this report, section **6.7 "Financing liabilities"** and section **6.8 "Shareholders' equity and treasury shares"**. Various financial institutions have provided us with letters of credit for the collateralisation of technical liabilities. We report in detail on existing contingent liabilities in the notes, section **9.7 "Contingent liabilities and commitments"**.

Analysis of the consolidated cash flow statement

Liquidity

We generate liquidity from our operational reinsurance business, investing activities and financing measures. Through regular liquidity planning and by managing the fungibility of our investments, we ensure that Hannover Re is able to make the necessary payments at all times. Hannover Re's cash flow is shown in the consolidated cash flow statement.

Hannover Re does not conduct any automated internal cash pooling within the Group. Liquidity surpluses are managed and created by the Group companies. Various loan relationships exist within the Hannover Re Group for the optimal structuring and flexible management of the short- or long-term allocation of liquidity and capital.

Consolidated cash flow statement

in EUR million	2024	2025
Cash and cash equivalents at the beginning of the period	**1,054.8**	**1,253.1**
Cash flow from operating activities	5,681.9	5,686.9
Cash flow from investing activities	-4,412.1	-4,030.2
Cash flow from financing activities	-1,105.0	-1,746.3
Exchange rate differences on cash	33.5	-112.0
Change in cash and cash equivalents	**198.3**	**-201.7**
Cash and cash equivalents at the end of the period	**1,253.1**	**1,051.5**

Cash flow from operating activities

The cash flow from operating activities, which also includes inflows from interest received and dividend receipts, amounted to EUR 5,686.9 million in the year under review compared to EUR 5,681.9 million in the previous year.

Cash flow from investing activities

The balance of cash inflows and outflows from operating activities and financing activities in an amount of EUR -4,030.2 million (EUR -4,412.1 million) was invested in accordance with the company's investment policy, giving particular consideration to the matching of currencies and maturities on the liabilities side of the technical account. Regarding the development of the investment portfolio, please see also our remarks at the beginning of this subsection.

Cash flow from financing activities

The cash inflow from financing activities amounted on balance to EUR -1,746.3 million (EUR -1,105.0 million) in the year under review. This item includes the dividends paid out in the financial year by Hannover Rück SE, E+S Rückversicherung AG and other Group companies to parties outside the Group totalling EUR 1,121.5 million (EUR 913.1 million). The balance from the issuance and repayment of long-term debt, which is also

included in the cash flow from financing activities, amounted to EUR -600.8 million (EUR -196.3 million).

Overall, the cash and cash equivalents therefore decreased year-on-year by EUR -201.7 million to EUR 1,051.5 million.

For further information on our liquidity management please see the opportunity and risk report.

Information pursuant to § 315 and § 315a Sentence 1 German Commercial Code (HGB)

The common shares (share capital) of Hannover Rück SE amount to EUR 120,597,134.00. They are divided into 120,597,134 registered no-par shares. In this connection reference is made to the required disclosures pursuant to § 160 Para. 1 No. 2 Stock Corporation Act (AktG) in the notes to the consolidated financial statement. The Executive Board of the company is not aware of any restrictions relating to voting rights or the transfer of shares, including cases where these may arise out of agreements between shareholders.

The following companies hold direct or indirect capital participations that exceed 10% of the voting rights: Talanx AG, Hannover, directly holds 50.2% (rounded) of the company's voting rights. This participation is indirectly allocable to HDI Haftpflichtverband der Deutschen Industrie Versicherungsverein auf Gegenseitigkeit, Hannover, which holds the majority stake in Talanx AG.

There are no shares with special rights granting their holders powers of control, nor is there any specially structured voting rights control for employees who have capital participations and do not directly exercise their rights of control.

The appointment and recall of members of the Executive Board are determined by §§ 84 et seq. Stock Corporation Act (AktG). Amendment of the Statute is governed by §§ 179 et seq. Stock Corporation Act (AktG) in conjunction with § 18 (2) of the Statute of Hannover Rück SE.

The powers of the Executive Board with respect to the issue and repurchase of shares are defined in the Statute of Hannover Rück SE (§ 6 "Contingent capital" and § 7 "Authorised capital") as well as in §§ 71 et seq. Stock Corporation Act (AktG). In this connection the Annual General Meeting authorised the Executive Board on 7 May 2025 pursuant to § 71 Para. 1 Number 8 Stock Corporation Act (AktG) to acquire treasury shares on certain conditions for a period of five years, ending on 6 May 2030.

We describe below major agreements concluded by the company that are subject to reservation in the event of a change of control, inter alia following a takeover bid, as well as the resulting effects. Some letter of credit lines extended to Hannover Rück SE contain standard market change-of-control clauses that entitle the banks to early termination of a credit facility if Talanx AG loses its majority interest or drops below the threshold of a 25% participation or if a third party acquires the majority interest in Hannover Rück SE.

In addition, retrocession covers in property & casualty and life & health business contain standard market change-of-control clauses which in each case grant the other contracting party a right of termination if a significant change occurs in the ownership structure and participation ratios of the affected contracting party.

The company has not concluded any compensation agreements with the members of the Executive Board or with employees in the event of a takeover bid being made.

Information on Hannover Rück SE

(Condensed version in accordance with the German Commercial Code (HGB))

Hannover Re exercises the option to present a combined management report pursuant to § 315 Para. 5 of the German Commercial Code (HGB) in conjunction with § 298 Para. 2 of the German Commercial Code (HGB). Supplementary to the reporting on the Hannover Re Group, we discuss below the development of Hannover Rück SE.

The annual financial statement of Hannover Rück SE is drawn up in accordance with German accounting principles (HGB). The balance sheet and profit and loss account, in particular, are reproduced here in condensed form.

Hannover Rück SE transacts reinsurance in the business groups of Property & Casualty and Life & Health reinsurance. Through its global presence and activities in all lines of reinsurance, the company achieves extensive risk diversification.

Since 1 January 1997 Hannover Rück SE has written active reinsurance for the Group – with few exceptions – solely in foreign markets. Responsibility within the Hannover Re Group for German property and casualty reinsurance business rests with the subsidiary E+S Rückversicherung AG.

Result of operations

Hannover Rück SE recorded a satisfactory business development in the 2025 financial year. The gross premium in total business contracted marginally by 0.5% to EUR 29.7 billion (EUR 29.8 billion). The level of retained premium decreased to 64.0% (65.3%). Net premium earned slipped slightly by 0.9% to EUR 18.8 billion (EUR 19.0 billion).

The underwriting result before changes in the equalisation reserve came in at EUR -886.9 million (EUR 44.6 million). An amount of EUR 742.2 million (EUR 268.6 million) was withdrawn from the equalisation reserve and similar provisions in the year under review.

A considerable number of large losses were again recorded in the 2025 financial year. The total net expenditure on large losses for Hannover Rück SE amounted to EUR 1,062.1 million (EUR 941.9 million). The combined ratio deteriorated to 104.9% (99.6%). The underwriting result declined to EUR -144.7 million (EUR 313.3 million).

Ordinary investment income including deposit interest came to EUR 2,693.2 million (EUR 2,242.5 million). Ordinary income from fixed-income securities and bond funds totalled EUR 1,045.9 million (EUR 990.0 million).

Net gains of EUR 498.9 million (EUR 27.5 million) were realised on disposals. This reflects, on the one hand, the realisation of considerable unrealised gains from the sale of an intermediate company that held shares in Viridium Group and of a fixed-income portfolio. On the other hand, opposing effects derived from the active realisation of unrealised losses on older fixed-income securities with lower rates of return.

Write-downs of EUR 18.8 million (EUR 33.9 million) were taken on investments. They were attributable in roughly equal parts to fund units, fixed-income securities and a participating interest. In the reporting period we wrote down a small part of our fixed-income securities held as fixed assets to the lower fair value even if impairment is not expected to be permanent. This similarly applies to future reporting periods. In the period under review this accounts for EUR 1.1 million (EUR 1.7 million) of the aforementioned write-downs.

The write-downs contrasted with write-ups of EUR 1.5 million (EUR 2.9 million) that were made on assets written down in previous periods to reflect increased fair values. All in all, the net investment result increased to EUR 3,047.6 million (EUR 2,075.1 million). It was thus higher than anticipated, driven primarily by significantly increased earnings from fixed-income securities and high realised gains, in respect of which the underlying transactions could not yet be considered in the forecasts for the reporting period.

The profit on ordinary activities improved by 31.7% to EUR 2,226.9 million (EUR 1,691.2 million). The year under review closed as forecast with a profit for the year that amounted to EUR 1,896.3 million (EUR 1,120.2 million).

Condensed profit and loss account of Hannover Rück SE

in EUR thousand	2024	2025
Earned premiums, net of retrocession	18,950,178	18,780,448
Allocated investment return transferred from the non-technical	188,535	186,230
Other technical income, net of retrocession	127	286
Claims incurred, net of retrocession	14,392,380	15,023,421
Changes in other technical provisions, net of retrocession	-209,957	-145,558
Bonuses and rebates, net of retrocession	441	186
Operating expenses, net of retrocession	4,490,042	4,683,716
Other technical charges, net of retrocession	1,381	997
Subtotal	**44,639**	**-886,914**
Change in the equalisation reserve and similar provisions	268,621	742,235
Net technical result	**313,260**	**-144,679**
Investment income	**2,414,248**	**3,658,182**
Investment charges	**339,174**	**610,590**
Allocated investment return transferred to the technical	**-191,678**	**-188,084**
Other income	**243,040**	**351,915**
Other charges	**748,544**	**839,799**
Profit or loss on ordinary activities before tax	**1,691,152**	**2,226,945**
Taxes on profit and income and other taxes	570,953	330,611
Profit for the financial year	**1,120,199**	**1,896,334**
Profit brought forward from previous year	615,701	649,626
Allocations to other retained earnings	900	960
Disposable profit	**1,735,000**	**2,545,000**

Development of the individual lines of business

The following section describes the development of the various lines of business. The cooperation and exchange of business between Hannover Rück SE and E+S Rückversicherung AG has been regulated since the 2014 financial year through a quota share retrocession from Hannover Rück SE to E+S Rückversicherung AG in property and casualty reinsurance.

Hannover Rück SE: Breakdown of gross premium by individual lines of business

in EUR million	2021	2022	2023	2024	2025
Fire	4,015	5,602	5,788	6,481	6,377
Casualty	2,992	3,669	3,417	3,329	3,309
Accident	379	861	696	566	445
Motor	3,197	3,989	3,840	4,826	4,936
Aviation	315	280	303	321	336
Marine	544	645	702	581	491
Life	5,679	6,042	5,764	6,108	6,075
Other lines	4,820	6,533	6,812	7,610	7,706
Total	**21,941**	**27,621**	**27,321**	**29,822**	**29,676**

Fire

Gross premium income for the fire line decreased by -1.6% to EUR 6,377.1 million (EUR 6,480.9 million). The net loss ratio amounted to 65.2% (63.3%). The underwriting result closed at EUR 113.8 million (EUR 187.6 million). An amount of EUR 141.5 million (EUR 189.1 million) was allocated to the equalisation reserve and similar provisions.

Liability

Gross premium in liability business contracted by -0.6% to EUR 3,309.1 million (EUR 3,328.5 million). The net loss ratio increased to 111.8% (76.1%). An amount of EUR 551.4 million (EUR 193.0 million) was withdrawn from the equalisation reserve and similar provisions. The underwriting result deteriorated to EUR -289.0 million (EUR 57.5 million).

Accident

Gross premium income for the accident line retreated to EUR 444.8 million (EUR 565.6 million). The net loss ratio stood at 56.0% (46.9%). The underwriting result came in at EUR 9.5 million (EUR 26.7 million). An amount of EUR 30.7 million (EUR 75.8 million) was allocated to the equalisation reserve and similar provisions.

Motor

Gross premium for the motor line increased by 2.3% to EUR 4,936.4 million (EUR 4,825.9 million). The loss ratio increased to 88.7% (82.4%). The underwriting result came in at EUR -131.3 million (EUR -90.9 million). An amount of EUR 349.5 million (EUR 192.5 million) was withdrawn from the equalisation reserve and similar provisions.

Aviation

Gross premium income rose by 4.8% to EUR 336.1 million (EUR 320.8 million). The loss ratio climbed to 233.8% (190.9%), driven in part by increased provision made for the group of losses associated with the war in Ukraine. The underwriting result amounted to EUR -401.1 million (EUR -142.1 million). An amount of EUR 16.2 million (withdrawal: EUR 104.2 million) was allocated to the equalisation reserve and similar provisions.

Marine

The gross premium volume for the marine line declined by -15.5% to EUR 491.1 million (EUR 581.4 million). The net loss ratio improved to 32.0% (53.8%). An amount of EUR 21.9 million (EUR 127.6 million) was withdrawn from the equalisation reserve and similar provisions. The underwriting result decreased to EUR 144.2 million (EUR 179.6 million).

Life

The gross premium in the life line decreased slightly by -0.5% to EUR 6,075.2 million (EUR 6,108.4 million). Life and health reinsurance business has a clear international focus. We write our business on all continents, thereby achieving a good diversification of risks. In many instances we are directly available as a local point of contact thanks to our extensive network. In addition to traditional mortality business, we write financial solutions business as well as health and longevity risks on a worldwide basis in life and health reinsurance. The underwriting result in the life line amounted to altogether EUR 173.6 million (EUR 93.4 million).

Other lines

The lines of health insurance, credit and surety, other indemnity insurance and other property insurance are reported together under other lines. Other property insurance consists of the extended coverage, comprehensive householder's (contents), comprehensive homeowner's (buildings), burglary and robbery, water damage, plate glass, engineering, loss of profits, hail, livestock and windstorm lines. Other indemnity insurance encompasses legal protection, fidelity as well as other pure financial losses and property damage.

Gross premium income in the other lines grew by 1.3% to EUR 7,706.1 million (EUR 7,610.0 million). The net loss ratio decreased to 68.3% (72.2%). The underwriting result closed at EUR 235.6 million (EUR 1.4 million), A withdrawal of EUR 7.8 million (allocation of EUR 83.7 million) was made from the equalisation reserve and similar provisions.

Assets and financial position

Condensed balance sheet of Hannover Rück SE

in EUR thousand	2024	2025
Assets		
Intangible assets	**104**	**208**
Investments	**59,147**	**59,356**
Receivables	**6,760**	**7,318**
Other assets	**609**	**672**
Prepayments and accrued income	**377**	**398**
Total assets	**66,998**	**67,951**
Liabilities		
Subscribed capital	121	121
Capital reserve	881	881
Retained earnings	631	631
Disposable profit	1,735	2,545
Capital and reserves	**3,367**	**4,177**
Subordinated liabilities	**3,250**	**2,750**
Technical provisions	**49,384**	**51,372**
Provisions for other risks and charges	**927**	**737**
Deposits received from retrocessionaires	**4,911**	**4,478**
Other liabilities	**5,160**	**4,438**
Total liabilities	**66,998**	**67,951**

Our portfolio of assets under own management decreased modestly to EUR 47.1 billion (EUR 48.1 billion). The net balance of unrealised losses on fixed-income securities and bond funds amounted to EUR 427.3 million (EUR 968.9 million). This primarily reflects the active realisation of unrealised losses from our portfolio of older fixed-income securities with lower yields and the sale of shares in an equity investment.

Deposits with ceding companies, which are shown under the investments, increased to EUR 12.3 billion (EUR 11.1 billion). This was attributable in part to the transfer of life and health reinsurance business from E+S Rück to Hannover Rück SE.

Our capital and reserves – excluding the disposable profit – were unchanged at EUR 1,631.7 million (EUR 1,631.7 million). The total capital, reserves and technical provisions – comprised of the capital and reserves excluding disposable profit, the subordinated liabilities as well as the net technical provisions, including the equalisation reserve and similar provisions – amounted to EUR 55.8 billion (EUR 54.3 billion). The balance sheet total of Hannover Rück SE grew to EUR 68.0 billion (EUR 67.0 billion).

An ordinary dividend of EUR 7.00 per share plus a special dividend of EUR 2.00 per share was paid out in the year under review for the 2024 financial year. This was equivalent to EUR 1,085.4 million (EUR 868.3 million). It will be proposed to the Annual General Meeting on 6 May 2026 that a dividend of EUR 12.50 per share should be paid for the 2025 financial year. This corresponds to a total distribution of EUR 1,507.5 million. The dividend proposal does not form part of this consolidated financial statement.

Risks and opportunities

The business development of Hannover Rück SE is essentially subject to the same risks and opportunities as that of the Hannover Re Group. As a general principle, Hannover Rück SE shares in the risks of participating interests and subsidiaries according to the amount of its respective holding; these risks are described in the risk report. The relations with participating interests of Hannover Rück SE may give rise to losses from legal or contractual contingent liabilities (particularly novation clauses and guarantees). Please see our explanatory remarks in the notes to this report.

Other information

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 as defined by § 311 Stock Corporation Act (AktG).

Hannover Rück SE maintains branches in Australia, Bahrain, Canada, China, France, Hong Kong, India, Ireland, Malaysia, South Korea, Sweden and the United Kingdom.

Outlook for Hannover Rück SE

In view of the interrelations between Hannover Rück SE and the Group companies and the former's large share of business within the Group, we refer to the subsection "Forecast" with respect to expectations for developments affecting the macroeconomic environment, capital markets and the insurance industry as well as developments on reinsurance markets. We thus anticipate gross premium slightly below the level of the previous year for Hannover Rück SE and a significantly improved underwriting result before changes in the equalisation reserve and similar provisions. with the investment result expected to come in lower. Against this backdrop, the profit reported for the 2026 financial year under the German Commercial Code (HGB) will be somewhat below the level of the previous year.

Outlook

Forecast

- Group net income of at least EUR 2.7 billion expected
- Property and casualty reinsurance: Reinsurance revenue (gross) in traditional business to show growth in the mid-single-digit percentage range adjusted for exchange rate effects
- Property and casualty reinsurance: Combined ratio below 87%
- Life and health reinsurance: Reinsurance service result of around EUR 925 million expected
- Return on investment target of around 3.5%

Economic developments

Global economy

For 2026, the Organisation for Economic Co-operation and Development (OECD) anticipates a moderate slowdown in global economic growth to 2.9% (2025: 3.2%), followed by a modest recovery to 3.1% in 2027. Inflation will likely gradually reach the target set by the respective national central bank in most major economies by the middle of 2027.

The OECD believes that these projections are subject to considerable risks that may exacerbate one another. Should trade barriers increase still further or change abruptly – for example, due to higher tariffs on more products or stricter export controls for critical goods such as rare earths –, this would put the brakes on growth, increase political uncertainty and appreciably disrupt global supply chains. Along with weaker growth, lower returns on investments in artificial intelligence or surprisingly high inflation could trigger a broad-based reassessment of risks. This would be especially critical given high asset prices and the considerable expectations placed on corporate earnings. Additional turmoil could ensue if highly leveraged non-bank financial intermediaries (NBFIs) were compelled to quickly sell off assets.

According to the OECD, the high volatility of crypto assets and growing interconnections between NBFIs and the traditional financial system further elevate the risks to financial stability. In the absence of progress towards reducing fiscal vulnerabilities, yields on long-term government bonds could rise. This would lead to a deterioration in general financial conditions, add to government debt burdens and weigh on growth prospects.

On the positive side, the elimination of trade barriers could support growth and alleviate inflationary pressures. Not only that, companies may prove to be more resilient than expected and respond flexibly even in challenging circumstances, which would limit the negative effects on growth. In addition, new technologies may deliver productivity gains more quickly and broadly than anticipated, thereby further bolstering prospects for global growth. The OECD urges political decision makers to tackle underlying vulnerabilities, move forward with structural reforms and optimise public finances in order to strengthen growth prospects and living standards on a sustainable basis.

Growth in gross domestic product (GDP)

in %	2025 (provisional calculation)	2026 (forecast)	2027 (forecast)
USA	2.0	1.7	1.9
Europe			
Eurozone	1.3	1.2	1.4
Germany	0.3	1.0	1.5
France	0.8	1.0	1.0
UK	1.4	1.2	1.3
Asia			
China	5.0	4.4	4.3
Japan	1.3	0.9	0.9
Australia	1.8	2.3	2.3
World	**3.2**	**2.9**	**3.1**

Source: OECD Economic Outlook, Volume 2025, Issue 2

Capital markets

In 2026, current and looming geopolitical circumstances and their impacts on global energy, commodity and food supplies as well as the availability of advanced technology will likely continue to have a significant influence on capital markets. It will be especially important to evaluate the extent to

which current geopolitical tensions could continue to come up against extremely resilient capital markets. It may still be the case that tendencies towards deglobalisation and the formation of blocs – with associated slowing effects – will be more than offset by the many applications of artificial intelligence, a field that strongly promotes the investment climate, or momentum may slow somewhat. Inflation will probably remain an observable but less relevant influencing factor for capital markets in 2026, since lower levels than in previous years are widely expected. Particularly where potentially stubborn core inflation is concerned, however, the policy pursued by central banks will be pivotal for the economy and capital markets, and they will again have to navigate the difficult balancing act of keeping inflation in check while at the same time allowing sufficient stimuli for economic growth. For 2026, we see positive effects here through the higher weighting of the latter.

Along with the progressive march of digitalisation, the ongoing development and implementation of artificial intelligence and increased defence spending, the necessary efforts to bring greater efficiency to the supply of energy and raw materials and the reduction of dependencies in the field of high tech will likely have positive effects on the economy. New markets and synergies will also emerge through the forging of new economic and security alliances. The various economic areas will tend to show rather mixed developments. We consider the United States to have something of an edge over the eurozone, because the former will benefit from consumption by affluent consumer groups, investments in artificial intelligence and a sizeable budget deficit. We similarly anticipate modest growth for the eurozone, driven by an uptick in private consumption and investment, especially against the backdrop of fiscal stimulus packages. The sometimes ambivalent political landscapes in major economies and frictions in connection with structural change processes may, however, have a restraining effect. China's growth will continue to be slowed by the real estate crisis and soft domestic demand. Monetary policy measures and investments in high tech will nevertheless ensure robust, albeit slower, growth.

Overall, a somewhat lower interest rate level for short-term investments and increased volatility affecting equity and credit markets as well as long-term interest rates are to be anticipated. Markets for alternative and real asset classes should continue to stabilise. If medium- and long-term rates come down significantly over the course of the year, however, it is more likely that renewed upward pressure on valuations can be expected in these asset classes.

As a consequence of the unusual capital market constellations seen in recent years and prevailing geopolitical tensions, market players find themselves no longer able to take their lead consistently from fundamentals, with capital markets increasingly affected by non-traditional – otherwise known as idiosyncratic – influencing factors as well.

Insurance industry

The major rating agencies are split on the outlook for the reinsurance industry. Fitch Ratings, for example, revised its outlook for the global reinsurance sector from "neutral" to "deteriorating". This reflects the expectation that operating conditions will take a turn for the worse, although they are likely to remain favourable overall for reinsurers around the world. Abundant capacities and the resulting increase in competition will probably lead to a gradual price decline in most reinsurance segments and easing underwriting terms in property business, Fitch noted in its "Global Reinsurance Outlook 2026" published in September. Weaker pricing conditions since the peak of 2024 and rising claims costs, especially due to more frequent and severe catastrophe losses, are expected to put underwriting margins under pressure. Rating agency Moody's also downgraded its outlook in September, from positive to stable, citing falling prices on account of a shift in the balance between supply and demand in favour of reinsurance purchasers.

S&P Global Ratings, on the other hand, maintained its "stable" outlook for the sector. S&P Global Ratings points to the industry's healthy capitalisation, solid underwriting margins, strong investment returns and continued favourable earnings prospects that exceed the sector's cost of capital. AM Best revised its outlook for the global reinsurance segment from "positive" to "stable" in January 2026. The reasons cited by AM Best include growing pressure on pricing in property insurance. Strong growth in the area of insurance-linked securities, which attract additional capital, will further ratchet up the pressure on prices in property catastrophe business. At the same time, markets remain highly disciplined. Overall, solid operating results are expected for 2026, while the supply of reinsurance will likely reach a record high.

Property and casualty reinsurance

Overview

The treaty renewals in property and casualty reinsurance as at 1 January 2026 passed off successfully for Hannover Re, supporting the high quality of our portfolio. Thanks to our disciplined underwriting, Hannover Re's robust financial strength and our long-standing client relationships, we were able to generate further profitable growth despite appreciably more intense competition and higher retentions carried by individual clients. This performance is additionally bolstered by our lean cost structure, thereby cementing our strategic positioning in the market. At the same time, we experienced a moderate decline in prices for most products and in most regions, while conditions remained essentially stable. However, price reductions in natural catastrophe business and in some specialty lines were significantly larger than in the previous year. Reinsurance prices nevertheless remain on an adequate level in relation to the risks.

Hannover Re increased the premium income in traditional property and casualty reinsurance by 3.3% on an underwriting-year basis. With the quality of the renewed business remaining good, an average inflation- and risk-adjusted price decline of 3.2% was recorded.

Treaties with a premium volume of EUR 10,196 million were up for renewal on 1 January 2026. This corresponded to 61% of the business in traditional property and casualty reinsurance (excluding facultative reinsurance, structured reinsurance and ILS business). A premium volume of EUR 827 million was cancelled.

Hannover Re renewed treaties with a premium volume of EUR 9,369 million. Together with EUR 1,165 million from new and restructured treaties and from changes in prices and treaty shares, the renewed premium volume grew to EUR 10,535 million.

Expectations for the development of individual markets and lines in property and casualty reinsurance are described in greater detail below.

Regional markets

In North America, Hannover Re expects to see softer rates in property insurance in 2026, although margins will still be adequate. Insurers and reinsurers alike anticipate further modest price increases and improvements in conditions for liability business. We expect stable reinsurance revenue and an adequate price level for the region as a whole.

In Latin America, we anticipate sufficient capacity in the market and hence slight pressure on prices and corresponding adjustments to conditions in primary business and reinsurance alike.

In European markets, we achieved prices and conditions that were still broadly commensurate with the risks in the treaty renewals as at 1 January 2026. Below-average natural catastrophe expenditure and a substantially increased supply of reinsurance capacity nevertheless led to rate erosion, while treaty conditions remained broadly unchanged. Thanks to our long-standing, partnership-based client relationships, we were able to selectively grow our diversified portfolio still further, even though individual cedants raised their retentions.

Property and casualty lines in Germany delivered a particularly pleasing performance in 2025 due to the unusually favourable claims situation, producing technical results in the German primary market that were exceptionally positive. Claims expenditure can be expected to normalise in 2026. Premium growth in motor insurance is again projected to reach the mid-single digits, thereby offsetting the trend towards higher claims payments. All in all, healthy earnings can be expected for the German insurance industry in property and casualty lines, although they will likely fall short of 2025 levels.

We see potential for moderate, but sustained growth in the Middle East and retakaful market. Demand for retakaful reinsurance solutions continues to grow, bolstered by regulatory reforms and a slight increase in insurance penetration in these markets. We are looking to further strengthen our market position in these geographies, combined with a cautiously positive profit outlook.

The exceptionally low loss expenditure of recent years has led to an appreciable decline in rates in South Africa. After the vigorous growth of 2024 and 2025, we now expect our portfolio to stabilise. The upgrade of South Africa's sovereign rating is a positive indicator that economic conditions there may improve in the future.

Most markets in the **Asia-Pacific** region should see broadly stable or slightly looser conditions and continued fierce competition. Elevated demand for catastrophe covers is evident in markets impacted by major natural disasters such as floods, cyclones or earthquakes. Against this backdrop, our strategic focus remains on profitable and selective growth with our clients.

In China, we observed a marked decline in the volume of business ceded and in margins. Thanks to our long-standing client relationships, however, we were able to secure our role as a reliable partner in the market and maintain our market share. By offering our clients innovative solutions, we intend to further expand our position in this diversified market going forward.

In India, we are pressing ahead with our proven strategy and focusing on profitable growth by expanding and building partnerships. In a highly competitive environment, we benefit from our long-standing client relationships.

In Australia and New Zealand, the competitive pressure on prices looks set to continue in 2026, especially in the industrial segment, with impacts also extending to the local reinsurance renewals. Nevertheless, all market players are clearly committed to preserving a sustainable market environment. This is particularly important to cushion volatility in markets prone to natural disasters.

Worldwide markets

Demand for **structured reinsurance** remains on a stable level, albeit with increasingly intense competition. Thanks to close cooperation between different underwriting teams and years of marketing efforts, we were nevertheless able to initiate new treaty relationships. All in all, though, the premium volume is expected to contract on the back of reduced cessions under individual large contracts.

In business with **insurance-linked securities (ILS)**, we anticipate rising demand over the long term as investors seek greater diversification of their investments. We respond to this need by offering individually tailored solutions for the transfer of property and life reinsurance risks to the capital market.

Specialty lines

Price competition in **facultative reinsurance** has intensified against the backdrop of increased reinsurance capacity. Despite this, we expect to successfully renew our business on the basis of risk-adequate prices and write profitable new treaties by concentrating on established regions and lines with an above-average profit contribution.

The comparatively low loss ratios to date in the **credit, surety and political risks** lines will increase moderately due to worsening economic conditions around the world, with prices in the primary and reinsurance market essentially remaining stable.

The various rounds of treaty renewals in **aviation and marine business** during 2026 are expected to bring declining prices and largely unchanged conditions. This can be attributed to surplus capacities in the market as well as the high price level that had been achieved in recent years.

Where **agricultural risks** are concerned, we anticipate consolidation of our portfolio in 2026 on the back of rising demand for agricultural covers. Due to low loss expenditures in 2025, we are seeing an increase in reinsurance capacities in some markets. Prices and conditions are therefore expected to soften slightly but remain on an adequate level.

Life and health reinsurance

Business is expected to develop favourably in 2026. In a competitive landscape we continue to see strong demand worldwide for our products and tailored solutions. Along with our focus on traditional life and health reinsurance, we are keen to work with our local partners around the world to expand our business and leverage new opportunities, especially in the areas of financial solutions and longevity.

The United States will remain a major market for financial solutions business, and we are optimistic that we can build on the achievements of past years by expanding new structures. As far as longevity covers are concerned, the dialogue with local partners remains key to successfully writing this business internationally. Here, too, we are nevertheless well positioned with our decentralised approach and superlative expertise.

Innovative solutions and data analytics remain central preoccupations for our clients. We share our know-how in seminars and presentations to ensure that we continue to be considered a partner of choice in the future, as we have in the past. In this way, we actively support our clients and provide expert advice in these fields.

Investments

Given the challenging geopolitical and economic landscape, we shall continue to invest major parts of our asset holdings conservatively, while keeping a close eye on the markets and leveraging attractive opportunities to somewhat increase the overall risk profile of our investments. Most notably in this respect, we are contemplating expanding our exposure to the credit sector and alternative investments. Similarly, we may use market

corrections to moderately grow our portfolio of listed equities. We continue to place great emphasis on broad diversification, assisted by further expansion of our investments addressing the environmental, social and governance (ESG) topic areas. Going forward, as in the past, we shall focus in particular on attractive risk/return profiles. By maintaining the most neutral possible modified duration relative to the expected maturities of the liabilities, we ensure that the interest rate risk remains tightly managed.

The operating cash flow generated by the expected favourable development of business should be reflected in an enlarged asset portfolio and hence have a positive effect on investment income. Despite the declines in US interest rates observed in the reporting period, we shall benefit from higher medium and long-term euro rates for new investments and reinvesting activities in 2026. The fact that we sold a sizeable volume of older securities with lower yields during the period under review and reinvested at the higher interest rates seen in the reporting period will also have positive effects.

Turning to inflation, we expect momentum on the measured indices to be slower than in prior years, leading to a lower return from the amortisation of our inflation-linked bonds.

Due to application of the accounting standard IFRS 9, it remains our expectation that the investment result will show increased market-driven volatility and somewhat reduced predictability. This is because the fair value changes of a significantly larger part of the investments are required to be recognised directly in profit or loss.

Outlook for the 2026 financial year

In a landscape still overshadowed by geopolitical uncertainties, demand for reliable reinsurance protection remains undiminished on a high level. Hannover Re therefore anticipates Group net income of at least EUR 2.7 billion for the 2026 financial year. This represents an increase of 12.5% compared to the original earnings expectation for 2025.

Adjusted for exchange rate effects, traditional business (excluding structured reinsurance) in property and casualty reinsurance is projected to deliver growth in reinsurance revenue (gross) in the mid-single-digit percentage range. Hannover Re also anticipates a combined ratio below 87%.

Hannover Re expects a reinsurance service result of around EUR 925 million in life and health reinsurance.

In view of the expected positive cash flow that we generate from the technical account and the investments themselves, and assuming roughly stable exchange rates and interest rate levels, our portfolio of investments should remain roughly stable. The return on investment should reach around 3.5%.

In response to the growth in the book of property and casualty reinsurance and the rising loss expectancy from natural catastrophes, Hannover Re has raised its net large loss budget for 2026 to EUR 2.3 billion (EUR 2.1 billion). Achievement of the earnings guidance for 2026 is based on the premise that large loss expenditure does not significantly exceed this budgeted level and assumes that there are no unforeseen distortions on capital markets.

Financial ambition over the strategy cycle 2024–2026

In the current strategy cycle 2024–2026 Hannover Re has set itself the following financial ambitions: we want to achieve a return on equity of more than 14% annually on average and growth of more than 5% in the operating result (EBIT). The contractual service margin (net) is planned to grow by more than 2% per year on average across the cycle. Furthermore, a capital adequacy ratio under Solvency II of more than 200% is targeted for the Hannover Re Group.

The increasing profits expected over the strategy cycle will support further dividend growth. In October 2025, the Executive Board approved a realignment of the dividend policy that takes effect from the 2025 financial year. The payout ratio for the regular dividend will be around 55% of IFRS Group net income. Furthermore, the goal is to distribute a dividend per share at least on the level of the previous year and to increase it over the long term. Going forward, it is envisaged that an additional special dividend will only be paid in exceptional circumstances.

Opportunity and risk report

Risk report

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

Risk Governance

Strategic framework conditions

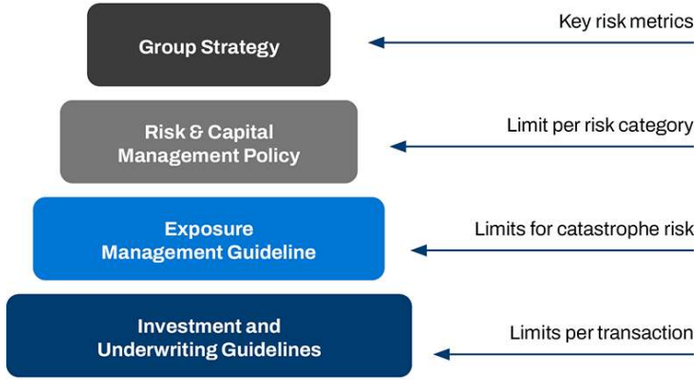
The Group strategy entitled “Staying Focused. Thinking Ahead.” for the 2024–2026 strategy cycle is based on the foundations of sustainability and internal governance and rests on the three pillars of focussing, growing and accelerating.

We derive our Risk Management Strategy from the Group strategy. It is the central element for our handling of risks. We review the Risk Management Strategy, the risk register and the centralised limit and threshold system as components of our risk and capital management policy at least once a year. This ensures that our risk management system is up to date.

Our solvency ratio should be at least 180%; 200% is already considered to be a threshold, which would result in countermeasures if the solvency ratio is not met. Adherence to the regulatory requirement of a solvency ratio of at least 100% is therefore also ensured. Solvency capital requirements are monitored using our internal capital model. The Executive Board is informed quarterly about adherence to the key thresholds as part of our regular risk reporting as well as on an additional basis in the case of major events or changes. In addition to the above mentioned threshold of 200%, the necessary equity resources are also influenced by the expectations of

rating agencies and customers. Limits and threshold values for risk mitigation are defined across multiple organizational levels.

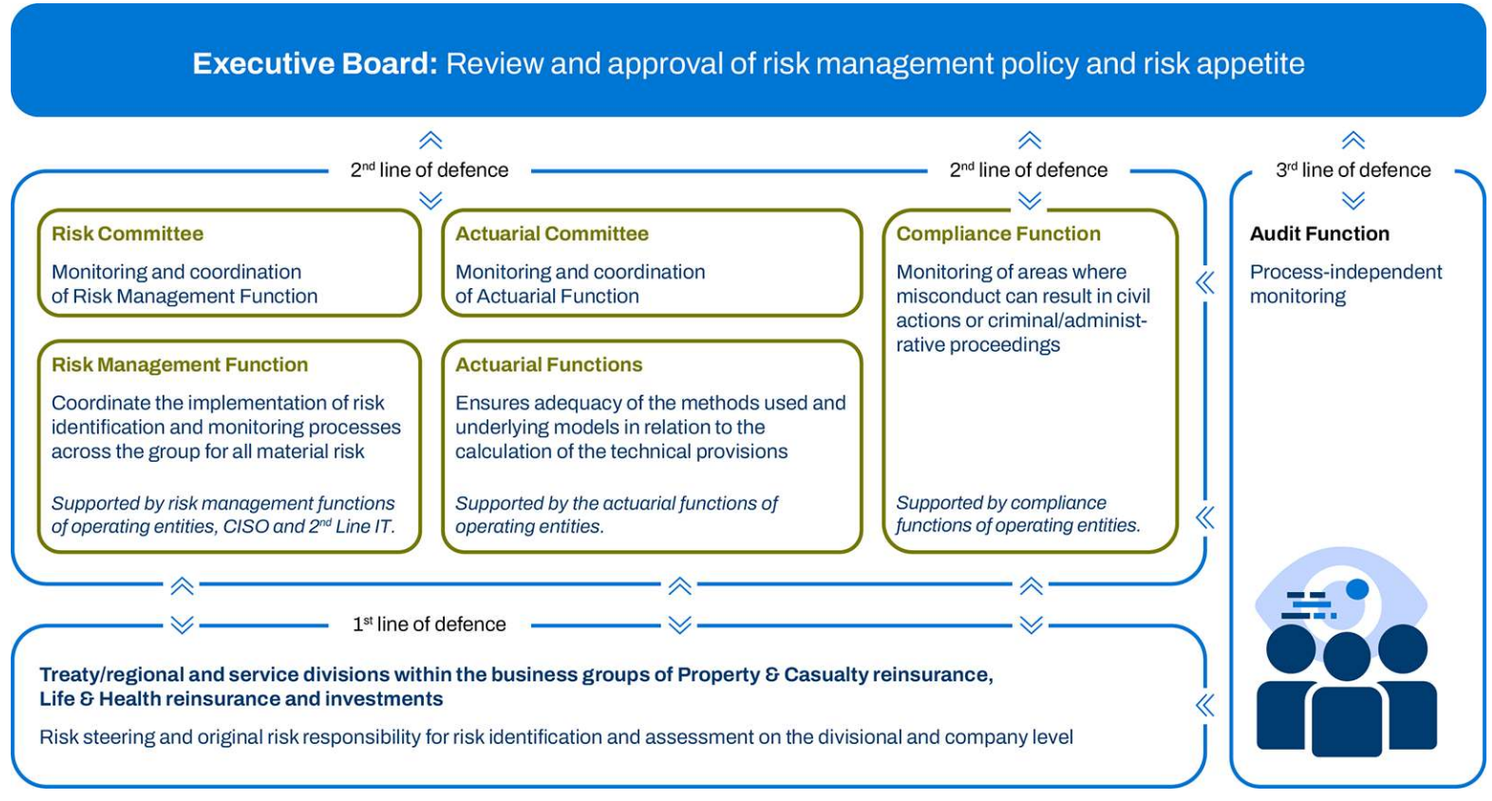
Policies for risk-limiting limits and thresholds across multiple levels



Organisation and processes of risk management

Hannover Re has Group-wide risk management functions to safeguard an efficient and effective risk management system. The individual elements of the risk management functions are closely interlinked and the roles, tasks and reporting channels are clearly defined and documented in terms of the so-called three lines of defence model. The first line of defence consists of the risk steering and the original risk responsibility at divisional and company level within the business groups of property and casualty reinsurance and life and health reinsurance. The second line of defence is made up of the core functions risk management, the actuarial function and the compliance function. These functions are responsible for process-integrated monitoring and control. The third line of defence is the process-independent monitoring performed by the internal audit function. The following chart provides an overview of the central functions and bodies within the overall system as well as of their major tasks and powers.

Central functions of risk monitoring and steering



Group-wide risk communication and an open risk culture are central components to our risk management.Risk management requirements are formulated in guidelines that are discussed with the relevant functions and published throughout the organisation.

Key elements of our risk management system

Our Risk and Capital Management Policy, including our Risk Management Strategy and our system of limits and thresholds for material risks of the Hannover Re Group, describe the central elements of our risk management system. This is subject to a constant cycle of planning, execution, verification, and improvement. Systematic risk identification, risk analysis, risk assessment, risk steering, risk monitoring as well as risk reporting are especially crucial to the effectiveness of the overall system.

The policy is derived from the corporate strategy as well as the strategic principles of the Risk Management Strategy and takes into account international standards and developments in addition to the regulatory requirements for risk management.

Risk-bearing capacity concept

The establishment of the risk-bearing capacity involves determining the total available risk coverage potential and calculating the funds required to cover all risks. This is done in conformity with the parameters of the Risk Management Strategy and the risk appetite defined by the Executive Board. Individual risks and the risk position as a whole are measured using our internal capital model. A system of limits and thresholds is in place to monitor material risks. Adherence is verified on an ongoing basis.

Risk identification
The regular risk identification takes place on the basis of the documentation of all identified risks in the central risk register, which contains all material risks. Risks are identified through, among other things, interviews and scenario analyses as well as in the evaluation of new products and large transactions. External insights from associations and working groups are incorporated into the process.

Risk analysis and assessment
In principle, every risk that is identified and considered material is quantitatively assessed. Types of risks as strategic risks, reputation risks or emerging risks for which quantitative risk measurement is currently impossible or only possible with difficulty are primarily assessed qualitatively, e.g. through expert evaluations. The quantitative assessment of risks and the overall risk position is performed using Hannover Re's internal capital model. The model makes allowance for risk concentration and diversification.

Risk steering
The steering of all risks is the task of the operational business units on the divisional and company level. The identified and analysed risks are thereby either consciously accepted, avoided, increased or minimised. The risk / reward ratio is factored into the division's decision. Risk steering is assisted by the standards specified in the central and decentralised underwriting and investment guidelines, including the defined limits and thresholds.

Risk monitoring
Risk monitoring is a core function of risk management. It includes the monitoring of all identified material risks, among others, in relation to adherence to the limits and thresholds as well as monitoring execution and effectiveness of risk steering measures. Also the execution of the Risk Management Strategy is monitored.

Risk communication and risk culture
Risk management is firmly integrated into our operational processes. It is assisted by transparent risk communication and dealing openly with risks as part of our risk culture. Risk communication takes place, for example, through internal risk reports, in the context of committee and project work, through information on current risk complexes in the intranet and by way of training activities for staff.

Risk reporting
Our internal and external risk reporting provides systematic and timely information about all material risks and their potential implications. The central risk reporting system consists primarily of regular risk reports. Complementary to the regular risk reporting, immediate internal reporting on material risks that emerge at short notice takes place as necessary.

Process-integrated / -independent monitoring and quality assurance
The Executive Board is responsible for the orderly organisation of the company's business. This also encompasses monitoring of the internal risk steering and control system. In addition, the risk management system is regularly audited by the internal audit function. The risk management system is rounded off with process-integrated procedures and rules, such as those of the internal control system.

Internal control system
The internal control system (ICS) is an integral part of the risk management system and compiles the entirety of controls within the organisation. Particularly important controls are labelled as key controls and listed in policies. The ICS safeguards:
- the adherence to laws and regulations and contractual agreements as well as internal stipulations,
- the accuracy of relevant records and
- the operation within defined risk tolerance.

The core elements of Hannover Re's ICS are summarised in a policy that sets out the framework at Group level and establishes the common understanding of (key) controls and their execution, roles and responsibilities for the stipulation of controls as well as standards for control documentation, testing and reporting. The system includes structured organisational measures, such as the principle of dual control, separation of functions and documentation, and technical measures, such as plausibility checks and access privileges in the IT systems.The proper functioning of the ICS necessitates the involvement of management, policy-, process- and control owners and employees on all levels.

In particular, financial reporting must satisfy international and national financial reporting standards as well as regulatory requirements. Completeness and accuracy of the annual and consolidated financial statements (incl. Hannover Rück SE) are to be ensured. This is safeguarded by identifying and minimising the risk of errors in the annual and consolidated financial statements at an early stage, with differentiated criteria, control points and materiality thresholds. These include:
- Accounting manual: All relevant accounting principles are collated in a Group Accounting Manual that sets out uniform Group-wide rules for the recognition, measurement and reporting of items in the consolidated financial statement. The process for updating and, if necessary, adjusting these rules is clearly regulated with respect to information channels, responsibilities and period of validity as well as prompt Group-wide notification of significant developments and modified requirements in Group financial reporting.
- Process documentation: The processes for the organisation and implementation of consolidation tasks and for the preparation of the consolidated financial statement as well as the accompanying controls are consistently documented.
- IT solution: We use a central IT solution with standardised accounting and consolidation processes, posting rules and interfaces for data delivery in order to draw up the consolidated financial statement. Data for the preparation of the consolidated financial statement is delivered using a networked IT application. The relevant data for Group financial reporting is collected in a database and processed via automatic interfaces in a consolidation system. Given that our Group financial reporting is heavily dependent on IT systems, these systems also need to be subject to controls. Content-based and system-side checks have therefore been implemented for system access. Access rights for the reporting systems are assigned through an approval process.
- Data checks: As part of the financial reporting process, we perform preventive and detective checks on the reported figures in order to minimise the probability and reduce the impacts of a potentially incorrect disclosure. Depending upon the results of our checks, these figures can be corrected if necessary.
- Affirmation: The management and Chief Financial Officers of the Group companies defined as material in our control system affirm to the Executive Board of Hannover Rück SE at each closing date the completeness, correctness and reliability of the financial data that they pass on to Group Accounting.

In order to safeguard and continuously improve the adequacy of the control system it is subject to regular review and evaluation. In this regard, the internal audit function ensures that the quality of the control system is constantly monitored.

Risk landscape of Hannover Re

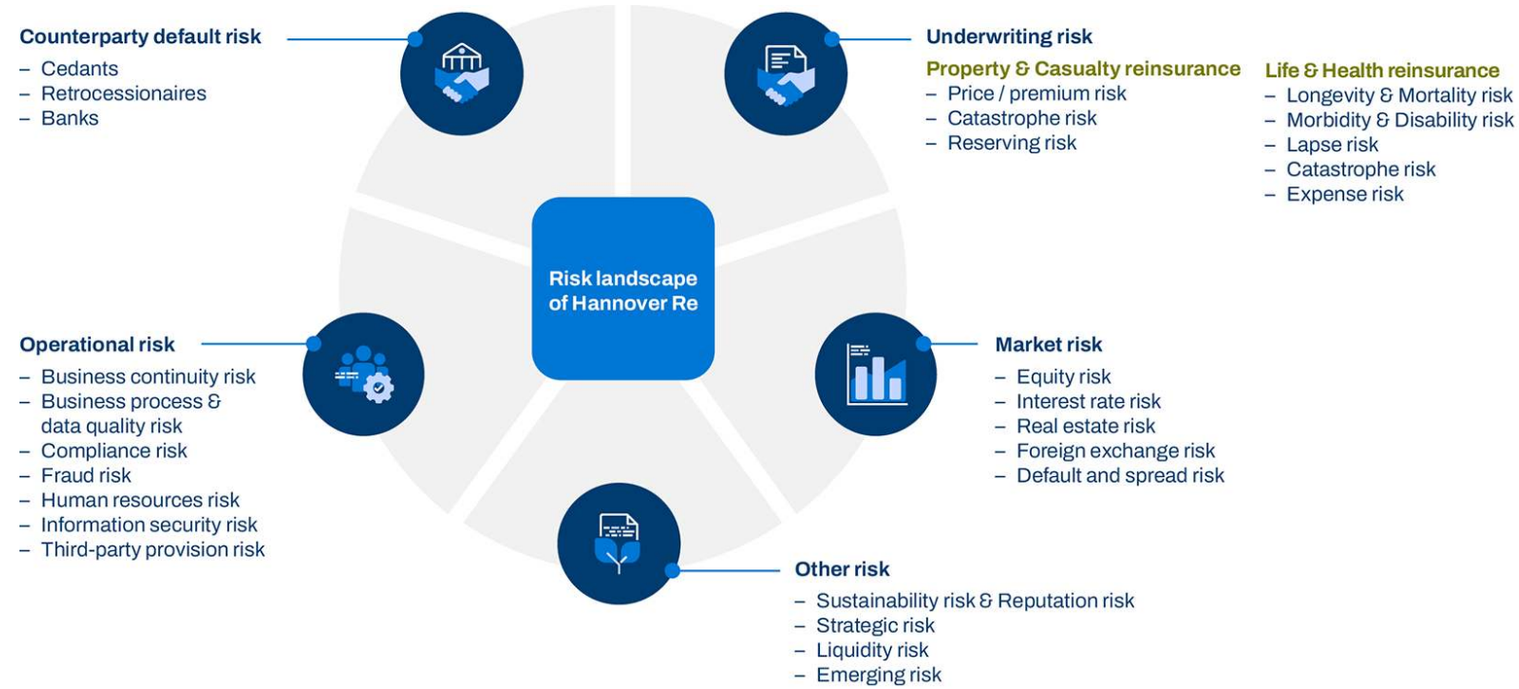
In the context of its business operations the Hannover Re Group is confronted with a broad variety of risks. These risks are deliberately accepted, steered, and monitored as appropriate to the actions taken on the associated opportunities. The parameters and decisions of the Executive Board with respect to the risk appetite of the Hannover Re Group, which are based on the calculations of risk-bearing capacity, are fundamental to the acceptance of risks. In this context, crucial importance attaches to our risk management in order to ensure that, among other considerations, risks to the reinsurance portfolio remain calculable and even exceptional major losses do not have an unduly adverse impact on the result.

The risk landscape of Hannover Re encompasses:

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

Currently, our most significant individual risks are the default and spread risks within the market risks, the reserving and catastrophe risks within the underwriting risks of property and casualty reinsurance and the mortality (incl. catastrophe) and morbidity & disability risks within the underwriting risks of life and health reinsurance.

Risk landscape of Hannover Re



Geopolitics as a major external factor influencing risk management

Global geopolitical tensions intensified further in the financial year 2025 and were therefore of particular importance for our risk management.

Over the course of 2025, the United States of America has undergone a noticeable shift in its political and economic orientation. This change is particularly evident in trade policy, which is increasingly being employed as a strategic instrument of leverage. By imposing tariffs or threatening to do so, the U.S. administration seeks to secure bilateral concessions. In some cases, the affected countries have responded with retaliatory measures, resulting in a marked escalation of existing trade disputes and a heightened level of uncertainty across global supply chains.

Against the backdrop of Russia's ongoing war of aggression against Ukraine, the US government exerted significant pressure on Kyiv to accept a peace proposal that would involve territorial concessions to Russia. These developments have also contributed to a deterioration in transatlantic relations, intensifying debates within Europe regarding the need for greater autonomous defence efforts. Disagreements over approaches to the war in Ukraine, as well as over the scale of European defence and financing contributions, are further exacerbating political tensions. Taken together, these trends point to a phase of elevated uncertainty in which the transatlantic partnership is being politically and economically recalibrated.

The geopolitical environment in the Middle East continues to be characterised by substantial instability. The fragile ceasefire in the Gaza Strip, alongside parallel conflicts in Iran, Syria, the Israeli-Lebanese border region and Yemen, increases the risk of disruptions to key energy and trade routes, particularly along the Suez Corridor and the Bab al-Mandab Strait. Recurrent security-related incidents have an immediate impact on transport costs in international goods trade. At the same time, divergent interests among the various actors involved complicate efforts to establish stable and predictable framework conditions.

In South and East Asia, differing interpretations of land and maritime boundaries are increasingly fuelling geopolitical tensions with considerable escalation potential. The political status of Taiwan represents a central focal point in this context. At the same time, Taiwan remains a key pillar of the global economy, particularly in the semiconductor industry. Developments linked to China's territorial claims also carry the risk of further escalation, potentially involving military means, which would have significant adverse effects on international supply chains.

The persistently elevated level of geopolitical uncertainty therefore necessitates the continuous monitoring of regional developments. For the Hannover Re Group, these geopolitical dynamics translate, among other things, into increased uncertainty regarding financial market developments and the stability of supply chains, potentially giving rise to renewed inflationary risks.

Generally spoken, risks from armed conflicts are excluded in reinsurance treaties but may be covered under special arrangements such as for marine risks. Political risk and political violence covers, among others, are available for other risks from violent conflicts and their consequences.

Risk Capital

In the interests of our shareholders and clients, we strive to ensure that our risks remain commensurate with our capital resources.

Our quantitative risk management provides a uniform framework for the evaluation and steering of the risks affecting the company as well as of our capital position. The internal capital model—a stochastic enterprise model—is a central tool in this context. It covers all subsidiaries and business groups of the Hannover Re Group. The core variable in risk and enterprise management is the economic equity, which is calculated according to market-consistent valuation principles and also constitutes the basis for calculating the own funds under Solvency II. Hannover Re's internal capital model reflects the risks that influence the development of the economic equity. These are split into underwriting risks, market risks, counterparty default risks and operational risks. For each of these risk categories we have identified a number of risk factors for which we define probability distributions. Risk factors include, for example, economic indicators such as interest rates, exchange rates and inflation indices, but also insurance-specific indicators such as the mortality of a particular age group within our portfolio of insureds in a particular country or the number of natural catastrophes in a certain region and the insured loss amount per catastrophe. The specification of the probability distributions for the risk factors draws upon historical and publicly available data, exclusive industry data and the internal data resources of the Hannover Re Group. This process is further supplemented by the know-how of internal and external experts. The fit of the probability distributions is regularly checked by our specialist departments, although more importantly it is also verified in the context of the regular, company-wide use of the capital model when assessing risks and allocating the cost of capital. The Hannover Re Group calculates the required risk capital as the Value at Risk (VaR) of the economic change in value over a period of one year with a confidence level of 99.5%. This corresponds to the requirements of Solvency II. For its capitalisation under Solvency II Hannover Re has set a limit of 180% and a threshold of 200% for the capital adequacy ratio (Solvency ratio). Both, limit and threshold are exceeded.

Own funds and solvency capital requirements [1]

in EUR million	31.12.2024	31.12.2025
Available economic capital	21,667.8	21,369.4
Eligible own funds (Solvency II)	21,031.8	20,672.6
Solvency capital requirement/required risk capital at the confidence level 99.5%	8,051.0	8,061.2
Excess capital (Solvency II)	12,980.8	12,611.4
Solvency ratio (Solvency II)	261.2%	256.4%

[1] The figures are based on the Solvency II reporting as at 31 December 2025. The Solvency II balance sheet related audit procedures have still to be completed by the independent auditor. The remaining figures have not been audited. The solvency capital requirements take into account model changes that are currently in the regulatory approval process as at the reporting date.

The eligible own funds of the Hannover Re Group for regulatory purposes are lower than the available economic capital because non-controlling interests are in part treated as non-eligible under Solvency II. The available economic capital, the eligible own funds and the required risk capital include the volatility adjustment, i.e. the add-on to the risk-free yield curve envisaged in the Solvency II supervisory regime.

The own funds under Solvency II differ from shareholders' equity primarily with regard to the treatment of the contractual service margin.

Reconciliation (economic capital/shareholders' equity) [1]

in EUR million	31.12.2024	31.12.2025
Shareholders' equity including minorities	12,688.3	13,930.5
Contractual Service Margin	8,162.4	7,907.7
Other differences	-1,157.6	-1,497.9
Economic equity	**19,693.1**	**20,340.3**
Hybrid capital	**3,095.3**	**2,580.6**
Foreseeable dividends	**-1,120.6**	**-1,551.5**
Available economic capital	**21,667.8**	**21,369.4**

[1] The figures are based on the Solvency II reporting as at 31 December 2025. The Solvency II balance sheet related audit procedures have still to be completed by the independent auditor. The remaining figures have not been audited

Apart from the Hannover Re Group, the legal entity Hannover Rück SE is also subject to regulatory capital requirements. The solvency ratio of Hannover Rück SE is typically higher than the solvency ratio of the Hannover Re Group because there are no restrictions with regard to the use of own funds attributable to non-controlling interests.

We strive for a rating from the rating agencies most relevant to our industry that facilitates and secures our access to all reinsurance business worldwide. Hannover Re is analysed by the rating agencies Standard & Poor's (S & P) and A.M. Best as part of an interactive rating process. The current financial strength is assessed as "AA-" (Very Strong, stable outlook) by Standard & Poor's and "A+" (Superior, stable outlook) by A.M. Best. In this context both Standard & Poor's and A.M. Best consider Hannover Re's risk management to be a very important aspect in the evaluation of financial strength and rate it as "very good".

Against the backdrop of the planned growth of our business in property and casualty reinsurance and selected areas of life and health reinsurance, we continuously track the impacts on our capitalisation and rating. In order to safeguard an adequate level of capitalisation and our rating, we initiate measures promptly based on forecasts. Possible measures include, among others, adjusting the structure and scope of our retrocessions, adjusting the amount of debt capital and managing business growth through risk budgets.

When it comes to aggregating the individual risks, we make allowance for dependencies between risk factors. Dependencies arise, for example, as a consequence of market shocks, such as the financial crisis, which simultaneously impact multiple market segments. What is more, several observation periods may be interrelated on account of market phenomena such as price cycles. Generally, however, it is our assumption that not all extreme events occur at the same time. The absence of complete dependency is referred to as diversification. Hannover Re's business model is based inter alia on building up the most balanced possible portfolio so as to achieve the greatest possible diversification effects and in order to deploy capital efficiently. Diversification exists between individual reinsurance treaties, lines, business segments and risks. We define the cost of capital to be generated per business unit according to the capital required by our business segments and lines and based on their contribution to diversification.

Required risk capital [1] at the confidence level of 99.5%

in EUR million	31.12.2024	31.12.2025
Underwriting risk property and casualty reinsurance	6,919.9	7,110.3
Underwriting risk life and health reinsurance	2,618.0	2,525.2
Market risk	6,082.6	5,882.7
Counterparty default risk	404.6	453.0
Operational risk	711.1	723.6
Diversification	-5,656.5	-5,702.9
Tax effects	-3,028.7	-2,930.7
Required risk capital of the Hannover Re Group	**8,051.0**	**8,061.2**

[1] This information has not been audited by the independent auditor. The solvency capital requirements take into account model changes that are currently in the regulatory approval process as at the reporting date.

The risk capital at the confidence level of 99.5% reflects the loss from the respective risk that will not be exceeded with a probability of 99.5%. The risk capital required for specific risks is shown before tax in each case.

Underwriting risks in property and casualty reinsurance

Risk management in property and casualty reinsurance has defined various overall guidelines for efficient risk steering. These include, among other things, the use of retrocessions to reduce volatility and conserve capital. Furthermore, it is important to utilize the available risk budgets based on the risk management parameters of the Hannover Re Group and to steer the acceptance of risks systematically through the existing central and local underwriting guidelines. Our conservative reserving level is a key factor in our risk management, too.

For risk steering purposes we make a fundamental distinction between risks that result from business operations of past years (reserve risk) and those stemming from activities in the current or future years (price / premium risk). Particularly in the latter case, special importance attaches to the catastrophe risk.

Diversification within the Property & Casualty reinsurance business group is actively managed through allocation of the cost of capital according to the contribution made to diversification. A high diversification effect arises out of the underwriting of business in different lines and different regions with different business partners. In addition, the active limitation of individual risks—such as natural catastrophes—enhances the diversification effect. The risk capital with a confidence level of 99.5% for underwriting risks in property and casualty reinsurance breaks down as follows:

Required risk capital [1] for underwriting risks in property and casualty reinsurance

in EUR million	31.12.2024	31.12.2025
Premium risk (including catastrophe risk)	5,090.5	5,076.0
Reserve risk	4,101.2	4,432.7
Diversification	-2,271.8	-2,398.4
Underwriting risk property and casualty	**6,919.9**	**7,110.3**

[1] Required risk capital with a confidence level of 99.5%; information not audited by the independent auditor. The solvency capital requirements take into account model changes that are currently in the regulatory approval process as at the reporting date.

A large share of the required risk capital for the premium risk (including catastrophe risk) is attributable to risks from natural disasters. They constitute the main concentration risk in property and casualty reinsurance. The following table shows the required risk capital for five of our largest natural hazards scenarios. The natural catastrophe risk was increased over the course of the year. However, the effect was partially mitigated by the USD's depreciation relative to the EUR.

Required risk capital [1] for five large natural hazards scenarios

in EUR million	2024	2025
Hurricane US	3,162	3,132
Earthquake US West Coast	2,256	2,366
Winter storm Europe	1,798	2,014
Earthquake Japan	1,284	1,206
Earthquake Chile	1,772	2,071

[1] Required risk capital with a confidence level of 99.5% on an aggregate annual loss basis; information not audited by the independent auditor.

The reserve risk, i.e. the risk of under-reserving of incurred or foreseeable losses and the resulting burden on the underwriting result, is a high priority in our risk management. We attach importance to maintaining a conservative reserving level. In order to counter the risk of under-reserving we calculate our loss reserves based on our own actuarial estimations and establish, where necessary, additional reserves supplementary to those posted by our cedants for reported claims. Liability claims have a major influence on the latter reserve. Reserves are calculated on a differentiated basis according to line of business and regions.

In calculating the reserves, we use actuarial methods based on run-off triangles. Run-off triangles show the changes in the reserve over time due to paid claims and the recalculation of the reserves to be established as at the respective balance sheet date. Their adequacy is monitored by the actuarial departments.

Our own actuarial calculations regarding the adequacy of the reserves are also subject to annual quality assurance reviews in the form of an external analysis.

The price / premium risk lies in the possibility of a random claims realisation that diverges from the claims expectancy on which the premium calculation was based. Regular and independent reviews of the models used for treaty quotation as well as central and local underwriting guidelines are vital management components. We have put in place a quotation process to ensure the quality of our portfolios that considers the claims expectancy including anticipated rate of inflation, anticipated costs and cost of capital (volatility).

In addition, Hannover Re's treaty departments prepare regular reports on the progress of their respective renewals. They report on, among other things, significant changes in conditions, risks (e.g. in relation to the premium level) and also on emerging market opportunities as well as the strategy pursued in order to accomplish targets. The development of the combined ratio in property and casualty reinsurance in 2024 and prior years is shown in the table below:

Development of the combined ratio

in %	Combined ratio
2016 [1]	93.7
2017 [1]	99.8
2018 [1]	96.5
2019 [1]	98.2
2020 [1]	101.6
2021 [1]	97.7
2022 [2] [3]	94.5
2023 [3]	94.0
2024 [3]	86.6
2025 [3]	**84.0**

[1] Persuant to IFRS 4
[2] Restated perstuant to IAS 8
[3] Reinsurance service result / reinsurance revenue (net)

For the purpose of assessing our material catastrophe risks from natural hazards (especially earthquake, windstorm and flood) we use licensed scientific simulation models, supplemented by the experience of our own specialist departments. The monitoring of the risks resulting from natural hazards is rounded out by scenario analyses. Major scenarios and stress tests are shown in the following table:

Stress tests for natural catastrophes after retrocessions (estimated effect on forecast net income)

Aggregate annual loss in EUR million	2024	2025
Hurricane US		
100-year loss	-1,854	-1,860
250-year loss	-2,510	-2,607
Earthquake US West Coast		
100-year loss	-1,030	-1,094
250-year loss	-1,900	-2,085
Winter storm Europe		
100-year loss	-988	-1,164
250-year loss	-1,467	-1,647
Earthquake Japan		
100-year loss	-620	-637
250-year loss	-1,053	-1,019
Earthquake Chile		
100-year loss	-587	-669
250-year loss	-1,522	-1,827

As part of this process for steering risks connected with natural catastrophes, the Executive Board defines the risk appetite and the limit for natural perils once a year on the basis of the Risk Management Strategy.

Risk management considers numerous scenarios and extreme scenarios, determines their effect on portfolio and performance data, evaluates them in relation to the planned figures and identifies alternative courses of action.

For the purposes of risk limitation, maximum amounts are also stipulated for various extreme loss scenarios and return periods; the limits set take into account the profitability of the respective business. Risk management ensures adherence to these maximum amounts. The Executive Board, the Risk Committee and the P & C Executive Committee are kept regularly updated on the degree of capacity utilisation.

Net expenditure on major losses in the year under review amounted to EUR 1,725.1 million (EUR 1,629.2 million); the major loss budget for 2025 totalled EUR 2,100 million. Our company incurred the following catastrophe and other large losses in the 2025 financial year:

Large losses [1] in 2025

in EUR million	Date	Gross	Net
California Wildfires	7–31 January 2025	1,342.9	595.4
Hurricane Melissa / Jamaica	28–31 October 2025	331.8	328.5
11 Property losses		284.9	281.6
Earthquake Myanmar	28 March 2025	118.7	118.1
Hailstorms / Australia	23–25 November 2025	130.0	102.3
3 Aviation losses		119.1	89.9
Tornadoes, Hail / USA	14–20 May 2025	56.4	43.8
Hailstorms / Australia	26 October–2 November 2025	39.1	37.1
2 Marine losses		27.2	19.1
Typhoon Ragasa / Philippines	17–25 September 2025	17.3	17.3
Flood Southern Thailand	19–23 November 2025	15.0	15.0
Storm Amy / Europe	1–6 October 2025	14.7	14.0
Storms, Tornadoes / USA	14–19 March 2025	12.6	11.0
Storm / Australia	31 October–2 November 2025	10.9	10.9
Severe Weather / USA	28 March –7 April 2025	10.5	10.4
Storm Éowyn / Europe	21–25 January 2025	10.4	10.4
1 Credit loss		10.2	10.2
1 Political risk loss		11.9	10.0
Total		**2,563.4**	**1,725.1**

[1] Natural catastrophes and other large losses in excess of EUR 10 million gross

Current developments, in particular the following highlighted risks, are monitored by risk management and accompanied by appropriate risk prevention measures.

Climate change

During the reporting year, California wildfires, Hurricane Melissa in the Caribbean, a hailstorm in Queensland, Australia, and several tornado and hail events across the United States resulted in substantial losses.

To assess such events, we draw on a combination of internal and external models that incorporate current climate trends and are continuously refined.

Beyond short-term natural hazard assessments, the Life & Health reinsurance segment is increasingly focusing on climate-related health impacts, including the spread of infectious diseases and rising psychological stress following natural catastrophes.

To analyse climate-driven developments, we currently examine two potential temperature-rise pathways through 2050. The insights gained feed into key decision-making processes such as annual reporting and strategic portfolio management.

In addition, the global transition toward a low-carbon economy is expected to bring considerable economic shifts and potentially reshape business models — with implications for investment decisions and the stability of asset portfolios. Particular attention is given to identifying the conditions under which assets may experience significant long-term value deterioration.

We expect climate change to have a material impact on all risk categories over the long term (> 50 years). In the near term, particularly within the next five years, we anticipate notable effects in the natural catastrophe segment of Property & Casualty reinsurance. Annual renewals, pricing adjustments, and the ongoing calibration of the large-loss budget enable us to respond swiftly to price / premium and reserve risks.

Despite these challenges, climate-related developments also generate opportunities. These include innovative reinsurance solutions designed to address rising natural catastrophe losses, as well as products tailored to the effects of extreme temperatures in the Life & Health reinsurance space.

Inflation

Inflation worldwide potentially affects multiple factors of our business activities, such as the insured values and their premium calculation, the loss reserves, the large loss budget, the investments, and the administrative expenses. We have developed measures to deal with inflation in all these respects.

We monitor inflation drivers over the entire course of the business and reduce them by, among other things, taking them into account in the premium calculation, by means of index clauses and sliding-scale commissions.

In our reserving process, the consideration of inflation is initially based on average inflation rates in the past. The claims inflation index specific to Hannover Re is a blend of various line of business- and region-specific indices for each currency. If there are indications of a future rise in inflation, the need of applying loadings is reviewed. This is especially important in long-tail lines as multiple underwriting years can be affected at the same time.

Hannover Re holds inflation-linked bonds to partially hedge the loss reserves against inflation risks.

Underwriting risks in life and health reinsurance

All risks directly connected with the life or health of an insured person are referred to as biometric risks. They include in particular the miscalculation of mortality, life expectancy, morbidity and occupational disability. Biometric risks are the material risks for our company in the area of life and health reinsurance. Our goal is to strike a balance between biometric risks. Furthermore, we are exposed to lapse risks because the cash flows resulting from our reinsurance treaties are in part dependent on lapse rates among policyholders. Counterparty default risks are also material since we partly prefinance our cedants' new business acquisition costs. Furthermore, we are exposed to catastrophe risks, especially events involving a high number of fatalities in our insured portfolio such as those recorded in connection with the Covid-19 pandemic.

The reserves are determined on the basis of secure biometric actuarial bases in light of the information provided by our clients. The biometric actuarial bases used and the lapse assumptions are continuously reviewed with an eye to their adequacy and if necessary adjusted. This is done using the company's own empirical data as well as market-specific insights. Our current risk profile in life and health reinsurance is dominated by mortality risks (incl. catastrophe risks). Morbidity risks are also playing a central role. These result from a variety of products including Critical Illness and disability business. Longevity risks originate from treaties under which we pay survival benefits. The volume of our annuity portfolio contributes to diversification within life and health reinsurance. We calculate the diversification effect between mortality and longevity risks prudently because the contracts are normally taken out for different regions, age groups and individuals. The required risk capital with a confidence level of 99.5% for underwriting risks in life and health reinsurance breaks down as follows:

Required risk capital [1] for underwriting risks in life and health reinsurance

in EUR million	31.12.2024	31.12.2025
Mortality risk [2]	1,778.4	1,701.1
Longevity risk	1,582.4	1,296.3
Morbidity and disability risk	1,563.6	1,524.6
Lapse risk	400.1	396.3
Expense risk	169.5	235.0
Diversification	-2,876.0	-2,628.1
Underwriting risk life and health	**2,618.0**	**2,525.2**

[1] Required risk capital with a confidence level of 99.5%; information not audited by the independent auditor
[2] Mortality risk incl. catastrophe risk

The monitoring of the risk exposure is complemented by regular stress tests and sensitivities performed with regard to selected underwriting risk factors.

Sensitivities of the underwriting risks (impact on the available economic capital)

in %	2024	2025
Mortality +5% (excluding annuity business)	-6 to -4	-6 to -4
Morbidity +5%	-4 to -2	-4 to -2
Mortality -5% (annuity business only)	-3 to -1	-3 to -1
Lapse rate +10%	-2 to 0	-1 to 0
Costs +10%	-1 to 0	-1 to 0

Diversification is a central management tool for our company. We seek to spread risks as far as possible across different risk classes and different regions. In our pricing of reinsurance treaties we provide incentives to further increase diversification.

Through our quality assurance measures we ensure that the reserves established by ceding companies in accordance with local accounting principles satisfy all requirements with respect to the calculation methods used and assumptions made (e. g. use of mortality and morbidity tables, assumptions regarding the lapse rate). In addition, the assumptions are continuously reviewed on the basis of empirical data and modified if necessary. New business is written in all regions in compliance with underwriting guidelines applicable worldwide, which set out detailed rules governing the type, quality, level and origin of risks and how these considerations are factored into the pricing. These global guidelines are revised annually and approved by the Executive Board. Special underwriting guidelines give due consideration to the particular features of individual markets. By monitoring compliance with these underwriting guidelines we minimise the potential implications of an inability to pay or of deterioration in the financial status of cedants. Regular reviews and holistic analyses (e. g. with an eye to lapse risks) are carried out with respect to new business activities and the assumption of international portfolios. Large transactions are also examined by our risk management department. Individual actuarial reports and documentation ensure that regular scrutiny also takes place at the subsidiary level. The interest rate risk, which in the primary sector is important in life business owing to the guarantees that are given, is of only minimal relevance to our company thanks to the design of our reinsurance treaties. We have confidence in the entrepreneurial abilities of our underwriters and grant them the most extensive possible powers. In our decentralised organisation we manage risks where they arise using a consistent Group-wide approach in order to obtain an overall view of the risks in life and health reinsurance. Our global underwriting guidelines provide underwriters with an appropriate framework for this purpose.

We regularly monitor the development of our global mortality and morbidity businesses in the aftermath of the Covid-19 pandemic.

In some market segments, we observe that mental illnesses are playing an increasingly significant role in the occurrence of claims, particularly in the context of disability covers. We take past claims experience into account when setting future assumptions and continue to monitor developments, as potential impacts on other types of coverage (such as life insurance due to an increased number of suicides) are conceivable.

The risks arising out of life and health reinsurance are reflected in the internal capital model.

Market risks

Faced with a challenging capital market climate, particularly high importance attaches to preserving the value of assets under own management and the stability of the return. Hannover Re's portfolio is therefore guided by the principles of a balanced risk / return profile and broad diversification. Based on a risk-averse asset mix, the investments reflect both the currencies and durations of our liabilities. Market price risks include equity risks, interest rate risks, foreign exchange risks, real estate risks, infrastructure risks, spread and default risks. Our portfolio currently consists in large part of fixed-income securities, and hence default and spread risks account for the bulk of the market risk. We minimise interest rate and foreign exchange risks through the greatest possible matching of payments from fixed-income securities with the projected future payment obligations from our insurance contracts. Market risks derive from the investments managed by Hannover Re itself and from investment risks of ceding companies that we assume in connection with insurance contracts. The following table shows the risk capital with a confidence level of 99.5% for the market risks from investments under own and third-party management.

Required risk capital [1] for market risks

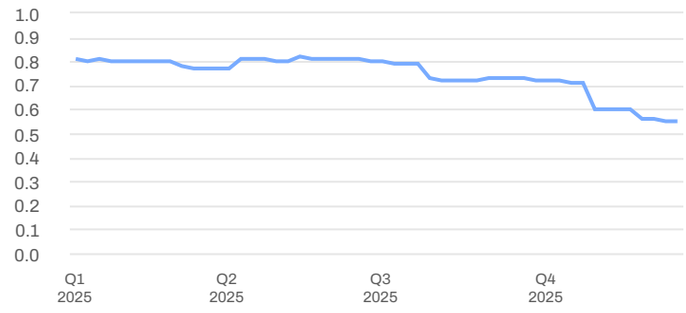
in EUR million	31.12.2024	31.12.2025
Default and spread risk	3,573.5	3,321.6
Interest rate risk	1,346.3	1,008.7
Foreign exchange risk	2,494.1	2,345.8
Equity risk [2]	2,062.7	2,166.3
Real estate risk	1,083.7	1,135.3
Diversification	-4,477.7	-4,095.0
Market risk	**6,082.6**	**5,882.7**

[1] Required risk capital with a confidence level of 99.5%; information not audited by the independent auditor. The solvency capital requirements take into account model changes that are currently in the regulatory approval process as at the reporting date.
[2] Including private equity

The short-term loss probability measured as the Value at Risk (VaR) is a vital tool used for operational monitoring and management of the market price risks associated with our securities positions. It is calculated on the basis of historical data, e. g. the volatility of the securities positions under own management and the correlation between these risks. As part of these calculations the decline in the fair value of our securities portfolio is simulated with a certain probability and within a certain period. The VaR of the Hannover Re Group determined in accordance with these principles

specifies the decrease in the fair value of our securities portfolio under own management that with a probability of 95% will not be exceeded within ten trading days. A standard market model is used to calculate the VaR indicators for the Hannover Re Group. It is based on historical time series of relevant market parameters (equity prices, yield curves, spread curves and exchange rates). Against the backdrop of a very turbulent capital market and interest rate environment, volatilities – especially of fixed-income assets – again reached a high level at times in the year under review. Based on continued broad risk diversification and the orientation of our investment portfolio, our VaR was nevertheless clearly below the VaR upper limit defined in our investment guidelines. It amounted to 0.6% (0.8%) as at the end of the reporting period.

Value at Risk [1] in % for the investment portfolio of the Hannover Re Group



[1] VaR-upperlimit according to Hannover Re's investment guidelines: 2.5%

Stress tests are conducted in order to be able to map extreme scenarios as well as normal market scenarios for the purpose of calculating the Value at Risk. In this context, the loss potentials for fair values and shareholders' equity (before tax) are simulated on the basis of already occurred or notional extreme events.

Scenarios for changes in the fair value of material asset classes

in EUR million	Scenario	Portfolio change on a fair value basis	Change in equity before tax
Equity securities and private equity	Share prices -10%	-268.9	-268.9
	Share prices -20%	-537.8	-537.8
	Share prices +10%	+268.9	+268.9
	Share prices +20%	+537.8	+537.8
Fixed-income securities	Yield increase +50 basis points	-1,183.1	-1,183.1
	Yield increase +100 basis points	-2,312.6	-2,312.6
	Yield decrease -50 basis points	+1,241.0	+1,241.0
	Yield decrease -100 basis points	+2,544.9	+2,544.9
Real estate	Real estate market values -10%	-444.2	-210.0
	Real estate market values +10%	+444.2	+139.4

In addition to the various stress tests, which estimate the loss potential under extreme market conditions, other key risk management measures include sensitivity and duration analyses and our asset liability management (ALM). The internal capital model provides us with the quantitative underpinning of the capital investment strategy as well as various VaR calculations. Tactical duration bands are also installed, within which the portfolio is opportunistically positioned in line with market expectations. The specifications for these bands and our calculated risk-bearing capacity are interlinked. It should be noted that the subordinated bonds issued and the resulting interest rate risk are also actively taken into account in ALM. Please refer to our comments in the section **6. "Notes on the individual items of the balance sheet"**, subsection **6.1 "Investments"** in the notes to the consolidated financial statements.

Share price risks result from the possibility of unfavourable changes in the value of equities, equity derivatives and equity index derivatives in our portfolio. Although we took advantage of the price slump on the equity markets in response to the threat of a trade war - particularly between the USA and China - at the beginning of the second quarter to make a limited re-entry into equities and equity funds, the relevance of equity risks for our investments remains very low, as the proportion of equities in our total investment portfolio is well below 1%. We continue to be exposed to the market for private equity. Here, changes in market value are based less on general market conditions and more on company-specific assessments. The risks are therefore primarily in the business model and profitability and, to a lesser extent, in the interest component of the cash flow forecasts.Please refer to our comments in the section **6. "Notes on the individual items of the balance sheet"**, subsection **6.1 "Investments"** in the notes to the consolidated financial statements.

The portfolio of fixed-income securities is exposed to an interest rate risk. Declining market yields lead to increases and rising market yields to decreases in the fair value of the fixed-income securities portfolio. The credit spread risk should also be mentioned. The credit spread refers to the interest rate differential between a risk-entailing bond and risk-free bond with the same maturity. Changes in these risk premiums, which are observable on the market, result—analogously to changes in pure market yields—in changes in the fair values of the corresponding securities. We minimise interest rate risks by matching the durations of payments from fixed-income securities as closely as possible with the projected future payment obligations under our insurance contracts.

Currency risks exist in particular when there is a currency imbalance between the technical liabilities and the assets. We reduce this risk on the basis of the Group's individual balance sheets by largely matching the currency distribution between assets and liabilities on the Solvency II balance sheet. The quantification of currency risk is therefore not included in the short-term VaR. We regularly compare the liabilities and the associated capital per currency with the assets covering them and optimise currency coverage by reallocating investments. Remaining currency surpluses are systematically quantified and monitored as part of solvency and economic modelling. A detailed presentation of the currency breakdown of our investments can be found in section **6 "Notes on the individual items of the balance sheet"**, subsection **6.1 "Investments"** of the notes to the consolidated financial statements.

Property and infrastructure risks arise from the possibility of negative changes in the value of properties and infrastructure assets held directly or via fund units. They can be caused by a deterioration in specific property characteristics or a general decline in market value. The significance of property and infrastructure risks has gradually increased for us in recent years due to our ongoing involvement in this area. We spread these risks through broadly diversified investments in markets worldwide, each of which is preceded by detailed property, manager and market analyses. We monitor developments in the markets relevant to our portfolio very closely.

We have taken into account uncertainties regarding the future development of individual properties in the valuation as at the reporting date.

We use derivative financial instruments only to the extent needed to hedge risks. The primary purpose of such financial instruments is to hedge against potentially adverse developments on capital markets. A portion of our cash flows from the insurance business as well as foreign exchange risks arising because currency matching cannot be efficiently achieved are hedged to some extent using forward exchange transactions. Hannover Re holds further derivative financial instruments to hedge interest rate risks from loans taken out to finance real estate and to hedge inflation risks from the life reinsurance business written by our Australian branch. In addition, Hannover Re holds hedges in the form of equity swaps to hedge price risks in connection with the virtual stock appreciation rights granted under the Share Award Plan. These are intended to neutralise changes in the fair values of the awarded stock appreciation rights. Contracts are concluded with reliable counterparties and for the most part collateralised on a daily basis so as to avoid credit risks associated with the use of such transactions. The remaining exposures are controlled according to the restrictive parameters set out in our investment guidelines.

As a supplementary instrument for liquidity management, we have been entering into temporary repurchase agreements (repo transactions) for several years. The portfolios exchanged are fully collateralised.

Some insurance derivatives linked to insurance business are also recognised under the investments due to IFRS financial reporting requirements. For a more detailed presentation of the underlying underwriting risks we would refer to the subsection **“Derivative financial instruments in connection with reinsurance”**, section **9.1 “Derivative financial instruments and financial guarantees”** in the notes to the consolidated financial statements.

Our investments entail credit risks that arise out of the default risk (interest and/or capital repayment) or a change in the credit status (rating downgrade) of issuers of securities. We attach equally vital importance to exceptionally broad diversification as we do to credit assessment conducted on the basis of the quality criteria set out in the investment guidelines. We measure credit risks in the first place using the standard market credit risk components, especially the probability of default and the potential amount of loss – making allowance for any collateral and the ranking of the individual instruments depending on their effect in each case.

We then assess the credit risk first on the level of individual securities (issues) and in subsequent steps on a combined basis on the issuer level. In order to limit the risk of counterparty default we set various limits on the issuer and issue level as well as in the form of dedicated rating quotas. A comprehensive system of risk reporting ensures timely reporting to the functions entrusted with risk management.

Rating structure of our fixed-income securities [1]

Rating classes	Government bonds		Securities issued by semi-governmental entities [2]		Corporate bonds		Covered bonds / asset-backed securities	
	in %	in EUR million	in %	in EUR million	in %	in EUR million	in %	in EUR million
AAA	25.4	5,256.3	63.4	7,003.8	0.4	75.0	78.4	3,246.8
AA	52.9	10,926.4	20.9	2,311.8	10.8	2,310.2	5.6	229.9
A	13.5	2,789.9	7.3	806.2	41.0	8,725.0	6.0	246.8
BBB	5.6	1,153.7	1.2	133.2	38.5	8,209.1	8.1	336.2
< BBB	2.6	540.2	7.2	791.2	9.3	1,985.9	1.9	80.1
Total	**100.0**	**20,666.6**	**100.0**	**11,046.3**	**100.0**	**21,305.3**	**100.0**	**4,139.8**

[1] Securities held through investment funds are recognised pro rata with their corresponding individual ratings.
[2] Including government-guaranteed corporate bonds

In general terms, Hannover Re gears its investment portfolio to the principles of a balanced risk / return ratio coupled with broad diversification. Accordingly, we counter the risk concentrations that nevertheless arise in individual asset classes with the broadest possible spread of different issuers per asset class. This is just as much a key component of our investment policy as credit rating assessment and management based on the quality criteria defined in the investment guidelines.

On a fair value basis EUR 8,833.0 million of the corporate bonds held by our company were issued by entities in the financial sector. Of this amount, EUR 7,164.8 million was attributable to banks. The vast majority of these bank bonds (79.4%) are rated “A” or better. Our investment portfolio under own management does not contain any written or issued credit default swaps.

Counterparty default risks

The counterparty default risk consists primarily of the risk of complete or partial unwillingness or inability to pay of counterparties and the associated default on payment. Counterparty default risks exist with respect to cedants, retrocessionaires and in connection with short-term deposits at banks. We address credit risks from fixed-income investments in the preceding section **“Market risks”**.

The following table shows the required risk capital for counterparty defaults with a confidence level of 99.5%.

Required risk capital [1] for the counterparty default risk

in EUR million	31.12.2024	31.12.2025
Counterparty default risk	404.6	453.0

[1] Required risk capital with a confidence level of 99.5%; information not audited by the independent auditor

Since the business that we accept is not always fully retained, but instead portions are retroceded as necessary, the counterparty default risk is also material for our company in reinsurance transactions. Our retrocession partners are carefully selected and monitored in light of credit considerations in order to keep the risk as small as possible. This is also true of our broker relationships, which entail a risk inter alia through the potential loss of the premium paid by the cedant to the broker. We minimise these risks, among other measures, by reviewing broker relationships with an eye to criteria such as the existence of professional indemnity insurance, payment performance and proper contract implementation. The Security Committee decides on measures where necessary to secure receivables that appear to be at risk of default. This process is supported by a risk management application, which specifies cession limits for the individual retrocessionaires participating in protection cover programmes and determines the capacities still available for short-, medium- and long-term business. Depending on the type and expected run-off duration of the reinsured business, the selection of reinsurers takes into account not only the minimum ratings of the rating agencies Standard & Poor’s, A.M. Best, Fitch and Moody’s but also internal and external expert assessments. Overall, retrocessions conserve our capital, stabilise and optimise our results and enable us to act on market opportunities across a broader front, e. g. following a major loss event. A close and regular dialogue with our retrocessionaires gives us a reliable overview of the market and puts us in a position to respond quickly to capacity changes.

The following table shows how the proportion of assumed risks that we do not retrocede (i.e. that we run in our retention) has changed year-on-year:

Reinsurance revenue retained

in %	31.12.2024	31.12.2025
Group cumulated	87.3	86.9
Property and casualty cumulated	85.1	86.2
Life and health cumulated	92.7	88.7

Alongside traditional retrocessions in property and casualty reinsurance we also transfer risks to the capital market. Any counterparty default risks associated with investors in a capital market transfer are collateralised via LOCs or a trust account (e.g. using cash) in favour of Hannover Re.

Retrocession gives rise to claims that we hold against our retrocessionaires. These reinsurance recoverables—i.e. the reinsurance recoverables on unpaid claims—amounted to EUR 1,897.3 million (EUR 2,566.1 million) as at the balance sheet date. For the majority of our retrocessionaires we also function as reinsurer, meaning that in most cases recoverables can potentially be set off against our own liabilities. In addition a portion of our recoverables are secured by deposits or letter of credits.

In terms of the Hannover Re Group`s major companies, EUR 790 million of our accounts receivable from reinsurance business were older than 180 days as at the balance sheet date. In the previous year, the amount was EUR 651 million.

The following table shows the accounts receivables, broken down by rating class.

Accounts receivables as of balance sheet date

in EUR million	31.12.2024	31.12.2025
AAA	—	—
AA	158.9	143.0
A	575.7	393.9
< BBB, NR	74.0	18.8

Counterparty default risks, among other risks, are also relevant to our investments and in life and health reinsurance because we prefinance acquisition costs for our ceding companies. Our cedants, retrocessionaires and broker relationships as well as our investments are therefore carefully evaluated and limited in light of credit considerations and are constantly monitored and controlled within the scope of our system of limits and thresholds.

Lastly, short-term deposits at banks are also at risk of counterparty default.

Operational risks

Operational risk means the risk related to business operations and due to inadequate processes, human errors, system failures or external events. Within the overall framework of operational risks, we pay particularly close attention to business continuity risks, business process and data quality risks, compliance risks, fraud risks, human resources risks, information security risks and third-party provision risks.

Management of operational risks

Operational risks are an indivisible part of our business activities. With the aid of half-yearly Group-wide self-assessments, in which all relevant corporate operations are actively involved, we determine the maturity level of our risk management system for operational risks and define action fields for improvements. In order to calculate the capital requirement in our internal capital model we perform extensive scenario analyses. In joint workshops, experts across all disciplines establish assumptions for the loss frequency and impact, and take the results as a basis for specifying the parameters for the stochastic model. In addition, internal (near) loss events are systematically recorded and examined with an eye to possible measures for improving the control system. The internal data are enhanced with insights gained from external events, which either become known through public channels or were reported through a loss data consortium of which we are a member.

Regular quarterly risk reporting incl. risk indicators to the Risk Committee and the Executive Board takes place with regard to all operational risks.

Required risk capital [1] for operational risks

in EUR million	31.12.2024	31.12.2025
Operational risk	711.1	723.6

[1] Required risk capital with a confidence level of 99.5%; information not audited by the independent auditor

Unlike market, counterparty default and underwriting risks, operational risks are categorised as non-financial risks. We discuss below the subcategories of operational risks.

Business continuity risks

Business continuity risks arise from natural or man-made hazards that threaten or disrupt business operations. The risk also includes the continuity of IT infrastructure and services. Our Business Continuity Management (BCM) system reduces the risk through preventive resilience measures that are regularly tested. A special organisational and operational structure has been set up to respond reactively to a crisis event and to recover business operation.

Business process and data quality risks

Business process risks are associated with the risk of inadequate or failed internal processes, which can arise inter alia as a consequence of an inadequate process organisation. We have defined criteria for managing the risk that result in a high process quality. Data quality is similarly a very critical success factor, especially in risk management, because for example the validity of the internal model is largely based on the data provided. As part of our central data quality management, we have defined extensive automatic routines that continuously determine data quality in central systems.

Compliance risks

We define compliance risks as the risks of violating or failure to observe provisions of the applicable statutory and regulatory provisions and internal policies and procedures. Compliance risk includes legal and tax risk.

Responsibilities within the compliance organisation are regulated and documented throughout the Group. Interfaces to risk management have been established. Regular compliance training programmes and awareness-raising measures complement the range of tools.

In conformity with a risk-based approach, a software for sanctions screening is used on our business partners, the relevant parts of the Hannover Re Group's portfolio as well as on loss advices to filter out individuals that are subject to sanctions. In case of a hit, suitable steps are taken. Goods and services are checked according to their risk classification. Countries that pose a high risk due to sanctions evasion measures are also subject to stricter rules.

We report on our compliance management system as part of our combined non-financial statement. For further information on compliance-related topics, including for example lawsuits, contingent liabilities and commitments, please see section **9. "Other notes"**, subsection **9.6 "Lawsuits"** and subsection **9.7 "Contingent liabilities and commitments"** in the notes to the consolidated financial statements.

Fraud risks

Fraud risks refer to the risk resulting from intentional violations of laws or rules by own employees and/or external parties in order to gain an unlawful financial or other personal advantage for themselves or third parties. This risk is mitigated by the established internal control system as well as by audits conducted by Group Audit on a line-independent basis. Should an instance of fraud occur, established escalation processes are in place to involve all relevant functions and to conduct a risk-specific analysis (e.g. forensic investigation) including the determination of appropriate measures.

Human resources risks

Personnel risks arise from an inadequate use or availability of human resources, as well as from inappropriate behaviour. While labour markets around the globe remain challenging, there are signs of gradual easing in certain areas. Hannover Re Group addresses the risk of an existing shortage of skilled professionals by placing particular emphasis on the qualifications, experience, and commitment of our employees.

Information security risks

Information security risks arise, inter alia, out of an inadequate protection of confidentiality, integrity (incl. authenticity) or availability of information,

which is stored/processed in information technology or handled by human beings.

With a view to protecting against, among other threats, cyber attacks and the loss of sensitive information, Hannover Re has implemented an Information Security Management System (ISMS) that is closely aligned with international standards as well as regulatory requirements such as DORA, and harmonised with other management systems. Specific policies and control standards regulate all technical and organisational measures. Consideration is given to all types of digital and physical information assets.

The Executive Board bears overall responsibility for information security and is supported by the Risk Committee. The Information Risk & Security Committee (IRSC) is a sub-committee of the Risk Committee and is comprised of the Head of Risk Management, the Chief Information Security Officer (CISO) and the Head of IT. The IRSC evaluates and monitors the corresponding information risks and steers any conflicts of interest on a quarterly basis. The full Executive Board is provided with information at least annually by way of an information security report and also within the year if necessary.

The CISO, as the main process owner, is responsible for the planning, implementation and ongoing development of the ISMS as well as for coordinating the corresponding tasks with local contacts within the Hannover Re Group. The CISO cooperates closely with Information Risk Management (IRM), the central Compliance function and the Data Protection Officer. Both, the CISO and the other specified functions, form part of the second line of defence. Furthermore, every single member of staff is responsible for adhering to the relevant security standards. To this end, all employees undergo regular training in information security topics as well as awareness-raising, e.g. through phishing simulations.

Third-party provision risks

Third-party provision risks result from the provisioning of services by third-parties, whether directly or by sub-provisioning. Mandatory rules and processes have been put in place to limit this risk. Among other things, a risk analysis and partner assessment is to be performed prior to provisioning to identify specific risks associated with the provisioning and to take adequate risk steering measures. The analysis is subject to regular review.

In selected market niches we transact primary insurance business that complements our reinsurance activities. In so doing, just as on the reinsurance side, we always work together with partners from the primary sector—such as insurance brokers and underwriting agencies. The associated distribution channel risks are minimised through the careful selection of agencies, mandatory underwriting policies and regular checks. The distribution channel risk forms an integral part of management of the third-party provision risk and of business partners.

Other risks

Under other risks we include emerging risks, strategic risks, sustainability risks, reputation risks as well as liquidity risks.

Management of other risks

Other risks are managed primarily using qualitative methods and on the basis of risk indicators. Risk management monitors and reduces the other risks through mitigation measures such as company-wide working groups and policies. Regular quarterly risk evaluation and reporting to the Risk Committee and the Executive Board takes place.

Within the risk management processes we also take into account any impact on the operational risks and the other risks in relation to environmental management, employee matters, social concerns, respect for human rights and the combating of corruption and bribery, as required by the CSR Directive Implementation Act.

Emerging Risks

Emerging risks are potential future risks or potential material changes in existing risks. They are characterised by a high degree of uncertainty about whether and how they materialise. These risks may evolve over time from weak signals to clear tendencies. They can directly impact our treaty portfolio in both property and casualty and life and health reinsurance, and influence our investments.

Certain risks are subject to particular dynamics or future claims; or costs in business operations are to be expected. We were particularly concerned with the following risk complexes in the reporting year:

- Drug abuse: We are observing the global abuse of psychoactive substances, especially opioids. These include both natural opiates and synthetic opioids, which have an opium-like effect. They are often prescribed after serious injuries and surgical procedures and are also used to treat chronic pain.
  The opioid crisis started in the U.S. and is due to the over-prescription of strong opioid painkillers. As a result, more than two million Americans have fallen victim to addiction—either to prescription opioids or to heroin. Public discussion has focused primarily on four substances closely associated with the current crisis: Hydrocodone, oxycodone, fentanyl and heroin. In recent years, numerous states, cities and counties in the U.S. have filed lawsuits against manufacturers, wholesalers and retailers of opioids. Nearly every state is currently involved in these lawsuits, and the wave of lawsuits is increasingly expanding to include distributors and counselling organisations. The impact of the opioid epidemic on liability insurance remains uncertain. The uncertainty is further compounded by varying interpretations of terms such as “Bodily Injury” and “Occurrence” in policies. The extent to which liability insurance policies could be affected and possibly the reinsurance cover offered by Hannover Re has not yet been conclusively clarified. The issue is also gaining relevance outside the U.S., particularly in Canada and increasingly in Europe.
- Hazardous substances: Chemicals that possibly have a harmful effect on creatures and nature are observed by Hannover Re. One focussed substance are Per- and polyfluoroalkyl substances (PFAS), which are a group of chemicals with water-, grease- and dirt-repellent properties. Some PFAS have been categorised as hazardous. Possible health effects potentially include cancer, reduced fertility, a weakened immune system, increased cholesterol levels and/or the risk of obesity and developmental delays in children. In the U.S. in particular, several lawsuits in connection with PFAS against companies that manufacture PFAS, use PFAS in their products or process or sell products containing PFAS have already been settled and/or are still pending. There have now been settlements totalling billions of Dollars in the U.S. Claims for alleged PFAS contamination of soil, groundwater and drinking water have so far been the main cause of litigation. Although such legal disputes are still at an early stage in Europe compared to the U.S., PFAS-related lawsuits are on the rise here too. Currently, there is no standardised global regulation for the definition, handling and restriction of PFAS use, but there is increasing regulatory activity on PFAS worldwide. There are now binding drinking water limits in the U.S. (EPA) and the REACH process for a comprehensive PFAS ban is underway in the EU. A decision is expected in 2026. PFAS that are already regulated can be found in the form of PFOA and PFOS, two specific substances in the PFAS substance group that are considered to be of particular

concern in both the EU and the U.S. Hannover Re is therefore monitoring the entire PFAS risk complex closely as it may have a negative financial impact on various lines of business.

- Artificial intelligence: Artificial intelligence opens up a wide range of opportunities, particularly for the automation of data processing and decision-making processes. At the same time, there are risks, such as incorrect or incomprehensible data and decisions derived from it. It is therefore crucial to define and continuously adapt company-wide rules for the use of AI. We expect AI to fundamentally change numerous aspects of human life and production processes in the future. In the medium term, this could lead to developments such as the automation of workplaces and even their partial replacement by AI. At the same time, the emergence of new industries is possible, as well as personalised services and a changed communication and information culture. This offers opportunities for education, but also harbours risks such as the spread of disinformation. In the long term, issues such as the redefinition of work and income, possible global power shifts and ensuring ethics and control over autonomous systems will come to the fore. Insurance-specific areas will also be affected, such as process support when concluding contracts, improvements in customer service and claims management in general, as well as refined medical diagnostics and its impact on health insurance in particular. In addition to the opportunities, AI also bears risks, for example as an additional tool for cybercrime. Companies and private individuals must therefore increasingly protect themselves against attacks. Hannover Re must position itself strategically in such a way that AI is neither overestimated nor underestimated as a social phenomenon. Close monitoring on a scientific and economic basis and the ability to act quickly are essential for this and are already being implemented. Please refer to section **“Macroeconomic climate and industry specific environment”** in the risk report for the current state of regulation with regard to artificial intelligence.

Early detection and subsequent evaluation of risks are crucially important when it comes to emerging risks. For this reason, we deploy Hannover Re's internal, interdepartmental and multi-line expert working group on “Emerging Risks & Scientific Affairs” and we ensure its linkage to risk management. The analyses performed by this working group are used Group-wide in order to initiate any necessary measures. The working group is currently exploring around 20 risk complexes, some of them megatrends, to facilitate the identification and adequate evaluation of not only existing but also emerging risks. Megatrends are defined as developments with a trend cycle of at least 30 years. They are not presently associated with direct impacts on operations, but may potentially evolve in this direction. Examples are:

- Biodiversity: A decline in biodiversity can be viewed in conjunction with emerging risks associated with scarcity of resources, air pollution, genetically modified organisms or food security and availability—but also goes hand-in-hand with a need for innovative (insurance) solutions and services.
- Climate Change: The current action on climate change means new or refined technologies, such as renewable energies, energy storage innovations or hydrogen concepts and their various possible applications, for which insurance coverages are needed.
- Urbanisation: The steady increase in urbanisation means the growth and change of cities. Those leaving the countryside and moving to the city are mostly young, hence altering both rural and urban age distributions. Correlated trends such as the ageing society and new types of mobility, increasingly against a backdrop of sustainability, are throwing up major questions. The significance of these trends and the speed of change are compelling the insurance industry to plan which role it wants to play in helping to shape the future. In this context it is important to consider both business opportunities and risks. Given that all this is affected by climate change, people's property—especially when value concentrations form in future megacities—will have to be insured against natural perils. In a worst-case scenario, this could mean that certain regions and risks become uninsurable if adequate urban planning—taking account of natural hazards—is neglected in the spread of large cities around the world. Urbanisation not only means new buildings, technologies and lifestyles that have to be insured; rather, living close together also has implications for people's physical and mental well-being, which is relevant to our portfolio of life and health insurance.

Hannover Re publishes summary position papers on various emerging risks which can be accessed on our website. In 2025, papers on class actions, psychoactive substances, demography, social media, genetically modified organisms and skills gap/skills shortage, among others, were created.

Hannover Re is a member of the Chief Risk Officer (CRO) Forum and a constant participant in the CRO Forum’s Emerging Risk Initiative, which continuously tracks and analyses various emerging risks, publishes information on those risks considering possible trends thereof and conducts corresponding impact analyses. The trends considered include “Ageing and health”, “Economic development”, “Environment and climate”, “Changes in the geopolitical landscape”, “Technological developments” as well as “Demographic and social change”. A new topic added in the year under review was “Deterioration of public healthcare systems”. The publications are publicly accessible on the CRO Forum website.

Strategic Risks

Strategic risks may arise from deficiencies in strategic planning in general or from a potential misalignment between the corporate strategy of the Hannover Re Group and the constantly evolving general business environment - for example due to changing market conditions, regulatory requirements or emerging geopolitical risks. Such an imbalance might be caused, for example, by incorrect strategic policy decisions, a failure to consistently implement the defined strategies and business plans or an incorrect allocation of resources. We therefore regularly review our corporate strategy in a multi-step procedure and adjust our processes and the resulting policies as and when required. We have defined performance criteria and indicators for operational implementation of the strategic principles and objectives; these are authoritative when it comes to determining fulfilment of the various targets. The process for the management of strategic risks continues to be assessed annually as part of the monitoring of business process risks.

Sustainability risks and reputation risks

The handling of sustainability risks has come into increasing focus in recent years, above all against the backdrop of climate change. Instead of sustainability risks, reference is often made to risks associated with environmental, social and governance (ESG) issues.

Topics related to sustainability are assessed from two different perspectives: (i) impact materiality, which considers the positive and negative impacts that a company has on the outside world; and (ii) financial materiality, which considers how sustainability issues affect a company through sustainability-related risks and opportunities.

Reputation risks refer to the risk that the trust put in our company by clients, shareholders, employees or the public at large may be damaged. This risk has the potential to significantly jeopardise the business foundation of the Hannover Re Group. A good corporate reputation is therefore an indispensable prerequisite for our core business as a reinsurer. Reputation risks may arise out of all business activities conducted by the Hannover Re Group. Reputational damage may be caused, inter alia, by a

data leakage that becomes public knowledge or financial difficulties on account of an underwriting risk. We use a number of different techniques for risk mitigation, such as our defined and tested crisis communication channels, a professional approach to corporate communications as well as our established Code of Conduct. A reputation risk can occur isolated or as a result of a materialisation of any other risk category.

Reputation and sustainability risks are closely interconnected, as e.g. failing to meet societal expectations on sustainability can quickly escalate into reputational damage. Risk Management, Group Sustainability & Strategy, and Corporate Communications collaborate closely to identify ESG-related and reputational risks. This includes assessing ESG risks, monitoring media coverage, analysing NGO activities, and maintaining an active dialogue with key stakeholder groups.

Liquidity risks

We define liquidity risk as the risk of not being able to fulfil our financial obligations when they fall due. Liquidity risk consists of refinancing risk (required funds cannot be obtained or can only be obtained at higher costs) and market liquidity risk (financial market transactions can only be concluded at a lower price than expected due to a lack of market liquidity). Key elements of the liquidity management of our investments are, on the one hand, the management of the maturity structure of our investments on the basis of the planned payout profiles from the technical obligations and, on the other hand, regular liquidity planning and the investment structure of the investments. Beyond the foreseeable payouts, unexpected, extraordinarily high payouts could pose a liquidity risk. However, in the reinsurance business, significant events (major claims) are generally paid out with a predictable lead time. Nevertheless, as part of our liquidity management, we have defined portfolios that have proven to be highly liquid even in situations of financial stress, such as the 2008 financial crisis. During the reporting year, our holdings of free German, British and US government bonds and financial resources were larger than possible payouts for assumed extreme events, so that our liquidity is guaranteed even in the unlikely event of a combination of financial crises and the need for an extreme event to be paid out quickly. The liquidity reserve totalled EUR 10.2 billion (EUR 9.9 billion) as at the reporting date. In addition, we manage the liquidity of the portfolio by monitoring the liquidity of the portfolio securities on each trading day. When reinvesting fixed-income securities in the reporting period, we increasingly invested in securities and funds with short-term maturities in line with the technical liabilities while shortening the average residual term. In addition, we sold extensive holdings of interest-bearing securities with hidden liabilities and reinvested them at current interest rate levels. As a result, we have further expanded our room for manoeuvre on the markets and in our liquidity management. As an additional liquidity management tool, we have been entering into temporary repurchase agreements (repo transactions) for several years. We use these measures to reduce our liquidity risk.

Opportunity report

Speed is one of the qualities used to measure successful adaptability. Hannover Re's ambition is to offer quick and effective solutions that keep us one step ahead of the competition. Hannover Re searches systematically for new business opportunities in order to generate sustainable growth and strengthen the company's profitable development. With a view to identifying opportunities and successfully translating ideas into business, Hannover Re adopts a number of closely related approaches in order to achieve holistic opportunity and risk management. Of significance here is the efficient interplay of the various functions within opportunity and risk management, which is ensured by defined interfaces. In light of this structure, regulatory observations may also lead to new opportunities for Hannover Re. The materiality assessment as part of the **sustainability statement** also plays a role in opportunity management, as not only impacts and risks, but also opportunities for the company are analysed and evaluated when double materiality is taken into account.

The focus of Hannover Re's business opportunity management is on various market-specific innovations in the Life & Health and Property & Casualty reinsurance business groups (see section **"Forecast"** in the outlook).

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

In-house accelerator units covering the areas of business and technology explore the specifics of their respective fields and maintain a close dialogue with one another. The tasks performed by these organisational units include, among others, global scaling of existing market-specific products and solutions, developing new sector- and customer-specific digital assets, providing systematic support for insurtechs as they build their digital business models as well as internal efficiency improvements through targeted cooperation with external technology providers. An intensive exchange and targeted collaboration with the market departments are crucially important here in order to build on existing networks and expertise. In this way, we strive to identify business opportunities at a transformative stage to deliver innovative solutions to customers.

This broad spectrum of tasks is geared to the clearly defined goals of generating new profitable business for the Group, optimising risk assessment through the use of innovative tools, cultivating new strategic partnerships and acquiring new capabilities in the fields of digitalisation, automation (among other things with the help of artificial intelligence) and data analytics.

Strengthening resilience against natural perils

Insurance and reinsurance solutions make an essential contribution to the financial resilience of households, communities, businesses, countries and regions. This socially important function of the sector is receiving increasing recognition and is being further strengthened within the framework of international cooperation between the Global North and the Global South. Extreme weather events and other natural hazards continue to pose major challenges, particularly for already highly vulnerable economies and population groups whose livelihoods are threatened by such events. In 2025, several international conferences – including the Financing for Development Conference in Sevilla, Spain, or the Climate Change conference COP in Belém, Brazil – highlighted the role that the insurance sector can play through risk management and risk transfer solutions.

Hannover Re continues to engage in advancing financial protection against climate and disaster risk in developing and emerging economies and provides reliable reinsurance capacity for corresponding programmes. This aligns with our long-term perspective in these markets and the vision of enabling more people to rebuild their lives after a destructive event. We pursue these activities in close cooperation with our clients, through multi-stakeholder initiatives and together with partners from the public sector.

A central pillar of our approach is the partnership with the Natural Disaster Fund (NDF), whose parametric risk-transfer programmes target beneficiaries in low- and middle-income countries. In 2025, Hannover Re significantly expanded its support for the NDF and increased its committed risk capacity from USD 50 million to USD 100 million; implementation is currently underway. The NDF is a successful public-private partnership with capitalisation from the German and British governments via the KfW Development Bank and the UK Foreign, Commonwealth and Development Office, and managed by Global Parametrics Limited, a wholly owned subsidiary of CelsiusPro AG. In 2025, the NDF provided protection to 34.3 million poor and vulnerable beneficiaries (with less than USD 15 in purchasing power parity per day) in 82 countries. The programmes include covers for regional risk pools, international humanitarian and development organisations, microinsurers and agribusinesses. A key advantage of parametric insurance products lies in the rapid payout based on predefined triggers – such as precipitation amount, wind speed or earthquake intensity – without the need for a loss assessment.

Hannover Re also continues to support the Insurance Development Forum (IDF). In this unique global partnership the insurance industry and public sector institutions work together to improve climate risk management and to implement risk-transfer solutions in low- and middle-income countries. Hannover Re's contribution includes sharing expertise and experience to support the IDF's objectives and, in one of the IDF projects, co-leading the development of a parametric flood-risk solution for cities in Argentina together with other partners.

For the often predominantly rural developing and emerging economies, insurance solutions in the agricultural sector are of central importance. Hannover Re is a large provider of corresponding reinsurance solutions, thereby supporting local insurance markets. A very good example is Peru, where Hannover Re, in cooperation with the government and the primary insurance market, protects smallholder farmers in the entire country against yield losses.

In addition, Hannover Re has demonstrated in a mature market how active risk reduction can be integrated into a capital market transaction. An innovative new catastrophe bond with a resilience feature was facilitated by the insurance-linked securities team of Hannover Re for the North Carolina Insurance Underwriting Association. The bond includes a low resilience spread that accrues with interest and is returned to the issuer if a predefined loss threshold is not exceeded, and it may be used exclusively to support policyholder resilience – for example, through improvements to residential roofs in line with the 'Fortified Roof' standard.

Opportunities from emerging risks and new product process

The dynamic networking of the members of staff active in the field of innovation at Hannover Re gives rise to close links with other projects, working groups and bodies, such as with the working group on "Emerging Risks & Scientific Affairs" in regard to emerging risks and opportunities (see section **"Other risks"** in the risk report). This working group conducts qualitative assessments of emerging risks, examining not only potential threats but also associated business opportunities. It develops analyses that explore how Hannover Re can respond to megatrends, such as climate change, digitalisation and demographic shifts, through innovative (re)insurance products and targeted capital investments.

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

Cyber insurance

Cyber attacks continue to be a significant threat to economies worldwide. Successful attacks can cause considerable financial losses and could severely hamper private and public life, especially if critical infrastructures are impacted. Supply shortages with lasting effects as well as major disruptions to public safety may ensue. With globally connected digital ecosystems the repercussions of cyber attacks are intensifying because the volume of globally stored data and the extent of system dependencies are constantly growing. In addition, cloud computing is increasingly shifting the focus to third-party digital infrastructures and the associated network connection. As part of our holistic approach to risk and business opportunity management, we are actively exploring innovative solutions for our clients in order to protect against the relevant risks. The constant refinement of our systemic analyses for the assessment of cyber risks forms the basis for developing new (re)insurance products. We aim to bring transparency to the customer's cyber risks and we seek to cover the need for risk-mitigating measures by offering tailored structures.

Overall assessment by the Executive Board

Based on our currently available insights arrived at from a holistic analysis of the opportunities and risks, the Executive Board of Hannover Re cannot discern any risks that could jeopardise the continued existence of the Hannover Re Group in the short or medium term or have a material and lasting effect on its assets, financial position or net income. We are convinced that:

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

As an internationally operating reinsurance group, we move in a highly complex environment. Nevertheless, thanks to our business activities in all lines of reinsurance we are able to achieve optimal risk spreading through geographical and risk-specific diversification while at the same time maintaining a balanced opportunity / risk profile. We consider the risks

described in the above sections to be manageable, particularly because our steering and monitoring measures are effectively and closely interlinked. Despite these diverse mechanisms, individual and especially accumulation risks can decisively affect our assets, financial position and net income. In accordance with our understanding of risk, however, we consider not only risks but also at the same time opportunities. We therefore only enter into those risks that go hand-in-hand with opportunities. Our steering and monitoring tools as well as our organisational and operational structure ensure that we identify risks at an early stage and are able to act on our opportunities. Our central monitoring tool is the system of risk management that we have installed Group-wide, which brings together both qualitative and quantitative information.

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

The Group-wide risk management system and the internal control system are also a regular part of the audits conducted by the internal audit function as well as part of the assessment of the governance system by the Executive Board.

Enterprise management

Declaration on Corporate Governance pursuant to §§ 289f, 315d German Commercial Code (HGB)

This subsection is a part of the report that the legislator has expressly exempted from the audit of the financial statement/ audit of the management report (§ 317 Para. 2 Sentence 6 and Sentence 4 German Commercial Code (HGB); unaudited information).

Hannover Re's objective continues to be to consolidate its position as one of the leading, most profitable reinsurance groups operating worldwide. In aspiring towards this goal, it is particularly important to observe and fulfil the principles of good and sustainable corporate governance.

The Executive Board and Supervisory Board of Hannover Rück SE expressly support the suggestions and recommendations of the German Corporate Governance Code (DCGK) and are guided by them in their activities. Integrity in dealings with business partners, staff, shareholders and other stakeholder groups as well as value-based and transparent enterprise management and control are key pillars of corporate governance. The Supervisory Board, Executive Board and employees of Hannover Re identify with these principles, which thus form part of our corporate self-image.

Hannover Rück SE hereby provides insight into its enterprise management practices as part of the Declaration on Corporate Governance pursuant to § 289f German Commercial Code (HGB) and pursuant to § 315d German Commercial Code (HGB) in conjunction with § 289f German Commercial Code (HGB) for the Hannover Re Group:

Corporate Governance

As an instrument of self-regulation for the business world, the German Corporate Governance Code defines current best practices for corporate governance and is intended to make the German system of corporate governance transparent and comprehensible. It seeks to foster the trust of international and national investors, customers, employees and the general public in the management and supervision of German listed companies. Although the Code does not have binding legal force, the enterprises addressed by the Code are nevertheless required by § 161 Stock Corporation Act (AktG) to provide an annual declaration as to whether or not the recommendations of the Code were and are complied with in the reality of the company's business activities. If recommendations were not acted upon, this is to be explained and disclosed as part of the Declaration of Conformity. Supplementary to the present declaration, the Declarations of Conformity pursuant to § 161 Stock Corporation Act (AktG) regarding compliance with the German Corporate Governance Code for recent years are published on our website: **Declaration of Conformity↗**

Declaration of Conformity pursuant to § 161 Stock Corporation Act (AktG) regarding compliance with the German Corporate Governance Code at Hannover Rück SE

Under § 161 Stock Corporation Act (AktG) it is incumbent on the Management Board and Supervisory Board of German listed companies to provide an annual declaration of conformity with the recommendations of the "German Corporate Governance Code Government Commission" published by the Federal Ministry of Justice and Consumer Protection or to explain which recommendations of the Code were/are not applied and why this is the case.

The Executive Board and Supervisory Board declare pursuant to § 161 Stock Corporation Act (AktG) that Hannover Rück SE is in conformity with all recommendations of the German Corporate Governance Code contained in the version of the Code adopted on 28 April 2022 (announced

on 27 June 2022) and also intends to remain in conformity with these recommendations in the future.

Hannover, 7 November 2025
Executive Board, Supervisory Board

Remuneration

Remuneration of the Executive Board

The applicable system of remuneration for the members of the Executive Board of Hannover Rück SE was adopted by the Supervisory Board at its meeting on 4 August 2020. It was presented to the Annual General Meeting for approval on 5 May 2021. The remuneration system was developed by the Supervisory Board with the support of an independent consultant and is in conformity with the requirements of the Stock Corporation Act (AktG) as well as the recommendations of the German Corporate Governance Code as amended on 28 April 2022 (announced on 27 June 2022). The remuneration system is submitted to the Annual General Meeting for approval if any material changes are made to the remuneration system, and at least every four years. Since the remuneration system has proven itself, only minor changes were made after four years. These were approved by the Supervisory Board at its meeting on 8 November 2024. The slightly modified remuneration system was adopted by the Annual General Meeting on 7 May 2025 with a vote of 80.11%.

The remuneration report contains detailed information about the amount of remuneration received by the members of the Executive Board. The applicable remuneration system for the members of the Executive Board as well as the remuneration report submitted annually to the Annual General Meeting for approval (including the report of the independent auditor) can be accessed on the website of Hannover Rück SE: **Remuneration report and system↗**

Remuneration of the Supervisory Board

The system of remuneration for the members of the Supervisory Board is geared to the legal requirements and reflects the recommendations and suggestions of the German Corporate Governance Code. It is governed by § 14 of the company's Statute: **Statute↗**

The Annual General Meeting approved adjustments to the remuneration of the Supervisory Board on 7 May 2025. The Supervisory Board remuneration was increased effective 1 January 2025 from currently EUR 75,000 annually to EUR 100,000 owing to the heavier workload and the constantly increasing requirements placed on the work of the members of the Supervisory Board. As has been the case to date, the remuneration of the Chairman of the Supervisory Board and his Deputy shall be two and a half times and one and a half times the basic remuneration respectively.

Furthermore, the remuneration for work on the Finance and Audit Committee and on the Standing Committee was increased. The attendance allowance remains unchanged. Further details of the adopted resolution can be found in the information on the Annual General Meeting of 7 May 2025.

The remuneration of the members of the Supervisory Board is balanced overall and commensurate with the responsibility and tasks of the Supervisory Board members and the position of the company, with consideration also given to the remuneration arrangements of comparable listed companies. The remuneration arrangements as well as the remuneration system are regularly reviewed by the Supervisory Board with an eye to their adequacy, in which regard the advice of external consultants may also be sought. The Annual General Meeting considers the remuneration of the Supervisory Board members at least every four years and if changes to the remuneration arrangements are proposed. The Annual General Meeting can confirm the existing system of remuneration for the Supervisory Board or adopt a resolution to amend it.

A breakdown of the individual remuneration received by the members of the Supervisory Board for the 2024 financial year is provided in the remuneration report, which can be accessed on Hannover Re's website: **Remuneration report and system↗**

Further enterprise management principles of Hannover Re

The Code of Conduct of Hannover Rück SE applies Group-wide and can be accessed online: **Code of Conduct↗**. Complementing our corporate strategy, it sets out the rules governing integrity in the behaviour of all employees of Hannover Re and helps members of staff cope with the ethical and legal challenges they face as part of their day-to-day work. The rules defined therein reflect the high standards that guide our actions worldwide. It is our belief that integrity in dealings with all stakeholders constitutes the foundation of a successful enterprise. In both our strategic planning and our day-to-day business activities, we therefore aspire to consistently apply the highest ethical and legal standards; for our actions and the way in which every single one of us presents and conducts himself or herself are crucial in shaping the image of Hannover Re.

Risk monitoring and steering

The risk management system applicable throughout the entire Hannover Re Group is based on the strategic principles of risk management, which for their part are derived from the corporate strategy. A core component is the systematic and comprehensive recording of all conceivable risks that from the current standpoint could potentially jeopardise the company's profitability and continued existence. Further details in this regard may be obtained from the risk report contained in the present Annual Report.

Adequacy and effectiveness of the internal control system and risk management system

A detailed description of the main elements of the internal control system (ICS) and risk management system (RMS) is included in the opportunity and risk report. The adequacy and effectiveness of the ICS and RMS are reviewed and evaluated at Hannover Re primarily through the following measures:

- regular and systematic risk identification, analysis, assessment, steering and monitoring, including risk reporting,
- a continuous improvement cycle of Plan-Do-Check-Act in relation to risk management and the ICS, also including continuous monitoring and the rectification of deficiencies identified in the RMS/ICS in collaboration with the responsible units,
- regular review of the controls established in processes by the process owners,
- review of the controls in information security processes by the department headed by the Chief Information Security Officer,
- evaluation of controls, policies and processes relating to operational risks conducted annually in a self-assessment by expert groups,
- annual assessment of the ICS and RMS by a committee established to assess the system of governance,

– independent evaluation of the adequacy and effectiveness of implemented measures, including compliance-related controls, as part of continuously conducted compliance monitoring procedures, and
– in the context of regular audits conducted by the internal audit unit in relation to the ICS and RMS.

In connection with the aforementioned extensive measures, no facts or circumstances became known to the Executive Board in the reporting period that overall would argue against the adequacy and effectiveness of the ICS and RMS.

Sustainability of enterprise management

The considerable strategic and regulatory significance attached to ESG issues was again evident in the year under review. The associated risks and opportunities go hand-in-hand with increasing expectations placed on the role of corporate governance and on the management of sustainability risks. Requirements derive from, among other things, the G20/OECD Principles of Corporate Governance, Solvency II, the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS), the BaFin Guidance Notice on Dealing with Sustainability Risks, the German Corporate Governance Code (DCGK), the Supply Chain Due Diligence Act (LkSG) and prospectively the Corporate Sustainability Due Diligence Directive (CSDDD). In this respect, it is envisaged that corporate governance will assume a prominent role in shaping ESG topics and integrate them into enterprise management.

The Executive Board is responsible for the underlying strategies, the implementation of corresponding structures and provision of appropriate resources as well as the definition of responsibilities in the organisational guidelines. The Supervisory Board is tasked with providing advice and oversight for the Executive Board in its leadership of the company, inter alia with an eye to the handling of sustainability risks. The wide-ranging qualifications, skills and relevant experience of the members of both bodies facilitate a nuanced evaluation of the opportunities and risks in business operations and enable balanced actions and decisions to be taken on this basis.

The Executive Board is advised by the ESG Management Team, which plays a central role in ESG governance. This interdisciplinary team is comprised of participants from various areas. The ESG Management Team ensures coordinated dovetailing with the Group strategy and serves as the interface to local units as well as the central point of contact for fulfilment of ESG-related regulatory requirements. The ESG Management Team reports half-yearly to the Executive Board. More extensive submissions on sustainability issues are also presented as necessary during the year.

The competency profile of the Supervisory Board explicitly recognises “ESG” as an important topic, with one of its members designated as an ESG expert. Furthermore, sustainability-related issues were again addressed at the meetings of the Finance and Audit Committee and the full Supervisory Board in the year under review.

Compliance

Hannover Re considers a properly functioning compliance structure to be an essential tool for ensuring compliance with external rules and regulations as well as requirements imposed internally by the company. Further details of the compliance management system are provided in the combined non-financial statement. The results of our compliance activities are documented annually in the compliance report, which is submitted to the Finance and Audit Committee of the Supervisory Board and the full Supervisory Board; in this regard please see the report by the Supervisory Board included in this Annual Report.

Working practice of the Executive Board and Supervisory Board

The Executive Board and Supervisory Board of Hannover Rück SE work together on a trusting basis to manage and supervise the company and the Group as a whole. In accordance with § 13 of the Statute and the Rules of Procedure of the Executive Board, matters of fundamental importance require the consent of the Supervisory Board. The Supervisory Board is comprised of nine members. Six members are elected as shareholder representatives by the shareholders at the Annual General Meeting. The three seats held by employee representatives, which are currently allocated to Germany pursuant to Part III, § 13 (3) of the Agreement regarding the Participation of Employees in Hannover Rück SE of 23 January 2013, are elected in accordance with the provisions of the SE Participation Act (SEBG) by the responsible representative body (currently the joint Employee Council of Hannover Rück SE and E+S Rückversicherung AG). The Supervisory Board appoints the members of the Executive Board. Since members of the Supervisory Board cannot at the same time belong to the Executive Board, a high degree of independence in the oversight of the Executive Board is thus already ensured by structural means. In addition, the Supervisory Board is kept informed on a regular and timely basis of the business development, the execution of strategic decisions, material risks and planning as well as relevant compliance issues.

The Chairman of the Supervisory Board stays in regular contact with the Chairman of the Executive Board in order to discuss with him significant business occurrences. The composition of the Executive Board (including areas of responsibility) as well as of the Supervisory Board and its committees (including period of membership) is provided within this report.

The Rules of Procedure of the Executive Board are intended to ensure that a consistent business policy is elaborated and implemented for the company in accordance with its strategic objectives. Within the framework of a consistent business policy, the principle of “delegation of responsibility” enjoys special status. In the interests of shareholders, importance is expressly attached to an organisation that facilitates cost-effective, quick and unbureaucratic decision processes. Open and trusting cooperation geared to the interest of the whole is the foundation of success. In this context, the members of the Executive Board bear joint responsibility for the overall management of business. Irrespective of their overall responsibility, each member of the Executive Board leads their own area of competence at their individual responsibility within the bounds of the resolutions adopted by the Executive Board. The Executive Board has not set up any Executive Board committees, but has put in place a committee structure that supports it in the performance of its tasks. In addition to members of the Executive Board, senior executives and specialist employees of the Hannover Re Group sit on these committees.

The Rules of Procedure of the Supervisory Board provide inter alia that each member of the Supervisory Board must have the knowledge, skills and professional experience required for orderly performance of their tasks and that a sufficient number of independent members on the shareholder side shall belong to the Supervisory Board. The Supervisory Board has reached the assessment that Mr. Harald Kayser, Dr. Alena Kouba, Dr. Ursula Lipowsky and Dr. Michael Ollmann on the Supervisory Board are each to be considered independent in accordance with Recommendation C.6 of the German Corporate Governance Code as amended on

28 April 2022. A Supervisory Board member shall be considered independent within the meaning of this recommendation if they are independent of the company and its Management Board and independent of any controlling shareholder. Nor do any of the criteria restricting independence specified in Recommendation C.7 of the German Corporate Governance Code apply to any of the aforementioned candidates. Persons suggested to the Annual General Meeting as candidates for election to the Supervisory Board may not be older than 75 at the time of their election and shall normally not belong to the Supervisory Board as a member for longer than three full consecutive terms of office; the term of office commencing from the end of the 2014 Annual General Meeting is the first term of office to be counted for this purpose. Nominations shall take account of the company's international activities as well as diversity considerations. Furthermore, it shall be ensured that the proposed person can allocate the expected amount of time. The Supervisory Board meets at least twice each calendar half-year. The Supervisory Board's report provides information about the attendance of individual Supervisory Board members at the meetings. No more than two former members of the company's Executive Board may belong to the Supervisory Board.

The Supervisory Board decides in individual cases whether external advice should also be sought as a decision-making aid. A regular self-assessment is intended to survey the general efficiency of its working approach and assure it on a lasting basis. The efficiency review took place in May 2025. The findings confirm the high effectiveness of the board's work. Potential areas for improvement are continuously addressed.

Working practice of the committees of the Supervisory Board

In order to efficiently perform its tasks the Supervisory Board has formed a number of committees: the Finance and Audit Committee, the Standing Committee and the Nomination Committee. The Supervisory Board committees prepare matters within their scope of competence for discussion and adoption of a resolution by the full Supervisory Board. Moreover, the committees are also assigned their own authority to adopt resolutions. The number of meetings of the committees in the period under review as well as the attendance of the committee members are discussed in greater detail in the report by the Supervisory Board.

The Finance and Audit Committee was made up of Dr. Ursula Lipowsky (Chairwoman), Mr. Torsten Leue and Mr. Herbert Haas in the year under review; Dr. Lipowsky can certainly be considered independent within the meaning of the German Corporate Governance Code. Dr. Lipowsky and Mr. Haas are financial experts pursuant to §100 Para. 5 Stock Corporation Act (AktG), with Dr. Lipowsky having the necessary expertise particularly in accounting matters and Mr. Haas in particular when it comes to the auditing of financial statements. The committee monitors the accounting process and the effectiveness of the internal control system, the risk management system and the internal auditing system. It also handles issues relating to compliance and the information system for the Supervisory Board and discusses the Quarterly Statements as well as the Half-yearly Financial Report prior to their publication. It prepares the Supervisory Board's examination of the annual financial statement, management report and proposal for the appropriation of profit as well as of the consolidated financial statement and Group management report. In this context, the Finance and Audit Committee receives detailed information on the auditor's view of the net assets, financial position and results of operations as well as explanations of the effects of any modified recognition and measurement principles on the net assets, financial position and results of operations together with available alternatives. In addition, the committee prepares the Supervisory Board's decision on the commissioning of the independent auditor for the financial statements. It considers matters associated with the necessary independence of the auditor, the awarding of the audit mandate to the independent auditor, the determination of the audit concentrations, the fee agreement and the quality of auditing. The agendas and minutes of the meetings of the Finance and Audit Committee are also made available to the members of the Supervisory Board who do not sit on the committee.

Mr. Torsten Leue (Chairman), Mr. Herbert Haas, Ms. Ilka Hundeshagen and Dr. Ollmann met as the Standing Committee. The body prepares personnel decisions for the Supervisory Board. It bears responsibility for granting loans to the group of persons specified in §§ 89 Para. 1, 115 Stock Corporation Act (AktG) and those considered equivalent pursuant to § 89 Para. 3 Stock Corporation Act (AktG) as well as for approving contracts with Supervisory Board members in accordance with § 114 Stock Corporation Act (AktG). It exercises the powers arising out of § 112 Stock Corporation Act (AktG) in lieu of the Supervisory Board and – in cooperation with the Executive Board – ensures that long-term succession planning is in place. A systematic approach is adopted, with a list of potential candidates – including development periods and taking account of diversity targets – compiled, updated and discussed in committee. This is regularly a matter for reporting and deliberation in the committee meetings and is explored in detail – also in connection with the Executive Board's strategic targets in relation to talent management.

The Nomination Committee is comprised of Mr. Torsten Leue (Chairman), Mr. Herbert Haas and Dr. Lipowsky. The committee is tasked with proposing to the Supervisory Board appropriate candidates for the nominations that it puts forward to the Annual General Meeting for election to the Supervisory Board. The committee did not meet in the year under review.

For further details of the activities of the Supervisory Board committees in the year under review, please see the explanatory remarks provided in the report by the Supervisory Board.

Targets pursuant to § 289f Para. 4 Sentence 1 in conjunction with Para. 2 No. 4 German Commercial Code (HGB)

Four members of the Supervisory Board of Hannover Rück SE are women. A woman chairs the Finance and Audit Committee and one serves as a member of the Supervisory Board's Nomination Committee and Standing Committee. The proportion of women serving on the Supervisory Board in 2025 was thus 44%. This figure is thus in line with the target of 44% or four women set for the proportion of women serving on the Supervisory Board of Hannover Rück SE in the period from 1 July 2022 to 30 June 2027.

On the level of the Executive Board, the goal has hitherto been to appoint one additional woman as a member of the company's Executive Board by the year 2025. The target for the proportion of women on the Executive Board of Hannover Rück SE was set at 29% or two women by 30 June 2027. In 2025 three women served on the body, comprised of altogether eight members.

A target of 25% (corresponding to 26 women) has been set for the two levels of senior management below the Executive Board in the period from 1 July 2022 to 30 June 2027.

Diversity concept – Goals for the composition of the Executive Board and Supervisory Board as well as status of implementation (§ 289f Para. 2 Number 6 German Commercial Code (HGB)

Description of the diversity concept for the composition of the Executive Board and Supervisory Board and goals

When appointments are made to the Executive Board and Supervisory Board, Hannover Rück SE is guided by a number of considerations including the principle of diversity. Wide-ranging qualifications, expertise and experience on the part of the members of the Executive Board and Supervisory Board facilitate a nuanced evaluation of the opportunities and risks associated with business operations and enable balanced and professional actions and decisions to be taken on this basis. Due consideration is given to the aspect of diversity when members of the Executive Board and Supervisory Board are appointed. In addition to specialist and personal qualifications (competencies), this aspect encompasses in particular age, gender, internationality, education and professional career. With a view to ensuring that the concept of diversity is applied on an ongoing basis, an assessment is made in the context of every new appointment to the Executive Board or Supervisory Board as to whether the envisaged appointment is also in keeping with the diversity concept.

In selecting members of the Executive Board the goal is to ensure that the members have the skills and experience needed to properly perform their tasks. The Supervisory Board considers diversity in the composition of the Executive Board. The age limit for the Executive Board is set at 67. The members of the Executive Board are appointed by the Supervisory Board for a term of at most five years. Members of the Executive Board are initially appointed for no more than three years.

The composition of the Supervisory Board shall be such that overall its members are equipped with the knowledge, abilities and specialist experience necessary for proper performance of the tasks. The make-up of the Supervisory Board shall ensure that the Executive Board in an internationally operating, broadly positioned reinsurance group receives qualified supervision and advice from the Supervisory Board. The competency profile of the Supervisory Board is published in a skills matrix. Moreover, special attention is to be paid to the integrity, character, commitment, professionalism and independence of individuals put forward for election. In accordance with the Rules of Procedure for the Supervisory Board, for example, members of the Supervisory Board shall ensure that they have sufficient time at their disposal for their activities and that potential conflicts of interest are avoided. Furthermore, candidates shall be put forward to the Annual General Meeting for election to the Supervisory Board only if they will not have passed the age of 75 by the time of their election and – with effect from the election of the new Supervisory Board in 2014 – provided they have not sat on the Supervisory Board for more than three full consecutive terms of office.

With an eye to Hannover Re's international orientation, it is to be ensured that a sufficient number of members with long-standing international experience belong to the Supervisory Board. The goal is to at least maintain the currently existing international profile.

On the shareholder side, the Supervisory Board shall include an adequate number of members considered to be independent. At least one independent member must have expertise in accounting and in the auditing of financial statements.

In addition, the Supervisory Board bears responsibility for developing and implementing the diversity concept for the composition of the Executive Board and Supervisory Board and the associated reporting, or for providing an explanation if no such diversity concept is to be pursued.

Implementation approach and results achieved in the financial year

Diversity on the Supervisory Board and Executive Board continued to be a major focus in the 2025 financial year. Altogether four women belong to the Supervisory Board. Female members of the Supervisory Board sit on all Supervisory Board committees. The Finance and Audit Committee is chaired by a woman.

Furthermore, the Supervisory Board considers it important that an adequate number of Supervisory Board members are independent as defined by the German Corporate Governance Code (DCGK). The Supervisory Board has reached the assessment that the Supervisory Board members Mr. Harald Kayser, Dr. Alena Kouba, Dr. Ursula Lipowsky and Dr. Michael Ollmann are each to be considered independent in accordance with Recommendation C.6 of the German Corporate Governance Code as amended on 28 April 2022. A Supervisory Board member shall be considered independent within the meaning of this recommendation if they are independent of the company and its Management Board and independent of any controlling shareholder. Nor do any of the criteria restricting independence specified in Recommendation C.7 of the German Corporate Governance Code apply to any of the aforementioned candidates.

The age diversity on the Executive Board ranged from 45 to 58 in the 2025 financial year. On the Supervisory Board the age range was from 45 to 71. There were three female members of the Executive Board in 2025.

Information on share-based payment is provided in subsection 9.3 of the notes **"Share-based payment"** and with respect to the members of the Executive Board in the remuneration report on the Hannover Re website: **Remuneration report↗**

In addition to the present Declaration on Corporate Governance, the Declaration of Conformity pursuant to § 161 Stock Corporation Act (AktG) regarding compliance with the German Corporate Governance Code and the associated reports of recent years are published on our website: **Corporate Governance↗**

Overview of qualifications of the members of the Supervisory Board of Hannover Rück SE in 2025 (valid: May 2025)

Members of the Supervisory Board		Leue	Haas [1]	Dr. Kouba	Kayser [2]	Hundeshagen	Dr. Lipowsky [3]	Dr. Ollmann	Kaufmann	Kempff
Length of service	**Member since**	2018	2002	2024	2024	2019	2018	2019	2024	2024
Personal fitness		√	√	√	√	√	√	√	√	√
Diversity	**Gender**	Male	Male	Female	Male	Female	Female	Male	Male	Female
	Year of birth	1966	1954	1966	1966	1973	1958	1958	1980	1965
	Citizenship	German	German	Czech / Swiss	German	German	German	German	German	German
	Qualification	Trained banker, business administration graduate	Business administration graduate	Mathematician / statistician	Auditor / tax adviser	Graduate in law	Fully qualified in law	Business administration graduate	Commercial lawyer	Mathematician
Expertise / professional competence[4]										
Investing		√	√	√	√		√	√		
Underwriting		√	√	√		√	√	√	√	√
Accounting / auditing of financial statements		√	√	√	√	√	√	√	√	√
Internationality		√	√	√	√	√	√	√	√	√
M&A		√	√	√	√		√	√		
RIsk management		√	√	√	√		√	√		√
Compliance		√	√	√	√	√	√	√	√	√
Personnel		√	√	√	√	√	√	√	√	√
IT / digitalisation		√	√	√	√	√	√		√	√
ESG (Environmental, Social, Governance)		√	√	√	√		√		√	√
Internal model		√	√	√			√	√		√

[1] Has expert knowledge in the field of auditing financial statements pursuant to § 100 Para. 5 Stock Corporation Act (AktG) (“financial expert”).
[2] Expert in ESG (Environmental, Social, Governance) matters.
[3] Has expert knowledge in the field of accounting pursuant to § 100 Para. 5 Stock Corporation Act (AktG) (“financial expert”).
[4] Evaluation based on annual self-assessment (2023). On a rating scale from A to E “√” corresponds to an evaluation of at least B (“sound knowledge” or “good knowledge”)

Sustainability statement,

which at the same time fulfils the requirements for the combined non-financial statement drawn up in accordance with §§ 289b et seq. and 315b to 315c German Commercial Code (HGB).

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Basis for preparation

General basis for preparation of the sustainability statement [BP-1]

The present sustainability statement was drawn up in conformity with the requirements of the Corporate Sustainability Reporting Directive (CSRD (EU) 2022/2464) in full compliance with European Sustainability Reporting Standards (ESRS). It covers the period from 1 January to 31 December 2025.

In view of the fact that the European Directive has not yet been transposed into national German law, the sustainability statement for the 2025 financial year is published in accordance with the requirements of §§ 315c in conjunction with 289c to 289e German Commercial Code (HGB) as well as Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (hereinafter EU Taxonomy Regulation), which continue to apply.

The sustainability statement has been reviewed on a voluntary basis with limited assurance by the auditing firm of PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Hannover, in accordance with the audit standard ISAE 3000 (Revised) (see the section entitled **"Assurance Report of the Independent German Public Auditor on a Limited Assurance Engagement in Relation to the Group Sustainability Statement"**).

The sustainability statement constitutes the combined non-financial statement for the Hannover Re Group and Hannover Rück SE. In its structure, prioritisation and level of detail, it is geared to the requirements applicable to the Hannover Re Group and Hannover Rück SE under the CSRD and the ESRS that are material for the Hannover Re Group as well as under the EU Taxonomy Regulation. The ESRS are divided into twelve reporting standards, consisting of two overarching mandatory reporting standards and ten topical standards that are allocated to the three ESG pillars (ESG = Environment, Social, Governance) and cover a broad spectrum of sustainability-related topics. The disclosure requirements are identified by means of references within the report based on the paragraphs, MDR (Minimum Disclosure Requirements) and AR (Application Requirements) of the Commission Delegated Regulation (EU) 2023/2772 (ESRS) and the official EFRAG (European Financial Reporting Advisory Group) list of data points.

Pursuant to the materiality assessment conducted for the 2025 reporting year, the following standards are material for Hannover Re and thus form the basis for the reporting:
- E1 – Climate change
- S1 – Own workforce
- G1 – Business conduct

In addition, general disclosures with respect to the report and materiality assessment are required by the general standard "ESRS 2". The materiality assessment also identified "Data privacy and cyber security" as a material undertaking-specific non-financial topic. Information in this regard can be found in the chapter on business conduct (G1). The impacts, risks and opportunities identified in the context of the materiality assessment in connection with sustainability matters are identified through numbering (#) and addressed in the report. A complete overview can be found in the chapter **"Disclosures regarding the process for materiality assessment"**.

[BP-1_5a, b] The sustainability statement was compiled on a combined basis for the Hannover Re Group and Hannover Rück SE. As a general principle, the disclosures cover all Group entities within the IFRS scope of consolidation. This consistent approach within the management report promotes the comparability of the Hannover Re Group's financial and non-financial reporting. All Group entities not consolidated in accordance with IFRS that fall under the operational control of Hannover Re were examined with an eye to potential positive or negative impacts on sustainability matters and are considered not to be material for the sustainability reporting with respect to their informational value for the 2025 reporting year. Associated greenhouse gases of these undertakings are, however, disclosed separately from the consolidated group under chapter E1-6 in accordance with ESRS E1 subsection 50b. For the 2025 reporting year, no other Group entities of the Hannover Re Group are subject to reporting requirements under the CSRD. Consequently, no other Group company is exercising the option to be exempted.

[BP-1_5c] Material aspects and impacts of the upstream and downstream value chain are included in the reporting:
- The value chain is considered in the materiality assessment.
- Policies, actions and targets incorporate the value chain.
- The GHG balance sheet (see also E1-6) includes material emissions from both the upstream and downstream value chain.

Disclosures in relation to specific circumstances [BP-2]

Disclosures regarding reporting obligations under commercial law

[BP-2_15] The sustainability statement was drawn up in accordance with §§ 315b to 315c German Commercial Code (HGB) for the Hannover Re Group and, applying the exemption, for Hannover Rück SE as the Group's parent company. It was compiled in full compliance with the ESRS, which qualify as the reporting framework pursuant to §§ 315c Para. 3 in conjunction with 289d German Commercial Code (HGB). Furthermore, a separate framework was not used for Hannover Rück SE in accordance with § 289d German Commercial Code (HGB).

Disclosures based on the Taxonomy Regulation

The sustainability statement fulfils disclosure requirements pursuant to Art. 8 of the Taxonomy Regulation. The disclosures are provided in the chapter **"Disclosures in accordance with Article 8 of the EU Taxonomy Regulation"** as part of the environmental information.

Supplementary disclosures

The policies, actions, targets and metrics described apply to both the Hannover Re Group and Hannover Rück SE. Diverging frameworks were not used.

Various constraints should be borne in mind when interpreting the sustainability statement based on ESRS. The present statement has been compiled on the basis of requirements from the sector-agnostic ESRS. In view of the specificity of the financial services and (re)insurance business, some requirements have only restricted applicability to these sectors and the informational value of the reporting is therefore limited. In addition, there are still uncertainties surrounding the interpretation of many ESRS requirements. Hannover Re has validated its interpretative decisions to the best of its ability based on its own analyses, with the involvement of external experts and through dialogue in industry associations. Despite exercising all due care, however, it cannot be ruled out that opinions on the interpretation of ESRS will continue to change. To this extent, the statements are to be considered a snapshot at the time when the report is

published and are continuously evolving. The comparability and interpretability of the results of the non-financial reporting according to the CSRD will only emerge over time and after market standards have become established. There are also uncertainties of interpretation regarding the definition of the value chain as distinct from the company's own operations. Hannover Re takes own operations to mean the factors required for its performance such as the employees, the operation of office space and the associated infrastructure. In line with existing industry practice, the investments and the original reinsurance activities are not allocated to own operations but rather to the downstream value chain.

Internal and external data and information as well as – in certain places – quantitative extrapolations and estimates following a best effort approach are used to determine non-financial information for the reporting. The absence of reference values in many instances presented a special challenge. The availability of external data and reference values is expected to steadily increase as CSRD reports become more widely available.

Given that the ESRS are fully used for the first time as the reporting framework pursuant to §§ 315c Para. 3 in conjunction with 289d German Commercial Code (HGB), comparative information is provided on a voluntary, basis for selected metrics.

[BP-2_13] During the financial year, methodological adjustments were made to the calculation of the greenhouse gas balance (E1-6) compared to the previous year. The figures for the 2024 comparison year were adjusted accordingly to facilitate improved comparability over time. The adjustments relate on the one hand to the significance assessment of emissions from coolant losses. These were categorised as not significant in the year under review and were therefore not included in the accounting of Scope 1 emissions. The Scope 1 emissions attributable to own operations for the 2024 comparison year were reported as 182,7 tCO_2e lower, primarily due to the changed significance assessment. On the other hand, emissions factors of the Department for Environment, Food & Rural Affairs (Defra emissions factors) will henceforth be used to calculate emissions from district heating. As a result of the adjustment of the comparative values for 2024, which is mainly due to this changeover, the location-based Scope 2 emissions are reported as 180,1 tCO_2e lower and the market-based Scope 2 emissions as 229,5 tCO_2e higher.

Should a need for correction be identified subsequent to publication, a restatement will be made in time for the next publication and, in the event of material divergences, express reference will be made to the correction in the following report.

[BP-2_10] Estimates and averages for the upstream and downstream value chain are used in the quantitative reporting for the GHG balance sheet where real values are unavailable or can only be obtained with very considerable effort.

In its preparation of the greenhouse gas emissions balance sheet Hannover Re is guided by the requirements of the Greenhouse Gas Protocol (GHG Protocol) Corporate Accounting and Reporting Standard as well as the Partnership for Accounting in Financials Initiative (PCAF). The standards allow the use of estimates and approximations for accounting purposes if primary data are unavailable. The accounting methodology under both standards is subject to a certain imprecision, irrespective of the effort invested to obtain the data used for calculation. There are a number of reasons for this, including the variability of the emission factors used. These are supposed to indicate the quantity of greenhouse gases (generally measured as CO_2 equivalents) released per unit of a certain activity parameter (e.g. through the combustion of one litre of fuel). These emission factors, which are available in varying granularity and from various external providers, normally constitute an averaged picture of a large number of variables. Furthermore, a considerable amount of data from complex value chains is not available or certain processes cannot be measured.
[BP-2_10d] The GHG Protocol recognises the limits of accounting and recommends regular review of the methods and emission factors to minimise uncertainty as well as transparent reporting on these methodological uncertainties and the approximation methods used. GHG accounting is to be seen as a continuous improvement process in which the primary focus should be on key emission drivers. The PCAF Standard for calculating financed emissions similarly recognises that the required primary data (e.g. reported CO_2 emissions of the investee undertakings or projects) are frequently unavailable and allows the use of estimates or sector averages for accounting purposes.

[BP-2_10a] As far as the downstream value chain of the Hannover Re Group is concerned, disclosures relating to financed emissions pursuant to the PCAF Standard (Scope 3.15, Investment emissions, see also E1-6) are subject to estimates and (sector) averages to a particularly high degree.
[BP-2_10b] Such assumptions are made when published metrics are not available from issuers or can only be obtained with undue effort. Overall, the methodology behind this accounting is still subject to significant uncertainties and fails to recognise that Hannover Re, primarily in its capacity as a lender, can exert only a limited influence on the financed investments. For reasons associated with the business model, the portfolio also contains a large proportion of government bonds that cannot be substituted. Due to their very high carbon intensity, these account for by far the largest share of the total financed emissions. [BP-2_10c] The resulting total financed emissions are thus based on both verified information and estimates. If more accurate data that is relevant for assessment purposes becomes available at a later date, the corresponding figures for the previous year will be adjusted.

[BP-2_11] In its quantitative reporting, Hannover Re strives, where possible, to use real values as at the reporting date. This is especially true of information on own operations for own-use office space (e.g. energy consumption figures) and personnel metrics. Hannover Re's highly decentralised organisation and the varying requirements and standards in the different countries where it operates nevertheless present challenges (e.g. different lease arrangements for office premises and the timely availability of invoices from energy suppliers or travel service providers). In the initial years of reporting, this entails time-intensive quality assurance processes, which is why the environmental metrics for own operations (see E1-5 and E1-6) are extrapolated for the last two months of the year under review. The extrapolations are determined using reference values from the previous year in order to allow for seasonal fluctuations in energy consumption figures or travel patterns. The accuracy of the extrapolations is thus subject to annual assurance. Assumptions are also made for the disclosure of greenhouse gas emissions of affiliated non-consolidated undertakings (see also E1-6) and their energy consumption due to immateriality. These are based on the average emission intensity and energy intensity values per employee within the consolidated group.

[BP-2_16] At certain places in the report mandatory disclosures are satisfied through references to other relevant documents. The following data points are involved:

Information included through reference [1]

Information included through reference	Referenced document	Referenced chapter
ESRS 2 GOV-3, 29b and ESRS 2 E1 GOV-3 subsection 13.	**Remuneration report pursuant to Directive 2007/36/EC of the European Parliament and of the Council**	Variable remuneration components
ESRS 2 IRO-1, 53 in conjunction with ESRS E1, 20 and 21.	Annual Report 2025 Hannover Re Group	**Combined management report, Sustainability statement, ESRS E1 - Climate change, Description of the processes to identify and assess material climate-related impacts, risks and opportunities [ESRS 2 IRO-1]**

[1] References to further disclosures outside the (Group) sustainability statement do not form part of the ESRS reporting.

Governance

The role of the administrative, management and supervisory bodies [GOV-1]

[GOV-1_21a] Hannover Rück SE is managed in accordance with the two-tier governance system of Executive Board and Supervisory Board.

The Executive Board directs the undertaking at its own responsibility; its members bear joint responsibility. The Executive Board takes all key decisions in day-to-day business, develops the corporate strategy and ensures its implementation, including financial planning and risk management. The work of the Executive Board is coordinated by the Chief Executive Officer.

[GOV-1_21a, b] The Executive Board was comprised of eight persons at the reference date of 31 December 2025, all of whom are executive members. There is no elected employee representation on the Executive Board. [GOV-1_21d] The percentage of female members of the Executive Board amounts to 37.5 % based on a breakdown into five men and three women. The average age on the Executive Board is around 53, with an age range from 45 to 58. The Executive Board has members of four different nationalities.

[GOV-1_21a] The Supervisory Board is charged with an oversight and advisory function. The Supervisory Board is directly involved in decisions of fundamental importance to the undertaking. One of its central tasks is the appointment and dismissal of members of the Executive Board. The work of the Supervisory Board is coordinated by the Chairman of the Supervisory Board. The members of the Supervisory Board are appointed by the General Meeting.

[GOV-1_21a, b] The Supervisory Board was comprised of nine persons at the reference date of 31 December 2025, all of whom are non-executive members. [GOV-1_21a] Three employee representatives elected by the responsible representative body currently belong to the Supervisory Board. [GOV-1_21d] The percentage of female members of the Supervisory Board amounts to roughly 44 % based on a breakdown into four women and five men. The average age on the Supervisory Board is 60. The age range is from 45 to 71. The Supervisory Board has members of two different nationalities.

[GOV-1_21e] In accordance with the German Corporate Governance Code (DCGK), the Supervisory Board shall have an adequate number of independent members on the shareholder side. Four of the six members on the shareholder side of the Supervisory Board are independent according to the criteria of the German Corporate Governance Code. This corresponds to a ratio of roughly 66 %. Note: The recommendation of the German Corporate Governance Code regarding the independence of Supervisory Board members refers solely to shareholder representatives (Code Chapter C “Composition of the Supervisory Board”, Section II “Independence of Supervisory Board members”, Recommendations C.6-C.12). In line with the Code, we report solely on the independence of shareholder representatives with respect to ESRS 2, GOV-1_21e.

[GOV-1_21c, 23a] The Executive Board and Supervisory Board must have the expertise needed to steer and supervise the undertaking.

Based on their training and professional experience, the members of the Executive Board have wide-ranging expertise in sustainability topics. The members of the Executive Board shall at all times demonstrate the professional fitness required for sound and prudent leadership of the undertaking. This requires an understanding of the business transacted by the undertaking as well as the ability to evaluate the resulting risks for the undertaking within the scope of legal provisions. Insofar as a member has divisional responsibility, sound theoretical and practical knowledge of this area is required. In areas outside their divisional responsibility, the member of the Executive Board must be able to understand and question the decisions of other Board members in order to fulfil the overall responsibility of the Executive Board.

For each position on the Executive Board that is to be filled, Hannover Rück SE draws up a concrete requirements profile as well as an explanation of the extent to which an envisaged member satisfies this profile. In evaluating professional fitness, special consideration is given to the following criteria:

- sufficient theoretical and practical knowledge in the areas: insurance and financial markets, business strategy and business model, governance system, financial analysis and actuarial analysis, regulatory matters, internal model,
- insurance-specific knowledge in the fields of risk management and information technology,
- leadership skills,
- professional qualifications and knowledge (specialist expertise),
- relevant experience in the insurance sector, other financial sectors and other undertakings (market knowledge),
- language skills and
- analytical understanding.

[GOV-1_21c] Clemens Jungsthöfel has served as the company’s Chief Executive Officer since 1 April 2025 and in this capacity bears responsibility, in particular, for the areas of strategy, sustainability, organisation, information technology, human resources management, corporate communications, risk management, legal, compliance and internal audit. His career path includes leadership positions at HDI Global SE and KPMG, coupled with international professional experience in London. After training as a certified insurance practitioner, Mr. Jungsthöfel graduated in economics with majors in tax and auditing. He has passed the professional examinations to become a tax adviser, auditor and chartered accountant. Mr. Jungsthöfel served as the Chief Financial Officer of Hannover Rück SE and E+S Rückversicherung AG until 31 March 2025.

Jean-Jacques Henchoz was Chief Executive Officer until 31 March 2025. Mr. Henchoz can look back on an extensive career spanning multiple executive positions in the (re)insurance industry. He has a university degree in political science and business administration.

The Chief Executive Officer represents the Executive Board and the company in interactions with the broader public, especially with public authorities, associations, economic organisations and the media. In

addition, he is responsible for coordination of all the divisions and for coordination with the Supervisory Board.

Sven Althoff is responsible, as a member of the Executive Board, for worldwide coordination of the Property & Casualty reinsurance business group. He bears worldwide responsibility for the areas of aviation and marine, credit, surety and political risks, and quotations as well as regional responsibility for North America and the United Kingdom, including the London Market. Mr. Althoff, who has a master's degree in economics, brings many years of international expertise in the various areas of property and casualty reinsurance.

Claude Chèvre bears worldwide responsibility, as a member of the Executive Board, for coordination of the Life & Health reinsurance business group. He has regional responsibility for Asia, Latin America, the Middle East and Continental Europe. Mr. Chèvre has a master's degree in mathematics and extensive international professional experience in life and health reinsurance.

Dr. Christian Hermelingmeier was appointed as Chief Financial Officer of Hannover Rück SE and E+S Rückversicherung AG effective 1 April 2025. His responsibilities include asset management, finance, tax and investor relations. Previous professional roles include most notably leadership positions at HDI Global SE. Dr. Hermelingmeier holds a master's degree in business mathematics and a doctorate in economics.

Brona Magee is a member of the Executive Board for life and health reinsurance with worldwide responsibility for longevity solutions and regional responsibility for North America, Bermuda, the United Kingdom and Ireland. Ms. Magee, who holds a bachelor's degree in actuarial and financial studies, has international professional experience in the field of life and health reinsurance.

Sharon Ooi is a member of the Executive Board for property and casualty reinsurance with worldwide responsibility for facultative reinsurance and also regional responsibility for Asia-Pacific markets and Sub-Saharan Africa. Ms. Ooi has long-standing international experience in property and casualty reinsurance, especially in the markets of Australia, Asia-Pacific, Southeast Asia, India, South Korea, Hong Kong and Taiwan. Ms. Ooi holds a Bachelor of Science degree in cellular and molecular biology.

Silke Sehm is a member of the Executive Board for property and casualty reinsurance with worldwide responsibility for natural catastrophe business, structured reinsurance, insurance-linked securities, retrocessions as well as cyber & digital. Ms. Sehm is an actuary with a master's degree in mathematics and has many years of experience in the field of structured reinsurance.

Thorsten Steinmann is a member of the Executive Board for property and casualty reinsurance with responsibility for agricultural business worldwide as well as regional responsibility for Continental Europe, Latin America and North Africa. Mr. Steinmann holds a postgraduate degree in business administration and has extensive professional experience as an underwriter and senior executive in the primary insurance and reinsurance sectors. Mr. Steinmann additionally serves as Chief Executive Officer of E+S Rückversicherung AG.

Members of the Supervisory Board must similarly have the knowledge, skills and professional experience (expertise) needed to properly perform their tasks. The required expertise encompasses sound industry knowledge, a basic understanding of the undertaking's international business activity as well as specialist and methodological know-how. It forms the basis for effective supervisory board work. The Supervisory Board draws up written guidelines that serve as the basis for evaluating the professional fitness and reliability of the Supervisory Board members. These guidelines are regularly reviewed and adjusted according to the latest developments in the undertaking. The competence profile of the Supervisory Board is published annually in the form of a skills matrix.

In view of his relevant professional qualifications and experience, Mr. Harald Kayser was designated as an ESG expert on the Supervisory Board in 2024.

Skills matrix of shareholder representatives [1]

		Haas [2]	Kayser	Dr. Kouba	Leue	Dr. Lipowsky [3]	Dr. Ollmann
Length of service / member since		2002	2024	2024	2018	2018	2019
Personal suitability		☑	☑	☑	☑	☑	☑
Diversity	Gender	Male	Male	Female	Male	Female	Male
	Year of birth	1954	1966	1966	1966	1958	1958
	Nationality	German	German	Czech/Swiss	German	German	German
	Qualification	Degree in business administration (Diplom-Kaufmann)	Auditor, tax consultant	Mathematician/ statistician	Banker, degree in business administration (Diplom-Kaufmann)	Lawyer	Degree in business administration (Diplom-Kaufmann)
Expertise / professional qualification							
Investment management		☑	☑	☑	☑	☑	☑
Insurance technology		☑		☑	☑	☑	☑
Financial accounting / auditing		☑	☑	☑	☑	☑	☑
Internationality		☑	☑	☑	☑	☑	☑
M&A		☑	☑	☑	☑	☑	☑
Risk management		☑	☑	☑	☑	☑	☑
Compliance		☑	☑	☑	☑	☑	☑
Personnel		☑	☑	☑	☑	☑	☑
IT / digitalisation		☑	☑	☑	☑	☑	
ESG / sustainability		☑	☑	☑	☑	☑	
Internal model		☑		☑	☑	☑	☑

[1] Evaluation based on self-assessment. A tick for a subject area in the skills matrix corresponds to a rating of at least B (“sound” or “good” knowledge) on a rating scale from A to E.
[2] Pursuant to Section 100 (5) AktG, possesses expertise in the area of annual auditing (“financial expert”)
[3] Pursuant to Section 100 (5) AktG, possesses expertise in the area of annual auditing (“financial expert”)

[GOV-1_23a] Both the Executive Board and Supervisory Board have access to a wide range of internal and external training opportunities. A need for training is ascertained at various points in time, for example in connection with onboarding, the identification of new subject areas or if requested by individual members. The costs of external training are generally borne by the company.

[GOV-1_23b] The ESG governance structure approved by the Executive Board encompasses the “Sustainability Function”, the “ESG Management Team” (ESGMT) and a supporting “ESG Expert Network”. The ESG governance structure ensures that the Executive Board and Supervisory Board can access qualified employees regarding all matters assessed as material. The matters identified as material in the context of the materiality assessment are presented to the Executive Board and the ESGMT.
[GOV-1_22a] Overall responsibility for adequate handling of the impacts of business activity, risks and opportunities rests with the Executive Board. The Supervisory Board is entrusted with an advisory and monitoring role and examines the sustainability statement.

[GOV-1_22a, d] The Executive Board systematically identifies and assesses the risks and opportunities for the undertaking associated with social and environmental factors as well as the ecological and social impacts of the business activity. The corporate strategy considers not only long-term economic goals but also ecological and social goals. Similarly, the company’s planning includes corresponding financial and sustainability-related targets.

As the management body, the Executive Board is actively involved in the determination of sustainability goals. It discussed and approved both the Group Strategy 2024–2026 and the Environmental Strategy. The Executive Board receives half-yearly progress updates on the strategy from Group Strategy & Sustainability. Decision papers are also submitted to the Executive Board throughout the year on various sustainability topics which consider material impacts, risks and opportunities, among other things.

[GOV-1_22a, d, 23] The Supervisory Board is tasked with monitoring and considering developments relating to sustainability. The Chief Risk Officer (CRO) regularly updates the Supervisory Board on the undertaking’s risk situation. The Supervisory Board also fulfils its monitoring role with respect to the sustainability statement. The Finance and Audit Committee of the Supervisory Board monitors the accounting process, the effectiveness of the internal control system, the risk management and the internal audit system. It also deals with matters relating to compliance and the information system on behalf of the Supervisory Board. The Finance and Audit Committee oversees the auditing of the annual financial statement and the

consolidated financial statement. It is also responsible for monitoring the independence of the auditor and the additional services performed by the auditor.

[GOV-1_22b, c] The Executive Board is supported by various committees. They include the Risk Committee, which relieves the Executive Board of the workload associated with risk monitoring. The Risk Committee informs the Executive Board once a quarter about material risks in the context of risk reporting. As part of this reporting, risk assessment is also carried out on the basis of risk indicators. Numerous scenarios are considered in connection with risk management, including extreme loss scenarios. The Executive Board, the Risk Committee and the Non-Life Executive Committee are updated regularly. The Risk Committee reviews the risk position and the numbers presented quarterly and assigns further tasks to the Risk Management function in the form of actions. In addition, the risk reports are submitted to the Executive Board for approval. This reporting also highlights to the Risk Committee, the Executive Board and the Supervisory Board the undertaking's ESG impact through key indicators, risks and opportunities (e.g. through information on new products). The results of the analyses are also incorporated into the annual ORSA report, which is similarly checked by the Risk Committee, then approved by the Executive Board and brought to the attention of the Supervisory Board. Among other things, the undertaking explores at length here the subject of climate change. In addition, ESG risks and compliance risks, which also involve inter alia legislation and regulations on environmental law and ESG requirements, are reviewed for example within the scope of every New Product Process (NPP). The Executive Board assumes responsibility for managing risks and opportunities.

Hannover Re has a Sustainability Policy as well as a Risk and Capital Management Policy that address impacts, opportunities and risks and are applicable Group-wide.

[GOV-1_22c i] The interdisciplinary ESGMT updates the Executive Board half-yearly on relevant developments relating to ESG topics. The team also observes the impacts, risks and opportunities relating to ESG topics from an interdisciplinary perspective and advises the Executive Board on any actions that may be needed. The Executive Board updates the Supervisory Board several times a year through various formats. The Chief Risk Officer also reports to the Supervisory Board in the meetings on specific topics in risk management. This also includes the risk category of sustainability, for example in the context of climate change in general and especially natural catastrophe risks.

All reporting requirements are clearly defined at Hannover Re. The Executive Board reports back to the Supervisory Board on a regular basis. These reports include an assessment of the current risk and opportunity situation as well as an evaluation of the effectiveness of initiated actions. The Supervisory Board reviews these reports to ensure that the management of the undertaking adequately responds to risks and effectively uses opportunities.

[GOV-1_22c ii, iii] A more detailed description of the major elements of the internal control system (ICS) and risk management system (RMS) is provided in the opportunity and risk report. At Hannover Re, the adequacy and effectiveness of the ICS and RMS are reviewed and evaluated primarily through the following actions:

- regular and systematic risk identification, analysis, assessment, steering and monitoring, including risk reporting,
- a permanent improvement cycle of plan-do-check-act in relation to the RMS/ICS, including continuous monitoring and the elimination of vulnerabilities identified in the RMC/ICS,
- regular review of the controls established in processes by the process owners in the context of an annual self-assessment,
- review of the controls in information security processes by the unit led by the Chief Information Security Officer,
- evaluation of controls, policies and processes relating to operational risks conducted annually in a self-assessment by expert groups,
- annual assessment of the ICS and the RMS by a committee set up to evaluate the governance system,
- an independent assessment of the adequacy and effectiveness of implemented actions, including compliance-related controls, carried out as part of the continuous conduct of compliance monitoring procedures as well as
- in the context of regular audits conducted by the Internal Audit function in relation to the ICS and RMS.

In connection with the aforementioned extensive actions, the Executive Board did not become aware of any circumstances in the reporting period that overall would argue against the adequacy and effectiveness of the ICS and RMS. Identified vulnerabilities were delegated to the responsible units for processing. Risk reporting provides systematic and timely information about all material risks and their potential impacts. The central system of risk reporting consists primarily of regular risk reports. The regular reporting is supplemented, as needed, by internal immediate reporting on material risks emerging at short notice. The Executive Board thus has a constant overview of the undertaking's risk profile and can manage it by taking actions. Consistent communication takes place between Risk Management and the Executive Board with regard to the defined, monitored risk categories. The Supervisory Board is informed accordingly about the risk situation on the basis of this data and can review specific risks and actions or require individual analyses.

The ESGMT advises the Executive Board on sustainability matters. In addition to regulatory developments, this also encompasses strategic issues and the coordination of overarching topics. This also includes impacts and opportunities.

[GOV-1_22d] The quarterly risk report provides the Executive Board with an overview and metrics regarding the risk position, which also extend to sustainability topics. Risk Management has defined key indicators regarding the level of risk within the reputational hazard and metrics for operations with regard to environmental matters, which it reports regularly to the Executive Board. In this way, the Executive Board uses the opportunity - through continuous improvement of the metrics and a good reputation - to tap into new customer groups and at the same time optimise own ecological impacts. Similarly, hazards from environmental risks, such as climate change, are considered as part of the quarterly reporting to the Executive Board. The focus here is on the reinsurance of natural perils, accumulation control and scenario analyses. The opportunities that are to be acted on in connection with protection against natural perils, or indeed the development of (re)insurance solutions for renewable energy risks or carbon reduction technologies, for example, form part of the strategy development. Such goals go hand in hand with risk limits, which are documented in the risk report.

Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies [GOV-2]

[GOV-2_26b, c] Every three years, the Hannover Re Group revises its strategy to ensure the sustainable success of its business. The strategy for 2024–2026 is entitled "Staying Focused. Thinking Ahead.". Beyond financial targets, the ambition of the Group Strategy also encompasses economic and environmental targets, together with strategic goals related

to employee engagement. The Executive Board receives half-yearly information from Group Strategy & Sustainability on progress towards achieving the strategy, as well as decision papers throughout the year on various sustainability topics. In the year under review, it validated the materiality assessment (see section SBM-3).

[GOV-2_26a] The Supervisory Board similarly considers sustainability topics. The Supervisory Board, the Finance and Audit Committee and the ESG expert on the Supervisory Board engaged with sustainability matters in the year under review, including, among other things, the findings of the materiality assessment. They also received information on regulatory developments. Furthermore, the Chief Risk Officer reported to the Supervisory Board and the Finance and Audit Committee on risk topics, including natural catastrophe risks. Through its annual review of the sustainability statement, the Supervisory Board additionally engages with the material impacts, risks and opportunities. A complete, numbered overview of the identified material impacts, risks and opportunities in reinsurance business is provided in the table **"Identified material impacts, risks and opportunities"**.

Integration of sustainability-related performance in incentive schemes [GOV-3]

[GOV-3_29a] The remuneration of the Executive Board is geared to publicly communicated financial and non-financial targets, as well as the shareholder return, and thereby promotes the sustainable and long-term development of the Group.

The system of remuneration, which is in line with statutory and regulatory requirements as well as the recommendation of the German Corporate Governance Code (DCGK), establishes the basis for the Supervisory Board's determination of the total remuneration paid to each member of the Executive Board. In addition to the regular adoption of a resolution by the Annual General Meeting on approval of the remuneration system, the shareholders can also address questions and comments about the remuneration of the members of the Executive Board to the undertaking annually at the Annual General Meeting in connection with the presentation of the remuneration report and take a consultative vote on the remuneration report ("say on pay").

The members of the Executive Board receive a fixed and variable remuneration component as part of their direct remuneration. In order to include an appropriate focus on performance, the target direct remuneration is made up of 40 % fixed remuneration and 60 % variable remuneration components. The latter are comprised of a short-term and long-term component, and they reflect in particular the degree of target attainment for the respective financial year. [GOV-3_29b] In order to determine an individual premium or deduction of -25 % points to +25 % points in connection with the variable remuneration, the Supervisory Board defines target criteria and metrics in advance for the coming financial year for each individual member of the Executive Board,which also include sustainability goals.

Where sustainability issues are concerned, higher-level targets have been defined with respect to social and environmental topics that are in accordance with the Group Strategy 2024–2026 and the underlying Environmental Strategy. On the ecological side, every effort is made to refine and execute the Environmental Strategy. For further information on the Environmental Strategy, we refer to the chapter E1-4 (Targets related to climate change mitigation and adaptation). [GOV-3_29c, e] With regard to environmental matters, a target has been set for the Carbon Disclosure Project (CDP) rating that is defined as "Management level". In addition, a target has been set in the social sphere with respect to the topic of leadership/engagement, which is measured by the Engagement Index (annual employee survey).

The sustainability-related targets are considered to be guideline values in determining target attainment for the Executive Board; specific quantitative sustainability-related performance criteria are not defined as targets for the remuneration of the Executive Board. The conversion of qualitative assessments regarding fulfilment of sustainability criteria to an overall percentage for attainment of all target criteria takes the form of the Supervisory Board's exercise of due discretion. [GOV-3_29d] On account of the existing remuneration structure, it is not possible to make a mathematically precise determination of the proportion of variable remuneration dependent on sustainability- or climate-related targets or impacts.

[GOV-3_29a-e] The members of the Supervisory Board receive the fixed remuneration defined by the Annual General Meeting in accordance with the Statute, the amount of which varies according to the function performed on the Supervisory Board and the membership of Supervisory Board committees. In view of the oversight role performed by the Supervisory Board, the remuneration of the Supervisory Board is not linked to any target attainment and does not include any variable remuneration components.

Further information on the remuneration of the Executive Board and Supervisory Board is provided in the remuneration report; the specific sustainability targets of the members of the Executive Board are included there in the table on individual targets and target attainment of the members of the Executive Board in the subsection Short-Term Incentive (STI).

Statement on due diligence [GOV-4]

[GOV-4_30, 32, AR8-10] In the following table, Hannover Re provides an overview of the information contained in its sustainability statement on the procedure for fulfilment of due diligence.

Information on the due diligence procedure

Core elements of due diligence	Paragraphs in the sustainability statement
Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-2 ESRS 2 GOV-3 ESRS 2 SBM-3
Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 GOV-2 ESRS 2 SBM-2 ESRS 2 IRO-1 ESRS 2 MDR-P Topic-related ESRS
Identifying and assessing adverse impacts	ESRS 2 IRO-1 incl. IRO-1 in topic-related ESRS ESRS 2 SBM-3
Taking actions to address those adverse impacts	ESRS 2 MDR-A Topic-related: Actions and transition plans
Tracking the effectiveness of these efforts and communicating	ESRS 2 MDR-M ESRS 2 MDR-T Topic-related ESRS metrics and targets

Risk management and internal controls over sustainability reporting [GOV-5]

[GOV-5_36a, b] All risk-related processes are governed by the risk management process and an internal control system (ICS), which are applicable Group-wide. Risk assessment and prioritisation takes place using the risk management system on a consistent Group-wide basis and is communicated and applied worldwide through the Risk and Capital Management Policy. Qualitative assessment of the risk management systems is conducted, for example, through an annual maturity evaluation in workshops.

In preparation for the compilation of the sustainability statement, the reporting process was refined to meet the increased requirements with respect to data quantity, data quality and depth of information. In this connection, processes were implemented in the internal process management tool, in which roles, controls and reviews are embedded.

[GOV-5_36c] Any type of reporting is identified as a potential risk inasmuch as individual report contents may not be accurately reported. Within the risk landscape, this risk is allocated to the operational risks as a business process and data quality risk. Sustainability management, including sustainability reporting, is listed as an explicit element of the internal control system in the corresponding Group-wide guideline and is therefore subject to mandatory control.

The most important identified risks in connection with sustainability reporting include incorrect or delayed data deliveries, misinterpretations of metrics or processes, as well as incomplete data from the upstream or downstream value chain. Hannover Re addresses the identified potential risk through a number of process-integrated individual control measures. These mitigation strategies encompass, among other things, plausibility checks, the principle of checks made by multiple pairs of eyes and deadline management. The sustainability statement is subject to quality controlling by two members of staff in the Group Risk Management division prior to publication.

Hannover Re uses an authoring system that documents workflows to prevent unauthorised inputs. Reports are compiled by qualified employees with assigned roles. All inputs are stored with approvals, enabling controls to be systematically implemented and documented.

Where quantitative information is concerned, Hannover Re is governed by a Group-internal reporting manual of the parent company Talanx. This reporting manual defines requirements for quantitative data, describes every KPI and its collection, and ensures that everyone involved proceeds in a consistent manner.

[GOV-5_36d, e, AR_11] The Executive Board and Supervisory Board are informed at least annually of material developments and outcomes in the sustainability reporting.

Strategy and Business Model

Strategy, business model and value chain [SBM-1]

[SBM-1_40ai, ii] Hannover Rück SE is a European Company, Societas Europaea (SE), based in Hannover, Germany. With reinsurance revenue of around EUR 26.8 billion, it is one of the largest reinsurers in the world. Established in 1966, the Hannover Re Group today is comprised of numerous subsidiaries, branches and representative offices worldwide and serves major markets in Europe, the Americas, Africa, Asia and the Middle East with its products. Business partners and clients from the primary insurance sector around the world are offered traditional, bespoke and innovative reinsurance solutions through a global network. Property and casualty reinsurance – the protection of assets and claims – and life and health reinsurance – the protection of natural persons – are the primary business activities (NACE Code K65.2.0). Further information on the major markets in which Hannover Re operates, can be found in the section of the combined management report entitled **“Results of operations”**.

[SBM-1_40aiii] In addition to its main location in Hannover, Hannover Re is present on all continents and employs altogether more than 4,000 staff. The geographical breakdown of the workforce is provided in the table **“Employees by contract type, broken down by region”**.

Group Strategy 2024–2026 – Staying Focused. Thinking Ahead.
[SBM-1_40e, f, g] The strategy cycle at Hannover Re spans three years. The Group Strategy 2024–2026 “Staying Focused. Thinking Ahead.” centres on industry-leading performance in terms of profitability and earnings growth, reliable economic value creation, as well as an attractive dividend. Hannover Re’s capital strength is another strategic criterion. Along with these financial targets, the ambition set out in the Group Strategy also includes strategic targets in relation to employee engagement and environmental stewardship.

The Corporate Level Strategy is concretised and supported by various Business Level Strategies. Of particular relevance to major sustainability matters are the Environmental Strategy and the People & Culture Strategy. These operationalise action fields and measures in relation to the most important sustainability goals and challenges. The Group Strategy thus addresses not only the interests of customers and investors, but also those of employees, society and other key Hannover Re stakeholders. From an overarching perspective, the focus of environmental sustainability is on progressive decarbonisation of the reinsurance and investment portfolios, as well as on promoting societal resilience in the face of the growing impacts of climate change. The People & Culture Strategy highlights the importance of employees for Hannover Re’s business success and specifically addresses the well-being of employees, a performance-enhancing work environment free of discrimination and increased attractiveness as an employer to secure future talent on the labour market.

Description of the business model and value chain
As a globally operating reinsurer, Hannover Re takes on a key role in ensuring the stability and resilience of the international insurance market. Value is created through the systematic assumption, analysis, assessment, management and diversification of risks in the areas of property & casualty and life & health reinsurance. These activities serve to provide financial protection against risks and create added value for clients, investors and other stakeholders.

[SBM-1_42a] Hannover Re’s major inputs are risk data and capital. Risk data are obtained through cooperation with primary insurers and brokers as well as through internal and external data sources and are subject to continuous analysis in order to ensure precise risk assessment. The capital structure is made up of the technical provisions and liabilities, including the contractual service margin and the risk adjustment for non-financial risk, as well as the shareholders’ equity. Hannover Re is committed to rigorous risk management processes, investments in digital analysis tools and the ongoing enhancement of its employees’ know-how in order to secure these inputs on a lasting basis.

[SBM-1_42b] Hannover Re’s main outputs are reinsurance protection, financial security and tailored solutions for complex risks. Capital is used to cover these risks. Customers benefit from improved risk-carrying capacity, stable premium structures and a partner that remains financially capable of acting even in extreme situations such as natural disasters or pandemics. Investors receive a return, supported by a diversified business model and a solid investment policy. Society benefits from the promotion of insurance solutions that ensure social and economic stability in various regions of the world.

[SBM-1_42c] The upstream value chain encompasses actors and processes that prepare the reinsurance process. Along with primary insurers, these also include capital providers that make available financial resources for business activity and risk coverage, brokers that mediate

reinsurance solutions between primary insurers and Hannover Re, as well as service providers and suppliers of operating resources. In addition, reinsurance partners, so-called retrocessionaires, play an important role by assuming parts of the risks and thereby contributing to diversification of the portfolio. The downstream value chain encompasses the settlement of claims and investing activities. Hannover Re is active worldwide in various market segments and continuously adjusts its business model to the dynamic requirements of the global risk landscape.

Interests and views of stakeholders [SBM-2]

[SBM-2_45ai, b] Understanding and considering the interests and views of key stakeholders forms the basis for Hannover Re's sustainable business success. Hannover Re's most important stakeholders include its customers and brokers, investors, employees, regulators and financial supervisory authorities, as well as civil society. A continuous dialogue is held with these stakeholders on a wide range of levels and on an ongoing basis.

[SBM-2_45aiii, b] What matters here are not only institutionalised dialogue formats, but also the various forms of contact with different stakeholders in everyday operations – e.g. in direct discussions with clients. In the highly professional B2B world of a reinsurer, individual needs are regularly explored and form part of the strategy and product development process. Employees are similarly able to raise issues with the company at any time through various channels (such as annual employee surveys) and are directly involved in business decisions through employee representative bodies. Another relevant dialogue channel is through membership of industry associations and participation in initiatives in which a range of stakeholders regularly come together, e.g. lawmakers, NGOs and various market players. As a capital market-oriented undertaking, investor concerns are also a pivotal success factor. To this end, Hannover Re regularly engages directly with investors on matters including sustainability and ESG and participates in a number of established ESG ratings that cater to the capital market's information requirements. The regularly conducted materiality assessments consider the views of stakeholders (see also chapter IRO-1).

[SBM-2_45bav, ci] The Group Strategy for 2024–2026 considers these views and specifically picks up on major expectations in the Corporate Level Strategy and further resulting Business Level Strategies, which provide additional granularity for individual functional and business areas. Thus, for example, major expectations of employees constitute central action fields of the People & Culture Strategy, while societal and legislative expectations around progressive decarbonisation are factored into the Environmental Strategy. [SBM-2_45ciii] Given that the Group Strategy 2024–2026 confirms the core elements of the business model, the relationship to stakeholders is not expected to change significantly as a consequence of this Group Strategy.

[SBM-2_45cii] The Group Strategy is developed continuously in light of strategic analysis, making allowance for the views of key stakeholders. Insights into expectations that are obtained through various dialogue formats are incorporated into the definition of strategic targets and the elaboration of strategic concentrations. This ensures that proposed strategic actions are harmonised with long-term corporate objectives and stakeholder interests. [SBM-2_45d] The Executive Board and Supervisory Board, as central control bodies, are closely involved in the strategy development process. The Executive Board also validates the results of the materiality assessment. The Supervisory Board and the Finance and Audit Committee are informed of the findings.

Material impacts, risks and opportunities and their interaction with strategy and business model [SBM-3]

[SBM-3_48a] In conformity with CSRD requirements, a validation of the materiality assessment was carried out in the year under review (for further information the reader is referred to the chapter **"Disclosures regarding the process for materiality assessment"**). [ESRS-2_AR17] In this context, the Hannover Re Group identified impacts as well as potential risks and opportunities in connection with climate change, its own workforce and the conduct of business. The IROs (Impacts, Risks, Opportunities) identified in connection with climate change are concentrated primarily on global core business in the downstream value chain, while IROs connected with the undertaking's workforce and business conduct relate to own operations. Generally speaking, the findings confirm the materiality assessment of prior years. [SBM-3_48g] No major changes were identified in relation to previous reporting periods. In addition, individual impacts, risks and opportunities were further specified and, as appropriate, consolidated. Individual positive impacts were also classified as actions against potential negative impacts. Furthermore, anti-competitive behaviour was categorised as a non-material matter.

[SBM-3_48b] Hannover Re has recognised its impacts, risks and opportunities in connection with sustainability matters for many years and pursues longer-term policies and actions as part of its strategic orientation to reduce negative impacts, reinforce positive impacts, minimise risks and systematically leverage business opportunities. This also includes regular voluntary and statutory reporting to satisfy the information needs of a wide range of stakeholders. In connection with climate change, for example, mention should be made of various policies that actively reduce the exposure to business partners and investments related to fossil fuels and thereby directly influence our business model. In addition, protecting against customers' physical climate risks forms part of a reinsurer's business model, which is why such risks are deliberately assumed but closely controlled and managed (see also "Current and expected financial effects"). Impacts, risks and opportunities connected with the company's own workforce or business conduct are not associated with the business model because every company seeks to attract the best possible talent and people to be successful. This is supported by a positive, non-discriminatory and legally compliant work environment and a favourable external perception, justifying the strategic actions taken by Hannover Re as described in chapters **"Own workforce – ESRS S1"** and **"Business conduct – ESRS G1"**.

Impacts

[SBM-3_48ci-iv] Hannover Re's material impacts in connection with climate change are associated with the business model and, on the one hand, positively affect people and society inasmuch as resilience to catastrophic events is increased through reinsurance protection, or sustainable business models and the energy transition are promoted through targeted investments or reinsurance protection. On the other hand, financial services such as reinsurance protection or investments encourage negative effects on climate change because many different economic activities are connected with greenhouse gas emissions. The impacts are therefore more indirect in nature and occur in the downstream value chain. [ESRS-2_AR17] The impacts are not time-limited overall and can occur at any time and anywhere Hannover Re operates. Positive impacts on the company's own workforce (e.g. through a modern and performance-enhancing work environment) affect people directly and are supported by strategic actions, but are not specific to the business model. Negative impacts are potential in nature and occur if actions do not prove successful or if Hannover Re is unable to create a positive work environment for all employees.

Current and expected financial effects

[SBM-3_48e, f] In the context of the materiality assessment, risks and opportunities were identified that could have short-, medium- and long-term implications for the company's financial position, performance or future business prospects. In connection with climate change, these are in particular short-, medium- and long-term physical as well as long-term transition climate risks for reinsurance activities or investments. The identified risks of anti-competitive behaviour, from incidents of corruption through breaches of data privacy to cyber attacks (these involve identified undertaking-specific risks), similarly entail the risk of diminished demand and lost customers due to reputational damage. This can result in lost revenue in the short term and a weakened market position over the long term. In relation to its own workforce, the competition for talent has potential financial implications for the Hannover Re Group over the long term. Increased personnel expenditures, recruitment costs and retention costs can prove a drag on profitability over the longer term if Hannover Re is unable to be seen as an attractive employer. For this reason, Hannover Re regularly evaluates its strategic human resources activities in order to maintain long-term resilience in the face of these risks and preserve business opportunities (see also chapter S1). It is currently impossible to put a more precise number on the financial impacts because they are dependent on a range of unforeseeable factors that are difficult to quantify.

[SBM-3_48d] Although these risks are potentially material, they caused no material financial impacts on the undertaking's assets, financial position and net income in the reporting period. The loss expenditure due to events influenced by climate change was within the anticipated budget in the reporting period. As already described, the business model of a reinsurer is explicitly geared to taking on and protecting against short-term risks connected with losses from climate-related natural disasters. If these risks are not adequately managed, the risk exists in principle that they can impact the assets and net income in the coming reporting period. Details of the extensive risk management processes put in place in this regard can be found both in the chapter **“Climate change – ESRS E1”** and in the **“Opportunity and risk report”**. Among other things, they include information on long-term scenario analyses in order to make allowance in risk management for expected medium- and long-term developments due to climate changes. The Hannover Re Group continuously tracks the development of these risks and opportunities and has established internal processes to evaluate and manage their potential impacts. Actions were taken inter alia with respect to pricing for climate-influenced natural disasters such as floods and heavy rainfall.

Resilience of the strategy and business model

[SBM-3_48f] As a global reinsurer, the consequences of climate change are a particularly relevant topic for the future resilience of the business model because they influence business activities in all areas: in property and casualty as well as life and health reinsurance and on the investing side. At the same time, the impacts of climate change constitute the most significant sustainability risk for Hannover Re and are therefore closely analysed, monitored and managed.

[ESRS-2_AR17] Hannover Re draws up detailed business planning for each subsequent year and an aggregated business outlook for the following four years. The business planning and outlook include assumptions regarding the run-off of existing business and assumptions regarding future new business and new investments. The planning horizons are guided by, among other things, the length of customary market cycles and market changes following large natural catastrophes. The period covered by the business planning is thus consistent with the short-term time horizon for identification of climate risks, and the medium-term business outlook is consistent with the corresponding medium-term time horizon for identification of climate risks. Due to the dynamic pace of market changes, there is no outlook for business figures beyond a 5-year timeframe. The capital allocation is determined in each case for the coming year based on market cycles and business dynamics.

Strategic risks exist in the event that the insurability of risks is influenced over the long term by climate change, for example if (re)insurance protection can no longer be provided for buildings in certain parts of the world due to increased natural catastrophe risks. Hannover Re is therefore also committed to the expansion of risk-mitigating actions, e.g. in the form of water and fire protection management.

[SBM-3_48h, 49] The material impacts, risks and opportunities and their interaction with strategy and business model are specifically addressed in the corresponding material topic-related ESRS on E1, S1 and G1. A complete list of the identified matters is also provided in the table **“Identified material impacts, risks and opportunities”**.

Disclosures regarding the process for materiality assessment

Description of the process to identify and assess material impacts, risks and opportunities [IRO-1]

[IRO-1_53a] As part of Hannover Re's materiality assessment, a structured process is used to identify and evaluate material impacts, risks and opportunities. This assessment follows the principle of “double materiality” and considers both the impacts of the undertaking’s business activity on the environment and society, and the financial risks and opportunities associated with sustainability matters for the undertaking.

The process is divided into two stages. In accordance with the EFRAG Materiality Assessment Implementation Guidance, No. 170, Hannover Re conducts an annual trigger analysis to check whether significant changes (triggers) have occurred that make it necessary to conduct an entirely new materiality assessment. If no material triggers have occurred, a validation of the last materiality assessment is carried out.

The trigger analysis considers, among other things, significant changes affecting key stakeholders, the business model, the strategy, the product portfolio and the sustainability-related risk inventory. In addition, peer group comparisons, desk research analyses and a quantitative portfolio analysis are carried out. Based on the outcome of the trigger analysis, a validation of the entire materiality assessment for the year 2024 was carried out for the 2025 reporting year.

The difference compared to the complete materiality assessment lies in the fact that within the scope of validation the impacts, risks and opportunities identified as material in the previous assessment are reassessed. At the same time, it is checked whether additional matters should be included or removed in light of new information or external developments. In addition, individual impacts, risks and opportunities are further specified and, as appropriate, consolidated in accordance with the disclosures under subsection 48g.

Irrespective of the outcome of the trigger analysis, Hannover Re conducts a complete materiality assessment at the latest every three years.

The materiality assessment is supported by qualitative and quantitative methods. A key element of the methodology is the involvement of stakeholders to ensure that the assessment of material topics is based on a comprehensive understanding of different perspectives. Internal stakeholders are included in the process through workshops. External stakeholders are represented by internal stakeholders in accordance with ESRS 1 AR8.

Impacts, risks and opportunities consider both the topic and the sub-topic levels. In the context of the materiality assessment, impacts, risks and opportunities that consider topics, sub-topics and sub-sub-topics are grouped on the level of sub-topics pursuant to ESRS 2 AR18. This ensures an aggregated assessment within the sub-topics.

The qualitative assessment of impacts, risks and opportunities takes place in the context of topic-specific workshops. The results are quantified using a scoring model on the basis of predefined criteria.

In addition, Hannover Re draws on external data sources to assess impacts. These quantitative analyses supplement the qualitative assessments.

Impacts

[IRO-1_53b] Hannover Re's process for determining, assessing, prioritising and monitoring potential and actual impacts on the environment and society is based on a comprehensive approach.

The process begins with the systematic recording of potential and actual impacts on the environment and society along the undertaking's value chain. Consideration is given both to the company's own business activities and to indirect impacts from business relationships (e.g. suppliers, customers and investments). The impacts are determined through a combination of internal and external data sources, such as stakeholder surveys, data from risk management, and external data sources such as the UNEP-FI impact mappings for assessment of the investment portfolio.

Quantification of the qualitative assessments of impacts is based on the following scoring model:

- Actual negative impacts are scored based on the degree of severity (scale, scope and irremediability).
- Potential negative impacts are additionally supplemented by the likelihood of occurrence, although severe impacts – especially in relation to human rights – can be categorised as material even if the likelihood of occurrence is low.
- Positive impacts, both actual and potential, are scored according to their scale and scope. Potential positive impacts are additionally scored according to their likelihood of occurrence.

In this context, impacts are considered without regard to planned mitigating or supporting measures.

This produces a materiality score which integrates both qualitative evaluations and quantitative assessment factors (especially quantitative analysis of the investment portfolio).

The assessed impacts are prioritised on the basis of the materiality score. Prioritisation takes place both on the level of environmental and social impacts. Impacts that exceed a materiality threshold are categorised as material and included in the reporting.

Monitoring takes the form of regular updating of the assessment in the context of the annual materiality assessment.

[IRO-1_53bi] Hannover Re's primary value creation activities, namely underwriting and investing, form a special focus in the materiality assessment because it is here that the most significant potential and actual impacts on the environment and society can occur.

- Underwriting: Sustainability-related impacts arise in particular in areas such as the coverage of industries with a high environmental burden (especially in connection with fossil fuels). Given the increased risk here of negative environmental impacts, corresponding underwriting decisions in the Facultative Division are examined particularly closely.
- Investing: Investments in certain sectors or regions, such as in polluting industries or in countries with weak environmental and human rights laws, are monitored particularly closely. The focus here is on avoiding negative social or environmental impacts through the investments made by Hannover Re.

[IRO-1_53bii] In its determination and assessment of impacts, Hannover Re considers both direct impacts from its own business activities and indirect impacts along the value chain. This includes, in particular, underwriting and investing activities, in respect of which potential and actual environmental and social impacts are systematically recorded using the standardised assessment and scoring process of the materiality assessment.

[IRO-1_53biii] Affected stakeholders are systematically included in the assessment process to ensure a balanced understanding of the actual and potential impacts.

The stakeholders include both internal actors, such as employees, and external actors such as business partners and representatives of civil society. Inclusion is achieved through workshops held with internal stakeholders, taking into consideration external stakeholder perspectives in accordance with ESRS 1 AR8. The insights are incorporated directly into the qualitative evaluation and prioritisation of sustainability-related impacts.

[IRO-1_53biv] Negative and positive impacts are systematically evaluated and prioritised as part of Hannover Re's materiality assessment.

Positive and negative impacts are prioritised according to their degree of severity and probabilities of occurrence. The degree of severity is derived from the factors scale and scope. The factor irremediability is additionally considered for negative impacts.

- Scale: This describes the intensity of impacts on the environment and society.
- Scope: The scope refers to the reach of impacts.
- Irremediability: This factor assesses the extent to which negative impacts can be reversed or alleviated.

Scale, scope and irremediability are scored on a scale of 0 (minimal) to 5 (high). Given that irremediability is not scored for positive impacts, the values for the scale and scope are multiplied by a factor of 1.5 to obtain a consistent materiality score for positive and negative impacts. The sum of the scores produces the degree of severity of the impact, which can be between 1 (minimal) and 15 (critical).

In the case of potential impacts, the probability of occurrence is additionally scored and ranges from 0.65 (very low) to 1 (highly likely). The product of the degree of severity and probability produces the materiality score for the respective impact. Positive and negative impacts are categorised as material if the materiality score reaches 8 or more.

Risks and opportunities

[IRO-1_53ci] The interrelationships between the undertaking's impacts and its dependencies with respect to the environment and society, as well as the associated risks and opportunities, are extensively considered. Double materiality is applied, addressing both the impacts of the undertaking on

external actors (environment and society) and the impacts of external factors on the undertaking itself (opportunities and risks).

The assessment concentrates on how certain impacts – such as environmental or social factors – can simultaneously present a risk or an opportunity for the undertaking. For example, pollution caused by business activities may not only have negative consequences for the environment but can also entail financial risks for the undertaking, e.g. through regulatory penalties or loss of reputation. Conversely, positive environmental actions such as investments in sustainable projects may not only protect the environment, but can also open up new business opportunities and strengthen the undertaking's image.

[IRO-1_53cii] Hannover Re uses qualitative and quantitative methods according to ESRS 1 section 3.3 to assess the financial materiality of risks and opportunities. This assessment encompasses the analysis of the likelihood, magnitude and nature of the potential financial impacts.

- Likelihood: The probability of occurrence of a risk or opportunity is assessed on a scale of 0.65 (very low) to 1 (highly likely).
- Magnitude: The magnitude of the financial impacts is assessed on a scale of 1 (low) to 5 (high).
- Nature of impact: The nature of the financial impacts is considered on a differentiated basis according, for example, to whether they are short-term or long-term, direct or indirect.

The product of likelihood and magnitude forms the total score. A risk or opportunity is categorised as financially material if the total score exceeds a threshold of 3. This ensures that all relevant financial risks and opportunities are assessed systematically and transparently.

[IRO-1_53ciii] Sustainability risks are assessed according to the same principles as traditional risks. In this context, Hannover Re uses risk assessment tools that are in conformity with Commission Delegated Regulation (EU) 2015/35 (Solvency II).

[IRO-1_53d] The decision-making process as part of Hannover Re's materiality assessment is systematically structured and supported by internal control procedures.

Decisions are reached in multiple phases. First, all relevant data and information are gathered regarding potential and actual impacts on the environment and society, as well as the associated risks and opportunities. This step includes the involvement of stakeholders to obtain the most complete possible picture of the situation. Based on this information, initial assessments are made in workshops and working groups. Experts from various areas of risk management, including the Chief Risk Officer, contribute to a holistic assessment of risks. The results of these analyses are then integrated into the materiality assessment. In this context, topics are prioritised according to clearly defined criteria such as degree of severity, likelihood of occurrence and financial significance.

The internal control procedures are used for quality assurance and risk mitigation in the decision process. A central element is regular review of the obtained results by various levels of the undertaking, including Risk Management, Group Strategy & Sustainability and senior management. These controls ensure that all relevant information is fully considered and the assessments are consistent and objective. In addition, mechanisms are in place to validate the results, including top-down validation by the Executive Board.

[IRO-1_53e] Hannover Re has implemented a comprehensive procedure for the identification, assessment and management of sustainability risks and opportunities to ensure that ESG factors are also integrated into the risk management system. In addition, risk management is embedded in the risk assessment process. The sustainability-related risk inventory serves as the starting point for this process. For further information on risk management, we refer to GOV-5 as well as the **“Opportunity and risk report”**. The handling of impacts, risks and opportunities is described in IRO-2 subsection 59.

[IRO-1_53g] The qualitative input parameters include stakeholder views collected through workshops. These include assessments of social, environmental and governance aspects that are relevant both from the perspective of the affected stakeholders and from the undertaking's perspective. Furthermore, qualitative insights from the internal risk management processes, as well as sector-specific market analyses, such as peer group comparisons, are incorporated into the assessment.

Quantitative input parameters include, among other things, data on the environmental and social impacts of the undertaking and its locations, such as CO_2 emissions, energy consumption figures and information about its employees. In addition, financial metrics, such as the potential costs and returns of risks and opportunities, as well as data from the investing side are used. External data sources, such as the UNEP-FI impact mappings, are used to quantify the impacts of investments on the environment and society.

[IRO-1_53h] The trigger analysis described in subsection 53a was implemented for the 2025 reporting year. The materiality assessment is thus a two-stage process with effect from the 2025 reporting year onwards. The process is conducted annually.

Disclosures in connection with IRO-1 “Climate change (E1)”
Various material impacts and risks in connection with climate change were determined for the Hannover Re Group as part of the materiality assessment. These are grouped together in the table **“Identified material impacts, risks and opportunities”**. Disclosures required under IRO-1 in connection with climate change pursuant to ESRS E1 subsection 20 and corresponding scenario analyses pursuant to ESRS E1 subsection 21 are provided in the section of the chapter on climate change entitled **“Management of impacts, risks and opportunities”**.

Disclosures in connection with IRO-1 “Pollution (E2”)
[E2-IRO-1_11] As a reinsurance undertaking, the Hannover Re Group does not have any production of its own that impacts the environment. An examination of the investing activities and the reinsurance business did not identify any material impacts on the environment. Consequently, the undertaking did not conduct any consultations with communities affected by pollution.

In the context of the materiality assessment, no material impacts, risks or opportunities were identified for the Hannover Re Group in connection with pollution or the dependency on ecosystem services. This includes an analysis of the investments using the UNEP-FI Impact Map.

Disclosures in connection with IRO-1 “Water and marine resources (E3)”
[E3-IRO-1_8] In the context of the materiality assessment, the Hannover Re Group did not identify any material business activities in respect of which impacts, risks or opportunities in connection with water and marine resources could arise in own operations, investing or insurance business. This included a location analysis conducted using external data sources, such as the WWF Risk Filter Suite and the WWF Water Risk Filter, as well as an analysis of the investments using the UNEP-FI Impact Map. Consultations, especially with affected communities, were not conducted as part of the materiality assessment.

Disclosures in connection with IRO-1 "Biodiversity and ecosystems (E4)"
[E4-IRO-1_17,19] As a result of the materiality assessment, no material impacts in relation to own operations and business activities in investing and insurance could be identified for the topic of biodiversity and ecosystems. Consideration was also given to the perspective on the material physical locations of the Hannover Re Group by surveying environmental and sustainability managers as part of the analysis. The analysis was supplemented by the use of external data sources such as the WWF Risk Filter Suite. No material sources for any impacting of biodiversity by the physical locations could be determined.

Nor were any material dependencies in relation to biological diversity or ecosystems and their services established at the undertaking's own locations or in the upstream and downstream value chain. No assessment of ecosystem services was carried out in this respect. Systemic risks were not explicitly considered. The materiality assessment also did not establish any material transition or physical risks or opportunities in connection with biodiversity and ecosystems that could have material financial impacts. The analysis was supplemented by the use of external data sources such as the WWF Biodiversity Risk Filter. Hannover Re therefore did not conduct any consultations with affected communities on sustainability assessments of jointly used biological resources and ecosystems.

In addition, an analysis of the investments was carried out using the UNEP-FI Impact Maps.

Disclosures in connection with IRO-1 "Resource use and circular economy (E5)"
[E5-IRO-1_11] In the context of the materiality assessment, no material impacts in relation to own operations involving investing activities, insurance business or other business areas were identified for the topic of resource use and circular economy. Aspects such as material consumption and waste management were examined particularly closely, without any indications of significant negative or positive impacts on the environment and society. In addition, an analysis of the investments was carried out using the UNEP-FI Impact Maps. Based on the risk inventory conducted and the materiality assessment according to the described methodology, it was also not possible to establish any material risks or opportunities in connection with resource use and circular economy. Consequently, no consultations were conducted with affected communities in connection with the topic of resource use and circular economy.

Disclosures in connection with IRO-1 "Business Conduct (G1)"
Various criteria were considered in the determination of material impacts, risks and opportunities in connection with business conduct. These include, in particular, the specific features of the business model as a global reinsurer and the associated activities, customer relationships and international transactions. In the context of the materiality assessment, various material impacts, risks and opportunities were identified in this connection. These are listed in the table **"Identified material impacts, risks and opportunities"**.

Disclosure requirements in ESRS covered by the undertaking's sustainability statement [IRO-2]

[IRO-2_56]

Topical ESRS	Sustainability matters covered in topical ESRS			Disclosures in the sustainability statement
	Topic	Sub-topics	Sub-sub-topics	Pages
ESRS E1	Climate change	Climate change adaptation		83–96
		Climate change mitigation		83–96
		Energy		83–96
ESRS E2	Pollution	Pollution of air		—
		Pollution of water		—
		Pollution of soil		—
		Pollution of living organisms and food resources		—
		Substances of concern		—
		Substances of very high concern		—
		Microplastics		—
ESRS E3	Water and marine resources	Water	Water consumption	—
			Water withdrawals	—
			Water discharges	—
		Marine resources	Water discharges in the oceans	—
			Extraction and use of marine resources	—
ESRS E4	Biodiversity and ecosystems	Direct impact drivers of biodiversity loss	Climate change	—
			Land-use change, fresh water-use change and sea water-use change	—
			Direct exploitation	—
			Invasive alien species	—
			Pollution	—
			Others	—
		Impacts on the state of species	Example: Species population size	—
		Impacts on the extent and condition of ecosystems	Example:oil degradation	—
		Impacts and dependencies on ecosystem services		—
ESRS E5	Resource use and circular economy	Resources inflows, including resource use		—
		Resource outflows related to products and services		—
		Waste		—

Topical ESRS	Sustainability matters covered in topical ESRS			Disclosures in the sustainability statement
	Topic	Sub-topics	Sub-sub-topics	Pages
ESRS S1	Own workforce	Working conditions	Secure employment	96–104
			Working time	96–104
			Adequate wages	96–104
			Social dialogue	96–104
			Freedom of association, the existence of works councils and the information, consultation and participation rights of workers	96–104
			Collective bargaining, including rate of workers covered by collective agreements	96–104
			Work-life balance	96–104
			Health and safety	96–104
		Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value	96–104
			Training and skills development	96–104
			Employment and inclusion of persons with disabilities	96–104
			Measures against violence and harassment in the workplace	96–104
			Diversity	96–104
		Other work-related rights	Child labour	—
			Forced labour	—
			Adequate housing	—
			Privacy	—
ESRS S2	Workers in the value chain	Working conditions	Secure employment	—
			Working time	—
			Adequate wages	—
			Social dialogue	—
			Freedom of association, the existence of works councils and the information, consultation and participation rights of workers	—
			Collective bargaining, including rate of workers covered by collective agreements	—
			Work-life balance	—
			Health and safety	—
		Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value	—
			Training and skills development	—
			Employment and inclusion of persons with disabilities	—
			Measures against violence and harassment in the workplace	—
			Diversity	—
		Other work-related rights	Child labour	—
			Forced labour	—
			Adequate housing	—
			Privacy	—

Topical ESRS	Sustainability matters covered in topical ESRS			Disclosures in the sustainability statement
	Topic	Sub-topics	Sub-sub-topics	Pages
ESRS S3	Affected communities	Communities' economic, social and cultural rights	Adequate housing	—
			Adequate food	—
			Water and sanitation	—
			Land-related impacts	—
			Security-related impacts	—
		Communities' civil and political rights	Freedom of expression	—
			Freedom of association	—
			Impacts on human rights defenders	—
		Rights of indigenous peoples	Free, prior and informed consent	—
			Self-determination	—
			Cultural rights	—
ESRS S4	Consumers and end-users	Information-related impacts for consumers and/or end-users	Privacy	—
			Freedom of expression	—
			Access to (quality) information	—
		Personal safety of consumers and/or end-users	Health and safety	—
			Security of a person	—
			Protection of children	—
		Social inclusion of consumers and/or end-users	Non-discrimination	—
			Access to products and services	—
			Responsible marketing practices	—
ESRS G1	Business conduct	Corporate culture		104–107
		Protection of whistleblowers		104–107
		Animal welfare		—
		Political engagement and lobbying activities		—
		Management of relationships with suppliers including payment practices		—
		Corruption and bribery	Prevention and detection including training	104–107
			Incidents	104–107

List of data points in cross-cutting and topical standards that derive from other EU legislation

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Materiality
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816 (5), Annex II		Material
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		Material
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				Material
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicator number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453 (6), Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Material
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Material
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818 (7), Article 12 (1) Delegated Regulation (EU) 2020/1816, Annex II		Material
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12 (1) Delegated Regulation (EU) 2020/1816, Annex II		Material
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2 (1)	Material
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12 (1) (d) to (g) and Article 12 (2)		Not material
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		Material
ESRS E1-5 Energy consumption from fossil fuels disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator number 5 Table #2 of Annex 1				Material
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				Material
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				Material
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5 (1), 6 and 8 (1)		Material
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicator number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8 (1)		Material
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2 (1)	Material
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Phase-in

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Materiality
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk			Phase-in
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book – Climate change transition risk: Loans collateralised by immovable property – Energy efficiency of the collateral			Phase-in
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Phase-in
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Not material
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				Not material
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table #2 of Annex 1				Not material
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				Not material
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				Not material
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				Not material
ESRS 2 – SBM-3 – E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				Not material
ESRS 2 – SBM-3 – E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				Not material
ESRS 2 – SBM-3 – E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				Not material
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				Not material
ESRS E4-2 Sustainable oceans/ seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				Not material
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				Not material
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				Not material
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				Not material
ESRS 2 SBM3 – S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex 1				Material
ESRS 2 SBM3 – S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex 1				Material
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Material
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1-8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		Material
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex 1				Not material
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex 1				Not material
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex 1				Material
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex 1				Not material

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Materiality
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Material
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex 1				Material
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex 1				Material
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 104 (a)	Indicator number 10 Table #1 and Indicator number 14 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		Not material
ESRS 2 SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and number 13 Table #3 of Annex 1				Not material
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Not material
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicators number 11 and number 4 Table #3 of Annex 1				Not material
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 in Table #3 and Indicator number 11 Table #1 of Annex 1				Not material
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		Not material
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material
SRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Not material
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		Not material
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				Not material
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				Material
ESRS G1-1 Protection of whistleblowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				Material
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Material
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				Material

Identified material impacts, risks and opportunities

Number	Category	IRO	Dimension	Description	Time horizon	Chapter
1	Impact (positive)	General insurability of climate risks through stable product and pricing design	Underwriting	By designing risk-adequate and stable products and pricing structures, informed by qualitative and quantitative climate scenario analyses, the company supports the general insurability of climate risks, contributes to the financial protection of society, and strengthens the overall resilience to natural disasters.	medium-term	ESRS E1 – Climate change
2	Impact (negative)	Gap in insurance coverage due to non-insurance of climate risks	Underwriting	Incomplete reinsurance coverage and financial risks for society due to lack of insurance against climate risks. Certain risks (e.g., natural catastrophes) are no longer insurable, impacting the economy, while the unaffordability of premiums for selective population groups and/or regions (e.g., homeownership becomes less financially viable for more people) can promote social inequality.	short-, medium-, long-term	ESRS E1 – Climate change
3	Risk	Loss of profitability	Underwriting	Loss of product profitability due to calculation and liability risks in reinsuring the transition to sustainable technologies because of lack of experience. Additionally, due to potentially higher claims burdens resulting from increasing intensity and frequency of natural disasters and related cumulative losses.	short-, medium- and long-term	ESRS E1 – Climate change
4	Risk	Declining investment values due to physical and transitory risks	Investments	Threat to the value of capital investments (especially in real assets) in regions particularly affected by climate change, with subsequent impact on the balance sheet and profit and loss statement of the group (e.g., need for depreciation, credit defaults).	short-, medium- and long-term	ESRS E1 – Climate change
5	Impact (positive)	Directing capital flows into sustainable investments	Investments	Reinsurers can support the transition to a low-carbon economy by directing capital flows into sustainable investments. This can be achieved by partially excluding investments in climate-damaging sectors.	medium- and long-term	ESRS E1 – Climate change
6	Impact (positive)	Supporting Paris climate targets supported by investments	Investments	Investing in sustainable infrastructure projects such as wind and solar farms contribute to global efforts to reduce emissions and therefore support Paris Climate Agreement.	long-term	ESRS E1 – Climate change
7	Impact (positive)	Promoting low-emission mobility	Investments	Promotion of climate-friendly mobility to indirectly reduce greenhouse gas emissions.	short- and medium-term	ESRS E1 – Climate change
8	Impact (negative)	Investing in CO_2-intensive sectors	Investments	Contribution to global warming through investments in GHG-intensive sectors.	medium- and long-term	ESRS E1 – Climate change
9	Impact (negative)	Failure to reduce CO2 emissions due to climate-unfriendly transportation	Own operations	Failure to reduce CO2 emissions due to the use of climate-unfriendly transportation for business travel	short-term	ESRS E1 – Climate change
10	Impact (negative)	Insuring climate-damaging industries	Underwriting	Climate harm through reinsuring climate-damaging industries, and businesses involved in the extraction, storage, transportation, or production of fossil fuels, as well as vehicles, property, or other facilities serving these purposes.	short-, medium-, long-term	ESRS E1 – Climate change
11	Risk	Liability risks in non-sustainable business practices	Underwriting	Liability risks in cases of non-sustainable business practices.	medium- and long-term	ESRS E1 – Climate change
12	Impact (negative)	Energy consumption for heat and power supply of company buildings	Own operations	Energy consumption due to the heating and electricity supply of company buildings, increasing energy demand due to growing digitalisation (more IT and servers), and the climate-unfriendly mobility of employees through the use of company cars.	short-term	ESRS E1 – Climate change
13	Impact (positive)	Financing renewable energy generation projects	Investments	Supporting energy transition by financing economic activities in the field of renewable energy, as well as by financing real estate with low energy consumption.	medium-term	ESRS E1 – Climate change
14	Impact (negative)	Lack of transparency for investors regarding non-renewable investments	Investments	Intransparent investment practices regarding fossil and non-renewable investments can mislead investors and undermine sustainable investment goals.	long-term	ESRS E1 – Climate change
15	Impact (negative)	Insuring fossil energy generation projects and industries	Underwriting	Reinsurance of energy-intensive sectors and industries leads to an exacerbation of climate change and global warming due to increased GHG-emissions.	medium-term	ESRS E1 – Climate change
16	Impact (positive)	Improvement of working conditions	Own operations	The working conditions at Hannover Re, including regulated working hours and the promotion of work-life balance, have a positive impact on health.	short-, medium- and long-term	ESRS S1 – Own workforce
17	Impact (positive)	Enabling workplace co-determination	Own operations	Enabling workplace co-determination can promote fairness between employer and employee.	short-, medium- and long-term	ESRS S1 – Own workforce
18	Impact (positive)	Paying adequate wages	Own operations	Paying adequate wages that are in line with collective bargaining agreements enables employees and their families to make a good living.	short-, medium- and long-term	ESRS S1 – Own workforce
19	Impact (negative)	Poor working conditions	Own operations	Poor working conditions at Hannover Re can lead to employee dissatisfaction and decreased motivation, which can negatively affect work performance, workplace climate, and health.	medium- and long-term	ESRS S1 – Own workforce
20	Risk	Increased wage and benefit levels	Own operations	Competition for talent can increase the cost of recruiting and retaining skilled workers, posing a significant challenge.	short-, medium- and long-term	ESRS S1 – Own workforce
21	Opportunity	Direct impact on employee satisfaction and performance	Own operations	Good working conditions directly impact employee satisfaction and performance, enhancing company reputation and financial success.	short-term	ESRS S1 – Own workforce
22	Opportunity	Important for employer attractiveness	Own operations	Attractive working conditions are crucial for recruiting skilled employees, which is key to company success.	medium- and long-term	ESRS S1 – Own workforce

Number	Category	IRO	Dimension	Description	Time horizon	Chapter
23	Impact (positive)	Promoting equal treatment within the company	Own operations	If Hannover Re promotes equal treatment within its own company, this can have a positive impact on the workforce, but also on the economy and society.	short-term	ESRS S1 – Own workforce
24	Impact (positive)	Education and development of employees	Own operations	The education, training and development of employees is not only beneficial to the company, but also benefits the workforce itself.	short-, medium- and long-term	ESRS S1 – Own workforce
25	Impact (negative)	Discrimination and inequality	Own operations	Discrimination and inequality can have a major negative impact on affected workers, leading to direct consequences such as impaired health or prevented career opportunities.	short- and medium-term	ESRS S1 – Own workforce
26	Opportunity	Good training and development programmes	Own operations	Education and training strengthen the workforce and can enhance the economic development of the group.	short- and medium-term	ESRS S1 – Own workforce
27	Impact (negative)	Compliance management and anti-corruption training	Own operations	Establishing a compliance management system, compliance guidelines, employee training, annual risk analysis, and adherence to compliance requirements prevent corruption and promote ethical behaviour.	short- and medium-term	ESRS G1 – Business conduct
28	Impact (negative)	Transparency and integrity through disclosure	Own operations	Strengthening trust and integrity by dealing transparently with issues of corruption and fraud, avoiding conflicts of interest, and requiring board approval for donations.	short- and medium-term	ESRS G1 – Business conduct
29	Risk	Decline in demand and reputation loss from non-compliance	Underwriting	Decline in demand and loss of customers due to reputational damage, e.g., in the event of non-compliance with Group-wide Code of Conduct “Connected – outside, inside, and all-around”.	short- and medium-term	ESRS G1 – Business conduct
30	Risk	Revenue loss from regulatory and blacklisting issues	Own operations	Corruption and bribery can lead to a loss of sales due to non-compete clauses and blacklists and cause disproportionately high expenses as well as internal economic damage. These factors jeopardise the company's profitability and require effective anti-corruption measures to ensure financial stability and business success.	medium- and long-term	ESRS G1 – Business conduct
31	Impact (negative)	Decreased security through missing whistleblower protection	Own operations	The absence of effective whistleblower protection mechanisms may hinder the detection of non-compliant behaviour, thereby increasing legal and reputational risks. This can compromise organisational integrity and reduce stakeholder confidence in the company’s governance structures.	short- and medium-term	ESRS G1 – Business conduct
32	Impact (negative)	Cyber security breaches impact corporate clients	Own operations	Negative effects for corporate customers, suppliers and business partners in the event of data breaches.	short-, medium- and long-term	ESRS G1 – Business conduct

[IRO-2_59] The key information provided in the sustainability statement in connection with the impacts, risks and opportunities assessed as material is determined primarily on the basis of internal policies, actions, targets and data. In addition to inclusion in the materiality assessment, this also entails extensive coordination with all relevant areas that provide information on material impacts, opportunities and risks. In the case of sustainability matters connected with climate change, these are first and foremost areas closely associated with underwriting, investing and business operations. For sustainability matters related to the company's own workforce, this is primarily the division Global Human Resources. For sustainability matters connected with governance topics, this is Group Legal Services, which includes the Compliance unit. Corresponding report contents are identified, documented and included in the reporting process for each of these topics in accordance with the requirements of ESRS 1 section 3.2 “Material matters and materiality of information”. Implementation is carried out in conformity with the procedure described under IRO-1. Hannover Re has appropriate control steps in place to ensure the quality and accuracy of the information.

Disclosures in accordance with Article 8 of the EU Taxonomy Regulation

Article 8 of the EU Taxonomy Regulation (EU) 2020/852 requires reporting entities pursuant to § 289 of the German Commercial Code (HGB) to publish information on how and to what extent their activities are consistent with economic activities that qualify as environmentally sustainable under the EU Taxonomy. The Taxonomy is a central element of the EU Action Plan for Financing Sustainable Growth and is intended – as a unified classification system – to foster transparency on sustainability in the financial market.

The Commission Delegated Regulation (EU) 2021/2139 supplementing Article 8 of the EU Taxonomy Regulation addresses various environmental objectives of the EU and establishes catalogues of criteria for a wide range of economic activities. For Hannover Re, both its investments and its property and casualty reinsurance business fall within the scope of consideration in this context and are discussed and reported below. In compiling reporting in accordance with the EU Taxonomy, the provisions of the Commission Delegated Regulation (EU) 2021/2178 as in force on 31 December 2025 apply pursuant to Article 4 of the Commission Delegated Regulation (EU) 2026/73.

Reinsurance business

Reinsurance solutions that protect against climate-related natural perils such as flood or storm damage can contribute to climate change adaptation. The provision of corresponding reinsurance capacities increases resilience in the face of natural catastrophes by protecting those impacted and compensating them in case of loss. Furthermore, reinsurance solutions ensure the continuation of major projects and the development of new technologies, thereby sustainably fostering economic growth. Long-standing experience in risk assessment and risk management facilitates the early detection of new and emerging risks and the development of appropriate risk transfer solutions.

The Taxonomy eligibility of our reinsurance activity specifies what proportion of our economic activities is described in the Taxonomy and for which economic activities technical screening criteria have been developed. These criteria determine the substantial contribution to the set environmental objectives, prevent harm to other environmental objectives and are intended to ensure adherence to social minimum standards. The proportions of the economic activities established using the screening criteria are Taxonomy-aligned and must be reported since the financial year 2023. The informative value of the KPIs is considered to be still too slight due to various interpretative uncertainties to be able to incorporate them for effective steering purposes into business decisions and product development processes.

Note

The EU Taxonomy Regulation and the underlying delegated acts contain requirements and passages that make unambiguous and consistent interpretation and implementation difficult. In view of the remaining interpretation uncertainties, it can be assumed that the evaluation of the disclosures in accordance with Article 8 of the EU Taxonomy Regulation – in particular the assessment of eligibility and alignment – will undergo gradual adjustments over time and that comparability within sectors can only emerge progressively. In accordance with the Commission Notice published by the European Commission on 8 November 2024, only premiums that are demonstrably used for the concrete coverage of climate change-related perils specified in Annex A of the Commission Delegated Regulation (EU) 2021/2139 are considered to be Taxonomy-aligned (premium split).

As a reinsurance undertaking, Hannover Re is reliant on extensive external data supplied by its clients and business partners for the computation of its Taxonomy alignment, although many of these are not subject to any European reporting obligation. Data gaps – which in some cases will be considerable – must therefore be expected in the early reporting years with regard to available information on the avoidance of significant harm to other environmental objectives. Further information on Hannover Re's conservative handling of these data gaps is provided in the following description.

Taxonomy eligibility

Notwithstanding further attempts at explanation in the context of the European Commission FAQs, the concept of taxonomy-eligible premiums is subject to uncertainty, leading to various approaches within the insurance industry. Hannover Re defines as Taxonomy-eligible those reinsurance products on the contract level in respect of which climate perils were clearly factored into the pricing in climate peril modelling. These contracts are considered to be Taxonomy-eligible in their entirety. All other reinsurance products in property and casualty reinsurance that do not include direct climate-relevant covers are classified as Taxonomy-non-eligible subject to more precise specifications by the legislator.

Taxonomy alignment

Establishment of Taxonomy alignment requires proof of fulfilment of the technical screening criteria, which are intended to ensure the substantial contribution made by reinsurance activities to the environmental objective of "adaptation to climate change" (economic activity 10.2; NACE Code K65.2.0). It must then be demonstrated that these activities do not have a negative impact on the environmental objective of "climate change mitigation" and that the minimum safeguards are met.

Substantial contribution

For reinsurance undertakings, the Delegated Regulation (EU) 2021/2039 includes five dedicated technical screening criteria. These reflect business practices and processes that the legislator considers to be essential prerequisites for being able to declare sustainable revenues within the meaning of the EU Taxonomy.

Leadership in modelling and pricing of climate risks

In its economic activities, Hannover Re considers state-of-the-art modelling techniques with regard to climate-related natural perils. For further information on its approach to dealing with these risks see the **"Opportunity and risk report"**.

Supporting development and supply of enabling non-life reinsurance products

Hannover Re has implemented processes to ensure that the major needs of its clients regarding climate-related natural perils are considered in reinsurance products. The pricing of such products is risk-based, meaning that preventive measures to minimise these risks (e.g. adherence to certain building standards) can be factored into the pricing. In the case of obligatory reinsurance business, only the share of the portfolio's premiums that meet the technical screening criteria is reported as aligned.

Innovative reinsurance solutions

Hannover Re supports the development of innovative reinsurance solutions with regard to climate-related natural perils in order to satisfy the growing needs of its clients and society.

Data sharing

Hannover Re engages in an exchange with local authorities and shares data on a regular basis and on request for analytical purposes to advance knowledge about changes caused by climate change. The requirements of technical screening criterion 4.1 are thus fully met.

High level of service in a post-disaster situation

If large loss events connected with climate-related natural perils occur, Hannover Re has implemented high standards of claims management that ensure coherent communication within a short timeframe. The requirements of technical screening criterion 5 are therefore fully met.

Compliance with the technical screening criteria can be ensured through standardised processes, work instructions and policies. These apply to all reinsurance products (in both obligatory and facultative business) that are in principle considered to be Taxonomy-eligible and where Hannover Re serves as risk carrier. In order to identify premiums connected with aligned products, Hannover Re refers to its internal risk and pricing processes and considers only explicit shares of reinsurance products that are used for coverage of climate change-related perils. This includes, among other things, wind-related natural perils such as storms, water-related natural perils such as floods and heavy rain, and temperature-related natural perils such as wildfires. The revenues that Hannover Re recognises as Taxonomy-aligned on this basis thus make a substantial contribution to social adaptation to perils associated with climate change.

Avoidance of significant harm

In order to be able to recognise economic activities as sustainable within the meaning of the EU Taxonomy, it must be ensured that they do not significantly harm other environmental objectives (“Do No Significant Harm”, DNSH). For reinsurance activities, this must be established for environmental objective 1 “Climate change mitigation”. This means that the activities recognised as sustainable do not cover cession of insurance of the extraction, storage, transport or manufacture of fossil fuels or the cession of insurance of vehicles, property or other assets dedicated to such purposes.

Hannover Re has implemented processes to ensure that the revenues reported as Taxonomy-aligned do not include any covers related to fossil fuels as described above. In order to identify these covers in obligatory reinsurance activities (the coverage of large portfolios), Hannover Re is dependent on data supplied by its clients and brokers, which it actively requests. In this respect, sometimes sizeable data gaps are evident in the year under review. Portfolios for which no information is available are conservatively considered to be Taxonomy-non-aligned. It can be assumed that increasing data coverage over the coming years will affect the ratio of Taxonomy-aligned revenues.

Compliance with minimum safeguards

Economic activities must be carried out in accordance with the minimum safeguards criteria if they are to be reported as Taxonomy-aligned. Four core topics that undertakings should consider are specified here:

- Respect for human rights
- Prevention of corruption and bribery
- Fair taxation
- Fair competition

Hannover Re has implemented processes for all four core topics to ensure compliance in its business activities. There are no known incidents or pending proceedings for the reporting year that would indicate a breach of the minimum safeguards requirements.

Further information on reported key performance indicators (KPIs)

The Taxonomy KPIs for the 2025 financial year include disclosures on our eligible and aligned revenues from economic activity 10.2 Reinsurance (NACE Code K65.2.0). The mandatory template for (re)insurance undertakings contained in Annex X to the Commission Delegated Regulation (EU) 2021/2178 was used for the presentation. In this context, the stated KPIs refer to the Group revenues of Hannover Re recognised and consolidated pursuant to IFRS 17. In accordance with the Commission Notice published by the European Commission on 8 November 2024, Hannover Re only reports as Taxonomy-aligned the revenues that are demonstrably used to provide concrete coverage for climate-related natural perils (premium split) and at the same time are not connected with fossil fuels. The climate-related natural perils exposure is established on the level of contracts to assess Taxonomy eligibility. The premium split for determination of the shares of premiums used to exclusively cover climate-related natural perils is calculated using modelled expected loss values per contract and natural peril. The Taxonomy alignment ratio is derived from the Taxonomy-aligned revenues (numerator) over the total revenues in non-life insurance business (denominator). The share of the aligned revenues from retrocession activities is determined from internal retrocession ratios of the business areas relevant to natural perils.

The KPIs can be found in the table contained in the annex to this chapter.

Investments

The key performance indicators (KPIs) relating to the EU Taxonomy are determined in accordance with the requirements of the Commission Delegated Regulation (EU) 2021/2178. At the present time, these are not incorporated into strategic business decisions because there is still considerable uncertainty around how they are to be understood as well as room for interpretation. The environmental sustainability of investing activities is managed using other approaches. The regulatory requirements are intended to capture the proportions of environmentally sustainable (Taxonomy-aligned) as well as potentially environmentally sustainable (Taxonomy-eligible) investments in the numerator relative to the total investments considered of Hannover Re in the denominator.

The denominator is derived from the investments of Hannover Re shown in the balance sheet excluding funds withheld. The Commission Delegated Regulation (EU) 2021/2178 further specifies under Article 7 (1) the exclusion of all exposures to central governments, central banks and supranational issuers from the calculation of the denominator.

The observation horizon of the numerator includes, in particular, securities exposures to issuers covered by the European reporting obligation pursuant to the Non-financial Reporting Directive (NFRD) or CSRD as well as tangible assets and loans where the specific purpose of the lending is known. Special Purpose Vehicles (SPVs), in respect of which the use of the proceeds is known and taxonomy-eligible, are classified as taxonomy eligible. If the use of the proceeds is unknown, the KPIs of the most recent beneficiary undertaking are used and, insofar as this is subject to mandatory reporting under the NFRD or CSRD, included in the numerator. Exposures to undertakings that are not covered by the reporting obligation pursuant to the NFRD or CSRD are excluded from the numerator pursuant to Article 7 (3) of the Commission Delegated Regulation (EU) 2021/2178. In the case of issuers whose registered office is within the EU, a check is made to verify the obligation to publish non-financial information.

In order to verify the Taxonomy eligibility and alignment of liquid securities of issuers whose registered office is within the EU, in other words which are potentially subject to the NFRD or CSRD, we draw on data from an external service provider, as well as the results of internal screening for a significant portion of the liquid assets for further allocation purposes. In the case of

issuers subject to a reporting obligation, the Taxonomy ratios published in the context of non-financial reporting are applied to the investments of Hannover Re. The reported ratios are similarly either obtained from an external service provider or subsequently acquired manually, where such ratios are not available.

All investments in tangible assets connected with the purchase and ownership of real estate are generally considered to be Taxonomy-eligible. This includes investment property. A property held is also considered to be Taxonomy-aligned if the technical screening criteria, the "Do no significant harm" criteria and compliance with minimum safeguards could be established. Evidence of Primary Energy Demand and the Deepki Index were used and the individual features of the buildings were analysed to document a substantial contribution to climate change mitigation. The "Do No Significant Harm" (DNSH) test entailed the compilation of robust climate risk and vulnerability assessments in accordance with Annex 1 Appendix A of the Delegated Act (EU) 2022/1214 on the Taxonomy on Gas and Nuclear Energy (Taxonomy Complementary Climate Delegated Act [CDA]). Hannover Re has evidence of Taxonomy alignment for roughly 10.8 % (10.4 %) of the real estate assets. The remainder of the real estate assets do not make any substantial contribution to climate change mitigation or adaptation according to the technical screening criteria of the regulation. Property, plant and equipment acquired by Hannover Re in connection with infrastructure investments as well as loans in respect of which the financed economic activity is known are subject to internal review with an eye to Taxonomy eligibility and alignment. It was possible to obtain information regarding the correct classification of around 100 % (99 %) of the total investments considered for the numerator with reasonable effort. Hannover Re does not have corresponding data for less than 1 % of the investments, which are therefore initially conservatively reported as Taxonomy-non-eligible. Hannover Re is making every effort to gradually enhance the data quality and coverage and assumes that further improvement of the information base will be possible, in part through progressive standardisation of the reporting and the expansion of regulatory reporting requirements.

The key performance indicators for our Taxonomy-eligible and Taxonomy-aligned investments as well as the other required disclosures can be found in the reporting template in the annex to this chapter. The prior-year comparison takes the form of duplicated reporting templates. A minimal exposure exists indirectly through participations in undertakings and loans in connection with the generation of energy from nuclear power or gas within the meaning of the Commission Delegated Regulation (EU) 2022/1214. These are not shown individually in the annex due to minimal materiality.

Further information on reported key performance indicators

The Taxonomy-aligned investments of Hannover Re derive primarily from liquid investments in undertakings that are subject to the obligation to report under the NFRD or CSRD and that publish Taxonomy-aligned revenues and capital expenditures (CapEx). In addition, five properties held are currently included in our Taxonomy-aligned investments. The Taxonomy alignment of financial undertakings was published for the first time for the 2023 financial year and is considered in the numerator of the KPIs from this year onwards. The internationally oriented investment horizon of Hannover Re naturally results in a large proportion of issuers not subject to mandatory reporting. At the same time, this gives rise to a relatively small proportion of Taxonomy-eligible and Taxonomy-aligned investments. For the breakdown of the numerator by environmental objective, the value of the Taxonomy-aligned investments is used as the denominator.

Hannover Re's turnover and CapEx-based investments in the year under review stood at 2.3 % (2.0 %) and 3.0 % (2.7 %).

Template: The underwriting KPI for non-life insurance and reinsurance undertakings

Economic activities	Substantial contribution to climate change adaptation			DNSH (Do No Significant Harm)					
	Absolute premiums, year 2025	Proportion of premiums, year 2025	Proportions of premiums, year 2024	Climate change mitigation	Water and marine resources	Resource use and circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards
	in EUR million	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N
A.1 Non-life insurance and reinsurance underwriting taxonomy-aligned activities (environmentally sustainable)	1,835.8	9.8 %	8.2 %	Y	Y	Y	Y	Y	Y
A.1.1 Of which reinsured	855.4	4.6 %	4.7 %	Y	Y	Y	Y	Y	Y
A.1.2 Of which stemming from reinsurance activity	1,835.8	9.8 %	8.2 %	Y	Y	Y	Y	Y	Y
A.1.2.1 Of which reinsured (retrocession)	855.4	4.6 %	4.7 %	Y	Y	Y	Y	Y	Y
A.2 Non-life insurance and reinsurance underwriting taxonomy-eligible but not environmental sustainable activities (not Taxonomy-aligned)	4,175.2	22.2 %	24.3 %	—	—	—	—	—	—
B. Non-life insurance and reinsurance underwriting Taxonomy-non-eligible activities	12,759.5	68.0 %	67.5 %	—	—	—	—	—	—
Total (A.1+A.2+B)	**18,770.5**	**100.0 %**	**100.0 %**	—	—	—	—	—	—

Template: The proportion of the insurance or reinsurance undertaking's investments that are directed at funding, or are associated with, Taxonomy-aligned economic activities in relation to total investments

The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities **relative to the value of total assets covered by the KPI**, with following weights for investments in undertakings per below: Turnover-based: 2.3% Capital expenditures-based: 3.0%	The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities, with following weights for investments in undertakings per below: Turnover-based: EUR 874.6 m Capital expenditures-based: EUR 1,128.4 m
The percentage of assets covered by the KPI relative to total investments of insurance or reinsurance undertakings (total AuM). Excluding investments in sovereign entities. Coverage ratio: 100.0%	The monetary value of assets covered by the KPI. Excluding investments in sovereign entities. Coverage: EUR 37,963.5 m

Additional, complementary disclosures: breakdown of **denominator** of the KPI

The percentage of derivatives relative to total assets covered by the KPI: 0.4%	The value in monetary amounts of derivatives: EUR 165.2 m
The proportion of **exposures to financial and nonfinancial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU** over total assets covered by the KPI: For non-financial undertakings: 30.3% For financial undertakings: 29.2%	Value of **exposures to financial and nonfinancial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU**: For non-financial undertakings: EUR 11,495.6 m For financial undertakings: EUR 11,073.2 m
The proportion of **exposures to financial and nonfinancial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU** over total assets covered by the KPI: For non-financial undertakings: 26.4% For financial undertakings: 25.5%	Value of **exposures to financial and nonfinancial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU**: For non-financial undertakings: EUR 10,028.9 m For financial undertakings: EUR 9,679.2 m

Additional, complementary disclosures: breakdown of **denominator** of the KPI

The proportion of **exposures to financial and nonfinancial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU** over total assets covered by the KPI: For non-financial undertakings: 7.6% For financial undertakings: 26.5%	Value of **exposures to financial and nonfinancial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU**: For non-financial undertakings: EUR 2,865.8 m For financial undertakings: EUR 10,061.2 m
The proportion of **exposures to other counterparties and assets over total assets** covered by the KPI: 6.1%	Value of **exposures to other counterparties and assets**: EUR 2,302.5 m
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts **where the investment risk is borne by the policy holder**: 100.0%	Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts **where the investment risk is borne by the policy holders**. EUR 37,963.5 m
The value of all the investments that are funding **economic activities that are not Taxonomy eligible** relative to the value of total assets covered by the KPI: Turnover-based: 16.0% Capital expenditures-based: 15.2%	Value of all the investments that are funding **economic activities that are not Taxonomy eligible**: Turnover-based: EUR 6,074.0 m Capital expenditures-based: EUR 5,776.7 m
The value of all the investments that are funding Taxonomy-eligible economic activities, **but not Taxonomy-aligned relative to the value of total assets** covered by the KPI: Turnover-based: 21.8% Capital expenditures-based: 21.9%	Value of all the investments that are funding Taxonomy-eligible economic activities, **but not Taxonomy-aligned**: Turnover-based: EUR 8,280.8 m Capital expenditures-based: EUR 8,324.4 m

Additional, complementary disclosures: breakdown of **numerator** of the KPI

The proportion of **Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU** over total assets covered by the KPI: For non-financial undertakings: Turnover-based: 0.7% Capital expenditures-based: 1.4% For financial undertakings: Turnover-based: 0.3% Capital expenditures-based: 0.4%	Value of **Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU**: For non-financial undertakings: Turnover-based: EUR 282.4 m Capital expenditures-based: EUR 516.5 m For financial undertakings: Turnover-based: EUR 125.2 m Capital expenditures-based: EUR 144.8 m
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts **where the investment risk is borne by the policy holders**, that are directed at funding, or are associated with, Taxonomy-aligned: Turnover-based: 2.3% Capital expenditures-based: 3.0%	Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts **where the investment risk is borne by the policy holders**, that are directed at funding, or are associated with, Taxonomy-aligned: Turnover-based: EUR 874.6 m Capital expenditures-based: EUR 1,128.4 m
The proportion of **Taxonomy-aligned exposures to other counterparties and assets** over total assets covered by the KPI: Turnover-based: 1.2% Capital expenditures-based: 1.2%	Value of **Taxonomy-aligned exposures to other counterparties and assets** over total assets covered by the KPI: Turnover-based: EUR 467.1 m Capital expenditures-based: EUR 467.1 m

Breakdown of the numerator of the KPI per environmental objective
Taxonomy-aligned activities – provided 'do-no-significant-harm'(DNSH) and social safeguards positive assessment

	Turnover	CapEx		Turnover	CapEx
(1) Climate change mitigation	2.2%	2.8%	Transitional activities	0,1 %	0,1 %
(2) Climate change adaptation	0.0%	0.1%	Enabling activities	0,4 %	0,7 %
(3) The sustainable use and protection of water and marine resources	0.0%	0.0%	Enabling activities	0.0%	0.0%
(4) The transition to a circular economy	0.1%	0.1%	Enabling activities	0.0%	0.0%
(5) Pollution prevention and control	0.0%	0.0%	Enabling activities	0.0%	0.0%
(6) The protection and restoration of biodiversity and ecosystems	0.0%	0.0%	Enabling activities	0.0%	0.0%
			Enabling activities	0.0%	0.0%

Template 1: Nuclear and fossil gas related activities

Row	Nuclear energy related activities	YES / NO
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Templates with previous year's data

Template: The proportion of the insurance or reinsurance undertaking's investments that are directed at funding, or are associated with, Taxonomy-aligned in relation to total investments, year 2024

The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic **activities relative to the value of total assets covered by the KPI**, with following weights for investments in undertakings per below: Turnover-based: 2,0% Capital expenditures-based:2.7%	The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities, with following weights for investments in undertakings per below: Turnover-based: EUR 742.2 m Capital expenditures-based: EUR 992.0 m
The percentage of assets covered by the KPI relative to total investments of insurance or reinsurance undertakings (total AuM). Excluding investments in sovereign entities. Coverage ratio: 100.0%	The monetary value of assets covered by the KPI. Excluding investments in sovereign entities. Coverage: EUR 37,348.8 m

Additional, complementary disclosures: breakdown of **denominator** of the KPI, year 2024

The percentage of derivatives relative to total assets covered by the KPI: 0.6%	The value in monetary amounts of derivatives: EUR 230.4 m
The proportion of **exposures to financial and nonfinancial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU** over total assets covered by the KPI: For non-financial undertakings: 31.2% For financial undertakings: 41.1%	Value of **exposures to financial and nonfinancial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU**: For non-financial undertakings: EUR 11,656.0 m For financial undertakings: EUR 15,346.7 m
The proportion of **exposures to financial and nonfinancial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU** over total assets covered by the KPI: For non-financial undertakings: 27.1% For financial undertakings: 32.2%	Value of **exposures to financial and nonfinancial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU**: For non-financial undertakings: EUR 10,115.7 m For financial undertakings: EUR 12,036.5 m

Additional, complementary disclosures: breakdown of **denominator** of the KPI, year 2024

The proportion of **exposures to financial and nonfinancial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU** over total assets covered by the KPI: For non-financial undertakings: 9.9% For financial undertakings: 8.7%	Value of **exposures to financial and nonfinancial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU**: For non-financial undertakings: EUR 3,700.9 m For financial undertakings: EUR 3,248.1 m
The proportion of **exposures to other counterparties and assets over total assets** covered by the KPI: 8.5%	Value of **exposures to other counterparties and assets**: EUR 3,166.7 m
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts **where the investment risk is borne by the policy**: 100.0%	Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts **where the investment risk is borne by the policy holders**. EUR 37,348.8 m
The value of all the investments that are funding **economic activities that are not Taxonomy eligible** relative to the value of total assets covered by the KPI: Turnover-based: 14.3% Capital expenditures-based: 13.6%	Value of all the investments that are funding **economic activities that are not Taxonomy eligible**: Turnover-based: EUR 5,332.9 m Capital expenditures-based: EUR 5.016.7 m
The value of all the investments that are funding Taxonomy-eligible economic activities, **but not Taxonomy-aligned relative to the value of total assets** covered by the KPI: Turnover-based: 10.8% Capital expenditures-based: 10.9%	Value of all the investments that are funding Taxonomy-eligible economic activities, **but not Taxonomy-aligned**: Turnover-based: EUR 4,040.6 m Capital expenditures-based: EUR 4,062.0 m

Additional, complementary disclosures: breakdown of **numerator** of the KPI, year 2024

The proportion of **Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU** over total assets covered by the KPI: For non-financial undertakings: Turnover-based: 0.7% Capital expenditures-based:1.4% For financial undertakings: Turnover-based: 0.2% Capital expenditures-based: 0.2%	Value of **Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU**: For non-financial undertakings: Turnover-based: EUR 274.2 m Capital expenditures-based: EUR 516.1 m For financial undertakings: Turnover-based: EUR 85.8 m Capital expenditures-based: EUR 92.9 m
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts **where the investment risk is borne by the policy holders**, that are directed at funding, or are associated with, Taxonomy-aligned: Turnover-based: 2.0% Capital expenditures-based:2.7%	Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts **where the investment risk is borne by the policy holders**, that are directed at funding, or are associated with, Taxonomy-aligned: Turnover-based: EUR 742.2 m Capital expenditures-based: EUR 992.0 m
The proportion of **Taxonomy-aligned exposures to other counterparties and assets** over total assets covered by the KPI: Turnover-based: 1.0% Capital expenditures-based: 1.0%	Value of **Taxonomy-aligned exposures to other counterparties and assets** over total assets covered by the KPI: Turnover-based: EUR 382.1 m Capital expenditures-based: EUR 382.9 m

Breakdown of the numerator of the KPI per environmental objective, year 2024

Taxonomy-aligned activities – provided 'do-no-significant-harm'(DNSH) and social safeguards positive assessment

	Turnover	CapEx		Turnover	CapEx
(1) Climate change mitigation	2.0%	2.6%	Transitional activities Enabling activities	0.1 % 0.4 %	0.1 % 0.7 %
(2) Climate change adaptation	0.0%	0.0%	Enabling activities	0.0%	0.0%
(3) The sustainable use and protection of water and marine resources	—%	—%	Enabling activities	—%	—%
(4) The transition to a circular economy	—%	—%	Enabling activities	—%	—%
(5) Pollution prevention and control	—%	—%	Enabling activities	—%	—%
(6) The protection and restoration of biodiversity and ecosystems	—%	—%	Enabling activities	—%	—%

Template 1: Nuclear and fossil gas related activities, year 2024

Row	Nuclear energy related activities	YES / NO
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Climate change – ESRS E1

Management of impacts, risks and opportunities

Transition plan for climate change mitigation [E1-1]

[E1_17] Hannover Re is not planning to adopt a transition plan as defined by the ESRS at the present point in time.

Policies related to climate change mitigation and adaptation [E1-2]

Environmental Strategy

[MDR-P_65b] An Environmental Strategy applicable Group-wide was approved for the 2024–2026 strategy cycle. This addresses the three action fields of ecological and climate matters in underwriting, investments and own operations for the entire Hannover Re Group and integrates them efficiently and effectively into daily actions. These action fields encompass:

- progressive decarbonisation of the underwriting and investment portfolios as well as of the undertaking's own operations
- increased engagement on sustainability and climate matters with cedants, brokers, issuers and own employees
- providing targeted support for the sustainable transition and strengthening society's resilience against the impacts of advancing climate change through Hannover Re's core competencies

[E1-2_25a, AR_16-18] The Environmental Strategy responds to material identified impacts, risks and opportunities connected with climate change mitigation, adaptation to climate change and the energy transition, and is operationalised in the three action fields through various measures and targets in the respective value chain activities. These are taken up on a dedicated basis in the following chapters. [MDR-P_65e] As described in the section ESRS 2 SBM-2, the interests of Hannover Re's key stakeholders are considered in various ways in the strategy development processes and have been incorporated into the Environmental Strategy. [MDR-P_65a] Ultimate responsibility for implementation rests with the Executive Board of Hannover Re. Compliance with the targets is continuously reviewed and the Executive Board receives half-yearly progress reports.

Material impacts, risks and opportunities and their interaction with strategy and business model [ESRS 2 SBM-3]

[E1-SBM-3_19] As a global reinsurer, the consequences of climate change are a relevant issue for the future resilience of Hannover Re's business model because they influence business activity in all areas – in property & casualty, life & health reinsurance and investments. At the same time, the impacts of climate change constitute the most important sustainability risk for Hannover Re and they are therefore closely analysed, monitored and managed.

The analysis of risks associated with climate change is currently focused on changes in the frequency and severity of natural catastrophes (physical risks). In addition, investments (including with respect to transition risks), biometric factors and liability contracts are analysed in relation to risks from climate change. In order to assess potential consequences and determine actions, scenarios were developed that evaluate the material physical and transition impacts of climate change on business activities. Natural catastrophes such as floods, hail events and tropical cyclones are modelled in this context. Hannover Re's interdisciplinary team for natural hazard modelling factors the insights gained into the pricing of reinsurance solutions and into risk management, among other things, when it comes to setting the large loss budget. Furthermore, internal studies are conducted to assess the risks from climate change and the topic is addressed in international working groups. The findings of the analyses are presented to the Risk Committee and integrated into the annual Own Risk and Solvency Assessment (ORSA) report. Regular evaluation of the exposure and the actions taken to manage the business have to date ensured that Hannover Re's business model can demonstrate its resilience even in times of rising loss expenditures due to the consequences of climate change. At the same time, these developments are driving the need and demand for reinsurance protection, enabling Hannover Re to make a relevant contribution to strengthening societal resilience. [E1_AR_6] As a general principle, no material physical and transition risks are excluded from consideration. [E1_AR_8b] The findings of the scenario analyses can also result in adjustments to reinsurance products, if needed, and are processed for use in training the affected employees.

In the context of the materiality assessment, the Hannover Re Group identified various material impacts and risks in connection with climate change adaptation in the individual value chain activities. They are specified and numbered in the respective subchapters and are supported with corresponding policies and – as appropriate – targets. In this context, the material risk #3 is impacted by climate-related physical risks, the material risk #11 by climate-related transition risks and the material risk #4 by both types of climate-related risks. A complete overview is provided in the table **"Identified material impacts, risks and opportunities"**.

Description of the processes to identify and assess material climate-related impacts, risks and opportunities [ESRS 2 IRO-1]

This chapter contains information regarding the "Description of the processes to identify and assess material climate-related impacts, risks and opportunities [IRO-1]" as defined by European Sustainability Reporting Standards (ESRS). [E1-IRO-1_20a] Hannover Re's business activities are associated with adverse effects on climate change. These can be caused both directly through emissions in own operations (e.g. through the operation of office buildings and through business travel) and they may be of a more indirect nature in the downstream value chain, inasmuch as reinsurance protection and capital enable other economic activities that result in CO_2 emissions. Quantified data on Hannover Re's greenhouse gas emissions can be found in E1-6. [E1_AR_9a] Hannover Re continuously calculates greenhouse gas emissions in accordance with the GHG Protocol and monitors developments around accounting approaches for emission sources not previously considered (e.g. emissions from insurance business).

[E1_AR_9b] Hannover Re's material actual and potential impacts on climate change are reflected in the respective amounts of the individual greenhouse gas categories. Key drivers are addressed by appropriate concepts. The approach to dealing with Hannover Re's impacts is discussed in detail in the following chapters.

Management of risks and opportunities from climate change

[E1_AR_11a] Due to its business model, Hannover Re regularly determines its exposure to short-, medium- and long-term physical and transition climate risks as part of its risk management processes and closely manages these risks. Climate change and the transition to a lower-emission economy go hand-in-hand with numerous impacts on economic activities and are important topics within risk management. Among other things, therefore, the various effects of climate change – and of the induced social and technological developments – on the business model are evaluated. This relates to both risks arising from the transition to a lower-emission economy and resulting opportunities.

Climate change risk analysis is currently focused on changes in the frequency and severity of natural catastrophes in relation to property and casualty reinsurance, since it is here that short-term changes are in some cases to be expected or could already be observed in the past. For this reason, the models for managing and pricing natural catastrophe risks are regularly revisited with an eye to changes resulting from climate change. Among other things, scenario analyses guided by the assumptions of the Representative Concentration Pathways (RCPs) of the Intergovernmental Panel on Climate Change (IPCC) are used.

As far as Hannover Re's life and health reinsurance business is concerned, mortality and morbidity risks induced by climate change are also considered. Given that obligations in life and health business generally have a long-term horizon, the effects of climate change – such as from global warming or environmental pollution – are still subject to considerable uncertainty. Currently, close attention is paid here to the impacts of an increased frequency of extreme heat events, as well as a lower frequency of extreme cold events. The expected future claims were analysed to verify any exposure. For the modelling of various scenarios, both different regions and the emission pathways RCP 4.5 and RCP 8.5 for the year 2100 are considered.

Risks from climate change and natural catastrophes and from adaptation processes to reduce greenhouse gases also have increasing implications for various (sub-)asset classes, issuers or targets in the investment portfolio. Where climate change risks are concerned, it is especially important to consider the risks posed by more frequent and more severe natural catastrophes, e.g. elevated flood risks for physical assets such as real estate. Risk analyses have been implemented for assets belonging to the directly held real estate portfolio in response to such elevated risks. Temperature-, wind- and flood-related risks, among others, are reported.

Hannover Re has not identified any material climate change-related risks to its own operations.

[E1_AR_11b] In assessing the materiality of climate-related risks connected with Hannover Re's business model, three time horizons are contemplated: short-term (up to 1 year), medium-term (up to 5 years) and long-term (longer than 5 years). The risk categories of Hannover Re's risk register are considered here. On the highest level, these are the underwriting risk, the market risk, the default risk, the operational risk and other risks, such as strategic risks. Climate change and its impacts will, in our view, affect all these risk categories, especially in more extreme climate change scenarios.

Hannover Re draws up detailed business planning for the coming year and an aggregated business outlook for the following four years. The planning and outlook involve assumptions regarding the development of existing business and assumptions around future new business and new investments. The planning horizons are guided by, among other things, the length of customary market cycles and market changes after major natural disasters. The period of the business planning is thus consistent with the short-term time horizon for identification of climate risks, while the medium-term business outlook is in line with the corresponding medium-term time horizon for identification of climate risks. At the present time, no outlook exists for business metrics over a period of more than five years, especially with respect to the expectations for future new business after five years. The metrics considered include the present values of underwriting liabilities on Hannover Re's books, which – especially in life reinsurance – frequently extend over many decades. Some of the assets are therefore also invested over a very long time horizon.

With regard to the impacts of climate change, both the expected time horizon of a material, climate change-induced effect and the available response time to take management actions are considered for all relevant risk categories. Thus, for example, the annual renewals in property and casualty reinsurance give rise to short response times and the possibility of steering risks accordingly. In current analyses and actions, the focus is on risk categories with anticipated short-term impacts as well as anticipated medium-term impacts with a medium-term response time. The materiality assessment is qualitative, based on estimates and past loss experience, and is factored into management actions. Various individual scenario analyses make assumptions on the impacts of climate change in the next 10-30 years. The assumptions are in some instances based on best estimates and sometimes on stress tests.

[E1_AR_11c] It must currently be assumed that climate change has already materially impacted the natural hazards windstorm, flood, heavy rain, hail, heatwaves and cold snaps, as well as wildfires and will continue to do so in the short term. Hannover Re accepts the aforementioned physical risks worldwide as part of its underwriting activity. Since consideration is given to the impacts in management processes, it will continue to be possible to control the specified risks. The assessment takes into account both the duration and scope of the perils as well as regional specificities.

As far as all other risks associated with climate change are concerned, it is anticipated that the impacts will only manifest themselves over the medium to long term, depending on the scale of climate change and the adaptation processes. Hannover Re accepts such risks worldwide.

[E1_AR_7c] In the investment portfolio, the risk to the assets and earnings position is currently not considered to be material. Minimal impacts are expected over the short and medium term because appropriate actions have been taken.

Effects on the upstream supply chain with material impacts on Hannover Re have not been identified to date. Investments and policyholders do not belong to the upstream supply chain as defined by the CSRD.

[E1_AR_15] The assumptions set out here and in the following subsections refer largely to adverse scenarios relating to the impacts of climate change. The discretionary decisions and estimates relating to the impacts of climate change that have been made for the Annual Report, on the other hand, refer to less adverse scenarios.

Process to identify climate-related physical risks

[E1-IRO-1_20bi, AR_11d] Climate-related perils can give rise to physical risks affecting in particular Hannover Re's reinsurance business. The reinsurance of risks resulting from climate-related natural catastrophes is a central component of the business model. A closely integrated network of risk management processes has therefore been put in place to assess and steer these risks. Thus, for example, both external and internal risk models are used to model catastrophe scenarios. A team of experts applies, analyses and refines these models in close collaboration with specialised providers, scientific experts and institutions. In addition, deterministic climate change scenarios and forward-looking simulation models are used with the goal of evaluating potential implications of climate change for Hannover Re's entire business activity and establishing actions to steer the business on this basis. The monitoring of risks deriving from natural hazards is rounded off with stress tests as well as scenario and sensitivity analyses.

[E1_AR_13a] In this context, as a scenario encompassing qualitative and quantitative aspects, Hannover Re uses an internally developed climate-related approach and looks at two main scenarios with a temperature increase of 2 °C by 2050 (~RCP 4.5) and 4 °C by 2050 (significantly more extreme than RCP 8.5). These scenarios are used to evaluate natural catastrophe, mortality and morbidity risks.

[E1_AR_13b] The two main scenarios used for climate change are defined for 2050, but their impacts would occur next year under the stress test (instant shock). The 2°C and 4°C scenarios define the increase in the global average surface temperature compared to the pre-industrial level. Compared with the increase in the average surface temperature of around 1°C already recorded today, these scenarios account for an increase of 1°C and 3°C respectively. This stress test is conducted every two years on the Group level. It should be noted that the scenario for global warming of 4°C by 2050 is physically highly unrealistic and therefore constitutes an extreme case intended to cover all ranges. The climate change scenarios examined for the IPCC show a warming of between roughly 1.5°C and 3°C by 2050 compared to the pre-industrial level.

[E1_AR_13c] The analyses are in each case based on the current portfolio status at year-end prior to conducting the scenario analysis. They relate, for example, to the insured portfolio with natural hazards exposure. The impacts that climate change by 2050 would have in the event of immediate occurrence following year-end are examined. In this context, other factors that will probably change in the future – such as the trend towards urbanisation, consumer / service price inflation – as well as risk-mitigating actions – such as new or upgraded dikes and damns or extended floodplains – are disregarded to isolate the influence of climate change. Numerous other assumptions about the effect of this temperature increase, e.g. on natural catastrophes and population mortality, are made on this basis. [E1_ AR_8a] The assumptions are largely derived from scientific studies. All assumptions made are subject to considerable uncertainty.

[E1_AR_13d] Regional recalibrations for the most relevant natural perils in Hannover Re's portfolio – including tropical cyclones in the North Atlantic, and North-West Pacific, floods in Europe, hail events as well as wildfires in the United States – are currently considered using a detailed approach to event allocation. All other hazards/regions are analysed using a simplified approach. All licensed models used for the pricing and risk management of natural catastrophe risks are validated and recalibrated as necessary to reflect our own risk assessment. Scientific insights on climate change are also taken into consideration. This process presents multiple challenges. For example, historical data series are used for modelling, and it cannot always be unambiguously identified to what extent climate change is already considered in the models. A further factor is that scientific projections are normally longer term (2050 or 2100), whereas Hannover Re attaches importance to short-term impacts owing to the typical contract period of one year. Furthermore, there are opposing effects associated with various hazard characteristics (e.g. expected increase in the intensity of tropical cyclones, but a potential decrease in the overall frequency of such events), a lack of statistically significant evidence for changes and a lack of scientific consensus for many hazards and regions. Despite this, recalibrations are determined and hence the additional risk associated with short-term climate change is considered both in the pricing and in the overall current solvency calculation. As far as the long-term impacts of climate change on reinsurance treaties covering mortality risks are concerned, assumptions regarding excess mortality are based on more intensive and protracted periods of hot weather. Here, too, reference is made to existing scientific studies. Analyses in the directly held real estate portfolio reflect the present and address, among other things, temperature-, wind- and flood-related risks.

Processes to identify transition risks and opportunities

[E1-IRO-1_20c, AR_12a] Hannover Re conducts extensive analyses to examine more closely the effects of transition events. Reference is made to scientific studies, including those of the IPCC. In addition, we participate in internal and external working groups. In conclusion, the expectation – especially in the case of severe global warming – is that all risks can be affected over the long term. Our focus in quantitative analyses is on risks, the impacts of which are already possible in the short and medium term. In the case of transition risks, these are litigation risks and decreases in asset values affecting investments in sectors that may be particularly vulnerable to climate change. [E1_AR_8a] Overall, all analyses are subject to very considerable uncertainty owing to the long periods to be considered, necessary assumptions around the implementation of societal measures to reduce greenhouse gases and the complexity of the climate system.

Changes in natural catastrophe risks due to climate change may trigger increased demand for traditional reinsurance products designed to protect against natural catastrophes, but can also be reflected in a need for new or modified products. Along with risk management, importance therefore also attaches to business opportunity management. Hannover Re systematically seeks to identify new business opportunities to generate sustainable growth and strengthen the company's profitable development. Key elements in Hannover Re's business opportunity management include its various market-specific innovations in the Life & Health and Property & Casualty reinsurance business groups. In property and casualty reinsurance, for example, analyses of emerging risks are carried out within a specialised working group, on the basis of which new risks and business options are identified and presented to the relevant committee. Overall, considerable uncertainty and unpredictability surrounds the opportunities associated with climate change. At the current point in time, the extent of

these opportunities is not assessed as material for Hannover Re's assets and earnings position.

[E1_AR_12b] Transition risks are especially relevant to Hannover Re's business model on the investing side, because institutional investors generally pursue a long-term investment horizon. Transition risks derive from the progressive transition towards a climate-friendly economy and the necessary changes to business models. In some industries, the current business model is being questioned, for example in the case of operators of fossil power plants or in sectors engaged in coal mining and oil production. This can result in a dramatic decline in the market value of affected assets (stranded assets). Other industries and the wider economy will also have to adjust to changes in their business processes, e.g. because equipment and technologies used today, such as combustion engines powered by fossil fuels, can no longer be used in the future. These developments affect the business and earnings potential of undertakings and hence their credit ratings, ability to pay dividends and share price performance, and are therefore relevant to investment activities.

Climate change-induced litigation risks in underwriting business can arise when undertakings are held financially responsible for impacts of climate change and the payments are covered by insurance contracts. Hannover Re's exposure in this regard is regularly monitored with the aid of scenarios. Potential litigation risks are evaluated primarily using a scenario with heavy impacts from climate change (aligned with RCP 8.5), with the assumption also being made that countermeasures through legal changes enable those responsible for advancing climate change to be held liable. [E1-IRO_20ci] A corresponding working group has been set up to ensure that the methods used to evaluate climate change-induced risks are state of the art. The capabilities for evaluating a wide range of risks are constantly refined based on the insights from the IPCC Assessment Reports and other scientific publications.

[E1_AR_12c,13a] In analysing possible transition risks for Hannover Re's investments, a particular focus is on emitters and sectors that have lasting adverse implications for the achievement of the Paris agreement on climate change. These are generally subject to an elevated risk of being more heavily impacted than other sectors by future transition changes (e.g. legal prohibitions or higher carbon prices) for achievement of the Paris climate goals, which can therefore result in losses of value. Various parameters are included to assess these potential risks (e.g. also extending to external risk ratings) that make allowance for substantial adjustment processes. In this context, however, no explicit scenario within the meaning of the ESRS is used that restricts global warming to 1.5°C with or without a limited overshoot. For risk assessment purposes, a stress test is regularly carried out on the investment portfolio to identify issuers and sectors at the greatest risk of inadequate adjustment to a low-carbon economy. This is based on the issuer's carbon intensity and further ESG information provided by an external service provider. It encompasses the asset categories of corporate bonds, covered bonds and equities. Depending on the risk classification, increases in credit spreads on bonds and price reductions on equities have been defined for the implemented stress scenarios. Guided by these parameters, transition risks in relation to industries and issuers can be assessed and incorporated into the investment process. The scenarios are of a qualitative nature and based on own assumptions and expert opinions.

[E1_AR_12c] When looking at scenarios to assess litigation risks, assumptions regarding insured market losses are based on the greenhouse gas emissions of the insured undertakings. Another scenario addresses litigation risks arising out of divergences between targets and actions communicated by undertakings and the targets actually achieved.

[E1_AR_13b] Given that in each case an instantaneous loss of value or reinsurance loss is assumed, the time horizon for these scenario analyses is of minor significance. The scenarios for the investment side differentiate the losses in value by sector and maturity of the securities. The litigation scenarios are differentiated according to, among other things, the greenhouse gas emissions of the insured undertakings.

[E1_AR_13c] The analyses are based in each case on the current portfolio status at least at year-end prior to conducting the scenario analysis. The impacts that climate change would have in the event of immediate occurrence following year-end are examined. In this context, other factors and trends – such as measures to adjust the business models of affected undertakings – are disregarded to isolate the influence of climate change. All assumptions made are subject to considerable uncertainty.

[E1_AR_13c, d] An individual scenario that does not directly reference the IPCC is taken as a basis for assessing transition risks affecting investments. This puts the focus on the differing degrees to which sectors are affected with an eye to the resilience of their business models in the transition to a climate-friendly economy. As a general principle, the scenarios are merely inspired by the IPCC parameters and do not correspond to them in every detail. Among other things, further granular assumptions are needed, e.g. regarding the extent to which individual sectors are impacted and the coverage provided in reinsurance treaties.

[E1_AR_12d] The business activity of a reinsurer and the associated investing activity is essentially considered a service capable of mitigating the financial impacts of climate change for society and individual insureds.

Reinsurance business

Policies related to climate change mitigation and adaptation [E1-2]

In view of the increasing impacts of climate change on global economic and living conditions, reinsurance undertakings find themselves challenged both to promote climate change mitigation and develop adaptation strategies in order to ensure their long-term stability and profitability. Consideration of ESG criteria in the insurance business, for example, has an impact on sustainable development. With a view to tackling these challenges, Hannover Re has developed and adopted various policies in reinsurance business that reduce adverse impacts and risks in relation to climate change. At the same time, they can have a positive influence on climate change. [E1-2_MDR-P 65a] The "three lines of defence" system is used to monitor all Hannover Re policies connected with climate change mitigation and climate change adaptation. For further information the reader is referred to the section **"Business conduct policies"**. The complete numbered overview of the material impacts and risks in reinsurance business addressed by the following policies is provided in the table **"Identified material impacts, risks and opportunities"**.

Environmental Strategy

The central policy for anchoring environmental matters in Hannover Re's reinsurance business with an eye to the future is the Environmental Strategy that entered into force in 2024 for the strategy cycle 2024–2026. This contains work packages and goals specific to reinsurance business for addressing material identified impacts, risks and opportunities. The action field "decarbonisation" is intended, in particular, to mitigate negative impacts on climate change (#10) and the energy transition (#15) and reduce transition-related risks (#11). It is envisaged that greater interaction with cedants and brokers in the context of the second action field "Engagement" will similarly make a positive contribution to the impacts and risks. The third action field geared to strengthening social resilience picks up on actions and targets that are intended to support the positive impacts

of core business as a global risk carrier (#1, #2). For further minimum disclosure requirements regarding the strategy, the reader is referred to the overarching subsection **"Policies related to climate change mitigation and adaptation"**. Hannover Re's strategic orientation is complemented by further internal policies and guidelines in connection with climate change.

ESG Position Paper of the Property & Casualty (P&C) Business Group
[E1-2_25a-e, AR_16-18] Back in 2022 Hannover Re had already approved an internal positioning in the form of a global ESG P&C position paper that addresses the sustainability matters of climate change mitigation, climate change adaptation and the reinsurance of renewable energy sources. The position paper summarises the understanding of ESG topics within the property and casualty reinsurance sector in order to establish a uniform basis for the dialogue with Hannover Re's property and casualty reinsurance clients. It also regulates the exclusions and underwriting policy with which carbon-intensive property and casualty reinsurance business connected with fossil fuels will be reduced (#10, #15). Since 2022, for example, Hannover Re has committed to decline portfolios used exclusively for coverage of thermal coal risks. The same applies to covers associated exclusively with the exploration and/or development (upstream) of new oil and gas reserves (greenfield) or that exclusively support the transportation and storage (midstream) of new oil and gas reserves (greenfield). As a global risk carrier, Hannover Re also promotes technological progress and thereby supports the ongoing development of low-emissions processes and products in undertakings, for example in connection with the reinsurance of renewable energy sources.

In this regard, the ESG position paper addresses the approach to new climate-friendly and low-emissions technologies. Closing protection gaps is similarly a stated action field in the position paper with a view to promoting the climate and disaster resilience of society worldwide (#1, #2). [MDR-P_65d] In the context of the ESG position paper, Hannover Re respects international human rights in the property and casualty reinsurance sector as described in the United Nations Universal Declaration of Human Rights and the Declaration on the Rights of Indigenous Peoples, the UN Guiding Principles on Business and Human Rights and the National Action Plan.

[MDR-P_65b] The ESG position paper is applicable to Hannover Re's entire property and casualty reinsurance sector. [MDR-P_65c] Responsibility for observance and implementation of the ESG position paper rests with the Property & Casualty Executive Committee.

ESG Manual of the Facultative Division
Complementing the ESG position paper, the Facultative Division has a global ESG manual containing further specifics. This touches on additional environmental matters and, among other things, regulates exclusions for carbon-intensive business in the Facultative Division (#10, #15). The Facultative Division's ESG manual also defines the approach to new climate-friendly and low-emissions technologies and industries. [E1-2_25a-e, AR_16-18] The ESG manual thereby addresses the sustainability matters of climate change mitigation and the use of renewable energy. Targeted risk exclusions that help to reduce the exposure to fossil fuels are a key element of the ESG manual. Since as far back as April 2019, the Facultative Division has no longer provided reinsurance for any planned new coal-fired power plants or thermal coal mines. Moreover, any new business connected with thermal coal infrastructure has been excluded from February 2020 onwards. Thermal coal infrastructure encompasses thermal coal mines, coal-fired power plants and facilities as well as port and rail operations that are exclusively dedicated to the thermal coal industry. The Facultative Division also excludes reinsurance contracts for individual risks that generate more than 30 % of their revenues from activities in thermal coal. Complementing the stated exclusions, a long-term exit plan for the existing facultative business of thermal coal risks was adopted in 2021. The phased plan, which is set out in the Facultative Division's ESG manual, provides for exclusions based on thresholds. It is envisaged that these thresholds will be progressively lowered in subsequent years until the complete exclusion of all thermal coal risks in 2038. In accordance with the Facultative Division's exit plan, the scaling back of business with thermal coal producers whose annual production from all mines amounts to 100 million tonnes or more was implemented and existing business with coal-fired power plant operators whose installed total coal-fired power plant capacity reaches or exceeds 25 gigawatts was reduced. In addition, the facultative reinsurance of stand-alone coal-fired power plants with an installed capacity of more than 5 gigawatts was discontinued by the end of 2025. Furthermore, since mid-2022 the Facultative Division has no longer taken on any new covers for project policies associated with the exploration and/or development (upstream) of new oil and gas reserves (greenfield) or for project policies that exclusively support the transportation and storage (midstream) of new oil and gas reserves (greenfield). It is already the case that since 2020 the Facultative Division has also no longer accepted any new individual risks that generate 20 % or more of their revenue from oil sands. This also excludes oil sands extraction and processing operations. Oil sands extraction and processing encompass extraction from bituminous sand, refinement of synthetic crude oil, further processing of this synthetic crude into petroleum products and the associated transportation by pipeline or rail. No existing business has remained in this segment since 2025.

The Facultative Division also does not reinsure any new stand-alone oil-fired power plants that were not in operation or under construction by 1 July 2023. Furthermore, the Facultative Division no longer accepts any new risks connected with projects for the extraction of oil and gas in Arctic regions – this policy applies to both new and existing projects (greenfield and brownfield). Hannover Re defines "Arctic regions" – in line with the procedure followed in its investing activities – as the zone around the Arctic Circle which runs in a circle of latitude 66.34° north of the Equator. This includes the Arctic National Wildlife Refuge (ANWR) in the United States. In addition, no risks are written that are connected with the development of new oil and gas deposits in deep waters. Nor has the Facultative Division supported any projects connected with deep-sea mining since 2023.

The Facultative Division also declines business that may entail damage to protected wetlands (Ramsar Convention), protected areas classified as category 1a and 1b by the International Union for Conservation of Nature (IUCN) or UNESCO World Heritage sites. Similarly, no new projects are supported where it is known that impacted indigenous peoples have not given their free, prior and informed consent (FPIC). In addition, the Facultative Division addresses in its ESG manual the International Labour Organization (ILO) frameworks and also excludes business with undertakings that are connected to internationally controversial weapons. [MDR-P_65d] The Facultative Division is also required to comply with the standards described in the ESG position paper of the P&C business group.

As another element of the Facultative Division's ESG manual, Hannover Re has continuously striven since 2021 to identify undertakings from various economic sectors that are to be assessed as attractive from an ESG perspective in order to give them special support in the context of its facultative reinsurance activities.

[MDR-P_65b] The ESG manual is applicable to Hannover Re's entire Facultative Division and is operationalised through a range of measures. [MDR-P_65c] Responsibility for operational implementation rests with the Managing Director of the Facultative Division.

Climate and Disaster Resilience Position
With its range of reinsurance products, Hannover Re helps people around the world gain access to insurance protection. Primary insurers are often

only able to underwrite large portfolios, major individual risks, or risks arising from natural hazards with the support of internationally operating reinsurers. In this way, Hannover Re also promotes higher insurance penetration in countries of the Global South and contributes to social and financial inclusion.

A cross-functional and interdisciplinary working group within Hannover Re addresses issues around the "protection gap" and resilience. The aim is to make insurance solutions available to population groups that previously had insufficient insurance coverage or were only able to access coverage with difficulty (#1, #2). [MDR-P 65a] These ambitions are set out at a higher level policy in the "Climate and Disaster Resilience Position" and are operationalised through additional measures and targets. [E1-2_25a-e, E1-2_AR_16-18] The position paper therefore addresses the sustainability topic of climate change adaptation. [MDR-P_65b] The position paper's scope applies to Hannover Re's entire property and casualty reinsurance business. [MDR-P 65c] Implementation is coordinated by a cross-functional working group with the support of local offices across the Hannover Re Group.

Risk and Capital Management Policy
The risks associated with climate change affect all risk categories of Hannover Re's risk register, e.g. through changing parameters for natural catastrophe risks. They are therefore treated as part of the risk management processes within every risk category of the risk register. Adequate risk management in relation to climate change is indispensable for Hannover Re's business model and supports social adaptation to climate change (#1). At the same time, potential litigation risks (#11) as well as impacts on Hannover Re's assets and earnings position through rising losses from climate change are reduced (#3). [MDR-P_65a] The detailed rules and processes in risk management are recorded in the Risk and Capital Management Policy (RCMP). [E1-2_25a-e, E1-2_AR_16-18] The policy addresses the sustainability matters of climate change mitigation and climate change adaptation. [MDR-P_65b] The policy's scope of application encompasses all activities of the Hannover Re Group. [MDR-P_65c] Responsibility for operational implementation of the policy rests with the Chief Risk Officer of Hannover Re. A description of Hannover Re's approach to physical and transition climate change risks through NatCat modelling and scenario analyses can also be found in the section on ESRS2 SBM-2 in this chapter.

Actions and resources in relation to climate change policies [E1-3]

Aside from implementation of the climate change-related policies described under E1-2, Hannover Re does not engage in any other actions in reinsurance business that can be subsumed under the requirements of the ESRS. This is primarily due to the fact that possible actions with the potential for carbon reduction are quantifiable to only a limited extent for methodological reasons.

Targets related to climate change mitigation and adaptation [E1-4]

[MDR-T_80a] In the context of its Environmental Strategy, Hannover Re has set itself the goal of decarbonisation in the Facultative Division. [E1-4_33] This goal will reduce carbon-intensive property and casualty reinsurance business, thereby mitigating adverse impacts on climate change (#10, #15). [MDR-T_80b, c, e] The defined target is a decrease of 20 % in the number of facultative reinsurance treaties for thermal coal risks in the period from 2024 to 2026. [MDR-T_80d] Progress is measured on the basis of an index-based reference value (100 %). [MDR-T_80j] Measured against the 2023 reference year, a reduction of 19 percentage points in the facultative reinsurance treaties connected with thermal coal risks had already been achieved by the end of 2025.

A common understanding with global clients and increased transparency around ESG matters is needed to advance the transition and better manage the underwriting business in relation to ESG considerations. [MDR-T_80a] As another element of its Environmental Strategy, Hannover Re therefore aims to strengthen dialogue and engagement with its reinsurance clients in connection with ESG issues. [E1-4_33] By setting this target, Hannover Re increases transparency and obtains insights into its clients' sustainability efforts. The negative impact (#10) and the risk (#11) are thereby reduced. [MDR-T_80b, c, e] The target set is to initiate contact with the 100 largest property and casualty reinsurance clients on ESG core issues in the period from 2024 to 2026. [MDR-T_80d] The baseline value for measuring progress refers to zero corresponding contacts initiated in 2023. The progress made at the end of the 2025 reporting year stood at 70 %.

[MDR-T_80a] When it comes to strengthening societal resilience, Hannover Re has additionally set itself the target under its Environmental Strategy of expanding its sustainable insurance solutions designed to mitigate the impacts of climate disasters and natural catastrophes in emerging and developing countries. [E1-4_33] By stepping up collaboration with its partners, Hannover Re helps to close this protection gap and thereby reduces the negative impact (#2). [E1-4_MDR-T_80b, c, e] The target set for the period from 2024 to 2026 is to underwrite five additional programmes in property and casualty reinsurance that cover natural catastrophe risks in emerging and developing countries. [MDR-T_80d] The baseline value for measuring progress refers to an existing number of such programmes in 2023, to which five are to be added. The target had already been achieved by the end of 2025 through the writing of more than five relevant programmes, in particular parametric reinsurance covers.

[MDR-T_80f, g] The three aforementioned targets on the underwriting side are based on Hannover Re's strategic assumptions and not on specific scientific insights. [MDR-T_80h] Stakeholders were not involved in setting the targets. Adherence to the set targets is continuously reviewed and the Executive Board receives half-yearly progress reports. Progress towards achieving the targets is consistent with the original planning. [MDR-T_80j] No significant change in the company's performance with regard to achievement of the targets can be discerned.

Investments

Policies related to climate change mitigation and adaptation [E1-2]

Just as with the underwriting business, material impacts and risks related to climate change mitigation, climate change adaptation and energy were identified for investing activities, the other part of Hannover Re's core business.

Incorporating ESG criteria into investing activities is an important tool in the realisation of sustainable goals. In conformity with the European Commission's action plan on financing sustainable growth, capital can be reoriented towards issuers, projects or technologies that contribute to sustainable development. At the same time, issuers that violate predefined ESG criteria can be excluded. Furthermore, the ESG criteria expand the analysis of the risks associated with individual sectors or issuers, e.g. an inadequate engagement with the impacts of climate change, and hence help to improve the quality of decision making in strategic and tactical asset allocation. [MDR_P_65a]. The "three lines of defence" system is used to monitor all Hannover Re policies related to climate change mitigation and adaptation (for further information the reader is referred to the section

"Business conduct policies"). The complete numbered overview of the material impacts and risks in investments addressed by the following policies is provided in the table **"Identified material impacts, risks and opportunities"**.

Responsible Investment Standards

The Hannover Re Group's sustainable investment strategy is formalised in the Responsible Investment Standards. [MDR-P_65a] It is based on a multidimensional concept, with exclusion criteria forming a key element of an integrated ESG approach. In accordance with the investment policy, Hannover Re strives for stable, fair market returns in order to be able to meet underwriting commitments and liquidity requirements at all times while preserving a balanced risk/return profile and broad diversification. [E1-2_25a-e, E1_AR_16-18] At the same time, considerable importance is attached to the sustainability approach, incorporating environmental, social and governance aspects (ESG criteria), with special attention paid to the sustainability matters of climate change mitigation, climate change adaptation and the use of renewable energy. Since as long ago as 2012, corresponding binding guidelines have been enshrined in writing in the internal standards. The stipulations defined here have continued to evolve over the past years and include various exclusion criteria, inter alia relating to fossil fuels, that serve to reduce relevant negative impacts (#8, #14) and the transition risk (#4). The exclusions also promote the transition to a low-emissions economy and hence support the positive impact (#5). Within the portfolio of assets under own management, fixed-income securities (government and semi-government bonds, corporate bonds and covered bonds [with the exception of collateralised debt obligations, CDOs]) and listed equities have been subject to such screening processes since 2012. As at the reference date of 31 December 2025, these investment classes accounted for more than 85 % of the asset portfolio. The Ten Principles of the UN Global Compact are a decisive criterion in guiding the review of the portfolio. Companies that fail to respect human rights or are complicit in human rights abuses, disregard basic labour standards or go against considerations of climate change mitigation are excluded from the investment horizon, as are companies that have come under scrutiny for the use of forced labour, child labour, discrimination or corruption, or for the development and proliferation of controversial weapons. These include anti-personnel mines, biological and chemical weapons, cluster munitions, depleted uranium and white phosphorous. A corresponding cross-check is made in advance of any new investments and continuously for the existing portfolio; issuers that do not meet these ESG criteria are excluded or actively scaled back.

Further ESG exclusion criteria with specific revenue thresholds apply when it comes to fossil fuels. This affects:

- Issuers that generate 25 % or more of their revenues from energy generation from shale oil / gas or oil sands extraction
- Issuers that generate 10 % or more of their revenues from the mining of or power generation from thermal coal
- Issuers that generate 5 % or more of their revenues from offshore oil and gas drilling within the Arctic Circle (66°34'N)

No new investments are made in issuers that exceed the specified thresholds. Existing investments are disposed of as soon as possible in light of current market conditions. Over the long term, the goal is to reduce the exposure to thermal coal by 2038. On the one hand, these actions have a positive effect on climate change mitigation (#5, #6), while at the same time they reduce possible risks from the transition to a climate-neutral economy (#4) by lowering the exposure to high-risk industries through a piecemeal approach.

The best-in-class analyses, which facilitate qualitative management according to ESG criteria, similarly support climate change mitigation and promote the use of renewable energies (#7, #13). [MDR-P_65a] Further items of the Responsible Investment Standards include the requirement to act in accordance with the Ten Principles of the United Nations Global Compact and the orientation towards the Principles for Responsible Investment. [MDR-P_65b] The standards' scope of application extends to both the investment decisions made by Hannover Re itself and the collaboration with external asset managers acting on behalf of Hannover Re.

The Chief Financial Officer is informed of anomalous findings from the screening process. Hannover Re's Investment Committee and the Executive Board are also provided upon request with individual reports about the progress and implementation of the Responsible Investment Policy as well as any changes to it. [MDR-P_65c] Responsibility for operational implementation of the standards rests with the Managing Director Investment & Collateral Management. Dedicated ESG experts on the Investment Team also provide implementation support.

Medium- to long-term climate strategy for investing activities

In 2021 the Executive Board approved the medium- to long-term climate strategy for investing activities. [MDR-P 65a] It is founded on three pillars:

- decarbonisation of the liquid investment portfolio
- intensified efforts to engage with a range of stakeholders
- increased investment in sustainable investments that fight climate change and/or support the United Nations Sustainable Development Goals

[E1-2_25a-e; E1-2_AR_16-18; MDR-P_65b] The climate strategy addresses the sustainability matters of climate change mitigation, climate change adaptation and the use of renewable energy and has implications for the liquid and illiquid investments held in the asset portfolio. The approach pursued is, on the one hand, to minimise the carbon burden in investing activities, thereby supporting the transition and the positive impact (#5). As a result of this striving towards decarbonisation, the negative impacts (#8, #14) and identified risks are in turn correspondingly reduced (#4).

On the other hand, the climate strategy promotes the approach of increased investment in sustainable investments that fight climate change. The positive impacts are thereby supported (#7, #13).

Intensified engagement with a range of stakeholders is integrated into the climate strategy as another key pillar. [MDR-P_65c] Responsibility for operational implementation of the climate strategy rests with the Managing Director Investment & Collateral Management.

[MDR-P 65a, b] One aspect of the Environmental Strategy is the increased investment in sustainable investments. The growing addition of sustainable investments to Hannover Re's asset portfolio explicitly relates to investments that, according to expert assessment, support the transformation to a resource-efficient and climate-neutral economy. These include, in particular:

- sustainable infrastructure investments, e.g. in the areas of renewable energy and clean transportation, that accelerate the move away from fossil fuels through low-carbon alternatives,
- impact investments that promote particularly sustainable innovations, such as in the areas of circular economy, energy storage or energy conservation,
- sustainable forestry and agricultural investments.

By increasing these investments in accordance with the Environmental Strategy by at least 45 % from 2024 to the end of 2026, positive impacts on both climate change mitigation (#7) and the energy transition are to be

reinforced (#13). In addition, negative effects on the climate are significantly reduced (#8). The increase amounts to 72 % by the end of the reporting period. This does not constitute a target as defined by ESRS E1-4 in conjunction with ESRS 2 MDR-T.

Actions and resources in relation to climate change policies [E1-3]

Aside from implementation of the climate change-related policies described under E1-2, Hannover Re does not engage in any actions in investing activities that could be subsumed under the requirements of the ESRS. This is primarily due to the fact that possible actions with the potential for carbon reduction are quantifiable to only a limited extent for methodological reasons.

Targets related to climate change mitigation and adaptation [E1-4]

In its investing activities Hannover Re has set itself the goal of actively reducing the greenhouse gas (GHG) intensity of the liquid asset portfolio. [E1-4_34a, c; MDR-T_ 80a, b, c, d, e, f, g] In concrete terms, a reduction of 70 % in the enterprise-based GHG intensity (EVIC GHG intensity) in relation to corporate bonds, covered bonds, equities and quasi-sovereign issuers is aimed for between 2019 and the end of 2029 under the medium- to long-term climate strategy and the Environmental Strategy. Compared to the base intensity of 147.8 tCO_2e/EUR million from 2019, this means a reduction of roughly 103.4 tCO_2e/EUR million by 2030. The reduction at year-end 2025 was 65 %. The EVIC-based intensity of an undertaking is calculated from the Scope 1 and Scope 2 emissions in tCO_2e, standardised by the undertaking's EVIC in EUR million. Intensity metrics of external data providers are used for this purpose. The changeover in data provider completed in 2025 and the resulting implications are discussed in greater detail in chapter E1-6. Subsequently published data were also considered retrospectively for the base year in order to ensure the best possible coverage of the base. The calculation of the emissions relevant to the climate strategy target is analogous to the methodology described under chapter E1-6 for calculating the entire financed emissions under Scope 3.15 and cannot be considered a scientifically grounded target. The only difference is that – unlike the PCAF calculation for debt instruments described in chapter E1-6 – the market value is used rather than the nominal value. [E1-4_34b; AR_24] The target thus covers roughly 7.3 % (5.5 %) of Hannover Re's Scope 3.15 emissions.

Owing to the emission trend at issuers and changes in the overall portfolio, the intensity is subject to continuous fluctuation. Temporary target attainment cannot therefore be seen as permanent. The decarbonisation progress achieved since 2019 can also be attributed inter alia to the following aspects:

- exclusion of new investments in business models with a high emissions intensity (e.g. thermal coal or oil sands)
- reduced exposure to the fossil fuels sector; divestment from issuers with high emission intensities
- indirectly through actual reductions in the emissions intensities of individual issuers

[E1-4_34e; MDR-T_80f] The target is based on strategic assumptions made by Hannover Re and was not externally validated. Hannover Re has not to date identified or quantified any concrete levers or actions as defined by the CSRD for achievement of its investment target. There is no direct correlation with the policies in investing activities. Assurance has not been obtained for the 1.5°C-compatibility of the target and it is not based on climate scenarios. [MDR-A 80g] There is no sector-specific or cross-sector decarbonisation path. [MDR-A 80h] There are currently no plans to adopt new technologies for the achievement of emission reduction targets. Internal stakeholders were involved in setting the target through the Investment Committee. [E1-4_34c; E1_ AR_25] The baseline value used to measure progress with respect to the targets is representative, because 2019 passed off under environmentally stable general conditions and was not distorted by exceptional events or geopolitical conflicts.

[E1-4_33] The decarbonisation target serves to reduce both negative impacts on climate change (#8) and resulting transition risks in connection with the investments (#4). [E1-4_34f; E1_AR_30a-c] Relevant here are portfolio adjustments and changes that are planned in order to achieve the targeted reduction overall. [MDR-T_ 80j] Progress towards achieving the target is regularly tracked by reviewing the portfolio's emissions data.

[MDR-T_80a] Along with decarbonisation of the asset portfolio, the dialogue with issuers around ESG and climate matters ("engagement") – also part of the Environmental Strategy – is considered an important means of supporting the transition to a lower-carbon world and making global climate goals attainable. [E1-4_33] Consequently, a strategic quantitative engagement target for the intensified dialogue with issuers was approved for the current strategy cycle 2024–2026 with the aim of achieving a positive impact on climate change mitigation (#6). [MDR-T_80b, c, e] The target set is dialogue on a regular basis with at least 20 issuers in Hannover Re's asset portfolio on ESG and climate matters from 2024 to the end of 2026. [MDR-T_80d] The baseline value for measuring progress "technically" references zero corresponding dialogues in 2023. 20 dialogues were conducted with issuers in the 2025 reporting year.

[MDR-T_80a, f] Since 2025, Hannover Re has pursued the goal of reducing the proportion of its exposures to the oil and gas sector within the liquid corporate bonds in order to support the transition to a lower-carbon economy and reduce associated transition risks. [MDR-T_80b, c, d] The goal refers to the entire value chain and is based on the 2024 base year with a reference value of 7.4 %. [MDR-T 80e, j] By the end of 2029 a reduction of 30 % in this share is targeted; the reduction achieved by the end of 2025 was 9.1 %.

[MDR-T_80f, g] The last two targets stated for investing activities are based on strategic assumptions made by Hannover Re and not on specific scientific insights. [E1-4_MDR-T_80h] External stakeholders were not involved in setting the targets. Adherence to the set targets is continuously reviewed and the Executive Board receives progress reports at least once a year. Progress towards achieving the targets is consistent with the original planning. No significant change in the company's performance with regard to achievement of the targets can be discerned.

Own Operations (environmental management)

Policies related to climate change mitigation and adaptation [E1-2]

A comprehensive and consistent approach to the challenges of climate change also includes the management of environmental and climate-related impacts of an undertaking's own operations. Ensuring "environmental stewardship" is particularly conducive to the internal and external role model function and has the effect of signalling progressive decarbonisation in core business. Even though the overall impacts here are ultimately lower measured by carbon emissions, material impacts and risks related to climate change mitigation, climate change adaptation and the energy transition could also be identified within our own operations.

[E1-2_25a-e] Hannover Re's ESG positioning for its own operations was summarised in the global Environmental Strategy 2024-2026. For further minimum disclosure requirements regarding the strategy, the reader is referred to the overarching section **"Policies related to climate change mitigation and adaptation"**.

A focus of the Environmental Strategy for own operations is on reducing carbon emissions stemming in particular from the supply of electricity and heat to the company's premises. Since as long ago as 2012, Hannover Re has purchased exclusively electricity from renewable energy at the Hannover location. The purchasing of electricity from renewable energy was rolled out to all office locations worldwide in 2024. In view of the sustainable electricity and heat supplied to office premises, the negative impact (#12) is reduced. Furthermore, Hannover Re's company car fleet is also addressed by the Environmental Strategy. In addition, sustainable mobility has been encouraged since 2019. To this end, Hannover Re makes electricity available to employees at the location in Hannover to recharge their electric vehicles at no cost. [MDR-P_65a] The complete, numbered overview of the material impacts in own operations addressed by the Environmental Strategy is provided in the table **"Identified material impacts, risks and opportunities"**.

Actions and resources in relation to climate change policies [E1-3]

Aside from implementation of the climate change-related policies described under E1-2, Hannover Re does not engage in any actions that can be subsumed under the requirements of the ESRS, because the action fields described in the policy relating to the sustainable supply of energy to own operations and the electrification of the vehicle fleet were defined and reported as targets (see E1-4).

Targets related to climate change mitigation and adaptation [E1-4]

[E1-4_33; MDR-T_80a] By setting targets under the Environmental Strategy, Hannover Re strives to further advance decarbonisation in its own operations.

[E1-4_33; MDR-T_80b, c, e] In 2025, as in the 2024 reporting year, Hannover Re again set itself the goal of purchasing 100 % green electricity (in kWh) globally for the Hannover Re Group, thereby reducing the negative impact #12. [MDR_T_80d] The use of electricity from renewable energy for the Group in the 2023 base year stood at 67 %. The target was achieved in the year under review. [MDR-T_80j] Electricity will continue to be purchased from renewable energy in subsequent years.

[MDR-T_80a, b, c, e] As far as the opportunity to lease a company car is concerned, a further goal of the Environmental Strategy is to achieve complete electrification of the company car fleet at the Hannover location by 2030. [E1-4_33] The target reduces the negative impact from employees' use of company vehicles that are harmful to the climate (#12). [MDR_T_80d] The proportion of electrically powered vehicles in the 2023 baseline year stood at 9 %. [MDR-T_80j] The proportion of electrically powered vehicles in the year under review was 33 %.

[MDR-T_80f, g] The two targets in own operations are based on Hannover Re's strategic assumptions and not on specific scientific insights. [MDR-T_80h] Stakeholders were not involved in setting the targets. [MDR-T_80j] Adherence to the set targets is continuously reviewed and the Executive Board receives half-yearly progress reports. No significant change in the company's performance with regard to achievement of the targets can be discerned.

Metrics

[MDR-M_77a] The metrics in the following sections E1-5, E1-6 and E1-7 are based on various collection methods. For metrics that can be allocated to own operations, primary data are used where possible in the form of electricity, heating or fuel bills, as well as additional information from service providers supplied by all consolidated entities of Hannover Re in a standardised process with appropriate controls. Consolidation and further processing are handled centrally by an expert team at the Hannover location. Due to internal quality assurance processes, the information in the year under review was surveyed at the reference date of 31 October 2025 and the last two months of the year were extrapolated. Hannover Re takes own operations to mean the operation of office space and buildings in which its own employees work for Hannover Re, as well as the operation of the associated infrastructure. Affiliated, non-consolidated undertakings are also covered by this definition. On grounds of immateriality, extrapolations and assumptions based on average intensities per employee of the consolidated group are used to calculate the metrics for these undertakings. Unlike own operations, the metrics also include energy consumption data (E1-5) as well as Scope-1 and 2-emissions (E1-6) from fully consolidated investments such as investment property. These figures are based primarily on averages and estimates and hence limited in their informational value and reliability. Significant deviations from the previous year's figures were mainly due to improved data coverage and other factors such as inventory movements. Further emissions from investments are reported in Scope 3.15. The determination of all Scope 3 categories is also described in detail under subsection AR_46h. Metrics specified under E1-7 are based on specifically purchased GHG certificates from an external service provider. [MDR-M_77b] None of the metrics specified in ESRS E1 have been validated by an external body other than that responsible for quality assurance.

The approach to dealing with changes in the preparation or presentation of sustainability information is described under ESRS 2 BP-2 paragraph 13.

Energy consumption and mix [E1-5]

Energy consumption and mix	2024	2025
Total fossil energy consumption (MWh)	**39,467.2**	**62,804.1**
Fuel consumption from coal and coal products (MWh)	—	—
thereof stemming of own operations (MWh)	—	—
Fuel consumption from crude oil and petroleum products (MWh)	1,094.6	1,236.0
thereof stemming of own operations (MWh)	1,094.6	1,236.0
Fuel consumption from natural gas (MWh)	14,852.7	16,079.2
thereof stemming of own operations (MWh)	861.7	241.2
Fuel consumption from other fossil sources (MWh)	—	—
thereof stemming of own operations (MWh)	—	—
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	23,519.8	45,488.9
thereof stemming of own operations (MWh)	2,205.8	2,837.2
Share of fossil sources in total energy consumption (in %)	37.5%	55.1%
Consumption from nuclear sources (MWh)	**—**	**—**
thereof stemming of own operations (MWh)	—	—
Share of consumption from nuclear sources in total energy consumption (in %)	—	—%
Total renewable energy consumption (MWh)	**65,912.3**	**51,116.4**
Fuel consumption for renewable sources, including biomass (MWh)	—	13,902.7
thereof stemming of own operations (MWh)	—	—
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	65,848.4	36,952.7
thereof stemming of own operations (MWh)	7,303.4	6,003.5
Consumption of self-generated non-fuel renewable energy (MWh)	63.9	261.1
thereof stemming of own operations (MWh)	63.9	64.6
Share of renewable sources in total energy consumption (in %)	62.5%	44.9%
Total energy consumption (MWh)	**105,379.5**	**113,920.5**

[E1-5_40] Pursuant to Regulation (EC) No. 1893/2006 of the European Parliament and of the Council, Hannover Re is active in the high climate impact sector “Real estate activities” (NACE Code section L) based on the renting out of real estate. It is not possible to report the energy intensity for activities in high climate impact sectors, because the total energy consumption cannot be compared with corresponding net sales.

Scope 1,2 and 3 gross GHG emissions and total GHG emissions [E1-6]

Total GHG emissions (Scope 1-3)				Retrospective	Milestones and target years
	Base year	2024	2025	%	2030
Scope 1 GHG emissions					
Scope 1 GHG emissions (tCO_2e)	**—**	**3,270.3**	**3,551.9**	**8.6%**	**—**
thereof stemming from own operations [1]	—	434.7	341.5	-21.4%	—
Scope 1 GHG emissions of consolidated accounting group (tCO_2e)	—	3,262.6	3,545.7	8.7%	—
Scope 1 GHG emissions of non consolidated entities (tCO_2e)	—	7.6	6.2	-19.3%	—
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	—	—	—	—	—
Scope 2 GHG emissions					
Location-based Scope 2 GHG emissions (tCO_2e)	**—**	**28,275.2**	**23,987.1**	**-15.2%**	**—**
thereof stemming from operations [1]	—	3,339.0	3,033.0	-9.2%	—
Location-based Scope 2 GHG emissions from consolidated accounting group (tCO_2e)	—	28,216.6	23,932.4	-15.2%	—
Location-based Scope 2 GHG emissions from non consolidated entities (tCO_2e)	—	58.6	54.7	-6.7%	—
Market-based Scope 2 GHG emissions (tCO_2e)	**—**	**6,273.5**	**23,137.5**	**268.8%**	**—**
thereof stemming from operations [1]	—	396.3	497.3	25.5%	—
Marked-based Scope 2 GHG emissions from consolidated accounting group (tCO_2e)	—	6,266.5	23,128.5	269.1%	—
Marked-based Scope 2 GHG emissions from non consolidated entities (tCO_2e)	—	7.0	9.0	28.9%	—
Significant Scope 3 GHG emissions					
Total gross indirect (Scope 3) GHG emissions (tCO_2e) (without Scope 3 financial investments)	**—**	**9,480,229.0**	**7,580,109.9**	**-20.0%**	**—**
Total gross indirect (Scope 3) GHG emissions (tCO_2e) (with Scope 3 financial investments)	**—**	**25,186,327.1**	**18,843,266.8**	**-25.2%**	**—**
1 Purchased goods and services	—	157.7	399.8	153.4%	—
2 Capital goods	—	1,957.2	—	-100.0%	—
3 Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	—	181.1	187.1	3.3%	—
4 Upstream transportation and distribution	—	—	—	—	—
5 Waste generated in operations	—	—	—	—	—
6 Business travel	—	5,716.3	3,984.7	-30.3%	—
7 Employee commuting	—	2,498.7	—	-100.0%	—
8 Upstream leased assets	—	—	—	—	—
9 Downstream transportation	—	—	—	—	—
10 Processing of sold products	—	—	—	—	—
11 Use of sold products	—	—	—	—	—
12 End-of-life treatment of sold products	—	—	—	—	—
13 Downstream leased assets	—	—	—	—	—
14 Franchises	—	—	—	—	—
15 Financial investments (without Scope 3 financial investments)	—	9,469,718.0	7,575,538.3	-20.0%	—
15 Financial investments (with Scope 3 financial investments)	—	25,175,816.0	18,838,695.2	-25.2%	—
Total GHG emissions					
Total GHG emissions (location-based) (tCO_2e) (without Scope 3 financial investments)	**—**	**9,511,774.5**	**7,607,648.8**	**-20.0%**	**—**
Total GHG emissions (location-based) (tCO_2e) (with Scope 3 financial investments)	**—**	**25,217,872.6**	**18,870,805.8**	**-25.2%**	**—**
Total GHG emissions (market-based) (tCO_2e) (without Scope 3 financial investments)	**—**	**9,489,772.8**	**7,606,799.2**	**-19.8%**	**—**
Total GHG emissions (market-based) (tCO_2e) (with Scope 3 financial investments)	**—**	**25,195,870.8**	**18,869,956.2**	**-25.1%**	**—**

[1] Hannover Re takes own operations to mean emissions sources arising from the operation of its own and rented office premises as well as the vehicle fleet. Further emissions in Scope 1 and 2 are caused by fully consolidated investments that cannot be reported under Scope 3.15.

For all information on base and target years, we refer to section E1-4 (Targets related to climate change mitigation and adaptation). [E1-6_53, 55, AR_53b] The greenhouse gas intensity (in relation to market- and location-based GHG emissions) amounts to 284 tCO_2e (705 tCO_2e including Scope 3 emissions from financial investments) per EUR million of reinsurance revenue. Figures for reinsurance revenues are provided in the "**Consolidated statement of income**". [MDR-M_77a] The metric is calculated by comparing the overall results of GHG accounting with the Group's reinsurance revenue under IFRS 17 (EUR 26.8 billion). The result of the GHG accounting is subject to the limitations and assumptions described below. The reinsurance revenue was taken from the consolidated financial statement of the Hannover Re Group.

[E1_AR 39b; E1_AR_46h] As already described in the section **"Disclosures in relation to specific circumstances"**, Hannover Re is guided by the requirements of the GHG Protocol and the PCAF in its preparation of the greenhouse gas balance sheet. As a general principle, the accounting methodology under both standards is subject to a certain degree of inaccuracy, irrespective of the effort invested in obtaining the data used for calculation purposes. There are a number of methodological reasons for this, including for example the variability of the emission factors used. These are intended to indicate the quantity of greenhouse gases (normally measured as CO_2 equivalents) released per unit of a specific activity parameter (e.g. through burning one litre of fuel). These emission factors, which are available in varying granularity and from various external and internal providers (e.g. Defra or the International Energy Agency), normally constitute an averaged picture of a large number of variables. Critical assumptions are made for calculation purposes if only limited data are available or in case of methodological uncertainties. Reference is therefore made to estimates or averages in the calculations for various greenhouse gas categories. [E1_AR_39b] The GHG Protocol recognises the limits of accounting and recommends regular review of the methods and emission factors to minimise uncertainty as well as transparent reporting on these methodological uncertainties and the approximation methods used. GHG accounting is to be seen as a continuous improvement process in which the primary focus should be on key emission drivers. The PCAF Standard for calculating financed emissions similarly acknowledges that the required primary data (e.g. reported CO_2 emissions of the investee undertakings or projects) are frequently unavailable and allows the use of estimates and sector averages for accounting purposes.

[E1_AR_43c; E1_AR_45e; E1_AR_46j] Furthermore, no biogenic emissions resulting from the combustion or biodegradation of biomass were generated during the reporting period. Since there are no corresponding emission sources, there is no need for separate reporting of biogenic emissions.

[E1-6_AR_45d] In the calculation of the market-based Scope-2-GHG emissions from purchased energy for own operations, Hannover Re uses various recognised instruments for sourcing green energy. A distinction is made here between office premises owned by Hannover Re and those that are leased. Green energy certificates bundled with the locally applied electricity tariff are used for the Hannover head office, while unbundled instruments under various recognised standards are used for all international locations (e.g. IRECs, REGOs as well as US/Can RECs). In its selection of these instruments Hannover Re is guided by internal quality standards and endeavours to keep to them wherever possible. These include, for example, regional sourcing of energy generation if possible and compliance of the underlying energy generation projects with the RE100 standard. Roughly 51% of the global electricity consumption of own operations is allocable to these unbundled instruments.

[E1-6_AR_46h] Following a three-step process and in line with the GHG Protocol "Technical Guidance for Calculating Scope 3 Emissions", all activities within the upstream and downstream value chain that cause relevant emissions were identified. The relevant categories were established using a significance analysis, taking into account the categories emission size, stakeholder expectations and influenceability. As a result of this analysis, the following subcategories of the GHG Protocol were considered material and included in the inventory:

- Scope 3.1: Emissions resulting from the purchase of energy-intensive cloud services are recognised under Scope 3.1. The direct emissions data of the corresponding service providers are used to calculate the emissions.
- Scope 3.3: Emissions arising from the upstream production of fuel and energy not already included in Scope 1 and 2 are included under Scope 3.3. Indirect emissions caused by the generation or transportation of electricity are not considered because all Hannover Re's electricity is renewably sourced and hence no further material emissions are created. The emission factors of the Defra database are used for the calculation.
- Scope 3.6: Emissions caused by the business travel of Hannover Re employees are recognised under Scope 3.6. In light of materiality considerations, only emissions from business trips by plane are reported. The emissions are calculated using the methodology of the Defra database.
- Scope 3.15: The financed greenhouse gas emissions are determined for the investment portfolio in line with the guidance issued by the PCAF (2022). The methodology was partially expanded to capture asset classes not currently captured by the PCAF Standard (2022). These include sub-sovereign bonds, covered bonds and indirect investments. Even though Hannover Re endeavours to calculate the financed emissions for the most extensive possible share of the portfolio, the attainable degree of coverage is limited by the fact that the underlying methodologies have still to be fully elaborated and by the availability of reliable data. Consequently, financed emissions are not calculated for, among other things, asset-backed securities (ABS), mortgage-backed securities (MBS), cash and derivatives. The degree of coverage and the quality of data are to be continuously and systematically improved as soon as suitable methods become available. The emission figures used for the calculations typically show a time lag of one to two years compared to the respective investment data used from the reporting year. Compared to the previous year, the emissions figures of the companies were obtained from a different data provider for reasons of data availability. Figures for the previous year cannot be restated in the absence of historical data. The calculation methodology used remained unchanged to ensure consistency in the reporting. It is also important to bear in mind that the estimation methods used by the various data providers differ from one another. Particularly where Scope-3-emissions are concerned, this leads to limited comparability of the reported results. Furthermore, the data source for emissions from countries was changed in order to be more up to date. This year, most of the data used is from 2024, whereas in the previous year the figures were based mostly on 2021 data.

In accordance with the underlying asset categories, the financed emissions are calculated in four main areas by weighting the financial investments with the GHG intensity of the issuer or investment:

- Corporate financing debt: This includes all debt investments in liquid and non-liquid corporate bonds as well as state-affiliated enterprises
- Corporate financing equity: This encompasses investments in listed and private equity
- Financing of real assets: This covers investments in real estate, infrastructure projects and mortgage loans

– Sovereign debt: This consists of investments in public debtors as well as supranational / sovereign issuers and other government institutions

Corporate financing debt: In the case of corporate bonds, the level of investment is calculated from the nominal value unless this approach is not appropriate for the financial instrument (as with zero bonds), in which case the market value is used. An estimation method is used for corporate financing without any available current data points. This draws either on prior-year data or an approximation that references the entity's sector and region. In this context, the average intensity of the respective sector in the relevant region is assigned to an entity. If the population of estimators is too small, reference is made to a global estimator for the sector concerned. It remains the case that all estimators are adjusted for upward or downward outliers.

Corporate financing equity: The level of investment for equities is calculated from the market value. Missing data points regarding the EVIC intensity of an entity are approximated according to the method for corporate financing debt.

Financing of real assets: Hannover Re uses the methodology for GHG accounting described in detail under PCAF Part A. These assets are also differentiated according to whether or not they are fully consolidated. Fully consolidated investments are reported as Hannover Re Scope-1 and Scope-2-emissions and not as financed emissions.

Sovereign debt: The level of investment for sovereign debt is calculated as with corporate bonds from the nominal value, unless this approach is not appropriate for the financial instrument (as with zero bonds), in which case the market value is used. In the absence of specific PCAF guidance for carbon accounting of sub-sovereign issuers (excl. state-affiliated enterprises), the methodology used for government bonds is adapted to this asset class.

The financed emissions (without Scope-3-emissions from financial investments) amounted to 7.58 million tonnes of CO_2 equivalent (CO_2e) in 2025. The total volume of financed greenhouse gas emissions amounted to 18.84 (25.18) million tonnes CO_2e with a degree of coverage of 88.6 % (88.3 %). In this context, 10.7 (14.7) million tCO_2e are attributable to Scope-3-emissions from investments in corporate financing debt, with a further 5.8 (7.5) million tCO_2e in the area of sovereign debt. For methodological reasons, a considerable amount of double counting arises here in a portfolio. In addition, the direct Scope-1- and 2-emissions are driven heavily by investments in sovereign debt.

[E1-6_AR_46g] The share of greenhouse gases in Scope-3-emissions determined from primary data is around 0.02%. Hannover Re interprets primary data here to mean data that are collected directly from the source without having undergone further processing. For the purpose of determining the proportion of primary data, fuel volumes, energy consumption figures and distances collected or provided by suppliers or emissions data provided directly by suppliers that verifiably originate directly from the source are recognised as primary data. Emissions calculated on a cost basis or values extrapolated on the basis of average studies are not categorised as primary data. In this context, Hannover Re also considers the data collected by issuers for the calculation of financed emissions to be secondary data because they determine such data through calculations or estimates. The low proportion of primary data can thus be attributed to the large share of financed emissions within the Scope 3 emissions. Emissions from the categories Scope 3.1, 3.3 and 3.6, in particular, are used as primary data.

[E1-6_AR_46i] Emissions from further activities within the upstream and downstream value chain are identified as non-material in the context of the three-step process and hence do not form part of Hannover Re's GHG balance sheet. The non-material categories of the GHG Protocol include:

– Scope 3.2: Hannover Re sees various reasons for assessing emissions from capital goods as non-material, including limited informational value due to inconsistent methods for calculating product carbon footprints. As a reinsurer, there is only minimal use of materials in the procurement of office furniture and IT hardware.
– Scope 3.4: As a reinsurer, Hannover Re provides non-physical products. Consequently, no emissions are produced from the transportation and distribution of raw and other materials and products.
– Scope 3.5: As a pure financial services provider, Hannover Re only produces waste as part of everyday office work. The emissions resulting from the disposal and treatment of waste were assessed as non-material relative to the emissions from other activities of Hannover Re.
– Scope 3.7: The emissions relating to employee commuting and mobile working arise primarily due to individual decisions or in the employees' private sphere and are therefore outside Hannover Re's direct control.
– Scope 3.8: The emissions resulting from rented premises and leased vehicles are assigned to Scope 1 and 2. There is no other rented or leased property, plant and equipment.
– Scope 3.9: The same justification applies as for Scope 3.4.
– Scope 3.10: The same justification applies as for Scope 3.4.
– Scope 3.11: The same justification applies as for Scope 3.4.
– Scope 3.12: The same justification applies as for Scope 3.4.
– Scope 3.13: Hannover Re does not rent out or lease out any property, plant and equipment such as buildings, machinery or vehicles. Any emissions resulting from investments in real estate are recognised either in Scope 1 and 2 or in Scope 3.15.
– Scope 3.14: Since Hannover Re does not operate as a franchisor, no emissions arise in this connection.

GHG removals and GHG mitigation projects financed through carbon credits [E1-7]

[E1-7_56b, 59a, MDR-M_77a] Hannover Re purchased carbon certificates outside its value chain in an amount of 13,000 tCO_2e in the year under review. These are based on contractual agreements and retired in full in the following year. [E1-7_59b] Additional certificates planned for retirement were not acquired. The purchased carbon certificates meet at least one of the following quality standards: Verified Carbon Standard (VCS) or Gold Standard. These carbon certificates are used separately from the emissions and the emission reduction target.

They serve as voluntary offsets for 100 % of the emissions caused by own operations. These include all market-related emissions from Scope 1, Scope 2, Scope 3.1, Scope 3.3 and Scope 3.6 that are attributable to own operations. Carbon certificates worth 13,000 tCO_2e were decommissioned for the 2025 reporting year. Of these, carbon certificates worth 6,000 tCO_2e decommissioned in February 2025 were already allocated to the 2024 reporting year. [E1_61c] Various quality criteria have been defined for selection of the projects. They include, among others, ensuring that project emissions are permanently reduced and selecting projects that create additional social and environmental benefits along with lowering emissions. [E1_AR_62b] The carbon certificates purchased from removal projects originate from biogenic sinks.

[E1-7_56a] Hannover Re did not bring about any withdrawal and/or storage of greenhouse gases in connection with projects developed within its own activities or to which it contributed within its upstream or downstream value chain.

Carbon credits cancelled in the reporting year

	2024	2025
Total (t CO_2e)	—	13,000.0
Share from removal projects (%)	—	9.2%
Verified Carbon Standard (in %)	—	100.0%
Share from reduction projects (%)	—	90.8%
Verified Carbon Standard (%)	—	77.1%
Gold Standard (%)	—	22.9%
Share from projects within the EU (%)	—	—%
Share of carbon credits that qualify as corresponding adjustments (%)	—	—%

Carbon credits planned to be cancelled in the future

	2024	2025
Total (t CO_2e)	6,000.00	0.0

Internal carbon pricing [E1-8]

Hannover Re does not use an internal carbon pricing scheme and is not currently planning to implement one.

Own Workforce – ESRS S1

Impact, risk and opportunity management

Material impacts, risks and opportunities and their interaction with strategy and business model [ESRS 2 SBM-3]

[SBM_48a, b, c, d] In the context of the materiality assessment, the Hannover Re Group identified various material impacts, risks and opportunities related to its own workforce, which are addressed through the undertaking's policies and strategies. [S1-SBM-3-14] All Hannover Re employees are considered here. The impacts are not typical of a reinsurer's business model, but rather are general in nature. The material risks and opportunities do not entail any risk that they will result in a material restatement of the book values of the assets and liabilities shown in the corresponding financial statement in the next reporting period (financial year 2026). A complete, numbered overview of the identified material impacts, risks and opportunities is provided in the table **"Identified material impacts, risks and opportunities"**.

Further information pursuant to ESRS 2 SBM-3

[S1-SBM-3_13a] Systematic investment is made in support of good working conditions for employees in order to future-proof Hannover Re's business model. This includes, among other things, flexible working conditions and additional social benefits. Furthermore, equal treatment and non-discrimination are core principles of collaboration at Hannover Re.

[S1-SBM-3_13a] Hannover Re's employees are an indispensable element in the implementation of the corporate strategy and business model. Particularly in the reinsurance industry, where the primary emphasis is on cooperation with institutional clients, expertise and counselling are crucial to long-term partnership-based business relationships. This is safeguarded through continuous investment in state-of-the-art instructional and training programmes and strategic alignment of the personnel strategy.

[S1-SBM-3_13b] The personnel work and strategy takes account of employee concerns and incorporates them into the company's own decisions through employee feedback. In this way, matters such as working conditions, key positions, culture, diversity and an environment free of discrimination are concretely addressed and shaped together.

[S1-SBM-3_14a] All employees of Hannover Re can be affected by potential or actual material impacts. As a reinsurance undertaking, Hannover Re operates in a complex and technically specialised work environment and therefore employs primarily highly qualified specialists as direct employees with office tasks. Hannover Re draws on the supply of temporary workers to a very limited extent solely to bridge short-term shortages. The activity as a B2B service provider in the financial industry similarly means that there are no temporary fluctuations in the number of employees over the course of the year.

[S1-SBM-3_14b] Poor working conditions and discrimination can result in dissatisfaction and performance restrictions in the workforce. The potential negative impacts are associated with individual incidents and can be attributable to an inadequate work environment or a failure to respect the Code of Conduct and policies. These challenges are actively tackled through Hannover Re's focus on comprehensive training programmes, fair working conditions and accurate performance review.

[S1-SBM-3_14c] By providing a non-discriminatory environment, extensive learning concepts and fair pay, and by involving the workforce in decision-making processes, Hannover Re creates positive working conditions and promotes the well-being of its employees.

[S1-SBM-3_14d] Satisfied, motivated and highly qualified employees are a crucial factor in Hannover Re's success. For this reason, Hannover Re considers improved working conditions and opportunities for further and advanced training to be an important starting point for increasing satisfaction in the workforce, convincing sought-after talent on the market of Hannover Re's appeal and advancing the Group's economic development. A potential financial risk arises if the competition for talent and the retention of employees significantly influence personnel and recruitment costs amid a growing shortage of skilled workers or if it becomes more problematic to fill key positions.

[S1-SBM-3_14e] The policies and transition plans to mitigate the negative impacts on the environment and bring about more environmentally friendly and climate-neutral activities do not give rise to any significant impacts on the employees and their ways of working.

[S1-SBM-3_14f, g] No activities have been identified within Hannover Re's workforce that entail a considerable risk in relation to forced or child labour.

[S1-SBM-3_15-16] Potential negative impacts on personnel such as poor working conditions or incidents of discrimination do not affect any particular group of employees. The same applies in connection with material opportunities and risks such as the promotion of working conditions. The policies, strategies and guidelines in relation to material impacts, opportunities and risks relate to the totality of all employees, irrespective of the specific activity. [MDR-P_65a] The "three lines of defence" system is used to monitor all Hannover Re policies related to its own workforce (for further information the reader is referred to the section **"Business conduct policies"**).

Policies related to own workforce [S1-1]

[S1-1_17] Highly qualified and motivated employees – together with their long-term commitment to the undertaking – are one of the most important factors in Hannover Re's success. It is no longer merely the monetary side that plays into the choice of employer, but instead undertakings are increasingly called on to offer an attractive all-round package ("total

reward"). This encompasses responsible corporate governance, the realisation of sustainable development in core business, adequate and performance-based remuneration, an open corporate culture, how meaningful the work is, compatibility of career and family life, flexibility when it comes to working hours and place of work as well as other additional benefits. As a reinsurance undertaking, Hannover Re operates in a complex and technically specialised work environment and must at the same time respond to the demands placed on companies overall in their role as employers. The People & Culture Strategy, which came into effect in 2024 for the current strategy cycle 2024–2026, is explicitly intended to promote the company's appeal as an employer. Diversity, equal opportunities as well as learning & development are further core elements of the strategic orientation. As a central cross-cutting function, the division Global Human Resources extensively manages personnel matters from Hannover head office and falls within the Chief Executive Officer's scope of responsibility. Particular efforts have been made since 2023 to advance coordination and standardised process design with all human resources departments worldwide as part of the FutureHR project. Group-wide strategies, internal guidelines and policies serve to ensure that human resources work has a transparent framework and maintains a consistently high level. [MDR-P_65b, S1-1_19] They address all employees, with the sole exception of employees working for the subsidiaries Argenta, Integra and underwriting agencies belonging to the South African group.

Code of Conduct:
[MDR-P_65b] Hannover Re has a Code of Conduct applicable worldwide that has been published on the website in six languages. It addresses various impacts, risks and opportunities that have been identified as material. It was adopted by the Executive Board and Supervisory Board and assigned to the Compliance unit's scope of responsibility. [MDR-P_65c] Ultimate responsibility for embedding and fulfilment of the policy rests with the Executive Board of Hannover Re.

The Hannover Re Group's Code of Conduct provides employees with a framework for how they are expected to behave towards one another and for their conduct towards all internal and external stakeholders. [MDR-P_65a] It is revisited regularly and updated by the Compliance unit as necessary. The Code of Conduct thus contributes to a continuous improvement in working conditions by addressing the mental and physical well-being of employees, equality and fair treatment of one another. This fosters employee satisfaction (#16). Poor working conditions, on the other hand, can exacerbate employee dissatisfaction and even cause health problems over the long term (#19). The competition for talent can lead to rising salary and recruitment costs and thus constitutes an economic risk, which is countered by the creation of a secure work environment and good working conditions (#20). These good working conditions can also enhance employee satisfaction and motivation and hence contribute to the company's financial success (#21, #22). What is more, the clear commitment to fostering diversity in the workforce is an integral part of the values addressed in the Code of Conduct. Hannover Re is dedicated to promoting inclusive and diverse togetherness to foster the satisfaction of all employees. [S1-1_20a] Respect for human rights is an integral part of Hannover Re's daily work and is underscored by the adoption of the Core Labour Standards of the International Labour Organization (ILO). [MDR-P_65d, S1-1_21] The contents of the Code of Conduct are guided by various frameworks and (international) initiatives such as the ILO Core Labour Standards and the UN Global Compact. [S1-1_20c] Should potentially negative impacts nevertheless arise, Hannover Re takes adequate remedial actions that are tailored to the individual cases.

Employees of Hannover Re had the opportunity to contribute to the revision of the Code of Conduct. They are able to access the Code of Conduct through the internal corporate intranet and were informed about the last complete revision of the document by an e-mail from the Compliance unit and through the intranet by a video message from the Executive Board. [S1-1_20b; MDR-P_65e, f] New employees are provided with the Code of Conduct as an annex to their employment contract and all employees receive training in the Code of Conduct in a rotating three-year cycle.

People & Culture Strategy 2024–2026:
[MDR-P_65b] Hannover Re refreshes its own Group-wide corporate strategy every three years. The new strategy cycle 2024–2026 was launched in 2024 under the motto "Staying Focused. Thinking Ahead.". [MDR-P_65a] As a Business Level strategy for personnel work, the People & Culture Strategy addresses various material impacts, risks and opportunities identified in relation to employees. Adherence to targets is continuously tracked and the Executive Board is updated on progress every six months. [MDR-P_65c] Responsibility for implementing the strategy rests with the Managing Director of Global Human Resources.

Stated action fields of the strategy:
- Increase employer attractiveness
- Strengthen performance culture and talent development
- Promote diversity, equal opportunities and inclusion

Work packages that help support and advance fair working conditions are defined in the first action field. Most notably, for example, the topic of "fair and competitive remuneration" as well as the development of persuasive policies for attracting and retaining talent are backed with concrete actions (#17, #18, #22).

The second action field focuses on policies for boosting employee performance and on personnel development. Employer attractiveness can be enhanced through appropriate programmes, while at the same time employees can be empowered to take on additional tasks. Investments in education, training and development support employee productivity and satisfaction over the long term (#24).

The third action field encompasses various approaches taken to promote diversity, equal opportunities and inclusion in the workforce with a view to creating an inviting work environment. Topics such as equal pay and increasing the number of women in leadership positions are also addressed. In this connection, Hannover Re has set a target of > 25 % for the proportion of women on management levels M1 to M3. This does not constitute a measurable and outcome-oriented target as defined by ESRS S1-5 in conjunction with ESRS 2 MDR-T. Effective 31 December 2025 the proportion of women on management levels M1 to M3 was 29.1%.

In addition, DE&I (Diversity, Equity & Inclusion) must be integrated into all aspects of daily work. To this end, it is absolutely essential to establish integrated awareness among managers and staff because equal treatment strengthens the working atmosphere and contributes to a more diverse and inclusive corporate culture. Discrimination and inequality, on the other hand, can adversely impact the well-being and career development opportunities of employees (#23, #25).

[MDR-P_65f] Employees are informed about the strategy through the corporate intranet. In addition, they are actively able to give feedback through a number of channels.

Global Rewards Framework Policy (GRew)
SAP SuccessFactors (SF) is Hannover Re's globally oriented and future-proof Human Resources information system. Remuneration and social benefits are governed by different rules within the Hannover Re Group. The challenge is to harmonise all total rewards systems around the world and embed them in SAP SuccessFactors. This requires consistent standards that are applied at all Hannover Re entities.

For this reason, Global Human Resources drew up the Global Rewards Framework Policy (GRew) in conjunction with a job architecture applicable worldwide, which was rolled out in 2024.

The policy serves to establish a Group-wide framework for the creation, modification and maintenance of adequate remuneration and benefit plans. [MDR-P_65f] It is made available through the Global Rewards data exchange platform to decision makers, whose support is needed for implementation. [MDR-P_65a] The intention is that the remuneration system will be handled consistently across the Group, and local remuneration policies/plans are to be reviewed with this in mind. Implementation of the Global Rewards Framework Policy is overseen by Compensation Committees. [MDR-P_65c] Ultimate responsibility for implementation of the Global Rewards Framework Policy rests with the Managing Director of Global Human Resources.

A fair and transparent remuneration structure helps Hannover Re to attract and retain the talent that is crucial for building a competitive advantage and brand value (#20). Furthermore, this ensures that employees and their families have a good livelihood, which contributes to general well-being and economic stability (#18). A uniform approach also facilitates opportunities for international, longer-term assignment of employees to various locations and subsidiaries (see also Global Assignment Policy) (#24).

Global job architecture

[MDR-P_65b] A major outcome of the "FutureHR Project" for the global harmonisation of personnel work is the adoption of a concept for a consistent, Group-wide job architecture, which is summarised in the Hannover Re Career Guide. [MDR-P_65a] The primary purpose of the global job architecture is to create transparency around career paths within the entire Hannover Re Group and thereby highlight individual career development opportunities so as to attract talent (#26) and increase the retention of qualified specialists (#20). At the same time, Group-wide transparency promotes equal opportunities by facilitating the cross-national comparability of positions and thereby creating a fairer and more constructive work environment (#25). The concept is operationalised through various actions, including for example those of the Hannover Re Career Guide. [MDR-P_65c] Ultimate responsibility for implementation rests with the Managing Director of Global Human Resources. [MDR-P_65e] Managers and staff were informed about the roll-out through the corporate intranet and given appropriate training in workshops held around the world.

Global Assignment Policy (GAP)

With a view to promoting cross-function networking and collaboration on a global level between all Group companies, Hannover Re offers employees a wide range of options for long- or short-term deployments abroad under the catchphrase "Global Mobility". Creating a global internal job market and hence career opportunities across the entire undertaking supports the goal of attracting, retaining, fostering and developing talent as an appealing employer. Assignments facilitate in-house knowledge transfer within the Hannover Re Group. Assignments of managers particularly help to promote the connecting corporate values around the globe. Increased employee satisfaction strengthens Hannover Re's corporate reputation in the market and boosts employee retention, thereby reducing recruitment costs over the long term (#21, #22, #20). [MDR-P_65a] The most important concept in this regard is the "Global Assignment Policy". This describes standards and processes for assignments within the Group and defines consistent benefit packages and framework conditions for all types of assignments worldwide, so as to enhance internal transparency and compliance within the Group and ensure equal treatment of all assigned employees. Promoting equal treatment and preventing discrimination contribute to positive employee development (#23, #24) and minimise potential negative impacts such as health impairments that can be caused, for example, by stress and limited career opportunities (#25). At the same time, the development programmes enhance employer attractiveness and the Group's economic development (#26). [MDR-P_65c] Ultimate responsibility for implementation rests with the Managing Director of Global Human Resources.

[MDR-P_65f] Employees of Hannover Re can access information about the Global Assignment Policy through the internal corporate intranet and were informed of its launch through a corresponding notification. [MDR-P_65e] The employee representative bodies were involved in adoption of the policy.

Ways of working somewhat different (Wow-sd)

The idea behind "Ways of working somewhat different" is directly related to impacts as well as opportunities and risks identified in connection with "working conditions". The concept helps to improve working conditions through the optimisation of working hours, work-life balance and the work environment. This supports the health and satisfaction of the workforce (#16), while at the same time minimising negative impacts from poor working conditions and unergonomically designed workplaces, which could lead to dissatisfaction, lower motivation or health issues among the employees (#19). A varied and comprehensively designed work environment strengthens the perception of Hannover Re as an attractive employer (#22). What is more, good working conditions enhance employee satisfaction and thus play a part in Hannover Re's long-term success (#21, #22). In a rapidly changing world of work, Hannover Re aspires to respond flexibly to outside influences. The intent behind Wow-sd is to align the work environments with future requirements and foster the corporate culture. An optimal work environment is developed at the various locations for the individual office working situation (e.g. focus rooms for concentrated working), supplemented by mobile working.

[MDR-P_65a] The concept rests on three guiding principles:

- Working in a flexible and mobile work environment that is based on a desk sharing & clean desk philosophy.
- Shaping an optimal work environment for each individual work situation, supplemented by the option of mobile working, with consideration given to the needs of employees and the ways of working in the respective units.
- The continuous development of work environments is intended to foster employee engagement, strengthen their identification with Hannover Re and encourage entrepreneurial thinking and actions.

At the Hannover head office, the concept was still in the implementation phase in the reporting year, entailing extensive renovations. The entire roll-out at the Hannover location will extend over the coming years. Various international locations have already initiated steps to modernise their work environments or are planning to do so. [MDR-P_65b] All locations follow the common guiding principles underlying this concept. Operational responsibility for implementation of the concept rests with the steering committee that owns the project. [MDR-P_65f] Hannover Re employees have access to information about the concept through the internal corporate intranet and are encouraged to actively give feedback on implementation through various channels. [MDR-P_65e] The employee representative bodies were involved in adoption of the policy.

Human rights

[S1-1_20a, 21] Hannover Re acknowledges its own responsibility to respect human rights and exercise due diligence in relation to these rights – this also encompasses its own workforce. A corresponding Policy Statement was published as long ago as 2021. This was adopted by the Executive Board of Hannover Rück SE and applies to all locations and employees worldwide. It is communicated both internally and externally and subject to regular review. This review and approval process by the Executive Board takes place annually. It was modified most recently in 2024 with an eye to

requirements stemming from the Act on Corporate Due Diligence Obligations in Supply Chains (LkSG) and released by the Executive Board. It was validated by the Executive Board in the 2025 reporting year.

In its observance of human rights, Hannover Re is guided by various international standards:
- The Universal Declaration of Human Rights (UDHR)
- The International Covenant on Civil and Political Rights (ICCPR)
- The International Covenant on Economic, Social and Cultural Rights (ICESCR)
- The UN Guiding Principles on Business and Human Rights (UNGP)
- The United Nations Global Compact (UNGC)
- The Core Labour Standards of the International Labour Organization (ILO)
- The Sustainable Development Goals (SDGs)

As far as the employees are concerned, their actions are regulated by further internal documents, e.g. the Code of Conduct and internal policies relating to personnel management and data protection.

[S1-1_20b] The processes set out in S1-2 to incorporate the perspectives of the undertaking's own workers and workers' representatives can also be used by them to address and discuss human rights topics with respect to Hannover Re.

[S1-1_20c] The Human Rights Policy Statement and the Code of Conduct make explicit reference to the Speak Up system as a means to facilitate targeted remedial action in the event of undesirable impacts on human rights.

[S1-1_22] In view of its business model, Hannover Re employs highly qualified people. Furthermore, adherence to applicable national regulations, collective bargaining agreements and company rules is ensured. Hannover Re therefore does not see any risk of serious violations of human rights in terms of human trafficking, forced labour and child labour.

Occupational health and safety

[S1-1_23] Hannover Re does not have a uniform worldwide policy for the avoidance of occupational accidents because the activities of the employees do not entail any particular risk of work-related accidents. Nevertheless, the rapid transformation of the world of work, the need to efficiently organise working processes and a constant pressure for change can impair the health of the workforce. These impairments may lead to a reduced performance capability as well as physical or psychological disorders – and hence to direct economic impacts on the undertaking. Social impacts on the affected staff, their private sphere, their colleagues and social systems may also arise. In order to protect the health of the workforce, therefore, applicable occupational health and safety laws as well as standards relating to ergonomic workplace design are systematically observed and reviewed worldwide. Instruction in health and safety at the workplace is provided annually. In addition, wellness among staff is actively encouraged through health promotion measures such as vaccinations, sports programmes or initiatives to promote physical activity and nutrition. These exist worldwide and are tailored to local standards and needs.

Aspects of workplace safety and health protection are governed in Germany by laws such as the Occupational Safety Act (ASiG), the Safety and Health at Work Act (ArbSchG), the Infection Protection Act (IfSG) and the Fire Protection Code. These apply to all employees, service providers and suppliers active in Germany. Other locations are subject to local national laws which are similarly observed. At the Hannover location (accounting for 50 % of the total workforce) a Health and Safety Committee meets quarterly to discuss the latest risks, define necessary measures, coordinate activities and determine how to respond in the event of an accumulation of incidents. Employees receive annual instruction in matters of occupational safety. Hazard assessment helps to prevent accidents and work-related health hazards and ensure a safe and healthy work environment. Hazard assessment also includes exploring psychological stresses associated with work.

Discrimination

[S1-1_24a] With its Code of Conduct and People & Culture Strategy, Hannover Re has in place policies geared to preventing discrimination (including harassment), promoting equal opportunities and pursuing other avenues for encouraging diversity and inclusion.

[S1-1_24b] The following possible grounds of discrimination are expressly highlighted in the Code of Conduct: ethnic origin, gender, religion or belief, disability, age, family status and sexual orientation.

[S1-1_24c] Various political commitments also exist in relation to inclusion, including, for example, at Hannover head office, the Act to Strengthen the Participation and Self-Determination of People with Disabilities and the Ninth Book of the German Social Code (SGB IX). In particular, these are intended to safeguard the rights of persons with disabilities.

[S1-1_24c] The Code of Conduct makes it unmistakably clear that Hannover Re does not tolerate any form of discrimination. A fair work environment free of discrimination is also a strategic requirement of the People & Culture Strategy. This is supported by specific actions and processes, such as sensitising staff and managers through training activities, awareness-raising campaigns and clearly defined channels for reporting any incidents (including anonymously, if so desired). Reported incidents are tracked in the Compliance Management System, investigated, and if necessary, sanctioned. Complementing the work of the Works Council, the representative body for disabled employees at the Hannover location also has special responsibility for advocating for employees with disabilities.

Processes for engaging with own workers and workers' representatives about impacts [S1-2]

[S1-2_27a] Perspectives of the employees on actual and potential impacts that affect them are incorporated into decision and strategy processes. This is done through both direct engagement and the employee representative body.

[S1-2_27b, e] In the strategy cycle 2024–2026, the inclusion of employee perspectives is highlighted for the first time as a non-financial factor (Employee Engagement). This underscores the importance of understanding and considering the needs and expectations of all employees for Hannover Re's future success. A central tool is the "Employee Engagement Survey" which gives all employees of the Hannover Re Group an opportunity to share feedback once a year. Employees are surveyed anonymously. The annual survey is intended in particular to identify and actively support engagement drivers and thereby boost employee satisfaction. Operational responsibility for the survey rests with the Head of Learning & Development. The findings are also used to review the effectiveness of any personnel-related policies and actions.

[S1-2_AR_24b] Employee representation at Hannover Re constitutes a central process for incorporating the perspectives of the workforce. It encompasses various bodies for operational and corporate co-determination. Operational co-determination in Germany is regulated by the Works Constitution Act (BetrVG) and takes place at the Hannover location

for all non-executive staff through the joint Employee Council of E+S Rückversicherung AG and Hannover Rück SE. The Employee Council has extensive rights of information, consultation and co-determination in social, personnel and business matters. The Employee Council convenes employee meetings at least once a year and is accessible to the employees, including as a body to which complaints may be addressed. Operational co-determination of all employees in the European locations is ensured through the Employee Council of Hannover Rück SE in accordance with the Act on the Participation of Employees in a European Company (SEBG). This has information and consultation rights, meets twice a year and represents the interests of all employees for which it is responsible.

The executive staff at the Hannover location are represented by the joint Executive Committee. This operates in accordance with the Act on a Representative Body for Executive Staff (SprAuG). It cultivates an active dialogue with executive staff and represents their concerns and interests to management.

Corporate co-determination considers the participation of employees in entrepreneurial decisions around setting goals and strategies that are taken by the Executive Board. It involves the employees in key planning, steering and organisational decisions for the entire undertaking and ensures that it is possible to influence company policy – given that entrepreneurial decisions normally also affect, at least indirectly, the interests of employees. The three employee representatives on the Supervisory Board of Hannover Rück SE are elected by the joint Employee Council of Hannover Rück SE and E+S Rückversicherung AG as the responsible representative body and are full members of the Supervisory Board.

[S1-2_27d] The Code of Conduct and the Policy Statement on Human Rights are two global framework agreements at Hannover Re that address respect for human rights. The Code of Conduct has been approved by the Executive Board and Supervisory Board, including its employee representatives. The involvement of the employee representative bodies helps to identify the perspectives and interests of the workforce and incorporate them into the policies.

[S1-2_27e] All employees Group-wide are informed about material changes within the organisation. The supervisory boards including the employee representative bodies must be briefed about matters that could have a significant influence on the company's position. Furthermore, the joint Employee Council at the Hannover location as well as the SE Employee Council and the Economic Committee receive all relevant information in order to be able to influence operational changes in an advisory capacity. [S1_AR_24e] This also includes operational changes to reduce carbon emissions and the transition to more environmentally friendly and climate-neutral activities, which can give rise to potential impacts on employees.

[S1-2_27c] Operational responsibility for incorporating the interests of employees into company policies and strategies rests with the Managing Director of Global Human Resources. [S1_AR_24d] Necessary financial resources and budgets are made available to achieve implementation.

Processes to remediate negative impacts and channels for its own workers to raise concerns [S1-3]

[S1-3_32a] As an internationally operating company, Hannover Re bears responsibility in multiple ways – including for the well-being of its own workers. It goes without saying that Hannover Re respects the applicable law of all jurisdictions in which it operates, recognises it as the basis for its business activities and communicates its own moral and ethical principles clearly and actively. Hannover Re adopts a preventative approach when it comes to avoiding or minimising negative impacts on its employees. Effectiveness is evaluated inter alia through employee feedback, inasmuch as inadequate actions would be reflected accordingly in the responses. All employees are actively encouraged, inter alia through training activities, to disclose any grievances in the event of a negative impact.

[S1-3_32b] As part of the "Speak Up" procedure, Hannover Re actively communicates, inter alia via the intranet and in the publicly accessible Code of Conduct, about the various channels through which potential violations of laws or internal policies can be reported to the company. In addition to personal contact through direct supervisors, a global network of local compliance officers is available for confidential discussions. An e-mail address and telephone number set up specially for this purpose are also designated. An online whistleblower system is available both internally and externally for anonymous tips.

[S1-3_32c, e, 33] Hannover Re thus has in place a formal grievance mechanism. All suspect cases reported in regard to the Code of Conduct as well as presumed violations of applicable laws or regulations or other damaging behaviour and risks are handled by the reporting office staff in the strictest confidentiality and investigated promptly and appropriately. Any actions to be taken are defined according to the relevant circumstances and can involve both the implementation of optimisation measures on the company level and consequences in labour law. The Code of Conduct also makes it clear that no reprisals whatsoever are tolerated against persons who make a report or submit a tip. The effectiveness of the reporting procedure is evaluated by the Compliance unit.

[S1-3_32d] The Code of Conduct, which among other things defines the reporting channels as part of the Speak Up procedure, is published in multiple languages both in the intranet and the Internet in order to ensure that all employees around the world have access to this information. It also forms part of the contract in German employment contracts.

Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions [S1-4]

[S1-4_39] Hannover Re has put in place processes to quickly identify and effectively respond to actual and potential negative impacts on its own employees. Among other things, the findings of the annually conducted Employee Engagement Survey are used for this purpose. If such impacts are determined, appropriate actions are reviewed and implemented to protect the employees and avoid negative consequences. [S1-4_41] Hannover Re takes account of human rights on a mandatory basis through the Policy Statement on this matter and the Code of Conduct, thereby ensuring that standards are maintained in relation to its own workforce. Furthermore, the involvement of employee representatives and the employee surveys help to ensure that no negative impacts exist. [S1-4_43] The necessary financial resources for handling and implementing the individual actions are made available in relevant budgets. The actions described address all employees, with the sole exception of employees working for the subsidiaries Argenta, Integra and the underwriting agencies belonging to the South African group.

Global learning platform "MyLearning"

As part of the People & Culture Strategy, the global learning platform "MyLearning" was rolled out in 2024. This platform offers instruction and further training that foster continuous personal and professional growth. The action boosts learning motivation, performance capability, as well as

the skills and competencies of employees, and sustainably increases the company's attractiveness as an employer. [MDR-A_68a] It opens up an extensive range of learning opportunities, encompassing both mandatory training in areas such as occupational safety and data protection and optional advanced training activities (#21, #22, #24). The learning platform can also be used for personal growth outside working hours. [S1-4_38c] The action is intended to improve the working conditions of employees through skills-based, individual learning programmes that are relevant to the business, thereby enhancing both employee motivation and satisfaction. [S1-4_40a, b] The improved learning infrastructure strengthens employer attractiveness and the positioning as a modern employer, which can lead to more successful recruitment and retention of talent and skilled workers, while at the same time moderating rising costs in this area. In this way, all employees enjoy equal access to further and advanced training measures, which can favourably impact well-being and equal opportunities within the undertaking. [S1-4_38c] At the same time, individually tailored training programmes contribute to direct improvements in job satisfaction and performance. [MDR-A_68b] The action extends across all business centres and regions in which Hannover Re operates. [S1-4_38d] Use of the learning platform is monitored through a role and authorisation concept as well as reports, e.g. by establishing the number of participants in individual learning opportunities and the duration of training. [MDR-A_68c] There is no set final deadline because the learning platform is designed as a long-term tool to promote employee development.

Mobile and flexible working

Mobile working is an important element of the "Ways of working somewhat different" (Wow-sd) world. Management and employees have regulated mobile working with a company agreement and thereby brought about flexibilisation of the working world through clear guidelines. Ergonomic furniture, appropriate technical equipment and a lump sum to cover costs for mobile working serve as the basis for bringing flexibility to both the work location and working time (#16, #18). [S1-4_38a, 38c, S1-4_40b] This enhanced flexibility is intended to improve the compatibility of professional and private life for employees through a working world that can be adjusted to fit the individual life situation. At the same time, Hannover Re is strengthening its own position in the competition for skilled workers because the availability of flexible working models is increasingly seen as an important consideration (#21, #22). [S1-4_40a, MDR-A_68a] In addition, the action facilitating mobile and flexible working is intended to help minimise the rising costs of recruiting and retaining skilled workers by boosting employee satisfaction and lowering employee turnover (#20). [MDR-A_68b] The arrangement is applicable to all employees at the Hannover location and is continuously enhanced to meet the growing requirements of employees. [S1-4_38d] The effectiveness of the action is tracked through the findings of the annual Employee Engagement Survey. [MDR-A_68c] The action is ongoing because flexibilisation of the working world is to be considered a long-term process.

Hannover Re Career Guide

[MDR-A_68a, c] An important ongoing action for Group-wide operationalisation of the new job architecture concept (see S1-1) is the launch of the Hannover Re Career Guide in 2023. [MDR-A_68b] The Hannover Re Career Guide presents an overview of various globally valid career paths and levels, and establishes the organisational framework for all positions within the entire Hannover Re Group based on the type of activity performed by employees. [MDR-A_68a] Pillars of the new job architecture are defined career paths, including their career levels, with the aim of creating a transparent uniform structure for career openings across national borders and thereby promoting equal opportunities and employee retention (#20, #25, #26).

[S1-4_38a] The roll-out of the global job architecture is intended to improve and advance equal treatment, which can reduce stresses on employees and strengthen daily collaboration in the workplace. [S1-4_38d] The effectiveness of the action is not tracked. [S1-4_40b] Through a consistent and transparent career structure, the goal is to increase employer attractiveness and facilitate talent acquisition. [S1-4_40a] At the same time, recruitment and retention costs are lowered because the clear career progression maps out a career plan for employees and can thus retain them on a long-term basis. The Hannover Re Career Guide forms the basis for implementing human resources programmes and processes with a Group-wide orientation that are introduced progressively through the global HR information system. The Managing Director of Global Human Resources is responsible for the job architecture (support, development and management, monitoring and governance) and hence for the Hannover Re Career Guide. The workshops that have been held Group-wide since 2022 to validate the consistent classification of international units in the new job architecture underwent final processing in 2024 and were completed.

Leadership Development Portfolio

[S1-4_40b] The existence of good training and development opportunities for staff and managers contributes to employer attractiveness and employee satisfaction (#26) through the continuous advancement and further development of staff and managers. [MDR-A_68a, b, c] In 2024, therefore, as part of the People & Culture Strategy, already existing programmes for executive development were evaluated, expanded and combined into an extensive "Leadership Development Portfolio" for all managers across the Group for ongoing implementation. In a constantly evolving business world, it is crucially important for managers to have the skills and competencies needed to successfully master current and future challenges. [MDR-A_68a] The development programmes brought together in the Leadership Development Portfolio are designed to give managers on all levels feedback on their strengths and further development, expand their leadership skills and foster the abilities of all employees throughout the organisation.

Data Exchange Platform Global Rewards

Following the roll-out of the Global Rewards Framework Policy, Global Human Resources set up a data exchange platform for Group-wide collaboration across all HR departments. The platform is used, in the first place, for providing information on all matters relating to the total rewards, job architecture and reporting, and, secondly, for the exchange of external benchmark results and for the already initiated harmonisation of local bonus systems. The local Compensation Committees, which have been set up Group-wide, use standardised templates for better Group-wide data transparency. They meet twice yearly to coordinate and decide on remuneration matters with local management, the division Global Human Resources (GHR) and the responsible member of the Executive Board (#16, #19, #23, #25). [S1-4_38c, MDR-A_68a] This action makes it possible to align the bases for remuneration within the Group and thereby work towards the equal treatment of employees. [S1-4_38a] In this way, the intention is to prevent inequities and unequal opportunities so as to protect health and career opportunities, as well as to avoid negative impacts on work results and employee wellness due to dissatisfaction and lower motivation. [S1-4_38d] The effectiveness of the action is not explicitly tracked. [MDR-A_68c] No end date is envisaged for the action because the harmonisation is a multi-year process.

Metrics and targets

[MDR-M_77a] Hannover Re's personnel metrics were determined centrally by the Human Resources controlling function at the reference date of 31 December 2025. Data is collected worldwide through an internal IT system into which all branches and subsidiaries upload their relevant personnel data. The branch and subsidiary data is collated by the system and subsequently consolidated centrally with the personnel data of the Hannover location. The central IT system and standard definitions ensure that all data from the local branches and subsidiaries is consistent and collected according to uniform standards. In this way, all metrics are based on a comparable and transparent data basis. The KPIs are calculated according to a defined, organisation-wide consistent methodology which ensures transparency, traceability and comparability of the results. The methods used can also have limitations. Due to country-specific differences in data availability and local differences in personnel processes, discrepancies in comparability may occur.

Quality assurance of all data is performed internally by the central Human Resources controlling team and by the respective branches and subsidiaries themselves. All metrics are checked for consistency and accuracy. [MDR-M_77b] Other external bodies are not involved in validating the metrics. [MDR-M_77d] Local currencies are consistently translated to EUR in the case of remuneration-related metrics. The option to omit the metrics S1-11, S1-12, S1-13 and S1-15 has again been exercised in 2025, as in 2024.

Targets related to managing material impacts, advancing positive impacts, as well as to risks and opportunities [S1-5]

As part of its personnel activities, Hannover Re has implemented extensive policies and actions that were set out under S1-1 and S1-4 and are regularly reviewed in the context of the strategy process. In this way, Hannover Re monitors the effectiveness of its own actions and policies for promoting employee satisfaction, health and development. For this purpose, Hannover Re uses various internal methods, including for example analyses of workshop results, sickness rates, employee turnover and employee surveys. Progress is analysed semi-annually based on these qualitative and quantitative indicators so as to ensure continuous improvement in working conditions.

It was not considered necessary to set more extensive specific, measurable and outcome-oriented targets within the meaning of ESRS S1-5 in conjunction with ESRS 2 MDR-T and they were therefore not defined.

Characteristics of the undertaking's employees [S1-6]

Number of employees (headcount) by gender

	2024	2025
Gender	Number of employees	Number of employees
Male	2,010	2,065
Female	2,129	2,180
Other	—	—
Gender not disclosed	—	—
Total	**4,139**	**4,245**

Employee headcount by countries

	2024	2025
Country	Number of employees	Number of employees
Germany	1,935	1,972
United States	383	375
Australia	222	222
Bahrain	59	61
China	153	169
France	68	66
India	35	41
Ireland	70	73
Canada	28	32
Malaysia	150	149
Sweden	54	55
South Africa	527	551
South Korea	10	13
United Kingdom	445	466
Total	**4,139**	**4,245**

Employees by contract type, broken down by gender

				2025
Female	Male	Other	Not disclosed	Total
Number of employees (headcount)				
2,180	2,065	—	—	4,245
Number of permanent employees (headcount)				
1,994	1,883	—	—	3,877
Number of temporary employees (headcount)				
186	182	—	—	368
Number of non-guaranteed hours employees (headcount)				
—	—	—	—	—
Number of full-time employees (headcount)				
1,783	1,949	—	—	3,732
Number of part-time employees (headcount)				
397	116	—	—	513

				2024
Female	Male	Other	Not disclosed	Total
Number of employees (headcount)				
2,129	2,010	—	—	4,139
Number of permanent employees (headcount)				
1,901	1,832	—	—	3,733
Number of temporary employees (headcount)				
224	177	—	—	401
Number of non-guaranteed hours employees (headcount)				
4	1	—	—	5
Number of full-time employees (headcount)				
1,739	1,901	—	—	3,640
Number of part-time employees (headcount)				
390	109	—	—	499

Employees by contract type, broken down by region

					2025
Europe	Americas	Africa	Asia	Australia	Total
Number of employees (headcount)					
2,632	407	551	433	222	4,245
Number of permanent employees (headcount)					
2,418	389	532	332	206	3,877
Number of temporary employees (headcount)					
214	18	19	101	16	368
Number of non-guaranteed hours employees (headcount)					
—	—	—	—	—	—
Number of full-time employees (headcount)					
2,154	400	544	424	210	3,732
Number of part-time employees (headcount)					
478	7	7	9	12	513

					2024
Europe	Americas	Africa	Asia	Australia	Total
Number of employees (headcount)					
2,572	411	527	407	222	4,139
Number of permanent employees (headcount)					
2,357	383	496	310	187	3,733
Number of temporary employees (headcount)					
215	28	28	95	35	401
Number of non-guaranteed hours employees (headcount)					
—	—	3	2	—	5
Number of full-time employees (headcount)					
2,106	404	517	406	207	3,640
Number of part-time employees (headcount)					
466	7	10	1	15	499

The employee turnover rate at Hannover Re in 2025 was 10.2 %. Altogether, 423 employees left the company for a range of different reasons, including those who left voluntarily or due to dismissal, age-related exits, termination arrangements by mutual agreement and the end of temporary contracts. The calculation of the employee turnover rate is based on all work-related exits.

[S1-6_50di, dii; MDR-M_77a] As a general principle, all quantitative information on the characteristics of the employees refers to the head count. A broad definition under the ESRS is followed in this context, and each person with an employment contract with one of the Hannover Re companies is included in the headcount. The eight members of the Executive Board of the Hannover Re Group do not fall under the definition of employees. In compiling the information, Hannover Re uses the figures reported by all operational units at the reference date of 31 December 2025.

[S1-6_50f; MDR-M_77a] There are differences between the definition of an employee according to IFRS and ESRS. Under IFRS, a more restrictive definition applies with regard to national German law (German Commercial Code [HGB]), excluding for example trainees and employees in dormant employment relationships. For this reason, the headcounts under ESRS are higher than in the financial reporting.

Collective bargaining coverage and social dialogue [S1-8]

Coverage rate of collective bargaining and social dialogue

			2025
Coverage rate	Collective bargaining coverage		Social dialogue
	Employees - EEA	Employees - Non-EEA	Workplace representation
0–19%	Ireland	Australia, Americas, Asia, Africa, United Kingdom	
20–39%			
40–59%			
60–79%			
80–100%	Germany, France, Sweden		Germany, France, Ireland, Sweden

			2024
Coverage rate	Collective bargaining coverage		Social dialogue
	Employees - EEA	Employees - Non-EEA	Workplace representation
0–19%	Ireland	Australia, Americas, Asia, Africa, United Kingdom	
20–39%			
40–59%			
60–79%			
80–100%	Germany, France, Sweden		Germany, France, Ireland, Sweden

The total percentage of employees covered by collective bargaining agreements in the 2025 reporting year is 46.7%. [MDR-M_77a] Various collective bargaining agreements apply in the European Economic Area. In Germany, France and Sweden, all non-executive staff are covered by local collective bargaining agreements.

[S1-8_63b] The employee-employer relationship for the workforce at the European locations is regulated in the Act on the Participation of Employees in a European Company (SEBG), in the Statute of Hannover Rück SE and in the "Agreement on the Participation of Employees in Hannover Rück SE". The agreement applies to all employees of Hannover Re and the subsidiaries based within the European Union or the European Economic Area. All employees who fall under the "Agreement on the Participation of Employees in Hannover Rück SE" are represented by the SE Employee Council.

Diversity metrics [S1-9]

Breakdown of employees by age groups

	2024	2025
Total head count	4,139	4,245
under 30	679	707
Percentage of employees under 30	16.4%	16.7%
between 30 and 50	2,369	2,500
Percentage of employees between 30 and 50	57.2%	58.9%
over 50	1,091	1,038
Percentage of employees over 50	26.4%	24.5%

Gender breakdown on the top management level

	2024	2025
Total head count on the top management levels	176	179
Female	44	52
Percentage	25.0%	29.1%
Male	132	127
Percentage	75.0%	70.9%
Various	0	0
Percentage	—%	—%
Gender not reported	0	0
Percentage	—%	—%

The top management level encompasses management levels M1, M2 and M3 below the Group's Executive Board.

Adequate wages [S1-10]

As a globally operating reinsurance undertaking with locations across the entire world, Hannover Re considers it very important that all employees are adequately remunerated for their work. By considering country-specific reference values or relevant collective bargaining agreements, it is ensured that the remuneration meets the requirements of the complex and specialised work environment. Consequently, all employees of Hannover Re receive pay commensurate with their work.

Disclosures on adequate wages

Adequacy of remuneration	2024	2025
Total number of employees paid below an adequate wage in HC	0	0
Total number of employees paid below an adequate wage in %	—%	—%
All employees are paid an adequate wage	**Yes**	**Yes**

Remuneration metrics (pay gap and total remuneration) [S1-16]

Remuneration metrics

	2024	2025
Gender pay gap [1]	30.0%	27.1%
Annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees [2]	34.6	22.7

[1] Expressed relative to the average remuneration of a male employee
[2] Excluding the highest paid individual

[MDR-M_77a] The remuneration-related metrics are based on the gross hourly wages determined for all employees. The actual remuneration of the employees is compared with the hours worked in accordance with their contracts. Both fixed and variable remuneration components and fringe benefits are considered. Standardisation on an hourly basis makes it possible to take into account, for example, employees who joined the company during the year. Average values are calculated for each company from the individual gross hourly wages. These are also applied to employees in dormant employment relationships to calculate the gender pay gap. The calculation of the ratio of the annual total remuneration of the highest paid individual to the median annual total remuneration of all employees also includes the remuneration of the members of the Executive Board. Significant fluctuations may arise from year to year in the ratio between the highest-paid individual and the median total remuneration of all employees. These are caused by the fact that the total remuneration of the highest-paid individual includes variable components that can vary from year to year.

Incidents, complaints and severe human rights impacts [S1-17]

[S1-17_103a] Number of cases of discrimination within the meaning of the legal definition pursuant to § 3 General Act on Equal Treatment (AGG) including harassment reported in the reporting period: four.

[S1-17_103b] Number of complaints received in the reporting period through channels in which the undertaking's employees are able to express concerns that are not already specified under [103a]: zero.

[S1-17_103c] Total amount of significant fines, sanctions and compensation payments related to the incidents and complaints described above: EUR 0.

[S1-17_103d] There were three incidents involving the harassment of an employee by another employee, with necessary actions taken in all instances; in one case the accused person has left the company. The fourth case was closed without confirmation of the accusation. No financial penalties were incurred.

[S1-17_104a] Number of severe human rights incidents reported in connection with the workforce in the reporting period: zero.

[S1-17_104b] Total amount of significant fines, penalties and compensation for damages in connection with the severe incidents described above: EUR 0.

Business Conduct – ESRS G1

Impact, risk and opportunity management

Business conduct policies and corporate culture [G1-1]

Corporate culture

[G1-1_9, AR_1] The Hannover Re Group is one of the world's leading reinsurers. It transacts all lines of property & casualty and life & health reinsurance and is present worldwide with more than 4,000 staff. The claim "somewhat different" reflects a core element of the corporate culture inasmuch as it refers to a particularly customer-centric and solution-driven approach. This is a distinguishing strategic feature.

Similarly, the purpose and values elaborated in 2019 in a bottom-up process reflect Hannover Re's robust, partnership-based corporate culture. The purpose is: Beyond risk-sharing - we team up to create opportunities. The values are: Responsibility, We Spirit and Drive.

Hannover Re's strategy cycle spans three years. The Group strategy 2024–2026 "Staying Focused. Thinking Ahead." aims for industry-leading performance in relation to profitability and earnings growth, reliable economic value creation and an attractive dividend. Another strategic target relates to Hannover Re's capital strength. In addition to these financial targets, the ambition expressed in the Group strategy also extends to strategic goals with respect to employee engagement and ecological responsibility.

Hannover Re has a Code of Conduct applicable Group-wide that is based on the undertaking's purpose and reflects its values. The Code of Conduct provides guidance on ethical behaviour and how the Hannover Re Group conducts business. It is a central element of the corporate culture.

Training and development opportunities, which are aligned with the strategy, the Hannover Re Group's competence model and the purpose and values, systematically foster the professional and personal upskilling of employees. In addition, the Leadership Fundamentals reinforce a common understanding of the leadership culture within the Hannover Re Group.

The perception of the corporate culture within the workforce has been explored since 2019 on the basis of a survey conducted annually Group-wide. Since 2024, Hannover Re has focused on employee engagement ("Employee Engagement Survey"). The survey is intended to reflect the perspective of employees and consider their requirements for a motivating and attractive work environment. Hannover Re's compliance culture is strengthened by activities such as the "Raise Awareness Campaign", training measures and the Speak Up system (whistleblower system), which enables employees to raise grievances – anonymously, if they so desire.

Business conduct policies

Compliance, i.e. behaviour consistent with the rules, is essential for the Hannover Re Group: a failure to comply with laws, rules and internal guidelines poses not only a legal but also a reputational risk for the Hannover Re Group that can lead to reduced demand and a loss of customers (#29, #30).

[MDR-P_65a] Hannover Re has a governance and compliance management system and adopts the "three lines of defence" approach. This is designed to identify risks and avoid conscious and unconscious violations. Hannover Re has installed Group-wide risk management functions. The individual elements are closely interlinked and the roles, responsibilities and reporting lines are clearly defined and documented in accordance with the so-called three lines of defence. The first line of defence consists of risk steering and the original risk responsibility on the divisional and company level within the business groups of Property & Casualty and Life & Health reinsurance, and Investments. The second line of defence is made up of the key functions of risk management, actuarial and compliance. These functions are responsible for process-integrated monitoring and control. The third line of defence involves process-independent auditing by the internal audit function. The procedure for controlling all policies is defined in the "Internal Control Group Policy". [MDR-P_65a] The Code of Conduct contains mandatory requirements relating to all relevant topics of the implemented compliance management system and describes the framework for ensuring compliance with laws, regulations and internal policies. In regard to social and ecological responsibility, the Hannover Re Group has voluntarily committed to the Ten Principles of the UN Global Compact, the Principles for Sustainable Insurance and the Principles for Responsible Investment, as mentioned in the Code of Conduct. [MDR-P_65b] The Code of Conduct applies worldwide to the entire Hannover Re Group including its interaction with upstream and downstream actors. [MDR-P_65c] The Code of Conduct is assigned to the Compliance unit and was adopted by the Executive Board and Supervisory Board.

[MDR-P_65a] The implemented compliance management system is described in the Compliance Group Policy. This policy sets out the structure and standards of the compliance function and regulates the responsibilities and processes related to the compliance function. [MDR-P_65c] The Chief Compliance Officer is responsible for implementation of the policy. [MDR-P_65b] The Compliance Group Policy extends to all value chain activities, including upstream and downstream actors.

Reputational risks may arise not only in connection with the undertaking's own violations but also in the event of violations of codes of conduct by business partners. Revenue losses can result from restraints on competition and blacklisting due to corruption and bribery (#29, #30). The Hannover Re Group has therefore additionally adopted a Conflict of Interest Group Policy and a Third Party Code of Conduct for vendors and suppliers.

[MDR-P_65a] The Hannover Re Group's Conflict of Interest Group Policy regulates the handling of situations in which an employee's own interests could compete with the interests of the Hannover Re Group. The policy aims for a transparent approach if conflicts of interest occur so as to ensure that they are dealt with in conformity with the law. To this end, the policy defines appropriate behaviours in the event that conflicts of interest occur. [MDR-P_65b] The policy applies to all employees of the Hannover Re Group, irrespective of position and location. [MDR-P_65c] The Chief Compliance Officer is responsible for implementation of the policy.

[MDR-P_65a] The Third Party Code of Conduct sets out the expectations of the Hannover Re Group for the actions of its suppliers and entails a commitment on the part of suppliers to comply with legal requirements, as well as an undertaking to respect fair working conditions and global human rights, and to take responsibility for the environment in supplier management. [MDR-P_65d] In this context, explicit reference is also made to the requirements of the International Labour Organization (ILO). The higher-level goal of the Third Party Code of Conduct is to ensure that the business partner's conduct is consistent with the values and expectations of the Hannover Re Group. The Code of Conduct applies to all suppliers who participate in a business relationship with the Hannover Re Group. Alternatively, large suppliers have the option to provide their own equivalent Code of Conduct. [MDR-P_65b] The Hannover Re Group reviews this and takes it as alternative orientation in the supplier relationship, provided it covers the main points of content of Hannover Re Group's Third Party Code of Conduct. [MDR-P_65c] Responsibility for the Third Party Code of Conduct rests with the Chief Compliance Officer.

Cyber security and data protection

[MDR-P_65a] The business conducted by the Hannover Re Group is dependent on information. Consequently, Hannover Re must ensure the confidentiality, integrity and availability of information and protect it against unauthorised disclosure, manipulation, disruption, destruction or other misuse. Hannover Re is subject to litigation risks in the event of data breaches and inadequate safeguards that could facilitate illegal access. In addition, cyber attacks or the loss of sensitive information may be associated with considerable financial losses and reputational risks (#32).

In order to mitigate the risks and ensure that data of clients, suppliers, business partners and its own employees is protected (#32), Hannover Re has adopted an Information Security Policy and a Group Data Protection Guideline along with the Code of Conduct and Compliance Group Policy.

The Information Security Policy defines the strategic objectives and describes the Information Security Management System (ISMS) with its organisational structure, processes, expectations for correct behaviour as well as awareness-raising and training measures. The policy reflects international regulatory requirements, as well as the external standards ISO 27001 and NIST-500 and best practices in the field of information and cyber security. Within the Operational Risk Management Framework of the Hannover Re Group, it addresses in particular the risk area of information security. [MDR-P_65b] The policy applies to all employees of the Hannover Re Group, irrespective of position or location, who have access to information of the Hannover Re Group that is not in the public domain. As far as external third parties are concerned, consistency with this policy is covered by corresponding contract clauses. [MDR-P_65c] Responsibility for implementation of this policy rests with the Chief Information Security Officer.

[MDR-P_65a] The Group Data Protection Guideline explains, among other things, the principles applicable to the processing of personal data set out in the General Data Protection Regulation (GDPR) as well as how they are implemented in the structures of the Hannover Re Group. Furthermore, it covers the rights of data subjects and compliance with these rights. [MDR-P_65b] This guideline applies to all EU subsidiaries, service companies, representative offices and branches of the Hannover Re Group as well as to

Hannover Rück SE itself. [MDR-P_65c] Subsidiaries, service companies, representative offices and branches in non-EU countries implement the requirements of this guideline unless they conflict with local legal and regulatory requirements. Responsibility for this guideline rests with the Group Data Protection Officer. The data protection management system implemented on the basis of the Group Data Protection Guideline plays a key part in preventing data breaches to the detriment of employees, clients, suppliers and business partners (#32).

Corruption and bribery
The topic of corruption and bribery is enshrined in the Hannover Re Group's Code of Conduct, Third Party Code of Conduct, Compliance Group Policy and Conflict of Interest Group Policy, among others. Group-wide application of the Code of Conduct and the implementation of topic-based training activities serve to prevent corruption and bribery within and beyond corporate boundaries (#27).

[G1-1_10a, c] The Hannover Re Group has put in place mechanisms to support the detection, reporting and investigation of unlawful conduct or conduct that violates the Code of Conduct. The Hannover Re Group is equipped with an established Speak Up system which is described in greater detail in the Code of Conduct and the Compliance Group Policy. Should employees or persons outside the undertaking (whistleblowers) become aware of compliance breaches, harmful behaviours or risks, they have the option to report such suspicions to the Chief Compliance Officer or the Compliance unit in person, by phone, by e-mail or through an online system, including anonymously if desired. A central call number and e-mail address have been set up for this purpose. Furthermore, employees throughout the Group are able to obtain advice on compliance matters through an e-mail address linked to the Compliance unit within the division Group Legal Services. [G1-1_10e] Every confirmed or potential breach reported to the Chief Compliance Officer, the Compliance unit or a local Compliance Officer is investigated, if necessary, with the additional involvement of relevant specialist departments. When it comes to conducting an investigation, unrestricted access is granted to the information needed to establish the potential breach. Any tips and the actions that were triggered are included in the annual compliance report. The compliance report is submitted to the Executive Board, the Supervisory Board and its Finance and Audit Committee.

[G1-1_10b] In addition, the Hannover Re Group has adopted compliance standards consistent with the United Nations Convention against Corruption.

[G1-1_10, 11] The hallmarks of the Hannover Re Group's concept for training in business conduct within the organisation, especially in compliance matters, are as follows:

Target group: All employees of the undertaking, including new employees upon joining the Group.

Frequency: Every employee receives compliance training at least every three years. Focus training activities aimed at specific target groups addressing various compliance topics are also held within the year as needed.

[G1-1_10g] **Scope**: The training concept covers the subject area, content, rotating cycle, type of training and target group. Traditional communication channels such as the intranet portal are used to raise employee awareness of compliance-related topics. The Compliance unit and the Chief Compliance Officer also provide information about changes in legislation that affect the employees' work. [G1-1_10h] The Hannover Re Group has identified all units, including all local offices, as at-risk functions. This also includes the management bodies and executive staff.

Whistleblower protection
[G1-1_10c] The systematic implementation and communication of the Speak Up system facilitates the detection of fraudulent or illegal conduct or other wrongdoing, while at the same time ensuring that whistleblowers are protected. In this way, the Hannover Re Group helps to ensure that the detection of improper conduct is not impeded (#31). The Speak Up system enables whistleblowers to report compliance breaches, harmful behaviours or risks. Additional sources of information are used to ensure that all employees are informed about the system. They include, among others, the Code of Conduct, the Group-wide intranet and training activities. Various internal and external reporting channels have been set up for submitting tips. [G1-1_10e; 11] The Hannover Re Group has put in place a process to ensure that, once a report has been received, an investigation is initiated without delay by the designated reporting channel officer. Access to the various reporting channels is strictly limited for the protection of whistleblowers, and also to protect any accused employees, and only the Chief Compliance Officer as well as two other members of the Compliance team have access rights. By putting in place the Speak Up system, the Hannover Re Group has implemented the requirements of the German Whistleblower Protection Act (HinSchG).

Prevention and detection of corruption and bribery [G1-3]

[G1-3_18a] The Hannover Re Group does not tolerate any form of corruption, in particular active and passive bribery, and does not participate in transactions with a potentially criminal background. The Hannover Re Group has established a Group-wide compliance management system that is described in the Compliance Group Policy. The Compliance Management System, in the form permanently implemented in the Hannover Re Group, is based on internationally recognised standards such as ISO 37301 and IDW PS 980. The system is geared towards protecting the undertaking against risks and breaches of laws and regulations. A central element of this system is the compliance risk. The Compliance unit uses a risk matrix to assess compliance risks based on factors such as potential fines or reputational risks and their probability of occurrence. Risk-mitigating measures such as process-embedded controls, implemented work instructions or training activities, among others, are regularly reviewed in respect to their adequacy and effectiveness; additional or optimising actions are taken if necessary. If compliance incidents occur, actions are defined based on an analysis of the causes to prevent future similar incidents. The Hannover Re Group ensures that only independent employees and managers are included in investigative activities. [G1-3_18b] Compliance incidents are investigated independently of the management levels involved in such incidents. This ensures the necessary transparency and integrity. Overall responsibility for the topic of compliance rests with the Executive Board, which also has a special function as role model. In addition, operational responsibility is assigned to the Chief Compliance Officer.

Tips, which may be reported inter alia in person, over the phone, by e-mail or through the online Speak Up system, as well as actions taken by the Compliance team, are summarised annually in a compliance report and submitted to the management and supervisory bodies. The report compiled by the Chief Compliance Officer is intended to inform the Executive Board about observance of global legal requirements and internal guidelines relevant to own business activities and draw attention to a potential need for action in order to prepare decisions in the interests of lasting integrity and legal compliance. In addition, regular meetings between the Executive

Board and Chief Compliance Officer are held to ensure timely reporting; these meetings can also be scheduled on an ad hoc basis. [G1-3_18c] The Chairman of the Supervisory Board maintains regular contact with the Executive Board, in particular with the Chief Executive Officer, to discuss strategic and operational topics such as the business development, risk position and compliance.

The Code of Conduct of the Hannover Re Group, which also addresses the topic of fighting corruption and bribery, can be viewed both publicly and in the intranet. All employees have access to the intranet, where additional information on compliance topics and internal guidelines are published. Changes to internal guidelines are communicated monthly by e-mail to all employees at the Hannover location. The employees at the other locations are informed about relevant changes as needed. The undertaking also uses direct communication with individual units for further awareness raising. Managers are similarly required to highlight relevant actions and information.

The Hannover Re Group's Third Party Code of Conduct, which is published on the Internet, defines expectations around the integrity and business practices of third-party service providers and sets out the undertaking's position on bribery and corruption. [G1-3_20] Potential suppliers must declare that they are in compliance with this code upon initiation of a business relationship.

[G1-3_21a] All employees of the Hannover Re Group at the Hannover location (the rhythm may vary at the local offices), including managers, receive in-person training (also Web-based training ["WBT"] at the local offices) in compliance topics every three years. The purpose of compliance training is to explain the contents of the Code of Conduct and the requirements of various policies to employees of the Hannover Re Group to enable them to act in accordance with these requirements. The training also covers the topic of "bribery and corruption", which is enshrined in the Code of Conduct. The training activities are based on a comprehensive concept that caters to different hierarchical levels. The training measures cover the Code of Conduct with the following points of emphasis: Speak Up system, handling of invitations and gifts, fighting bribery and corruption, dealing with conflicts of interest as well as insider information, sanctions and anti-money laundering. Employees are also informed about and made aware of compliance-related topics through the intranet portal.

[G1-3_21c] The Hannover Re Group does not tolerate bribery or corruption and encourages its employees to report suspicions, including the possibility to submit reports anonymously. The entire workforce including the Executive Board is considered to be potentially at risk, with no distinction made according to the potential exposure. The percentage of functions-at-risk covered by training programmes is 100 % at the reporting date. [G1-3_21b] This percentage reflects the training activities of the functions-at-risk conducted in the first training cycle, which ended in July 2025. The new training cycle began in August 2025. The training cycle, in which a 100 % training rate is targeted, considers a period of three calendar years. The Executive Board and the Supervisory Board regularly review their training needs and plan corresponding training activities, which can also include the topic of anti-corruption. The frequency of training for the Executive Board and Supervisory Board is therefore not tied to the three-year cycle for other employees and managers. New members of the Executive Board receive special training from the Compliance unit on taking up their role, including raising their awareness to fraud prevention and combating financial crime. The Executive Board received compliance training in the year under review. The purpose of compliance trainings for the Executive Board and the Supervisory Board is to specifically train this group on complying with legal requirements.

Metrics

Incidents of corruption or bribery [G1-4]

[G1-4_24a] The number of convictions for violation of anti-corruption and anti-bribery laws in the 2025 financial year is zero. The amount of fines for violations of anti-corruption and anti-bribery laws is therefore also EUR 0.

The number of reported incidents of corruption and bribery is determined from the reports submitted through the reporting system of the Hannover Re Group, consisting of various reporting channels, insights gained from audits performed by the Internal Audit function and monitoring activities conducted by the Compliance function. [G1-4_24b] The relevance and validity of reported incidents is verified by the Compliance function. Every compliance incident is documented, categorised and assessed in accordance with a defined review process. The figures may be examined at any time by the Internal Audit function.

In the absence of reported incidents, Hannover Re did not see any need to approve incident-related actions or action plans in the financial year above and beyond the existing mechanisms for preventing corruption and fighting bribery.

[MDR-M_77b] None of the metrics listed in ESRS G1 have been validated by any external body other than the one responsible for quality assurance.

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Consolidated balance sheet

Assets

in EUR million	Notes	31.12.2024	31.12.2025
Financial investments – at fair value through OCI	6.1	56,140.0	57,316.6
Financial investments – at fair value through profit or loss	6.1	6,432.8	6,148.9
Investment property	6.1	2,605.2	2,671.8
Investments in associated companies and joint ventures	6.1	119.1	85.0
Other invested assets	6.1	591.1	116.9
Total investments		**65,888.2**	**66,339.2**
Recoverables on reinsurance contracts retroceded		**1,501.5**	**1,107.2**
Reinsurance contracts issued in an asset position	6.4	**1,505.7**	919.4
Goodwill	6.2	**79.9**	77.9
Deferred tax assets	7.5	**501.5**	373.5
Other assets	6.3	**1,357.0**	1,346.3
Cash and cash equivalents		**1,253.1**	1,051.5
Assets held for sale	4.6 / 6.1	**40.4**	112.2
Total assets		**72,127.3**	**71,327.1**

Liabilities

in EUR million	Notes	31.12.2024	31.12.2025
Liabilities from reinsurance contracts issued	6.4	48,917.6	**47,425.8**
Reinsurance contracts retroceded in a liability position	6.4	656.3	555.0
Provisions for pensions	6.5	155.4	144.1
Financing liabilities	6.7	4,669.0	4,142.3
Taxes	7.5	603.9	450.5
Deferred tax liabilities	7.5	1,797.4	2,001.4
Other liabilities	6.6	2,639.4	2,677.6
Total liabilities		**59,439.0**	**57,396.6**
Shareholders' equity			
Common shares	6.8	120.6	120.6
Nominal value: 120.6 Conditional capital: 24.1			
Additional paid-in capital	6.8	724.6	724.6
Common shares and additional paid-in capital		**845.2**	**845.2**
Cumulative other comprehensive income			
Unrealised gains and losses on investments		-1,997.4	-1,494.5
Cumulative foreign currency translation adjustment		667.5	-673.3
Cumulative reinsurance finance income and expenses		1,712.0	1,576.0
Other changes in cumulative other comprehensive income		-27.9	-25.0
Total other comprehensive income		**354.2**	**-616.9**
Retained earnings		**10,595.1**	**12,700.4**
Equity attributable to shareholders of Hannover Rück SE		**11,794.5**	**12,928.7**
Non-controlling interests	6.9	893.8	1,001.7
Total shareholders' equity		**12,688.3**	**13,930.5**
Total liabilities		**72,127.3**	**71,327.1**

Consolidated statement of income

in EUR million	Notes	2024 1.1.-31.12.	2025 1.1.-31.12.
Reinsurance revenue (gross)	7.1	26,379.3	26,786.0
Reinsurance service expenses (gross)		21,698.2	21,561.3
Reinsurance service result (gross)		**4,681.1**	**5,224.6**
Reinsurance revenue (retroceded)		3,343.8	3,500.9
Reinsurance service expenses (retroceded)		1,681.2	1,772.3
Result from reinsurance contracts (retroceded)		**-1,662.6**	**-1,728.5**
Reinsurance service result (net)		**3,018.5**	**3,496.1**
Finance income or expenses from reinsurance contracts (gross)	7.3	-2,035.9	962.7
Finance income or expenses from reinsurance contracts (retroceded)	7.3	41.5	-96.6
Reinsurance finance result (net)		**-1,994.4**	**866.2**
thereof: Currency gains/losses from reinsurance finance result (net) [1]		-879.4	2,229.4
Reinsurance finance result (net) before currency gains/losses [1]		**-1,115.0**	**-1,363.3**
Ordinary investment income	7.2	2,353.2	2,544.1
Expected credit losses, impairment, depreciation and appreciation of investments	7.2	-98.3	-85.7
Change in fair value of financial instruments	7.2	2.7	22.4
Profit/loss from investments in associated companies and joint ventures	7.2	27.4	-33.2
Realised gains and losses on investments	7.2	-90.4	-564.2
Other investment expenses	7.2	189.6	210.5
Investment result		**2,005.0**	**1,672.9**
Currency gains/losses on investments		809.4	-1,987.6
Currency gains/losses from reinsurance finance result (net) [1]		-879.4	2,229.4
Other currency gains/losses		-38.0	1.4
Currency result [1]		**-108.0**	**243.2**
Other income	7.4	279.5	248.6
Other expenses	7.4	762.4	789.9
Other income/expenses		**-482.9**	**-541.2**
Operating profit/loss (EBIT)		**3,317.6**	**3,507.7**
Financing costs	6.7	104.3	94.9
Net income before taxes		**3,213.3**	**3,412.8**
Taxes	7.5	816.5	645.3
Net income		**2,396.8**	**2,767.5**
thereof non-controlling interest in profit and loss		68.1	126.0
Group net income		**2,328.7**	**2,641.5**
Basic earnings per share	9.5	19.31	21.90
Diluted earnings per share	9.5	19.31	21.90

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

Consolidated statement of comprehensive income

in EUR million	2024	2025
	1.1.–31.12.	1.1.–31.12.
Net income	**2,396.8**	**2,767.5**
Not reclassifiable to the consolidated statement of income		
Actuarial gains and losses	8.4	7.6
Investments in equity instruments	27.7	183.6
Currency translation	—	-11.0
Tax income (expense)	-3.0	-10.6
Total not reclassifiable to the consolidated statement of income	**33.1**	**169.6**
Reclassifiable to the consolidated statement of income		
Unrealised gains and losses on investments		
Gains (losses) recognised directly in equity	-178.6	682.7
Transferred to the consolidated statement of income	83.6	592.8
Currency translation		
Gains (losses) recognised directly in equity	515.9	-1,404.4
Changes from insurance contracts		
Gains (losses) recognised directly in equity	-533.6	-178.8
Changes from the measurement of associated companies and joint ventures		
Gains (losses) recognised directly in equity	20.4	-0.1
Transferred to the consolidated statement of income	0.5	—
Changes from hedging instruments		
Gains (losses) recognised directly in equity	12.2	2.4
Tax income (expense)	227.2	-256.2
Total reclassifiable income and expense recognised directly in equity	**147.6**	**-561.7**
Total income and expense recognised directly in equity	**180.7**	**-392.1**
Total recognised income and expense	**2,577.5**	**2,375.4**
thereof		
Attributable to non-controlling interests	34.8	168.4
Attributable to shareholders of Hannover Rück SE	2,542.7	2,207.0

Consolidated statement of changes in shareholder's equity

in EUR million	Common shares	Additional paid-in capital	Other reserves (cumulative other comprehensive income)					Retained earnings	Equity attributable to shareholders of Hannover Rück SE	Non-controlling interests	Total shareholders' equity
			Unrealised gains/ losses	Currency translation	Insurance contracts	Hedging instruments	Actuarial gains/ losses				
Balance as at 1.1.2024	**120.6**	**724.6**	**-1,985.1**	**160.5**	**2,026.3**	**1.2**	**-45.3**	**9,124.0**	**10,126.8**	**892.7**	**11,019.5**
Net income	—	—	—	—	—	—	—	2,328.7	2,328.7	68.1	2,396.8
Total income and expense recognised directly in equity	—	—	5.1	507.0	-314.3	11.2	5.0	—	214.0	-33.3	180.7
Total recognised income and expense	**—**	**—**	**5.1**	**507.0**	**-314.3**	**11.2**	**5.0**	**2,328.7**	**2,542.7**	**34.8**	**2,577.5**
Dividends paid	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**-868.3**	**-868.3**	**-44.8**	**-913.1**
Changes in ownership interest with no change of control status	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**-6.5**	**-6.5**	**-3.5**	**-10.0**
Changes in the consolidated group	**—**	**—**	**0.2**	**—**	**—**	**—**	**—**	**-0.2**	**—**	**—**	**—**
Directly reclassified to retained earnings	**—**	**—**	**-17.6**	**—**	**—**	**—**	**—**	**17.6**	**—**	**—**	**—**
Capital increases/additions	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**16.3**	**16.3**
Capital repayments	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**-1.7**	**-1.7**
Acquisition/disposal of treasury shares	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**-0.2**	**-0.2**	**—**	**-0.2**
Balance as at 31.12.2024	**120.6**	**724.6**	**-1,997.4**	**667.5**	**1,712.0**	**12.4**	**-40.3**	**10,595.1**	**11,794.5**	**893.8**	**12,688.3**
Balance as at 1.1.2025	**120.6**	**724.6**	**-1,997.4**	**667.5**	**1,712.0**	**12.4**	**-40.3**	**10,595.1**	**11,794.5**	**893.8**	**12,688.3**
Net income	—	—	—	—	—	—	—	2,641.5	2,641.5	126.0	2,767.5
Total income and expense recognised in equity	—	—	1,051.8	-1,353.2	-136.0	-0.2	3.0	—	-434.5	42.4	-392.1
Total recognised income and expense	**—**	**—**	**1,051.8**	**-1,353.2**	**-136.0**	**-0.2**	**3.0**	**2,641.5**	**2,207.0**	**168.4**	**2,375.4**
Dividends paid	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**-1,085.4**	**-1,085.4**	**-36.1**	**-1,121.5**
Changes in ownership interest with no change of control status	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**0.5**	**0.5**	**-24.4**	**-23.9**
Changes in the consolidated group	**—**	**—**	**—**	**12.4**	**—**	**—**	**—**	**—**	**12.4**	**—**	**12.4**
Directly reclassified to retained earnings	**—**	**—**	**-549.0**	**—**	**—**	**—**	**—**	**549.0**	**—**	**—**	**—**
Acquisition/disposal of treasury shares	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**-0.2**	**-0.2**	**—**	**-0.2**
Balance as at 31.12.2025	**120.6**	**724.6**	**-1,494.5**	**-673.3**	**1,576.0**	**12.2**	**-37.2**	**12,700.4**	**12,928.7**	**1,001.7**	**13,930.5**

Consolidated cash flow statement

in EUR million	2024	2025
	1.1.–31.12.	1.1.–31.12.
I. Cash flow from operating activities		
Net income	2,396.8	2,767.5
Change in insurance contracts (gross)	2,856.7	2,503.9
Change in reinsurance contracts held (retroceded)	19.8	262.3
Change in other receivables/liabilities	855.0	-215.0
Other non-cash expenses and income	-446.4	368.1
Cash flow from operating activities	**5,681.9**	**5,686.9**
II. Cash flow from investing activities		
Outflows for acquisition of investment property	-202.6	-452.2
Inflows from disposal of investment property	28.7	162.7
Outflows for acquisition of investments in affiliated companies and participating interests (not consolidated)	-128.6	-259.8
Inflows from disposal of investments in affiliated companies and participating interests (not consolidated)	161.8	831.4
In- / Outflows for acquisition of investments in affiliated companies and participating interests (consolidated)	90.4	—
Outflows for acquisition of investments valued at FV through OCI	-24,553.4	-37,329.4
Inflows from disposal of investments valued at FV through OCI	20,822.8	33,141.0
Outflows for acquisition of investments valued at FV through P&L	-3,547.4	-4,623.9
Inflows from disposal of investments valued at FV through P&L	2,742.4	4,256.8
Short-term Investments (net)	44.1	187.8
Outflows for acquisition of other invested assets	-3,457.5	-2,491.0
Inflows from disposal of other invested assets	3,627.2	2,530.1
Other changes	-40.0	16.3
Cash flow from investing activities	**-4,412.1**	**-4,030.2**
III. Cash flow from financing activities		
Cash inflow from financing liabilities/financial/puttable instruments	—	102.9
Cash outflow from financing liabilities/financial/puttable instruments	-196.3	-703.7
Cash inflow from capital measures	16.3	—
Cash outflow from capital measures	-1.7	—
Changes in interests in a subsidiary that do not result in a loss of control	-10.0	-23.9
Cash outflow from dividends	-913.1	-1,121.5
Other changes	-0.2	-0.2
Cash flow from financing activities	**-1,105.0**	**-1,746.3**

in EUR million	2024	2025
	1.1.–31.12.	1.1.–31.12.
IV. Exchange rate differences on cash	**33.5**	**-112.0**
Cash and cash equivalents at the beginning of the period	**1,054.8**	**1,253.1**
Change in cash and cash equivalents (I. + II. + III. + IV.)	**198.3**	**-201.7**
Cash and cash equivalents at the end of the period	**1,253.1**	**1,051.5**
Supplementary information on the cash flow statement [1]		
Income taxes paid (on balance)	-361.6	-973.4
Dividend receipts [2]	152.6	220.3
Interest received	2,194.6	2,360.8
Interest paid – recognised in the cash flow from operating activities	-187.9	-281.9
Interest paid – recognised in the cash flow from financing activities	-114.8	-105.5

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

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1. Company information

Hannover Rück SE and its subsidiaries (collectively referred to as the "Hannover Re Group" or "Hannover Re") transact all lines of property & casualty and life & health reinsurance. Hannover Re is one of the world's leading reinsurance groups, with a network consisting of more than 180 subsidiaries, affiliates, branches and representative offices and a total workforce of roughly 4,000. The Group's German business is conducted by the subsidiary E+S Rückversicherung AG. Hannover Rück SE is a European Company, Societas Europaea (SE), which has its registered office at Karl-Wiechert-Allee 50, 30625 Hannover, Germany, and is entered in the commercial register of Hannover County Court under the number HR Hannover B 6778. Hannover Re is 50.2% (rounded) owned by Talanx AG, Hannover, and included in the latter's consolidated financial statements. Talanx AG is majority-owned by HDI Haftpflichtverband der Deutschen Industrie V.a.G., Hannover (HDI).

2. Accounting principles

Hannover Rück SE and its subsidiaries are required to prepare a consolidated financial statement and group management report in accordance with § 290 German Commercial Code (HGB).

Pursuant to EU Regulation (EC) No. 1606/2002, the present consolidated financial statement and group management report of Hannover Re have been drawn up in accordance with the International Financial Reporting Standards (IFRS) that are to be applied within the European Union. In addition, we have made allowance for the regulations that are also applicable pursuant to § 315e Para. 1 German Commercial Code (HGB) and the supplementary provisions of the Statute of Hannover Re.

Hannover Rück Beteiligung Verwaltungs-GmbH and FUNIS GmbH & Co. KG, both subsidiaries of Hannover Rück SE, made use of the option to be exempted from disclosure pursuant to § 264 Para. 3 German Commercial Code (HGB) and § 264b German Commercial Code (HGB).

The consolidated financial statement reflects all IFRS in force as at 31 December 2025 as well as all interpretations issued by the International Financial Reporting Standards Interpretations Committee (IFRS IC), application of which was mandatory for the year under review. IFRS 17.121 et seq. "Insurance Contracts" requires disclosures on the nature and extent of risks stemming from reinsurance contracts, while IFRS 7.31-42 "Financial Instruments: Disclosures" requires similar information on risks from financial instruments. Furthermore, § 315 Para. 2 Number 1 German Commercial Code (HGB) also contains requirements for insurance undertakings with regard to information on the management of underwriting and financial risks that is to be provided in the management report. The disclosures resulting from these requirements are included in the risk report. With regard to the disclosures required by IFRS 17 and IFRS 7, we would refer in particular to our remarks in the subsection **"Underwriting risks in property and casualty reinsurance / Underwriting risks in life and health reinsurance"** and the subsection **"Market risks"** respectively. We do not present identical disclosures in the notes. In order to obtain a comprehensive overview of the risk situation to which Hannover Re is exposed, it is therefore necessary to consider both the risk report and the relevant information in the notes. For the sake of better orientation, we refer the reader accordingly to the corresponding remarks in the risk report and the notes.

The declaration of conformity required pursuant to § 161 Stock Corporation Act (AktG) regarding compliance with the German Corporate Governance Code has been submitted and, as described in the Declaration of the Executive Board regarding the Corporate Governance of the Company, made permanently available on the Hannover Re website.

The annual financial statements included in the consolidated financial statement were for the most part drawn up as at 31 December. Pursuant to IFRS 10 "Consolidated Financial Statements", there was no requirement to compile interim accounts for Group companies with diverging reporting dates because their closing dates were no earlier than three months prior to the closing date for the consolidated financial statement. Insofar as no interim accounts were drawn up, allowance has been made for the effects of significant transactions between the diverging reporting dates and the closing date for the consolidated financial statement.

The annual financial statements of all companies were drawn up in accordance with standard Group accounting and measurement rules pursuant to IFRS.

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

Hannover Re is publishing its consolidated financial statement as at 31 December 2025 in accordance with the provisions of the German ESEF Implementation Act (ESEF = European Single Electronic Format).

The present consolidated financial statement was released for publication by a resolution of the Executive Board on 9 March 2026.

New accounting standards or accounting standards applied for the first time

The following amendments to existing standards were applicable for the first time in the reporting period:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

These narrowly defined amendments contain provisions regarding currency translation that apply when one currency is not exchangeable into another. The amendments did not have any significant implications for the consolidated financial statement.

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

In May 2024 the IASB issued "Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)". These amendments address specific matters that were identified during the post-implementation review of the classification and measurement requirements of IFRS 9 "Financial Instruments". The amendments are effective retrospectively for reporting periods beginning on or after 1 January 2026 and were endorsed by the EU in May 2025.

In April 2024 the IASB issued IFRS 18 "Presentation and Disclosure in Financial Statements". The standard replaces the previous IAS 1 "Presentation of Financial Statements". IFRS 18 requires adjustments to the structure of the consolidated income statement, introduces categories in the statement of income and sets out requirements to standardise the aggregation or disaggregation of items presented in financial statements. In the future, items presented in the consolidated income statement are to be classified into the categories operating, investing and financing, which are summarised by newly defined subtotals. Individual income and expense items are allocated to different categories than previously: for example, under the new provisions, shares of the profit or loss of associates and joint ventures accounted for using the equity method will in future be allocated to the investing category and hence no longer form part of the operating profit. In addition, certain expenses are to be reclassified to the financing category. Furthermore, requirements for new disclosures in the notes on "management-defined performance measures" (MPMs) are formulated, insofar as such performance measures are used in the financial reporting. Additional disclosures required in the notes primarily relate to disclosures in the consolidated income statement for expenses that are presented in the operating result by function. For these items, the amounts for certain types of expenses specified by IFRS 18 (e.g. depreciation, amortisation, impairment losses and reversals of impairment losses) that are included therein must be disclosed. The presentation of the consolidated cash flow statement is also adjusted through targeted amendments to IAS 7 "Statement of Cash Flows", essentially in that the calculation of the cash flow from operating activities will in future begin with the newly defined operating profit subtotal instead of with the Group net profit as was previously the case. The standard is to be applied retrospectively for financial years beginning on or after 1 January 2027 and was endorsed by the EU in February 2026. Hannover Re is currently analysing the implications of IFRS 18 and preparing for its implementation. As a reinsurance company, Hannover Re will apply the rules for the specified main business activities when reporting certain items in the consolidated income statement. We will also introduce a note to the financial statements regarding the above-mentioned expenses according to their type and adjust the cash flow statement due to its new starting point. We do not expect IFRS 18 to have any significant implications above and beyond this.

In addition to the rules described above, the IASB has issued the standards, interpretations and amendments to existing standards listed below with possible implications for the consolidated financial statement of Hannover Re, application of which was not yet mandatory for the year under review and which are not being applied early by Hannover Re. Initial application of these new standards is not expected to have any significant implications for Hannover Re's net assets, financial position or results of operations:

Further IFRS Amendments and Interpretations

Publication	Title	Initial application to annual periods beginning on or after the following date:
May 2024	IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027 (still to be endorsed by the EU)
July 2024	Annual Improvements Volume 11	1 January 2026 (endorsed by the EU on 9 July 2025)
December 2024	Amendments to IFRS 9 and IFRS 7: Contracts Referencing Nature-dependent Electricity	1 January 2026 (endorsed by the EU on 30 June 2025)
August 2025	Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027 (still to be endorsed by the EU)
November 2025	Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency	1 January 2027 (still to be endorsed by the EU)

3. Accounting policies

3.1 Changes in accounting policies

The measurement rules of IFRS 17 require, among other things, that certain amounts ("non-distinct investment components") which are repayable to the cedant under a reinsurance treaty irrespective of the occurrence of the insured event be identified and deducted equally from the reported reinsurance revenue and the reinsurance service expenses. The determination of these amounts is based in part on estimates, in particular with regard to the amount of premium payments and their development over time. On the basis of improved data availability Hannover Re refined the corresponding estimation method in the financial year to better account for the interaction of various contract components and the timing of the recognition of reinsurance revenue over the contract term.

This adjustment involves a change in an accounting estimate pursuant to IAS 8.32 er seq. that is applicable prospectively to the consolidated financial statement 2025 and subsequent consolidated financial statements. The changed estimate led to an increase of altogether roughly EUR 100 million in reinsurance revenue and reinsurance service expenses for the financial year in the property and casualty as well as life and health reinsurance segments, but had no effect on the reinsurance service result. The implications of the adjustment for the reinsurance revenue and reinsurance service expenses of future periods cannot be determined with reasonable effort.

Furthermore, in the course of the financial year, Hannover Re modified the method used to estimate the risk adjustment for non-financial risk for groups of reinsurance contracts within the property and casualty reinsurance segment. The estimation method now makes more detailed allowance for the uncertainties around expected future cash flows and thus results in a more reliable presentation of the risk adjustment over the term of the reinsurance contracts.

The adjustment similarly involves a change in an accounting estimate pursuant to IAS 8.32 et seq. that is applicable prospectively to the

consolidated financial statement 2025 and subsequent consolidated annual financial statements. The changed estimate resulted in a reduction in the liabilities from reinsurance contracts issued and a corresponding increase in the reinsurance service result (net) in the property and casualty reinsurance segment. The effects of the changed estimate on the current and future periods cannot be determined with reasonable effort.

Settlement items with cedants and retrocessionaires are allocated to the liability for remaining coverage or the liability for incurred claims in accordance with the cash flow-based valuation model for reinsurance receivables and liabilities. Estimation and allocation procedures are used inter alia in the event of partial, interim or collective settlement. Thanks to improved data availability, Hannover Re was able to implement an improvement to these procedures in the financial year, which overall leads to a more reliable and robust allocation of settlement items to the components of the technical receivables and liabilities.

This adjustment also involves a change in an accounting estimate pursuant to IAS 8.32 et seq. that is applicable prospectively to the consolidated financial statement 2025 and subsequent consolidated financial statements. The implications of the changed estimate for the current and future periods cannot be quantified with reasonable effort. There is no impact on Group net income.

In conformity with IAS 1.45 as well as the minimum requirements for the disclosure of technical items and general industry standards, Hannover Re now reports the liability for remaining coverage and the liability for incurred claims on an aggregate basis under the balance sheet items “Liabilities from reinsurance contracts issued / Reinsurance contracts issued in an asset position” and “Reinsurance contracts retroceded in a liability position / Recoverables on reinsurance contracts retroceded" respectively. A detailed presentation of the items can still be found in section **6.4 "Technical assets and liabilities".**

3.2 Summary of major accounting policies

Classification of contracts: IFRS 17 “Insurance Contracts” establishes a comprehensive accounting framework for the recognition, measurement and disclosure of insurance contracts. In addition, IFRS 17 requires extensive disclosures in the notes. The standard is to be applied to insurance contracts written (“insurance contracts issued”, including reinsurance contracts written/issued), reinsurance contracts held (“insurance contracts ceded”) and reinsurance contracts retroceded (“retrocession contracts held”, “retrocessions”) as well as investment contracts with discretionary participation features. Unless otherwise explicitly indicated, the term “insurance” includes reinsurance in the following explanatory remarks.

A contract is to be classified as a reinsurance contract issued or as a reinsurance contract held pursuant to FRS 17 if a significant insurance risk is thereby assumed or transferred. These contract types are treated according to the same rules, irrespective of whether the contracts were issued, acquired in connection with a merger or acquired as part of a transfer of contracts that do not constitute business operations. Contracts that may take the legal form of an insurance contract but do not transfer any significant insurance risk are classified as investment contracts. The recognition and measurement of such contracts follows the rules for the recognition of financial instruments according to IFRS 9 “Financial Instruments”.

Before a contract is recognised pursuant to IFRS 17, we check whether the contract contains components that are to be separated and recognised separately according to the provisions applicable to them. Hannover Re’s business largely contains two categories of such components:
- cash flows related to embedded derivatives to be recognised separately under IFRS 9;
- cash flows related to distinct investment components that are similarly to be recognised under IFRS 9.

Financial instruments are recognised and derecognised on acquisition or sale at the fulfilment date pursuant to IFRS 9. **Financial assets** are classified on acquisition according to the cash flow characteristics of the financial instruments, on the one hand, and according to the business model used to manage the financial instruments, on the other. On the basis of these two criteria, financial instruments are allocated to one of three measurement categories, namely in the business model “hold” at amortised cost (AC), in the business model “hold and sell” at fair value through other comprehensive income (FVOCI) or in the business model “trading” at fair value through profit or loss (FVPL). In general, the business model “hold” is not applicable to Hannover Re. In view of the nature of reinsurance business, the bulk of our portfolio of debt instruments is allocated to the business model “hold and sell”. A large part of the financial instruments shown in the investments is therefore classified in the category “fair value through other comprehensive income”.

Financial liabilities are classified either as financial instruments at fair value through profit or loss or as financial instruments measured at amortised cost. For further information we would refer to our separate explanatory remarks in this section.

Debt instruments held are recognised at **amortised cost (AC)** and measured in subsequent periods at amortised cost using the effective interest rate method if the financial asset is held within a business model whose objective is collecting cash flows and the contractual cash flows consist of solely payments of principal and interest (SPPI). This business model is applied only in exceptional cases in the Hannover Re Group.

Debt instruments are classified as financial instruments at **fair value through other comprehensive income (FVOCI)** if the financial asset is held within a business model whose objective is both collecting contractual cash flows and selling the financial asset and the contractual cash flows meet the SPPI criterion. Financial assets classified in the FVOCI category are measured at fair value, with changes in fair value – making allowance for accrued interest and deferred taxes – recognised mostly in OCI and reported in shareholders' equity under other reserves. In a departure from the above, changes in fair value relating to expenses and income from the recognition of expected credit losses as well as currency gains and losses from financial instruments measured at fair value through other comprehensive income are recognised in profit or loss. Premiums and discounts are spread across the maturity using the effective interest rate method and similarly recorded in profit or loss. A large part of Hannover Re's investments fall under the business model with the objective of collecting cash flows and selling, because the investments are predominantly used to cover underwriting risks and sales are therefore influenced by the servicing of these obligations.

There is an option to designate equity instruments as FVOCI on initial recognition, without recycling to profit and loss. In this case, changes in fair value are recognised directly in OCI and not recycled to P&L even on disposal. As a general principle, Hannover Re exercises this option for equities and unconsolidated participations.

The **financial instruments measured at fair value through profit or loss (FVPL)** include all equity instruments that were not designated as FVOCI without subsequent recycling to profit and loss as well as all debt instruments whose cash flows do not meet the SPPI test based on their cash flow characteristics or are not held within the business models whose objective is collecting contractual cash flows or collecting cash flows and selling the instrument.

This includes first and foremost complex structured products, units in investment funds and private equity investments as well as short-term investments. In addition, all derivative assets are measured at fair value through profit or loss and, provided they have positive fair values, recognised in this category. Derivatives with negative fair values are recognised under the other liabilities. All securities measured at fair value through profit or loss are carried at the fair value on the closing date. If market prices that can be used as fair values are not available, the book values of the relevant financial instruments are determined using recognised measurement methods. All unrealised gains or losses from measurements of this type are recognised in profit or loss just like realised gains and losses and reported in the investment income.

Valuation models

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

Establishment of the fair value of financial instruments carried as assets or liabilities: we establish the fair value of financial instruments carried as assets or liabilities using the methods and models described below. The fair value of a financial instrument corresponds to the amount that Hannover Re would receive or pay if it were to sell or settle the said financial instrument on the balance sheet date. Insofar as market prices are listed on markets for financial assets, their bid price is used; financial liabilities are valued at ask price. In other cases the fair values are established on the basis of the market conditions prevailing on the balance sheet date for financial assets with similar credit rating, duration and return characteristics or using recognised models of mathematical finance. Hannover Re uses a number of different valuation models for this purpose. The details are set out in the table above. Financial assets for which no publicly available prices or observable market data can be used as inputs (financial instruments belonging to fair value hierarchy level 3) are for the most part measured on the basis of proven valuations drawn up by knowledgeable, independent experts, e. g. net asset value, the plausibility of which has previously been subjected to systematic review. For further information please see our explanatory remarks on the fair value hierarchy in section **6.1 "Investments"**.

Impairments: The impairment rules set out in IFRS 9 apply to all debt instruments recognised at amortised cost or at fair value through other comprehensive income. Expected credit losses (ECL) as well as potential impairments and those actually established at the measurement date are calculated and presented in accordance with a three-stage model:

- Stage 1 consists of debt instruments in respect of which it is assumed that the credit risk has not significantly increased since initial recognition. The risk provision for such instruments is measured using, among other things, the default probabilities for the next 12 months.
- Stage 2 consists of debt instruments that are not credit-impaired, but whose credit risk has increased significantly since initial recognition. The significant increase in the credit risk is established primarily on the basis of the credit rating specific to the individual instrument or using alternative quantitative and qualitative information, a credit risk assessment and forward-looking information. The risk provision is calculated using the default probabilities for the entre remaining maturities of the instruments.
- Stage 3 consists of all debt instruments that are classified as credit-impaired.

For all three stages, the risk provision to be made and its reversal are determined at the reporting data and individually for each specific instrument. The resulting expense and income are recognised in the statement of income.

The determination of the risk provision to be made for Stages 1 and 2 is based on the potential default amount weighted by the risk of default. The following three parameters are primarily considered here:

- the probability of default (PD),
- the loss given default (LGD) and
- the exposure at default (EAD).

Year-specific probabilities of default are used for Stage 2 to establish the ECL for the entire remaining maturities of the assets. These input factors are regularly recalibrated to reflect the forecast development of macroeconomic conditions in accordance with the requirements of IFRS 9 through the use of region- and period-specific point-in-time (PIT) factors. If a debt instrument is classified as credit-impaired and hence carried in Stage 3, measurement of the risk provision is based on the fair value at the balance sheet date.

Upon acquisition, all financial instruments are initially allocated to Stage 1. In cases where the credit risk has significantly increased, they are transferred to Stage 2. Given that allocation to a stage is dependent on the rating at the time of acquisition, shares in a financial instrument acquired at different times can be allocated to both Stage 1 and Stage 2. A significant increase in the credit risk triggering the transfer from Stage 1 to Stage 2 exists if the financial instrument has a current issuer rating in the non-investment-grade range and the rating of the instrument has been downgraded at least twice since initial recognition. Hannover Re uses the optional simplification under which financial instruments with a low credit risk are not allocated to Stage 2 if they still have an investment-grade issuer rating.

The allocation of financial instruments to Stage 3, on the other hand, is made on the basis of the counterparty's default status.

If a significant increase in the credit risk exists but the financial instrument was not classified as credit-impaired, the financial instrument in question remains in Stage 2. If none of the aforementioned stage transfer criteria applies any longer and the financial instrument is not credit-impaired, it is allocated to Stage 1. In the event of credit impairment, it is allocated to Stage 3. If a previously credit-impaired financial instrument is no longer considered to be credit-impaired, it is reclassified to Stage 2 or Stage 1 depending on applicability of the stage-specific criteria.

An overview of the impairments on financial instruments can be found in section **6.1 "Investments"**.

Netting of financial instruments: financial assets and liabilities are only netted and recognised in the appropriate net amount if a corresponding legal claim (reciprocity, similarity and maturity) exists or is expressly agreed by contract, in other words if the intention exists to offset such items on a net basis or to effect this offsetting simultaneously.

Other invested assets: The other invested assets are participating interests in entities over which we are unable to exercise a significant influence or control. Subsidiaries that are not consolidated for reasons of materiality are also included in this item. These interests are normally measured at fair value in OCI.

Investments in associated companies and joint ventures are valued at equity on the basis of the proportionate shareholders' equity attributable to the Group. Further information is provided in section **4.1 "Consolidation principles"**.

Investment property is valued at cost less depreciation and impairment. Straight-line depreciation is taken over the expected useful life – at most 50 years. Under the impairment test the market value of investment property (recoverable amount) is determined using accepted valuation methods, compared with the book value and, where necessary, impairments are recognised. Maintenance costs and repairs are expensed. Value-enhancing expenditures are capitalised if they extend the useful life.

Cash and cash equivalents are carried at face value. In the case of cash collateral that we have received for the hedging of positive fair values of derivatives, other liabilities are recognised in the same amount.

Repurchase agreements (repo transactions): fully collateralised, term repurchase agreements (repos) are entered into as a supplementary liquidity management tool. In this context the Group sells securities and at the same time commits to repurchase them at a later date for an agreed price. Given that the material risks and opportunities associated with the financial instruments remain within the Group, we continue to recognise these assets. The repurchase commitment arising out of the payment

received is accounted for under "sundry liabilities"; any difference between the amount received for the transfer of the securities and the amount agreed for their repurchase is spread across the term of the repo using the effective interest rate method and shown in investment income.

Reinsurance recoverables on technical reserves: shares of our retrocessionaires in the technical reserves are calculated according to the contractual conditions on the basis of the gross technical reserves. An appropriate impairment is taken to allow for objective substantial indications of credit risks that are based on an event after initial recognition and suggest impairment, insofar as this can be reliably measured. For further information please refer to the subsection **"Retrocession contracts"** in this item of the notes.

Intangible assets: in accordance with IFRS 3 "Business Combinations" goodwill is not amortised; instead, impairments may be taken after an annual impairment test or as indicated. For the purposes of the impairment test, goodwill is to be allocated pursuant to IAS 36 "Impairment of Assets" to so-called "cash generating units" (CGUs). Each CGU to which goodwill is allocated should represent the lowest level on which goodwill is monitored for internal management purposes and may not be larger than a segment. Following allocation of the goodwill it is necessary to determine for each CGU the recoverable amount, defined as the higher of the value in use and the fair value less costs to sell. For impaired goodwill the recoverable amount is to be stated. The recoverable amount is to be compared with the book value of the CGU including goodwill. When the latter exceeds the recoverable amount, an impairment expense is to be recognised. For detailed information on the impairment method used and the goodwill recognised as at the balance sheet date, please see section **6.2 "Goodwill"**.

Purchased and proprietary software is recognised at acquisition or production cost less depreciation. Intangible assets are regularly tested for impairment and an impairment loss is recognised where necessary.

The other intangible assets include separately identifiable intangible assets in connection with business combinations, such as customer base or contractual / legal rights.

Deferred tax assets: IAS 12 "Income Taxes" requires that assets-side deferred taxes be established if assets have to be recognised in a lower amount or liabilities in a higher amount in the consolidated balance sheet than in the tax balance sheet and if these temporary differences will lead to reduced tax burdens in the future. In principle, temporary differences result from the valuation differences between the tax balance sheets drawn up in accordance with national standards and the IFRS balance sheets of the companies included in the consolidated financial statement drawn up in accordance with uniform group standards as well as from consolidation processes. Deferred tax assets and liabilities are not established if they arise out of assets or liabilities, the book value of which upon first-time recognition diverges from their initial tax base.

Deferred tax assets are also recognised on tax loss carry-forwards and tax credits. Insofar as the deferred taxes refer to items carried directly in equity, the resulting deferred taxes are also recognised directly in equity. Value adjustments are taken on deferred tax assets as soon as realisation of the receivable no longer appears likely. Deferred taxes are measured according to the tax regulations specific to the country concerned that are applicable or have been adopted as at the closing date.

Deferred tax assets may only be netted with deferred tax liabilities if an enforceable right exists to net actual tax refund claims with actual taxes owing. A precondition here is that the deferred tax assets and deferred tax liabilities refer to income taxes that are levied by the same revenue authority either for (i) the same taxable entity or for (ii) different taxable entities, provided that the latter intend to realise the corresponding assets and settle the corresponding liabilities at the same time. In this regard, there must be an intention – in every future period in which the discharge or realisation of substantial amounts of deferred tax liabilities / deferred tax assets is to be expected – either to bring about the settlement of the actual taxes owing and refund claims on a net basis or to discharge the liabilities at the same time as the claims are realised.

Own-use real estate: the portfolio of own-use real estate is measured at cost less straight-line depreciation over a useful life of no more than 50 years. The fair values are determined for comparative purposes using the discounted cash flow method.

Right-of-use assets from lease contracts are measured at amortised cost in the amount of the initial measurement of the lease liability, adjusted for prepaid lease payments, lease incentives received, initial direct costs incurred and probable restoration costs (cf. here our comments on lease liabilities in section **6.7 "Financing liabilities"**). Right-of-use assets are amortised on a straight-line basis over the term of the lease contract.

Other assets are accounted for at amortised cost.

Technical reserves, general measurement model – initial measurement: The standard IFRS 17 includes three measurement models; the basis is the "general measurement model" (GMM). The "variable fee approach" (VFA) is a variant of the general measurement model for insurance contracts with a direct surplus participation and is not applicable to reinsurance business. The premium allocation approach (PAA) is a simplified method that can be used by insurers and reinsurers when certain criteria are met. Hannover Re's portfolio contains both contracts that qualify for the premium allocation approach and - predominantly - contracts for which the general measurement model is to be applied. For operational reasons and in order to achieve consistent and comparable presentation and measurement within the portfolio of insurance and reinsurance contracts, Hannover Re is applying the general measurement model to its entire business.

As a general principle, insurance and reinsurance contracts are grouped together and measured on an aggregated level. For this purpose, we define as a first step portfolios containing contracts with similar risks that are managed together. In a second step, we split these portfolios into groups of contracts according to profitability criteria and annual cohorts. With regard to the profitability expected at the time of initial recognition, a distinction is made between

- onerous contracts,
- contracts where there is no significant probability of them becoming onerous in subsequent periods and
- the remaining contracts;

these are allocated to separate groups of contracts. Contracts issued within a calendar year are combined into annual cohorts.

Under IFRS 17 there is a requirement to group contracts into such annual cohorts. In the context of the EU endorsement, however, an option to build annual cohorts was granted for certain types of cohorts. Hannover Re is not using this EU exemption.

On initial recognition Hannover Re measures a group of reinsurance contracts as the sum of

- the fulfilment value, which is comprised of estimates of expected future cash flows, an adjustment that reflects the time value of money and the associated financial risks as well as a risk adjustment for non-financial risks, and

– the contractual service margin (CSM).

In the recognition of the corresponding technical reserves a fundamental distinction is made between a pre-claims phase (liability for remaining coverage; LRC) and a claims phase after occurrence of the insured event (liability for incurred claims; LIC).

Fulfilment value – cash flows: The fulfilment value constitutes the risk-adjusted present value of the rights and obligations from a reinsurance treaty and is comprised of the estimates of expected future cash flows, their discounting and an explicit risk adjustment for non-financial risks.

Components of the cash flows to be included are, among others, premium payments, payments to cedants, costs for acquisition and management of the contracts as well as for settlement of incurred claims. In this context, the cash flows included in the measurement model at each balance sheet date always constitute Hannover Re's current estimate and expectation in connection with the fulfilment of obligations.

Time value of money – discounting: Hannover Re discounts all cash flows with currency-specific, risk-free yield curves that are adjusted to reflect the respective characteristics of the cash flows and the liquidity of the underlying insurance contracts (bottom-up approach). The illiquidity premium used is based on risk-adjusted spreads of corporate and government bonds. These adjustments, which take the form of a supplementary illiquidity premium per currency, satisfy the following requirements / assumptions:

– The illiquidity of the underlying insurance contracts is defined through the predictability of the resulting cash flows, since the harder it is to predict a cash flow, the less it lends itself to coverage with assets.
– All characteristics of an insurance contract (or a group of insurance contracts) can be fully described and measured through the characteristics of its resulting cash flows.
– The uncertainties in cash flows that may be caused by volatility in financial market parameters are captured in the estimation of expected future cash flows, instead of implicitly reflecting them through adjustment of the risk-free and completely illiquid yield curve in the illiquidity premium.
– The illiquidity premiums are estimated on the basis of liquidity premiums for financial assets observable on the market that are adjusted to reflect the illiquidity characteristics of the cash flows on the liabilities side. The illiquidity premiums used in this context are based on risk-adjusted spreads of corporate and government bonds.

The provisions of IFRS 17 open up the option of recognising discounting effects within the non-financial risk adjustment not separately in the reinsurance finance result but rather together with the release of the risk adjustment within the technical result. This option is exercised in the property and casualty reinsurance segment.

Risk adjustment for non-financial risk: The non-financial risk adjustment for a group of insurance contracts reflects the amount of compensation needed to carry the uncertainty surrounding the amount and timing of the cash flows that arise out of non-financial risks – such as the insurance risk itself, the cost risk and in particular the risk associated with policyholder behaviour. Hannover Re uses a “pricing margin approach” to determine the risk adjustment and regularly reviews the risk adjustment to ensure that it is always consistent with the compensation required to carry the risk. The approach refers to the fact that the question of the necessary compensation for the uncertainty of the cash flows is already answered in connection with the premium calculation. The loadings on the cash flows determined here form the risk adjustment pursuant to IFRS 17. Applying this approach and allowing for risk diversification among the companies belonging to the Hannover Re Group, we establish a confidence level for our technical reserves at the balance sheet date. Further explanatory remarks are provided in section **6.4 “Technical assets and liabilities”**.

Contractual service margin (CSM): The contractual service margin defers a profit expected at the time of acquisition and spreads it according to provision of the service across the coverage period. Specifically, this means:

– If the present value of the expected cash inflows exceeds the present value of the expected cash outflows plus the risk adjustment, an expected profit exists that we recognise in the contractual service margin. Initial balance sheet recognition of contracts expected to be profitable thus has no effect on profit or loss.
– Subsequent measurement of the contractual service margin reflects the rendering of a service in the form of insurance contract service. The insurance contract service consists of the benefit paid in case of occurrence of the insured event and the policyholder's participation in income generated on the capital market through investment of paid insurance premiums. An amount is released from the CSM to profit or loss in the corresponding reporting periods as a service fee for rendering of this service and recognised in the statement of income as part of the insurance revenue. So-called “coverage units” are used to measure this service in a reporting period.
– These coverage units are based on the quantities of benefits provided at the end of the reporting period relative to those expected to be provided over the entire contract duration in order to determine the service rendered for the period. We select the coverage units for each insurance transaction in such a way that they optimally reflect the service provided in each case.

Loss component: For groups of contracts where the sum of the present value of expected future cash outflows and the risk adjustment exceeds the present value of the expected future cash inflows, we recognise the loss expected at time of acquisition directly in profit or loss in the so-called “loss component”.

General measurement model – subsequent measurement: The book value of a group of insurance contracts at each closing date is the sum of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC).

– The liability for remaining coverage consists of the fulfilment value relating to future payments allocated to the group of contracts at this time as well as the CSM for the group at the closing date.
– The liability for incurred claims consists of the fulfilment value for incurred claims plus expenditures not yet paid, including claims already incurred but not yet reported.

The fulfilment value plus the estimates of current assumptions made by Hannover Re in earlier interim consolidated financial statements is updated at the end of each reporting period based on current estimates of the amount, timing and uncertainty of expected future cash flows and discount rates. Hannover Re splits the insurance finance income and expenses between P&L and OCI. Systematic allocation is ensured through use of the discount rate on initial recognition.

Changes in cash flows: Changes in assumptions about future cash flows that do not relate to interest rates or financial risks are not recognised directly in the statement of income but are instead booked against the contractual service margin and hence spread across the remaining coverage period. Recognition in profit or loss is only immediate in the case of those groups of reinsurance contracts that are expected to be loss-making. If this adjustment to the contractual service margin exceeds its

carrying amount, a loss component is established analogously to the initial recognition of groups of contracts that are expected to be loss-making and recognised directly in profit or loss. Conversely, it may happen that a contractual service margin is established in the context of subsequent measurement of a group of contracts originally classified as probably loss-making.

Changes that relate to future payments and adjust the CSM include, among others:
- Changes to estimates of the present value of expected future cash flows in the LRC, with the exception of the changes described in the next paragraph;
- Variances between an investment component that is expected to be payable in the period and the investment component that is actually payable in the period;
- Changes to the risk adjustment for non-financial risks that relate to future services;
- Experience-based adjustments due to premiums booked in the period that relate to future services, and associated cash flows such as acquisition costs and premium-based taxes.

The following changes do not result in an adjustment of the CSM and are therefore recognised directly in P&L:
- Changes in the fulfilment value due to the effects of the time value of money, the financial risks and changes in this regard;
- Changes in the fulfilment value in connection with the LIC;
- Experience-based adjustments due to premiums booked in the period that do not relate to future services, and associated cash flows such as acquisition costs and premium-based taxes;

The CSM of each group of contracts is calculated on each closing date as explained below. This means that the year-end results are not influenced by the treatment of accounting-related estimates made in earlier interim financial statements. The book value of the CSM at the closing date corresponds to the book value at the start of the year, adjusted for:
- the CSM of new contracts added to the group in the financial year;
- the interest accretion on the book value of the CSM with the interest rate determined on initial recognition (locked-in rate);
- changes in the fulfilment value connected with cash flows that relate to the fulfilment of future services. These are recognised through adjustment of the CSM for as long as the CSM is available. If an increase in the fulfilment value exceeds the CSM, the excess amount is recognised in insurance service expenses and a loss component is recognised;
- the impact of any exchange rate differences;
- the release of the CSM through insurance revenue that was calculated after allowance for all adjustments.

Retrocession contracts: The accounting policies described above are also applied as a general principle to reinsurance contracts held. Retroceded business is additionally subject to the special recognition and measurement principles described below. As with business assumed, the rules refer in each case to the aggregation level of a group of contracts:

Hannover Re reports reinsurance contracts held at the earlier of the following points in time:
- At the beginning of the coverage period of the contracts held, or
- At the time when a group of onerous underlying assumed contracts is recognised.

In the case of ceded reinsurance contracts with pro-rata coverage (predominantly proportional reinsurance), recognition does not take place until the date on which the underlying assumed contracts are recognised if this date falls after the inception of the coverage period of the ceded contracts.

On each balance sheet date Hannover Re estimates the future cash flows and their discounting based on current assumptions. The assumptions are consistent with the assumptions chosen for measurement of the underlying issued reinsurance contracts.

The risk adjustment for non-financial risk with respect to business retroceded is determined as the part of the risks effectively transferred to the retrocessionaire. In this regard, Hannover Re always strives for the greatest possible consistency with the determination of the risk adjustment for non-financial risks for the underlying gross business.

In contrast to the recognition of issued reinsurance contracts, the contractual service margin for ceded reinsurance contracts can be positive or negative.

In the case of prospective retrocession contracts, both a net profit and net costs are to be deferred on acquisition of the retrocession across the coverage period. Changes in fulfilment values are offset against the contractual service margin, insofar as these changes relate to future services. If, however, the changes in estimates are attributable to measurement adjustments to the underlying contracts recognised in profit or loss, we recognise their effect on the measurement of the ceded reinsurance contracts directly in profit or loss. This facilitates consistent mapping of the gross business with the ceded insurance contracts. The contractual service margin is spread across the remaining duration of the coverage period in the context of subsequent measurement on the basis of coverage units.

In contrast, in the case of retroactive retrocession contracts relating to insured events that occurred prior to acquisition of the retrocession, the net costs from acquisition of the retrocession are expensed in profit or loss. Expected net profits, on the other hand, are spread across the run-off period of the underlying contracts in a contractual service margin by selecting appropriate coverage units.

Loss-recovery component: Hannover Re establishes a loss-recovery component if a loss is reported for ceded gross business on account of onerous contracts. The loss component to be expensed for the gross business is thereby opposed with a loss-recovery component recognised in income proportionate to the expected relief. In this way, allowance is also made in the balance sheet for an effective retrocession and as a result only a non-reinsured loss from the gross business remains in profit and loss in the respective period. Reversals of the loss-recovery component cause the contractual service margin to be adjusted, provided these reversals do not involve changes in the fulfilment values of the group of ceded reinsurance contracts. In the context of subsequent measurement, the loss-recovery component is adjusted for changes in the loss component of the underlying reinsurance contracts. All in all, the loss-recovery component is of minor importance in Hannover Re's book of business.

Derecognition and contract modification: Contracts are derecognised when they are extinguished or their terms and condition are changed in such a way as to fundamentally impact the economic characteristics of the contractual properties. If this is not the case, the contract modification results in a change in the estimated fulfilment values.

Investment components: The investment component of an insurance contract is defined as the amount that an entity must repay to the policyholder even if the insured event does not occur. Investment components are not included in the reinsurance revenue or in the insurance

service expenses, but rather are recognised in accordance with IFRS 9. Investment components include, for example, the inflows and outflows of savings elements in life primary insurance and certain commissions paid to cedants.

Provisions for pensions are established in accordance with IAS 19 "Employee Benefits" using the projected unit credit method. They are calculated according to actuarial principles and are based upon the commitments made by the Hannover Re Group for retirement, disability and widows' benefits. The amount of the commitments is determined according to length of service and salary level. The pension plans are defined benefit plans. The basis of the valuation is the estimated future increase in the rate of compensation of the pension beneficiaries. The benefit entitlements are discounted by applying the capital market rate for highest-rated securities. All changes in valuation, especially actuarial gains and losses, are captured immediately in cumulative other comprehensive income. Service cost and interest cost are recognised in the statement of income. Returns on plan assets are determined using the same interest rate as that used in the calculation of the present value of the defined benefit obligation.

Contributions to defined contribution plans are expensed when the beneficiary of the commitment has performed the work that entitles them to such contributions.

Deferred tax liabilities: in accordance with IAS 12 "Income Taxes" deferred tax liabilities must be recognised if assets are to be recognised in a higher amount or liabilities in a lower amount in the consolidated balance sheet than in the tax balance sheet and if these temporary differences will lead to additional tax loads in the future; please see our explanatory remarks on deferred tax assets.

Under the balance sheet item **Other liabilities**, we recognise not only the sundry non-technical provisions but also minority interests in partnerships. Direct minority interests in partnerships, i. e. liabilities to holders of minority shares in partnerships arising out of a long-term capital commitment which are puttable by the holder of the interest, are recognised as debt pursuant to IAS 32 and measured at amortised cost. In this balance sheet item and in the balance sheet item "Other receivables", Hannover Re also reports other receivables and other liabilities in connection with accounting items that are not allocated to positions in the technical account.

Sundry non-technical provisions are established according to a realistic estimate of the amount required and shown under the balance sheet item "Other liabilities". Allocation to such provisions is conditional upon the Group currently having a legal or actual obligation that results from a past event and in respect of which utilisation is probable and the amount can be reliably estimated.

Restructuring provisions are recognised if a detailed formal plan for restructuring measures exists and steps to implement it have already begun or if key details of the restructuring have been published. The provisions cover only expenditures arising directly as a consequence of restructuring that are not connected with the company's regular activities.

Partial retirement obligations are carried at present value according to actuarial principles. During the phase when the employee is still working a provision is set aside to cover the liability amounting to the working hours not yet compensated. Top-up payments are accumulated in instalments until the end of the work phase. In periods when the employee is remunerated according to the partial retirement arrangements without performing any work, the provision is released.

Share-based payments: The share-based payment models existing within the Hannover Re Group are remuneration plans with cash settlement. In accordance with the requirements of IFRS 2 "Share-based Payments", the services rendered by the eligible beneficiaries and the resulting liability are to be recognised at the fair value of the liability and expensed over the vesting period. Until settlement of the liability the fair value of the liability is remeasured at each closing date and at the settlement date. All changes in fair value are recognised in profit or loss for the period.

Financing liabilities consist of liabilities from lease contracts and above all long-term debt and notes payable. In some instances these involve subordinated liabilities that can only be satisfied after the claims of other creditors in the event of liquidation or bankruptcy. Both long-term debt and notes payable are measured at amortised cost using the effective interest rate method. The transaction costs as well as premiums / discounts arising in connection with the issuance of bonds are amortised and recognised together with the nominal interest as financing costs. **Lease liabilities** are initially measured at the present value of essentially all lease payments that are not variable or dependent on an index or (interest) rate. The discount factor used is the implicit interest rate of the lease contract or the lessee's incremental borrowing rate.

Financial liabilities including long-term debt and notes payable, insofar as they do not involve liabilities from derivatives and the financial obligations from investment contracts measured at fair value through profit or loss, are carried at amortised cost. The amortised cost is determined from the historic cost after allowance for amounts repayable and the amortisation of premiums and discounts recognised in profit and loss in accordance with the effective interest rate method. Hannover Re measures liabilities from derivatives at fair value. Interest accretion on these financial liabilities is shown under the financing costs.

Shareholders' equity: the items "common shares" and "additional paid-in capital" are comprised of the amounts paid in by the shareholders of Hannover Rück SE on its shares. In addition to the statutory reserves of Hannover Rück SE and the allocations from net income, the retained earnings consist of reinvested profits generated by the Hannover Re Group companies in previous periods. What is more, in the event of a retrospective change of accounting policies, the adjustment for previous periods is recognised in the opening balance sheet value of the retained earnings and comparable items of the earliest reported period. Unrealised gains and losses from the fair value measurement of financial instruments measured at fair value through OCI are carried in cumulative other comprehensive income under unrealised gains and losses on investments. Translation differences resulting from the currency translation of separate financial statements of foreign subsidiaries are similarly recognised in OCI under cumulative foreign currency translation adjustments.

Non-controlling interests are shares in the equity of affiliated companies not held by companies belonging to the Group. IAS 1 "Presentation of Financial Statements" requires that non-controlling interests be recognised separately within Group shareholders' equity. The non-controlling interest in profit or loss is shown separately following the net income. Further information is provided in section **6.9 "Non-controlling interests"**.

Disclosures about financial instruments: IFRS 7 "Financial Instruments: Disclosures" requires more extensive disclosures according to classes of financial instruments. In this context, the term "class" refers to the classification of financial instruments according to their risk characteristics. A minimum distinction is required here between measurement at amortised cost or at fair value. A more extensive or divergent distinction should, however, be geared to the purpose of the corresponding disclosures in the notes. Essentially, the following classes of financial instruments are

established, additionally broken down as appropriate into the underlying valuation models:
- Debt instruments (directly held)
- Equity instruments (directly held)
- Fund investments and other callable financial instruments
- Derivatives
- Other invested assets
- Short-term investments
- Real estate investments (directly held)
- Certain financial instruments in the balance sheet item “Other assets”
- Certain financial instruments in the balance sheet item “Other liabilities”
- Long-term debt
- Notes payable

This grouping into classes is not, however, solely determinative for the type and structure of each disclosure in the notes. Rather, guided by the underlying business model of reinsurance, the disclosures are made on the basis of the facts and circumstances existing in the financial year and in light of the principle of materiality.

Currency translation: financial statements of Group subsidiaries were drawn up in the currencies corresponding to the economic environment in which each subsidiary primarily operates. These currencies are referred to as functional currencies. The euro is the reporting currency in which the consolidated financial statement is prepared.

Transactions in foreign currencies reported in Group companies’ individual financial statements are converted into the functional currency at the transaction rate. In accordance with IAS 21 “The Effects of Changes in Foreign Exchange Rates” the recognition of exchange differences on translation is guided by the nature of the underlying balance sheet item. Exchange differences from the translation of monetary assets and liabilities are recognised directly in the statement of income. Currency translation differences from the translation of non-monetary assets measured at fair value through the statement of income are recognised as profit or loss from fair value changes. Exchange differences from non-monetary items – such as equity securities – recognised at fair value through OCI are initially recognised outside income in a separate item of shareholders’ equity and only realised in profit or loss when such non-monetary items are settled.

The method of currency translation is also relevant for groups of reinsurance contracts (GIC) formed pursuant to IFRS 17 for recognition and measurement purposes that contain contracts in different currencies. In the case of such multi-currency groups of contracts, the modelling currency of which differs from the so-called GIC currency – which reflects the dominant currency in the respective group of contracts – we use the latest exchange rates at the reporting date for conversion to the GIC currency in order to determine the effects on the CSM on the level of the group of contracts in the CSM calculation. The date when a contract is initially recognised will, however, continue to be used for future economic assumptions relating to calculations of future cash flows (such as yield curves and inflation rates) and for the discount rate itself.

The Individual companies’ statements of income prepared in the local currencies are converted into euro at the average rates of exchange and transferred to the consolidated financial statement. The conversion of foreign currency items in the balance sheets of the individual companies and the transfer of these items to the consolidated financial statement are effected at the mean rates of exchange on the balance sheet date. In the consolidated financial statement we show differences from the currency translation of financial statements of foreign Group companies as a separate item in shareholders’ equity.

Currency translation differences resulting from long-term loans or lendings without specified maturity between Group companies are similarly recognised outside the statement of income in a separate component of shareholders’ equity.

Key exchange rates

1 EUR corresponds to:	31.12.2024	31.12.2025	2024	2025
	Mean rate of exchange on the balance sheet date		Average rate of exchange	
AUD	1.6751	1.7551	1.6416	1.7481
BHD	0.3942	0.4436	0.4081	0.4242
CAD	1.5031	1.6118	1.4821	1.5751
CNY	7.6269	8.2247	7.7781	8.0729
GBP	0.8297	0.8715	0.8466	0.8544
HKD	8.1097	9.1550	8.4445	8.7680
INR	89.3828	105.6058	90.6159	98.1214
KRW	1,538.0500	1,697.9700	1,474.3423	1,603.7446
MYR	4.6673	4.7618	4.9385	4.8124
SEK	11.4988	10.8202	11.4212	11.0742
USD	1.0449	1.1762	1.0824	1.1249
ZAR	19.5834	19.5520	19.8664	20.1021

Reinsurance revenue: The Hannover Re Group books reinsurance revenue when it renders services in connection with groups of reinsurance contracts. In this context, the reinsurance revenue of the reporting period represents the sum of the changes in the LRC resulting from the rendering of services in this period for which the Hannover Re Group expects a consideration. The reinsurance revenue is defined in such a way as to bring about comparability with revenue reporting in other industries and derives from the following revenue sources:
- Expenditures expected in the reporting period for reinsured losses and other insurance services (excluding repayments of investment components and amounts allocable to a potential loss component)
- Changes in the risk adjustment for non-financial risks in relation to services in the current reporting period.
- CSM release, measured by the coverage units provided.
- Other amounts, including experience-based adjustments to premium received for services in the current or in past periods.

Neither savings / investment components nor certain ceding commissions can be recognised in the reinsurance revenue. Reinsurance revenue is instead reported when it is earned by recognising in each period the change in the liabilities for providing reinsurance coverage for which the reinsurance entity receives compensation, including the pro rata recognition of the contractual service margin in profit and loss, as well as the part of the premiums that covers acquisition costs.

No insurance revenue is recognised in the amount of the investment components because this involves those parts of the premium that are always paid back to the cedant, irrespective of whether or not the insured event occurs. At Hannover Re, this particularly includes certain commissions paid to cedants. The reduction of the revenue by the amount of the investment components has no influence on the reinsurance service result because the insurance service expenses are also correspondingly reduced.

Reinsurance service result: The reinsurance service expenses include, in particular, the incurred claims (excluding repayments of investment components) as well as the management and acquisition expenses. The acquisition expenses are allocated systematically to the respective periods of the coverage duration and recognised in the same amount as reinsurance revenue and as reinsurance service expenses. Within the reinsurance service result, the profit components from contracts retroceded are shown as separate items distinct from the gross reinsurance revenue and gross reinsurance service expenses from issued business.

In the **reinsurance finance result**, the reinsurance finance income and expenses include the effects from discounting of the present value of net cash flows, the risk adjustment for non-financial risk and the contractual service margin. The effects of changes in interest rates can be recognised either entirely as profit or loss in the statement of income or to some extent directly in equity. This “OCI option” can be exercised on the level of individual portfolios and is utilised by Hannover Re for a large part of its business.

IFRS 17.116 requires disclosures for groups of reinsurance contracts for which the option to recognise components of reinsurance finance income or expense directly in OCI on the date of transition was exercised and to which a portfolio of assets is directly allocated, the fair value changes of which are similarly recognised directly in OCI. There are no material circumstances within the Hannover Re Group that meet these criteria.

In our consolidated statement of income we present the net reinsurance finance result both before and after currency effects. We first present the reinsurance finance result in accordance with IFRS 17 including currency effects. In order to clarify the matching currency coverage of the technical liabilities by investments, the currency effects are subsequently eliminated from the reinsurance finance result pursuant to IFRS 17 and shown separately in the net currency result.

Revenue from contracts with customers is realised when control of the promised goods or services is transferred to the customer. The amount of revenue realised corresponds to the consideration that Hannover Re expects to receive in return for the transfer of goods or services to the customer. Under its contracts that fall within the scope of application of IFRS 15 Hannover Re generally acts as a principal, because it normally controls the services or goods before transferring them to the customer.

Taxes: the taxes are comprised of the actual tax load on corporate profits of the Group companies, to which the applicable local tax rates are applied, as well as changes in deferred tax assets and liabilities. Income and expenses arising out of interest or penalties payable to the revenue authorities are shown under other income / expenses. The calculation of the deferred tax assets and liabilities is based on tax loss carry-forwards, unused tax credits and temporary differences between the book values of assets and liabilities in the consolidated balance sheet of the Hannover Re Group and their carrying amounts in the tax balance sheet. Further information on deferred taxes is provided in our remarks on deferred tax assets and liabilities.

Non-current assets held for sale and discontinued operations: in accordance with IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”, non-current assets and disposal groups are classified as held for sale if the relevant book value is realised largely through sale rather than through continued use. Components of an entity that can be clearly distinguished from the rest of the entity for operational and accounting purposes and were classified as sold or for sale are recognised as discontinued operations. Measurement is at the lower of book value and fair value less costs to sell. Depreciation or amortisation is not taken on non-current assets as long as they are classified as held for sale. Impairment losses on fair value less costs to sell are recognised in profit or loss; a gain for any subsequent increase in fair value less costs to sell leads to the realisation of profit up to the amount of the cumulative impairment. If the impairment loss to be taken on a disposal group exceeds the book value of the corresponding non-current assets, the need to establish a provision within the meaning of IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” is reviewed.

3.3 Major discretionary decisions and estimates

In the consolidated financial statement, it is to some extent necessary to make estimates and assumptions which affect the assets and liabilities shown in the balance sheet, the information on contingent claims and liabilities as at the balance sheet date and the disclosure of income and expenses during the reporting period.

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

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

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

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

In order to measure the ultimate liability in property and casualty reinsurance the expected ultimate loss ratios are calculated for all lines. Actuarial methods such as the “chain ladder” method provide the starting point for these calculations. The realistically estimated future settlement amount is recognised in the balance sheet. The development until completion of the run-off is projected on the basis of claims triangles from the original notifications of ceding companies. The more recent underwriting years in actuarial projections are of course subject to greater uncertainty, although this can be considerably reduced with the aid of a variety of additional information on improvements in the rates and conditions of the business written and on loss trends.

The amounts arrived at as the difference between the projected ultimate losses and the reported losses are set aside either in the IBNR reserve for losses that have been incurred but are not yet known or have still to be reported or in the liability for remaining coverage.

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

Physical risks such as extreme weather events and their consequences as well as long-term changes in climatic and environmental conditions, such as precipitation amounts, the rise in sea levels or the increase in average temperatures, can also affect the value of our real estate holdings, the measurement of securities in our investment portfolio, impairment testing for non-financial assets including goodwill, the disclosure of contingent liabilities and the establishment of reserves. Overall, risks connected with the impacts of climate change are of great significance to our business model.

Inflation is considered in our reserving process at least on the basis of average historical inflation rates as well as scenarios for a future inflation trend. Furthermore, premium calculations make allowance for realistic inflation assumptions and additional provisions are established in the reserving for individual underwriting years.

With regard to the war in Ukraine, we conducted probability-weighted scenario analyses for all relevant lines of business, taking into consideration the information available to us at the time, market insights and pertinent court rulings, arriving at our own estimates of our reserves on this basis.

The estimation of occurrence probabilities and loss amounts for specified risks is a major element of our risk management system as described in the risk report, to which we also refer. For further particulars, including information required by IFRS 17, the reader is similarly referred to our remarks on the underwriting risks in property and casualty reinsurance in the risk report – for example, with regard to the modelling of natural catastrophe scenarios and the assumptions relating to asbestos and pollution risks. We would further refer to our explanatory remarks on the technical reserves in section **3.2 “Summary of major accounting policies”** and section **6.4 “Technical assets and liabilities”**.

In life and health reinsurance, too, the calculation of reserves and assets is crucially dependent on actuarial projections of the covered business. Modelling is based on policy data or so-called model points are defined according to the type of business covered. The main distinguishing criteria include, among others, demographic factors associated with the insured, tariff, policy period, period of premium payment and amount of insurance. The portfolio development is simulated for each policy or each model point, in which regard the key input parameters are either predefined by the tariff (e. g. allowance for costs, amount of premium, actuarial interest rate) or need to be estimated (e. g. mortality or disability rates, lapse rates). These assumptions are heavily dependent on country-specific parameters, type of reinsurance and other framework conditions of the reinsurance treaty. Superimposition gives rise to a projection of the future cash flows of the reinsurance treaty, which incorporates inter alia assumptions concerning the portfolio composition and the commencement of covered policies within the year. Such assumptions are defined at the inception of a reinsurance treaty and subsequently adjusted to the actual development. In this context we would refer the reader to our comments on technical assets and provisions in section **3.2 “Summary of major accounting policies”**.

In determining the carrying amounts of certain financial assets, it is sometimes necessary to make assumptions in order to calculate fair values and determine the risk provisioning for expected credit losses. Furthermore, the measurement of our investment portfolio is also subject to transition risks as a consequence of climate change that result from the shift towards a low-carbon economy. Insofar as corresponding regulatory measures on the part of policy makers affect, for example, issuers of shares or corporate bonds in our asset portfolio, there are implications for the measurement of these instruments. In this regard we additionally refer the reader to our comments on financial instruments measured at fair value through profit or loss and on impairments in section **3.2 “Summary of major accounting policies”** and section **7.2 “Investment result”** as well as on investment property in section **6.1 “Investments”**.

Assumptions are made about the future availability of taxable income in connection with the measurement of deferred tax assets. In particular, the amount and nature of this income and the periods in which it is expected to arise are taken into account. Deferred tax assets are impaired if it is considered unlikely that sufficient taxable income will be available in the future against which deductible temporary differences, tax loss carry-forwards, and tax credits can be offset. We also refer to our comments on deferred tax assets in section **3.2 ”Summary of major accounting policies"** and section **7.5 "Taxes on income”**.

When assessing the disclosure requirement for a contingent liability, discretionary decisions and estimates must be made as to whether a present obligation exists, whether a future outflow of resources is considered probable, and whether a sufficiently reliable measurement of the obligation can be made. We refer in this regard to our comments on contingent liabilities in section **9.6 "Lawsuits”** and section **9.7 "Contingent liabilities and commitments”**.

4. Consolidation

4.1 Consolidation principles

Capital consolidation

The capital consolidation is carried out according to the requirements of IFRS 10 “Consolidated Financial Statements” on the basis of a consistent consolidation model for all entities that identifies control as the single basis for verifying the consolidation requirement, irrespective of whether control is substantiated in company law, contractually or economically. Group companies are consolidated from the point in time when Hannover Re gains control over them. Control exists if Hannover Re directly or indirectly has decision-making power over a Group company on the basis of voting rights or other rights, if it has exposure or rights to positive and negative variable returns from its involvement with the Group company and if it can use its power to influence these returns. All of these criteria must be met. Other circumstances may also give rise to control, for example the existence of a principal-agent relationship. In this case a party outside the Group with decision-making powers (agent) acts for Hannover Re, but does not control the company since it merely exercises decision-making powers that have been delegated by Hannover Re (principal). These principles are also applied to structured entities, on which further information is provided in section **4.2 “Consolidated companies and complete list of shareholdings”**. Group companies are consolidated until the Hannover Re Group loses control over them. If investments in subsidiaries are retained and a loss of control exists, measurement effects recognised for these subsidiaries in the other reserves in conformity with IFRS 10 are entirely released to profit or loss rather than merely pro rata in the amount of the interests disposed of. The accounting policies of Group companies are adjusted, where necessary, in order to ensure consistent application of the Hannover Re Group’s accounting policies.

The capital consolidation is based on the acquisition method. Goodwill derives from the acquisition of subsidiaries and corresponds to the sum of the consideration rendered, the amount of all non-controlling interests in the acquired company and the fair value of the equity interests previously held in the acquired company less the fair value of the acquired net assets. Under IFRS 3 goodwill is not amortised, but instead impairment is taken where necessary on the basis of annual impairment tests. Immaterial and negative goodwill are recognised in the statement of income in the year of their occurrence. Costs associated with acquisition are expensed.

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

A significant influence is presumed to exist if a company belonging to the Hannover Re Group directly or indirectly holds at least 20% – but no more than 50% – of the voting rights. We also derive evidence of significant influence over an associated company from representation on a governing body of such entity, participation in its policy-making processes – e. g. with respect to dividends or other distributions –, the existence of material inter-company transactions, the possibility of interchanging managerial personnel or the provision of key technical information for the entity. Further particulars on companies consolidated using the equity method of accounting are provided in the subsection **“Associated companies and joint ventures”** in section **6.1 “Investments”**.

Only subsidiaries which are of minor importance – both individually and as a whole – for the net assets, financial position and results of operations of the Hannover Re Group are exempted from consolidation. Hannover Re assesses whether a subsidiary is of minor importance on the basis of the company’s total assets and net income relative to the corresponding values for the Group as a whole on average over the last three years. For this reason, 15 (15) companies at home and abroad were not consolidated in the year under review. A further 5 (4) individual companies were not included at equity in the consolidated financial statement for the same reason. The business object of these altogether 20 (19) companies is for the most part the rendering of services for reinsurance companies within the Group.

Consolidation of business transactions within the Group

Receivables and liabilities between the companies included in the consolidated financial statement were offset against each other. Profits and expenses from business transactions within the Group were also eliminated. Transactions between a disposal group and the continuing operations of the Group were similarly eliminated in accordance with IFRS 10.

4.2 Consolidated companies and complete list of shareholdings

In addition to Hannover Rück SE as the parent company of the Group, the scope of consolidation of the Hannover Re Group encompasses the companies listed in the table below:

Information on subsidiaries

Scope of consolidation

Number of companies	2024	2025
Consolidated companies (Group companies)		
Germany	23	17
Abroad	120	118
Total	**143**	**135**
Companies included at equity		
Germany	2	2
Abroad	2	2
Total	**4**	**4**

Altogether 9 companies were newly added to the scope of consolidation in the financial year just ended, while 17 companies were removed from the scope of consolidation. Of these, 8 companies were merged into other Group companies.

Information on the non-controlling interests in shareholders' equity and profit or loss as well as on the major non-controlling interests is provided in section **6.9 "Non-controlling interests"**. On the balance sheet date there were no significant restrictions on access to or the use of Group assets due to protective rights in favour of non-controlling interests.

The sale or transfer of shares of E+S Rückversicherung AG takes place by way of an endorsement and is permissible only with the approval of the company's Supervisory Board. The Supervisory Board enjoys the right to grant or deny approval unconditionally, without being obliged to state reasons in the event of denial.

National provisions of company law or requirements of supervisory law may in certain countries limit the ability of the Hannover Re Group to transfer assets between companies belonging to the Group. These limitations result principally from local minimum capital and solvency requirements as well as to a lesser extent from foreign exchange restrictions.

List of shareholdings

The following information is the list of shareholdings in accordance with § 313 Para. 2 German Commercial Code (HGB). We make use of the exemptions pursuant to § 313 Para. 3 German Commercial Code (HGB). The stipulations of IFRS 12.10 and IFRS 12.21 have also been observed. With regard to the major acquisitions and disposals in the year under review, please see our remarks in the following subsections of this section.

List of shareholdings

Name and registered office of the company	Proportionally calculated participation in %
Domestic companies	
Affiliated consolidated companies	
Hannover Rück Beteiligung Verwaltungs-GmbH, Hannover, Germany	100.00
FUNIS GmbH & Co. KG, Hannover, Germany	100.00
HAPEP II Holding GmbH, Hannover, Germany	98.24
Hannover America Private Equity Partners II GmbH & Co. KG, Hannover, Germany	98.24
Hannover Re Global Alternatives GmbH & Co. KG, Hannover, Germany	94.72
Hannover Re Euro PE Holdings GmbH & Co. KG, Hannover, Germany	89.44
Hannover Re Euro RE Holdings GmbH, Hannover, Germany	87.68
cor F 25. GmbH & Co.KG, Cologne, Germany	87.68
ZG Zenit Grundstücksgesellschaft mbH, Cologne, Germany	87.68
Zenit BV GmbH, Cologne, Germany	87.68
HR Core Europe Real Estate GmbH, Cologne, Germany	87.68
WARTO 7 GmbH, Munich, Germany	87.67
HR GLL Central Europe GmbH & Co. KG, Munich, Germany	87.67
HR GLL Central Europe Holding GmbH, Munich, Germany	87.67
HAPEP II Komplementär GmbH, Hannover, Germany	82.40
E+S Rückversicherung AG, Hannover, Germany	64.79
Sustainable Timber Asia GmbH, Cologne, Germany	47.01
Affiliated non-consolidated companies	
HILSP Komplementär GmbH, Hannover, Germany	100.00
mertus 313. GmbH, Frankfurt am Main, Germany	87.68
Associated companies and joint ventures	
WeHaCo Unternehmensbeteiligungs-GmbH, Hannover, Germany	32.96
HANNOVER Finanz GmbH, Hannover, Germany	27.78
Other participations	
PT Beteiligungs GmbH, Hannover, Germany	26.31
Neue SEBA Beteiligungsgesellschaft mbH, Nuremberg, Germany	15.85
Internationale Schule Hannover Region GmbH, Hannover, Germany	9.17
FinLeap GmbH, Berlin, Germany	8.41
VST Gesellschaft für Versicherungsstatistik mit beschränkter Haftung, Hannover, Germany [1]	5.89
M 31 Beteiligungsgesellschaft mbH & Co. Energie KG, Düsseldorf, Germany	0.54
ELEMENT Insurance AG, Berlin, Germany [2]	0.08
Foreign companies	
Affiliated consolidated companies	
Hannover Life Re of Australasia Ltd, Sydney, Australia	100.00
Hannover Re (Ireland) Designated Activity Company, Dublin, Ireland	100.00
Hannover ReTakaful B.S.C. (c), Manama, Bahrain	100.00
Hannover Re Holdings (UK) Limited, London, United Kingdom	100.00
Hannover Re (Bermuda) Ltd., Hamilton, Bermuda	100.00
Hannover Finance, Inc., Wilmington, USA	100.00
Glencar Insurance Company, Orlando, USA	100.00
Glencar Underwriting Managers, Inc., Chicago, USA	100.00
Hannover Life Reassurance Company of America (Bermuda) Ltd., Hamilton, Bermuda	100.00
Hannover Life Reassurance Company of America, Orlando, USA	100.00
Sand Lake Re, Inc., Burlington, USA	100.00
Hannover Finance (Luxembourg) S.A., Röser, Luxembourg	100.00
Hannover Services (UK) Limited, London, United Kingdom	100.00
Inter Hannover (No. 1) Limited, London, United Kingdom	100.00
Argenta Holdings Limited, London, United Kingdom	100.00
Argenta Private Capital Limited, London, United Kingdom	100.00
APCL Corporate Director No.1 Limited, London, United Kingdom	100.00
APCL Corporate Director No.2 Limited, London, United Kingdom	100.00
Fountain Continuity Limited, Edinburgh, United Kingdom	100.00
Names Taxation Service Limited, London, United Kingdom	100.00
Argenta Secretariat Limited, London, United Kingdom	100.00
Argenta Continuity Limited, London, United Kingdom	100.00
Argenta General Partner Limited, Edinburgh, United Kingdom	100.00
Argenta General Partner II LLP, Edinburgh, United Kingdom	100.00
Argenta LLP Services Limited, London, United Kingdom	100.00
Argenta SLP Continuity Limited, Edinburgh, United Kingdom	100.00
Argenta International Limited, London, United Kingdom	100.00
Argenta Syndicate Management Limited, London, United Kingdom	100.00
Argenta Underwriting (Europe) Limited, Dublin, Ireland [1]	100.00
Argenta Underwriting Asia Pte. Ltd., Singapore, Singapore	100.00
Argenta Underwriting No.2 Limited, London, United Kingdom	100.00
Argenta Underwriting No.3 Limited, London, United Kingdom	100.00
Argenta Underwriting No.9 Limited, London, United Kingdom	100.00
Argenta Underwriting No.10 Limited, London, United Kingdom	100.00
Argenta Underwriting No.11 Limited, London, United Kingdom	100.00
Argenta No.16 Limited, London, United Kingdom	100.00
Argenta No.17 Limited, London, United Kingdom	100.00
Residual Services Limited, London, United Kingdom [3]	100.00
Residual Services Corporate Director Limited, London, United Kingdom	100.00
Hannover Reinsurance Group Africa (Pty) Ltd., Johannesburg, South Africa	100.00
Hannover Africa Limited, Johannesburg, South Africa [1]	100.00
Hannover Re South Africa Limited, Johannesburg, South Africa	100.00
Compass Insurance Company Limited, Johannesburg, South Africa	100.00
Lireas Holdings (Pty) Ltd., Johannesburg, South Africa	100.00
Film & Entertainment Underwriters SA (Pty) Ltd., Johannesburg, South Africa [1]	100.00
Integra Insurance Solutions Limited, Leeds, United Kingdom	100.00
Kubera Insurance (SAC) Ltd, Hamilton, Bermuda	100.00
Annuity Reinsurance Cell A1, Hamilton, Bermuda	100.00
Leine Investment General Partner S.à r.l., Luxembourg, Luxembourg	100.00
Leine Investment SICAV-SIF, Luxembourg, Luxembourg	100.00
LI RE, Hamilton, Bermuda	100.00
Fracom FCP, Paris, France [4]	100.00
Kaith Re Ltd., Hamilton, Bermuda	100.00
Firedart Engineering Underwriting Managers (Pty) Ltd., Johannesburg, South Africa	99.99

Hannover Re Real Estate Holdings, Inc., Orlando, USA	95.25
HR US Infra Equity LP, Wilmington, USA	95.24
GLL HRE CORE Properties, L.P., Wilmington, USA	95.15
111ORD LLC, Wilmington, USA	95.15
11809AUS LLC, Wilmington, USA	95.15
1375MCO LLC, Wilmington, USA	95.15
PLC Elite Mexico Logistics, S. de R.L. de C.V., Mexico City, Mexico	95.15
140EWR LLC, Wilmington, USA	95.15
1600FLL LLC, Wilmington, USA	95.15
17440IAH LLC, Wilmington, USA	95.15
2530AUS LLC, Wilmington, USA	95.15
3290ATL LLC, Wilmington, USA	95.15
402 Santa Monica Blvd, LLC, Wilmington, USA	95.15
405SFO LLC, Wilmington, USA	95.15
590ATL LLC, Wilmington, USA	95.15
7550BWI LLC, Wilmington, USA	95.15
7550IAD LLC, Wilmington, USA	95.15
7659BWI LLC, Wilmington, USA	95.15
975 Carroll Square, LLC, Wilmington, USA	95.15
Broadway 101, LLC, Wilmington, USA	95.15
Nashville West, LLC, Wilmington, USA	95.15
River Terrace Parking, LLC, Wilmington, USA	95.15
HRE Core Properties Chile Holding SpA, Santiago, Chile	95.15
Apoquindo CL SpA, Santiago, Chile	95.15
Apoquindo 5400 Chile Holding S.A., Santiago, Chile	95.15
Magdalena CL SpA, Santiago, Chile	95.15
Magdalena Chile Holding S.A., Santiago, Chile	95.15
Ombú CL SpA, Santiago, Chile	95.15
Ombú Chile Holding S.A., Santiago, Chile	95.15
17440IAH LP, Wilmington, USA	95.06
PAG Real Estate Asia Select Fund Limited, George Town, Cayman Islands	94.72
ASF Spectrum Limited, George Town, Cayman Islands	94.72
Ubitech Hub Pte. Ltd., Singapore, Singapore	94.72
CC Aeolus Pte. Ltd., Singapore, Singapore	94.72
CC Anchor Pte. Ltd., Singapore, Singapore	94.72
M8 Property Trust , Sydney, Australia	94.72
Markham Real Estate Partners (KSW) Pty Limited, Sydney, Australia	94.72
Bowen Investment Limited Partnership, Auckland, New Zealand	94.72
HR US Infra Debt LP, George Town, Cayman islands	94.71
Koramco No.170 General Real Estate Private Investment Company, Seoul, South Korea	94.38
Morea Limited Liability Company, Tokyo, Japan	93.77
Peace G.K., Tokyo, Japan	93.77
Rocky G.K., Tokyo, Japan	93.77

Garagesure Consultants and Acceptances (Pty) Ltd., Johannesburg, South Africa	90.00
MUA Insurance Acceptances (Pty) Ltd., Cape Town, South Africa	90.00
Transit Underwriting Managers (Pty) Ltd., Durban, South Africa	90.00
HR Core Real Estate France 1 SAS , Paris, France	87.68
HR Core Real Estate Belgium I, Brussels, Belgium	87.68
Star Grafton One S.à r.l., Luxembourg, Luxembourg	87.68
HR GLL Europe Holding S.à r.l., Luxembourg, Luxembourg	87.67
193 BCN, S.L., Madrid, Spain	87.67
3541 PRG s.r.o., Prague, Czech Republic	87.67
Akvamarín Beta s.r.o., Prague, Czech Republic	87.67
Callisto, Milan, Italy	87.67
Highgate sp. z o.o., Warsaw, Poland	87.67
HR GLL CDG Plaza S.r.l., Bucharest, Romania	87.67
HR GLL Griffin House SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ, Warsaw, Poland	87.67
HR GLL Liberty Corner SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ, Warsaw, Poland	87.67
Commercial & Industrial Acceptances (Pty) Ltd., Johannesburg, South Africa	85.00
Hospitality Industrial and Commercial Underwriting Managers (Pty) Ltd., Johannesburg, South Africa	85.00
Landmark Underwriting Agency (Pty) Ltd., Bloemfontein, South Africa	82.00
Construction Damage Assessors (Pty) Ltd, Centurion, South Africa	43.35
Real Assist (Pty) Ltd., Centurion, South Africa	43.35
Real Assist Coastal (Pty) Ltd, Centurion, South Africa	43.35
Affiliated non-consolidated companies	
Hannover Re Capital Partners Limited, Hamilton, Bermuda	100.00
Dynastic Underwriting Limited, London, United Kingdom	100.00
Inter Hannover (No.2) Limited, London, United Kingdom	100.00
Hannover Re Risk Management Services India Private Limited, Mumbai, India	100.00
Hannover Re Services Italy S.r.l., Milan, Italy	100.00
Hannover Re Services Japan, Tokyo, Japan	100.00
Hannover Re Services USA, Inc., Itasca, USA	100.00
Hannover Rück SE Escritório de Representação no Brasil Ltda., Rio de Janeiro, Brazil	100.00
Hannover Services (México) S.A. de C.V., Mexico City, Mexico	100.00
HR Hannover Re, Correduría de Reaseguros, S.A., Madrid, Spain	100.00
Edwards Insurance Group Limited, Coventry, United Kingdom	90.00
David Edwards Insurance Brokers Limited, Coventry, United Kingdom	90.00
Sustainable Forestry New Zealand Limited, Waverley, New Zealand	87.68
Associated companies and joint ventures	
Clarendon Transport Underwriting Managers (Pty) Ltd., Johannesburg, South Africa	25.11
Monument Insurance Group Limited, Hamilton, Bermuda [5]	24.63

Other participations	
Investsure Technologies Proprietary Limited, Johannesburg, South Africa [1]	32.26
Reaseguradora del Ecuador S.A., Guayaquil, Ecuador	30.00
Kopano Ventures (Pty) Ltd, Johannesburg, South Africa [1]	29.05
FLS Group AG, Baar, Switzerland	19.99
Slate Mobility Holding SARL, Luxembourg, Luxembourg	19.82
Trinity Underwriting Managers Ltd., Toronto, Canada	19.04
Merica Holdings Pte. Ltd., Singapore, Singapore	16.14
YOUPLUS Holding AG, Freienbach, Switzerland	15.00
Mosaic Insurance Holdings Limited, Hamilton, Bermuda	14.18
Different Technology (Pty) Ltd, Johannesburg, South Africa	11.10
Inqaku FC (Pty) Ltd, Port Elizabeth, South Africa	10.00
Sureify Labs, Inc., Wilmington, USA	9.99
Acte Vie S.A., Schiltigheim, France	9.38
SESOM Holding AB, Stockholm, Sweden	8.94
BriteCo Inc., Dover, USA	8.14
Centaur Animal Health, Inc., Olathe, USA	6.90
Liberty Life Insurance Public Company Ltd, Nicosia, Cyprus	3.30
LifeQ Global Limited, Dublin, Ireland	1.71
Stone Ridge Holding Group, Wilmington, USA	0.18

[1] The company is in liquidation.
[2] The company is in insolvency proceedings.
[3] The company holds 20 dormant subsidiaries with capital and reserves of altogether EUR 0.2 million.
[4] Investment fund
[5] The company is included in measurement at equity through a consolidated financial statement.

Material branches within the Group

Hannover Rück SE maintains branches that are listed below according to the amount of reinsurance revenue in the current financial year.

Material branches within the Group

in EUR million	Reinsurance revenue		Net income [1]	
	2024	2025	2024	2025
Hannover Rück SE				
Hannover Rück SE Shanghai Branch, Shanghai, China	1212.2	1061.9	-12.0	-61.8
Hannover Rueck SE Malaysian Branch, Kuala Lumpur, Malaysia	693.8	599.4	30.2	85.0
Hannover Rück SE Canadian Branch, Toronto, Canada	564.7	587.0	31.9	99.4
Hannover Rueck SE Australian Branch, Sydney, Australia	724.7	583.0	136.8	87.0
Hannover Rück SE Succursale Française, Paris, France	551.4	581.2	56.8	52.3
Hannover Re UK Life Branch, London, United Kingdom	408.8	399.6	-21.3	0.0
Hannover Rück SE Tyskland Filial, Stockholm, Sweden	272.6	277.6	-16.2	-51.1
Hannover Rück SE Hong Kong Branch, Wanchai, Hong Kong	193.3	233.7	-50.2	-43.5
Hannover Rück SE India Branch, Mumbai, India	193.6	155.2	20.9	11.7
Hannover Rueck SE Bahrain Branch, Manama, Bahrain	121.6	108.8	-36.7	23.7
Hannover Rück SE Korea Branch, Seoul, South Korea	15.4	13.0	3.7	0.3

[1] IFRS figures before consolidation

In addition, other companies belonging to the Hannover Re Group maintain further branches that both individually and collectively are to be classified as immaterial to the Group.

Structured entities

Business relations with structured entities are to be examined in accordance with IFRS 10 with an eye to their implications for consolidation. In the context of their operational activities some companies belonging to the Hannover Re Group enter into business relations with structured entities that are to be analysed and accounted for according to these provisions.

Structured entities are entities designed in such a way that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. A structured entity frequently has some or all of the following features or attributes:

- restricted activities;
- a narrow and well-defined business objective;
- insufficient equity to allow it to finance its activities without subordinated financial support;
- financing in the form of multiple contractually linked instruments issued to investors that create concentrations of credit or other risks (tranches)

In accordance with the consistent consolidation model, a structured entity – just like a subsidiary – must be consolidated if Hannover Re gains control over the said entity. With regard to the criteria for control please see also section **4.1 "Consolidation principles"**. Within the Hannover Re Group the requirement to consolidate structured entities is examined as part of an analysis that encompasses both transactions in which a structured entity is initiated by us with or without the involvement of third parties and those in which we enter into contractual relations with an already existing structured entity with or without the involvement of third parties. Consolidation decisions are reviewed as necessary and at least once a year. The list of all consolidated structured entities forms part of the list of shareholdings.

Consolidation of structured entities

The following structured entities were consolidated as at the balance sheet date:

- Kaith Re Ltd., Hamilton, Bermuda
- Kubera Insurance (SAC) Ltd, Hamilton, Bermuda
- LI RE, Hamilton, Bermuda

Kaith Re Ltd. is a so-called segregated accounts company (SAC), the sole object of which is the securitisation of reinsurance risks in the form of investment products. Under this transformation a complete underwriting risk transfer always takes place to the investor in question. In a SAC further segregated accounts exist under a general account; it is in these segregated accounts, which for liability purposes are entirely separate from one another and from the general account, that the aforementioned securitisations take place for the investors.

Kubera Insurance (SAC) Ltd is similarly a segregated accounts company, the object of which is to establish segregated accounts that are made available to non-Group companies for structured finance transactions.

Pursuant to IFRS 10 we consider the general account and the segregated accounts to be separate units to which the principles of so-called "silo accounting" are applied. In accordance with this concept, Hannover Re is required to consolidate the general account of Kaith Re Ltd. and Kubera Insurance (SAC) Ltd and is contractually responsible for the fees due to external service providers that are to be covered from the general account's own funds. Each individual segregated account is to be examined separately with an eye to a consolidation requirement and consolidated according to the particular contractual arrangements in each case.

LI RE is a segregated account of Kaith Re Ltd., the purpose of which – as with all segregated accounts under Kaith Re Ltd. – is the securitisation of underwriting risks. In contrast to the other segregated accounts, the sole investor and hence the risk carrier of LI RE is the Hannover Re Group through its subsidiary Leine Investment SICAV-SIF, Luxembourg.

As at the balance sheet date Hannover Re had not rendered any financial or other support for a consolidated structured entity. Hannover Re does not intend to render financial or other support for one or more of such entities without being contractually required to do so.

Unconsolidated structured entities

The business relations of Hannover Re Group companies with structured entities set out below do not give rise to consolidation because the criteria for control pursuant to IFRS 10 contained in our consolidation principles are not met.

Investing activities and investments in catastrophe bonds (ILS)

Within the scope of its investment activities Hannover Re participates inter alia in numerous structured entities. These are predominantly special purpose entities in the form of funds, which for their part transact certain types of equity and debt capital investments. These investments encompass private equity funds, fixed income funds, collateralised debt obligations, real estate funds, index funds and other public funds. The volume of these transactions is derived from the book values of the respective investments and amounted to EUR 6,018.1 million

(EUR 5,636.0 million) as at the balance sheet date. The maximum risk of loss corresponds to the book values.

Hannover Re participates through its subsidiary Leine Investment SICAV-SIF, Luxembourg, in a number of structured entities that issue catastrophe bonds for the securitisation of catastrophe risks by investing in such bonds. Leine Investment General Partner S.à.r.l. is the managing partner of the asset management company Leine Investment SICAV-SIF, the business object of which is to build, hold and manage a portfolio of insurance-linked securities (catastrophe bonds) – including for third-party investors outside the Group. The volume of these transactions is derived from the book values of the respective investments and amounted to EUR 100.2 million (EUR 183.5 million) as at the balance sheet date. The maximum risk of loss corresponds to the book values.

Retrocession and securitisation of reinsurance risks

The securitisation of reinsurance risks takes place largely through the use of structured entities.

By way of its “K” transactions Hannover Re has raised underwriting capacity for catastrophe risks on the capital market. The “K Cession”, which was placed with globally based investors, involves a quota share cession on worldwide natural catastrophe business as well as aviation and marine risks. Of the total volume of the “K Cession”, a large part equivalent to EUR 425.8 million (EUR 503.5 million) was securitised via structured entities as at the balance sheet date. The transaction has an indefinite term and can be cancelled annually by the investors. Segregated accounts of Kaith Re Ltd. are used for transformer purposes for part of this transaction.

Hannover Re also uses further segregated accounts of Kaith Re Ltd. and other structured entities outside the Group for various retrocessions of both its traditional and ILS covers, which in each case are passed on to institutional investors in securitised form. The volume of these transactions is measured by the ceded exposure limit of the underlying retrocession agreements and amounted to altogether EUR 9,323.9 million (EUR 7,686.9 million) as at the balance sheet date.

The structured entities are in all cases fully funded by contractually defined investments in the form of cash and equivalent liquid assets. Given that the entire exposure limit of the structured entities is therefore wholly collateralised in each case, there is no risk of loss for Hannover Re.

Collateralised fronting (ILS)

As part of its extended insurance-linked securities (ILS) activities, Hannover Re has concluded so-called collateralised fronting arrangements under which risks assumed from ceding companies are passed on to institutional investors outside the Group using structured entities. The purpose of such transactions is to directly transfer clients’ business. The volume of the transactions is derived from the ceded exposure limit of the underlying retrocession agreements and amounted to EUR 5,372.5 million (EUR 5,402.5 million) as at the balance sheet date. Part of the ceded exposure limit is funded and collateralised by contractually defined investments in the form of cash and equivalent liquid assets; a further part remains uncollateralised or is collateralised by less liquid assets. The maximum risk of loss from the uncollateralised exposure limit amounted to EUR 658.5 million (EUR 673.1 million) as at the balance sheet date. This does not, however, correspond to the economic risk of loss, which is established using recognised actuarial methods. The expected loss on a modelled basis in a worst-case scenario of 10,000 years amounts to at most EUR 17.4 million (EUR 31.9 million).

The book values of the assets and liabilities from the specified transactions with unconsolidated structured entities were as follows as at the balance sheet date:

Book values from business relations with unconsolidated structured entities

in EUR million	31.12.2024			31.12.2025		
	General investing activities	Investment in catastrophe bonds (ILS)	Retrocession incl. securitisations and ILS transactions	General investing activities	Investment in catastrophe bonds (ILS)	Retrocession incl. securitisations and ILS transactions
Assets						
Financial investments – at fair value through OCI	1,963.8			1,991.1		
Financial investments – at fair value through profit or loss	3,672.2	183.5		4,027.0	100.2	
Other invested assets	—					
Reinsurance recoverables on liability for incurred claims			645.5			468.0
Reinsurance recoverables on liability for remaining coverage			-292.0			-257.8
Total assets	**5,636.0**	**183.5**	**353.5**	**6,018.1**	**100.2**	**210.2**
Liabilities						
Reinsurance contracts ceded in a liability position			-0.1			2.9
Total liabilities	**—**	**—**	**-0.1**	**—**	**—**	**2.9**

The income and expenses from business relations with unconsolidated structured entities are shown in investment income insofar as they result from general investment activities or investments in catastrophe bonds and are recognised in the technical account insofar as they are attributable to retrocessions and securitisations.

As at the balance sheet date Hannover Re had not rendered any financial or other support for an unconsolidated structured entity. Hannover Re does not intend to render financial or other support for one or more of such entities without being contractually required to do so.

Kubera Insurance (SAC) Ltd established a segregated account that gathered investor capital by means of issued bonds and was made available to an Australian intermediary of insurance business under a swap agreement for the financing of the latter's business. Repayment of the bonds is contingent on the development of the intermediary's business. Hannover Re is an investor in this bond through one of its subsidiaries along with other external parties. The segregated account can be used flexibly for additional rounds of financing. Hannover Re is not the owner of the segregated account.

With regard to commitments and obligations that we do not consider to be support, particularly outstanding capital commitments from special investments, please see our remarks in section **9.7 "Contingent liabilities and commitments".**

4.3 Major acquisitions and new formations

In June 2025, HR Core Europe Real Estate GmbH was established with registered office in Cologne, Germany, and included in the consolidated financial statement with effect from the third quarter of 2025 after commencing active operations. All shares in the company are held by FUNIS GmbH & Co. KG, Hannover, Germany. The business object of the company is to build, hold, manage and sell investments in the form of real estate or corresponding participations in Germany and abroad.

4.4 Major disposals and retirements

In December 2025, Hannover Finance (UK) Limited, London, United Kingdom, was deleted from the companies register. A loss of EUR 12.4 million arose in the context of deconsolidation, comprised largely of the cumulative currency translation differences previously recognised in the currency translation reserve under OCI, which was reclassified to the statement of income in accordance with IAS 21. The loss on deconsolidation was recognised in other income and expenses.

4.5 Other corporate changes

In May 2025, PAG Real Estate Asia Select Fund Limited, George Town, Cayman Islands, indirectly acquired the remaining 20% of the shares in Bowen Investment Limited Partnership, Auckland, New Zealand, by way of a successive acquisition of shares. The non-controlling interest in retained earnings was reduced by EUR 24.4 million in the context of this equity transaction.

4.6 Assets held for sale

As at the balance sheet date, the participating interest in Neue SEBA Beteiligungsgesellschaft mbH, Nuremberg, (Neue SEBA) in a calculated proportionate amount of 15.85% was to be reported as a non-current asset held for sale in accordance with the requirements of IFRS 5. Previously, the participating interest had been presented within the other invested assets. Neue SEBA, as an intermediate company, holds shares in Nürnberger Beteiligungs-AG. Under a purchase agreement dated 4 November 2025, E+S Rückversicherung sold all shares in Neue SEBA Beteiligungsgesellschaft, although the transaction had still to be completed as at the balance sheet date. The transaction is expected to close in 2026. The book value of the shares in Neue SEBA amounted to EUR 63.7 million as at the balance sheet date. The cumulative changes in fair value recorded in OCI amounted to EUR 26.5 million as at the balance sheet date and are shown in the unrealised gains and losses on investments. The shares in Neue SEBA are allocated to the property and casualty reinsurance segment in the segment reporting.

Effective 1 August 2025 all shares in Meribel Mottaret Limited, St. Helier, Jersey, and effective 30 September 2025 all shares in the Luxembourg fund which in turn had acquired shares in Meribel Mottaret Limited through an intermediate company were sold. The sold participations were reported within the year in accordance with the requirements of IFRS 5 and allocated to the life and health reinsurance segment in the segment reporting. Meribel Mottaret Limited, as an intermediate company, held shares in Viridium Group, a portfolio specialist for life insurance. The book value of the Meribel Mottaret shares amounted to EUR 544.9 million at the time of sale. The cumulative changes in fair value recorded in OCI at the time of sale amounted to EUR 543.2 million before tax and – together with the preferred shares in Meribel Mottaret Limited in an amount of EUR 13.9 million already returned at the beginning of 2025 – have been reclassified from the unrealised gains and losses on investments recognised in equity to retained earnings.

Real estate which is classified as held for sale as defined by IFRS 5 is recognised separately in the consolidated balance sheet. Intentions to sell are substantiated by individual real estate market conditions and specific property circumstances, taking into consideration current and future opportunity / risk profiles. In the year under review, one property was reclassified to assets held for sale. Another property reported in the previous year's consolidated financial statement as an asset held for sale was sold in the first quarter of the year under review. Further information is provided in our remarks on real estate in section **6.1 "Investments"**

5. Segment reporting

Based on the "management approach" of IFRS 8, which requires segment information to be presented as it is reported internally to management and normally used by the chief operating decision maker to decide upon the allocation of resources to a segment and evaluate its performance, Hannover Re has identified the reportable segments of property & casualty reinsurance and life & health reinsurance. With regard to the object of business operations within the two segments please see our explanatory remarks on Hannover Re's business model in the management report. The report on economic position contains remarks on the economic environment in which the Group operates.

The segment information shown follows the system used for internal reporting purposes, on the basis of which the full Executive Board regularly evaluates the performance of segments and decides on the allocation of resources to them.

The "Consolidation" column includes not only the elimination of cross-segment transactions but also, more significantly, companies whose business operations cannot be unambiguously allocated to property and casualty reinsurance or life and health reinsurance. These are principally the service and financing companies belonging to the Group.

HR Core Europe Real Estate GmbH, which was established in June 2025 with registered office in Cologne, Germany, has been allocated to the property and casualty reinsurance segment since commencing business operations. In its function as a holding company, Hannover Finance (UK) Limited, London, United Kingdom, which was dissolved in December 2025, was included in the "Consolidation" column in the segment reporting. Above and beyond this, no material changes occurred during the financial year in the organisational structure that could have influenced the composition of the segments. Since the performance indicators used to steer the segments correspond to the system according to which the consolidated financial statement is prepared, a separate reconciliation of the segment results with the Group result is not provided.

There is no cross-segment gross reinsurance revenue between the segments of property & casualty reinsurance and life & health reinsurance. To this extent, the reinsurance revenue shown involves exclusively amounts from business with external third parties.

Consolidated segment report

	Property and casualty reinsurance		Life and health reinsurance		Consolidation		Total	
in EUR million	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025
Segmentation of assets								
Financial investments – at fair value through OCI	45,072.6	46,373.5	11,035.4	10,928.2	32.0	14.9	56,140.0	57,316.6
Financial investments – at fair value through profit or loss	5,523.6	5,642.6	907.9	497.4	1.3	8.9	6,432.8	6,148.9
Investment property	2,605.2	2,671.8	—	—	—	—	2,605.2	2,671.8
Investments in associated companies and joint ventures	72.4	74.1	46.7	11.0	—	—	119.1	85.0
Other invested assets	154.2	104.7	436.9	12.3	—	—	591.1	116.9
Total investments	**53,428.0**	**54,866.6**	**12,426.9**	**11,448.8**	**33.3**	**23.8**	**65,888.2**	**66,339.2**
Recoverables on reinsurance contracts retroceded	**1,281.4**	**792.1**	**220.1**	**315.1**	**—**	**—**	**1,501.5**	**1,107.2**
Reinsurance contracts issued in an asset position	**631.7**	**46.5**	**874.0**	**872.9**	**—**	**—**	**1,505.7**	**919.4**
Cash and cash equivalents	**938.5**	**753.0**	**308.8**	**294.0**	**5.8**	**4.4**	**1,253.1**	**1,051.5**
Other segment assets	**2,883.5**	**2,116.1**	**281.0**	**383.2**	**-1,916.7**	**-1,423.8**	**1,247.8**	**1,075.5**
Assets held for sale	**40.4**	**112.2**	**—**	**—**	**—**	**—**	**40.4**	**112.2**
Total segment assets	**59,203.4**	**58,686.4**	**14,110.9**	**13,314.1**	**-1,877.6**	**-1,395.6**	**71,436.7**	**70,604.9**

in EUR million								
Segmentation of liabilities								
Liabilities from reinsurance contracts issued	**39,618.3**	**38,318.5**	**9,299.3**	**9,107.3**	**—**	**—**	**48,917.6**	**47,425.8**
Reinsurance contracts retroceded in a liability position	**448.5**	**398.2**	**207.8**	**156.7**	**—**	**—**	**656.3**	**555.0**
Financing liabilities	**642.3**	**620.3**	**27.8**	**22.8**	**3,998.8**	**3,499.2**	**4,669.0**	**4,142.3**
Other segment liabilities	**1,976.6**	**2,024.9**	**2,712.8**	**2,204.3**	**-1,894.5**	**-1,407.4**	**2,794.9**	**2,821.7**
Total segment liabilities	**42,685.6**	**41,361.8**	**12,247.7**	**11,491.1**	**2,104.3**	**2,091.8**	**57,037.7**	**54,944.8**

Consolidated segment report

Segment statement of income	Property and casualty reinsurance		Life and health reinsurance		Consolidation		Total	
in EUR million	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025
Reinsurance revenue (gross)	18,664.7	18,770.5	7,714.5	8,015.5	—	—	26,379.3	26,786.0
Reinsurance service expenses (gross)	14,893.3	14,468.3	6,804.9	7,093.1	—	—	21,698.2	21,561.3
Reinsurance service result (gross)	**3,771.5**	**4,302.2**	**909.7**	**922.4**	**—**	**—**	**4,681.1**	**5,224.6**
Reinsurance revenue (retroceded)	2,778.4	2,598.1	565.3	902.8	—	—	3,343.8	3,500.9
Reinsurance service expenses (retroceded)	1,142.6	889.0	538.6	883.4	—	—	1,681.2	1,772.3
Result from reinsurance contracts (retroceded)	**-1,635.9**	**-1,709.1**	**-26.7**	**-19.4**	**—**	**—**	**-1,662.6**	**-1,728.5**
Reinsurance service result (net)	**2,135.6**	**2,593.0**	**882.9**	**903.0**	**—**	**—**	**3,018.5**	**3,496.1**
Reinsurance finance result (net) before currency gains/losses	**-944.7**	**-1,173.3**	**-170.3**	**-190.0**	**—**	**—**	**-1,115.0**	**-1,363.3**
Investment result	**1,607.3**	**1,301.0**	**396.1**	**370.5**	**1.6**	**1.4**	**2,005.0**	**1,672.9**
thereof								
Expected credit losses, impairment, depreciation and appreciation of investments	-101.5	-86.6	3.4	0.8	-0.2	0.1	-98.3	-85.7
Change in fair value of financial instruments	-38.5	-16.1	41.3	38.5	—	—	2.7	22.4
Profit/loss from investments in associated companies and joint ventures	63.8	2.4	-36.4	-35.6	—	—	27.4	-33.2
Currency result	**-143.0**	**232.8**	**35.0**	**10.4**	**—**	**—**	**-108.0**	**243.2**
Other income/expenses	**-268.0**	**-318.2**	**-209.8**	**-207.9**	**-5.1**	**-15.1**	**-482.9**	**-541.2**
Operating profit/loss (EBIT)	**2,387.3**	**2,635.3**	**933.9**	**886.1**	**-3.6**	**-13.7**	**3,317.6**	**3,507.7**
Financing costs	2.2	2.1	0.9	0.8	101.2	92.0	104.3	94.9
Net income before taxes	**2,385.0**	**2,633.3**	**933.0**	**885.3**	**-104.8**	**-105.8**	**3,213.3**	**3,412.8**
Taxes							816.5	645.3
Net income							**2,396.8**	**2,767.5**
thereof non-controlling interest in profit and loss							68.1	126.0
Group net income							**2,328.7**	**2,641.5**

6. Notes on the individual items of the balance sheet

6.1 Investments

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

The investments also include investment property, investments in associated companies and joint ventures as well as other invested assets. Investments for which an intention to sell exists in accordance with IFRS 5 are shown separately in the consolidated balance sheet if appropriate facts and circumstances apply.

The following table shows the regional origin of the investments.

Investments by regional origin

in EUR million	2024	2025
Germany	10,423.7	7,238.4
United Kingdom	4,287.5	4,254.2
France	2,356.4	2,704.6
Other	9,273.3	10,800.0
Europe	**26,340.9**	**24,997.2**
USA	21,809.2	20,832.6
Other	5,336.6	5,273.4
North America	**27,145.8**	**26,106.0**
Asia	6,545.6	8,424.1
Australia	4,171.1	4,345.9
Australasia	**10,716.7**	**12,770.1**
Other	**1,684.8**	**2,466.0**
Total	**65,888.2**	**66,339.2**

Maturities of fixed-income and variable-yield debt instruments

in EUR million	2024		2025	
	Amortised cost [1]	Fair value	Amortised cost [1]	Fair value
Financial investments – at fair value through OCI				
due in one year	10,022.3	10,010.1	12,525.7	12,520.8
due after one through two years	7,303.9	7,221.7	4,725.3	4,721.7
due after two through three years	4,366.0	4,295.4	5,545.2	5,527.1
due after three through four years	4,705.0	4,607.9	4,939.5	4,901.2
due after four through five years	4,799.8	4,629.4	6,773.0	6,593.0
due after five through ten years	15,840.4	14,859.6	13,342.9	13,020.4
due after more than ten years	12,340.1	10,388.0	11,055.3	9,522.7
no maturity	—	—	—	—
Total	**59,377.5**	**56,012.2**	**58,907.0**	**56,806.7**
Financial investments – at fair value through profit or loss				
due in one year	1,511.6	1,511.6	996.5	996.5
due after one through two years	179.7	179.7	144.9	144.9
due after two through three years	76.2	76.2	64.7	64.7
due after three through four years	36.3	36.3	31.6	31.6
due after four through five years	15.0	15.0	50.0	50.0
due after five through ten years	70.3	70.3	30.5	30.5
due after more than ten years	246.2	246.2	285.4	285.4
no maturity	4,297.6	4,297.6	4,468.8	4,468.8
Total	**6,432.8**	**6,432.8**	**6,072.3**	**6,072.3**

[1] Including accrued interest

The stated maturities may in individual cases diverge from the contractual maturities because borrowers may have the right to call or prepay obligations with or without penalty.

Variable-rate bonds (so-called “floaters”) are shown under the maturities due in one year and constitute an interest-related, within-the-year reinvestment risk.

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

in EUR million	2024					2025				
	Cost or amortised cost incl. accrued interest	thereof accrued interest	Unrealised gains	Unrealised losses	Fair value	Cost or amortised cost incl. accrued interest	thereof accrued interest	Unrealised gains	Unrealised losses	Fair value
Debt instruments										
Government debt securities of EU member states	6,308.3	29.9	6.3	694.3	5,620.3	6,259.2	29.9	7.4	652.7	5,613.9
US Treasury notes	11,403.7	64.6	4.6	893.6	10,514.7	9,080.0	53.4	23.0	482.6	8,620.4
Other foreign government debt securities	6,054.3	49.9	83.4	241.8	5,895.9	6,518.2	56.3	81.2	186.7	6,412.7
Debt securities issued by semi-governmental entities	10,218.8	106.0	67.8	528.2	9,758.4	11,390.4	125.1	61.8	428.0	11,024.3
Corporate securities	20,567.7	206.5	146.6	1,108.7	19,605.6	21,083.5	249.0	193.4	542.6	20,734.4
Covered bonds/asset-backed securities	4,471.8	51.8	26.2	167.2	4,330.8	4,265.7	47.6	11.8	138.6	4,139.0
Other	352.8	3.5	1.5	67.9	286.4	309.9	6.0	0.4	48.3	262.1
Total	**59,377.5**	**512.3**	**336.4**	**3,701.7**	**56,012.2**	**58,907.0**	**567.3**	**379.1**	**2,479.4**	**56,806.7**
Equity instruments										
Shares	1.2	—	0.7	1.2	0.7	206.0	—	29.7	15.1	220.6
Participating interests – other	132.3	—	2.7	7.7	127.2	306.1	—	3.7	20.6	289.2
Total	**133.4**	**—**	**3.3**	**8.9**	**127.9**	**512.1**	**—**	**33.4**	**35.7**	**509.8**
Total	**59,510.9**	**512.3**	**339.7**	**3,710.6**	**56,140.0**	**59,419.1**	**567.3**	**412.5**	**2,515.1**	**57,316.6**

The carrying amount of the debt instruments is arrived at from the amortised cost including accrued interest as well as the unrealised gains and losses.

Fair values before and after accrued interest as well as accrued interest from financial instruments at fair value through profit or loss

in EUR million	2024	2025	2024	2025	2024	2025
	Fair value before accrued interest			Accrued interest	Fair value after accrued interest	
Debt instruments						
Other foreign government debt securities	1.3	1.1	—	—	1.3	1.1
Debt securities issued by semi-governmental entities	12.5	21.6	0.3	0.4	12.7	22.0
Corporate securities	442.1	436.8	4.6	9.6	446.8	446.4
Covered bonds/asset-backed securities	1.3	0.9	—	—	1.3	0.9
Other	48.3	34.5	—	—	48.3	34.5
	505.4	**494.9**	**4.9**	**10.0**	**510.4**	**504.9**
Equity instruments						
Participating interests – other (financial investments)	—	**76.6**	—	—	—	**76.6**
Derivative instruments	231.9	166.8	-1.5	-1.6	230.4	165.2
Investment funds measured at fair value through profit or loss	5,136.6	5,024.4	—	—	5,136.6	5,024.4
Short-term investments	536.2	365.7	6.1	3.8	542.3	369.5
Other financial instruments at fair value through profit and loss	13.1	8.3	—	—	13.1	8.3
	5,917.8	**5,565.2**	**4.6**	**2.2**	**5,922.4**	**5,567.4**
Total	**6,423.3**	**6,136.8**	**9.6**	**12.2**	**6,432.8**	**6,148.9**

The carrying amounts of the financial instruments at fair value through profit or loss correspond to their fair values including accrued interest.

Hannover Re recognised in this category as at the balance sheet date primarily debt instruments and investment funds that do not meet the SPPI ("solely payment of principal and interest") test due to the characteristics of their cash flows.

Short-term investments include investments with a maturity of up to one year at the time of investment. This includes both overnight and time deposits as well as shares in investment funds that invest in such securities.

For further information please see the explanatory remarks in section **9.1 "Derivative financial instruments and financial guarantees"**.

Changes in ECL

in EUR million	2024									2025								
	Opening balance	Transfer to Stage 1	Transfer to Stage 2	Transfer to Stage 3	Additions	Disposals	Utilisation	Other [1]	Closing balance	Opening balance	Transfer to Stage 1	Transfer to Stage 2	Transfer to Stage 3	Additions	Disposals	Utilisation	Other [1]	Closing balance
Stage 1	46.7	2.3	-1.2	—	24.3	13.4	—	-12.5	46.3	46.3	0.8	-2.0	—	31.5	21.5	—	-5.9	49.2
Stage 2	16.4	-2.3	1.2	-0.3	—	6.6	—	4.4	12.8	12.8	-0.8	2.0	—	—	9.4	—	2.0	6.7
Stage 3	122.9	—	—	0.3	—	3.4	59.2	19.8	80.4	80.4	—	—	—	—	—	50.5	-7.8	22.1
Simplified impairment model	0.7	—	—	—	—	—	—	0.3	1.1	1.1	—	—	—	-0.1	—	—	-0.1	0.9
Total	**186.7**	**—**	**—**	**—**	**24.4**	**23.4**	**59.2**	**12.1**	**140.6**	**140.6**	**—**	**—**	**—**	**31.4**	**30.8**	**50.5**	**-11.7**	**78.9**

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

An amount of EUR 50.5 million was utilised through the disposal of fixed-income securities recognised in Stage 3 of the three-stage model for recognition of expected credit losses (ECL). Utilisation was recognised in OCI in conformity with the requirements of IFRS 9.

For further explanatory remarks on the impairment criteria please see section **3.2 "Summary of major accounting policies"**.

Rating structure of fixed-income securities

in EUR million	2024									2025								
	AAA	AA	A	BBB	BB	B	C	Other	Total	AAA	AA	A	BBB	BB	B	C	Other	Total
Financial investments – at fair value through OCI	13,509.8	17,216.3	11,877.9	9,642.1	1,557.5	294.7	48.7	1,865.1	56,012.2	15,743.9	15,765.2	12,520.4	9,648.1	1,488.6	314.0	32.0	1,294.6	56,806.7
Financial investments – at fair value through profit or loss	40.8	13.9	56.1	157.9	51.7	0.2	1.4	188.4	510.4	31.6	13.3	47.6	184.1	63.6	6.7	1.4	156.6	504.9
Total	**13,550.6**	**17,230.2**	**11,934.0**	**9,800.0**	**1,609.2**	**294.9**	**50.1**	**2,053.5**	**56,522.6**	**15,775.5**	**15,778.5**	**12,567.9**	**9,832.3**	**1,552.1**	**320.8**	**33.4**	**1,451.2**	**57,311.6**

The maximum credit risk of the items shown here corresponds to their carrying amounts.

Breakdown of investments by currencies

in EUR million	2024								2025							
	AUD	CAD	CNY	EUR	GBP	USD	Other	Total	AUD	CAD	CNY	EUR	GBP	USD	Other	Total
Financial investments – at fair value through OCI	4,048.0	2,515.2	2,812.7	14,061.1	2,903.4	26,173.5	3,626.3	56,140.0	4,008.2	2,170.4	2,450.5	14,685.1	2,916.9	26,885.5	4,200.1	57,316.6
Financial investments – at fair value through profit or loss	-480.8	-658.6	19.9	2,078.1	135.5	4,998.7	340.1	6,432.8	-122.9	-379.3	103.8	3,604.3	315.1	2,385.7	242.4	6,148.9
Investment property	78.9	—	—	1,045.3	—	890.8	590.3	2,605.2	84.1	—	—	1,202.3	—	736.2	649.2	2,671.8
Investments in associated companies	—	—	—	118.4	—	—	0.7	119.0	—	—	—	84.4	—	—	0.7	85.0
Other invested assets	—	—	—	543.6	9.3	35.0	3.2	591.1	—	—	—	52.0	8.8	55.7	0.5	116.9
Total	**3,646.1**	**1,856.6**	**2,832.6**	**17,846.5**	**3,048.2**	**32,098.0**	**4,560.6**	**65,888.1**	**3,969.4**	**1,791.1**	**2,554.3**	**19,628.1**	**3,240.8**	**30,063.1**	**5,092.9**	**66,339.2**

The maximum credit risk of the items shown here corresponds to their carrying amounts.

Associated companies and joint ventures

Investments in material joint ventures

The joint venture "Joint HR MR Private Equity GmbH" held by Hannover Rück SE (roughly 41.3%) and E+S Rückversicherung AG (roughly 8.7%) together with Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft was split up by mutual agreement effective 1 July 2024. For detailed information on the demerger we refer to the previous year's annual report.

Joint HR MR Private Equity GmbH – reconciliation to book values

in EUR million	2024	2025
Equity as at 1.1.	4,127.5	—
Net income	131.7	—
Income and expense recognised directly in equity	47.6	—
Changes in the consolidated group	-4,306.8	—
Equity as at 31.12.	**—**	**—**

Joint HR MR Private Equity GmbH – condensed statement of comprehensive income

in EUR million	2024	2025
Net income from investments	132.4	—
Interest income	3.2	—
Other income and expenses	16.2	—
Tax expense	20.1	—
Net income	131.7	—
Income and expense recognised directly in equity	47.6	—
Comprehensive income	**179.3**	**—**
thereof non-controlling interests	14.7	—
Group share of net income	62.0	—

Investments in associated companies

The associated companies included at equity in the consolidated financial statement that both on an individual basis and in their entirety are not material for the Hannover Re Group pursuant to IFRS 12 are comprised of

- WeHaCo Unternehmensbeteiligungs-GmbH, Hannover, Germany,
- HANNOVER Finanz GmbH, Hannover, Germany,

as well as the following company included at equity within the subgroup Hannover Reinsurance Group Africa (Pty) Ltd., Johannesburg, South Africa:

- Clarendon Transport Underwriting Managers (Pty) Ltd., Johannesburg, South Africa,

The following table shows combined financial information on the Hannover Re Group's individually non-material investments in associated companies.

Financial information on investments in non-material associated companies

in EUR million	2024	2025
Group share of net income from continuing operations	1.9	2.4
Group share of total recognised income and expense	**1.9**	**2.4**

The carrying amount of the investments in non-material associated companies changed as follows in the year under review:

Investments in non-material associated companies

in EUR million	2024	2025
Net book value at 31 December of the previous year	**72.0**	**72.4**
Currency translation at 1 January	—	—
Net book value after currency translation	**72.0**	**72.4**
Disposals	0.6	—
Profit or loss on investments in associated companies	1.9	2.4
Dividend payments	0.9	0.7
Net book value at 31 December of the year under review	**72.4**	**74.1**

Investments in material associated companies

FUNIS GmbH & Co. KG, Hannover, a wholly owned subsidiary of Hannover Rück SE, holds 24.6% of the common shares in Monument Insurance Group Limited, Hamilton, Bermuda (MIGL). The participation is identical to the share of voting rights held and – with a seat on the Board of Directors – establishes a significant influence over MIGL. In addition, a subsidiary of MIGL issued non-voting, non-callable preference shares in which FUNIS does not hold an interest. MIGL is a life insurance group that specialises in acquiring and operating life insurance portfolios and companies in Europe, primarily those in run-off. Measurement at equity is based on a consolidated financial statement drawn up by the company as at 30 September in accordance with UK GAAP, which is reconciled to IFRS and restated if significant transactions or other events occur.

MIGL – condensed balance sheet

in EUR million	2024	2025
Current assets	1,520.8	1,098.1
Non-current assets	13,641.3	10,975.9
Current liabilities	174.0	163.2
Non-current liabilities	14,531.5	11,588.8
Equity at 30 September	456.6	322.0
Updated equity at 31 December	456.6	322.0
thereof non-controlling interests	6.2	6.0

MIGL – reconciliation to book values

in EUR million	2024	2025
Updated equity at 1 January	589.7	456.6
Capital increases	198.1	—
Capital repayments	183.6	—
Net income	-127.7	-97.3
Income and expense recognised directly in equity	—	-0.4
Changes in ownership interest with no change of control status	-10.6	—
Dividends	9.3	36.8
Updated equity at 31 December	**456.6**	**322.0**
thereof non-controlling interests	6.2	6.0
Group interest in equity	5.0 %	-3.4%
Proportionate attributable equity	22.5	-10.6
Hidden reserves	24.2	21.6
Book value of Group share	**46.7**	**11.0**

MIGL – condensed statement of comprehensive income

in EUR million	2024	2025
Earned premium	651.9	-36.5
Net income from continuing operations	-127.7	-97.3
Net income	-127.7	-97.3
Total income and expense recognised directly in equity	—	-0.4
Total recognised income and expense	**-127.7**	**-97.7**
thereof non-controlling interests	-13.7	-0.2
Proportionate attributable net income	-36.4	-35.6

Information on the percentage share held by the Hannover Re Group in the capital of associated companies and joint ventures is provided in the list of

shareholdings in section **4.2 "Consolidated companies and complete list of shareholdings"**.

Insofar as there are commitments from contingent liabilities of associated companies and joint ventures, the Hannover Re Group shares in such commitments in proportion to its respective shareholding. Public price listings are not available for companies valued at equity. The net book value of associated companies and joint ventures includes goodwill in the amount of EUR 10.9 million (EUR 11.8 million). For further details please see section **4. "Consolidation"**.

Real estate

Real estate is divided into real estate for own use and investment property. Own-use real estate is recognised under other assets.

The investment property in the portfolio which is used to generate income is shown under the investments. Income and expenses from rental agreements are included in the investment income.

Real estate is valued at cost of acquisition less depreciation with useful lives of at most 50 years as well as impairments in the event of permanent impairment.

In the year under review one property was reclassified to assets held for sale. At the time of reclassification and at the end of the reporting period, the gross book value of the property, which is allocated to the property and casualty reinsurance segment in the segment reporting, amounted to EUR 68.9 million (EUR 41.5 million) and the cumulative depreciation amounted to EUR 18.9 million (EUR 2.5 million). Measurement of the property in connection with classification as a non-current asset held for sale did not result in any impairment.

Another property reported in the previous year's consolidated financial statement as an asset held for sale was sold in the first quarter of the year under review. The property, which was allocated to the property and casualty reinsurance segment in the segment reporting, was carried at amortised cost until disposal. The book value of the property at the time of disposal was EUR 40.4 million and the gain on disposal amounted to EUR 10.4 million.

Development of investment property

in EUR million	2024	2025
Gross book value at 31 December of the previous year	2,978.9	3,129.9
Currency translation at 1 January	58.1	-187.8
Gross book value after currency translation	**3,037.0**	**2,942.1**
Additions	202.6	452.1
Disposals	52.1	170.8
Reclassification to assets held for sale	41.5	68.9
Currency translation at 31 December	-16.2	-1.4
Gross book value at 31 December of the year under review	**3,129.9**	**3,153.0**
Cumulative depreciation at 31 December of the previous year	442.4	524.7
Currency translation at 1 January	15.3	-34.4
Cumulative depreciation after currency translation	**457.7**	**490.3**
Disposals	25.4	74.3
Depreciation	60.5	62.0
Impairments	37.5	26.1
Appreciation	2.7	4.4
Reclassification to assets held for sale	2.5	18.9
Currency translation at 31 December	-0.5	0.2
Cumulative depreciation at 31 December of the year under review	**524.7**	**481.2**
Net book value at 31 December of the previous year	**2,536.5**	**2,605.2**
Net book value at 1 January of the year under review	**2,579.3**	**2,451.8**
Net book value at 31 December of the year under review	**2,605.2**	**2,671.8**

With regard to the right-of-use assets included as part of the accounting of leases, please see section **9.8 "Leases"**.

The fair value of investment property excluding capitalised right-of-use assets amounted to EUR 3,137.2 million (EUR 3,099.6 million) as at the balance sheet date.

In terms of diversification across various real estate sectors, the focus is primarily on office buildings (61%), complemented by logistics properties (26%) and retail (11%). In geographical terms, exposures are spread across the United States (35%), Europe (excluding Germany; 23%) as well as Germany (21%) and Asia (21%).

Changes in this item are attributable to investment activities at the relevant real estate companies belonging to the Hannover Re Group. The real estate in the investment portfolio is normally subject to internal or external valuation by an appraiser as at the balance sheet date. The two analyses do not differ from one another in the methodology used, which means that the findings are comparable at all times and on a continuous basis. Generally speaking, the fair value of the real estate is determined using the German income approach, with rental income capitalised in consideration of the associated management costs. The valuation result is also influenced by increases and reductions based on specific property circumstances (upkeep, vacancies, rent divergences from the market level, etc.). The evaluation of international real estate also draws primarily on the discounted cash flow (DCF) method. The main feature of this method is the present value estimation of projected annual free cash flows.

In addition, we held indirect real estate / infrastructure investments measured at fair values in an amount of EUR 1,273.8 million (EUR 1,221.2 million) in the year under review, which are recognised in the item "Financial investments – at fair value through profit or loss".

Other invested assets

The other invested assets consisted of participating interests measured at fair value in an amount of EUR 116.9 million (EUR 591.1 million), the amortised cost of which amounted to EUR 174.7 million (EUR 232.8 million). The decrease in this item is mainly attributable to the reclassification of participating interests to assets held for sale. We refer to our comments in section **4.6 "Assets held for sale"**. The differences between the carrying amounts and the amortised costs were recognised as unrealised gains of EUR 0.1 million (EUR 407.6 million) and unrealised losses of EUR 57.8 million (EUR 49.3 million) under cumulative other comprehensive income.

Fair value hierarchy

For the purposes of the disclosure requirements pursuant to IFRS 13 “Fair Value Measurement”, financial assets and liabilities are to be assigned to a three-level fair value hierarchy.

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

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

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

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

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

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

in EUR million	2024				2025			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Debt instruments	—	55,025.1	987.1	56,012.2	—	56,270.8	536.0	56,806.7
Equity instruments	—	—	127.9	127.9	218.2	—	291.6	509.8
Financial investments – at fair value through OCI	**—**	**55,025.1**	**1,114.9**	**56,140.0**	**218.2**	**56,270.8**	**827.6**	**57,316.6**
Debt instruments	—	430.0	93.4	523.4	—	429.0	84.2	513.2
Equity instruments	—	—	—	—	—	—	76.6	76.6
Derivative instruments	—	91.5	138.8	230.4	—	75.8	89.4	165.2
Investment funds	849.6	191.9	4,095.2	5,136.6	784.3	88.4	4,151.8	5,024.4
Short–term investments	542.3	—	—	542.3	369.5	—	—	369.5
Financial investments – at fair value through profit or loss	**1,392.0**	**713.4**	**4,327.5**	**6,432.8**	**1,153.8**	**593.2**	**4,402.0**	**6,148.9**
Other invested assets	**—**	**—**	**591.1**	**591.1**	**—**	**—**	**116.9**	**116.9**
Negative market values from derivative instruments	—	93.0	4.7	97.6	—	79.9	21.6	101.5
Financial liabilities (at fair value)	**—**	**93.0**	**4.7**	**97.6**	**—**	**79.9**	**21.6**	**101.5**

The following table provides a reconciliation of the fair values of financial assets and liabilities included in level 3 during the financial year.

Movements in level 3 financial assets and liabilities

in EUR million	2024								2025							
	Financial investments – at fair value through OCI		Financial investments – at fair value through profit or loss				Other invested assets	Financial liabilities (at fair value)	Financial investments – at fair value through OCI		Financial investments – at fair value through profit or loss				Other invested assets	Financial liabilities (at fair value)
	Debt instruments	Equity instruments	Debt instruments	Equity instruments	Derivative instruments	Investment funds		Negative fair values from derivative instruments	Debt instruments	Equity instruments	Debt instruments	Equity instruments	Derivative instruments	Investment funds		Negative fair values from derivative instruments
Net book value at 31 December of the previous year	684.1	—	64.2	—	154.7	1,744.4	963.0	8.9	987.1	127.9	93.4	—	138.8	4,095.2	591.1	4.7
Currency translation at 1 January	26.4	—	3.7	—	8.9	58.5	15.3	0.5	-85.5	-12.2	-10.3	—	-15.5	-287.0	-1.9	-0.5
Net book value after currency translation	**710.5**	**—**	**67.9**	**—**	**163.6**	**1,803.0**	**978.3**	**9.4**	**901.6**	**115.7**	**83.1**	**—**	**123.3**	**3,808.2**	**589.2**	**4.1**
Income and expenses recognised in the statement of income	2.2	—	-1.7	—	70.3	-46.8	23.4	0.4	-1.5	—	5.0	—	39.7	-62.2	-2.3	0.2
Income and expenses recognised directly in shareholders' equity	-1.0	-2.7	—	—	—	—	2.9	—	11.1	-5.8	—	—	—	—	171.5	—
Purchases	272.6	68.6	48.3	—	—	629.8	51.7	—	128.5	195.3	23.5	75.0	—	700.7	259.8	20.2
Sales	53.7	3.2	21.0	—	92.8	376.5	68.0	4.7	38.5	12.7	25.8	—	82.6	277.4	831.3	2.5
Settlements	38.0	—	0.3	—	—	—	—	—	61.7	—	1.4	—	—	—	—	—
Transfers from level 3	—	—	—	—	—	—	—	—	422.8	—	—	—	—	—	—	—
Transfers to level 3	88.0	—	—	—	—	—	—	—	—	1.0	—	—	—	—	—	—
Change in consolidation	2.4	—	—	—	—	2,034.2	-329.0	—	—	—	—	—	—	—	—	—
Reclassification	—	61.4	—	—	—	—	-61.4	—	—	5.2	—	—	—	—	-5.2	—
Reclassification to assets held for sale	—	—	—	—	—	—	—	—	—	—	—	—	—	—	63.7	—
Currency translation at 31 December of the year under review	4.2	3.8	0.2	—	-2.2	51.4	-6.8	-0.4	19.3	-6.9	-0.2	1.6	8.9	-17.6	-1.1	-0.5
Net book value at 31 December of the year	**987.1**	**127.9**	**93.4**	**—**	**138.8**	**4,095.2**	**591.1**	**4.7**	**536.0**	**291.6**	**84.2**	**76.6**	**89.4**	**4,151.8**	**116.9**	**21.6**

In the 2025 financial year, the classification of certain financial assets and liabilities within the fair value hierarchy was adjusted in accordance with IFRS 13. Specifically, borrower's notes with a volume of EUR 422.8 million were reclassified from Level 3 to Level 2. The reclassification had no implications for the fair value of the instruments or for the statement of income.

The breakdown of income and expenses recognised in the statement of income in the financial year in connection with financial assets and liabilities included in level 3 is as follows:

Income and expenses from level 3 financial assets and liabilities

in EUR million	2024						2025					
	Financial investments – at fair value through OCI	Financial investments – at fair value through profit or loss			Other invested assets	Financial liabilities (at fair value)	Financial investments – at fair value through OCI	Financial investments – at fair value through profit or loss			Other invested assets	Financial liabilities (at fair value)
	Debt instruments	Debt instruments	Derivative instruments	Investment funds		Negative fair values from derivative financial instruments	Debt instruments	Debt instruments	Derivative instruments	Investment funds		Negative fair values from derivative financial instruments
Total in the financial year												
Ordinary investment income	2.1	0.3	—	—	—	—	—	4.0	—	—	—	—
Realised gains and losses on investments	0.1	—	—	—	—	—	-0.9	—	—	—	—	—
Change in fair value of financial instruments	—	-1.9	70.3	-46.8	23.4	-0.4	—	1.0	39.7	-62.2	-2.3	-0.2
Thereof attributable to financial instruments included in the portfolio at 31 December												
Ordinary investment income	0.5	0.7	—	—	—	—	—	0.5	—	—	—	—
Change in fair value of financial instruments	—	-2.2	70.3	-46.8	23.4	-0.4	—	1.0	7.9	-62.2	-2.3	0.7

If models are used to measure financial assets and liabilities included in level 3 under which the adoption of alternative inputs leads to a material change in fair value, IFRS 13 requires disclosure of the effects of these alternative assumptions. Of the financial assets included in level 3 with fair values of altogether EUR 5,346.5 million (EUR 6,033.5 million) as at the balance sheet date, Hannover Re measures financial assets with a volume of EUR 4,636.9 million (EUR 4,814.2 million) using the net asset value method. These items consist principally of shares in private equity and real estate funds. Assuming that the present values of the assets and liabilities contained in the funds would be 10% lower than used for measurement as at the balance sheet date, the fair values for these items would amount to EUR 4,173.2 million. The remaining financial assets included in level 3 with a volume of EUR 709.6 million (EUR 1,219.3 million) relate to financial instruments, the valuation of which is based inter alia on technical parameters. Derivative financial instruments in connection with the reinsurance business were recognised under the financial liabilities included in level 3 in the year under review. Their performance is dependent upon lapse rates within an underlying primary insurance portfolio. The application of alternative inputs and assumptions has no material effect on the consolidated financial statement.

6.2 Goodwill

In accordance with IFRS 3 “Business Combinations” amortisation is not taken on goodwill. Goodwill was subject to an impairment test.

Development of goodwill

in EUR million	2024	2025
Net book value at 31 December of the previous year	78.0	79.9
Currency translation at 1 January	2.0	-2.0
Net book value at 31 December of the year under review	**79.9**	**77.9**

This item principally includes the goodwill from the acquisitions of E+S Rückversicherung AG in an amount of EUR 36.1 million (36.1 million), Integra Insurance Solutions Limited at EUR 11.0 million (EUR 11.5 million) and Argenta Holdings Limited at EUR 29.0 million (EUR 30.5 million).

For the purposes of the impairment test, the goodwill was allocated to the cash-generating units (CGUs) that represent the lowest level on which goodwill is monitored for internal management purposes. In the instances of goodwill recognised as at the balance sheet date, the CGUs are the respective legal entities. The recoverable amount is established on the basis of the value in use, which is calculated using the discounted cash flow method. In this context, the detailed planning phase draws on the planning calculations of the CGUs / companies covering the next four or five years. These planning calculations represent the outcome of a detailed planning process in which all responsible members of management are involved and where allowance is made for the latest market developments affecting the relevant entity (in relation to the sector and the economy as a whole). The profit margins that management believes can be sustainably generated are used for the subsequent perpetuity phase, with zero growth consistently assumed. The capitalisation rate is based on the Capital Asset Pricing Model (CAPM). The risk-free basic interest rate is determined, where possible, using corresponding yield curve data from the respective national banks. If this data cannot be obtained or can only be obtained with a disproportionately high effort, reference is made to the yields of the respective 30-year government bonds. Both the yield curves and the government bonds reflect the current interest rate trend on financial markets. The selection of the market risk premium is guided by the ranges

currently recommended by the Institute of Public Auditors in Germany (IDW). The beta factor is calculated for Hannover Rück SE on the basis of publicly accessible capital market data. The foreign exchange rates used for currency translation correspond to the situation on the balance sheet date.

The following capitalisation rates and growth rates were recognised for the individual cash-generating units:

Capitalisation rates

	2024	2025
		Capitalisation rate
Argenta Holdings Limited	10.16 %	10.65 %
E+S Rückversicherung AG	8.00 %	8.79 %
Integra Insurance Solutions Limited	10.30 %	10.74 %

The capitalisation rates as well as material / value-influencing items of the respective planning calculations (inter alia reinsurance revenue, premium volumes, investment income or loss ratios) were varied as part of sensitivity analyses. In this context, individual parameters were changed within appropriate bands that can be expected in light of the current market situations and developments. It was established that where changes were made to parameters in areas that could reasonably occur, the values in use were above the corresponding book values. We would also refer to our basic remarks in section **3.2 "Summary of major accounting policies"**.

6.3 Other assets

Other assets

in EUR million	2024	2025
Other intangible assets	131.7	118.4
Insurance for pension commitments	110.1	110.8
Own-use real estate	109.8	105.7
Tax refund claims	189.2	348.7
Fixtures, fittings and equipment	40.6	25.9
Receivables from advance payments and services	213.3	180.8
Sundry	562.3	455.9
Total	**1,357.0**	**1,346.3**

With regard to the right-of-use assets from lease contracts included in the items "Own-use real estate", "Fixtures, fittings and equipment" and "Sundry", please see section **9.8 "Leases"**.

Insurance for pension commitments

In the past Hannover Rück SE took out insurance covers for pension commitments. The commitments involve, firstly, deferred annuities with regular premium payment under a group insurance policy and, secondly, the funding of direct commitments from deferred compensation for lump-sum payments in the event of death or on reaching retirement age. The insurance covers were carried as a separate asset at fair value in an amount of EUR 110.8 million (EUR 110.1 million).

Fixtures, fittings and equipment

Fixtures, fittings and equipment

in EUR million	2024	2025
Gross book value at 31 December of the previous year	179.3	177.1
Currency translation at 1 January	3.5	-6.0
Gross book value after currency translation	**182.8**	**171.1**
Additions	17.4	7.0
Disposals	23.0	30.6
Reclassifications	—	-26.9
Currency translation at 31 December	-0.1	1.0
Gross book value at 31 December of the year under review	**177.1**	**121.6**
Cumulative depreciation at 31 December of the previous year	142.6	136.5
Currency translation at 1 January	2.7	-4.8
Cumulative depreciation after currency translation	**145.3**	**131.7**
Disposals	22.2	29.4
Depreciation	13.6	13.0
Reclassifications	—	-20.4
Currency translation at 31 December	-0.3	0.9
Cumulative depreciation at 31 December of the year under review	**136.5**	**95.8**
Net book value at 31 December of the previous year	**36.7**	**40.6**
Net book value at 31 December of the year under review	**40.6**	**25.9**

With regard to the measurement of fixtures, fittings and equipment, the reader is referred to our explanatory notes on the other assets in **3.2 "Summary of major accounting policies"**.

With regard to the leased assets contained in this table we would refer to section **9.8 "Leases"**.

Other intangible assets

Development of other intangible assets

in EUR million	2024	2025
Gross book value at 31 December of the previous year	394.6	405.8
Currency translation at 1 January	4.9	-5.1
Gross book value after currency translation	**399.5**	**400.7**
Transfer	—	14.7
Additions	14.9	12.5
Disposals	8.5	1.8
Currency translation at 31 December	-0.1	-1.6
Gross book value at 31 December of the year under review	**405.8**	**424.6**
Cumulative depreciation at 31 December of the previous year	259.8	274.0
Currency translation at 1 January	1.2	-1.0
Cumulative depreciation after currency translation	**261.0**	**273.0**
Transfer	—	14.7
Disposals	8.2	1.7
Depreciation	21.0	21.5
Currency translation at 31 December	0.2	-1.3
Cumulative depreciation at 31 December of the year under review	**274.0**	**306.2**
Net book value at 31 December of the previous year	**134.7**	**131.7**
Net book value at 31 December of the year under review	**131.7**	**118.4**

This item includes EUR 34.0 million (EUR 41.1 million) for purchased software as at the balance sheet date, on which depreciation is taken over useful lives of three to ten years. Of the additions, an amount of EUR 2.4 million (EUR 3.9 million) is attributable to purchased software. Among other things, the amortised cost of the intangible assets identified in connection with the acquisition of Argenta Holdings Limited in an amount of EUR 72.9 million (EUR 78.0 million) is also recognised under other intangible assets.

Credit risks may result from other financial assets that were not overdue or adjusted as at the balance sheet date. In this regard, the reader is referred in general to our comments on the credit risk within the risk report as well as to the ECL development in section **6.1 "Investments"**.

6.4 Technical assets and liabilities

The reinsurance recoverables on the liability for incurred claims and the liability for remaining coverage are based on the contractual arrangements of the underlying reinsurance treaties. We would additionally refer to the explanatory remarks in the risk report regarding the type and scope of risks arising out of insurance contracts.

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

Technical liabilities

in EUR million		Liability for incurred claims (LIC)	Liability for remaining coverage (LRC)	Total
2024	Issued	50,486.9	-1,569.3	**48,917.5**
	Retroceded	2,566.1	-1,064.6	**1,501.5**
	Net	**47,920.8**	**-504.8**	**47,416.0**
2025	Issued	51,801.3	-4,375.5	**47,425.8**
	Retroceded	1,897.3	-790.1	**1,107.2**
	Net	**49,904.0**	**-3,585.4**	**46,318.6**

In addition, we recognised assets from reinsurance contracts issued of EUR 919.4 million (EUR 1,505.7 million) and liabilities from reinsurance contracts held of EUR 555.0 million (EUR 656.3 million) as at the balance sheet date.

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

Confidence level of the technical reserves

Applying our "pricing margin approach"(cf. explanatory remarks on the risk adjustment for non-financial risk in section **3.2 "Summary of major accounting policies"**) and allowing for risk diversification between the companies belonging to the Hannover Re Group, the confidence level for our technical reserves as at the balance sheet date is 81.5% (82.8%).

In contrast to the calculation of risk capital under Solvency II, the determination of the confidence level is based not on consideration of the one-year horizon but rather an ultimate perspective. Presentation based on the one-year horizon would result in a higher confidence level.

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

in EUR million	2024				2025			
	LRC excluding loss component	Loss component	LIC	Total	LRC excluding loss component	Loss component	LIC	Total
Opening balance – assets	**1,394.4**	**-2.3**	**-372.3**	**1,019.8**	**1,416.6**	**-19.1**	**108.2**	**1,505.7**
Opening balance – liabilities	**-2,480.3**	**505.6**	**46,214.1**	**44,239.4**	**-2,385.7**	**816.4**	**50,486.9**	**48,917.5**
Opening balance – net	**-3,874.8**	**507.9**	**46,586.5**	**43,219.6**	**-3,802.3**	**835.5**	**50,378.7**	**47,411.8**
Contracts under the modified retrospective approach	-2,273.6	—	—	-2,273.6	-2,117.8	—	—	-2,117.8
Contracts under the fair value approach	-4,861.0	—	—	-4,861.0	-4,242.7	—	—	-4,242.7
Other contracts	-19,244.5	—	—	-19,244.5	-20,425.5	—	—	-20,425.5
Reinsurance revenue	**-26,379.2**	**—**	**—**	**-26,379.2**	**-26,786.0**	**—**	**—**	**-26,786.0**
Incurred claims and other reinsurance service expenses	-0.2	-183.7	20,449.3	20,265.4	0.3	-205.1	19,784.7	19,579.9
Amortisation of insurance acquisition cash flows	1,006.7	—	—	1,006.7	1,009.0	—	—	1,009.0
Losses and reversal of losses on onerous contracts	0.1	480.8	—	480.9	—	478.4	—	478.5
Adjustments to liabilities for incurred claims	—	—	-54.8	-54.8	—	—	494.0	494.0
Reinsurance service expenses	**1,006.6**	**297.1**	**20,394.5**	**21,698.2**	**1,009.4**	**273.3**	**20,278.7**	**21,561.3**
Investment component	**-5,949.1**	**—**	**5,949.1**	**—**	**-6,581.1**	**—**	**6,581.1**	**—**
Reinsurance finance result before currency gains/losses plus changes through OCI	929.4	16.7	827.1	1,773.2	834.4	20.4	721.3	1,576.1
Currency gains/losses	-28.6	13.8	1,350.3	1,335.6	123.8	-55.1	-3,478.1	-3,409.4
Reinsurance finance result	**900.9**	**30.5**	**2,177.4**	**3,108.8**	**958.2**	**-34.7**	**-2,756.8**	**-1,833.3**
Premiums received	31,398.0	—	—	31,398.0	32,723.8	—	—	32,723.8
Claims and other reinsurance service expenses paid, including investment components	—	—	-24,728.8	-24,728.8	—	—	-21,807.0	-21,807.0
Insurance acquisition cash flows paid	-904.8	—	—	-904.8	-4,764.3	—	—	-4,764.3
Cash flows	**30,493.2**	**—**	**-24,728.8**	**5,764.5**	**27,959.5**	**—**	**-21,807.0**	**6,152.5**
Closing balance – assets	**1,416.6**	**-19.1**	**108.2**	**1,505.7**	**1,802.1**	**-9.5**	**-873.3**	**919.4**
Closing balance – liabilities	**-2,385.7**	**816.4**	**50,486.9**	**48,917.5**	**-5,440.2**	**1,064.6**	**51,801.3**	**47,425.8**
Closing balance – net	**-3,802.3**	**835.5**	**50,378.7**	**47,411.8**	**-7,242.3**	**1,074.1**	**52,674.6**	**46,506.4**

Movement in carrying amount by measurement components – reinsurance contracts issued

in EUR million	2024						2025					
	EPV of future cash flows	Risk adjustment for non-financial risk	CSM			Total	EPV of future cash flows	Risk adjustment for non-financial risk	CSM			Total
			Contracts under modified retrospective approach	Contracts under fair value approach	Other contracts				Contracts under modified retrospective approach	Contracts under fair value approach	Other contracts	
Opening balance – assets	**2,322.9**	**-113.4**	**-320.5**	**-385.3**	**-483.9**	**1,019.8**	**2,424.1**	**-50.7**	**-107.5**	**-242.9**	**-517.3**	**1,505.7**
Opening balance – liabilities	**33,564.3**	**3,822.2**	**2,085.4**	**2,455.3**	**2,312.3**	**44,239.4**	**36,670.3**	**4,134.2**	**2,494.7**	**2,661.9**	**2,956.4**	**48,917.5**
Opening balance	**31,241.3**	**3,935.6**	**2,405.9**	**2,840.6**	**2,796.2**	**43,219.6**	**34,246.3**	**4,184.9**	**2,602.2**	**2,904.8**	**3,473.7**	**47,411.8**
CSM recognised in the profit or loss for services provided	—	—	-232.0	-612.0	-4,279.5	-5,123.5	—	—	-203.8	-336.1	-4,658.5	-5,198.4
Change in risk adjustment for non-financial risk expired	—	-308.8	—	—	—	-308.8	—	-322.1	—	—	—	-322.1
Experience adjustments	324.8	—	—	—	—	324.8	-677.0	—	—	—	—	-677.0
Reinsurance service result – changes relate to current service	**324.8**	**-308.8**	**-232.0**	**-612.0**	**-4,279.5**	**-5,107.5**	**-677.0**	**-322.1**	**-203.8**	**-336.1**	**-4,658.5**	**-6,197.4**
Contracts initially recognised in the year	-4,594.9	333.0	—	—	4,310.2	48.3	-4,902.2	362.9	—	—	4,588.9	49.5
Changes in estimates that adjust the CSM	-1,226.4	136.2	268.4	488.7	332.9	-0.1	-476.7	-229.7	223.9	136.5	346.3	0.4
Changes in estimates that result in losses and reversal of losses on onerous contracts	339.5	93.6	—	—	—	433.1	-27.0	455.9	—	—	—	428.9
Reinsurance service result – changes relate to future service	**-5,481.7**	**562.8**	**268.4**	**488.7**	**4,643.0**	**481.2**	**-5,405.9**	**589.1**	**223.9**	**136.5**	**4,935.2**	**478.8**
Reinsurance service result – changes that relate to past service	**92.8**	**-147.5**	**—**	**—**	**—**	**-54.8**	**730.1**	**-236.1**	**—**	**—**	**—**	**494.0**
Reinsurance finance result before currency gains/losses plus changes through OCI	1,427.7	1.1	82.5	62.9	199.0	1,773.2	1,102.4	118.1	85.1	59.6	210.8	1,576.1
Currency gains/losses	876.9	141.7	77.3	124.6	115.0	1,335.6	-2,411.4	-320.4	-107.0	-263.0	-307.6	-3,409.4
Reinsurance finance result	**2,304.6**	**142.8**	**159.8**	**187.5**	**314.0**	**3,108.8**	**-1,308.9**	**-202.3**	**-21.9**	**-203.4**	**-96.7**	**-1,833.3**
Premiums received	31,398.0	—	—	—	—	31,398.0	32,723.8	—	—	—	—	32,723.8
Claims and other reinsurance service expenses paid, including investment components	-24,728.8	—	—	—	—	-24,728.8	-21,807.0	—	—	—	—	-21,807.0
Insurance acquisition cash flows paid	-904.8	—	—	—	—	-904.8	-4,764.3	—	—	—	—	-4,764.3
Cash flows	**5,764.5**	**—**	**—**	**—**	**—**	**5,764.5**	**6,152.5**	**—**	**—**	**—**	**—**	**6,152.5**
Closing balance – assets	**2,424.1**	**-50.7**	**-107.5**	**-242.9**	**-517.3**	**1,505.7**	**2,260.3**	**-78.4**	**-106.5**	**-197.5**	**-958.4**	**919.4**
Closing balance – liabilities	**36,670.3**	**4,134.2**	**2,494.7**	**2,661.9**	**2,956.4**	**48,917.5**	**35,997.3**	**3,935.0**	**2,493.9**	**2,304.2**	**2,695.4**	**47,425.8**
Closing balance – net	**34,246.3**	**4,184.9**	**2,602.2**	**2,904.8**	**3,473.7**	**47,411.8**	**33,737.1**	**4,013.4**	**2,600.4**	**2,501.8**	**3,653.8**	**46,506.4**

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

in EUR million	2024				2025			
	Reinsurance recoverables on LRC without loss recovery component	Loss recovery component	Reinsurance recoverables on LIC	Total	Reinsurance recoverables on LRC without loss recovery component	Loss recovery component	Reinsurance recoverables on LIC	Total
Opening balance – assets	**-711.0**	**5.5**	**2,231.4**	**1,525.9**	**-1,102.4**	**37.9**	**2,566.1**	**1,501.5**
Opening balance – liabilities	**1,734.8**	**-21.4**	**-1,014.5**	**698.9**	**1,630.0**	**14.7**	**-988.5**	**656.3**
Opening balance – net	**-2,445.9**	**26.9**	**3,245.9**	**827.0**	**-2,732.4**	**23.1**	**3,554.5**	**845.2**
Reinsurance revenue (ceded)	-3,343.8	—	—	-3,343.8	-3,500.9	—	—	-3,500.9
Incurred claims and other reinsurance service expenses	—	-0.8	1,702.5	1,701.7	0.1	-0.5	1,874.9	1,874.4
Amortisation of insurance acquisition cash flows	32.6	—	—	32.6	79.4	—	—	79.4
Losses and reversal of losses on onerous contracts	—	-4.6	—	-4.6	—	-13.5	—	-13.5
Adjustments to liabilities for incurred claims	—	—	-48.5	-48.5	—	—	-168.0	-168.0
Reinsurance service result – net expenses from reinsurance contracts retroceded	**-3,311.2**	**-5.5**	**1,654.1**	**-1,662.6**	**-3,421.3**	**-14.1**	**1,706.8**	**-1,728.5**
thereof changes in non-performance risk of reinsurers	0.1	—	3.8	3.9	13.5	—	—	13.5
Investment component	**-424.4**	**—**	**424.4**	**—**	**-421.3**	**—**	**421.3**	**—**
Reinsurance finance result before currency gains/losses plus changes through OCI	23.1	1.0	64.7	88.8	94.0	0.5	53.4	147.9
Currency gains/losses	-114.6	0.7	152.0	38.0	232.3	-2.1	-260.8	-30.7
Reinsurance finance result	**-91.5**	**1.7**	**216.7**	**126.8**	**326.3**	**-1.6**	**-207.4**	**117.2**
Premiums paid	3,535.6	—	—	3,535.6	3,938.6	—	—	3,938.6
Claims and other reinsurance service expenses received, including investment components	—	—	-1,986.6	-1,986.6	—	—	-2,617.1	-2,617.1
Insurance acquisition cash flows	4.9	—	—	4.9	-3.2	—	—	-3.2
Cash flows	**3,540.5**	**—**	**-1,986.6**	**1,554.0**	**3,935.4**	**—**	**-2,617.1**	**1,318.3**
Closing balance – assets	**-1,102.4**	**37.9**	**2,566.1**	**1,501.5**	**-802.6**	**12.5**	**1,897.3**	**1,107.2**
Closing balance – liabilities	**1,630.0**	**14.7**	**-988.5**	**656.3**	**1,510.7**	**5.0**	**-960.8**	**555.0**
Closing balance – net	**-2,732.4**	**23.1**	**3,554.5**	**845.2**	**-2,313.3**	**7.5**	**2,858.1**	**552.2**

Movement in carrying amount by measurement components – reinsurance contracts held

in EUR million	2024						2025					
	EPV of future cash flows	Risk adjustment for non-financial risk	CSM			Total	EPV of future cash flows	Risk adjustment for non-financial risk	CSM			Total
			Contracts under modified retrospective approach	Contracts under fair value approach	Other contracts				Contracts under modified retrospective approach	Contracts under fair value approach	Other contracts	
Opening balance – assets	**1,043.3**	**140.8**	**52.9**	**46.8**	**242.1**	**1,525.9**	**739.0**	**124.5**	**75.0**	**47.9**	**515.1**	**1,501.5**
Opening balance – liabilities	**766.8**	**-66.2**	**-5.7**	**29.5**	**-25.6**	**698.9**	**892.8**	**-56.3**	**3.1**	**18.5**	**-201.8**	**656.3**
Opening balance – net	**276.5**	**207.0**	**58.7**	**17.2**	**267.7**	**827.0**	**-153.9**	**180.8**	**72.0**	**29.4**	**716.9**	**845.2**
CSM recognised in the profit or loss for services provided	—	—	-7.0	-3.8	-957.9	-968.6	—	—	-19.1	-3.8	-1,080.3	-1,103.2
Change in risk adjustment for non-financial risk expired	—	-39.6	—	—	—	-39.6	—	-31.4	—	—	—	-31.4
Experience adjustments	-605.2	—	—	—	—	-605.2	-426.0	—	—	—	—	-426.0
Reinsurance service result – changes relate to current service	**-605.2**	**-39.6**	**-7.0**	**-3.8**	**-957.9**	**-1,613.4**	**-426.0**	**-31.4**	**-19.1**	**-3.8**	**-1,080.3**	**-1,560.6**
Contracts initially recognised in the year	-1,291.9	31.0	—	—	1,260.9	—	-1,160.7	122.3	—	—	1,038.4	—
Changes in recoveries of losses on onerous underlying contracts	—	—	—	—	—	—	4.4	2.8	—	—	-3.0	4.2
Changes in estimates that adjust the CSM	-120.0	3.8	10.5	14.7	91.0	—	-250.0	132.2	24.6	101.2	-7.8	0.1
Changes in estimates that result in losses and reversal of losses on onerous contracts	-7.5	2.8	—	—	—	-4.6	117.2	-134.9	—	—	—	-17.7
Reinsurance service result – changes relate to future service	**-1,419.3**	**37.6**	**10.5**	**14.7**	**1,351.8**	**-4.6**	**-1,289.1**	**122.4**	**24.6**	**101.2**	**1,027.6**	**-13.4**
Reinsurance service result – changes that relate to past service	**-14.1**	**-34.4**	**—**	**—**	**—**	**-48.5**	**-180.0**	**12.0**	**—**	**—**	**—**	**-168.0**
Reinsurance service result – Changes in non-performance risk of reinsurers	**3.9**	**—**	**—**	**—**	**—**	**3.9**	**13.5**	**—**	**—**	**—**	**—**	**13.5**
Reinsurance finance result before currency gains/losses plus changes through OCI	48.8	2.6	8.6	0.5	28.2	88.8	95.9	5.4	9.1	0.4	37.1	147.9
Currency gains/losses	1.5	7.6	1.1	0.8	27.1	38.0	52.5	-16.3	7.9	-4.3	-70.4	-30.7
Reinsurance finance result	**50.3**	**10.2**	**9.8**	**1.3**	**55.3**	**126.8**	**148.3**	**-10.9**	**17.0**	**-3.9**	**-33.3**	**117.2**
Premiums paid	3,535.6	—	—	—	—	3,535.6	3,938.6	—	—	—	—	3,938.6
Claims and other reinsurance service expenses received, including investment components	-1,986.6	—	—	—	—	-1,986.6	-2,617.1	—	—	—	—	-2,617.1
Insurance acquisition cash flows	4.9	—	—	—	—	4.9	-3.2	—	—	—	—	-3.2
Cash flows	**1,554.0**	**—**	**—**	**—**	**—**	**1,554.0**	**1,318.3**	**—**	**—**	**—**	**—**	**1,318.3**
Closing balance – assets	**739.0**	**124.5**	**75.0**	**47.9**	**515.1**	**1,501.5**	**384.3**	**196.1**	**93.1**	**70.7**	**363.0**	**1,107.2**
Closing balance – liabilities	**892.8**	**-56.3**	**3.1**	**18.5**	**—**	**656.3**	**953.1**	**-76.7**	**-1.4**	**-52.2**	**-267.9**	**555.0**
Closing balance – net	**-153.9**	**180.8**	**72.0**	**29.4**	**716.9**	**845.2**	**-568.8**	**272.8**	**94.5**	**122.9**	**630.9**	**552.2**

Contracts initially recognised – reinsurance contracts issued

in EUR million	2024		2025	
	Profitable contracts issued [1]	Onerous contracts issued	Profitable contracts acquired [1]	Onerous contracts acquired
Expected present value of cash outflows	19,786.8	410.4	21,796.0	736.3
Insurance acquisition cash flows	943.9	8.8	1,012.5	15.4
Expected present value of cash inflows	-25,370.1	-374.4	-27,754.0	-708.5
Risk adjustment for non-financial risk	329.3	3.7	356.6	6.3
Contractual service margin	4,310.1	—	4,588.9	—
Loss component	—	48.4	—	49.5

[1] Profitable contract includes the buckets profitable and remaining

Contracts initially recognised – reinsurance contracts held

in EUR million	2024		2025	
	Contracts retroceded without loss recovery component	Contracts retroceded with loss recovery component	Contracts acquired without loss recovery component	Contracts acquired with loss recovery component
Expected present value of cash inflows	1,939.1	0.1	3,625.8	1,107.4
Insurance acquisition cash flows	16.2	—	58.9	—
Expected present value of cash outflows	-3,247.1	-0.1	-4,845.4	-1,103.0
Risk adjustment	31.0	—	122.3	2.8
Contractual service margin	1,260.9	—	1,038.4	-3.0
Loss recovery amount	—	—	—	4.2

No significant portfolios were acquired in the reporting period. Separate disclosure of the measurement components would be required for such portfolios on initial recognition.

Maturities of the technical cash flows

IFRS 17 “Insurance Contracts” requires information which helps to clarify the amount and timing of cash flows expected from reinsurance contracts. In the following tables we have shown these cash flows broken down by the expected remaining times to maturity. As part of the maturity analysis, we have differentiated between the cash flows of reinsurance contracts issued and those of reinsurance contracts held. For further explanation of the recognition and measurement of the liabilities, please see section **3.2 “Summary of major accounting policies”**.

The average maturity of the liability for incurred claims was 4.6 years (4.5 years), or 4.6 years (4.5 years) after allowance for the corresponding reinsurance recoverables. The liability for remaining coverage had an average maturity of 18.3 years (17.8 years) – or 18.1 years (17.9 years) on a net basis.

The average maturity of the liabilities is determined using actuarial projections of the expected future payments. A payment pattern is calculated for each homogenous category of our portfolio – making allowance for the business sector, geographical considerations, contract type and type of reinsurance – and applied to the outstanding liabilities for each underwriting year and run-off status.

Maturities of the remaining contractual undiscounted net cash flows

in EUR million	2024		2025	
	Remaining contractual undiscounted net cash flows		Remaining contractual undiscounted net cash flows	
	Reinsurance contracts issued	Reinsurance contracts retroceded	Reinsurance contracts issued	Reinsurance contracts retroceded
Due in one year	5,126.3	-1,321.0	3,720.8	-1,439.4
Due after one through two years	10,132.9	431.1	10,088.1	388.3
Due after two through three years	6,439.7	309.4	6,946.9	204.4
Due after three through four years	4,332.0	205.7	4,392.0	182.6
Due after four through five years	3,132.6	150.2	3,368.6	130.6
Due after five through ten years	7,352.0	308.6	7,618.2	219.7
Due after ten through twenty years	2,512.8	-49.6	2,213.3	-182.4
Due after twenty years	1,320.8	-161.3	1,284.9	-144.7
	40,349.0	**-126.9**	**39,632.7**	**-640.8**
Discounting	-6,102.8	-27.0	-5,895.6	72.0
Total	**34,246.2**	**-153.9**	**33,737.1**	**-568.8**

Maturities of the contractual service margin

The following table shows the future development of the CSM from our reinsurance contracts held and issued. For further explanation of the recognition and measurement of the liabilities, please see section **3.2 "Summary of major accounting policies"**.

Maturities of the contractual service margin

in EUR million	2024		2025	
	Contractual service margin		Contractual service margin	
	Reinsurance contracts issued	Reinsurance contracts retroceded	Reinsurance contracts issued	Reinsurance contracts retroceded
Due in one year	2,620.8	544.6	2,418.1	429.9
Due after one through two years	765.6	17.8	742.2	34.6
Due after two through three years	517.4	18.0	553.1	28.4
Due after three through four years	475.0	18.7	500.7	29.6
Due after four through five years	446.4	19.0	452.9	29.9
Due after five through ten years	1,855.5	97.0	1,868.2	145.9
Due after ten through twenty years	2,362.7	163.9	2,399.2	218.8
Due after twenty years	3,680.0	86.6	3,498.6	139.1
	12,723.4	**965.7**	**12,433.1**	**1,056.1**
Discounting	-3,742.6	-147.4	-3,677.2	-207.8
Total	**8,980.7**	**818.3**	**8,755.9**	**848.3**

6.5 Provisions for pensions and other post-employment benefit obligations

Pension commitments are given in accordance with the relevant version of the pension plan as amended. The 1968 pension plan provides for retirement, disability, widows' and orphans' benefits. The pension entitlement is dependent on length of service; entitlements under the statutory pension insurance scheme are taken into account. The pension plan was closed to new participants with effect from 31 January 1981.

On 1 April 1993 (1 June 1993 in the case of senior executives) the 1993 pension plan came into effect. This pension plan provides for retirement, disability and surviving dependants' pensions. The scheme is based upon annual determination of partial pension contributions, which are calculated according to the pensionable earnings, the contribution assessment ceiling for statutory pension insurance and the company's performance. The pension plan was closed to new participants with effect from 31 March 1999.

Insurance coverage has been taken out for both the aforementioned pension plans (direct commitments). These reimbursement claims are recognised as separate assets.

From 1997 onwards it has been possible to obtain pension commitments through deferred compensation. The employee-funded commitments included in the provisions for accrued pension rights are protected by an insurance contract with HDI Lebensversicherung AG, Cologne.

As at 1 July 2000 the 2000 pension plan came into force for the entire Group. Under this plan, new employees included in the group of beneficiaries are granted an indirect commitment from HDI Unterstützungskasse e. V. This pension plan provides for retirement, disability and surviving dependants' benefits. The provident fund takes out insurance coverage with HDI Lebensversicherung AG that maps the entire spectrum of benefits (matching coverage). These pension commitments are considered to be contribution-based pension benefits under German employment law, and for economic purposes the pension scheme is classified as a defined benefit plan. The relevant assets of the provident fund are recognised as plan assets.

Employees also have the option to accumulate additional, insurance-type retirement provision by way of deferred compensation. Pension provisions are not recognised in this regard, insofar as retirement provision through

deferred compensation is implemented by indirect means (direct insurance).

Employee-funded commitments for which a direct commitment was granted are insured under an insurance contract with HDI Lebensversicherung AG, Cologne. These are commitments to pay a lump sum on reaching retirement age and in the event of death. Provisions are established for these commitments if the benefits are not covered by the insurance.

In addition to these pension plans, senior executives and members of the Executive Board, in particular, enjoy individual commitments as well as commitments given under the benefits plan of the Bochumer Verband.

The commitments to employees in Germany predominantly comprise benefit obligations financed by Hannover Rück SE and E+S Rückversicherung AG. The provisions for pensions in Germany and abroad were calculated on the basis of uniform standards according to prevailing economic circumstances.

Provisions for pensions are established in accordance with actuarial principles and are based upon the commitments made by the Hannover Re Group for retirement, disability and widows' benefits. The Heubeck "2018 G standard tables", enhanced as in the previous year according to the observable risk experience in the portfolio. were used as the biometric actuarial basis for pension commitments in Germany. The amount of the commitments is determined according to length of service and salary level.

The defined benefit plans expose Hannover Re to the following actuarial risks:
- longevity
- interest rate
- disablement
- pension progression
- rate of compensation increase

Longevity entails the risk that the mortality contained in the actuarial bases does not correspond to the actual mortality and that pension payments have to be rendered and funded for a longer duration than had been assumed.

Disablement entails the risk that the assumed number of retirements from the subportfolio of eligible beneficiaries on grounds of disability does not correspond to the actual experience and for this reason increased benefit obligations have to be met.

The pension progression entails the risk that the anticipated development of the consumer price index factored into the trend assumptions was too low and that increased benefit obligations arise on account of pension indexation required by law.

The rate of compensation increase entails the risk that the increases in pensionable salaries factored into the trend assumptions on a parallel basis do not adequately reflect the actual developments. In addition, in the case of plans under which the determinative income components above and below the income threshold for contributions to the statutory pension insurance scheme are differently weighted for the purpose of calculating the benefit, there is a risk of a diverging trend in the future with respect to salary and income threshold.

Measures to reduce these risks consist of pension insurance taken out for virtually all pension commitments (for new additions defined contribution plans with matching insurance coverage) as well as enhanced biometric actuarial bases. The assumptions for the pension progression and for the expected rate of compensation increase and career trend are regularly reviewed and if necessary adjusted with an eye to current expectations for the inflation trend. No unusual risks or risk concentrations can be identified.

The calculation of the provisions for pensions is based upon the following assumptions:

Measurement assumptions

in %	2024	2025
Discount rate for defined benefit obligation	3.43	3.95
Discount rate for net interest component	3.35	3.37
Discount rate for current service costs	3.12	3.54
Rate of compensation increase	3.42	3.19
Pension progression	2.26	2.20

The movements in the net pension liability for the Group's various defined benefit plans were as follows:

Movements in net liability from defined benefit pension plans

in EUR million	2024	2025	2024	2025	2024	2025
	Defined benefit obligation		Fair value of plan assets		Effect of minimum funding requirement on asset ceiling	
Position at 1 January of the financial year	219.1	213.3	60.1	65.5	3.3	5.5
Recognised in profit or loss						
Current service costs	5.9	5.8	—	—	—	—
Past service cost, plan curtailments and settlements	0.2	—	—	—	—	—
Net interest component	7.2	7.1	2.2	2.5	0.1	0.2
	13.3	**12.9**	**2.2**	**2.5**	**0.1**	**0.2**
Recognised in cumulative other comprehensive income						
Actuarial gain (-)/loss (+) from change in financial assumptions	-12.4	-16.4	—	—	—	—
Experience gains (-) / losses (+)	-0.1	1.6	—	—	—	—
Return on plan assets, excluding amounts included in interest income	—	—	-2.2	-3.2	—	—
Change in asset ceiling	—	—	—	—	2.1	3.4
Exchange differences	0.3	-0.5	0.3	-0.6	—	—
	-12.2	**-15.3**	**-1.9**	**-3.8**	**2.1**	**3.4**
Other changes						
Employer contributions	—	—	6.7	7.3	—	—
Employer contributions and deferred compensation	—	—	-0.5	-0.3	—	—
Benefit payments	-7.1	-7.5	-1.1	-1.6	—	—
Additions and disposals	—	0.4	0.1	0.4	—	—
	-7.0	**-7.1**	**5.1**	**5.8**	**—**	**—**
Position at 31 December of the financial year	**213.3**	**203.7**	**65.5**	**70.0**	**5.5**	**9.1**

The plan assets contain assets held by a long-term employee benefit fund and qualifying insurance policies as defined by IAS 19 in amount of EUR 65.4 million (EUR 51.8 million). The plan assets are attributable in an amount of EUR 4.1 million (EUR 4.6 million) to assets with quoted market prices.

The reconciliation of the projected benefit obligations with the recognised provisions for pensions is as follows:

Provisions for pensions

in EUR million	2024	2025
Projected benefit obligations at 31 December of the financial year	213.3	203.7
Fair value of plan assets at 31 December of the financial year	65.5	70.0
Effect of minimum funding requirement on asset ceiling	5.5	9.1
Recognised pension obligations at 31 December of the financial year	**153.3**	**142.9**
thereof: capitalised assets	2.1	1.3
Provisions for pensions	155.4	144.1

Of the total provisions for pensions, an amount of EUR 141.7 million (EUR 152.7 million) is attributable to employer-funded obligations and EUR 2.4 million (EUR 2.7 million) to employee-funded obligations.

In the current financial year Hannover Re anticipates contribution payments of EUR 7.8 million under the plans set out above. The weighted average duration of the defined benefit obligation is 13.7 (14.5) years.

With effect from 1 January 2024 the assets from the pension insurance are shown as reimbursement rights. The reconciliation of the fair value of the reimbursement rights breaks down as follows:

Reimbursement rights

in EUR million	2024	2025
Position at 1 January of the financial year	104.8	107.4
Benefit payments	-3.3	-3.3
Interest	3.4	3.4
Return due to remeasurement	0.4	-0.6
Employer contributions	2.1	1.6
Position at 31 December of the financial year	**107.4**	**108.6**

Sensitivity analysis

An increase or decrease in the key actuarial assumptions would have the following effect on the present value of the defined benefit obligation as at the balance sheet date:

Effect on the defined benefit obligations

in EUR million		Parameter increase	Parameter decrease
Discount rate	(+/- 0,5 %)	-12.5	13.8
Rate of compensation increase	(+/- 0,25 %)	1.0	-1.0
Pension indexation	(+/- 0,25 %)	4.9	-4.8

Furthermore, a change is possible with respect to the assumed mortality rates and lifespans. The underlying mortality tables were adjusted by reducing the mortalities by 10% in order to determine the longevity risk. Extending the lifespans in this way would have produced a EUR 5.5 million (EUR 6.9 million) higher pension commitment at the end of the financial year.

Defined contribution plans

In addition to the defined benefit plans, some Group companies have defined contribution plans that are based on length of service and the employee's income or level of contributions. The expense recognised for these obligations in the financial year in accordance with IAS 19 "Employee Benefits" was EUR 30.7 million (EUR 27.9 million). Of the expense for defined contribution plans, an amount of EUR 17.8 million (EUR 16.3 million) relates to state pension schemes, thereof EUR 14.4 million (EUR 12.8 million) to contributions to the statutory pension insurance scheme in Germany.

6.6 Other liabilities

Other liabilities

in EUR million	2024	2025
Liabilities from derivatives	97.6	101.5
Interest	45.0	35.6
Deferred income and prepayments received	61.2	72.0
Sundry non-technical provisions	266.6	259.1
Sundry liabilities	2,169.1	2,209.6
Total	**2,639.5**	**2,677.6**

With regard to the liabilities from derivatives in an amount of EUR 101.5 million (EUR 97.6 million), please see our explanatory remarks on derivative financial instruments in section **9.1 "Derivative financial instruments and financial guarantees "**.

We enter into term repurchase agreements (repos) as a supplementary liquidity management tool. The asset portfolios exchanged in this context are fully collateralised. As at the balance sheet date the liabilities from repos recognised in the sundry liabilities amounted to EUR 211.2 million (EUR 116.5 million). In addition, cash collateral received in connection with the market performance of derivatives was recognised in the sundry liabilities in an amount of EUR 23.5 million (EUR 61.0 million). The sundry liabilities further include accounts payable of EUR 1,100.1 million (EUR 920.8 million) that were not allocated to underwriting items.

Development of sundry non-technical provisions

in EUR million	Balance at 31 December 2024	Currency translation at 1 January	Balance at 1 January of the year under review	Additions	Utilisation	Release	Currency translation at 31 December	Balance at 31 December 2025
Provisions for								
Audits and costs of publishing the annual financial statements	11.6	-0.4	11.2	8.4	8.8	0.2	—	10.6
Consultancy fees	3.3	-0.1	3.2	1.5	2.2	0.2	—	2.3
Suppliers' invoices	16.9	-1.1	15.9	3.7	9.0	0.8	0.2	9.9
Partial retirement arrangements and early retirement obligations	4.0	—	4.0	—	0.7	—	—	3.3
Holiday entitlements and overtime	15.8	-0.3	15.5	9.4	9.1	—	—	15.9
Anniversary bonuses	6.4	-0.2	6.2	0.3	0.1	—	—	6.4
Management and staff bonuses	140.0	-4.6	135.4	72.3	55.3	2.0	—	150.4
Other	68.5	-1.3	67.3	19.9	26.1	0.8	0.1	60.4
Total	**266.6**	**-8.0**	**258.6**	**115.5**	**111.4**	**4.0**	**0.4**	**259.1**

The maturities of the sundry non-technical provisions as at the balance sheet date are shown in the following table.

Maturities of the sundry non-technical provisions

in EUR million	2024	2025
Due in one year	156.0	145.8
Due after one through five years	104.0	106.6
Due after five years	6.2	6.3
No maturity	0.4	0.4
Total	**266.6**	**259.1**

6.7 Financing liabilities

On 14 November 2022 Hannover Rück SE placed subordinated unsecured debt in the amount of EUR 750.0 million on the European capital market. The bond has a total maturity of around 21 years and a first scheduled call option on 26 February 2033. It carries a fixed coupon of 5.875% p. a. in the first roughly eleven years, after which the interest rate basis changes to a floating rate of 3-month EURIBOR +375 basis points.

On 22 March 2021 Hannover Rück SE placed subordinated unsecured debt in the amount of EUR 750.0 million on the European capital market. The bond has a total maturity of around 21 years and a first scheduled call option on 30 December 2031. It carries a fixed coupon of 1.375% p. a. in the first roughly eleven years, after which the interest rate basis changes to a floating rate of 3-month EURIBOR +233 basis points.

On 8 July 2020 Hannover Rück SE placed subordinated unsecured debt in the amount of EUR 500.0 million on the European capital market. The bond has a total maturity of around 20 years with a first scheduled call option on 8 July 2030. It carries a fixed coupon of 1.75% p. a. in the first roughly ten years, after which the interest rate basis changes to a floating rate of 3-month EURIBOR +300 basis points.

On 9 October 2019 Hannover Rück SE placed subordinated unsecured debt in the amount of EUR 750.0 million on the European capital market. The bond has a total maturity of 20 years with a first scheduled call option on 9 July 2029. It carries a fixed coupon of 1.125% p. a. in the first ten years, after which the interest rate basis changes to a floating rate of 3-month EURIBOR +238 basis points.

On 18 April 2018 Hannover Rück SE placed senior unsecured debt in the amount of EUR 750.0 million on the European capital market. The bond has a maturity date of 18 April 2028 and may be redeemed at any time from 18 January 2028 onwards, although not later than 18 April 2028. It carries a fixed coupon of 1.125% p. a..

The subordinated debt issued by Hannover Rück SE in 2014 in an amount of EUR 500.0 million was called in the year under review.

In total, five (six) bonds were recognised as at the balance sheet date with an amortised cost of EUR 3,484.5 million (EUR 3,980.8 million). The aggregate fair value of the bonds issued is based on quoted, active market prices. If such price information was not available, the fair values were calculated on the basis of the recognised effective interest method or estimated using other financial instruments with the same credit rating, maturity and yield characteristics. The effective interest rate method is always based on the current market interest rate levels in the relevant fixed-interest periods.

Long-term debt and notes payable

in EUR million				2024				2025			
	Coupon	Maturity	Currency	Amortised cost	Fair value measurement	Accrued interest	Fair value	Amortised cost	Fair value measurement	Accrued interest	Fair value
Hannover Rück SE, 2022	5.875	2043	EUR	746.3	103.6	15.5	865.3	746.6	93.2	15.5	855.2
Hannover Rück SE, 2021	1.375	2042	EUR	745.2	-105.0	5.2	645.4	745.8	-93.9	5.2	657.2
Hannover Rück SE, 2020	1.750	2040	EUR	497.0	-41.5	2.0	457.5	497.5	-34.1	2.0	465.5
Hannover Rück SE, 2019	1.125	2039	EUR	745.1	-70.3	1.9	676.7	746.2	-52.9	1.9	695.2
Hannover Rück SE, 2018	1.125	2028	EUR	747.7	-32.3	5.9	721.3	748.5	-16.0	5.9	738.4
Hannover Rück SE, 2014	3.375	n/a	EUR	499.6	-2.0	8.7	506.3	—	—	—	—
Notes payable				**3,980.8**	**-147.5**	**39.3**	**3,872.5**	**3,484.5**	**-103.7**	**30.6**	**3,411.4**
Long-term debt				**581.5**	**-4.8**	**2.4**	**579.1**	**565.7**	**—**	**2.0**	**567.7**
Total				**4,562.3**	**-152.3**	**41.6**	**4,451.7**	**4,050.2**	**-103.7**	**32.6**	**3,979.1**

Net gains and losses from long-term debt and notes payable

in EUR million	2024	2025	2024	2025	2024	2025
	Ordinary income/expenses		Amortisation		Net result	
Long-term debt	-48.0	-39.0	-0.8	-1.7	-48.8	-40.7
Notes payable	-97.0	-80.0	-3.9	-3.7	-100.2	-83.7
Total	**-145.0**	**-119.0**	**-4.7**	**-5.4**	**-149.0**	**-124.4**

The ordinary expenses principally include interest expenses of nominally EUR 80.0 million (EUR 97.0 million) resulting from the issued subordinated and senior bonds.

Maturities of financial liabilities

in EUR million	2024						2025					
	Due within up to 1 year	One to five years	Five to ten years	Ten to twenty years	More than twenty years	No maturity	Due within up to 1 year	One to five years	Five to ten years	Ten to twenty years	More than twenty years	No maturity
Other financial liabilities [1]	429.2	15.2	36.4	3.3	—	1.2	485.3	30.6	18.5	3.9	—	33.5
Long-term debt	84.6	432.4	64.5	—	—	—	170.9	374.2	20.6	—	—	—
Notes payable	—	747.7	—	2,733.5	—	499.6	—	748.5	—	2,736.0	—	—
Lease liabilities	14.9	29.3	23.9	—	38.5	—	10.8	39.4	6.7	—	35.2	—
Total	**528.7**	**1,224.6**	**124.8**	**2,736.7**	**38.5**	**500.8**	**666.9**	**1,192.7**	**45.8**	**2,740.0**	**35.2**	**33.5**

[1] Excluding sundry non-technical provisions, for which the maturities are broken down separately, and other various liabilities

The following table shows the movements in long-term debt, notes payable and other long-term liabilities with respect to cash and non-cash changes.

Reconciliation of financing liabilities

in EUR million	Balance at 31 December 2023	Cash flow	Change in consolidation	Non-cash items		Balance at 31 December 2024	Cash flow	Change in consolidation	Non-cash items		Balance at 31 December 2025
				Exchange rate difference	Other changes				Exchange rate difference	Other changes	
Long-term debt	797.7	-66.8	-168.0	17.9	0.8	581.5	20.3	—	-37.9	1.7	565.7
Notes payable	3,976.9	—	—	—	3.9	3,980.8	-500.0	—	—	3.7	3,484.5
Lease liabilities	100.8	-14.7	—	3.4	17.1	106.6	-15.6	—	-7.1	8.2	92.1
Total	**4,875.4**	**-81.4**	**-168.0**	**21.3**	**21.8**	**4,669.0**	**-495.3**	**—**	**-45.0**	**13.6**	**4,142.3**

6.8 Shareholders' equity and treasury shares

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

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

Conditional capital of up to EUR 24.1 million (EUR 24.1 million) is available. It can be used to grant shares to holders of bonds and / or profit-sharing rights with conversion rights and warrants and has a time limit of 4 May 2026. In addition, authorised capital is available in an amount of up to EUR 24.1 million (EUR 24.1 million), which similarly has a time limit of 4 May 2026. The subscription right of shareholders may be excluded with the consent of the Supervisory Board under certain conditions. The Executive Board is authorised, with the consent of the Supervisory Board, to use an amount of up to EUR 1.0 million (EUR 1.0 million) of the existing authorised capital to issue employee shares.

The Executive Board is further authorised, with the consent of the Supervisory Board, to acquire treasury shares – including through the use of derivatives – up to an amount of 10% of the share capital. The authorisation has a time limit of 6 May 2030.

The Annual General Meeting of Hannover Rück SE resolved on 7 May 2025 that a gross dividend of EUR 9.00 per share should be paid for the 2024 financial year, corresponding to a total distribution of EUR 1,085.4 million (EUR 868.3 million). The distribution is comprised of an ordinary dividend of EUR 7.00 and a special dividend of EUR 2.00 per share.

The decrease in the other reserves arising out of currency translation, which is recognised in equity, was attributable in a net amount of EUR 119.6 million (previous year: increase of EUR 8.1 million) to the translation of long-term debt or loans with no maturity date extended to Group companies and branches abroad.

IAS 1 requires disclosures on the objectives, policies and processes for managing capital. A major strategic objective of Hannover Re is sustainable protection of our capital. We have issued debt as an equity substitute to keep the cost of capital low. Hannover Re uses intrinsic value creation (IVC) as a central tool of value-based management. As part of this methodology, we are guided by the principles of economical allocation of equity and efficient use of debt as an equity substitute in order to achieve an attractive weighted cost of capital. The concept and the objectives and principles according to which we manage our capital are described in greater detail in our comments on value-based management in the management report (section **"Management system"**). The further disclosures on capital management arising out of IAS 1.134-136 are provided in the **"Financial position and net assets"** subsection of the management report, to which the reader is referred. This includes both a presentation of our capital management policies and processes and a summary of the diverse external capital requirements to which we are subject (cf. subsections **"Analysis of the capital structure"**, **"Group shareholders´ equity"** and **"Financing and Group debt"**). The Solvency II regulatory framework, in particular, gives rise to capital requirements and consequences for capital management, which we discuss more closely in the risk report.

Treasury shares

IAS 1 requires separate disclosure of treasury shares in shareholders' equity. As part of this year's employee share option plan Hannover Rück SE acquired altogether 15,719 (14,799) treasury shares during the second quarter of 2025 on the legal basis of § 71 Para. 1 No. 2 Stock Corporation Act (AktG) and delivered them to eligible employees at preferential conditions. These shares are blocked until 31 May 2029. This transaction resulted in an expense of EUR 1.0 million (EUR 0.9 million), which was recognised under personnel expenditure, as well as a negligible change in retained earnings recognised in equity. The company was no longer in possession of treasury shares as at the balance sheet date.

6.9 Non controlling interests

Non-controlling interests in the shareholders' equity of subsidiaries are reported separately within Group shareholders' equity in accordance with IAS 1 "Presentation of Financial Statements". They amounted to EUR 1,001.7 million (EUR 893.8 million) as at the balance sheet date.

Non-controlling interests in partnerships are reported in accordance with IAS 32 "Financial Instruments: Presentation" under long-term liabilities. The non-controlling interest in profit or loss, which forms part of net income and is shown separately after net income as a "thereof" note, amounted to EUR 126.0 million (EUR 68.1 million) in the year under review.

Subsidiaries with material non-controlling interests

in EUR million	2024	2025
	E+S Rückversicherung AG, Hannover, Germany	
Participation of non-controlling interests	35.21%	35.21%
Voting rights of non-controlling interests	35.21%	35.21%
Net income	171.2	438.9
thereof attributable to non-controlling interests	60.3	154.5
Income/expense recognised directly in equity	-111.4	170.8
Total recognised income and expense	**59.8**	**609.7**
Shareholder's equity	2,244.7	2,757.1
thereof attributable to non-controlling interests	790.3	970.7
Dividends paid	125.0	100.0
thereof attributable to non-controlling interests	44.0	35.2
Assets	10,362.4	10,611.4
Liabilities	8,117.7	7,854.3
Cash flow from operating activities	571.5	786.9
Cash flow from investing activities	490.9	-627.6
Cash flow from financing activities	-74.6	-180.8

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

7.1 Reinsurance revenue

The following tables show the breakdown of the gross reinsurance revenue into geographical origin and categories.

Reinsurance revenue (gross) by region

in EUR million	2024	2025
Regional origin		
Germany	1,574.3	1,504.0
United Kingdom	4,314.5	3,800.2
France	876.3	817.8
Other	2,350.9	2,104.2
Europe	**9,116.0**	**8,226.2**
USA	9,622.9	11,091.1
Other	1,404.9	1,436.3
North America	**11,027.8**	**12,527.4**
Asia	3,076.0	2,882.8
Australia	1,513.0	1,467.6
Australasia	**4,589.1**	**4,350.5**
Africa	**482.3**	**531.2**
Other	**1,164.1**	**1,150.8**
Total	**26,379.3**	**26,786.0**

Components of the reinsurance revenue (gross)

in EUR million	2024	2025
Components		
Expected incurred claims and other insurance expenses	17,922.5	19,928.7
CSM recognised for services provided	5,123.9	5,198.4
Release of risk adjustment for non-financial risk	560.3	552.6
Experience adjustments for past or current services	1,765.9	97.3
Recovery of insurance acquisition cash flows	1,006.7	1,009.0
Total	**26,379.3**	**26,786.0**

7.2 Investment result

Investment result

in EUR million	2023	2025
Income from real estate and infrastructure investments	249.2	272.1
Dividends	89.1	157.2
Interest income on debt instruments	1,722.6	1,783.0
Other income and amortisation	292.3	331.8
Ordinary investment income	**2,353.2**	**2,544.1**
Expected credit losses	**-2.9**	**-1.8**
Impairments/Depreciation on real estate	**98.0**	**88.2**
Appreciation of investments	**2.7**	**4.4**
Change in fair value of financial instruments	**2.7**	**22.4**
Profit/loss from investments in associated companies and joint ventures	**27.3**	**-33.2**
Realised gains on investments	**67.7**	**108.1**
Realised losses on investments	**158.1**	**672.3**
Other investment expenses	**189.6**	**210.5**
Investment result	**2,005.1**	**1,672.9**

We recorded a net charge of EUR 1.8 million (EUR 2.9 million) from the change in provision for expected credit losses (ECL) recognised in profit or loss. Changes from additions and disposals and changes in the risk profiles of individual securities balanced each other out here despite an increased portfolio of financial instruments.

We carried fixed-income securities with a total fair value of EUR 22.1 million (EUR 80.4 million) in Stage 3 of our risk provisioning model as at the balance sheet date. Impairments for investments not covered by the stage model for expected credit losses were incurred on directly held real estate investments in an amount of EUR 26.1 million (EUR 37.5 million). We took into consideration increased pressure on market values here by recognising impairments on a number of directly held properties in the US and European office and retail real estate market.

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

Interest income on investments

in EUR million	2023	2025
Financial investments – at fair value through OCI	1,561.6	1,624.7
Financial investments – at fair value through profit or loss	159.5	158.1
Other	1.5	0.2
Total	**1,722.6**	**1,783.0**

The net gains and losses on investments held to maturity, loans and receivables and the available-for-sale portfolio shown in the following table are composed of interest income, realised gains and losses as well as impairments and appreciation. In the case of the fixed-income securities at fair value through profit or loss designated in this category and the other financial assets, which include the technical derivatives, income and expenses from changes in fair value are also recognised.

Making allowance for the other investment expenses of EUR 210.5 million (EUR 189.6 million), net income from investments of altogether EUR 1,672.9 million (EUR 2,005.1 million) was recognised in the year under review.

Net gains and losses on investments

in EUR million	2024					2025				
	Ordinary investment income [1]	Expected credit losses, impairment, depreciation and appreciation of investments	Change in fair value of financial instruments	Realised gains and losses on investments	Net income from investments [2]	Ordinary investment income [1]	Expected credit losses, impairment, depreciation and appreciation of investments	Change in fair value of financial instruments	Realised gains and losses on investments	Net income from investments [2]
Financial investments – at fair value through OCI	1,842.3	-2.9	—	-93.6	1,745.8	1,952.9	-1.9	—	-592.7	1,358.3
Financial investments – at fair value through profit or loss	289.7	—	-6.2	2.0	285.4	356.9	—	42.3	—	399.2
Investment property	212.9	-95.4	—	1.9	119.5	230.7	-83.8	—	28.5	175.3
Investments in associated companies and joint ventures	27.7	—	4.4	-0.6	31.5	-33.1	—	-7.0	—	-40.1
Other invested assets	5.2	—	19.0	—	24.1	2.6	—	4.6	—	7.2
Other	2.9	—	-14.4	-0.1	-11.7	1.0	0.1	-17.6	—	-16.6
Total	**2,380.6**	**-98.3**	**2.7**	**-90.4**	**2,194.7**	**2,510.9**	**-85.7**	**22.4**	**-564.2**	**1,883.4**

[1] Including income from associated companies and joint ventures, for reconciliation with the consolidated statement of income
[2] Excluding other investment expenses

7.3 Insurance finance income and expenses

In the following table we compare the reinsurance finance result with the investment return. Both earnings components include income and expenses from currency translation and the amounts recognised directly in OCI. The reinsurance finance result is comprised primarily of the effects from interest accretion and changes in the discounting assumptions and other financial measurement assumptions relating to our technical provisions.

Insurance finance income and expenses

in EUR million	2024	2025
Investment income	2,749.5	3,002.3
Investment expenses	-744.4	-1,329.4
Investment result	**2,005.1**	**1,672.9**
Currency gains/losses on investments	809.4	-1,987.6
Amounts recognised in OCI	-67.2	1,459.1
Total investment return	**2,747.2**	**1,144.3**
Interest accreted	-1,200.3	-1,485.2
Changes in interest rates and other financial assumptions	-541.8	-198.0
Currency gains/losses	-913.0	2,406.5
Total finance income or expenses from reinsurance contract (gross)	**-2,655.1**	**723.3**
thereof recognised in profit or loss	-2,035.9	962.7
thereof recognised in other comprehensive income	-619.2	-239.4
Interest accreted	28.9	85.1
Changes in interest rates and other financial assumptions	64.5	56.0
Currency gains/losses	33.6	-177.1
Total finance income or expenses from reinsurance contracts (retroceded)	**127.1**	**-36.0**
thereof recognised in profit or loss	41.5	-96.6
thereof recognised in other comprehensive income	85.6	60.6
Total reinsurance finance income and expenses	**-2,528.0**	**687.3**
thereof recognised in profit or loss	-1,994.4	866.2
thereof recognised in other comprehensive income	-533.6	-178.8
Currency gains/losses from reinsurance finance result (net)	**-879.4**	**2,229.4**
Total Insurance finance income and expenses before currency gains or losses	**-1,648.6**	**-1,542.1**
thereof recognised in profit or loss	-1,115.0	-1,363.3
thereof recognised in other comprehensive income	-533.6	-178.8

7.4 Other income and expenses

Other income

in EUR million	2024	2025
Income from services	177.1	183.5
Other interest income	43.0	41.4
Income from releases of other provisions	4.0	3.6
Sundry income	55.4	32.6
Other income	**279.5**	**261.0**
Expenses for services	126.7	142.6
Other interest expenses	47.8	38.7
Deconsolidation	—	12.4
Expenses for the company as a whole	524.3	526.4
Sundry expenses	63.7	82.0
Other expenses	**762.4**	**802.2**
Total	**-482.9**	**-541.2**

The other income includes revenues from contracts with customers set out below in accordance with IFRS 15. With regard to the fundamental approach adopted for application of IFRS 15 we would refer to the remarks in section **3.2 "Summary of major accounting policies"**.

Revenue categories

in EUR million	2024	2025
Revenue realised at a point in time		
Brokerage commissions, performance fees and similar forms of remuneration	91.5	95.8
Other insurance-related services	6.9	6.3
Revenue realised over time		
Other insurance-related services	78.1	80.9
Total	**176.4**	**183.0**

The brokerage commissions, performance fees and similar forms of remuneration in an amount of EUR 95.8 million (EUR 91.5 million) were realised at a point in time. Of this amount, EUR 94.5 million (EUR 91.0 million) is attributable to brokerage commissions earned by Group-internal insurance companies and insurance intermediaries.

An amount of EUR 80.9 million (EUR 78.1 million) was realised over time in the current financial year in connection with other insurance-related services. This primarily involves income from the assumption of administrative and management services as well as income connected with IT-related agreements for transfer of use. The transaction prices for the administrative and management services are essentially calculated on the basis of the underlying general fee scales as well as a percentage share of the gross premium and are earned in accordance with the contractual term and realised pro rata temporis. The contract prices that are fixed by agreement for the transfer of use are used as transaction prices and realised pro rata temporis with the customer's use.

In addition, revenues of EUR 6.3 million (EUR 6.9 million) were realised at a point in time in the year under review from other insurance-related services. This primarily involves income connected with commission-based business. The transaction price is arrived at as a percentage of the underlying gross premium share. The performance obligation is deemed to be fulfilled at a point in time upon issuance of the insurance certificate for the end customer.

7.5 Taxes on income

Actual taxes on income at the domestic companies, comparable actual taxes on income at foreign subsidiaries as well as deferred taxes in accordance with IAS 12 "Income Taxes" are recognised under this item.

The reader is referred to the remarks in section **3.2 "Summary of major accounting policies"** regarding the basic approach to the recognition and measurement of deferred taxes.

Deferred taxes are calculated on the basis of the tax provisions applicable at the balance sheet date. For domestic matters, a tax rate range of 27% - 30% (previous year: 32.63%) was taken as a basis owing to the change in tax rates. This encompasses corporation tax, including the solidarity surcharge, and trade tax.

The tax rate change is largely due to the gradual reduction of the corporation tax rate approved under the tax investment programme effective 1 January 2028 from the current 15% in five steps by one percentage point per year to 10% from 2032 onwards

Tax-relevant bookings on the Group level are made using the Group tax rate unless they refer specifically to individual companies.

Deferred tax liabilities on profit distributions of significant affiliated companies are established in the year when they are received.

Breakdown of taxes on income

The breakdown of actual and deferred income taxes was as follows:

Income tax

in EUR million	2024	2025
Actual tax for the year under review	733.9	688.1
Actual tax for other periods	8.3	-93.9
Deferred taxes due to temporary differences	55.4	242.6
Deferred taxes from loss carry-forwards	6.4	-0.5
Change in deferred taxes due to changes in tax rates	-21.7	-219.7
Value adjustments on deferred taxes	34.1	28.7
Total	**816.5**	**645.3**

Domestic/foreign breakdown of recognised tax expenditure / income

in EUR million	2024	2025
Current taxes		
Germany	502.2	297.1
Abroad	240.1	297.1
Deferred taxes		
Germany	11.7	35.2
Abroad	62.6	15.9
Total	**816.5**	**645.3**

The following table presents a breakdown of the deferred tax assets and liabilities into the balance sheet items from which they are derived.

Deferred tax assets and deferred tax liabilities of all Group companies

in EUR million	2024	2025
Deferred tax assets		
Tax loss carry-forwards	173.8	169.6
Technical provisions	7,840.9	7,274.5
Investments	686.7	433.2
Other valuation differences	899.2	1,044.0
Value adjustments [1]	-363.3	-349.6
Total	**9,237.3**	**8,571.7**
Deferred tax liabilities		
Technical provisions	8,642.9	8,354.0
Equalisation reserve	1,480.3	1,124.7
Investments	148.2	238.9
Other valuation differences	261.9	482.1
Total	**10,533.3**	**10,199.6**
Deferred tax liabilities	1,296.0	1,627.9

[1] Thereof on tax loss carry-forwards: EUR -114.0 million (EUR (-122.4 million)

The deferred tax assets and deferred tax liabilities are shown according to their origin in the above table. Deferred taxes resulting from a single transaction and with respect to which the corresponding temporary valuation differences are simultaneously reversed were already netted on recognition. Further netting was made based on the timing of the reversal of temporary differences and other offsetting possibilities, ultimately resulting in the following disclosure of deferred tax assets and deferred tax liabilities in the balance sheet:

Netting of deferred tax assets and deferred tax liabilities

in EUR million	2024	2025
Deferred tax assets	501.5	373.5
Deferred tax liabilities	1,797.4	2,001.4
Net deferred tax liabilities	**1,296.0**	**1,627.9**

In view of the unrealised components of profit and loss recognised directly in equity in the financial year, actual and deferred tax expenditure – including amounts attributable to non-controlling interests – of EUR 266.6 million (tax income of EUR 224.1 million) was also recognised directly in equity. The following table presents a reconciliation of the expected expense for income taxes with the actual expense for income taxes reported in the statement of income. The pre-tax result is multiplied by the Group tax rate in order to calculate the Group's expected expense for income taxes.

Reconciliation of the expected expense for income taxes with the actual expense

in EUR million	2024	2025
Profit before taxes on income	3,213.3	3,412.8
Group tax rate	32.7%	32.7%
Expected expense for income taxes	1,050.7	1,116.0
Change in tax rates	78.1	-219.7
Differences in tax rates affecting subsidiaries	-349.5	-313.5
Non-deductible expenses	181.7	382.8
Tax-exempt income	-221.9	-230.1
Tax expense/income not attributable to the reporting period	62.4	-99.4
Value adjustments on deferred taxes/loss carry-forwards	34.1	28.7
Trade tax modifications	-19.8	-18.1
Other	0.7	-1.4
Actual expense for income taxes	**816.5**	**645.3**

The expense for income taxes in the financial year decreased by EUR 171.2 million year-on-year to EUR 645.3 million (EUR 816.5 million). This development was driven largely by the revaluation of deferred tax assets and liabilities due to the gradual reduction of the German corporation tax rate with effect from 1 January 2028. The effective tax rate in the financial year was 18.9% (25.4%).

Availability of non-capitalised loss carry-forwards and other temporary differences

Unused tax loss carry-forwards of EUR 710.2 million (EUR 764.3 million) existed as at the balance sheet date. Of existing tax loss carry-forwards and other temporary differences, EUR 1,711.1 million (EUR 1,892.2 million) was not capitalised in consideration of local tax rates because their realisation is not sufficiently certain.

The assets-side unadjusted deferred taxes on loss carry-forwards amounting to EUR 55.6 million (EUR 51.4 million) will probably be realised in an amount of EUR 20.8 million (EUR 17.4 million) within one year and in an amount of EUR 34.8 million (EUR 34.0 million) in subsequent years.

In the year under review the actual taxes on income were reduced by EUR 19.2 million (EUR 15.7 million) because loss carry-forward were used for which no deferred tax assets were established.

The write-down of deferred tax assets recognised in previous years resulted in a deferred tax expense in the year under review of EUR 2.4 million (EUR 36.1 million). This is opposed by deferred tax income of EUR 1.1 million (EUR 2.9 million) from the reassessment of earlier write-downs.

Excess deferred tax assets are recognised with respect to losses in the year under review or in the previous year only to the extent that, based on strong evidence, it is likely that the company concerned will generate sufficiently positive taxable results in the future. This evidence was provided for deferred tax assets in the amount of EUR 67.0 million (EUR 86.0 million).

No deferred taxes were established on liabilities-side taxable temporary differences amounting to EUR 105.3 million (EUR 92.9 million) in connection with interests in Group companies because the Hannover Re Group can control their reversal and will not reverse them in the foreseeable future.

Expiry of non-capitalised loss carry-forwards and other temporary differences

in EUR million	One to five years	Six to ten years	More than ten years	Unlimited	Total
Other temporary differences	—	—	—	1,262.0	1,262.0
Loss carry-forwards	153.3	—	14.2	281.6	449.1
Total	**153.3**	**—**	**14.2**	**1,543.6**	**1,711.1**

Global minimum taxation

Following publication of the OECD's proposed Pillar Two Global Anti-Base Erosion (GloBE) Model Rules as part of global minimum taxation for multinational enterprise groups and domestic companies with combined annual revenues of at least EUR 750 million, IAS 12 “Income Taxes” was amended. The amendments include a temporary, mandatory exemption from the requirement to recognise deferred taxes resulting from implementation of the Pillar Two model rules as well as certain disclosure requirements. Hannover Re is exercising the temporary exemption provided by IAS 12 for the accounting of deferred tax assets and liabilities and the disclosure requirements in connection with the implementation of global minimum taxation.

In the year under review, Hannover Re was established in 32 (31) jurisdictions with entities relevant to the minimum tax rules and was subject to an effective tax burden of more than 15% in most of these jurisdictions. The application of the minimum tax rules resulted in a top-up tax charge of EUR 16.6 million (EUR 109.4 million). In addition, aperiodic top-up tax income of EUR 30.1 million (EUR 0.0 million) was recorded. Overall, this led to a decrease of 0.4 percentage points in Hannover Re's effective tax rate (previous year: increase of 3.4 percentage points).

8. Segment disclosures on the technical account

8.1 Property and casualty reinsurance

Movement in carrying amounts of the liability for remaining coverage and for incurred claims – reinsurance contracts issued in the property and casualty reinsurance segment

in EUR million	2024				2025			
	LRC excluding loss component	Loss component	LIC	Total	LRC excluding loss component	Loss component	LIC	Total
Opening balance – assets	**111.8**	**4.5**	**37.5**	**153.8**	**204.7**	**-6.2**	**433.1**	**631.7**
Opening balance – liabilities	**-2,220.7**	**65.2**	**37,421.0**	**35,265.4**	**-2,158.9**	**29.9**	**41,747.3**	**39,618.3**
Opening balance – net	**-2,332.5**	**60.6**	**37,383.5**	**35,111.6**	**-2,363.6**	**36.0**	**41,314.2**	**38,986.6**
Contracts under the modified retrospective approach	-197.7	—	—	-197.7	-46.5	—	—	-46.5
Contracts under the fair value approach	-137.9	—	—	-137.9	-23.0	—	—	-23.0
Other contracts	-18,329.0	—	—	-18,329.0	-18,701.0	—	—	-18,701.0
Reinsurance revenue	**-18,664.6**	**—**	**—**	**-18,664.6**	**-18,770.5**	**—**	**—**	**-18,770.5**
Incurred claims and other reinsurance service expenses	-0.1	-76.6	14,041.3	13,964.7	0.3	-98.4	12,984.5	12,886.5
Amortisation of insurance acquisition cash flows	984.3	—	—	984.3	980.6	—	—	980.6
Losses and reversal of losses on onerous contracts	-0.1	46.0	—	45.9	—	156.9	—	156.9
Adjustments to liabilities for incurred claims	—	—	-101.6	-101.6	—	—	444.3	444.3
Reinsurance service expenses	**984.1**	**-30.6**	**13,939.7**	**14,893.3**	**981.0**	**58.5**	**13,428.8**	**14,468.3**
Investment component	**-4,307.0**	**—**	**4,307.0**	**—**	**-5,076.4**	**—**	**5,076.4**	**—**
Reinsurance finance result before currency gains/losses plus changes through OCI	707.2	5.3	786.8	1,499.2	696.7	2.0	630.1	1,328.8
Currency gains/losses	-10.8	0.8	1,163.3	1,153.2	32.5	-1.5	-2,938.0	-2,907.0
Reinsurance finance result	**696.3**	**6.0**	**1,950.0**	**2,652.4**	**729.2**	**0.4**	**-2,307.9**	**-1,578.2**
Premiums received	22,130.4	—	—	22,130.4	23,942.5	—	—	23,942.5
Claims and other reinsurance service expenses paid, including investment components	—	—	-16,266.1	-16,266.1	—	—	-14,059.9	-14,059.9
Insurance acquisition cash flows paid	-870.4	—	—	-870.4	-4,716.7	—	—	-4,716.7
Cash flows	**21,260.0**	**—**	**-16,266.1**	**4,993.9**	**19,225.7**	**—**	**-14,059.9**	**5,165.8**
Closing balance – assets	**204.7**	**-6.2**	**433.1**	**631.7**	**637.8**	**—**	**-591.3**	**46.5**
Closing balance – liabilities	**-2,158.9**	**29.9**	**41,747.3**	**39,618.3**	**-4,636.7**	**95.0**	**42,860.2**	**38,318.5**
Closing balance – net	**-2,363.6**	**36.0**	**41,314.2**	**38,986.6**	**-5,274.6**	**95.0**	**43,451.6**	**38,272.0**

Movement in carrying amounts by measurement components – reinsurance contracts issued in the property and casualty reinsurance segment

in EUR million	2024						2025					
	EPV of future cash flows	Risk adjustment for non-financial risk	CSM			Total	EPV of future cash flows	Risk adjustment for non-financial risk	CSM			Total
			Contracts under modified retrospective approach	Contracts under fair value approach	Other contracts				Contracts under modified retrospective approach	Contracts under fair value approach	Other contracts	
Opening balance – assets	**164.9**	**-5.8**	**—**	**—**	**-5.4**	**153.8**	**613.9**	**-1.3**	**-0.5**	**-1.0**	**20.7**	**631.7**
Opening balance – liabilities	**32,546.8**	**902.8**	**22.0**	**54.3**	**1,739.4**	**35,265.4**	**36,409.2**	**1,032.6**	**12.6**	**54.6**	**2,109.2**	**39,618.3**
Opening balance – net	**32,381.9**	**908.6**	**22.0**	**54.3**	**1,744.8**	**35,111.6**	**35,795.3**	**1,033.9**	**13.2**	**55.6**	**2,088.5**	**38,986.6**
CSM recognised in the profit or loss for services provided	—	—	-51.6	-283.2	-3,881.2	-4,215.9	—	—	-14.7	-52.1	-4,175.6	-4,242.4
Change in risk adjustment for non-financial risk expired	—	-65.3	—	—	—	-65.3	—	-81.4	—	—	—	-81.4
Experience adjustments	565.1	—	—	—	—	565.1	-580.0	—	—	—	—	-580.0
Reinsurance service result – changes relate to current service	**565.1**	**-65.3**	**-51.6**	**-283.2**	**-3,881.2**	**-3,716.2**	**-580.0**	**-81.4**	**-14.7**	**-52.1**	**-4,175.6**	**-4,903.8**
Contracts initially recognised in the year	-4,211.1	266.1	—	—	3,987.0	42.0	-4,315.1	280.4	—	—	4,067.4	32.7
Changes in estimates that adjust the CSM	-357.0	20.2	42.5	283.4	10.8	-0.1	-99.5	13.0	12.2	2.3	72.4	0.4
Changes in estimates that result in losses and reversal of losses on onerous contracts	-7.3	11.9	—	—	—	4.6	119.8	4.4	—	—	—	124.2
Reinsurance service result – changes relate to future service	**-4,575.5**	**298.2**	**42.5**	**283.4**	**3,997.8**	**46.4**	**-4,294.8**	**297.8**	**12.2**	**2.3**	**4,139.8**	**157.3**
Reinsurance service result – changes that relate to past service	**38.4**	**-140.0**	**—**	**—**	**—**	**-101.6**	**693.5**	**-249.2**	**—**	**—**	**—**	**444.3**
Reinsurance finance result before currency gains/losses plus changes through OCI	1,340.3	—	0.2	1.0	157.7	1,499.2	1,169.5	—	0.1	0.1	159.1	1,328.8
Currency gains/losses	1,051.2	32.5	0.1	0.1	69.4	1,153.2	-2,629.3	-80.4	-0.3	-0.1	-196.8	-2,907.0
Reinsurance finance result	**2,391.5**	**32.5**	**0.2**	**1.1**	**227.1**	**2,652.4**	**-1,459.8**	**-80.4**	**-0.3**	**—**	**-37.8**	**-1,578.2**
Premiums received	22,130.4	—	—	—	—	22,130.4	23,942.5	—	—	—	—	23,942.5
Claims and other reinsurance service expenses paid, including investment components	-16,266.1	—	—	—	—	-16,266.1	-14,059.9	—	—	—	—	-14,059.9
Insurance acquisition cash flows paid	-870.4	—	—	—	—	-870.4	-4,716.7	—	—	—	—	-4,716.7
Cash flows	**4,993.9**	**—**	**—**	**—**	**—**	**4,993.9**	**5,165.8**	**—**	**—**	**—**	**—**	**5,165.8**
Closing balance – assets	**613.9**	**-1.3**	**-0.5**	**-1.0**	**20.7**	**631.7**	**334.3**	**-6.5**	**—**	**—**	**-281.3**	**46.5**
Closing balance – liabilities	**36,409.2**	**1,032.6**	**12.6**	**54.6**	**2,109.2**	**39,618.3**	**35,654.3**	**914.3**	**10.3**	**5.9**	**1,733.6**	**38,318.5**
Closing balance – net	**35,795.3**	**1,033.9**	**13.2**	**55.6**	**2,088.5**	**38,986.6**	**35,320.0**	**920.8**	**10.3**	**5.9**	**2,015.0**	**38,272.0**

Movement in carrying amounts of the liability for remaining coverage and liability for incurred claims – reinsurance contracts held in the property and casualty reinsurance segment

in EUR million	2024				2025			
	Reinsurance recoverables on LRC without loss recovery component	Loss recovery component	Reinsurance recoverables on LIC	Total	Reinsurance recoverables on LRC without loss recovery component	Loss recovery component	Reinsurance recoverables on LIC	Total
Opening balance – assets	**-554.3**	**-0.7**	**1,890.4**	**1,335.3**	**-804.0**	**-0.8**	**2,086.1**	**1,281.4**
Opening balance – liabilities	**995.9**	**—**	**-578.7**	**417.2**	**1,113.4**	**—**	**-664.9**	**448.5**
Opening balance – net	**-1,550.2**	**-0.7**	**2,469.1**	**918.1**	**-1,917.4**	**-0.8**	**2,751.0**	**832.9**
Reinsurance revenue (ceded)	-2,778.4	—	—	-2,778.4	-2,598.1	—	—	-2,598.1
Incurred claims and other reinsurance service expenses	—	—	1,154.3	1,154.3	0.1	—	968.2	968.3
Amortisation of insurance acquisition cash flows	32.6	—	—	32.6	79.6	—	—	79.6
Losses and reversal of losses on onerous contracts	—	—	—	—	—	—	—	—
Adjustments to liabilities for incurred claims	—	—	-44.3	-44.3	—	—	-158.9	-158.9
Reinsurance service result – net expenses from reinsurance contracts retroceded	**-2,745.9**	**—**	**1,110.0**	**-1,635.9**	**-2,518.4**	**—**	**809.3**	**-1,709.1**
thereof changes in non-performance risk of reinsurers	—	—	—	—	—	—	—	—
Investment component	**-12.3**	**—**	**12.3**	**—**	**-23.4**	**—**	**23.4**	**—**
Reinsurance finance result before currency gains/losses plus changes through OCI	-38.9	—	64.1	25.2	49.5	—	52.8	102.3
Currency gains/losses	-86.6	—	122.1	35.4	185.0	—	-203.7	-18.7
Reinsurance finance result	**-125.5**	**—**	**186.2**	**60.6**	**234.5**	**—**	**-150.9**	**83.6**
Premiums paid	2,511.6	—	—	2,511.6	2,811.6	—	—	2,811.6
Claims and other reinsurance service expenses received, including investment components	—	—	-1,026.5	-1,026.5	—	—	-1,621.8	-1,621.8
Insurance acquisition cash flows	4.9	—	—	4.9	-3.2	—	—	-3.2
Cash flows	**2,516.5**	**—**	**-1,026.5**	**1,490.0**	**2,808.4**	**—**	**-1,621.8**	**1,186.6**
Closing balance – assets	**-804.0**	**-0.8**	**2,086.1**	**1,281.4**	**-262.3**	**-0.8**	**1,055.2**	**792.1**
Closing balance – liabilities	**1,113.4**	**—**	**-664.9**	**448.5**	**1,154.0**	**—**	**-755.7**	**398.2**
Closing balance – net	**-1,917.4**	**-0.8**	**2,751.0**	**832.9**	**-1,416.3**	**-0.8**	**1,810.9**	**393.9**

Movement in carrying amounts by measurement components – reinsurance contracts held in the property and casualty reinsurance segment

in EUR million	2024						2025					
	EPV of future cash flows	Risk adjustment for non-financial risk	CSM			Total	EPV of future cash flows	Risk adjustment for non-financial risk	CSM			Total
			Contracts under modified retrospective approach	Contracts under fair value approach	Other contracts				Contracts under modified retrospective approach	Contracts under fair value approach	Other contracts	
Opening balance – assets	**1,222.6**	**60.8**	**-179.5**	**2.3**	**229.1**	**1,335.3**	**931.5**	**38.5**	**-187.4**	**2.3**	**496.4**	**1,281.4**
Opening balance – liabilities	**441.8**	**-4.2**	**—**	**—**	**-20.4**	**417.2**	**657.5**	**-8.6**	**—**	**—**	**-200.5**	**448.5**
Opening balance – net	**780.8**	**65.0**	**-179.5**	**2.3**	**249.5**	**918.1**	**274.0**	**47.1**	**-187.4**	**2.3**	**696.8**	**832.9**
CSM recognised in the profit or loss for services provided	—	—	-2.4	1.5	-942.8	-943.8	—	—	-2.1	2.3	-1,064.2	-1,064.1
Change in risk adjustment for non-financial risk expired	—	-24.5	—	—	—	-24.5	—	-20.6	—	—	—	-20.6
Experience adjustments	-623.3	—	—	—	—	-623.3	-465.7	—	—	—	—	-465.7
Reinsurance service result – changes relate to current service	**-623.3**	**-24.5**	**-2.4**	**1.5**	**-942.8**	**-1,591.6**	**-465.7**	**-20.6**	**-2.1**	**2.3**	**-1,064.2**	**-1,550.4**
Contracts initially recognised in the year	-1,285.3	30.9	—	—	1,254.4	—	-1,036.1	31.8	—	—	1,004.3	—
Changes in recoveries of losses on onerous underlying	—	—	—	—	—	—	—	—	—	—	—	—
Changes in estimates that adjust the CSM	-93.0	7.8	4.8	-1.6	81.9	—	34.3	6.9	—	-2.2	-38.9	0.1
Changes in estimates that result in losses and reversal of losses on onerous contracts	—	—	—	—	—	—	—	—	—	—	—	—
Reinsurance service result – changes relate to future service	**-1,378.3**	**38.8**	**4.8**	**-1.6**	**1,336.3**	**—**	**-1,001.9**	**38.7**	**—**	**-2.2**	**965.4**	**0.1**
Reinsurance service result – changes that relate to past service	**-9.9**	**-34.3**	**—**	**—**	**—**	**-44.3**	**-170.9**	**12.0**	**—**	**—**	**—**	**-158.9**
Reinsurance service result – Changes in non-performance risk of reinsurers	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Reinsurance finance result before currency gains/losses plus changes through OCI	-2.3	—	—	—	27.5	25.2	66.4	—	—	—	36.0	102.3
Currency gains/losses	17.0	2.2	-10.3	0.1	26.4	35.4	34.6	-5.2	20.6	—	-68.6	-18.7
Reinsurance finance result	**14.7**	**2.2**	**-10.3**	**0.1**	**53.9**	**60.6**	**100.9**	**-5.2**	**20.6**	**—**	**-32.6**	**83.6**
Premiums paid	2,511.6	—	—	—	—	2,511.6	2,811.6	—	—	—	—	2,811.6
Claims and other reinsurance service expenses received, including investment components	-1,026.5	—	—	—	—	-1,026.5	-1,621.8	—	—	—	—	-1,621.8
Insurance acquisition cash flows	4.9	—	—	—	—	4.9	-3.2	—	—	—	—	-3.2
Cash flows	**1,490.0**	**—**	**—**	**—**	**—**	**1,490.0**	**1,186.6**	**—**	**—**	**—**	**—**	**1,186.6**
Closing balance – assets	**931.5**	**38.5**	**-187.4**	**2.3**	**496.4**	**1,281.4**	**638.9**	**22.1**	**-168.9**	**2.4**	**297.6**	**792.1**
Closing balance – liabilities	**657.5**	**-8.6**	**—**	**—**	**-200.5**	**448.5**	**715.9**	**-49.8**	**—**	**—**	**-267.8**	**398.2**
Closing balance – net	**274.0**	**47.1**	**-187.4**	**2.3**	**696.8**	**832.9**	**-77.0**	**72.0**	**-168.9**	**2.4**	**565.4**	**393.9**

Contracts initially recognised – reinsurance contracts issued in the property and casualty reinsurance segment

in EUR million	2024		2025	
	Profitable contracts issued [1]	Onerous contracts issued	Profitable contracts issued [1]	Onerous contracts issued
Expected present value of cash outflows	17,065.0	393.6	16,812.7	691.3
Insurance acquisition cash flows	921.8	8.5	980.5	14.5
Expected present value of cash inflows	-22,236.7	-363.2	-22,135.4	-678.8
Risk adjustment for non-financial risk	263.0	3.2	274.7	5.7
Contractual service margin	3,986.9	—	4,067.4	—
Loss component	—	42.0	—	32.7

[1] Profitable contract includes the buckets profitable and remaining

Contracts initially recognised – reinsurance contracts held in the property and casualty reinsurance segment

in EUR million	2024		2025	
	Contracts retroceded without loss recovery component	Contracts retroceded with loss recovery component	Contracts retroceded without loss recovery component	Contracts retroceded with loss recovery component
Expected present value of cash inflows	1,591.6	—	1,572.6	—
Insurance acquisition cash flows	16.2	—	58.9	—
Expected present value of cash outflows	-2,893.1	—	-2,667.6	—
Risk adjustment for non-financial risk	30.9	—	31.8	—
Contractual service margin	1,254.4	—	1,004.3	—
Loss recovery amount	—	—	—	—

Development of claims in the property and casualty reinsurance segment

The loss and loss adjustment expense reserves are inevitably based to some extent on estimations that entail an element of uncertainty. The run-off result is defined as the adjustment of the liability for incurred claims of prior periods. In this regard, given that the period of some reinsurance contracts does not correspond to the calendar year or because they are concluded on an underwriting-year basis, it is frequently impossible to make an exact allocation of claims expenditures to the current financial year or the previous year.

Development of gross claims

The following tables show the claims development for the current reporting year and for the previous 10 accident years in a gross analysis. The change in the estimate of the undiscounted amounts of expected claims is shown as a so-called loss triangle. In addition, the actual claims payments are compared with the estimates of the undiscounted amounts of the expected claims.

Development of gross claims in the property and casualty reinsurance segment

in EUR million	2015	2016	2017	2018	2019	2020	2021 [1]	2022	2023	2024	2025	Total
Nominal incurred claims (gross)												
Current Year	6,167.1	6,482.8	8,487.7	9,218.4	10,034.6	11,526.8	13,664.3	15,467.5	15,009.3	15,159.6	14,294.2	
One year later	6,157.5	6,525.6	8,626.8	9,920.6	10,686.3	12,177.3	14,095.7	15,518.4	15,095.0	15,260.8		
Two years later	6,014.0	6,499.7	8,432.5	9,804.0	10,454.4	11,780.0	14,113.2	15,596.0	14,802.0			
Three years later	5,841.7	6,386.3	8,340.5	9,553.4	10,369.5	11,663.9	14,085.5	16,164.7				
Four years later	5,686.6	6,307.8	8,296.9	9,631.6	10,402.6	11,538.8	14,234.9					
Five years later	5,661.2	6,239.6	8,238.4	9,759.4	10,421.3	11,658.2						
Six years later	5,570.3	6,147.1	8,263.8	9,835.4	10,473.7							
Seven years later	5,492.3	6,093.6	8,200.5	9,913.0								
Eight years later	5,428.4	6,118.4	8,284.4									
Nine years later	5,415.5	6,173.7										
Ten years later	5,379.2											
Run-off nominal incurred claims past service (gross)	36.3	-55.3	-83.9	-77.5	-52.4	-119.4	-149.4	-568.7	293.0	-101.1		-878.5
Run-off nominal incurred claims past service older than 2015 (gross)												99.7
Total run-off nominal incurred claims past service (gross)												**-778.8**
Total run-off discounted incurred claims past service (gross)												-703.4
Changes risk adjustment for non-financial risk past service discounted (gross)												249.2
Reinsurance contract related cash flows other than claims past service discounted (gross)												10.0
Discounted run-off result (gross)												**-444.3**
Beginning of period gross liability for incurred claims 01.01.2025 (gross)												**41,314.2**
Nominal incurred claims - accident years from 2015 to 2025 (gross)	-36.3	55.3	83.9	77.5	52.4	119.4	149.4	568.7	-293.0	101.1	14,294.2	15,172.7
Claims payments - accident years from 2015 to 2025 (gross)	-72.5	-88.0	-155.1	-205.2	-349.1	-539.4	-846.3	-1,246.7	-1,422.9	-3,791.3	-6,518.6	-15,235.1
Nominal incurred claims and claims payments for accident years prior 2015 (gross)												-332.8
Effect of discounting												-1,081.8
Investment component												5,076.4
Currency effects												-2,938.0
Changes accounts payable / receivable												1,472.5
Changes risk adjustment for non-financial risk												-24.4
Remaining changes												27.9
End of period liability for incurred claims 31.12.2025 (gross)												**43,451.6**

[1] Values transformed from IFRS 4 up to and including the 2021 reporting year.

Development of net claims

The following tables show the claims development for the current reporting year and for the previous 10 accident years in a net analysis. The change in the estimate of the undiscounted amounts of expected claims is shown as a so-called loss triangle. In addition, the actual claims payments are compared with the estimates of the undiscounted amounts of the expected claims.

Development of net claims in the property and casualty reinsurance segment

in EUR million	2015	2016	2017	2018	2019	2020	2021 [1]	2022	2023	2024	2025	Total
Nominal incurred claims (net)												
Current Year	5,884.2	6,018.4	7,653.5	8,221.7	9,344.3	10,791.8	12,120.5	13,993.5	14,164.5	13,889.1	13,209.5	
One year later	6,043.4	6,132.8	7,654.0	8,787.0	9,732.7	11,199.4	12,623.8	14,039.4	14,279.6	14,200.1		
Two years later	5,704.7	6,132.5	7,444.6	8,658.3	9,470.6	10,736.0	12,656.1	14,035.3	14,136.9			
Three years later	5,556.2	6,035.6	7,437.1	8,477.9	9,371.5	10,675.0	12,646.0	14,458.8				
Four years later	5,419.0	5,955.4	7,391.6	8,569.1	9,411.2	10,596.7	12,801.9					
Five years later	5,391.4	5,890.4	7,323.3	8,681.8	9,440.5	10,729.9						
Six years later	5,296.3	5,782.5	7,346.5	8,773.2	9,493.2							
Seven years later	5,205.4	5,725.7	7,252.6	8,835.4								
Eight years later	5,136.8	5,751.3	7,327.7									
Nine years later	5,123.2	5,800.8										
Ten years later	5,086.2											
Run-off nominal incurred claims past service (net)	36.9	-49.5	-75.0	-62.3	-52.7	-133.2	-155.9	-423.5	142.7	-311.0		-1,083.3
Run-off nominal incurred claims past service older than 2015 (net)												114.2
Total run-off nominal incurred claims past service (net)												**-969.2**
Total run-off discounted incurred claims past service (net)												-863.2
Changes risk adjustment for non-financial risk past service discounted (net)												261.2
Reinsurance contract related cash flows other than claims past service discounted (net)												-1.1
Discounted run-off result (net)												**-603.2**
Beginning of period liability for incurred claims 01.01.2025 (net)												**38,563.2**
Nominal incurred claims - accident years from 2015 to 2025 (net)	-36.9	49.5	75.0	62.3	52.7	133.2	155.9	423.5	-142.7	311.0	13,209.5	14,292.9
Claims payments - accident years from 2015 to 2025 (net)	-71.3	-82.0	-146.1	-203.7	-280.3	-445.7	-709.4	-1,057.4	-1,283.6	-3,596.5	-6,222.9	-14,099.0
Nominal incurred claims and claims payments for accident years prior 2015 (net)												-336.0
Effect of discounting												-1,038.0
Investment component												5,053.0
Currency effects												-2,734.3
Changes accounts payable / receivable												1,968.3
Changes risk adjustment for non-financial risk												-57.4
Remaining changes												27.9
End of period liability for incurred claims 31.12.2025 (net)												**41,640.6**

[1] Values transformed from IFRS 4 up to and including the 2021 reporting year.

The discounted net run-off result in the current reporting year amounted to EUR -603.2 million (EUR 57.3 million).

Maturities of the contractual cash flows in the property and casualty reinsurance segment

in EUR million	2024		2025	
	Remaining contractual undiscounted net cash flows		Remaining contractual undiscounted net cash flows	
	Reinsurance contracts issued	Reinsurance contracts retroceded	Reinsurance contracts issued	Reinsurance contracts retroceded
Due in one year	4,491.4	-1,320.5	3,321.5	-1,487.7
Due after one through two years	9,838.1	516.6	9,687.0	414.6
Due after two through three years	6,242.0	329.4	6,633.7	294.2
Due after three through four years	4,632.9	228.2	4,657.5	210.1
Due after four through five years	3,476.8	174.0	3,555.8	160.5
Due after five through ten years	8,719.3	438.0	8,828.7	392.3
Due after ten through twenty years	4,325.8	212.8	4,330.9	187.2
Due after twenty years	1,239.9	60.0	1,380.7	59.3
	42,966.1	**638.4**	**42,396.0**	**230.4**
Discounting	-7,170.9	-364.5	-7,075.9	-307.5
Total	**35,795.3**	**274.0**	**35,320.0**	**-77.0**

Maturities of the contractual service margin in the property and casualty reinsurance segment

in EUR million	2024		2025	
	Contractual service margin		Contractual service margin	
	Reinsurance contracts issued	Reinsurance contracts retroceded	Reinsurance contracts issued	Reinsurance contracts retroceded
Due in one year	1,905.9	527.6	1,683.2	405.1
Due after one through two years	216.7	0.6	241.9	8.1
Due after two through three years	46.3	—	76.7	—
Due after three through four years	25.2	—	45.9	—
Due after four through five years	13.4	—	24.2	—
Due after five through ten years	26.3	—	46.6	—
Due after ten through twenty years	7.6	—	22.1	—
Due after twenty years	0.1	—	7.4	—
	2,241.5	**528.2**	**2,147.9**	**413.2**
Discounting	-84.1	-16.5	-116.7	-14.3
Total	**2,157.4**	**511.7**	**2,031.2**	**399.0**

Reinsurance revenue (gross) by region in the property and casualty reinsurance segment

in EUR million	2024	2025
Regional origin		
Germany	1,483.8	1,418.7
United Kingdom	2,310.7	1,765.8
France	576.7	497.3
Other	2,066.2	1,798.8
Europe	**6,437.5**	**5,480.6**
USA	7,324.0	8,516.2
Other	1,276.7	1,342.5
North America	**8,600.7**	**9,858.7**
Asia	1,963.5	1,799.1
Australia	741.0	720.1
Australasia	**2,704.5**	**2,519.2**
Africa	**225.8**	**235.9**
Other	**696.2**	**676.0**
Total	**18,664.7**	**18,770.5**

Components of the reinsurance revenue (gross) in the property and casualty reinsurance segment

in EUR million	2024	2025
Components		
Expected incurred claims and other insurance expenses	11,691.7	13,541.5
CSM recognised for services provided	4,216.3	4,242.4
Change in risk adjustment for non-financial risk for risk expired	309.3	306.1
Experience adjustments for past or current services	1,463.1	-300.1
Recovery of insurance acquisition cash flows	984.3	980.6
Total	**18,664.7**	**18,770.5**

8.2 Life and health insurance

Movement in carrying amounts of the liability for remaining coverage and for incurred claims – reinsurance contracts issued in the life and health segment

in EUR million	2024				2025			
	LRC excluding loss component	Loss component	LIC	Total	LRC excluding loss component	Loss component	LIC	Total
Opening balance – assets	**1,282.6**	**-6.8**	**-409.8**	**866.0**	**1,211.8**	**-12.9**	**-324.9**	**874.0**
Opening balance – liabilities	**-259.6**	**440.5**	**8,793.1**	**8,974.0**	**-226.8**	**786.5**	**8,739.6**	**9,299.3**
Opening balance – net	**-1,542.2**	**447.3**	**9,202.9**	**8,108.0**	**-1,438.7**	**799.4**	**9,064.5**	**8,425.3**
Contracts under the modified retrospective approach	-2,075.9	—	—	-2,075.9	-2,071.3	—	—	-2,071.3
Contracts under the fair value approach	-4,723.1	—	—	-4,723.1	-4,219.7	—	—	-4,219.7
Other contracts	-915.6	—	—	-915.6	-1,724.5	—	—	-1,724.5
Reinsurance revenue	**-7,714.5**	**—**	**—**	**-7,714.5**	**-8,015.5**	**—**	**—**	**-8,015.5**
Incurred claims and other reinsurance service expenses	-0.1	-107.1	6,407.9	6,300.7	—	-106.8	6,800.2	6,693.4
Amortisation of insurance acquisition cash flows	22.4	—	—	22.4	28.4	—	—	28.4
Losses and reversal of losses on onerous contracts	0.1	434.8	—	435.0	—	321.5	—	321.5
Adjustments to liabilities for incurred claims	—	—	46.8	46.8	—	—	49.7	49.7
Reinsurance service expenses	**22.4**	**327.7**	**6,454.7**	**6,804.9**	**28.4**	**214.8**	**6,849.9**	**7,093.1**
Investment component	**-1,642.1**	**—**	**1,642.1**	**—**	**-1,504.7**	**—**	**1,504.7**	**—**
Reinsurance finance result before currency gains/losses plus changes through OCI	222.2	11.4	40.4	274.0	137.7	18.4	91.2	247.4
Currency gains/losses	-17.7	13.1	187.0	182.4	91.3	-53.5	-540.2	-502.4
Reinsurance finance result	**204.5**	**24.5**	**227.4**	**456.4**	**229.0**	**-35.1**	**-449.0**	**-255.1**
Premiums received	9,267.6	—	—	9,267.6	8,781.3	—	—	8,781.3
Claims and other reinsurance service expenses paid, including investment components	—	—	-8,462.7	-8,462.7	—	—	-7,747.1	-7,747.1
Insurance acquisition cash flows paid	-34.3	—	—	-34.3	-47.5	—	—	-47.5
Cash flows	**9,233.2**	**—**	**-8,462.7**	**770.5**	**8,733.8**	**—**	**-7,747.1**	**986.6**
Closing balance – assets	**1,211.8**	**-12.9**	**-324.9**	**874.0**	**1,164.3**	**-9.5**	**-281.9**	**872.9**
Closing balance – liabilities	**-226.8**	**786.5**	**8,739.6**	**9,299.3**	**-803.4**	**969.6**	**8,941.1**	**9,107.3**
Closing balance – net	**-1,438.7**	**799.4**	**9,064.5**	**8,425.3**	**-1,967.7**	**979.1**	**9,223.0**	**8,234.4**

Movement in carrying amounts by measurement components – reinsurance contracts issued in the life and health reinsurance segment

in EUR million	2024						2025					
	EPV of future cash flows	Risk adjustment for non-financial risk	CSM			Total	EPV of future cash flows	Risk adjustment for non-financial risk	CSM			Total
			Contracts under modified retrospective approach	Contracts under fair value approach	Other contracts				Contracts under modified retrospective approach	Contracts under fair value approach	Other contracts	
Opening balance – assets	**2,158.0**	**-107.6**	**-320.5**	**-385.3**	**-478.5**	**866.0**	**1,810.2**	**-49.4**	**-106.9**	**-241.8**	**-538.0**	**874.0**
Opening balance – liabilities	**1,017.4**	**2,919.4**	**2,063.3**	**2,401.0**	**572.9**	**8,974.0**	**261.1**	**3,101.6**	**2,482.1**	**2,607.3**	**847.2**	**9,299.3**
Opening balance – net	**-1,140.6**	**3,027.0**	**2,383.9**	**2,786.2**	**1,051.4**	**8,108.0**	**-1,549.0**	**3,150.9**	**2,589.0**	**2,849.1**	**1,385.2**	**8,425.3**
CSM recognised in the profit or loss for services provided	—	—	-180.4	-328.8	-398.3	-907.6	—	—	-189.1	-284.0	-482.8	-956.0
Change in risk adjustment for non-financial risk expired	—	-243.5	—	—	—	-243.5	—	-240.7	—	—	—	-240.7
Experience adjustments	-240.2	—	—	—	—	-240.2	-97.0	—	—	—	—	-97.0
Reinsurance service result – changes relate to current service	**-240.2**	**-243.5**	**-180.4**	**-328.8**	**-398.3**	**-1,391.3**	**-97.0**	**-240.7**	**-189.1**	**-284.0**	**-482.8**	**-1,293.7**
Contracts initially recognised in the year	-383.7	66.8	—	—	323.2	6.3	-587.1	82.5	—	—	521.5	16.8
Changes in estimates that adjust the CSM	-869.4	116.1	225.9	205.3	322.1	—	-377.1	-242.7	211.8	134.2	273.9	—
Changes in estimates that result in losses and reversal of losses on onerous contracts	346.9	81.7	—	—	—	428.5	-146.8	451.5	—	—	—	304.7
Reinsurance service result – changes relate to future service	**-906.2**	**264.6**	**225.9**	**205.3**	**645.2**	**434.8**	**-1,111.1**	**291.3**	**211.8**	**134.2**	**795.4**	**321.5**
Reinsurance service result – changes that relate to past service	**54.4**	**-7.5**	**—**	**—**	**—**	**46.8**	**36.7**	**13.0**	**—**	**—**	**—**	**49.7**
Reinsurance finance result before currency gains/losses plus changes through OCI	87.4	1.1	82.3	61.9	41.3	274.0	-67.1	118.1	85.1	59.5	51.7	247.4
Currency gains/losses	-174.3	109.2	77.3	124.5	45.6	182.4	217.9	-240.0	-106.7	-262.9	-110.7	-502.4
Reinsurance finance result	**-86.9**	**110.3**	**159.6**	**186.4**	**86.9**	**456.4**	**150.8**	**-121.9**	**-21.6**	**-203.4**	**-59.0**	**-255.1**
Premiums received	9,267.6	—	—	—	—	9,267.6	8,781.3	—	—	—	—	8,781.3
Claims and other reinsurance service expenses paid, including investment components	-8,462.7	—	—	—	—	-8,462.7	-7,747.1	—	—	—	—	-7,747.1
Insurance acquisition cash flows paid	-34.3	—	—	—	—	-34.3	-47.5	—	—	—	—	-47.5
Cash flows	**770.5**	**—**	**—**	**—**	**—**	**770.5**	**986.6**	**—**	**—**	**—**	**—**	**986.6**
Closing balance – assets	**1,810.2**	**-49.4**	**-106.9**	**-241.8**	**-538.0**	**874.0**	**1,926.0**	**-71.9**	**-106.5**	**-197.5**	**-677.1**	**872.9**
Closing balance – liabilities	**261.1**	**3,101.6**	**2,482.1**	**2,607.3**	**847.2**	**9,299.3**	**343.0**	**3,020.7**	**2,483.5**	**2,298.3**	**961.7**	**9,107.3**
Closing balance – net	**-1,549.0**	**3,150.9**	**2,589.0**	**2,849.1**	**1,385.2**	**8,425.3**	**-1,582.9**	**3,092.6**	**2,590.0**	**2,495.9**	**1,638.8**	**8,234.4**

Movement in carrying amounts of the liability for remaining coverage and for incurred claims – reinsurance contracts held in the life and health reinsurance segment

in EUR million	2024				2025			
	Reinsurance recoverables on LRC without loss recovery component	Loss recovery component	Reinsurance recoverables on LIC	Total	Reinsurance recoverables on LRC without loss recovery component	Loss recovery component	Reinsurance recoverables on LIC	Total
Opening balance – assets	**-156.8**	**6.3**	**341.0**	**190.6**	**-298.4**	**38.6**	**479.9**	**220.1**
Opening balance – liabilities	**738.9**	**-21.4**	**-435.8**	**281.7**	**516.6**	**14.7**	**-323.6**	**207.8**
Opening balance – net	**-895.6**	**27.7**	**776.9**	**-91.1**	**-815.1**	**23.9**	**803.6**	**12.4**
Reinsurance revenue (ceded)	-565.3	—	—	-565.3	-902.8	—	—	-902.8
Incurred claims and other reinsurance service expenses	—	-0.8	548.3	547.4	—	-0.5	906.7	906.2
Amortisation of insurance acquisition cash flows	—	—	—	—	-0.1	—	—	-0.1
Losses and reversal of losses on onerous contracts	—	-4.6	—	-4.6	—	-13.5	—	-13.5
Adjustments to liabilities for incurred claims	—	—	-4.2	-4.2	—	—	-9.2	-9.2
Reinsurance service result – net expenses from reinsurance contracts retroceded	**-565.3**	**-5.5**	**544.1**	**-26.7**	**-902.9**	**-14.1**	**897.5**	**-19.4**
thereof changes in non-performance risk of reinsurers	0.1	—	3.8	3.9	13.5	—	—	13.5
Investment component	**-412.2**	**—**	**412.2**	**—**	**-397.9**	**—**	**397.9**	**—**
Reinsurance finance result before currency gains/losses plus changes through OCI	62.0	1.0	0.6	63.6	44.5	0.5	0.5	45.6
Currency gains/losses	-28.0	0.7	29.9	2.6	47.3	-2.1	-57.1	-12.0
Reinsurance finance result	**34.0**	**1.7**	**30.5**	**66.2**	**91.8**	**-1.6**	**-56.6**	**33.6**
Premiums paid	1,024.0	—	—	1,024.0	1,127.0	—	—	1,127.0
Claims and other reinsurance service expenses received, including investment components	—	—	-960.0	-960.0	—	—	-995.2	-995.2
Insurance acquisition cash flows	—	—	—	—	—	—	—	—
Cash flows	**1,024.0**	**—**	**-960.0**	**64.0**	**1,127.0**	**—**	**-995.2**	**131.8**
Closing balance – assets	**-298.4**	**38.6**	**479.9**	**220.1**	**-540.3**	**13.2**	**842.1**	**315.1**
Closing balance – liabilities	**516.6**	**14.7**	**-323.6**	**207.8**	**356.8**	**5.0**	**-205.0**	**156.7**
Closing balance – net	**-815.1**	**23.9**	**803.6**	**12.4**	**-897.1**	**8.2**	**1,047.2**	**158.3**

Movement in carrying amounts by measurement components – reinsurance contracts held in the life and health reinsurance segment

in EUR million	2024						2025					
	EPV of future cash flows	Risk adjustment for non-financial risk	CSM			Total	EPV of future cash flows	Risk adjustment for non-financial risk	CSM			Total
			Contracts under modified retrospective approach	Contracts under fair value approach	Other contracts				Contracts under modified retrospective approach	Contracts under fair value approach	Other contracts	
Opening balance – assets	**-179.3**	**80.0**	**232.4**	**44.5**	**13.0**	**190.6**	**-192.6**	**85.9**	**262.4**	**45.6**	**18.7**	**220.1**
Opening balance – liabilities	**325.0**	**-61.9**	**-5.7**	**29.5**	**-5.2**	**281.7**	**235.3**	**-47.7**	**3.1**	**18.5**	**-1.3**	**207.8**
Opening balance – net	**-504.3**	**142.0**	**238.2**	**14.9**	**18.2**	**-91.1**	**-427.9**	**133.7**	**259.4**	**27.1**	**20.1**	**12.4**
CSM recognised in the profit or loss for services provided	—	—	-4.5	-5.2	-15.1	-24.8	—	—	-16.9	-6.1	-16.1	-39.1
Change in risk adjustment for non-financial risk expired	—	-15.1	—	—	—	-15.1	—	-10.8	—	—	—	-10.8
Experience adjustments	18.1	—	—	—	—	18.1	39.7	—	—	—	—	39.7
Reinsurance service result – changes relate to current service	**18.1**	**-15.1**	**-4.5**	**-5.2**	**-15.1**	**-21.8**	**39.7**	**-10.8**	**-16.9**	**-6.1**	**-16.1**	**-10.2**
Contracts initially recognised in the year	-6.5	—	—	—	6.5	—	-124.6	90.5	—	—	34.1	—
Changes in recoveries of losses on onerous underlying	—	—	—	—	—	—	4.4	2.8	—	—	-3.0	4.2
Changes in estimates that adjust the CSM	-27.0	-4.0	5.7	16.3	9.1	—	-284.3	125.3	24.5	103.4	31.0	—
Changes in estimates that result in losses and reversal of losses on onerous contracts	-7.5	2.8	—	—	—	-4.6	117.2	-134.9	—	—	—	-17.7
Reinsurance service result – changes relate to future service	**-41.0**	**-1.1**	**5.7**	**16.3**	**15.5**	**-4.6**	**-287.3**	**83.7**	**24.5**	**103.4**	**62.1**	**-13.5**
Reinsurance service result – changes that relate to past service	**-4.2**	**—**	**—**	**—**	**—**	**-4.2**	**-9.1**	**—**	**—**	**—**	**—**	**-9.2**
Reinsurance service result – Changes in non-performance risk of reinsurers	**3.9**	**—**	**—**	**—**	**—**	**3.9**	**13.5**	**—**	**—**	**—**	**—**	**13.5**
Reinsurance finance result before currency gains/losses plus changes through OCI	51.1	2.6	8.6	0.5	0.7	63.6	29.5	5.4	9.1	0.4	1.1	45.6
Currency gains/losses	-15.6	5.4	11.4	0.7	0.7	2.6	17.9	-11.1	-12.7	-4.3	-1.8	-12.0
Reinsurance finance result	**35.6**	**8.0**	**20.0**	**1.2**	**1.5**	**66.2**	**47.4**	**-5.7**	**-3.6**	**-3.9**	**-0.7**	**33.6**
Premiums paid	1,024.0	—	—	—	—	1,024.0	1,127.0	—	—	—	—	1,127.0
Claims and other reinsurance service expenses received, including investment components	-960.0	—	—	—	—	-960.0	-995.2	—	—	—	—	-995.2
Insurance acquisition cash flows	—	—	—	—	—	—	—	—	—	—	—	—
Cash flows	**64.0**	**—**	**—**	**—**	**—**	**64.0**	**131.8**	**—**	**—**	**—**	**—**	**131.8**
Closing balance – assets	**-192.6**	**85.9**	**262.4**	**45.6**	**18.7**	**220.1**	**-254.6**	**174.0**	**262.0**	**68.3**	**65.4**	**315.1**
Closing balance – liabilities	**235.3**	**-47.7**	**3.1**	**18.5**	**-1.3**	**207.8**	**237.3**	**-26.9**	**-1.4**	**-52.2**	**—**	**156.7**
Closing balance – net	**-427.9**	**133.7**	**259.4**	**27.1**	**20.1**	**12.4**	**-491.8**	**200.9**	**263.4**	**120.5**	**65.4**	**158.3**

Contracts initially recognised – reinsurance contracts issued in the life and health reinsurance segment

in EUR million	2024		2025	
	Profitable contracts issued [1]	Onerous contracts issued	Profitable contracts issued [1]	Onerous contracts issued
Expected present value of cash outflows	2,721.8	16.8	4,983.3	45.0
Insurance acquisition cash flows	22.0	0.3	32.0	0.8
Expected present value of cash inflows	-3,133.3	-11.2	-5,618.7	-29.7
Risk adjustment for non-financial risk	66.3	0.5	81.9	0.6
Contractual service margin	323.2	—	521.5	—
Loss component	—	6.4	—	16.8

[1] Profitable contract includes the buckets profitable and remaining

Contracts initially recognised – reinsurance contracts held in the life and health reinsurance segment

in EUR million	2024		2025	
	Contracts retroceded without loss recovery component	Contracts retroceded with loss recovery component	Contracts retroceded without loss recovery component	Contracts retroceded with loss recovery component
Expected present value of cash inflows	347.5	0.1	2,053.2	1,107.4
Insurance acquisition cash flows	—	—	—	—
Expected present value of cash outflows	-354.1	-0.1	-2,177.8	-1,103.0
Risk adjustment for non-financial risk	—	—	90.5	2.8
Contractual service margin	6.5	—	34.1	-3.0
Loss recovery amount	—	—	—	4.2

Maturities of the contractual cash flows in the life and health reinsurance segment

in EUR million	2024		2025	
	Remaining contractual undiscounted net cash flows		Remaining contractual undiscounted net cash flows	
	Reinsurance contracts issued	Reinsurance contracts retroceded	Reinsurance contracts issued	Reinsurance contracts retroceded
Due in one year	634.9	-0.5	399.2	48.3
Due after one through two years	294.8	-85.6	401.1	-26.3
Due after two through three years	197.6	-20.0	313.2	-89.8
Due after three through four years	-300.9	-22.5	-265.6	-27.5
Due after four through five years	-344.1	-23.8	-187.3	-29.9
Due after five through ten years	-1,367.3	-129.3	-1,210.6	-172.6
Due after ten through twenty years	-1,813.0	-262.4	-2,117.6	-369.6
Due after twenty years	80.9	-221.2	-95.8	-204.0
	-2,617.1	**-765.3**	**-2,763.3**	**-871.3**
Discounting	1,068.1	337.5	1,180.3	379.5
Total	**-1,549.0**	**-427.9**	**-1,582.9**	**-491.8**

Maturities of the contractual service margin in the life and health reinsurance segment

in EUR million	2024		2025	
	Contractual service margin		Contractual service margin	
	Reinsurance contracts issued	Reinsurance contracts retroceded	Reinsurance contracts issued	Reinsurance contracts retroceded
Due in one year	714.9	17.0	735.0	24.8
Due after one through two years	548.9	17.3	500.3	26.5
Due after two through three years	471.1	18.0	476.4	28.4
Due after three through four years	449.7	18.7	454.8	29.6
Due after four through five years	432.9	19.0	428.8	29.9
Due after five through ten years	1,829.3	97.0	1,821.7	145.9
Due after ten through twenty years	2,355.1	163.9	2,377.2	218.8
Due after twenty years	3,679.9	86.6	3,491.2	139.1
	10,481.8	**437.5**	**10,285.3**	**642.9**
Discounting	-3,658.5	-130.9	-3,560.6	-193.6
Total	**6,823.4**	**306.6**	**6,724.7**	**449.3**

Reinsurance revenue (gross) by region in the life and health reinsurance segment

in EUR million	2024	2025
Germany	90.5	85.3
United Kingdom	2,003.8	2,034.4
France	299.5	320.5
Other	284.7	305.4
Europe	**2,678.6**	**2,745.6**
USA	2,298.8	2,574.8
Other	128.2	93.8
North America	**2,427.1**	**2,668.6**
Asia	1,112.5	1,083.7
Australia	772.0	747.6
Australasia	**1,884.5**	**1,831.2**
Africa	**256.5**	**295.2**
Other	**467.9**	**474.8**
Total	**7,714.5**	**8,015.5**

Components of the reinsurance revenue (gross) in the life and health reinsurance segment

in EUR million	2024	2025
Expected incurred claims and other insurance expenses	6,230.8	6,387.2
CSM recognised for services provided	907.6	956.0
Change in risk adjustment for non-financial risk for risk expired	250.9	246.5
Experience adjustments for past or current services	302.8	397.4
Recovery of insurance acquisition cash flows	22.4	28.4
Total	**7,714.5**	**8,015.5**

9. Other notes

9.1 Derivative financial instruments and financial guarantees

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

The fair values of the derivative financial instruments were determined on the basis of the market information available at the balance sheet date. Please see section **3.2 "Summary of major accounting policies"** with regard to the measurement models used.

Hannover Re holds derivative financial instruments to hedge interest rate risks from loans connected with the financing of real estate; these gave rise to recognition of other liabilities in an amount of EUR 0.5 million (EUR 0.8 million).

For the purpose of structuring the asset/liability management of non-current liabilities in certain currencies, Hannover Re has used with effect from the 2023 financial year onwards derivatives for interest rate hedging – in addition to those mentioned above and for other scenarios – that result in the recognition of financial assets at fair value through profit or loss in an amount of EUR 0.0 million (EUR 6.3 ,million) and other liabilities in an amount of EUR 18.3 million (EUR 15.0 million).

Hannover Re's portfolio contained derivative financial instruments as at the balance sheet date in the form of forward exchange transactions taken out to hedge currency risks. These transactions gave rise to recognition of other liabilities in an amount of EUR 57.5 million (EUR 73.5 million) and financial assets at fair value through profit or loss in an amount of EUR 43.5 million (EUR 71.2 million).

The increase in equity from hedging instruments recognised in OCI in the context of hedge accounting pursuant to IFRS 9 in an amount of EUR 3.2 million (EUR 14.4 million) derived from the forward exchange transactions taken out to hedge currency risks from long-term investments in foreign operations. These hedging instruments resulted in the recognition of financial assets at fair value through profit or loss of EUR 19.6 million (EUR 4.8 million) and other liabilities in an amount of EUR 0.9 million (EUR 0.0 million).

The accounting of forward exchange transactions used to hedge currency risks from long-term investments in foreign operations follows the accounting treatment of cash flow hedges in accordance with IFRS 9. The effective portion of changes in the value of the hedging instrument is recognised as a change in equity in OCI (cash flow hedge reserve). The ineffective portion of the changes in the value of the hedging instrument is recognised in profit or loss within the changes in the fair values of financial assets and liabilities. The effectiveness of the hedging relationship is tested using the critical terms match method.

Inflation swaps are taken out in the form of cash flow hedges to minimise the inflation risk associated with payments under a morbidity loss reserve portfolio. These serve primarily to hedge volatility in reinsurance payments due. The structuring is such that separate inflation swaps are taken out for the loss payments incurred in each year. These financial instruments result in disclosure of financial assets at fair value through profit or loss in an amount of EUR 2.2 million (EUR 1.6 million) and other liabilities in an amount of EUR 0.3 million (EUR 0,0 million). The hedge gave rise to an increase in equity from hedging instruments recognised in OCI in an amount of EUR 0.5 million (decrease of EUR 2.8 million recognised in OCI).

In order to hedge the risk of share price changes in connection with the stock appreciation rights granted under the share award plan, Hannover Re has taken out hedges since 2014 in the form of so-called equity swaps. The fair value of these instruments was recognised in an amount of EUR 2.3 million under other other liabilities (EUR 2.6 million) as at the balance sheet date. The hedge gave rise to a decrease in equity from hedging instruments recognised in OCI in an amount of EUR 1.4 million (increase of EUR 0.5 million recognised in OCI).

The maturities of the fair values and notional values of the hedging instruments described above can be broken down as follows:

Maturity structure of derivative financial instruments

in EUR million					2024					2025
	Less than one year	One to five years	Five to ten years	More than ten years	31.12.2024	Less than one year	One to five years	Five to ten years	More than ten years	31.12.2025
Interest rate hedges										
Fair values	—	-2.3	-5.1	-2.2	-9.5	—	-3.4	-11.7	-3.7	-18.8
Notional values	—	95.0	343.5	37.0	475.5	—	126.8	324.3	53.6	504.6
Currency and other risk hedges										
Fair values	-13.7	29.9	-13.8	—	2.4	-10.3	12.4	2.8	-0.2	4.6
Notional values	2,416.0	858.7	372.4	—	3,647.1	4,938.7	1,329.2	279.4	28.9	6,576.3
Inflation hedges										
Fair values	0.2	0.7	0.5	—	1.5	0.4	1.3	0.2	—	2.0
Notional values	65.7	183.9	107.5	—	357.0	53.6	238.2	169.8	—	461.5
Share price hedges										
Fair values	-2.6	—	—	—	-2.6	-2.3	—	—	—	-2.3
Notional values	47.7	—	—	—	47.7	61.3	—	—	—	61.3
Total hedging instruments										
Fair values	-16.0	28.3	-18.3	-2.2	-8.2	-12.2	10.2	-8.7	-3.9	-14.6
Notional values	2,529.4	1,137.6	823.3	37.0	4,527.3	5,053.6	1,694.1	773.5	82.5	7,603.7

The net changes in the fair value of these instruments decreased the result of the financial year by EUR 35.0 million (67.1 million).

Hannover Re enters into derivative transactions on the basis of standardised master agreements that contain global netting agreements. The netting agreements set out below normally do not meet the criteria for netting in the balance sheet, since Hannover Re has no legal right whatsoever at the present moment in time to netting of the recognised amounts. The right to netting can, as a matter of principle, only be enforced upon occurrence of certain future defined events. Collateral furnished or received is recognised per counterparty up to at most the amount of the respective net liability or net asset.

Netting agreements

in EUR million	2024					2025				
	Fair value	Netting agreement	Cash collateral received/furnished	Other collateral received/furnished	Net amount	Fair value	Netting agreement	Cash collateral received/furnished	Other collateral received/furnished	Net amount
Derivative receivables	72.9	33.4	39.1	0.3	0.1	63.1	37.6	25.2	—	0.3
Derivative liabilities	90.5	33.4	11.8	36.4	8.9	76.5	37.6	8.6	27.1	3.2

Derivative financial instruments in connection with reinsurance

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

A number of transactions concluded in the Life & Health reinsurance business group in previous years, under which Hannover Re companies offer their contracting parties coverage for risks from possible future payment obligations arising out of hedging instruments, are also to be classified as derivative financial instruments. The payment obligations result from contractually defined events and relate to the development of an underlying group of primary insurance contracts with statutory reserving requirements. The contracts are to be categorised and recognised as stand-alone credit derivatives pursuant to IFRS 9. These derivative financial instruments were carried in equity on initial recognition. Please see section **6.3 “Other assets”**. The fair value of these instruments was EUR 19.3 million on the balance sheet date and was recognised under other liabilities (EUR 14.2 million recognised under financial assets at fair value through profit or loss). The change in value in subsequent periods is dependent upon the risk experience and led to an improvement in the result of EUR 32.9 million (EUR 56.5 million) in the financial year.

The portfolio contains a hedge against an extreme increase in mortality that protects the Hannover Re Group against a rise in mortality rates, for example due to pandemics, natural catastrophes or terrorist attacks. The risk swap is indexed against a weighted combination of US, UK and Australian population mortality. Payment under the cover is triggered proportionately between 110% and 120% of the mortality index. The derivative was recognised with a fair value of EUR 0.0 million as at the balance sheet date (EUR 1.0 million recognised under other liabilities). The change in the fair value of the derivative gave rise to income of EUR 1.0 million (EUR 0.8 million) in the course of the year.

In the area of life and health reinsurance a reinsurance treaty with a financing component was also written in the past under which the amount and timing of the return flows are dependent on lapse rates within an underlying primary insurance portfolio. This treaty and a corresponding retrocession agreement, which are classified as financial instruments pursuant to IFRS 9, resulted in the recognition of other liabilities of EUR 2.2 million (EUR 4.7 million) and financial assets at fair value through profit or loss in an amount of EUR 89.4 million (EUR 124.7 million). Altogether, these arrangements gave rise to an improvement in the result of EUR 6.6 million (EUR 12.9 million) in the year under review.

At the end of the 2017 financial year an index-linked cover was written for longevity risks. The resulting derivative was recognised as at the balance sheet date with a positive fair value of EUR 10.5 million (EUR 7.7 million) under financial assets at fair value through profit or loss. The change in the fair value of the derivative gave rise to income of EUR 5.6 million (EUR 3.4 million) in the course of the year.

In the 2022 financial year a cover containing a financing component was taken out for biometric risks in life and health reinsurance. IFRS 9 requires that an embedded derivative be separated from this arrangement. The derivative has been derecognised and gave rise to income of EUR 0.4 million for the last time in the previous year.

All in all, application of the standards governing the accounting for derivatives in connection with the technical account led to recognition of assets totalling EUR 99.8 million (EUR 146.6 million) as well as recognition of liabilities in an amount of EUR 21.6 million (EUR 5.7 million) from the derivatives resulting from technical items as at the balance sheet date. Improvements in the result amounting to EUR 46.0 million (EUR 74.1 million) and no charges were recognised in the year under review from all separately measured derivatives in connection with the technical account.

Financial guarantees

Structured transactions were entered into in the life and health reinsurance business group in order to finance statutory reserves (so-called Triple-X or AXXX reserves) of US ceding companies. In each case such structures necessitated the involvement of a special purpose entity. The special purpose entities carry extreme mortality risks securitised by the cedants above a contractually defined retention and transfer these risks by way of a fixed / floating swap to a member company of the Hannover Re Group. The total amount of the contractually agreed capacities of the transactions is equivalent to EUR 3,119.4 million (EUR 3,192.5 million); an amount equivalent to EUR 2,520.7 million (EUR 2,629.2 million) had been taken up as at the balance sheet date. The variable payments to the special purpose entities that are guaranteed by the Hannover Re Group cover their payment obligations. Under some of the transactions the payments resulting from the swaps in the event of a claim are reimbursed by the parent companies of the cedants by way of compensation agreements. In this case the reimbursement claims from the compensation agreements are to be capitalised separately from and up to the amount of the provision.

Under IFRS 9 these transactions are to be recognised at fair value as financial guarantees. To this end Hannover Re uses the net method, according to which the present value of the agreed fixed swap premiums is netted with the present value of the guarantee commitment. The fair value on initial recognition therefore amounted to zero. The higher of the fair value and the amount carried as a provision on the liabilities side pursuant to IAS

37 is recognised at the point in time when utilisation is considered probable. This was not the case as at the balance sheet date.

9.2 Related party disclosures

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

Talanx AG holds an unchanged majority interest of 50.2% in Hannover Rück SE. For its part, Haftpflichtverband der Deutschen Industrie Versicherungsverein auf Gegenseitigkeit (HDI), Hannover, holds a majority interest in Talanx AG.

The business relationship between Hannover Rück SE and its subsidiary E+S Rückversicherung AG is based on a cooperation agreement. A retrocession by Hannover Rück SE to E+S Rückversicherung AG exists in property and casualty reinsurance. The German life and health reinsurance business of E+S Rückversicherung AG was transferred to Hannover Rück SE in the year under review.

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

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

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

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

Business assumed and ceded in Germany and abroad

in EUR million	2024			2025		
	Property and casualty reinsurance	Life and health reinsurance	Total	Property and casualty reinsurance	Life and health reinsurance	Total
Material items in the statement of income						
Business assumed						
Reinsurance revenue	999.0	41.8	1,040.8	828.8	38.5	867.2
Reinsurance service expenses	-855.8	-19.2	-875.0	-1,013.9	-16.7	-1,030.6
Reinsurance service result	**143.2**	**22.6**	**165.8**	**-185.2**	**21.8**	**-163.4**
Business ceded						
Reinsurance expenses	1.1	-26.7	-25.6	-5.3	-30.9	-36.2
Income from reinsurance contracts held	2.1	18.4	20.5	-1.0	22.7	21.7
Net result from reinsurance contracts held	**3.2**	**-8.3**	**-5.1**	-6.3	-8.2	-14.5
Reinsurance service result (net)	**146.4**	**14.3**	**160.7**	**-191.5**	**13.6**	**-177.8**
Material items in the balance sheet						
Assets						
Reinsurance recoverables on liability for incurred claims	12.1	—	12.1	11.0	—	11.0
Reinsurance recoverables on liability for remaining coverage	9.1	—	9.1	0.8	—	0.8
Recoverables on reinsurance contracts ceded	**21.2**	**—**	**21.2**	**11.8**	**—**	**11.8**
Reinsurance contracts issued in an asset position	-9.1	44.1	35.1	0.7	37.9	38.7
Liabilities						
Liability for incurred claims LIC	3,024.9	13.7	3,038.6	2,915.7	33.8	2,949.5
Liability for remaining coverage LRC	-76.7	8.9	-67.7	-110.1	-12.5	-122.7
Liabilities from reinsurance contracts issued	**2,948.3**	**22.7**	**2,970.9**	**2,805.6**	**21.2**	**2,826.8**
Reinsurance contracts ceded in a liability position	0.8	7.5	8.2	—	7.5	7.5

In addition, other assets of EUR 2.6 million (EUR 156.5 million) as well as other liabilities of EUR -8.9 million (EUR 204.6 million) exist with respect to Talanx AG and its subsidiaries, which are not part of the scope of consolidation of Hannover Re.

HDI Lebensversicherung AG, Cologne, participated in a nominal amount of EUR 50.0 million in the subordinated debt issued by Hannover Rück SE in September 2014 with a coupon of 3.375% until 26 June 2025. On 26 June 2025 all bonds issued were redeemed by Hannover Rück SE.

Within the contractually agreed framework Ampega Asset Management GmbH performs real estate management as well as investment and asset management services for Hannover Rück SE and the vast majority of its subsidiaries. A total amount of EUR 72.6 million (EUR 63.9 million) was expensed for the rendering of these services in the financial year just ended.

Corresponding services are also performed for existing investment vehicles.

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

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

Actuarial opinions with respect to the pension commitments given to staff are drawn up for Hannover Rück SE and E+S Rückversicherung AG by HDI Pensionsmanagement AG under an actuarial service contract.

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

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

Hannover Rück SE performs IT services for HDI Global Specialty SE and for Talanx AG. In addition, since May 2024 Hannover Rück SE has used data centre space leased from a provider together with HDI AG. In this connection HDI AG holds the lease agreement with the provider, while Hannover Rück SE is the sublessee.

Hannover Rück SE has concluded a contract with Talanx Service AG regarding the reciprocal provision of business continuity management services.

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

Remuneration and shareholdings of the members of the governing bodies of the parent company

The remuneration of the active members of the Executive Board of Hannover Re amounted to altogether EUR 14.9 million (EUR 16.2 million). In the event of 100% target attainment, the remuneration of the Executive Board consists of a 40% short-term fixed component and a 60% variable component. Each member of the Executive Board receives a contractual commitment to customary target remuneration which is aligned with their scope of responsibility and their expertise and experience of relevance to the position. This long-term incentive (LTI) is paid out at the end of the four-year performance period in the 2030 financial year.

With effect from 1 January 2021 the variable component of the Executive Board remuneration is split into a short-term incentive (STI) (40%) and a long-term incentive (60%) (HR performance share awards). For a detailed explanation of the LTI we refer to section **9.3 "Share-based payment"**. For the 2025 financial year, the target amount for the LTI (share-based payment) is EUR 4.4 million (EUR 4.6 million). The STI is geared to Hannover Re's commercial success in the respective financial year. The basis for payment under the STI is the contractually defined STI target amount, which is based on overall target attainment of 100%. The overall target attainment (including the individual premium or deduction) can range from 0% to 200%. The amount paid out under the STI is thus limited to 200% of the target amount. In addition to the return on equity as a financial performance criterion, an individual premium or deduction is also determinative for the STI. The latter encompasses both financial and non-financial performance criteria, particularly including sustainability targets. The amount of the premium or deduction, which can range from -25 percentage points to +25 percentage points, is determined by the Supervisory Board at its reasonable discretion. The criteria and key performance indicators used to establish the individual premium or deduction are defined by the Supervisory Board in advance for the coming financial year and communicated to the members of the Executive Board. The STI for the 2025 financial year amounts to EUR 5.6 million (EUR 5.8 million).

The fixed remuneration is granted in three components, namely fixed remuneration, fringe benefits and retirement provision. The fixed remuneration is aligned with the scope of duties and the professional experience of the individual member of the Executive Board. In addition, each member of the Executive Board receives certain, non-performance-based fringe benefits in the customary scope, for example a company car and insurance coverage. These amounted to EUR 0.1 million (EUR 0.1 million).

The benefits after termination of the employment relationship for the most part consist of a defined contribution retirement plan. Altogether, a pension expense for the active members of the Executive Board amounting to EUR 0.8 million (EUR 1.0 million) was recognised for 2025.

The total remuneration of former members of the Executive Board and their surviving dependants amounts to EUR 4.0 million (EUR 2.7 million). Altogether, a provision of EUR 27.5 million (EUR 25.0 million) has been set aside for pension commitments for this group of persons.

The exclusively short-term total remuneration of the Supervisory Board of Hannover Re amounted to EUR 1.6 million (EUR 1.2 million). Around EUR 1.1 million (EUR 0.8 million) was attributable to remuneration for work on the Supervisory Board. In addition, remuneration of EUR 0.3 million (EUR 0.2 million) was paid for committee work together with EUR 0.1 million (EUR 0.1 million) for attendance allowances. A further EUR 0.1 million (EUR 0.1 million) arose in connection with supervisory board remuneration at Group companies. There are no pension commitments for former members of the Supervisory Board or their surviving dependants.

Remuneration of the active members of the Executive Board

in EUR million	2024	2025
Short-term benefits (basic remuneration, fringe benefits, one-time payments, STI)	11.6	10.6
Other long-term benefits (performance share awards)	14.8	8.2
Benefits after termination of the employment relationship	1.0	0.8

Members of the Supervisory Board and Executive Board of Hannover Rück SE as well as their spouses or registered partners and first-degree relatives hold less than 1.0% of the issued shares. For further information on the shareholdings of the Executive Board, we refer to the remuneration report at **Remuneration report↗**. Our disclosures regarding directors' dealings can be viewed at **Investors/Directors' Dealings↗.**

The members of the governing bodies did not receive any advances or loans in the year under review. Nor were there any other material reportable circumstances or contractual relationships as defined by IAS 24 between companies of the Hannover Re Group and the members of the governing bodies or their related parties in the year under review. Furthermore, above and beyond the aforementioned remuneration as supervisory board members at Group companies, the members of the Supervisory Board were not granted any remuneration or benefits for personally rendered services.

All other information regarding the remuneration system and the remuneration report of the Executive Board and Supervisory Board can be accessed online: **Remuneration report↗.**

9.3 Share-based payment

Since 2011 Hannover Re has had a share-based payment plan with cash settlement (Share Award Plan).

Share Award Plan

With effect from the 2011 financial year the Supervisory Board of Hannover Rück SE implemented a Share Award Plan for the members of the Executive Board of Hannover Re; this provides for the granting of stock participation rights in the form of virtual shares (referred to as “share awards”).

The Executive Board of Hannover Re decided to adopt a Share Award Plan for certain management levels at Hannover Re as well with effect from the 2012 financial year. The Share Award Plan for the Executive Board was modified and expanded with effect from the 2021 financial year (“performance shares”) by a resolution of the Annual General Meeting.

The share awards do not establish any claim against Hannover Re to the delivery of stock, but merely to payment of a cash amount in accordance with the conditions set out below.

The members of the Executive Board and management of Hannover Re who are eligible recipients under the Share Award Plan are those who have been allowed a contractual claim to the granting of share awards and whose service / employment relationship exists at the time when the share awards are granted and does not end through cancellation or a termination agreement on an effective date prior to expiry of the vesting period.

Share awards were granted separately for the first time for the 2011 financial year and then for each financial year (allocation year) thereafter. The first payout of share awards took place in the 2016 financial year for those share awards that had been allocated in the 2011 financial year to the eligible members of the Executive Board. In the 2017 financial year the first payout was also made to the participating senior executives.

The total number of share awards granted is based on the value per share of Hannover Rück SE. The value per share is established according to the unweighted arithmetic mean of the Xetra closing prices of the Hannover Re share. In the conditions applicable to members of the Executive Board a period of 15 trading days before to 15 trading days after the meeting of the Supervisory Board that approves the consolidated financial statement for the financial year just ended is envisaged for the calculation. For senior executives a period of 20 trading days before to ten trading days after the meeting of the Supervisory Board that approves the consolidated financial statement for the financial year just ended has been agreed. The prices calculated in this way also determine the payout value of the share awards that have become payable. The total number of share awards granted is established by dividing the amount available for the granting of share awards to the respective eligible recipients by the value per share, rounded up to the next full share. For members of the Executive Board 60% and for senior executives 40% or 35% – depending on management level – of the defined variable remuneration shall be granted in the form of share awards. Since the 2021 financial year the calculation of share awards for the Executive Board has been based on the target amount, which – depending on the entrepreneurial and personal target achievement – produces an allocation value that is at most 200% of the target amount.

The share awards are granted automatically without any requirement for a declaration. Following expiry of a vesting period of four years the value of one Hannover Re share calculated at the disbursement date is paid out for each share award. This value is calculated according to the provisions of the preceding paragraph. The amount paid out for the performance shares is additionally influenced by the development of the Total Shareholder Return (TSR). The TSR captures the share price performance as well as the dividends during the vesting period. The TSR of Hannover Re is considered in relation to the unweighted average TSR of a peer group, comprised of Munich Re, Swiss Re, Everest Re, RGA and SCOR, and produces the relative TSR. The base amount paid out derived from the share price and dividends is multiplied by this TSR, producing the final amount paid out – which is at most 200% of the base amount paid out.

The eligible recipient shall be paid an amount that corresponds to the sum total of the values of the share awards calculated at the disbursement date for which the vesting period of four years has expired. The amount is to be paid in the month after expiry of the determinative period for calculating the value per share according to the preceding paragraphs.

In addition, upon payment of the value of the share awards, a sum shall be paid out in the amount of the dividend insofar as dividends were distributed to shareholders. The amount of the dividend is the sum total of all dividends per share paid out during the term of the share awards multiplied by the number of share awards due for disbursement to the eligible recipient at the disbursement date. In the event of early disbursement of the share awards, the value of the dividends shall only be paid out for the period until occurrence of the event that triggers early disbursement. No pro rata allowance shall be made for dividends that have not yet been distributed.

In the event that the Board mandate or service relationship with the member of the Executive Board or the employment relationship with the manager ends, the eligible recipient shall retain his claims to payment of the value of already granted share awards after expiry of the applicable vesting period, unless such termination is based on resignation of office / voluntary termination on the part of the member of the Executive Board or voluntary termination on the part of the manager or dismissal by Hannover Re for a compelling reason. In the event of death the claims arising out of the already granted and / or still to be granted share awards pass to the heirs.

Any entitlement to the granting of share awards after leaving the company is excluded. This shall not apply with respect to claims to variable remuneration acquired (pro rata) in the last year of service of the eligible recipient in the event of exit from the company on account of non-reappointment, occurrence of the pensionable event or death.

The Share Award Plan of Hannover Rück SE gives rise to the amounts shown in the following table.

Share awards of Hannover Rück SE

	2021		2022		2023		2024		Allocation year 2025
	Anticipated allocation	Final allocation 2022 for 2021	Anticipated allocation	Final allocation 2023 for 2022	Anticipated allocation	Final allocation 2024 for 2023	Anticipated allocation	Final allocation 2025 for 2024	Anticipated allocation
Valuation date									
Executive Board	30.12.2021	15.3.2022	30.12.2022	15.3.2023	11.12.2023	9.4.2024	10.12.2024	2.4.2025	10.12.2025
Senior Executives	30.12.2021	22.3.2022	30.12.2022	22.3.2023	11.12.2023	2.4.2024	10.12.2024	26.3.2025	10.12.2025
Valuation per share award in EUR									
Executive Board	167.15	148.86	185.50	176.66	220.40	242.71	253.70	266.41	256.40
Senior Executives	167.15	159.54	185.50	177.58	220.40	241.26	253.70	262.76	256.40
Number of allocated share awards in the allocation year									
Executive Board	25,130	27,977	27,658	29,705	31,306	29,531	35,479	32,702	36,278
Senior Executives	44,477	40,954	44,567	51,425	52,042	46,710	48,311	45,419	45,873
Other adjustments[1]		-4,201		-4,233		-1,886		-289	
Total	69,607	64,730	72,225	76,897	83,348	74,355	83,790	77,832	82,151

[1] This figure results from originally granted share awards that have since lapsed.

Development of the provision for share awards of Hannover Rück SE

in EUR million								Allocation year
	2019	2020	2021	2022	2023	2024	2025	Total
Provision at 31 December 2022	**10.9**	**9.3**	**9.6**	**7.9**	**4.4**	**—**	**—**	42.1
Allocation 2023	1.4	4.3	5.9	6.4	5.8	7.3	—	31.0
Utilisation 2023	12.3	—	—	—	—	—	—	12.3
Release 2023	—	0.3	0.4	0.3	0.2	—	—	1.2
Provision at 31 December 2023	**—**	**13.3**	**15.1**	**14.0**	**10.0**	**7.3**	**—**	**59.6**
Allocation 2024	—	0.9	4.0	4.3	3.9	3.8	6.0	22.9
Utilisation 2024	—	14.2	—	—	—	—	—	14.2
Release 2024	—	—	0.3	0.4	0.2	0.1	—	1.0
Provision at 31 December 2024	**—**	**—**	**18.8**	**17.9**	**13.7**	**11.0**	**6.0**	**67.3**

The aggregate provision – recognised under the sundry non-technical provisions – amounted to EUR 67.3 million (EUR 59.6 million) as at the balance sheet date.

The personnel expense for share awards in the case of members of the Executive Board is spread on an accrual basis across the relevant term of the share awards or the shorter term of the service contracts; in the case of senior executives the personnel expense is spread across the relevant term of the share awards. The allocation of the financial year recognised in the expenditures on personnel totalled altogether EUR 22.9 million (EUR 31.0 million). This consists of the expense for share awards of the 2025 financial year as well as the dividend claim and the additionally earned portion of the share awards granted in earlier financial years. The value of the share awards finally granted is also influenced by movements in the share price. The sum total of the dividends included in the expenditures on personnel for earlier financial years amounted to EUR 2.6 million (EUR 1.9 million). The distributed dividend is recognised, with no allowance made for expected dividend payments. Dividend claims are recognised in the discounted amounts.

In the year under review, the 7,851 (7,993) share awards of the Executive Board finally allocated in 2020 with a value of EUR 270.38 (EUR 245.19) each plus the dividend entitlement of EUR 23.45 (EUR 21.75) were paid out to the eligible members of the Executive Board. The 41,642 (38,692) share awards of the senior executives for the 2020 financial year were paid out in 2025 with a value of EUR 262.76 (EUR 241.26) each plus the dividend entitlement of EUR 23.45 (EUR 21.75). The allocation to the provision for share awards granted in 2020 derives from the difference between the share price at the last balance sheet date, i.e. EUR 253.70, and the price for

payment of the share awards from March 2025, i.e. EUR 270.38 / EUR 262.76.

With regard to the effects of the equity swaps taken out to hedge price risks, please see our explanatory remarks in section **9.1 "Derivative financial instruments and financial guarantees"**.

9.4 Staff and expenditures on personnel

Staff

The average number of staff at the companies included in the consolidated financial statement of the Hannover Re Group during the reporting period was 3,991 (3,840). As at the balance sheet date altogether 4,078 (3,895) staff were employed by the Hannover Re Group, with 1,866 (1,754) employed in Germany and 2,212 (2,141) working for the consolidated Group companies abroad.

Personnel information

		Number of employees (excluding members of the Executive Board)
2024	31.12.	3,895
	Average	3,840
2025	31.3.	3,963
	30.6.	4,013
	30.9.	4,007
	31.12.	4,078
	Average	3,991

Expenditures on personnel

The expenditures on insurance business, claims expenses (claims settlement) and expenditures on the administration of investments include the following personnel expenditures:

Personnel expenditures

in EUR million	2024	2025
a) Wages and salaries	**425.7**	**449.7**
b) Social security contributions and expenditure on provisions and assistance	**71.7**	**81.5**
ba) Social security contributions	34.8	41.2
bb) Expenditures for pension provision	30.4	33.8
bc) Expenditures for assistance	6.4	6.5
Total	**497.4**	**531.1**

9.5 Earnings per share and dividend proposal

Calculation of the earnings per share

	2024	2025
Group net income in EUR million	2,328.7	2,641.5
Weighted average of issued shares	120,597,011	120,597,003
Basic earnings per share in EUR	19.31	21.90
Diluted earnings per share in EUR	19.31	21.90

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

Neither in the year under review nor in the previous reporting period were there any dilutive effects. The weighted average of the issued shares was, as in the previous year, slightly lower than the value of the shares in circulation on the balance sheet date. In the context of the employee share option plan Hannover Re acquires treasury shares and sells them at a later date to eligible employees. The weighted average number of shares does not include 15,719 (14,799) treasury shares pro rata temporis for the duration of the holding period. For further details please see our comments in section **6.8 "Shareholders' equity and treasury shares"**.

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

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

Dividend per share

A total dividend of EUR 1,085.4 million (EUR 868.3 million) was paid in the year under review for the 2024 financial year.

It will be proposed to the Annual General Meeting on 6 May 2026 that a dividend of EUR 12.5 per share should be paid for the 2025 financial year. This corresponds to a total distribution of EUR 1,507.5 million. The dividend proposal does not form part of this consolidated financial statement.

9.6 Lawsuits

Member companies of the Hannover Re Group are involved in judicial and supervisory procedures as well as in arbitration proceedings as part of the conduct of insurance and reinsurance business. Depending upon the subject matter of the procedure, the Hannover Re Group sets aside provisions for the amount in dispute in such proceedings – for the most part in the technical account and in exceptional cases as a charge to other income / expenses – if and to the extent that the resulting commitments are likely to materialise and their amount can be estimated with sufficient accuracy. The provision established in each case covers the expense that can be expected in our assessment as at the balance sheet date.

Neither the outcome nor the duration of pending procedures can be definitively foreseen at the time when provisions are established. The final liabilities of Hannover Re may diverge considerably from the constituted provisions because the assessment of probability and the quantification of these uncertain liabilities in large measure require estimates that may prove not to be accurate as the proceedings in question continue to progress. This is also true of procedures for which no provisions were established. Insofar as a commitment exists under such procedures as at the balance sheet date that may possibly but will probably not result in a loss, the Hannover Re Group estimates this potential loss – where practicable – and reports a contingent liability. For estimation purposes Hannover Re takes into account a number of factors. These include, among others, the nature of the claim, the status of the procedure concerned, decision of courts and

arbitration bodies, prior settlement discussions, experience from comparable cases as well as expert opinions and the assessments of legal advisers and other experts. If a provision has been established for a particular procedure, a contingent liability is not recognised.

The other lawsuits concluded and still pending in the year under review and as at the balance sheet date were not material for the Hannover Re Group either individually or combined. Furthermore, there were no contingent liabilities from lawsuits to report as at the balance sheet date.

9.7 Contingent liabilities and commitments

As security for technical liabilities to our US clients, we have established two trust accounts (master trust and supplemental trust) in the United States. They amounted to EUR 3,117.5 million (EUR 4,440.5 million) and EUR 306.7 million (EUR 501.3 million) respectively as at the balance sheet date. The securities held in the trust accounts are shown as investments at fair value through OCI. In addition, we furnished further collateral to ceding companies in an amount of EUR 7,805.6 million (EUR 7,660.8 million) in the form of so-called “single trust funds”. This amount includes a sum equivalent to EUR 7,399.2 million (EUR 7,186.8 million) which was furnished by investors as security for potential reinsurance obligations from ILS transactions.

As part of our business activities we hold collateral available outside the United States in various blocked custody accounts and trust accounts, the total amount of which in relation to the Group’s major companies was EUR 3,410.9 million (EUR 3,530.9 million) as at the balance sheet date.

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

Facility agreements for letters of credit (LoC) existed with a number of banks as at the balance sheet date in a total volume equivalent to EUR 3,426.0 million (EUR 3,204.7 million) and with various terms maturing at the latest in 2030.

Various financial institutions have furnished sureties as collateral for technical liabilities in the form of letters of credit. The total amount as at the balance sheet date was EUR 1,887.1 million (EUR 1,650.5 million).

A number of LoC lines include standard market contractual clauses that allow the banks rights of cancellation in the event of material changes in our shareholding structure or trigger a requirement on the part of Hannover Re to furnish collateral upon materialisation of major events, for example if our rating is significantly downgraded. Please see also our explanatory remarks in the **“Financial position and net assets”** subsection of the management report on the information pursuant to § 315a Sentence 1 German Commercial Code (HGB).

We put up own investments with a book value of EUR 39.8 million (EUR 57.6 million) as collateral for existing derivative transactions. We received collateral with a fair value of EUR 27.9 million (EUR 43.7 million) for existing derivative transactions.

As security for liabilities in connection with participating interests in real estate companies and real estate transactions the usual collateral under such transactions has been furnished to various banks, the amount of which totalled EUR 970.2 million (EUR 1,128.7 million) as at the balance sheet date.

Outstanding capital commitments with respect to alternative investments exist on the part of the Group in an amount of EUR 3,416.6 million (EUR 2,628.0 million). These primarily involve as yet unfulfilled payment obligations from investment commitments given to private equity funds and venture capital firms.

Hannover Rück SE has provided an open-ended guarantee limited to GBP 10.0 million (equivalent to EUR 11.5 million) in favour of the pension fund “The Congregational & General Insurance Plc Pension and Life Assurance Scheme” of the defunct Congregational & General Insurance Plc, Bradford, UK, at usual market conditions.

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

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

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

9.8 Leases

Leased properties

Hannover Re leases various office premises, technical facilities, office equipment and vehicles. A long-term land lease agreement also exists in connection with investment property.

Leases were recognised in the following items of the balance sheet in the amounts stated below:

Leases in the balance sheet

in EUR million	2024	2025
Investment property	34.8	30.5
Own-use property	55.3	46.5
Fixtures, fittings and equipment	0.1	—
Sundry assets	1.9	0.7
Lease liabilities	106.6	92.1

The allocation to the right-of-use assets amounted to EUR 5.3 million (EUR 21.6 million) in the financial year. Long-term property leases result in potential future variable lease payments of EUR 36.8 million (EUR 38.1 million). These have not been taken into account in the measurement of the lease liability. The following amounts were recognised in the statement of income in connection with leases:

Amortisation of right-of-use assets in connection with leases

in EUR million	2024	2025
Investment property	0.5	0.4
Own-use real estate	6.4	9.9
Sundry assets	1.1	1.2
Total	**8.0**	**11.6**

The interest expenses for lease liabilities totalled EUR 2.9 million (EUR 3.5 million). Expenses in connection with short-term leases were recognised in an amount of EUR 0.0 million (EUR 0.9 million). The total amounts payable for leases came to EUR 15.6 million (EUR 14.7 million).

Rented properties

Future minimum lease payments receivable

in EUR million	Amounts receivable
2026	203.1
2027	186.1
2028	168.0
2029	135.9
2030	112.0
Subsequent years	268.7

The rental payments receivable result from the long-term renting out of properties by the Group's real estate companies. The leases in question are operating leases. The rental income received in the financial year amounted to EUR 231.1 million (EUR 213.4 million).

9.9 Fee paid to the auditor

On the recommendation of the Supervisory Board, the Annual General Meeting selected PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC GmbH) on 7 May 2025 as the statutory auditor of the annual financial statements. The expense recognised for the fees paid to PwC GmbH and worldwide member firms of PwC International Limited (PwC) in the year under review can be broken down as follows:

Fee paid to the auditor

in EUR million	2024		2025	
	PwC worldwide	thereof PwC GmbH	PwC worldwide	thereof PwC GmbH
Services relating to auditing of the financial statements	18.6	7.3	15.1	4.8
Other assurance services	0.4	0.3	1.4	0.5
Other services	—	—	0.1	—
Total	**19.0**	**7.6**	**16.6**	**5.3**

The fee for services relating to auditing of the financial statements performed by PwC GmbH includes above all the fees for auditing of the consolidated financial statements as well as for audits of annual financial statements and audits of the Solvency II balance sheets of the German subsidiaries included in the consolidated financial statements.

The fees for other assurance services relate to all other typical professional assurance services outside the auditing of annual financial statements. In the current financial year, for example, the auditor performed other assurance services in connection with the remuneration report and the combined non-financial statement.

The auditor responsible for performance of the audit engagement as defined by § 38 Para. 2 of the Professional Charter for Accountants / Certified Auditors (Berufssatzung WP / vBP) as amended on 21 June 2016 is Ms. Janna Reineke. She is serving as the engagement partner responsible for the audit of the annual and consolidated financial statements effective 31 December 2025.

9.10 Events after the balance sheet date

Large loss events have already occurred in the early weeks of 2026. These include, among others, flooding across the Iberian Peninsula and in the Maghreb caused by winter storms and extreme rainfall. In addition, the severe Winter Storm Fern and the blizzard associated with Winter Storm Hernando, in particular, caused extensive damage across large parts of North America and in the Northeastern United States respectively. The extent of the insured losses for Hannover Re cannot be definitively estimated at the current point in time. Nevertheless, we anticipate overall large loss expenditure in the low triple-digit millions from the aforementioned events, which will likely not exceed our expectation for such events in the first quarter of 2026.

The implications of the warlike hostilities that broke out in the Middle East at the end of February cannot be assessed at this point in time. Although direct consequences of war are excluded in many reinsurance treaties, the possibility cannot be ruled out that losses may arise in specialty lines written by the Hannover Re Group.

Hannover, 9 March 2026
Executive Board

Clemens Jungsthöfel

Sven Althoff

Claude Chèvre

Dr. Christian Hermelingmeier

Brona Magee

Sharon Ooi

Silke Sehm

Thorsten Steinmann

Responsibility statement

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

Hannover, 9 March 2026
Executive Board

Clemens Jungsthöfel

Sven Althoff

Claude Chèvre

Dr. Christian Hermelingmeier

Brona Magee

Sharon Ooi

Silke Sehm

Thorsten Steinmann

Independent Auditor's Report

To Hannover Rück SE, Hannover

Report on the audit of the consolidated financial statements and of the group management report

Audit opinions

We have audited the consolidated financial statements of Hannover Rück SE, Hanover, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of comprehensive income, consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January to 31 December 2025 and notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the group management report of Hannover Rück SE, which is combined with the Company's management report, for the financial year from 1 January to 31 December 2025. In accordance with the German legal requirements, we have not audited the content of those parts of the group 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 consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (the IFRS Accounting Standards) as adopted by the EU and the additional requirements of German commercial law pursuant to § [Article] 315e Abs. [paragraph] 1 HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2025, and of its financial performance for the financial year from 1 January to 31 December 2025 and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of those parts of the group management report listed in the "Other Information" section of our auditor's report.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1. January to 31. December 2025 These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

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

1. **Measurement of investments using parameters not observable on the market and forward-looking information**
2. **Measurement of certain liabilities from insurance contracts**

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

(1) Matter and issue
(2) Audit approach and findings
(3) Reference to further information

Hereinafter we present the key audit matters:

1. Measurement of investments using parameters not observable on the market and forward-looking information

(1) Investments of € 66,339.2 million (93.0 % of the consolidated total assets) are reported in the consolidated financial statements.

Of these investments, financial assets totalling € 63,582.4 million are measured at fair value, of which in turn fair values of € 5,346.5 million are calculated using valuation models or based on third-party value indicators. These investments in particular relate to unlisted securities, asset backed securities, other structured and illiquid bonds and investments in private equity.

Of the investments reported in the consolidated financial statements, financial assets in the amount of € 57,316.6 million are measured at fair value through other comprehensive income. These are attributable in the amount of € 56,806.7 million in full to

debt instruments for which a risk provision totaling € 78.9 million was recognised as at the reporting date to take account of impairments for expected credit losses in accordance with the requirements of IFRS 9 (Expected Credit Loss).

The measurement of investments whose fair value must be determined using valuation models or value indicators from third parties is subject to uncertainty, as input parameters that are not observable in an active market are used for the measurement or comparative values are not always available and therefore estimated values are also used. Forward-looking macroeconomic forecasts are also included in the model valuation to take account of impairments for expected credit losses.

Model-measured investments are subject to an increased measurement risk due to the reduced objectivity and the underlying judgements, estimates and assumptions made by the executive directors. As the estimates and assumptions used, in particular those relating to interest rates and cash flows, and the valuation methods applied may have a material impact on the valuation of these investments and on the Group's assets, liabilities and financial performance, and extensive disclosures on valuation methods and judgements are also required in the notes, this matter was of particular significance in the context of our audit.

(2) As part of our audit, we assessed the appropriateness and effectiveness of the controls for the valuation of model-measured investments and investments measured on the basis of third-party indicators. In addition, we assessed, among other things, the integrity of the underlying data and the process for determining the assumptions, estimates and forward-looking information used in the valuation.

With the support of our internal valuation specialists, we also assessed the appropriateness of the methods applied by the executive directors to determine the fair values and the parameters used. We compared the methods and assumptions used to calculate valuation adjustments in the financial year with recognised practices and industry standards and examined the extent to which they are suitable for proper accounting. To assess the inclusion of forward-looking information in the model-based calculation of impairment for expected credit losses, we involved internal specialists with particular expertise in the field of credit risk modelling. We also evaluated the disclosures on valuation methods and judgements contained in the notes to the consolidated financial statements.

On the basis of the audit procedures performed, we were able to satisfy ourselves that the methods and assumptions used by the executive directors to measure certain investments (modelled and measured based on third-party indicators) and the consideration of forward-looking information in determining the impairment for expected credit losses are appropriate overall and that the explanations and disclosures presented in the notes to the consolidated financial statements are appropriate.

(3) The Group's disclosures on the measurement of investments are contained in Notes 6.1 to the consolidated financial statements.

2. Measurement of certain liabilities from insurance contracts

(1) In the consolidated financial statements, liabilities amounting to € 47,425.8 million (66.5 % of the consolidated total assets) are reported under the balance sheet item "liabilities from reinsurance contracts issued". Of the "liabilities from reinsurance contracts issued", € 51,801.3 million is attributable to the "Liability for incurred claims", which recognises the expectations regarding insurance claims that have been incurred but not yet settled, and € -4,375.5 million to the "liability for remaining coverage".

The liability for incurred claims represent the Group's expectation of future payments for known and unknown claims and benefits as well as the associated expenses. The Group uses various methods to estimate these obligations. In addition, the measurement of this liability requires a high degree of judgement by the executive directors of the Group regarding the assumptions to be made, such as the impact of changing inflation rates, loss developments and regulatory changes. In addition, there is a significant judgement of the executive directors regarding the determination of the discount rate for calculating the liability. In particular, product lines with a low claims frequency, high individual claims or long claims settlement periods are usually subject to increased estimation uncertainties.

The liability for remaining coverage represent the present value of the future cash flows estimated by the Group. The measurement is based on complex actuarial methods (hereinafter referred to as the "measurement methods") on the basis of comprehensive processes for determining assumptions about future developments of the insurance portfolios to be valued. Within the measurement of the liabilities, the present values of the estimated future cash flows in particular are affected by possible material uncertainties. This uncertainty stems in particular from the risk of chance, change and error associated with the estimation of the present value of cash flows and the methods and financial and non-financial assumptions used for this purpose. In particular, the assumptions in connection with interest rates, investment income, mortality, disability, longevity, costs and policyholder behaviour have a significant impact on the measurement.

The general measurement model (GMM) is used to measure liabilities from insurance contracts.

Against this background and due to the complexity of determining the underlying assumptions and estimates made by the executive directors, the measurement of these liabilities was of particular significance in the context of our audit.

(2) As part of our audit, we assessed the appropriateness of selected controls of the Group for selecting the valuation methods applied as well as for determining assumptions and making estimates for the measurement of certain liabilities from insurance contracts issued.

With the involvement of our internal valuation specialists, we have compared the valuation methods and key assumptions with generally recognised actuarial methods and industry standards and examined to what extent these are suitable for measuring the liabilities.

Our audit also included an evaluation of the appropriateness and integrity of the data and assumptions, including the assessment of the executive directors regarding the impact of changing inflation

rates, used in the valuation and a reconstruction of the claims settlement process. Furthermore, we recalculated the amount of the liability for selected lines of product, in particular lines of product with large liability amounts or increased estimation uncertainties. For these lines of product, we compared the amounts calculated by us with the values determined by the Group for the liabilities and evaluated any differences. We also examined whether any adjustments to estimates in the loss reserves were adequately documented and substantiated. A further focus was the assessment of the cash flows used by the IT systems used as well as the appropriate derivation and use of assumptions for the measurement of selected liabilities.

Based on our audit procedures, we were able to satisfy ourselves that the methods, estimates and assumptions used by the executive directors are appropriate overall for measuring the technical liabilities in property and casualty insurance.

(3) The company's disclosures on the measurement of certain liabilities from insurance contracts in property, casualty and life insurance are contained in Notes 6.4 to the consolidated financial statements.

Other Information

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

- the statement on corporate governance pursuant to § 289f HGB and § 315d HGB included in section „Enterprise management“ of the group management report
- the non-financial statement to comply with §§ 289b to 289e HGB and with §§ 315b to 315c HGB included in section „Combined non-financial statement“ of the group management report
- the disclosures contained in the group management report and marked as unaudited

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

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

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

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

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

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB, and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group’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 unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group’s position and is, in all material respects, consistent with the consolidated 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 group 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 group management report.

The supervisory board is responsible for overseeing the Group’s financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group’s position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor’s report that includes our audit opinions on the consolidated financial statements and on the group 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 consolidated financial statements and this group 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 consolidated financial statements and of the group 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 consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group 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 the internal control and these arrangements and measures (systems), respectively.
- 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 Group'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 consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

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

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

Other legal and regulatory requirements

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

Assurance opinion

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the electronic file HannoverRueckSE_KA_KLB-2025-12-31-1-de.xbri and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from 1 January to 31 December 2025 contained in the "Report on the Audit of the Consolidated Financial Statements and on the Group Management Report" above, we do not express any assurance opinion on the information

contained within these renderings or on the other information contained in the electronic file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

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

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the group management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 Abs. 1 Satz 4 Nr. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

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

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

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

- Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the consolidated financial statements on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the consolidated financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on 7 May 2025. We were engaged by the supervisory board on 12 December 2025. We have been the group auditor of the Hannover Rück SE, Hanover, without interruption since the financial year 2018.

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

Reference to an Other Matter - use of the Auditor's Report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the "Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

German public auditor responsible for the engagement

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

Hannover, 10 March 2026

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

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

Assurance Report of the Independent German Public Auditor on a Limited Assurance Engagement in Relation to the Group Sustainability Statement

To Hannover Rück SE, Hannover

Assurance Conclusion

We have conducted a limited assurance engagement on the group sustainability statement of Hannover Rück SE, Hannover, (hereinafter the „Company“) included in section "Sustainability statement, that also fulfils the requirements for the group non-financial statement prepared in accordance with sections 315b to 315c HGB" of the group management report, which is combined with the Company's management report, for the financial year from 1 January to 31 December 2025 (hereinafter the "Group Sustainability Statement"). The Group Sustainability Statement has been prepared to fulfil the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (Corporate Sustainability Reporting Directive, CSRD) and Article 8 of Regulation (EU) 2020/852 as well as §§ [Articles] 289b to 289e HGB [Handelsgesetzbuch: German Commercial Code] and §§ 315b to 315c HGB to prepare a combined non-financial statement.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the accompanying Group Sustainability Statement is not prepared, in all material respects, in accordance with the requirements of the CSRD and Article 8 of Regulation (EU) 2020/852, § 315c in conjunction with §§ 289c to 289e HGB to prepare a combined non-financial statement as well as with the supplementary criteria presented by the executive directors of the Company. This assurance conclusion includes that no matters have come to our attention that cause us to believe:

- that the accompanying Group Sustainability Statement does not comply, in all material respects, with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information to be included in the Group Sustainability Statement (hereinafter the “materiality assessment”) is not, in all material respects, in accordance with the description set out in section "Disclosures regarding the process for materiality assessment" of the Group Sustainability Statement, or
- that the disclosures set out in section "Disclosures in accordance with Article 8 of the EU Taxonomy Regulation" of the Group Sustainability Statement do not comply, in all material respects, with Article 8 of Regulation (EU) 2020/852.

Basis for the Assurance Conclusion

We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISAE 3000 (Revised) are further described in the "German Public Auditor's Responsibilities for the Assurance Engagement on the Group Sustainability Statement" section.

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. Our audit firm has complied with the quality management system requirements of the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)) issued by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW). We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

Responsibility of the Executive Directors and the Supervisory Board for the Group Sustainability Statement

The executive directors are responsible for the preparation of the Group Sustainability Statement in accordance with the requirements of the CSRD and the relevant German legal and other European regulations as well as with the supplementary criteria presented by the executive directors of the Company. They are also responsible for the design, implementation and maintenance of such internal controls that they have considered necessary to enable the preparation of a Group Sustainability Statement in accordance with these regulations that is free from material misstatement, whether due to fraud (i.e., manipulation of the Group Sustainability Statement) or error.

This responsibility of the executive directors includes establishing and maintaining the materiality assessment process, selecting and applying appropriate reporting policies for preparing the Group Sustainability Statement, as well as making assumptions and estimates and ascertaining forward-looking information for individual sustainability-related disclosures.

The supervisory board is responsible for overseeing the process for the preparation of the Group Sustainability Statement.

Inherent Limitations in the Preparation of the Group Sustainability Statement

The CSRD and the relevant German statutory and other European regulations contain wording and terms that are still subject to considerable interpretation uncertainties and for which no authoritative, comprehensive interpretations have yet been published. Therefore, the executive directors have disclosed their interpretations of such wording and terms in section "Basis for preparation" and "Strategy and Business Model" of the Group Sustainability Statement. The executive directors are responsible for the defensibility of these interpretations. As such wording and terms may be interpreted differently by regulators or courts, the legal conformity of measurements or evaluations of sustainability matters based on these interpretations is uncertain.

These inherent limitations also affect the assurance engagement on the Group Sustainability Statement.

German Public Auditor's Responsibilities for the Assurance Engagement on the Group Sustainability Statement

Our objective is to express a limited assurance conclusion, based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the Group Sustainability Statement has not been prepared, in all material respects, in accordance with the CSRD and the relevant German legal and other European regulations as well as with the supplementary criteria presented by the executive directors of the Company, and to issue an assurance report that includes our assurance conclusion on the Group Sustainability Statement.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgment and maintain professional skepticism. We also:

- obtain an understanding of the process to prepare the Group Sustainability Statement, including the materiality assessment process carried out by the Company to identify the information to be included in the Group Sustainability Statement.
- identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misleading representations, or the override of internal controls. In addition, the risk of not detecting a material misstatement within value chain information from sources not under the control of the company (value chain information) is generally higher than the risk of not detecting a material misstatement of value chain information from sources under the control of the company, as both the executive directors of the Company and we, as assurance practitioners, are ordinarily subject to limitations on direct access to the sources of value chain information.
- consider the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

Summary of the Procedures Performed by the German Public Auditor

A limited assurance engagement involves the performance of procedures to obtain evidence about the sustainability information. The nature, timing and extent of the selected procedures are subject to our professional judgement.

In conducting our limited assurance engagement, we have, amongst other things:

- evaluated the suitability of the criteria as a whole presented by the executive directors in the Group Sustainability Statement.
- inquired of the executive directors and relevant employees involved in the preparation of the Group Sustainability Statement about the preparation process, including the materiality assessment process carried out by the company to identify the information to be included in the Group Sustainability Statement, and about the internal controls relating to this process.
- evaluated the reporting policies used by the executive directors to prepare the Group Sustainability Statement.
- evaluated the reasonableness of the estimates and the related disclosures provided by the executive directors. If, in accordance with the ESRS, the executive directors estimate the value chain information to be reported for a case in which the executive directors are unable to obtain the information from the value chain despite making reasonable efforts, our assurance engagement is limited to evaluating whether the executive directors have undertaken these estimates in accordance with the ESRS and assessing the reasonableness of these estimates, but does not include identifying information in the value chain that the executive directors have been unable to obtain.
- performed analytical procedures and made inquiries in relation to selected information in the Group Sustainability Statement.
- considered the presentation of the information in the Group Sustainability Statement.
- considered the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Group Sustainability Statement.

Restriction of Use

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is solely towards the Company. We do not accept any responsibility, duty of care or liability towards third parties.

Hannover, 10 March 2026

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

sgd. Janna Reineke	sgd. Kristina Stiefel
Wirtschaftsprüferin	Wirtschaftsprüferin
[German public auditor]	[German public auditor]

Supervisory Board

Report of the Supervisory Board of Hannover Rück SE

Performance of duties

In the 2025 financial year, the Supervisory Board performed its duties according to the law and the company's Statute with due diligence. The management of business was monitored on the basis of regular, comprehensive and timely reporting by the Executive Board. The Executive Board kept the Supervisory Board continuously informed about all material aspects of corporate governance, most notably the strategy, planning, development of business, risk position, risk management and compliance. The Chairman of the Supervisory Board stayed in close contact with the Chairman of the Executive Board between meetings to discuss strategic and operational issues. The Chairwoman of the Finance and Audit Committee kept up a regular dialogue with the Chief Financial Officer and the independent auditor on matters of accounting and the internal control system.

Meetings and attendance

Four in-person meetings of the Supervisory Board were held in the year under review, at which all members were physically present. At each meeting, the Executive Board reported at length on the development of business and described divergences from the planning. The annual and consolidated financial statements as well as the audit reports of the independent auditor were core sources of information. Representatives of the Federal Financial Supervisory Authority took part in one meeting on a routine basis.

	Number of meetings	Participation rate in %
Participation in full meetings of the Supervisory Board		
Torsten Leue (Chairman)	4/4	100
Herbert K. Haas (Deputy Chairman)	4/4	100
Sibylle Kempff	4/4	100
Timo Kaufmann	4/4	100
Ilka Hundeshagen	4/4	100
Dr. Ursula Lipowsky	4/4	100
Dr. Michael Ollmann	4/4	100
Dr. Alena Kouba	4/4	100
Harald Kayser	4/4	100
Participation in meetings of the Finance and Audit Committee		
Dr. Ursula Lipowsky (Chairwoman)	4/4	100
Herbert K. Haas	4/4	100
Torsten Leue	4/4	100
Participation in meetings of the Standing Committee		
Torsten Leue (Chairman)	4/4	100
Herbert K. Haas	4/4	100
Dr. Michael Ollmann	4/4	100
Ilka Hundeshagen	4/4	100

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

In 2025, the Supervisory Board regularly engaged in intensive discussions with the Executive Board on key issues such as geopolitical developments, climate change and societal challenges. The company's resilience and future-readiness were consistently at the heart of these deliberations. The meetings were characterised by a wide-ranging agenda and an open, constructive dialogue between the Executive Board and Supervisory Board. The Supervisory Board also met regularly without the presence of the Executive Board.

Meeting on 12 March 2025

- Annual and consolidated financial statements, appropriation of the disposable profit
- Risk management, compliance and internal auditing
- Remuneration report and determination of the variable remuneration for the Executive Board

At the meeting held on 12 March 2025, the Supervisory Board approved the audited annual and consolidated financial statements and supported the Executive Board's proposal for the appropriation of the disposable profit for the 2024 financial year. In this regard, the Executive Board described all key metrics from the technical and non-technical accounts as well as aspects of the investments. The independent auditor reported on the scope, concentrations and major findings of their audit and elaborated in particular on the key audit matters and the audit procedures undertaken. No significant weaknesses in the internal control system and the risk management system were reported. In addition, the Supervisory Board examined and approved the Group's non-financial statement. The report by the Executive Board on relations with affiliated companies was also duly noted and approved by the Supervisory Board.

A further point of emphasis at the meeting was the annual reporting on risk management, compliance and internal auditing. The respective key function holders attended the meeting in person and were available to answer questions. The Supervisory Board also approved updates to the investment guidelines, the Executive Board's rules of procedure and the information rules governing reporting by the Executive Board to the Supervisory Board. The variable remuneration of the members of the Executive Board was determined according to the attainment of targets.

The Executive Board reported on the renewals in property and casualty reinsurance as at 1 January 2025 and provided an outlook for the current financial year. The Supervisory Board also considered the agenda and proposed resolutions for the General Meeting on 7 May 2025 and approved holding it as a virtual General Meeting. The Supervisory Board examined the remuneration report and released it for presentation to the General Meeting. Details of the remuneration system can be found in the declaration on corporate governance and the 2025 remuneration report. At the recommendation of the Finance and Audit Committee, the Supervisory Board proposed to the General Meeting that PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Hannover, should be appointed as the auditor of the financial statements.

Meeting on 12 May 2025

- Risk management, capitalisation and Solvency II

– Self-assessment, skills matrix and efficiency review

At the meeting held on 12 May 2025, the Executive Board provided the Supervisory Board with detailed information about the first quarter of 2025. A particular focus was on the in-depth analysis of the quality and adequacy of the loss reserves in property and casualty reinsurance. Both internal and external experts were available to advise on this topic. In addition to the outlook for the current financial year, which was again crucially shaped by geopolitical developments and weather events, the examination of the Own Risk and Solvency Assessment (ORSA) report for the previous year, the Regular Supervisory Reports (RSR) and the capitalisation under Solvency II constituted further key points of deliberation. The Supervisory Board additionally took note of the audit report on the Solvency II balance sheet and discussed major participating interests of the company. After preparation by the Standing Committee, the Supervisory Board considered extensions of the terms of office on the level of the Executive Board.

The self-assessment of the Supervisory Board and the skills matrix were also discussed and updated at this meeting. The results confirmed that the Supervisory Board as a whole has the knowledge, skills and experience needed to monitor the Executive Board. In the 2025 financial year, the members of the Supervisory Board again participated in (further) education and instruction opportunities and attended corresponding training measures at their own responsibility; the associated costs are paid by the company. In addition, a joint training activity was held for the Supervisory Board exploring the topic of artificial intelligence. Finally, the results of the Supervisory Board's regularly conducted efficiency check were discussed. They confirm the high effectiveness of the committee work; potential areas for improvement are continuously addressed.

Meeting on 7 August 2025

– Half-yearly report
– Development of individual business groups
– Updating of the IT strategy

On 7 August 2025, the Executive Board reported on the first half of the year, describing the most important metrics from the technical and non-technical account and the progress made towards achieving the strategic targets. The Chief Risk Officer also provided extensive information about the company's current risk position. An account of related party transactions was routinely provided. There were no transactions in the reporting period that fell under the legal requirements governing mandatory approval or compulsory disclosure. In addition, the Supervisory Board discussed the strategic cooperation with E+S Rückversicherung AG. In matters of corporate governance, the guideline on the suitability of Supervisory Board members, Executive Board members and key function holders was updated. Furthermore, an update to the IT strategy was approved. The IT strategy also covers the issue of information security.

Meeting on 7 November 2025

– Business development and planning
– Adequacy of the remuneration system
– ESG: regulatory developments and materiality assessment
– Corporate governance: Declaration of Conformity pursuant to the German Corporate Governance Code
– Digitalisation, artificial intelligence

At the last meeting of the year held on 7 November 2025, the Executive Board first reported on the results of the third quarter and provided an outlook for the current financial year. Following this, the Executive Board presented the operational planning for 2026 as well as the medium-term corporate planning, both of which were approved by the Supervisory Board.

The members of the Executive Board responsible for property and casualty reinsurance reported at length on the development of business in Europe, Asia and the United States as well as on facultative business. The Chief Risk Officer shared another overview of the company's current risk position.

In the context of the non-financial reporting, the Supervisory Board took note of the materiality assessment and regulatory developments with regard to ESG matters. The Executive Board further informed the Supervisory Board about the status of major pending legal proceedings and the design of the remuneration system for senior executives.

After preparation by the Standing Committee, the Supervisory Board reviewed the remuneration system for the Executive Board and confirmed its appropriateness. The strategic target return and the goals for 2026 were defined in this regard.

The Supervisory Board subsequently approved the **Declaration of Conformity**↗ pursuant to § 161 Stock Corporation Act (AktG) regarding compliance with the German Corporate Governance Code and updated the rules of procedure for the Supervisory Board.

A training session in the topic of artificial intelligence was conducted by in-house experts as part of the meeting. The digital transformation and the use of artificial intelligence are central elements of the company's strategy. The Supervisory Board monitors the implementation of major digital projects.

Committees of the Supervisory Board

The Supervisory Board has formed various committees in order to perform its tasks efficiently and effectively. They prepare deliberations and the adoption of resolutions by the full Supervisory Board or take on certain tasks at their own responsibility. The respective committee chairpersons report regularly to the Supervisory Board on the activities of their committees. The general advisory and oversight duties of the Supervisory Board remain unchanged. When preparing resolutions, care is taken to ensure that the Supervisory Board can discuss and decide on all submissions with the necessary diligence.

The **Nomination Committee** is responsible for proposing to the Supervisory Board suitable candidates for election to the Supervisory Board, who are presented to the General Meeting. The committee did not meet in 2025.

The **Finance and Audit Committee** came together four times in the year under review. All committee members took part in all meetings in person. The committee focused on the oversight of the accounting process, the effectiveness of the internal control system, risk management, internal auditing and the audit of the financial statements. Special attention was paid to the selection and independence of the auditor, the quality of the audit and the additional services performed. The committee defined the audit concentrations for the financial year and examined the audit plan and approach in depth. The assessment of the audit risk and the resulting scope of the audit were discussed with the auditors; the dialogue was conducted in part without the involvement of the Executive Board. The Finance and Audit Committee gave preparatory consideration to the IFRS consolidated financial statements and the non-financial statement, among other things, and it discussed the reports of the independent auditors. The ESG expert on the Supervisory Board, Mr. Kayser, also took part in the March meeting to review the non-financial statement. As in previous years, the committee received and considered an expert opinion on the adequacy of the loss

reserves in property and casualty reinsurance, the retrocession structure of the Hannover Re Group and the reports of the key functions. In addition, the Executive Board reported on the capital adequacy in accordance with Solvency II. Capital planning and possible capital measures were also considered by the committee on a preparatory basis. PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft was once again mandated to perform the external review of the non-financial statement and the remuneration report. In the context of monitoring execution of the strategy, the committee focused in particular on the key financial metrics. At each meeting, the Chief Risk Officer provided updates on the latest developments in risk management and answered questions on the risk report. Special topics, such as climate change and geopolitical developments, were also considered. Furthermore, the committee regularly engaged with the latest developments in the run-off of losses and exchanged views with the Executive Board and the Actuarial Function Holder on reserving in life and health reinsurance. The committee additionally approved the procedure for selecting a new auditor for the 2028 financial year.

The **Standing Committee** met four times in the reporting period, with each meeting attended in person by all members. As in previous years, the committee reviewed the adequacy of the remuneration system for the members of the Executive Board, discussed the variable remuneration for the 2025 financial year based on target achievement and examined the remuneration of the members of the Executive Board. Recommendations were drawn up for the Supervisory Board with regard to all these matters. In addition, the individual targets of the Executive Board were defined for 2026 and submitted to the Supervisory Board for adoption of a resolution.

Investor communication

In the 2025 financial year, the Chairman of the Supervisory Board communicated with investors within appropriate bounds on topics of specific relevance to the Supervisory Board. The discussions focused in particular on matters of governance and the remuneration system.

Audit of the annual financial statements and consolidated financial statements

The accounting, annual financial statements, consolidated financial statements and the combined management report were audited by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft. The auditor was chosen by the General Meeting following the recommendation of the Supervisory Board; the audit mandate was awarded by the Chairman of the Supervisory Board. The combined non-financial statement, which includes the Group sustainability statement in accordance with ESRS, was subjected to a separate limited assurance review, similarly conducted by PwC. The auditor's independence declaration was received. The audit concentrations defined by the European Securities and Markets Authority and the Federal Financial Supervisory Authority were taken into account. The mandates for the review report on the Half-Yearly Financial Report and the audit of the Solvency II balance sheet were also awarded again. The special requirements associated with the international aspects of the audits were satisfied in full.

Since the audits did not give rise to any objections, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft issued unqualified audit certificates. It was also confirmed that the annual financial statement contains the information pursuant to § 289 f 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 provided to all the members of the Supervisory Board and explored in detail with the auditors at the Supervisory Board meeting held in March 2026 to consider the annual results. The auditors will also attend the Annual General Meeting in 2026, at which the financial statements for 2025 will be presented. The report on the company's relations with affiliated companies drawn up by the Executive Board was likewise audited by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft and given an unqualified audit certificate.

The Supervisory Board concurred with the opinion of the auditors and approved the annual financial statements and the consolidated financial statements; the annual financial statements are thereby adopted. The Supervisory Board endorsed the Executive Board's proposal regarding the appropriation of the disposable profit for 2025.

Changes on the Supervisory Board and the Executive Board

There were no changes in the composition of the Supervisory Board and its committees in the year under review. Mr. Jean-Jacques Henchoz stepped down from the Executive Board of Hannover Re on 31 March 2025. Mr. Clemens Jungsthöfel took over the position of Chief Executive Officer effective 1 April 2025. Dr. Christian Hermelingmeier succeeded Mr. Jungsthöfel in the role of Chief Financial Officer on the Executive Board on the same date.

Word of thanks to the Executive Board and members of staff

Thanks to the extraordinary performance of all members of staff and the prudent leadership of the company by the Executive Board in this and past years, Hannover Rück SE achieved another very good result. The Supervisory Board would like to express its recognition to the Executive Board and all the Group's employees for their dedication and considerable flexibility.

Hannover, 11 March 2026

For the Supervisory Board

Torsten Leue
Chairman of the Supervisory Board of Hannover Rück SE

Supervisory Board of Hannover Rück SE

Torsten Leue [1, 2, 3]
Hannover, Germany
(since 7 May 2018) [4]
Chairman
Chief Executive Officer HDI Haftpflichtverband der Deutschen Industrie V.a.G., Hannover, Germany
Chief Executive Officer Talanx AG, Hannover, Germany [5, 6]
Chairman of the Supervisory Board E+S Rückversicherung AG, Hannover, Germany [5]
Chairman of the Supervisory Board HDI AG, Hannover, Germany [5]
Chairman of the Supervisory Board HDI Deutschland AG, Hannover, Germany [5]
Chairman of the Supervisory Board HDI Global SE, Hannover, Germany [5]
Chairman of the Supervisory Board HDI International AG, Hannover, Germany [5]
Member of the Advisory Board Commerzbank AG, Frankfurt am Main, Germany [6, 7]

Herbert K. Haas [1, 2, 3]
Burgwedel, Germany
(since 24 May 2002) [4]
Deputy Chairman
Member of various supervisory boards
Chairman of the Supervisory Board HDI Haftpflichtverband der Deutschen Industrie V.a.G., Hannover, Germany [5]
Chairman of the Supervisory Board Talanx AG, Hannover, Germany [5, 6]

Sibylle Kempff [8]
Hannover, Germany
(since 6 May 2024) [4]
Employee

Timo Kaufmann [8]
Hannover, Germany
(since 6 May 2024) [4]
Employee

Ilka Hundeshagen [1, 8]
Hannover, Germany
(since 8 May 2019) [4]
Employee

Dr. Ursula Lipowsky [2, 3]
Munich, Germany
(since 7 May 2018) [4]
Member of various supervisory boards
Member of the Supervisory Board Mecklenburgische Krankenversicherungs-AG, Hannover, Germany
Member of the Supervisory Board Mecklenburgische Lebenversicherungs-AG, Hannover, Germany
Member of the Supervisory Board Württembergische Lebensversicherungs AG, Kornwestheim, Germany

Dr. Michael Ollmann[1]
Hamburg
(since 8 May 2019) [4]
Member of various supervisory boards
Member of the Supervisory Board HDI Global SE, Hannover, Germany [5]
Member of the Supervisory Board HDI International AG, Hannover, Germany [5]

Harald Kayser
Hannover, Germany
(since 6 May 2024) [4]
Independent management consultant

Dr. Alena Kouba
Zurich, Switzerland
(since 6 May 2024)
Independent management consultant

[1] Member of the Standing Committee
[2] Member of the Finance and Audit Committee
[3] Member of the Nomination Committee
[4] Date when member was first appointed/elected to the company's Supervisory Board. Current term of office for the entire Supervisory Board commenced at the end of the Annual General Meeting on 6 May 2024
[5] Seat held on a Group body
[6] Listed company
[7] Membership of comparable supervisory bodies at other companies in Germany and abroad
[8] Staff representative

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Further links

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Hannover Re - Glossary↗

Strategy
Hannover Re - Group strategy at a glance↗

Remuneration report
Hannover Re - Remuneration report and system↗

For reasons of sustainability Hannover Re does not print or mail out the annual and interim reports. The present Group Annual Report of Hannover Re can be accessed online in English and German as an HTML version and downloaded in PDF format:

www.hannover-re.com

The Annual Report of Hannover Rück SE is also available here in English and German.

Rounding differences

Amounts and values in this report are rounded in accordance with standard commercial practice and sometimes presented in thousands, millions or billions. These roundings may result in minor differences, particularly if individual rounded absolute or relative values are added, subtracted or considered in relation to other values. We always base our calculations on non-rounded values.

Financial calendar 2026 / 2027

12 March 2026
Publication of the annual financial statements 2025
Annual Results Press Conference

6 May 2026
Annual General Meeting

11 May 2026
Quarterly statement as at 31 March 2026

12 August 2026
Half-yearly financial report 2026

9 November 2026
Quarterly statement as at 30 September 2026

25 November 2026
Investors' Day 2026

4 February 2027
Renewals

11 March 2027
Publication of the annual financial statements 2026
Annual Results Press Conference

4 May 2027
Annual General Meeting

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different

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