

Quarterly statement: Profit of €608m in Q1, annual guidance of €3.3bn unchanged

- Below-average major losses in property-casualty reinsurance
- Impairment losses on Russian and Ukrainian bonds, first Russia/Ukraine claims
- April renewals yield further premium growth (+7.6%), prices continue to be at a high level
- Gross premium expected to increase to €64bn in 2022



“Munich Re is helping to provide humanitarian aid for the people of Ukraine and fully supports the sanctions against Russia. The financial consequences of the war and the sanctions severely impacted our result in the first quarter: We made write-downs for impairment losses on Russian and Ukrainian bonds alike and recorded the first claims.

Despite the uncertainties of a challenging environment, Munich Re maintains its annual guidance of €3.3bn based on a quarterly profit of more than €600m.”

Christoph Jurecka, CFO

Summary of Q1 figures

Munich Re generated a profit of €608m (589m) in Q1 2022. The operating result totalled €780m (798m), while the other non-operating result amounted to –€14m (–12m). The currency result totalled €17m (–23m), and the effective tax rate was 17.6% (16.3%). Supported by strong organic growth across all segments, especially in property-casualty reinsurance, gross premiums written increased substantially by 15.7% year on year to €16,833 (14,551m).

At €27,783m, equity was down from the level at the start of the year (€30,945m), mainly due to a decline in valuation reserves on fixed-interest securities. The latter was attributable to a rise in interest rates that is economically advantageous for insurers. The solvency ratio was approx. 231% (227% as at 31 December 2021), which is above

the optimum range (175–220%), and includes the deduction of €1bn share buy-back. Building on this strong capital base, Munich Re will redeem two subordinated bonds.

The annualised return on equity (RoE) for Q1 2022 was 9.8% (10.4%).

Reinsurance: Result of €511m

The reinsurance field of business contributed €511m (410m) to the consolidated result in Q1. The operating result rose to €654m (558m) and gross premiums written increased to €11,307m (9,389m).

Life and health reinsurance business generated a loss of €78m (+52m) in Q1, mainly due to COVID-19-related losses of €150m, above all from the Omicron wave in the USA. Premium income rose to €3,369m (3,058m). Business with non-significant risk transfer (fee income) continued to see very pleasing growth. At €20m (51m), the Q1 technical result (including the result from business with non-significant risk transfer) fell short of the pro-rated annual target due to pandemic losses, mainly expected in the first half of the year. Overall, the segment reported good operational performance in Q1.

Property-casualty reinsurance contributed €589m (358m) to the result in Q1. Premium volume increased substantially to €7,938m (6,330m), with a continued strong focus on quality. The combined ratio was 91.3% (98.9%) of net earned premium. In Q1, Munich Re posted expenditure related to the war in Ukraine of slightly over €100m in some specialty lines.

Major losses of over €10m each totalled €667m (892m). This figure includes gains from the settlement of major losses from previous years of around €100m. Major-loss expenditure corresponded to 9.2% (15.5%) of net earned premiums, and was thus below the long-term average expected value of 13%. Man-made major losses declined to €185m (247m). Major losses from natural catastrophes came to €481m (646m) in Q1. Major natural catastrophe events included heavy rainfall in eastern Australia, resulting in losses of around €440m, and the winter storms in Europe, which produced losses of slightly below €120m for Munich Re.

In Q1, loss reserves of €291m (230m) were released for basic losses from prior years, which corresponds to 4.0% (4.0%) of net earned premiums. The normalised combined ratio was 94.8%. Munich Re continually seeks to set the amount of provisions for newly emerging claims at the very top end of the estimation range so that profits from the release of a portion of these reserves can be generated at a later stage.

In the reinsurance renewals as at 1 April 2022, Munich Re was able to increase the volume of business written to €2.7bn (+7.6%). It was possible to tap into growth

opportunities, especially in Asia – particularly in Japan and India – as well as in Latin America. By contrast, Munich Re once again selectively discontinued business that no longer met risk/return expectations.

Prices were up overall in the sectional markets, with significantly different trends dependent upon claims experience, future loss expectations and the situation in each individual market. Prices for reinsurance cover rose considerably in some markets, including the USA.

All in all, prices for the Munich Re portfolio continued to be at a high level (–0.1%). This figure is, as always, risk-adjusted. In other words, price increases are offset if they are associated with increased risk and, consequently, elevated loss expectations. Particularly in light of higher inflation, Munich Re was deliberately cautious in calculating future loss expectations.

Munich Re anticipates that the market environment will remain stable in the next renewal round in July, offering attractive growth opportunities.

ERGO: Result of €96m

Despite adverse effects from volatile capital markets and major losses, ERGO posted a profit of €96m (178m) for Munich Re in Q1 thanks to ongoing very pleasing operating performance across all segments. ERGO again saw substantial growth in Q1. Overall premium income rose to €5,803m (5,362m) supported by all segments, while gross premiums written increased to €5,526m (5,163m). The Property-casualty Germany segment saw particularly strong premium growth.

The ERGO Life and Health Germany segment contributed €44m (94m) to the result owing to a comparatively low investment result. In addition, loss development in health and travel business returned to normal after a very good Q1 2021. Driven by continued excellent operating performance, the ERGO International segment posted a good result of €40m after generating a high profit (€60m) in the same quarter last year. The ERGO Property-casualty Germany segment posted a profit of €12m (24m). Major-loss expenditure was partly offset by profitable premium growth and a good investment result. The operating result for the ERGO field of business amounted to €127m (240m).

In the Property-casualty Germany segment, the combined ratio was 97.4% (94.2%). This development was driven by major losses as well as normal seasonal fluctuations in premiums and claims. In the International segment, the combined ratio improved to 92.6% (93.8%) thanks to ongoing excellent development in our core markets, especially Poland and Greece.

Investments: Investment result of €987m

Munich Re's investment result decreased to €987m (1,691m) in Q1. Regular income from investments was up slightly to €1,458m (1,429m). The balance of gains and losses on disposals excluding derivatives amounted to €960m (983m). The net balance of derivatives amounted to –€116m (–368m). The net balance of write-ups and write-downs declined substantially to –€1,122m (–171m), mainly due to gross write-downs of almost €700m (net: €370m) on Russian and Ukrainian bonds, which impacted the investment results of both reinsurance and ERGO.

Overall, the Q1 investment result represents a return of 1.6% on the average market value of the portfolio. The running yield was 2.3% and the yield on reinvestment rose substantially to 2.1%. The equity-backing ratio including equity derivatives amounted to 7.5% as at 31 March 2022 (7.7% as at 31 December 2021).

The investment portfolio as at 31 March 2022 decreased compared with the 2021 year-end figure, with the carrying amount falling to €233,308m (240,300m); the market values amounted to €245,860m (257,485m). This development was essentially due to the rise in interest rates.

Outlook for 2022: Annual target unchanged at €3.3bn

Munich Re expects to see advantageous business prospects in reinsurance in 2022. This is evident in the projected gross premium in this field of business, which has been adjusted upwards from €42.5bn to €45bn and, in turn, raises the forecast for the Munich Re Group as a whole to €64bn. The other targets communicated for 2022 in Munich Re's Group Annual Report 2021 remain unchanged. Munich Re is still aiming for a consolidated result of €3.3bn for the 2022 financial year. The achievement of this result target is supported by a remaining major-loss budget in property-casualty reinsurance of around €3.3bn for the rest of the year.

All forecasts and targets face considerable uncertainty owing to fragile macroeconomic developments, volatile capital markets and the unclear future of the pandemic. In particular, there is considerable uncertainty regarding the financial impact of the Russian war of aggression in Ukraine. As always, the projections are subject to major losses being within normal bounds, and to the income statement not being impacted by severe fluctuations in the currency or capital markets, significant changes in the tax environment, or other one-off effects.

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Munich Re

Munich Re is one of the world's leading providers of reinsurance, primary insurance and insurance-related risk solutions. The group consists of the reinsurance and ERGO business segments, as well as the asset management company MEAG. Munich Re is globally active and operates in all lines of the insurance business. Since it was founded in 1880, Munich Re has been known for its unrivalled risk-related expertise and its sound financial position. It offers customers financial protection when faced with exceptional levels of damage – from the 1906 San Francisco earthquake through Hurricane Ida in 2021. Munich Re possesses outstanding innovative strength, which enables it to also provide coverage for extraordinary risks such as rocket launches, renewable energies or cyberattacks. The company is playing a key role in driving forward the digital transformation of the insurance industry, and in doing so has further expanded its ability to assess risks and the range of services that it offers. Its tailor-made solutions and close proximity to its customers make Munich Re one of the world's most sought-after risk partners for businesses, institutions, and private individuals.

Disclaimer

This media release contains forward-looking statements that are based on current assumptions and forecasts of the management of Munich Re. Known and unknown risks, uncertainties and other factors could lead to material differences between the forward-looking statements given here and the actual development, in particular the results, financial situation and performance of our Company. The Company assumes no liability to update these forward-looking statements or to make them conform to future events or developments.

Key figures

Munich Re at a glance

		Q1 2022	Q1 2021	Change %
Consolidated result	€m	608	589	3.2
Thereof attributable to non-controlling interests	€m	0	-5	—
Earnings per share	€	4.34	4.24	2.3
Return on equity (RoE)	%	9.8	10.4	
Return on investment (RoI)	%	1.6	2.7	

		31.3.2022	31.12.2021	Change %
Share price	€	243.00	260.50	-6.7
Munich Reinsurance Company's market capitalisation	€bn	34.0	36.5	-6.7
Carrying amount per share	€	197.51	220.06	-10.2
Investments	€m	233,308	240,300	-2.9
Insurance-related investments	€m	11,988	12,283	-2.4
Equity	€m	27,783	30,945	-10.2
Off-balance-sheet unrealised gains and losses ¹	€m	14,239	18,888	-24.6
Net technical provisions	€m	234,551	234,044	0.2
Balance sheet total	€m	309,705	312,405	-0.9
Solvency II ratio	%	231	227	
Number of staff		39,458	39,281	0.5

¹ Including those apportionable to minority interests and policyholders.

Reinsurance

		Q1 2022	Q1 2021	Change %
Gross premiums written	€m	11,307	9,389	20.4
Combined ratio property-casualty	%	91.3	98.9	
Investment result	€m	208	668	-68.8
Consolidated result	€m	511	410	24.6
Thereof: Reinsurance – Life and health	€m	-78	52	—
Thereof: Reinsurance – Property-casualty	€m	589	358	64.5
Return on equity (RoE)	%	10.9	9.8	

ERGO

		Q1 2022	Q1 2021	Change %
Gross premiums written	€m	5,526	5,163	7.0
Combined ratio Property-casualty Germany	%	97.4	94.2	
Combined ratio International	%	92.6	93.8	
Investment result	€m	779	1,023	-23.8
Consolidated result	€m	96	178	-46.1
Thereof: Life and Health Germany	€m	44	94	-53.0
Thereof: Property-casualty Germany	€m	12	24	-51.9
Thereof: International	€m	40	60	-33.0
Return on equity (RoE)	%	6.5	12.1	

Outlook Munich Re (Group) 2022

		As at 31.03.2022	From Annual Report 2021
Gross premiums written	€bn	64	61
Technical result – Life and health reinsurance ^{1,2}	€m	400	400
Combined ratio – Property-casualty reinsurance	%	94	94
Combined ratio – ERGO Property-casualty Germany	%	91	91
Combined ratio – ERGO Property-casualty International	%	92	92
Return on investment ³	%	Over 2.5	Over 2.5
Consolidated result	€bn	3.3	3.3
Economic Earnings	€bn	Over 3.3	Over 3.3

1 Including the result from reinsurance treaties with non-significant risk transfer.

2 Including COVID-19 impact of approx. €300m (before tax) in Life and health reinsurance.

3 Excluding insurance-related investments.

Investment mix

€m	Carrying amounts		Unrealised gains/losses ¹		Fair values	
	31.3.2022	31.12.2021	31.3.2022	31.12.2021	31.3.2022	31.12.2021
Land and buildings, including buildings on third-party land	6,936	7,029	6,309	6,291	13,245	13,320
Investments in affiliated companies, associates and joint ventures	3,823	3,635	2,751	2,812	6,382	6,258
Loans	50,209	50,389	3,685	8,270	53,893	58,659
Other securities available for sale	154,191	162,468	3,455	12,967	154,191	162,468
Thereof: Fixed-interest	131,026	138,209	-604	8,078	131,026	138,209
Thereof: Non-fixed-interest	23,165	24,259	4,059	4,888	23,165	24,259
Other securities at fair value through profit or loss	3,536	2,950			3,536	2,950
Thereof: Derivatives	2,021	1,718			2,021	1,718
Deposits retained on assumed reinsurance	9,160	9,027			9,160	9,027
Other investments	5,451	4,803			5,451	4,803
Total	233,308	240,300	16,199	30,340	245,860	257,485

1 Including on- and off-balance-sheet unrealised gains and losses.

Investment result

	Q1 2022	Return ¹	Q1 2021	Return ¹
	€m	%	€m	%
Regular income	1,458	2.3	1,429	2.3
Write-ups/write-downs of non-derivative investments	-1,122	-1.8	-171	-0.3
Gains/losses on the disposal of non-derivative investments	960	1.5	983	1.6
Net balance of derivatives	-116	-0.2	-368	-0.6
Other income/expenses	-192	-0.3	-182	-0.3
Total	987	1.6	1,691	2.7
Total return		-20.9		-8.3

¹ Annualised return in % p.a. on the average fair value of the investment portfolio at the quarterly reporting dates. The investment portfolio used to determine the annualised return (1.6%) for the first three months is calculated as the mean value of the investment portfolios (carrying amounts) as at 31 December 2021 (€240,300m) and 31 March 2022 (€233,308m), and the off-balance-sheet unrealised gains and losses (excluding owner-occupied property and insurance-based loans) as at 31 December 2021 (€17,185m) and 31 March 2022 (€12,552m).

Consolidated balance sheet

Assets

			31.3.2022	31.12.2021		Change
		€m	€m	€m	€m	%
A. Intangible assets						
I.	Goodwill			3,092	48	1.5
II.	Other intangible assets			1,286	4	0.3
			4,431	4,379	52	1.2
B. Investments						
I.	Land and buildings, including buildings on third-party land	6,936		7,029	-92	-1.3
II.	Investments in affiliated companies, associates and joint ventures	3,823		3,635	189	5.2
	Thereof:					
	Associates and joint ventures accounted for using the equity method	3,397		3,215	182	5.7
III.	Loans	50,209		50,389	-180	-0.4
IV.	Other securities					
	1. Available for sale	154,191		162,468	-8,277	-5.1
	2. At fair value through profit or loss	3,536		2,950	587	19.9
		157,728		165,418	-7,690	-4.6
V.	Deposits retained on assumed reinsurance	9,160		9,027	133	1.5
VI.	Other investments	5,451		4,803	648	13.5
			233,308	240,300	-6,992	-2.9
C. Insurance-related investments			11,988	12,283	-295	-2.4
D. Ceded share of technical provisions			6,011	6,099	-88	-1.4
E. Receivables						
I.	Current tax receivables	864		715	148	20.7
II.	Other receivables	33,123		29,058	4,066	14.0
			33,987	29,773	4,214	14.2
F. Cash at banks, cheques and cash in hand			5,344	5,413	-69	-1.3
G. Deferred acquisition costs						
	Gross	10,744		10,545	199	1.9
	Ceded share	-598		-608	10	1.6
	Net		10,146	9,937	209	2.1
H. Deferred tax assets			944	503	441	87.6
I. Other assets			3,015	3,167	-152	-4.8
J. Non-current assets held for sale			532	552	-20	-3.6
Total assets			309,705	312,405	-2,700	-0.9

Equity and liabilities

			31.3.2022	31.12.2021		Change
		€m	€m	€m	€m	%
A. Equity						
I.	Issued capital and capital reserve	7,432		7,432	0	0.0
II.	Revenue reserves	16,975		13,822	3,153	22.8
III.	Other reserves	2,656		6,642	-3,986	-60.0
IV.	Consolidated result attributable to Munich Reinsurance Company equity holders	607		2,933	-2,325	-79.3
V.	Non-controlling interests	111		116	-4	-3.6
			27,783	30,945	-3,163	-10.2
B. Subordinated liabilities			5,093	5,055	38	0.8
C. Gross underwriting provisions						
I.	Unearned premiums	15,019		13,474	1,545	11.5
II.	Provision for future policy benefits	114,932		114,586	346	0.3
III.	Provision for outstanding claims	84,509		81,671	2,838	3.5
IV.	Other underwriting provisions	17,653		21,414	-3,762	-17.6
			232,112	231,145	968	0.4
D. Gross technical provisions for unit-linked life insurance			8,450	8,998	-549	-6.1
E. Other provisions			4,737	4,958	-221	-4.5
F. Liabilities						
I.	Notes and debentures	300		293	6	2.2
II.	Deposits retained on ceded business	1,063		1,502	-439	-29.2
III.	Current tax liabilities	1,754		1,845	-91	-4.9
IV.	Other liabilities	27,876		26,069	1,807	6.9
			30,993	29,709	1,284	4.3
G. Deferred tax liabilities			312	1,300	-988	-76.0
H. Liabilities related to non-current assets held for sale			226	294	-68	-23.3
Total equity and liabilities			309,705	312,405	-2,700	-0.9

Consolidated income statement

	€m	€m	Q1 2022 €m	Q1 2021 €m	€m	Change %
Gross premiums written	16,833			14,551	2,281	15.7
1. Earned premiums						
Gross	15,488			13,258	2,230	16.8
Ceded	-701			-488	-213	-43.6
Net		14,787		12,771	2,017	15.8
2. Income from technical interest		565		1,566	-1,002	-64.0
3. Expenses for claims and benefits						
Gross	-11,412			-11,152	-260	-2.3
Ceded	633			362	270	74.6
Net		-10,780		-10,790	10	0.1
4. Operating expenses						
Gross	-3,805			-3,174	-631	-19.9
Ceded	208			107	101	94.8
Net		-3,596		-3,067	-529	-17.3
5. Technical result (1–4)			976	480	496	103.3
6. Investment result		987		1,691	-703	-41.6
Thereof:						
Income from associates and joint ventures accounted for using the equity method		21		46	-25	-55
7. Insurance-related investment result	-423			413	-836	–
8. Other operating income	280			241	39	16.0
9. Other operating expenses	-475			-461	-14	-3.0
10. Deduction of income from technical interest	-565			-1,566	1,002	64.0
11. Non-technical result (6–10)			-195	318	-513	–
12. Operating result (5+11)			780	798	-17	-2.2
13. Other non-operating result			-14	-12	-2	-17.1
14. Currency result			17	-23	41	–
15. Net finance costs			-47	-59	13	21.4
16. Taxes on income			-130	-114	-15	-13.4
17. Consolidated result (12–16)			608	589	19	3.2
Thereof:						
Attributable to Munich Reinsurance Company equity holders			607	594	14	2.3
Attributable to non-controlling interests			0	-5	5	–
			€	€	€	%
Earnings per share			4.34	4.24	0.10	2.3

Segment balance sheet

Segment assets

€m		Reinsurance				Life and Health Germany		Property-casualty Germany		ERGO International		Total	
		Life and health		Property-casualty		31.3.2022	31.12.2021	31.3.2022	31.12.2021	31.3.2022	31.12.2021	31.3.2022	31.12.2021
		31.3.2022	31.12.2021	31.3.2022	31.12.2021								
A.	Intangible assets	524	521	2,238	2,204	158	161	1,334	1,320	177	172	4,431	4,379
B.	Investments												
I.	Land and buildings, including buildings on third-party land	221	274	3,131	3,160	3,253	3,247	202	209	130	138	6,936	7,029
II.	Investments in affiliated companies, associates and joint ventures	44	45	2,138	1,951	404	396	112	110	1,124	1,133	3,823	3,635
	Thereof:												
	Associates and joint ventures accounted for using the equity method	0	0	1,898	1,714	343	338	48	47	1,107	1,116	3,397	3,215
III.	Loans	665	659	678	643	46,889	47,166	1,408	1,383	568	538	50,209	50,389
IV.	Other securities												
	1. Available for sale	21,801	23,269	54,616	55,785	57,165	61,315	5,450	5,742	15,160	16,356	154,191	162,468
	2. fair value through profit or loss	201	181	1,189	980	1,857	1,553	119	52	171	184	3,536	2,950
		22,002	23,449	55,805	56,765	59,022	62,868	5,569	5,795	15,330	16,540	157,728	165,418
V.	Deposits retained on assumed reinsurance	4,941	5,006	4,198	3,998	13	15	8	8	0	0	9,160	9,027
VI.	Other investments	733	703	3,267	2,963	1,211	960	135	68	106	109	5,451	4,803
		28,607	30,137	69,217	69,480	110,793	114,653	7,434	7,573	17,257	18,458	233,308	240,300
C.	Insurance-related investments	2,703	2,748	1,126	861	5,724	6,045	0	0	2,435	2,629	11,988	12,283
D.	Ceded share of technical provisions	2,228	2,607	2,789	2,651	13	15	418	262	562	564	6,011	6,099
E.	Non-current assets held for sale	0	0	32	0	117	78	1	1	382	473	532	552
F.	Other segment assets	21,186	20,560	19,759	16,808	7,641	7,224	2,399	1,844	2,451	2,358	53,436	48,792
	Total segment assets	55,247	56,572	95,161	92,004	124,447	128,176	11,586	11,000	23,264	24,653	309,705	312,405

Segment equity and liabilities

€m		Reinsurance				Life and Health Germany		Property-casualty Germany		ERGO International		Total	
		Life and health		Property-casualty		31.3.2022	31.12.2021	31.3.2022	31.12.2021	31.3.2022	31.12.2021	31.3.2022	31.12.2021
		31.3.2022	31.12.2021	31.3.2022	31.12.2021								
A.	Subordinated liabilities	1,136	1,168	3,944	3,874	0	0	0	0	13	13	5,093	5,055
B.	Gross technical provisions												
I.	Unearned premiums	335	295	10,978	10,392	341	266	1,285	563	2,080	1,957	15,019	13,474
II.	Provision for future policy benefits	13,530	13,420	0	0	91,460	91,203	358	362	9,585	9,601	114,932	114,586
III.	Provision for outstanding claims	11,610	11,054	61,248	59,070	2,850	2,947	5,825	5,636	2,975	2,963	84,509	81,671
IV.	Other underwriting provisions	107	169	306	318	16,849	20,248	119	118	272	562	17,653	21,414
		25,582	24,939	72,532	69,780	111,500	114,664	7,586	6,678	14,912	15,083	232,112	231,145
C.	Gross technical provisions for unit-linked life insurance contracts	0	0	0	0	6,016	6,375	0	0	2,434	2,623	8,450	8,998
D.	Other provisions	171	186	736	678	1,734	1,922	1,029	1,014	1,066	1,158	4,737	4,958
E.	Liabilities related to non-current assets held for sale	0	0	0	0	7	8	0	0	219	286	226	294
F.	Other segment liabilities	15,042	15,658	7,590	8,247	4,047	3,154	1,246	1,053	3,380	2,898	31,305	31,009
	Total segment liabilities	41,931	41,952	84,803	82,579	123,304	126,123	9,861	8,745	22,024	22,061	281,922	281,459
											Equity	27,783	30,945
											Total equity and liabilities	309,705	312,405

Segment income statement

€m	Reinsurance				ERGO						Total	
	Life and health		Property-casualty		Life and Health Germany		Property-casualty Germany		International		Q1 2022	Q1 2021
	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021		
Gross premiums written	3,369	3,058	7,938	6,330	2,461	2,265	1,679	1,535	1,386	1,362	16,833	14,551
1. Net earned premiums	3,001	2,774	7,279	5,742	2,385	2,232	930	868	1,192	1,155	14,787	12,771
2. Income from technical interest	168	156	238	205	270	1,042	11	13	-122	150	565	1,566
3. Net expenses for claims and benefits	-2,749	-2,423	-4,509	-4,022	-2,256	-2,852	-625	-559	-641	-934	-10,780	-10,790
4. Net operating expenses	-467	-511	-2,142	-1,661	-355	-305	-294	-271	-339	-320	-3,596	-3,067
5. Technical result (1–4)	-46	-4	866	265	43	116	22	51	91	51	976	480
6. Investment result	122	245	86	423	645	898	56	29	78	95	987	1,691
7. Insurance-related investment result	23	10	74	61	-338	237	0	0	-182	106	-423	413
8. Other operating result	24	10	-89	-91	-67	-72	-31	-32	-32	-36	-195	-220
9. Deduction of income from technical interest	-168	-156	-238	-205	-270	-1,042	-11	-13	122	-150	-565	-1,566
10. Non-technical result (6–9)	1	109	-167	187	-29	20	15	-15	-15	16	-195	318
11. Operating result (5+10)	-45	105	699	453	14	137	37	36	76	67	780	798
12. Other non-operating result	-1	0	-4	-6	-6	-2	-3	-3	0	-1	-14	-12
13. Currency result	-6	-8	-27	-33	56	12	-5	3	0	3	17	-23
14. Net finance costs	-8	-11	-36	-35	4	-5	-1	-2	-7	-7	-47	-59
15. Taxes on income	-17	-35	-43	-20	-24	-47	-17	-10	-29	-2	-130	-114
16. Consolidated result (11–15)	-78	52	589	358	44	94	12	24	40	60	608	589

Notes on determining the combined ratio

€m	Reinsurance		Property-casualty Germany		ERGO Property-casualty International ¹	
	Property-casualty Q1 2022	Property-casualty Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021
Net earned premiums	7,279	5,742	930	868	876	842
Net expenses for claims and benefits	-4,509	-4,022	-625	-559	-543	-545
Net operating expenses	-2,142	-1,661	-294	-271	-269	-246
Loss-ratio calculation adjustments	5	3	12	13	1	1
Fire brigade tax and other expenses	7	6	10	8	6	5
Expenses for premium refunds	0	0	6	10	0	1
Other underwriting income	-1	-2	-1	-1	-2	-2
Change in remaining technical provisions and other underwriting expenses	0	-1	-2	-3	-3	-3
Adjusted net expenses for claims and benefits	-4,504	-4,019	-612	-547	-542	-544
Loss ratio	% 61.9	% 70.0	65.8	63.0	61.9	64.6
Combined ratio	% 91.3	% 98.9	97.4	94.2	92.6	93.8

¹ Property-casualty business and short-term health insurance not conducted like life insurance.

Notes on determining the annualised return on equity (RoE)







	Reinsurance		ERGO		Total	
€m	31.3.2022	31.12.2021 ¹	31.3.2022	31.12.2021 ¹	31.3.2022	31.12.2021
Segment assets	150,409	148,576	159,296	163,828	309,705	312,405
Segment liabilities	126,733	124,530	155,189	156,929	281,922	281,459
Adjustments used in the calculation of equity						
Unrealised gains and losses, currency translation reserve, remeasurement gains/losses from cash flow hedges	2,085	4,759	571	1,883	2,656	6,642
Adjustment item for material asset transfers between reinsurance and ERGO	2,302	1,020	-2,302	-1,020	0	0
Adjusted equity	19,288	18,267	5,838	6,036	25,126	24,303
	Q1 2022		Q1 2022		Q1 2022	
Average adjusted equity	18,778		5,937		24,715	
Consolidated result	511		96		608	
Return on equity (RoE)	%	10.9	6.5		9.8	

¹ Since March 31, 2022, the presentation of receivables and liabilities in connection with intra-Group loans in the segment balance sheet has been adapted to reflect changes in internal management and simultaneously aligned with the presentation of income and expenses in connection with intra-Group loans in the segment income statement. The previous year's figures have been adjusted accordingly.




Notes on determining the annualised return on equity (RoE)

	Reinsurance		ERGO		Total	
€m	31.3.2021	31.12.2020	31.3.2021	31.12.2020	31.3.2021	31.12.2020
Segment assets	138,064	133,892	162,874	164,055	300,938	297,946
Segment liabilities	116,126	112,138	155,420	155,815	271,546	267,952
Adjustments used in the calculation of equity						
Unrealised gains and losses, currency translation reserve, remeasurement gains/losses from cash flow hedges	4,009	4,994	2,224	2,689	6,233	7,683
Adjustment item for material asset transfers between reinsurance and ERGO	637	410	-637	-410	0	0
Adjusted equity	17,292	16,350	5,867	5,961	23,159	22,311
	Q1 2021		Q1 2021		Q1 2021	
Average adjusted equity	16,821		5,914		22,735	
Consolidated result	410		178		589	
Return on equity (RoE)	%	9.8	12.1		10.4	

Portfolio duration¹

		Assets	Liabilities	
Reinsurance	6.3 (6.0)			6.5 (6.4)
ERGO	8.8 (9.6)			8.5 (9.3)
Munich Re	7.9 (8.3)			7.9 (8.4)

DVO1^{1,2}

	Assets	Liabilities	
	47 (46)		38 (38)
	108 (125)		106 (125)
	154 (171)		144 (163)

1 Fair values as at 31.3.2022 (31.12.2021). 2 Market-value change due to a parallel downward shift in yield curve by one basis point, considering the portfolio size of assets and liabilities (pre-tax). Negative net DV01 means rising interest rates are beneficial.

Sensitivities to interest rates, spreads and equities¹

Sensitivity to risk-free interest in €bn (change in basis points)

	-50bps	-25bps	+50bps	+100bps
Change in market value, gross	8.3	4.1	-7.6	-14.4
Change in on-balance-sheet reserves, net	2.3	1.1	-2.1	-4.1
Change in off-balance-sheet reserves, net	0.4	0.2	-0.3	-0.6
P&L (investment result), gross	0.5	0.2	-0.5	-0.9
P&L, net	0.3	0.1	-0.3	-0.6

Sensitivity to spread² in €bn (change in basis points)

		+50bps	+100bps
Change in market value, gross		-5.1	-9.8
Change in on-balance-sheet reserves, net		-1.2	-2.4
Change in off-balance-sheet reserves, net		-0.3	-0.5
P&L (investment result), gross		-0.3	-0.6
P&L, net		-0.2	-0.3

Sensitivity to share prices³ in €bn (change in %)

	-30%	-10%	+10%	+30%
Change in market value, gross	-2.4	-1.1	1.2	3.7
Change in on-balance-sheet reserves, net	-0.4	-0.1	0.5	1.6
P&L (investment result), gross	-1.2	-0.6	-0.1	-0.3
P&L, net	-1.0	-0.4	-0,0	-0,0

1 Rough calculation with limited reliability assuming unchanged portfolio as at 31.3.2022. After rough estimation of policyholder participation and deferred tax; linearity of relations cannot be assumed. Approximation – not fully comparable with IFRS figures. 2 Sensitivities to changes of spreads are calculated for every category of fixed income portfolio, except government securities with AAA ratings. 3 Sensitivities to change in share prices are calculated for listed shares only; assumptions: equity impairments as soon as market value drops below acquisition cost and best-estimate calculation of hedging impact.

On- and off-balance-sheet reserves

€m	31.3.2022	▲ in Q1
Market value of investments	245,860	-11,625
Total reserves	16,209	-14,148
On-balance-sheet reserves		
Fixed-interest securities	-604	-8,683
Non-fixed-interest securities	4,059	-829
Other on-balance-sheet reserves ¹	202	-3
Subtotal	3,657	-9,515
Off-balance-sheet reserves		
Real estate ²	6,309	18
Loans ³	3,685	-4,586
Associates	2,559	-65
Subtotal	12,552	-4,633
Reserve ratio	6.6%	-5.2 pp.

1 Unrealised gains/losses from unconsolidated affiliated companies, valuation at equity and cash-flow hedging.

2 Excluding reserves from owner-occupied property. 3 Excluding insurance-related loans.

On- and off-balance-sheet reserves (gross/net)

€m	On-balance-sheet reserves		Off-balance-sheet reserves ¹	
	31.3.2022	31.12.2021	31.3.2022	31.12.2021
Total reserves (gross)	3,657	13,172	12,552	17,185
Provision deferred premium refunds	-1,641	-5,409	-4,704	-8,115
Deferred tax	-487	-1,848	-2,134	-2,496
Minority interests	-6	-10		
Consolidation and currency effects	-174	-127		
Shareholders' stake	1,350	5,778	5,714	6,574

¹ Excluding reserves for owner-occupied property and insurance-related loans.