

Quarterly statement: Munich Re confirms annual guidance; solid quarterly result of €527m

- Munich Re achieves a profit of €1,903m (2,061m) in Q1–3 and grows profitably in all fields of business
- High major-loss expenditure in property-casualty reinsurance; strong performance in life and health business
- ERGO contributes €446m (134m) to Group's Q3 result
- Robust increase in reinvestment yield; falling share prices and higher interest rates adversely affect investment result; high currency result



“Financial solidity and professional expertise are of fundamental importance to our clients in times of crisis and guide Munich Re in its actions. Hurricane Ian matches the pattern science would expect of a warming world. Therefore the rising probability of such extreme storms is part and parcel of our models and must be reflected in pricing. The sustainable and reliable offering our clients expect of us is based on realistic analyses, not only of natural catastrophe risks, but also of cyber and pandemic risks. And although Hurricane Ian and the macroeconomic environment are making it significantly more challenging for us, we are firmly adhering to our annual guidance of €3.3bn. All fields of business are contributing to sustainably positive performance.”

Christoph Jurecka, CFO

Summary of Q3 figures

Munich Re achieved a profit of €527m (366m) in Q3 2022, and a total of €1,903m (2,061m) in Q1–3. The quarter was marked by above-average expenditure for natural catastrophes. Munich Re projects losses of around €1.6bn from Hurricane Ian. The operating result fell to –€346m, compared with €204m for the same quarter last year. The other non-operating result amounted to –€5m (–18m). The currency result increased significantly year on year to €846m (242m), in particular owing to exchange gains on account of the US dollar. The effective tax rate was –16.8% (4.7%). Gross

premiums written were significantly up year on year by 17.8% to €18,228m (15,480m) in Q3, and rose by 14.0% to €50,910m (44,673m) in Q1–3.

At €21,417m, 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 approximately 254% (227% as at 31 December 2021), which is above the optimum range (175–220%).

The annualised return on equity (RoE) was 8.5% (6.3%) in Q3 2022, and 10.3% (12.1%) in Q1–3.

Reinsurance: Result of €81m

The reinsurance field of business contributed €81m (232m) to the consolidated result for Q3 and €1,201m (1,594m) for Q1–3. The decline compared with the same quarter last year is mainly attributable to the expenditure for Hurricane Ian and the lower investment result. The operating result totalled –€687m (13m) in Q3. Gross premiums written were up significantly to €13,712m (11,160m).

Life and health reinsurance business recorded a substantial increase in profit to €424m (94m). Premium income rose to €3,472m (3,164m). Business with non-significant risk transfer (fee income) continued to see very pleasing growth and achieved a result of €76m (55m) in Q3. The technical result, including business with non-significant risk transfer, rose to €293m (9m). The losses resulting from COVID-19 dropped appreciably to €35m (168m) in Q3 and amounted to €323m in Q1–3.

Property-casualty reinsurance contributed –€343m (138m) to the result in Q3. Premium volume grew robustly to €10,240m (7,997m). The combined ratio totalled 108.2% (112.8%) of net earned premiums in Q3 and 96.9% (100.9%) in Q1–3. The normalised combined ratio in Q3 was 94.3% and 94.7% in Q1–3.

Major losses of over €10m each were up in Q3 and totalled €2,316m (1,974m). As usual, these figures include gains and losses from the settlement of major losses from previous years. Major-loss expenditure corresponded to 26.9% (29.6%) of net earned premiums, and was thus higher than the long-term average expected value of 13% both for Q3 and for Q1–3 (15.1%). Man-made major losses rose to €489m (245m). After Hurricane Ida and Storm Bernd had caused high losses in the same quarter last year, major-loss expenditure from natural catastrophes again saw a slight increase to €1,827m (1,729m) in Q3 2022. The costliest natural catastrophe for Munich Re in Q3 was Hurricane Ian, with projected losses of around €1.6bn.

In Q3, reserves of €344m (265m) were released for basic losses from prior years; this figure corresponded to 4.0% (4.0%) of net earned premiums. 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.

ERGO: Result of €446m

Munich Re generated a profit of €446m (134m) in its ERGO field of business in Q3 and €702m (467m) in Q1–3. This very appreciable increase was partly driven by a one-off effect in the ERGO Life and Health Germany segment. In Q3, all segments continued to see premium growth: total premium income rose to €4,719m (4,539m) in Q3; gross premiums written increased to €4,515m (4,319m).

The primary driver of the exceptionally good Q3 was the ERGO Life and Health Germany segment, whose result grew to €344m (80m). The reasons for this development were a very good operating performance, along with a high currency result and the one-off effect attributable to updated assumptions regarding the appropriation of profit under IFRS. In the ERGO Property-Casualty Germany segment, the result for Q3 rose to €67m (21m), benefiting from strong premium growth and good operating performance. The ERGO International segment achieved a slightly higher quarterly result of €35m (32m), chiefly because of an improved technical result. The operating result for the ERGO field of business amounted to €341m (191m).

In the Property-Casualty Germany segment, the combined ratio was a very pleasing 87.2% (95.6%) in Q3, and 90.3% (94.1%) in Q1–3. The significant improvement is attributable to favourable claims experience, major losses that were below expectations and continued high premium growth in Q3. In the ERGO International segment, the combined ratio rose to 93.8% (92.3%) for Q3 and 93.6% (92.8%) for Q1–3. The year-on-year increase was mainly owing to higher losses in Spanish health business and higher costs in international legal protection business.

Investments: Investment result of €904m

The Group's investment result dropped to €904m (2,107m) in Q3. Regular income from investments amounted to €1,596m (1,507m). Net gains and losses on disposal excluding derivatives amounted to €747m (881m). The net balance of derivatives amounted to –€319m (61m), chiefly due to losses on derivatives on fixed-interest securities. The balance from write-ups and write-downs fell to –€914m (–168m), mainly on account of impairment losses on equities triggered by falling stock markets.

Overall, the Q3 investment result represented a return of 1.6% on the average market value of the portfolio. The running yield was 2.8% and the yield on reinvestment rose

substantially to 3.0%. As at 30 September 2022, the equity-backing ratio including equity-linked derivatives amounted to 6.6% (7.7% as at 31 December 2021).

The investment portfolio as at 30 September 2022 declined compared with the 2021 year-end figure, with the carrying amount decreasing to €223,813m (240,300m); the market values amounted to €228,298m (257,485m). The main reason for the decline was the increase in interest rates.

Outlook for 2022: Annual target unchanged at €3.3bn

Given the very positive business performance in the first nine months of 2022, Munich Re has raised its guidance for gross premiums in the reinsurance field of business to €48bn (previously: €45bn) and in the ERGO field of business to €19bn (previously: €18.5bn); the total for the Group thus amounting to €67bn (previously €64bn).

Munich Re is still aiming for a consolidated result of €3.3bn for the 2022 financial year. However, this target will be significantly more difficult to achieve given the claims experience and business environment, and it is subject to the realisation of anticipated positive one-off effects in Q4. These are expected above all in the field of investments. Munich Re anticipates a consolidated result in the reinsurance field of business of €2.5bn (previously: €2.7bn) and a consolidated result in the ERGO field of business of €0.8bn (previously: €0.6bn).

In life and health reinsurance, Munich Re now expects a significantly higher technical result, including the result from insurance contracts with non-significant risk transfer, of €800m (previously: €400m) for the whole year, owing to gratifying business performance in Q3 in particular.

For property-casualty reinsurance, Munich Re projects a combined ratio of around 97% (previously: 94%) of net earned premium on account of the high natural catastrophe losses that occurred in Q3.

In the ERGO International segment, Munich Re envisages a combined ratio of around 94% (previously: 92%) of net earned premiums. This adjustment is significantly driven by developments in Poland and Spain.

The other targets communicated for 2022 remain unchanged.

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 continues to be 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 manager 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 cyber risks. 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 of our Company, in particular the results, financial situation and performance. The Company assumes no liability to update these forward-looking statement or to make them conform to future events or developments.

Key figures

Munich Re at a glance

		Q1–3 2022	Q1–3 2021	Change %	Q3 2022	Q3 2021	Change %
Consolidated result	€m	1,903	2,061	-7.7	527	366	44.0
Thereof attributable to non-controlling interests	€m	-2	-3	50.3	0	1	–
Earnings per share	€	13.63	14.73	-7.5	3.79	2.61	45.5
Return on equity (RoE)	%	10.3	12.1		8.5	6.3	
Return on investment (RoI)	%	1.6	3.0		1.6	3.3	

			30.9.2022	31.12.2021	Change %
Share price	€		247.50	260.50	-5.0
Munich Reinsurance Company's market capitalisation	€bn		34.7	36.5	-5.0
Carrying amount per share	€		153.72	220.06	-30.1
Investments	€m		223,813	240,300	-6.9
Insurance-related investments	€m		11,379	12,283	-7.4
Equity	€m		21,417	30,945	-30.8
Off-balance-sheet unrealised gains and losses ¹	€m		6,246	18,888	-66.9
Net technical provisions	€m		237,781	234,044	1.6
Balance sheet total	€m		304,736	312,405	-2.5
Solvency II ratio	%		254	227	
Number of staff			40,569	39,281	3.3

¹ Including those apportionable to minority interests and policyholders.

Reinsurance

		Q1–3 2022	Q1–3 2021	Change %	Q3 2022	Q3 2021	Change %
Gross premiums written	€m	36,358	30,848	17.9	13,712	11,160	22.9
Combined ratio property-casualty	%	96.9	100.9		108.2	112.8	
Investment result	€m	89	2,529	-96.5	4	1,074	-99.6
Consolidated result	€m	1,201	1,594	-24.7	81	232	-65.3
Thereof: Reinsurance – Life and health	€m	492	239	106.0	424	94	349.4
Thereof: Reinsurance – Property-casualty	€m	708	1,355	-47.7	-343	138	–
Return on equity (RoE)	%	8.8	12.7		1.8	5.4	

ERGO

		Q1–3 2022	Q1–3 2021	Change %	Q3 2022	Q3 2021	Change %
Gross premiums written	€m	14,552	13,825	5.3	4,515	4,319	4.5
Combined ratio Property-casualty Germany	%	90.3	94.1		87.2	95.6	
Combined ratio International	%	93.6	92.8		93.8	92.3	
Investment result	€m	2,773	3,201	-13.4	900	1,032	-12.8
Consolidated result	€m	702	467	50.4	446	134	234.1
Thereof: Life and Health Germany	€m	448	206	117.3	344	80	330.1
Thereof: Property-casualty Germany	€m	123	127	-3.2	67	21	211.8
Thereof: International	€m	131	134	-1.8	35	32	9.5
Return on equity (RoE)	%	14.3	10.5		26.5	8.9	

Outlook Munich Re (Group) 2022

		As at 30.09.2022	From Q2 2022	From Q1 2022	From Annual Report 2021
Gross premiums written	€bn	67	64	64	61
Technical result – Life and health reinsurance ¹	€m	800	400	400	400
Combined ratio – Property-casualty reinsurance	%	97	94	94	94
Combined ratio – ERGO Property-casualty Germany	%	91	91	91	91
Combined ratio – ERGO Property-casualty International	%	94	92	92	92
Return on investment ²	%	Over 2.0	Over 2.0	Over 2.5	Over 2.5
Consolidated result	€bn	3.3	3.3	3.3	3.3
Economic Earnings	€bn	Over 3.3	Over 3.3	Over 3.3	Over 3.3

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

2 Excluding insurance-related investments.

Investment mix

€m	Carrying amounts		Unrealised gains/losses ¹		Fair values	
	30.9.2022	31.12.2021	30.9.2022	31.12.2021	30.9.2022	31.12.2021
Land and buildings, including buildings on third-party land	7,490	7,029	6,057	6,291	13,547	13,320
Investments in affiliated companies, associates and joint ventures	4,111	3,635	2,729	2,812	6,648	6,258
Loans	49,237	50,389	-4,109	8,270	45,128	58,659
Other securities available for sale	144,490	162,468	-13,278	12,967	144,490	162,468
Thereof: Fixed-interest	122,691	138,209	-16,037	8,078	122,691	138,209
Thereof: Non-fixed-interest	21,799	24,259	2,759	4,888	21,799	24,259
Other securities at fair value through profit or loss	4,328	2,950			4,328	2,950
Thereof: Derivatives	2,551	1,718			2,551	1,718
Deposits retained on assumed reinsurance	9,729	9,027			9,729	9,027
Other investments	4,428	4,803			4,428	4,803
Total	223,813	240,300	-8,600	30,340	228,298	257,485

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

Investment result

	Q1–3 2022	RoI ¹	Q1–3 2021	RoI ¹	Q3 2022	Q3 2021
	€m	%	€m	%	€m	€m
Regular income	4,853	2.7	4,580	2.4	1,596	1,507
Write-ups/write-downs of non-derivative investments	-2,944	-1.6	-416	-0.2	-914	-168
Gains/losses on the disposal of non-derivative investments	2,433	1.3	2,491	1.3	747	881
Net balance of derivatives	-881	-0.5	-397	-0.2	-319	61
Other income/expenses	-600	-0.3	-527	-0.3	-206	-173
Total	2,862	1.6	5,731	3.0	904	2,107

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 nine months is calculated as the mean value of the investment portfolios (carrying amounts) as at 31 December 2021 (€240,300m), 31 March 2022 (€233,308m), 30 June 2022 (€223,275m) and 30 September 2022 (€223,813m) and the off-balance-sheet unrealised gains and losses (excluding owner-occupied property and insurance-based loans) as at 31 December 2021 (€17,185m), 31 March 2022 (€12,552m), 30 June 2022 (€7,677m) and 30 September 2022 (€4,485m).

Consolidated balance sheet

Assets

	€m	€m	30.9.2022 €m	31.12.2021 €m	€m	Change %
A. Intangible assets						
I. Goodwill		3,423		3,092	331	10.7
II. Other intangible assets		1,335		1,286	48	3.8
			4,758	4,379	379	8.7
B. Investments						
I. Land and buildings, including buildings on third-party land		7,490		7,029	461	6.6
II. Investments in affiliated companies, associates and joint ventures		4,111		3,635	476	13.1
Thereof:						
Associates and joint ventures accounted for using the equity method		3,671		3,215	456	14.2
III. Loans		49,237		50,389	-1,152	-2.3
IV. Other securities						
1. Available for sale	144,490			162,468	-17,978	-11.1
2. At fair value through profit or loss	4,328			2,950	1,379	46.7
		148,818		165,418	-16,600	-10.0
V. Deposits retained on assumed reinsurance		9,729		9,027	702	7.8
VI. Other investments		4,428		4,803	-375	-7.8
			223,813	240,300	-16,487	-6.9
C. Insurance-related investments			11,379	12,283	-904	-7.4
D. Ceded share of technical provisions			6,140	6,099	42	0.7
E. Receivables						
I. Current tax receivables		968		715	252	35.3
II. Other receivables		34,599		29,058	5,541	19.1
			35,566	29,773	5,793	19.5
F. Cash at banks, cheques and cash in hand			6,332	5,413	919	17.0
G. Deferred acquisition costs						
Gross		11,214		10,545	669	6.3
Ceded share		-650		-608	-42	-6.9
Net			10,564	9,937	627	6.3
H. Deferred tax assets			2,728	503	2,224	441.9
I. Other assets			2,961	3,167	-206	-6.5
J. Non-current assets held for sale			496	552	-56	-10.1
Total assets			304,736	312,405	-7,669	-2.5

Equity and liabilities

	€m	€m	30.9.2022 €m	31.12.2021 €m	€m	Change %
A. Equity						
I. Issued capital and capital reserve		7,427		7,432	-6	-0.1
II. Revenue reserves		15,596		13,822	1,774	12.8
III. Other reserves		-3,605		6,642	-10,247	-
IV. Consolidated result attributable to Munich Reinsurance Company equity holders		1,905		2,933	-1,028	-35.1
V. Non-controlling interests		95		116	-21	-17.7
			21,417	30,945	-9,528	-30.8
B. Subordinated liabilities			4,860	5,055	-195	-3.9
C. Gross underwriting provisions						
I. Unearned premiums		16,650		13,474	3,176	23.6
II. Provision for future policy benefits		115,945		114,586	1,359	1.2
III. Provision for outstanding claims		92,240		81,671	10,570	12.9
IV. Other underwriting provisions		11,502		21,414	-9,912	-46.3
			236,337	231,145	5,193	2.2
D. Gross technical provisions for unit-linked life insurance			7,584	8,998	-1,414	-15.7
E. Other provisions			2,786	4,958	-2,171	-43.8
F. Liabilities						
I. Notes and debentures		333		293	40	13.5
II. Deposits retained on ceded business		1,086		1,502	-416	-27.7
III. Current tax liabilities		1,557		1,845	-288	-15.6
IV. Other liabilities		28,410		26,069	2,341	9.0
			31,386	29,709	1,676	5.6
G. Deferred tax liabilities			115	1,300	-1,185	-91.2
H. Liabilities related to non-current assets held for sale			250	294	-44	-14.9
Total equity and liabilities			304,736	312,405	-7,669	-2.5

Consolidated income statement

	€m	€m	Q1–3 2022 €m	Q1–3 2021 €m	€m	Change %
Gross premiums written	50,910			44,673	6,237	14.0
1. Earned premiums						
Gross	48,659			42,167	6,492	15.4
Ceded	-2,031			-1,802	-230	-12.7
Net		46,627		40,365	6,262	15.5
2. Income from technical interest		2,345		4,490	-2,145	-47.8
3. Expenses for claims and benefits						
Gross	-36,506			-35,362	-1,144	-3.2
Ceded	1,456			1,292	164	12.7
Net		-35,050		-34,070	-980	-2.9
4. Operating expenses						
Gross	-11,803			-10,053	-1,750	-17.4
Ceded	503			347	156	44.9
Net		-11,300		-9,706	-1,594	-16.4
5. Technical result (1–4)			2,623	1,079	1,544	143.0
6. Investment result		2,862		5,731	-2,869	-50.1
Thereof:						
Income from associates and joint ventures accounted for using the equity method		43		133	-90	-68
7. Insurance-related investment result		-1,293		833	-2,125	–
8. Other operating income		869		777	91	11.7
9. Other operating expenses		-1,519		-1,374	-145	-10.5
10. Deduction of income from technical interest		-2,345		-4,490	2,145	47.8
11. Non-technical result (6–10)			-1,426	1,477	-2,902	–
12. Operating result (5+11)			1,197	2,556	-1,359	-53.2
13. Other non-operating result			-29	-39	10	25.1
14. Currency result			1,348	102	1,245	>1.000,0
15. Net finance costs			-137	-157	20	12.7
16. Taxes on income			-476	-402	-74	-18.4
17. Consolidated result (12–16)			1,903	2,061	-158	-7.7
Thereof:						
Attributable to Munich Reinsurance Company equity holders			1,905	2,064	-160	-7.7
Attributable to non-controlling interests			-2	-3	2	50.3
			€	€	€	%
Earnings per share			13.63	14.73	-1.11	-7.5

Consolidated income statement

	€m	€m	Q3 2022 €m	Q3 2021 €m	€m	Change %
Gross premiums written	18,228			15,480	2,748	17.8
1. Earned premiums						
Gross	17,142			14,657	2,485	17.0
Ceded	-691			-691	0	-0.1
Net		16,451		13,967	2,484	17.8
2. Income from technical interest		964		1,350	-386	-28.6
3. Expenses for claims and benefits						
Gross	-13,765			-12,957	-808	-6.2
Ceded	372			567	-195	-34.4
Net		-13,393		-12,390	-1,003	-8.1
4. Operating expenses						
Gross	-4,049			-3,537	-512	-14.5
Ceded	148			135	13	9.4
Net		-3,901		-3,402	-500	-14.7
5. Technical result (1–4)			121	-475	595	–
6. Investment result		904		2,107	-1,203	-57.1
Thereof:						
Income from associates and joint ventures accounted for using the equity method		9		1	7	588.1
7. Insurance-related investment result		-167		68	-234	–
8. Other operating income		287		311	-24	-7.6
9. Other operating expenses		-526		-456	-70	-15.4
10. Deduction of income from technical interest		-964		-1,350	386	28.6
11. Non-technical result (6–10)			-467	678	-1,145	–
12. Operating result (5+11)			-346	204	-550	–
13. Other non-operating result			-5	-18	13	73.4
14. Currency result			846	242	603	248.9
15. Net finance costs			-44	-45	1	1.8
16. Taxes on income			76	-18	94	–
17. Consolidated result (12–16)			527	366	161	44.0
Thereof:						
Attributable to Munich Reinsurance Company equity holders			527	365	162	44.5
Attributable to non-controlling interests			0	1	-1	–
			€	€	€	%
Earnings per share			3.79	2.61	1.18	45.5

Segment balance sheet

Segment assets

€m	Reinsurance								ERGO		Total	
	Life and health		Property-casualty		Life and Health Germany		Property-casualty Germany		International		30.9.2022	31.12.2021
	30.9.2022	31.12.2021	30.9.2022	31.12.2021	30.9.2022	31.12.2021	30.9.2022	31.12.2021	30.9.2022	31.12.2021		
A. Intangible assets	533	521	2,544	2,204	153	161	1,356	1,320	171	172	4,758	4,379
B. Investments												
I. Land and buildings, including buildings on third-party land	237	274	3,324	3,160	3,596	3,247	205	209	127	138	7,490	7,029
II. Investments in affiliated companies, associates and joint venture: Thereof: Associates and joint ventures accounted for using the equity method	49	45	2,279	1,951	464	396	122	110	1,197	1,133	4,111	3,635
III. Loans	0	0	2,030	1,714	402	338	58	47	1,181	1,116	3,671	3,215
IV. Other securities	653	659	790	643	45,766	47,166	1,423	1,383	605	538	49,237	50,389
1. Available for sale	20,821	23,269	53,948	55,785	51,898	61,315	5,042	5,742	12,781	16,356	144,490	162,468
2. fair value through profit or loss	271	181	1,946	980	1,801	1,553	157	52	154	184	4,328	2,950
V. Deposits retained on assumed reinsurance	21,092	23,449	55,894	56,765	53,700	62,868	5,199	5,795	12,934	16,540	148,818	165,418
VI. Other investments	4,882	5,006	4,830	3,998	10	15	7	8	0	0	9,729	9,027
	640	703	2,663	2,963	723	960	292	68	110	109	4,428	4,803
C. Insurance-related investments	27,554	30,137	69,780	69,480	104,259	114,653	7,248	7,573	14,972	18,458	223,813	240,300
D. Ceded share of technical provisions	2,818	2,748	1,339	861	5,088	6,045	0	0	2,133	2,629	11,379	12,283
E. Non-current assets held for sale	2,365	2,607	3,006	2,651	15	15	213	262	542	564	6,140	6,099
F. Other segment assets	2	0	56	0	58	78	0	1	379	473	496	552
Total segment assets	21,247	20,560	24,340	16,808	7,676	7,224	2,371	1,844	2,517	2,358	58,150	48,792
	54,519	56,572	101,064	92,004	117,249	128,176	11,188	11,000	20,715	24,653	304,736	312,405

Segment equity and liabilities

€m	Reinsurance								ERGO		Total	
	Life and health		Property-casualty		Life and Health Germany		Property-casualty Germany		International		30.9.2022	31.12.2021
	30.9.2022	31.12.2021	30.9.2022	31.12.2021	30.9.2022	31.12.2021	30.9.2022	31.12.2021	30.9.2022	31.12.2021		
A. Subordinated liabilities	1,082	1,168	3,765	3,874	0	0	0	0	13	13	4,860	5,055
B. Gross technical provisions												
I. Unearned premiums	326	295	13,081	10,392	357	266	906	563	1,980	1,957	16,650	13,474
II. Provision for future policy benefits	14,010	13,420	0	0	92,173	91,203	343	362	9,419	9,601	115,945	114,586
III. Provision for outstanding claims	12,082	11,054	68,393	59,070	3,075	2,947	5,716	5,636	2,974	2,963	92,240	81,671
IV. Other underwriting provisions	74	169	188	318	11,084	20,248	121	118	36	562	11,502	21,414
C. Gross technical provisions for unit-linked life insurance contracts	26,492	24,939	81,662	69,780	106,689	114,664	7,087	6,678	14,408	15,083	236,337	231,145
D. Other provisions	0	0	0	0	5,452	6,375	0	0	2,132	2,623	7,584	8,998
E. Liabilities related to non-current assets held for sale	149	186	695	678	801	1,922	605	1,014	536	1,158	2,786	4,958
F. Other segment liabilities	0	0	0	0	0	8	0	0	250	286	250	294
Total segment liabilities	14,325	15,658	8,915	8,247	3,636	3,154	1,741	1,053	2,883	2,898	31,501	31,009
	42,048	41,952	95,037	82,579	116,578	126,123	9,433	8,745	20,222	22,061	283,319	281,459
										Equity	21,417	30,945
										Total equity and liabilities	304,736	312,405

Segment income statement

€m	Reinsurance								ERGO		Total	
	Life and health		Property-casualty		Life and Health Germany		Property-casualty Germany		International		Q1–3 2022	Q1–3 2021
	Q1–3 2022	Q1–3 2021	Q1–3 2022	Q1–3 2021	Q1–3 2022	Q1–3 2021	Q1–3 2022	Q1–3 2021	Q1–3 2022	Q1–3 2021		
Gross premiums written	10,128	9,365	26,230	21,483	7,303	6,837	3,384	3,150	3,864	3,839	50,910	44,673
1. Net earned premiums	9,260	8,502	23,599	18,746	7,205	6,801	2,951	2,779	3,612	3,538	46,627	40,365
2. Income from technical interest	515	469	747	646	1,396	2,987	32	38	-344	350	2,345	4,490
3. Net expenses for claims and benefits	-7,968	-7,620	-16,135	-13,337	-7,142	-8,575	-1,811	-1,839	-1,993	-2,699	-35,050	-34,070
4. Net operating expenses	-1,479	-1,392	-6,751	-5,581	-1,180	-928	-872	-822	-1,019	-984	-11,300	-9,706
5. Technical result (1–4)	328	-41	1,460	474	278	285	300	156	256	205	2,623	1,079
6. Investment result	399	621	-311	1,908	2,559	2,764	70	184	145	254	2,862	5,731
7. Insurance-related investment result	102	72	112	118	-1,028	439	0	0	-479	204	-1,293	833
8. Other operating result	73	52	-300	-245	-230	-200	-123	-89	-71	-115	-650	-597
9. Deduction of income from technical interest	-515	-469	-747	-646	-1,396	-2,987	-32	-38	344	-350	-2,345	-4,490
10. Non-technical result (6–9)	59	276	-1,245	1,135	-94	16	-85	57	-61	-7	-1,426	1,477
11. Operating result (5+10)	387	235	215	1,609	184	301	215	213	196	198	1,197	2,556
12. Other non-operating result	-5	-2	-6	-15	-12	-12	-8	-9	3	-1	-29	-39
13. Currency result	176	22	624	68	530	-1	12	11	5	3	1,348	102
14. Net finance costs	-21	-28	-98	-98	9	-10	-3	-4	-25	-17	-137	-157
15. Taxes on income	-45	12	-27	-209	-263	-72	-93	-83	-47	-49	-476	-402
16. Consolidated result (11–15)	492	239	708	1,355	448	206	123	127	131	134	1,903	2,061

Segment income statement

€m	Reinsurance				ERGO						Total	
	Life and health		Property-casualty		Life and Health Germany		Property-casualty Germany		International		Q3 2022	Q3 2021
	Q3 2022	Q3 2021	Q3 2022	Q3 2021	Q3 2022	Q3 2021	Q3 2022	Q3 2021	Q3 2022	Q3 2021		
Gross premiums written	3,472	3,164	10,240	7,997	2,407	2,268	869	809	1,239	1,242	18,228	15,480
1. Net earned premiums	3,202	2,900	8,615	6,665	2,403	2,269	1,015	942	1,216	1,191	16,451	13,967
2. Income from technical interest	179	158	256	220	564	888	10	13	-45	73	964	1,350
3. Net expenses for claims and benefits	-2,644	-2,655	-6,935	-5,475	-2,470	-2,755	-606	-651	-738	-854	-13,393	-12,390
4. Net operating expenses	-520	-449	-2,388	-2,045	-373	-305	-285	-268	-334	-334	-3,901	-3,402
5. Technical result (1–4)	217	-46	-453	-636	123	96	134	35	99	76	121	-475
6. Investment result	147	210	-143	865	874	902	5	44	21	86	904	2,107
7. Insurance-related investment result	48	18	24	33	-161	4	0	0	-79	12	-167	68
8. Other operating result	7	27	-100	-81	-70	-32	-40	-16	-36	-43	-239	-145
9. Deduction of income from technical interest	-179	-158	-256	-220	-564	-888	-10	-13	45	-73	-964	-1,350
10. Non-technical result (6–9)	24	97	-475	597	79	-14	-45	15	-49	-17	-467	678
11. Operating result (5+10)	241	52	-928	-39	202	82	89	50	50	59	-346	204
12. Other non-operating result	-1	-1	3	-5	-4	-8	-3	-4	1	0	-5	-18
13. Currency result	109	45	383	156	329	32	22	7	4	1	846	242
14. Net finance costs	-6	-8	-30	-33	3	0	-2	0	-9	-4	-44	-45
15. Taxes on income	82	6	229	60	-185	-27	-40	-33	-10	-24	76	-18
16. Consolidated result (11–15)	424	94	-343	138	344	80	67	21	35	32	527	366

Notes on determining the combined ratio

€m	Reinsurance		Property-casualty Germany		ERGO Property-casualty International ¹	
	Property-casualty Q1-3 2022	Property-casualty Q1-3 2021	Q1-3 2022	Q1-3 2021	Q1-3 2022	Q1-3 2021
Net earned premiums	23,599	18,746	2,951	2,779	2,673	2,597
Net expenses for claims and benefits	-16,135	-13,337	-1,811	-1,839	-1,682	-1,644
Net operating expenses	-6,751	-5,581	-872	-822	-827	-770
Loss-ratio calculation adjustments	8	6	17	47	7	5
Fire brigade tax and other expenses	22	18	17	15	18	16
Expenses for premium refunds	1	0	19	26	1	1
Other underwriting income	-13	-12	-2	-2	-6	-7
Change in remaining technical provisions and other underwriting expenses	-2	-1	-17	8	-6	-6
Adjusted net expenses for claims and benefits	-16,127	-13,331	-1,793	-1,794	-1,676	-1,639
Loss ratio	% 68.3	% 71.1	60.8	64.6	62.7	63.1
Combined ratio	% 96.9	% 100.9	90.3	94.1	93.6	92.8

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

Notes on determining the annualised return on equity (RoE)

€m	Reinsurance		ERGO		Total	
	30.9.2022	31.12.2021 ¹	30.9.2022	31.12.2021 ¹	30.9.2022	31.12.2021
Segment assets	155,584	148,576	149,152	163,828	304,736	312,405
Segment liabilities	137,085	124,530	146,234	156,929	283,319	281,459
Adjustments used in the calculation of equity						
Unrealised gains and losses, currency translation reserve, remeasurement gains/losses from cash flow hedges	-733	4,759	-2,872	1,883	-3,605	6,642
Adjustment item for material asset transfers between reinsurance and ERGO	1,299	1,020	-1,299	-1,020	0	0
Adjusted equity	17,932	18,267	7,090	6,036	25,022	24,303
	Q1–3 2022		Q1–3 2022		Q1–3 2022	
Average adjusted equity	18,099		6,563		24,663	
Consolidated result	1,201		702		1,903	
Return on equity (RoE)	%	8.8	14.3		10.3	

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)

€m	Reinsurance		ERGO		Total	
	30.9.2021	31.12.2020	30.9.2021	31.12.2020	30.9.2021	31.12.2020
Segment assets	145,673	133,892	165,050	164,055	310,724	297,946
Segment liabilities	123,183	112,138	157,485	155,815	280,668	267,952
Adjustments used in the calculation of equity						
Unrealised gains and losses, currency translation reserve, remeasurement gains/losses from cash flow hedges	4,757	4,994	2,133	2,689	6,890	7,683
Adjustment item for material asset transfers between reinsurance and ERGO	529	410	-529	-410	0	0
Adjusted equity	17,204	16,350	5,961	5,961	23,165	22,311
	Q1–3 2021		Q1–3 2021		Q1–3 2021	
Average adjusted equity	16,777		5,961		22,738	
Consolidated result	1,594		467		2,061	
Return on equity (RoE)	%	12.7	10.5		12.1	

Portfolio-Duration¹

	Assets		Liabilities	
	30.9.2022	31.12.2021	30.9.2022	31.12.2021
Reinsurance	4.8	6.0	5.3	6.4
ERGO	7.8	9.6	7.0	9.3
Munich Re	6.5	8.3	6.5	8.4

DVO1^{1,2}

	Assets		Liabilities	
	30.9.2022	31.12.2021	30.9.2022	31.12.2021
Reinsurance	35	46	29	38
ERGO	82	125	76	125
Munich Re	117	171	105	163

1 Fair values as at 30.9.2022 (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	6.0	2.9	-5.5	-10.5
Change in on-balance-sheet reserves, net	1.9	0.9	-1.8	-3.4
Change in off-balance-sheet reserves, net	0.3	0.1	-0.2	-0.4
P&L (investment result), gross	0.0	0.0	0.0	0.0
P&L, net	0.0	0.0	0.0	0.0

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

		+50bps	+100bps
Change in market value, gross		-3.6	-6.9
Change in on-balance-sheet reserves, net		-1.0	-1.9
Change in off-balance-sheet reserves, net		-0.2	-0.3
P&L (investment result), gross		0.0	0.1
P&L, net		0.1	0.1

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

	-30%	-10%	+10%	+30%
Change in market value, gross	-1.6	-0.7	0.9	2.8
Change in on-balance-sheet reserves, net	0.0	0.1	0.4	1.2
P&L (investment result), gross	-1.8	-1.0	-0.2	-0.3
P&L, net	-1.0	-0.5	0.0	0.0

1 Rough calculation with limited reliability assuming unchanged portfolio as at 30.9.2022. 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	30.6.2022	30.9.2022	Delta Q3 ▲
Market value of investments	230,951	228,298	-2,653
Total reserves	935	-8,597	-9,532
On-balance-sheet reserves			
Fixed-interest securities	-10,091	-16,037	-5,947
Non-fixed-interest securities	3,158	2,759	-399
Other on-balance-sheet reserves ¹	191	196	5
Subtotal	-6,742	-13,082	-6,340
Off-balance-sheet reserves			
Real estate ²	6,204	6,057	-147
Loans ³	-1,115	-4,109	-2,994
Associates	2,587	2,537	-50
Subtotal	7,677	4,485	-3,191
Reserve ratio	0.4%	-3.8%	-4.2%-pts.

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	
	30.9.2022	31.12.2021	30.9.2022	31.12.2021
Total reserves (gross)	-13,082	13,172	4,485	17,185
Provision deferred premium refunds	4,648	-5,409	1,188	-8,115
Deferred tax	1,999	-1,848	-1,448	-2,496
Minority interests	2	-10		
Consolidation and currency effects	-152	-127		
Shareholders' stake	-6,585	5,778	4,226	6,574

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