

Quarterly Statement: Munich Re raises annual guidance; quarterly result increases to nearly €1.2bn

- Consistently strong performance across all segments yields net result of €1,169m (1,102m) in Q3
- Major-loss expenditure in property-casualty reinsurance slightly below average; life and health reinsurance once again delivers total technical result exceeding the pro-rata guidance
- ERGO contributes €173m to Group Q3 result
- Munich Re raises annual guidance to €4.5bn for its net result



“Munich Re’s outstanding business performance continued seamlessly in the third quarter. Unlike last year, we benefited from a comparatively mild hurricane season in the North Atlantic. Accordingly, major-loss expenditure in property-casualty reinsurance was lower than expected, despite various other natural catastrophes. Strong performance in our other operating segments rounded out the positive results. Ultimately, we can report a net result of nearly €1.2bn for the third quarter and €3.6bn for the first nine months of the year. We are confident that we will surpass our previous annual target of €4.0bn and have raised the guidance to €4.5bn.”

Christoph Jurecka, CFO

Summary of Q3 figures

Since 1 January 2023, Munich Re has been preparing and communicating financial data in accordance with two new financial reporting standards: IFRS 9 and IFRS 17.¹

¹ Comparative figures from the previous year for the insurance business are already presented on the basis of the new standard (IFRS 17). The previous year’s figures for financial instruments are predominantly still based on IAS 39, the standard applicable up to 31 December 2022. For that reason, they are only comparable to a limited extent with the figures for the first nine months 2023 disclosed in accordance with IFRS 9. In part, however, these transitional effects have already been accounted for (notably by applying the classification overlay approach to business with direct participation features in ERGO life and health insurance).

Munich Re generated a net result of €1,169m (1,102m) in Q3 2023, and €3,593m (4,168m) in the first three quarters. Consequently, Munich Re closed a third consecutive quarter with a net result surpassing the pro-rata guidance. Insurance revenue from insurance contracts issued dropped slightly year on year to €14,460m (14,643m) in Q3; for Q1–3, the figure increased to €42,908m (41,676m). The total technical result climbed to €2,221m (1,729m) in Q3 and the investment result rose to €760m (691m). The currency result was €309m (568m), in particular owing to exchange gains against the US dollar. The operating result rose to €1,776m (1,343m) and the effective tax rate was 32.6% (15.1%).

Equity was slightly higher at the reporting date (€27,647m) than at the start of the year (€27,245m). The solvency ratio was approximately 271% (260% as at 31 December 2022), which is considerably above the optimum range (175–220%).

In Q3 2023, annualised return on equity (RoE) amounted to 15.8% (16.4%); the RoE for Q1–3 was 16.5% (21.6%) – with both figures at the upper end of the RoE target range of 14 to 16% specified in the Ambition 2025 strategy programme.

Reinsurance: Result of €995m

The reinsurance field of business contributed €995m (851m) to the Group's net result in Q3; the Q1–3 result was €2,950m (3,614m). Insurance revenue from insurance contracts issued declined to €9,456m (10,052m) in Q3. The total technical result rose to €1,626m (1,183m), while the operating result rose to €1,495m (1,012m).

Life and health reinsurance generated a total technical result of €440m (393m) in Q3. The contribution to the net result from the release of the contractual service margin was in line with expectations. Strong growth in new business more than offset the amount released. The net result declined to €351m (542m) year on year, the result in Q3 2022 having been driven by substantial currency gains. Insurance revenue from insurance contracts issued declined to €2,610m (2,800m) due to currency translation effects.

Property-casualty reinsurance generated a net result of €644m (309m) in Q3. Insurance revenue from insurance contracts issued declined year on year to €6,845m (7,252m), owing in particular to a one-off effect in Q3 2022. The combined ratio amounted to 82.0% (88.9%) of insurance revenue (net) for Q3 and 83.0% (79.9%) for Q1–3. The normalised combined ratio was 85.5% in Q3.

Major-loss expenditure declined year on year to €770m (2,134m), the previous year having been particularly affected by Hurricane Ian. These figures include gains and losses from the run-off of major losses from previous years. Major-loss expenditure corresponded to 11.7% (30.8%) of insurance revenue (net), and was thus below the

long-term average expected value of 14%, both for Q3 and for Q1–3 (12.5%). Man-made major losses fell to €235m (460m), while major losses from natural catastrophes dropped to €535m (1,675m). These major loss figures take account of the effects from discounting and risk adjustment. The costliest natural catastrophe for Munich Re in Q3 was the wildfire on Maui (Hawaii), with losses amounting to some €200m (nominal value).

In Q3, reserves of €333m (330m) were released for basic losses from prior years, corresponding to 5.1% (4.8%) of insurance revenue (net). 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 €173m

Munich Re generated a profit of €173m (251m) in its ERGO field of business in Q3 and €643m (554m) in Q1–3. Insurance revenue from insurance contracts issued rose substantially to €5,004m (4,591m) in Q3; in Q1–3, the figure increased to €14,920m (13,949m).

ERGO International generated a very good net result of €90m (–73m) in Q3. This was due in part to favourable claims development, despite natural catastrophe losses in Greece. In addition, continued growth in among others international health and Polish property business, together with a release of the contractual service margin in line with expectations, contributed to ERGO's performance.

ERGO Life and Health Germany generated a net result of €52m (221m) in Q3, driven in part by a release of the contractual service margin from long-term personal lines insurance that was in keeping with expectations. In addition, short-term health business and travel business boosted the result. The result in Q3 2022 had benefited from one-off effects.

The ERGO Property-casualty Germany segment contributed €31m (103m) to the Q3 net result. Strong operational performance was negatively offset by natural catastrophe losses and a weak investment result. Q3 2022 had been shaped by favourable major claims experience.

The total technical result for the field of business rose to €595m (546m) in Q3, while the operating result amounted to €281m (332m). In Property-casualty Germany, the combined ratio was a pleasing 88.2% (80.6%), despite high natural catastrophe losses, and was 85.8% (87.2%) for Q1–3. In the ERGO International segment, the ratio fell

considerably to 87.9% (114.8%) in Q3 thanks to favourable developments in claims and costs. The ratio for Q1–3 was 90.3% (97.2%).

Investments: Investment result of €760m

Munich Re's investment result increased to €760m (691m) in Q3. Regular income from investments climbed to €1,797m (1,551m), primarily due to the continued rise in interest rates. The balance from write-ups and write-downs was –€26m (–832m) and the balance from gains and losses on the disposal of investments came to –€196m (729m). The fair value change was –€579m (–596m). The above-mentioned losses from the disposal of investments chiefly concerned fixed-interest securities, which were sold for the purpose of reinvesting and thus more quickly benefiting from the higher interest rates currently available.

Overall, the Q3 investment result represented a return of 1.4% on the average market value of the portfolio. The running yield was 3.3% and the yield on reinvestment was 4.5%. As at 30 September 2023, the equity-backing ratio including equity-linked derivatives amounted to 3.2% (2.0% as at 31 December 2022). The investment portfolio totalled €209,957m (207,965m) as at 30 September 2023.

Outlook for 2023: Annual profit expectation raised

Munich Re is well positioned to surpass the previous annual target of €4bn. Accordingly, it has now raised the annual guidance for its 2023 net result to €4.5bn.

In the reinsurance field of business, Munich Re now anticipates a profit of around €3.8bn (previously around €3.3bn) and, due to currency effects, insurance revenue of around €38bn (previously around €39bn) for the 2023 financial year. In life and health reinsurance, a total technical result of around €1.4bn (previously around €1.0bn) is expected. In property-casualty reinsurance, Munich Re is anticipating a combined ratio (net) of 85% (previously 86%). In the ERGO field of business, insurance revenue is projected to be around €20bn (previously around €19bn). All other expectations for 2023 remain unchanged compared with the figures presented in the 2023 Half-Year Financial Report published in August.

All projections and targets are subject to increased uncertainties stemming from geopolitical and macroeconomic developments. Further, they are contingent on major losses remaining within normal bounds, and on 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.

Münchener Rückversicherungs-Gesellschaft
Aktiengesellschaft in München (Munich Reinsurance Company)
Group Media Relations
Königinstrasse 107, 80802 München, Germany

www.munichre.com
LinkedIn: <https://www.linkedin.com/company/munich-re>
Twitter: @MunichRe

For media enquiries please contact

Group Media Relations
Stefan Straub
Tel.: +49 89 3891 9896
Mobile: +49 151 64 93 30 48
sstraub@munichre.com

Financial Communications
Axel Rakette
Tel.: +49 89 3891 3141
Mobile: +49 151 20 46 21 32
arakette@munichre.com

Group Media Relations
Irmgard Joas
Tel.: +49 89 3891 6188
Mobile: +49 151 52 81 70 24
ijoas@munichre.com

Media Relations Asia-Pacific
Faith Thoms
Tel.: +65 63180762
Mobile: +65 83390125
fthoms@munichre.com

Media Relations North America
Ashleigh Lockhart
Tel.: +1 609 275 2110
Mobile: +1 980 395 2979
alockhart@munichre.com

Media Relations London Market
Lillian Ng
Tel.: +44 207 8863952
Mobile: +44 7809 495299
lillianng@munichre.com

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 to Hurricane Ian in 2022. 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 Group 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 information 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 statements or to make them conform to future events or developments.

Key figures

Munich Re at a glance

		Q1–3 2023	Q1–3 2022	Change %	Q3 2023	Q3 2022	Change %
Net result	€m	3,593	4,168	-13.8	1,169	1,102	6.0
Thereof attributable to non-controlling interests	€m	-2	4	–	1	-2	–
Earnings per share	€	26.36	29.80	-11.5	8.61	7.94	8.5
Return on equity (RoE)	%	16.5	21.6		15.8	16.4	
Return on investment (RoI)	%	1.8	0.7		1.4	1.3	

					30.9.2023	31.12.2022	Change %
Share price	€				369.10	304.00	21.4
Munich Reinsurance Company's market capitalisation	€bn				50.4	42.6	18.3
Carrying amount per share	€				204.09	196.83	3.7
Investments	€m				209,957	207,965	1.0
Investments for unit-linked life insurance	€m				7,883	7,470	5.5
Equity	€m				27,647	27,245	1.5
Insurance contracts issued and reinsurance contracts held	€m				196,198	195,454	0.4
Balance sheet total	€m				264,698	269,391	-1.7
Number of staff					42,562	41,389	2.8

Reinsurance

		Q1–3 2023	Q1–3 2022	Change %	Q3 2023	Q3 2022	Change %
Insurance revenue from insurance contracts issued	€m	27,988	27,728	0.9	9,456	10,052	-5.9
Total technical result Life and health	€m	1,084	932	16.3	440	393	12.0
Combined ratio – Property-casualty	%	83.0	79.9		82.0	88.9	
Investment result	€m	1,597	-46	–	488	-42	–
Net result	€m	2,950	3,614	-18.4	995	851	16.9
Thereof: Reinsurance – Life and health	€m	968	1,469	-34.1	351	542	-35.3
Thereof: Reinsurance – Property-casualty	€m	1,982	2,145	-7.6	644	309	108.5
Return on equity (RoE)	%	16.7	23.2		16.5	15.9	

ERGO

		Q1–3 2023	Q1–3 2022	Change %	Q3 2023	Q3 2022	Change %
Insurance revenue from insurance contracts issued	€m	14,920	13,949	7.0	5,004	4,591	9.0
Combined ratio Property-casualty Germany	%	85.8	87.2		88.2	80.6	
Combined ratio International	%	90.3	97.2		87.9	114.8	
Investment result	€m	1,372	1,312	4.5	272	734	-62.9
Net result	€m	643	554	16.1	173	251	-31.0
Thereof: Life and Health Germany	€m	165	328	-49.6	52	221	-76.3
Thereof: Property-casualty Germany	€m	260	187	38.7	31	103	-70.2
Thereof: International	€m	218	39	463.7	90	-73	–
Return on equity (RoE)	%	15.4	14.9		12.6	18.8	

Outlook Munich Re (Group) 2023

		As at 30.09.2023	From Annual Report 2022
Insurance revenue from insurance contracts issued	€bn	58	58
Total technical result – Life and health reinsurance	€bn	1.4	1
Combined ratio – Property-casualty reinsurance	%	85	86
Combined ratio – ERGO Property-casualty Germany	%	89	89
Combined ratio – ERGO International	%	90	90
Return on investment	%	over 2.2	over 2.2
Net result	€bn	4.5	4.0
Economic Earnings	€bn	over 4.0	over 4.0

Investment result

	Q1–3 2023	Rol ¹	Q1–3 2022	Rol ¹	Q3 2023	Q3 2022
	€m	%	€m	%	€m	€m
Regular income	5,162	3.2	4,718	2.7	1,797	1,551
Write-ups/write-downs	-64	0.0	-2,638	-1.5	-26	-832
Change in expected credit losses	-95	-0.1	0	0.0	-69	0
Gains/losses on disposal	-425	-0.3	2,390	1.4	-196	729
Fair value changes	-1,114	-0.7	-2,752	-1.6	-579	-596
Other income/expenses	-494	-0.3	-452	-0.3	-168	-160
Total	2,969	1.8	1,266	0.7	760	691

¹ Annualised return in % p.a. on the average fair value of the investment portfolio at the quarterly reporting dates.

Consolidated balance sheet

Assets

	€m	€m	30.9.2023 €m	31.12.2022 €m	€m	Change %
A. Intangible assets						
I. Goodwill		3,275		3,240	34	1.1
II. Other intangible assets		937		1,043	-106	-10.2
			4,212	4,284	-72	-1.7
B. Reinsurance contracts held that are assets			4,064	3,892	172	4.4
C. Insurance contracts issued that are assets			5,853	5,977	-124	-2.1
D. Investments						
I. Non-financial investments						
1. Investment property	9,628			9,618	10	0.1
2. Property, plant and equipment	518			547	-29	-5.2
3. Intangible assets	122			0	122	—
4. Biological assets	860			735	125	17.0
5. Inventories	0			0	0	-100.0
6. Investments in affiliated companies, associates and joint ventures	6,868			5,945	923	15.5
Thereof: Associates and joint ventures accounted for using the equity method	6,535			5,642	893	15.8
		17,995		16,845	1,150	6.8
II. Financial investments	191,962			191,120	842	0.4
			209,957	207,965	1,992	1.0
E. Investments for unit-linked life insurance			7,883	7,470	413	5.5
F. Insurance-related financial instruments			8,558	18,298	-9,740	-53.2
G. Receivables						
I. Current tax receivables		1,132		695	437	63.0
II. Financial receivables		6,153		4,044	2,109	52.2
III. Other receivables		1,602		1,451	151	10.4
			8,887	6,189	2,698	43.6
H. Cash and cash equivalents			5,514	6,439	-925	-14.4
I. Deferred tax assets			3,159	2,862	297	10.4
J. Other assets			6,142	5,622	519	9.2
K. Non-current assets held for sale			469	392	76	19.4
Total assets			264,698	269,391	-4,693	-1.7

Equity and liabilities

	€m	€m	30.9.2023 €m	31.12.2022 €m	€m	Change %
A. Equity						
I. Issued capital and capital reserve		7,425		7,422	3	0.0
II. Retained earnings		18,778		15,380	3,398	22.1
III. Other reserves		-2,282		-1,022	-1,260	-123.3
IV Net result attributable to Munich Reinsurance Company equity holders		3,595		5,313	-1,717	-32.3
V. Non-controlling interests		129		152	-23	-15.1
			27,647	27,245	402	1.5
B. Subordinated liabilities			4,763	4,748	16	0.3
C. Reinsurance contracts held that are liabilities			451	262	189	71.9
D. Insurance contracts issued that are liabilities						
I. Liability for remaining coverage	126,262			128,771	-2,508	-1.9
II. Liability for incurred claims	79,395			76,283	3,112	4.1
III. Other technical liabilities	6			7	0	-4.1
			205,664	205,061	603	0.3
E. Other provisions			2,564	2,661	-97	-3.6
F. Liabilities						
I. Derivatives	1,521			1,466	55	3.8
II. Non derivative financial liabilities	6,746			4,647	2,099	45.2
III. Current tax liabilities	2,447			1,569	878	56.0
IV Other liabilities	10,544			19,840	-9,296	-46.9
			21,258	27,522	-6,264	-22.8
G. Deferred tax liabilities			2,009	1,751	258	14.7
H. Liabilities related to non-current assets held for sale			342	141	200	141.7
Total equity and liabilities			264,698	269,391	-4,693	-1.7

Consolidated income statement

		Q1–3 2023	Q1–3 2022		Change
	€m	€m	€m	€m	%
1. Insurance revenue from insurance contracts issued		42,908	41,676	1,231	3.0
2. Insurance service expenses from insurance contracts issued		-36,549	-35,398	-1,151	-3.3
Claims expenses	-30,442		-29,975	-467	-1.6
Changes from underlying items	-55		136	-191	–
Administration and acquisition costs	-6,052		-5,559	-493	-8.9
Other insurance service expenses	0		0	0	–
3. Insurance service result from insurance contracts issued (1+2)		6,359	6,279	80	1.3
4. Insurance revenue ceded from reinsurance contracts held	-1,072		-1,172	99	8.5
5. Income from reinsurance contracts held	503		844	-341	-40.4
6. Insurance service result from reinsurance contracts held (4+5)		-569	-328	-241	-73.6
7. Insurance service result (3+6)		5,790	5,951	-161	-2.7
8. Result from insurance-related financial instruments		399	215	185	86.1
9. Total technical result (7+8)			6,189	24	0.4
10. Investment result	2,969		1,266	1,703	134.5
11. Currency result	208		1,423	-1,216	-85.4
12. Investment result for unit-linked life insurance	411		-1,381	1,792	–
13. Insurance finance income or expenses from insurance contracts issued	-3,216		-542	-2,674	-493.6
14. Insurance finance income or expenses from reinsurance contracts held	68		16	53	337.6
15. Insurance finance income or expenses (13+14)		-3,148	-526	-2,622	-498.2
16. Net financial result (10+11+12+15)			440	-343	-43.8
17. Other operating income	854		721	133	18.5
18. Other operating expenses	-2,367		-2,212	-155	-7.0
19. Operating result (9+16+17+18)			5,117	-341	-6.2
20. Net finance costs			-126	10	7.6
21. Taxes on income			-1,397	-245	-21.2
22. Net result (19+20+21)			3,593	-575	-13.8
Thereof:					
Attributable to Munich Reinsurance Company equity holders			3,595	-569	-13.7
Attributable to non-controlling interests			-2	-6	–
Earnings per share			26.36	-3.44	-11.5

Consolidated income statement

			Q3 2023	Q3 2022		Change
	€m	€m	€m	€m	€m	%
1. Insurance revenue from insurance contracts issued		14,460		14,643	-183	-1.3
2. Insurance service expenses from insurance contracts issued		-12,158		-12,765	608	4.8
Claims expenses	-10,189			-10,883	694	6.4
Changes from underlying items	100			41	59	146.0
Administration and acquisition costs	-2,068			-1,923	-145	-7.5
Other insurance service expenses	0			0	0	—
3. Insurance service result from insurance contracts issued (1+2)		2,302		1,878	424	22.6
4. Insurance revenue ceded from reinsurance contracts held	-408			-479	71	14.9
5. Income from reinsurance contracts held	119			245	-126	-51.3
6. Insurance service result from reinsurance contracts held (4+5)		-289		-234	-54	-23.0
7. Insurance service result (3+6)		2,014		1,643	370	22.5
8. Result from insurance-related financial instruments		207		85	122	143.5
9. Total technical result (7+8)			2,221	1,729	492	28.5
10. Investment result		760		691	69	10.0
11. Currency result		309		568	-260	-45.7
12. Investment result for unit-linked life insurance		-79		-212	133	62.9
13. Insurance finance income or expenses from insurance contracts issued	-940			-995	54	5.5
14. Insurance finance income or expenses from reinsurance contracts held	25			7	18	235.7
15. Insurance finance income or expenses (13+14)		-915		-987	72	7.3
16. Net financial result (10+11+12+15)			75	61	15	24.2
17. Other operating income		272		252	20	7.9
18. Other operating expenses		-792		-699	-94	-13.4
19. Operating result (9+16+17+18)			1,776	1,343	433	32.2
20. Net finance costs			-42	-44	1	3.2
21. Taxes on income			-565	-197	-368	-187.2
22. Net result (19+20+21)			1,169	1,102	66	6.0
Thereof:						
Attributable to Munich Reinsurance Company equity holders			1,168	1,104	63	5.7
Attributable to non-controlling interests			1	-2	3	—
Earnings per share			8.61	7.94	0.67	8.5

Segment balance sheet

Segment assets

€m	Reinsurance						ERGO				Total	
	Life and health		Property-casualty		Life and Health Germany		Property-casualty Germany		International		30.9.2023	31.12.2022
	30.9.2023	31.12.2022	30.9.2023	31.12.2022	30.9.2023	31.12.2022	30.9.2023	31.12.2022	30.9.2023	31.12.2022		
A. Intangible assets	299	313	2,262	2,349	63	67	1,393	1,374	196	181	4,212	4,284
B. Reinsurance contracts held that are assets	683	700	2,622	2,522	19	17	332	311	409	342	4,064	3,892
C. Insurance contracts issued that are assets	5,107	5,473	254	32	188	239	262	174	42	60	5,853	5,977
D. Investments	20,246	21,879	67,533	62,736	99,134	101,010	7,909	7,411	15,134	14,929	209,957	207,965
E. Investments for unit-linked life insurance	0	0	0	0	5,531	5,239	0	0	2,352	2,231	7,883	7,470
F. Insurance-related financial instruments	7,200	16,834	966	1,085	392	380	0	0	0	0	8,558	18,298
G. Non-current assets held for sale	0	4	50	119	67	0	0	0	351	269	469	392
H. Other segment assets	4,384	3,708	11,475	9,334	4,980	5,679	1,450	1,286	1,413	1,105	23,702	21,113
Total segment assets	37,919	48,911	85,161	78,176	110,374	112,631	11,346	10,556	19,897	19,117	264,698	269,391

Segment equity and liabilities

€m	Reinsurance						ERGO				Total	
	Life and health		Property-casualty		Life and Health Germany		Property-casualty Germany		International		30.9.2023	31.12.2022
	30.9.2023	31.12.2022	30.9.2023	31.12.2022	30.9.2023	31.12.2022	30.9.2023	31.12.2022	30.9.2023	31.12.2022		
A. Subordinated liabilities	488	1,057	4,262	3,678	0	0	0	0	13	13	4,763	4,748
B. Reinsurance contracts held that are liabilities	115	99	150	46	2	0	111	77	74	40	451	262
C. Insurance contracts issued that are liabilities	16,806	17,744	60,136	56,937	107,586	109,794	6,459	5,884	14,677	14,701	205,664	205,061
I. Liability for remaining coverage	9,975	12,059	-2,076	-3,745	105,790	107,926	806	565	11,768	11,965	126,262	128,771
III. Liability for incurred claims	6,831	5,685	62,212	60,682	1,796	1,868	5,653	5,319	2,903	2,729	79,395	76,283
II. Other technical Liabilities	0	0	0	0	0	0	0	0	6	7	6	7
D. Other provisions	131	148	613	585	759	826	749	534	312	568	2,564	2,661
E. Liabilities related to non-current assets held for sale	0	0	1	1	0	0	0	0	341	140	342	141
F. Other segment liabilities	5,911	15,900	10,357	6,754	2,261	2,273	2,537	1,834	2,201	2,512	23,267	29,273
Total segment liabilities	23,451	34,949	75,519	68,002	110,608	112,894	9,855	8,329	17,618	17,973	237,051	242,146
										Equity	27,647	27,245
										Total equity and liabilities	264,698	269,391

Selected balance sheet items:

Risk adjustment for non-financial risk (total) ¹	2,894	2,907	320	339	519	580	77	66	170	209	3,979	4,102
Contractual service margin (total) ¹	10,707	10,980	66	0	9,978	10,448	388	372	3,174	3,224	24,313	25,024
Loss component by segment (total)	184	190	334	542	20	26	220	299	283	320	1,040	1,377

¹ Risk adjustment for non-financial risk and contractual service margin include ceded parts.

Segment income statement

[illegible]

Segment income statement

[illegible]

Notes on determining the combined ratio

	Reinsurance		ERGO				
	Property-casualty		Property-casualty Germany		International ¹		
€m	Q1–3 2023	Q1–3 2022	Q1–3 2023	Q1–3 2022	Q1–3 2023	Q1–3 2022	
Insurance revenue from insurance contracts issued	20,038	19,349	3,346	3,137	3,268	2,819	
Insurance revenue ceded from reinsurance contracts held	-724	-742	-55	-131	-160	-162	
Insurance revenue (net)	19,314	18,607	3,291	3,005	3,108	2,657	
Insurance service expenses from insurance contracts issued	-16,326	-15,329	-2,823	-2,815	-2,914	-2,648	
Income from reinsurance contracts held	298	462	-2	193	106	66	
Insurance service expenses (net)	-16,028	-14,867	-2,825	-2,622	-2,808	-2,582	
Combined ratio	%	83.0	79.9	85.8	87.2	90.3	97.2

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

Total technical result

€m	Reinsurance		ERGO			
	Life & Health		Life & Health Germany		Life & Health International	
	Q1–3 2023	Q1–3 2022	Q1–3 2023	Q1–3 2022	Q1–3 2023	Q1–3 2022
Release of CSM	638	770	675	713	131	122
Release of risk adjustment (non-PAA)	186	192	26	37	8	9
Experience adjustments not adjusted against CSM (non-PAA)	-61	-218	-5	40	64	17
Onerous contracts and changes not affecting CSM (non-PAA)	-30	-41	-23	-30	-1	-32
Insurance service result from PAA business	2	1	157	104	44	11
Insurance service result	735	704	831	864	246	126
Result from insurance-related financial instruments	350	228	-12	-126	0	0
Total technical result	1,084	932	819	738	246	126

Method of allocation to individual earnings drivers refined compared to Q1 quarterly statement

Total technical result

€m	Reinsurance		ERGO			
	Life & Health		Life & Health Germany		Life & Health International	
	Q3 2023	Q3 2022	Q3 2023	Q3 2022	Q3 2023	Q3 2022
Release of CSM	215	314	226	294	38	51
Release of risk adjustment (non-PAA)	62	65	9	12	3	3
Experience adjustments not adjusted against CSM (non-PAA)	-58	-115	-1	41	40	-29
Onerous contracts and changes not affecting CSM (non-PAA)	2	40	-8	-13	1	-45
Insurance service result from PAA business	1	0	67	53	23	65
Insurance service result	222	304	293	388	105	45
Result from insurance-related financial instruments	218	88	-17	-27	0	0
Total technical result	440	393	276	360	105	45

Method of allocation to individual earnings drivers refined compared to Q1 quarterly statement

CSM/RA Development

€m	Reinsurance		ERGO			
	Life & Health		Life & Health Germany		Life & Health International	
	CSM	RA	CSM	RA	CSM	RA
31.12.2022	10,980	2,907	10,448	580	3,057	180
New contracts added	669	128	115	6	123	4
Accretion of interest	125	37	0	0	16	2
Operating changes	-401	400	92	-41	-78	-34
Change in financial effects	-29	-392	0	0	1	-3
Other	0	0	-1	0	0	0
Release (through P&L)	-638	-186	-675	-26	-131	-8
30.9.2023	10,707	2,894	9,978	519	2,989	140

Notes on determining the annualised return on equity (RoE)

	Reinsurance		ERGO		Total	
€m	30.9.2023	31.12.2022	30.9.2023	31.12.2022	30.9.2023	31.12.2022
Segment assets	123,080	127,087	141,618	142,304	264,698	269,391
Segment liabilities	98,970	102,950	138,081	139,196	237,051	242,146
Adjustments used in the calculation of equity						
Other reserves - Fair value measurement, measurement of insurance contracts, currency translation, hedge relationships	-683	417	-1,598	-1,439	-2,282	-1,022
Adjustment item for material asset transfers between reinsurance and ERGO	509	976	-509	-976	0	0
Adjusted equity	24,284	22,743	5,644	5,524	29,929	28,267
	Q1-3 2023		Q1-3 2023		Q1-3 2023	
Average adjusted equity	23,514		5,584		29,098	
Net result	2,950		643		3,593	
Return on equity (RoE)	%	16.7	15.4		16.5	

Notes on determining the annualised return on equity (RoE)

	Reinsurance		ERGO		Total	
€m	30.9.2022	01.01.2022	30.9.2022	01.01.2022	30.9.2022	01.01.2022
Segment assets	132,657	131,256	143,495	170,240	276,152	301,496
Segment liabilities	107,718	105,490	140,421	167,540	248,139	273,030
Adjustments used in the calculation of equity						
Other reserves - Fair value measurement, measurement of insurance contracts, currency translation, hedge relationships	2,007	4,818	-1,235	-599	771	4,220
Adjustment item for material asset transfers between reinsurance and ERGO	1,299	1,020	-1,299	-1,020	0	0
Adjusted equity	21,634	19,928	5,608	4,318	27,242	24,246
	Q1-3 2022		Q1-3 2022		Q1-3 2022	
Average adjusted equity	20,781		4,963		25,744	
Net result	3,614		554		4,168	
Return on equity (RoE)	%	23.2	14.9		21.6	