



Munich Re Group

Quarterly Statement as at 30 September 2021

9 November 2021

Christoph Jurecka



Quarterly Statement as at 30 September 2021

Agenda

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Munich Re

Resilient result as strong operating performance cushions substantial nat cat losses in Q3

Munich Re

Q3 2021 (9M 2021)

Net result

€366m (€2,061m)

Reinsurance: Solid net result of €232m – severe major nat cat losses partially offset by high investment result (RoI: 4.4%)
ERGO: Strong result of €134m despite significant losses from Storm Bernd

Return on investment¹

3.3% (3.0%)

Pleasing performance supported by high disposal gains – reinvestment yield of 1.4%

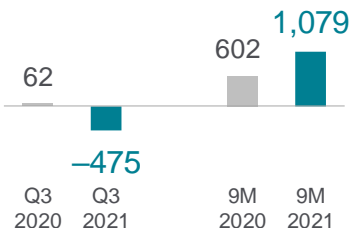
Return on equity¹

6.3% (12.1%)

Shareholders' equity: €30.1bn
Solvency II ratio: 231%

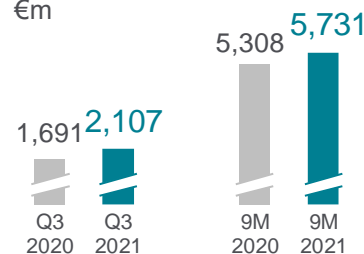
Technical result

€m



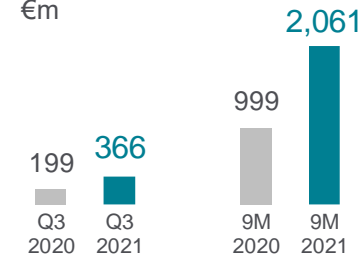
Investment result

€m



Net result

€m



Reinsurance

Life and health: Technical result, incl. fee income: €9m (€124m), incl. COVID-19 losses of €168m (€470m) – net result of €94m (€239m)

Property-casualty: Combined ratio: 112.8% (100.9%) – Major-loss ratio: 29.6% (17.6%); COVID-19 losses of €4m (€206m); reserve releases²: –4.0% (–4.0%) – net result of €138m (€1,355m)

ERGO

Life and Health Germany

RoI: 2.9% (2.9%) – net result of €80m (€206m)

Property-casualty Germany

C/R: 95.6% (94.1%), incl. €0.1bn for Storm Bernd – net result of €21m (€127m)

International

C/R: 92.3% (92.8%) – net result of €32m (€134m)

Accumulated COVID-19-related financial impact for 2020 and 9M 2021

Re-insurance (pre-tax)¹



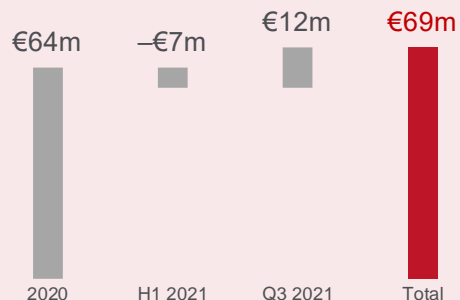
Contingency	1,846
Property/BI	968
D&O/WC	236
Credit	210
Marine	12
Life and health	840

€m

Q3 2021: Provisions increased by €171m

- P-C: Small increase of €4m; 65% of the accumulated losses are IBNR, down from 68% as at Q2 2021
- L&H: Increase of €168m; surge in mortality in the US, ongoing high mortality in India and South Africa
- Expected COVID-19-related claims for full year of 2021
 - P-C: ~ €200m (prev. ~ €300m)
 - L&H: ~ €600m (prev. ~ €400m)

ERGO (after tax)



Claims	5
Result impact from lost premiums	40
Other	24

€m

Q3 2021: Earnings impact increased by €12m

- Claims -€5m: Lower claims in travel
- Other +€18m: Mainly due to JV in India being affected by higher claims
- Expected COVID-19-related earnings impact for full year of 2021 decreased to ~ €20–30m due to better development in Germany, especially travel

¹ Total incurred losses, including paid claims and reserves.

Capital position

Equity

€m

Equity 31.12.2020	29,994		Change in Q3
Consolidated result	2,061		366
Changes			
Dividend	-1,373		0
Unrealised gains/losses	-1,611		-349
Exchange rates	811		283
Share buy-backs	0		0
Other	174		-164
Equity 30.9.2021	30,055		135

Unrealised gains/losses

Fixed-interest securities

9M: -€2,491m Q3: -€397m

Non-fixed-interest securities

9M: €843m Q3: €39m

Exchange rates

Mainly driven by US\$

Capitalisation

€bn

Debt leverage¹ (%)

Senior and other debt

Subordinated debt

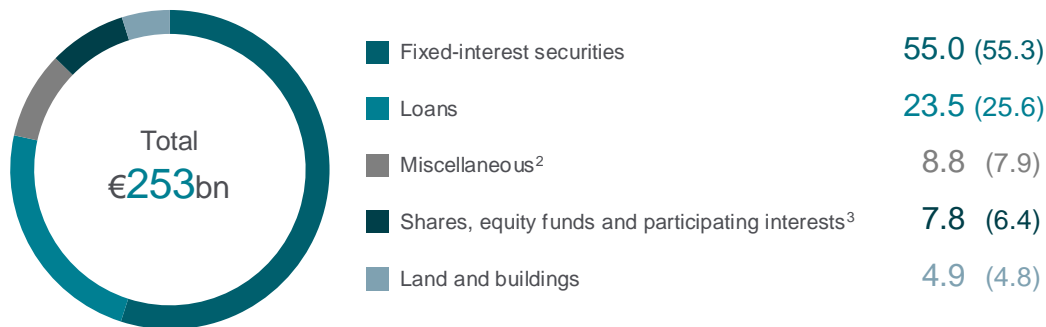
Equity

1 Strategic debt (senior, subordinated and other debt) divided by total capital (strategic debt + equity).

Investment portfolio

Investment portfolio¹

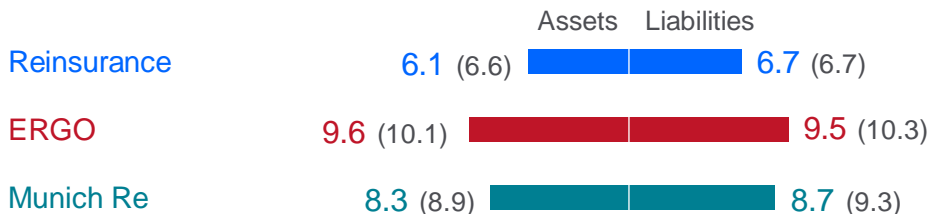
%



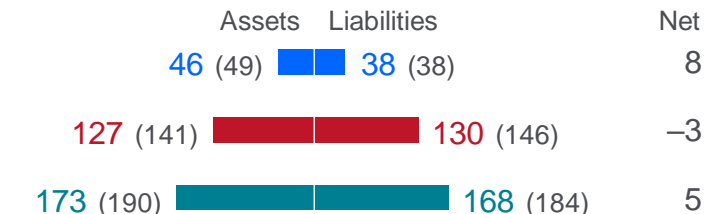
Portfolio management

- Investments in corporate bonds and bank bonds
- Ongoing expansion of infrastructure debt
- Increase in equity exposure over the year, with slight reduction in Q3
- Investments in shorter maturities impact asset duration in reinsurance and reinvestment yield in Q3

Portfolio duration¹



DV01^{1,4}



¹ Fair values as at 30.9.2021 (31.12.2020). ² Deposits retained on assumed reinsurance, deposits with banks, investment funds (excl. equities), derivatives and investments in renewable energies and gold. ³ Incl. derivatives: 7.2% (6.0%). ⁴ Market value change due to a parallel downward shift in the 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.

Investment result

€m	Q3 2021	Return ¹	9M 2021	Return ¹	9M 2020	Return ¹
Regular income	1,507	2.4%	4,580	2.4%	4,801	2.6%
Write-ups/write-downs	–168	–0.3%	–416	–0.2%	–1,832	–1.0%
Disposal gains/losses	881	1.4%	2,491	1.3%	2,210	1.2%
Derivatives ²	61	0.1%	–397	–0.2%	629	0.3%
Other income/expenses	–173	–0.3%	–527	–0.3%	–500	–0.3%
Investment result	2,107	3.3%	5,731	3.0%	5,308	2.8%
Total return		1.4%		–0.9%		4.4%


3-month reinvestment yield	Q3 2021	Write-ups/ write-downs	Disposal gains/losses	Derivatives	9M 2021	Write-ups/ write-downs	Disposal gains/losses	Derivatives
Q3 2021	1.4%							
		–3	409	32	Fixed income	–18	1,335	–185
		–129	352	31	Equities	–247	747	–288
Q2 2021	1.7%							
		0	0	–3	Commodities/Inflation	0	0	85
Q1 2021	1.5%							
		–36	120	1	Other	–151	408	–8

ERGO

ERGO Life and Health Germany

Gross premiums written

€m

9M 2020		6,718
Foreign exchange		0
Divestments/investments		0
Organic change		119
9M 2021		6,837

- **Life** (+€22m): Increase driven by growth through new products
- **Health** (+€55m): Increase mainly in supplementary insurance, reduced COVID-19 effect in travel due to growth in Q3
- **Digital Ventures** (+€43m): Growth mainly due to health business

Major result drivers

€m

	9M 2021	9M 2020	▲	Q3 2021	Q3 2020	▲
Technical result	285	327	–42	96	281	–185
Non-technical result	16	–52	68	–14	–141	127
thereof investment result	2,764	2,454	311	902	697	205
Other	–95	–175	81	–2	–110	107
Net result	206	99	107	80	31	49

Technical result

Highlights in Q3:

- Continuously good operational performance in health
- Claims still at a low level in travel
- High intra-year volatility in previous year due to COVID-19, with extraordinary positive impact in Q3 2020

Investment result

- 9M: Prior year affected by COVID-19
- Q3: Disposal gains on equities, fixed income investments and real estate
- Q3: Return on investment of 2.9%



Other

- FX result of –€1m in 9M (9M 2020: –€91m), thereof €32m in Q3 (Q3 2020: –€65m)

ERGO Property-casualty Germany

Gross premiums written

€m

9M 2020		2,943
Foreign exchange		0
Divestments/investments		0
Organic change		207
9M 2021		3,150

Major result drivers

€m

	9M 2021	9M 2020	▲	Q3 2021	Q3 2020	▲
Technical result	156	237	–81	35	92	–57
Non-technical result	57	–34	90	15	–14	29
thereof investment result	184	122	62	44	29	15
Other	–86	–84	–2	–29	–30	1
Net result	127	120	8	21	48	–27

- Strong organic growth in almost all lines of business; driven by liability (+€87m), fire/property (+€29m), marine (+€21m), motor (+€13m) and other (+€62m)

Technical result

Combined ratio in 9M of 94.1% (92.2%), in Q3 of 95.6% (90.9%) above guidance level due to

- high nat cat claims (Storm Bernd: ~€0.1bn) above expectations...
- ... partially offset by strong underlying operating performance, solid growth, lower man-made large losses and continued stringent cost management

Investment result

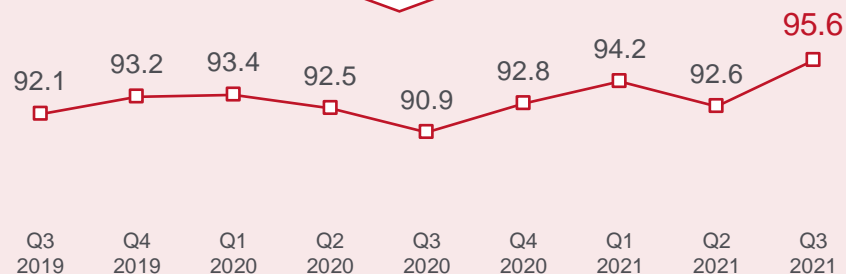
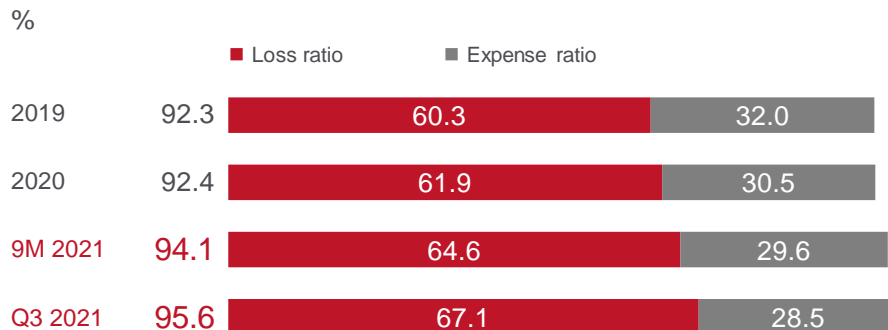
- 9M: Prior year affected by COVID-19
- Q3: Higher regular income from private equity
- Q3: Return on investment of 2.2%

Other

- FX result of €11m in 9M (9M 2020: –€7m), thereof €7m in Q3 (Q3 2020: €4m)

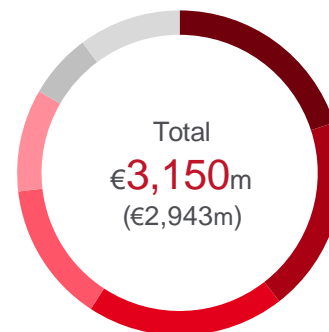
ERGO Property-casualty Germany

Combined ratio



Gross premiums written in 9M 2021 (9M 2020)

€m



Motor	630 (617)	Legal protection	321 (316)
Fire/property	614 (585)	Marine	203 (182)
Liability	621 (534)	Other	321 (259)
Personal accident	440 (449)		

Gross premiums written

€m

9M 2020		3,584
Foreign exchange		-33
Divestments/investments		-2
Organic change	■	290
9M 2021		3,839

- **Life** (–€14m): Lower premiums due to Austrian business and run-down in Belgium, partially compensated for by Poland
- **Health** (+€51m): Positive business development in Spain and Belgium
- **P-C** (+€218m): Increase driven by strong growth in Poland

Major result drivers

€m

	9M 2021	9M 2020	▲	Q3 2021	Q3 2020	▲
Technical result	205	189	16	76	78	-2
Non-technical result	-7	20	-28	-17	1	-18
thereof investment result	254	260	-6	86	81	6
Other	-64	-47	-17	-26	-22	-4
Net result	134	162	-28	32	57	-25

Technical result

Stable development in Q3:

- **Life**: Slight improvement mainly driven by Belgium and Poland
- **Health**: Continuously strong operational performance in Spain, higher claims in Belgium
- **P-C**: Minor increase due to Greek business and legal protection, partially offset by large losses in Baltics and Austria

Investment result

- Q3/9M: Decrease driven by lower ordinary result due to joint ventures; disposal gains compensate for losses from derivatives
- Q3: Return on investment of 1.7%

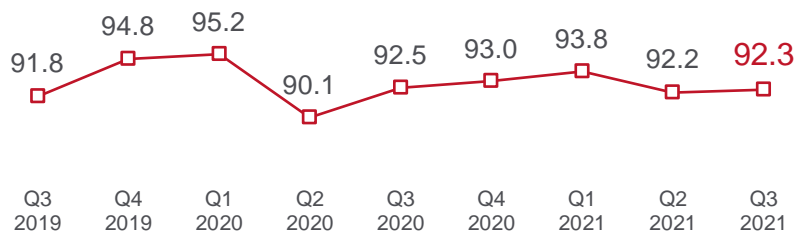
Other

- FX result of €3m in 9M (9M 2020: €0m), thereof €1m in Q3 (Q3 2020: €1m)

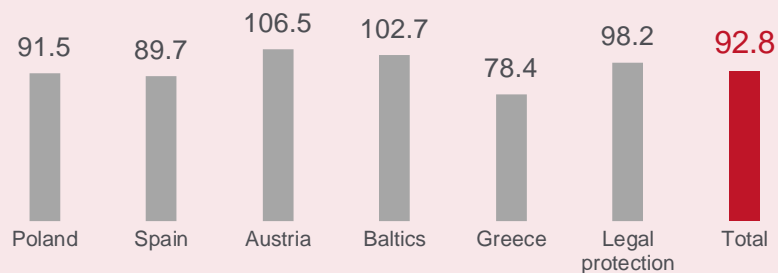
ERGO International

Combined ratio

%

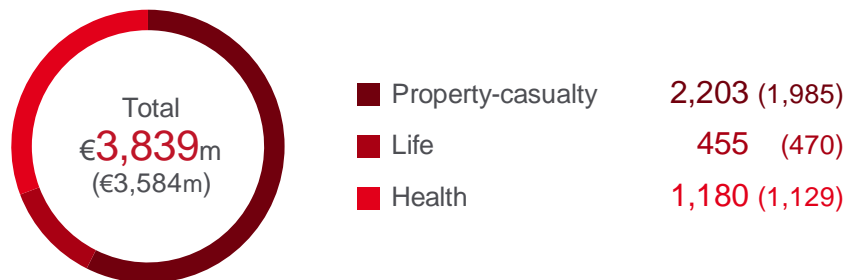


9M 2021



Gross written premiums in 9M 2021 (9M 2020)

€m






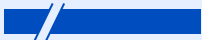
P-C	9M 2021	9M 2020	Life	9M 2021	9M 2020
Thereof:			Thereof:		
Poland	1,218	1,056	Austria	228	247
Legal protection	538	497	Belgium	97	106
Greece	183	180	Health	9M 2021	9M 2020
Baltic states	149	145	Thereof:		
Austria	88	79	Spain	692	660
			Belgium	487	469

Reinsurance

Reinsurance life and health

Gross premiums written

€m

9M 2020		9,538
Foreign exchange		-167
Divestments/investments		0
Organic change		-5
9M 2021		9,365

- Negative FX effects mainly driven by US\$
- Overall stable organic development – growth in North America offset by decrease in Europe and Asia

Major result drivers

€m

	9M 2021	9M 2020	▲	Q3 2021	Q3 2020	▲
Technical result	-41	31	-72	-46	10	-56
Non-technical result	276	207	69	97	110	-13
thereof investment result	621	639	-18	210	239	-29
Other	4	-85	89	43	-34	77
Net result	239	153	86	94	86	8

Technical result, incl. fee income of €9m in Q3 (9M: €124m)

- Q3: COVID-19-related losses of €168m (€470m in 9M) driven by mortality surge in the US as well as ongoing high mortality in India and South Africa
- Q3/9M: Negative aggregate experience beyond COVID-19 in the US (including large losses in Q2) partially compensated for by positive experience in Europe, Asia and Australia
- Q3/9M: Ongoing strong fee income of €55m in Q3 (€165m in 9M)

Investment result

- 9M: Disposal gains on fixed income investments and equities
- Q3: Return on investment: 2.8%





Other

- FX result of €22m in 9M (9M 2020: -€5m), thereof €45m in Q3 (Q3 2020: -€19m)

Property-casualty reinsurance

Gross premiums written

€m

9M 2020		18,479
Foreign exchange		-822
Divestments/investments		0
Organic change		3,826
9M 2021		21,483

- Negative FX effects mainly driven by US\$
- Strong organic growth across all lines of business
- Risk Solutions: Substantial growth across all units
- Core reinsurance: Increase from new business and benefits from primary rate increases in proportional business

Major result drivers

€m

	9M 2021	9M 2020	▲	Q3 2021	Q3 2020	▲
Technical result	474	-182	656	-636	-399	-237
Non-technical result	1,135	762	373	597	334	263
thereof investment result	1,908	1,834	75	865	646	219
Other	-254	-115	-140	177	42	135
Net result	1,355	466	889	138	-23	161

Technical result

- Q3/9M: Above-average major nat cat losses, including €1.2bn for Hurricane Ida and €0.5bn for Storm Bernd in Q3
- Q3: COVID-19 claims of only €4m (€206m in 9M)
- Q3: Higher expense ratio despite lower admin expense ratio due to increased share of proportional business
- Q3/9M: Continued improvement of basic loss ratio through rate increases
- Q3/9M: Underlying performance remains sound – normalised combined ratio ~95%

Investment result

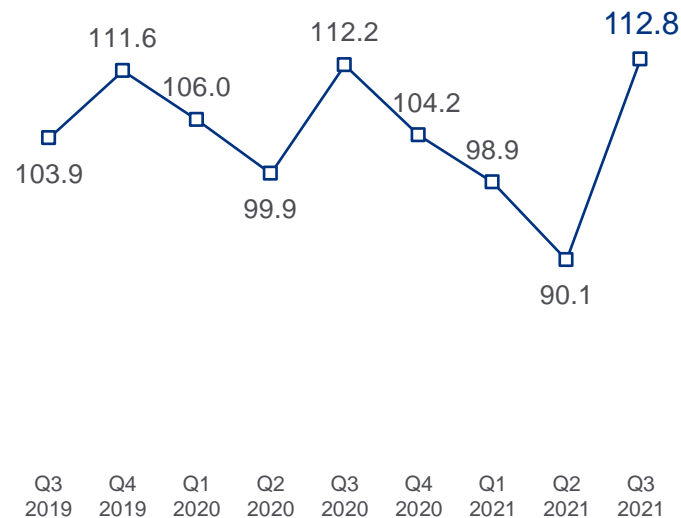
- 9M: Disposal gains on fixed income investments and equities
- Q3: Return on investment: 5.0% – high disposal gains and positive derivatives result

Other

- FX result of €68m in 9M (9M 2020: €170m), thereof €156m in Q3 (Q3 2020: -€20m)

Property-casualty reinsurance

Combined ratio



		Basic loss ratio	Major loss ratio	Expense ratio
2019	100.2	51.4	15.2	33.6
2020	105.6	53.9	20.8	30.9
9M 2021	100.9	53.5	17.6	29.8
Q3 2021	112.8	52.5	29.6	30.7

	Major losses ¹	Nat cat ¹	Man-made ¹	Reserve releases ²	Normalised combined ratio ³
9M 2021	17.6	13.7	3.8	−4.0	95.3
Q3 2021	29.6	25.9	3.7	−4.0	95.2
Ø Annual expectation	~ 12.0	~ 8.0	~ 4.0	~ −4.0	

¹ Absolute figures 9M/Q3 2021: Major losses €3,298m/€1,974m, nat cat €2,577m/€1,729m man-made €721m/€245m.

² Basic losses prior years, already adjusted for directly corresponding sliding-scale and profit-commission effects. Absolute figures 9M/Q3 2021: −€747m/−€265m.

³ Based on reserve releases of 4%-pts.

Climate change and accumulation of major losses

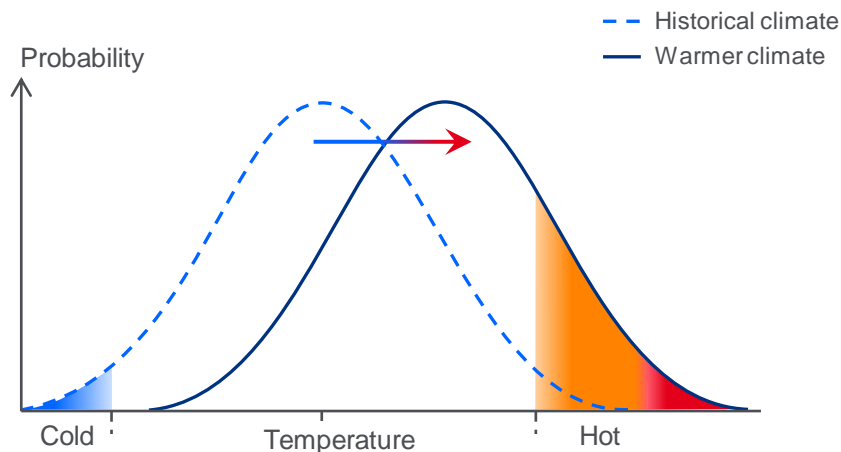
Frequently discussed topics in the capital markets

- 01 What's the impact of climate change on the insurance industry?
- 02 Is frequency/severity of non-peak cat events underestimated?
- 03 To what extent does climate change increase the magnitude of nat cat claims?
- 04 Is Munich Re's loss expectation for major nat cat losses still appropriate?
- 05 How does Munich Re cope with cat-driven P&L volatility?

Global warming – Insurance industry must be prepared to cope with increasing likelihood of extremes

01

Small increase in average temperature, large impact on extremes



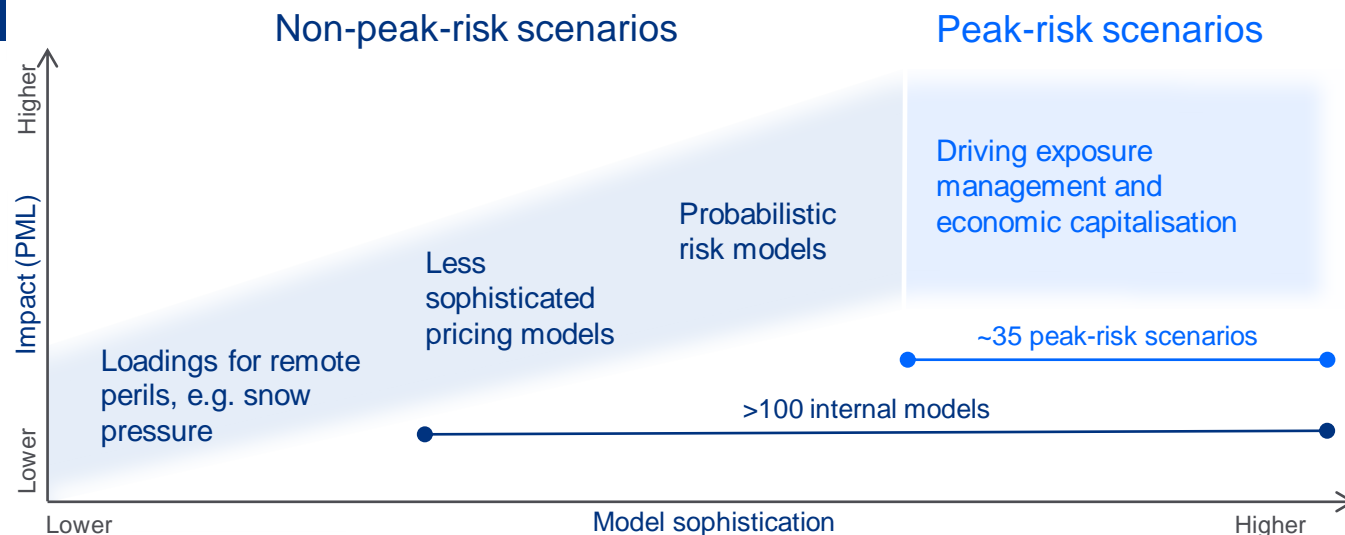
- Climate change results in increasing probability of extreme temperatures (tail risks) ...
- ... which is likely to increase risk from weather-related nat cat events (frequency and/or severity), varying by region and perils
- As a result, higher nat cat losses need to be reflected in updated risk and pricing models
- At the same time, prevention measures must be taken to mitigate the impact, e.g. levees, exposure management of land use, building-code development and enforcement

Based on: IPCC 2001, AR3, WG I, The Scientific Basis – Observed Climate Variability and Change, p.155

Munich Re has been pioneering and researching human-induced and natural climate change since the early 1970s

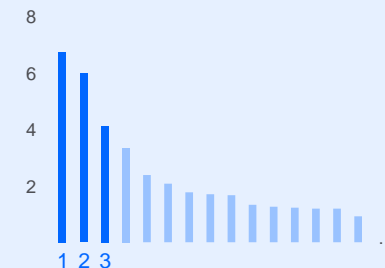
Munich Re continually revises and updates its nat cat models – Non-peak-risk scenarios are an integral part

02



Top exposures – AggVaR¹

€bn



- 1 Atlantic Hurricane
- 2 Earthquake North America
- 3 Earthquake Japan

¹ As at 31.12.2020. Return period 200 years, pre-tax.

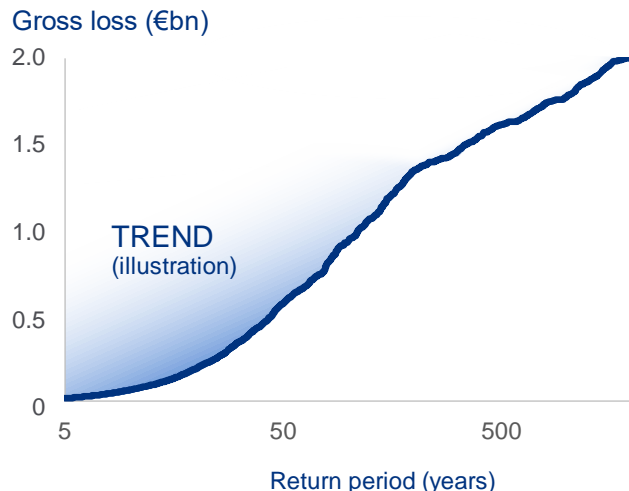
Incorporating historic and forward-looking findings into risk and pricing models – combining vendor models with in-house expertise

Peak-risk scenarios – Example

Flooding risks

03

Munich Re loss distribution for “Flood Germany”



Munich Re's response

- Flood Germany is one of Munich Re's well-modelled peak-risk scenarios that is regularly updated – July 2021 flood event in line with an expected return period of ~50 years
- ERGO provides fast claims management
 - Immediate support of customers in affected regions on site through claims adjusters and own agents
 - Claims payments started just a few days after the flooding
- Government action is required to limit exposed values in flood plains, while mandatory flood insurance or inclusion of flood risks in standard homeowner policies could reduce flood insurance gap

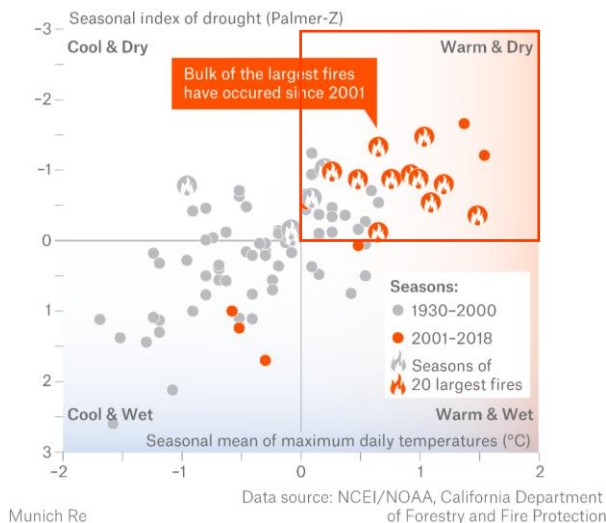
July flood in Germany testifies to increased risk of torrential rain in local areas –
Munich Re helps the people affected and supports rapid reconstruction

Non-peak-risk scenarios – Example

Wildfire risks

03 Weather and wildfires in California

May–Oct. anomalies relative to 1981–2010



Munich Re's response

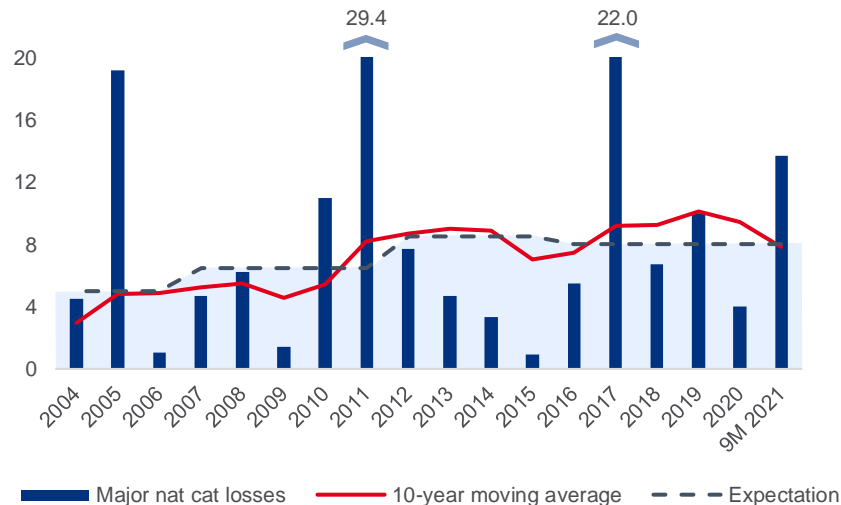
- Investment in resources to deepen understanding of wildfire risks, leading to further improvements in the internal wildfire model
- Restrictive underwriting approach in respect of liability risks for California Wildfire
- Active underwriting support for agents writing risk on behalf of Munich Re primary carriers; active and modern technology used for swift and seamless claims handling
- Incorporation of visible trend in forward-looking pricing
- Selective risk appetite, depending on rate adequacy

Climate change particularly leads to higher frequency and/or severity of local events, e.g. hail, flooding or wildfires

Despite ongoing climate change, frequency/severity of nat cat claims remains largely random in any single year

04

Munich Re major nat cat losses % of NEP



1 Source: Munich Re estimate.

Major drivers of annual nat cat losses

- Munich Re's share in affected region
- Randomness of events
- Concentration of insured values hit



Event specifics of highest relevance for annual losses –
diversification across geographies and risk perils is key to manage claims volatility

Random fluctuation is normal – keeps nat cat expectation under ongoing review, can be changed if necessary

04

Expected major nat cat loss ratio of ~8% unchanged since 2016

Expected major
nat cat losses

Based on probabilistic bottom-up analysis considering

- Current portfolio structure
- Peril-specific impact from climate change
- Climate variability, e.g. AMO and ENSO
- Changing regulatory environment



Net earned
premiums

Significant business growth

- Expansion of less nat-cat prone lines of business, e.g. large quota-share deals and cyber insurance ...
- ... mitigating impact of nat cat claims on overall book



= ~8%

Despite increased nat cat exposure in absolute terms and regular model updates/refinements, expected major nat cat loss ratio has been remarkably stable

Due to its strong capitalisation, Munich Re can manage cat-driven short-term accounting volatility

05

Impact on Munich Re's ...

IFRS earnings



- Not concerned about P&L volatility as we receive compensation for this risk
- Making use of retrocession to manage volatility to some extent – however, this always means giving up margins and increased dependency

Increasing climate-related risks are driving demand – in the long term, nat cat is a profitable line of business

Capital position



- Robust economic capitalisation – it remains within the optimal range even in scenarios such as a 200-year Atlantic hurricane
- Well-capitalised to manage/absorb volatility under IFRS and German GAAP (HGB)

Dividend has been increasing over time, and has not been cut for more than 50 years – even in years with substantial cat losses such as 2005, 2011 and 2017

Volatility is inherent in Munich Re's business model – continuous expansion of less cat-prone/cyclical business (e.g. Life Re, Risk Solutions, ERGO) will reduce P&L volatility over time

Outlook

Group	Gross premiums written ~ €58bn	Net result ~ €2.8bn	Return on investment >2.5%	
ERGO	Gross premiums written ~ €18bn	Net result ~ €0.5bn	Combined ratio P-C Germany ~ 92% ¹	International ~ 93%
Reinsurance	Gross premiums written ~ €40bn	Net result ~ €2.3bn	Combined ratio P-C ~ 100% (prev. ~ 96%)	Technical result, incl. fee income in life and health ~ €200m (prev. ~ €400m)

¹ Increased uncertainty, depending on further major-loss development.

Additional information

Segment income statement Q3 2021

€m	Reinsurance L/H ¹	Reinsurance P-C	ERGO L/H Germany	ERGO P-C Germany	ERGO International	Total Q3 2021
Gross premiums written	3,164	7,997	2,268	809	1,242	15,480
Net earned premiums	2,900	6,665	2,269	942	1,191	13,967
Income from technical interest	158	220	888	13	73	1,350
Net expenses for claims and benefits	-2,655	-5,475	-2,755	-651	-854	-12,390
Net operating expenses	-449	-2,045	-305	-268	-334	-3,402
Technical result	-46	-636	96	35	76	-475
Investment result	210	865	902	44	86	2,107
Insurance-related investment result	18	33	4	0	12	68
Other operating result	27	-81	-32	-16	-43	-145
Deduction of income from technical interest	-158	-220	-888	-13	-73	-1,350
Non-technical result	97	597	-14	15	-17	678
Operating result	52	-39	82	50	59	204
Other non-operating result	-1	-5	-8	-4	0	-18
Currency result	45	156	32	7	1	242
Net finance costs	-8	-33	0	0	-4	-45
Taxes on income	6	60	-27	-33	-24	-18
Net result	94	138	80	21	32	366
Tax rate	-7.3%	-76.2%	25.2%	60.4%	43.2%	4.7%

1 Technical result, incl. fee income: €9m.

Segment income statement 9M 2021

€m	Reinsurance L/H ¹	Reinsurance P-C	ERGO L/H Germany	ERGO P-C Germany	ERGO International	Total 9M 2021
Gross premiums written	9,365	21,483	6,837	3,150	3,839	44,673
Net earned premiums	8,502	18,746	6,801	2,779	3,538	40,365
Income from technical interest	469	646	2,987	38	350	4,490
Net expenses for claims and benefits	-7,620	-13,337	-8,575	-1,839	-2,699	-34,070
Net operating expenses	-1,392	-5,581	-928	-822	-984	-9,706
Technical result	-41	474	285	156	205	1,079
Investment result	621	1,908	2,764	184	254	5,731
Insurance-related investment result	72	118	439	0	204	833
Other operating result	52	-245	-200	-89	-115	-597
Deduction of income from technical interest	-469	-646	-2,987	-38	-350	-4,490
Non-technical result	276	1,135	16	57	-7	1,477
Operating result	235	1,609	301	213	198	2,556
Other non-operating result	-2	-15	-12	-9	-1	-39
Currency result	22	68	-1	11	3	102
Net finance costs	-28	-98	-10	-4	-17	-157
Taxes on income	12	-209	-72	-83	-49	-402
Net result	239	1,355	206	127	134	2,061
Tax rate	-5.1%	13.4%	25.9%	39.6%	26.7%	16.3%

1 Technical result, incl. fee income: €124m.

Actual vs. analysts' consensus

Operating result – Actual vs. analysts' consensus¹

€m	Q3 2021	Consensus	Delta
Property-casualty reinsurance	–39	–141	102
Life and health reinsurance	52	74	–22
ERGO Life and Health Germany	82	61	21
ERGO Property-casualty Germany	50	27	23
ERGO International	59	58	1
Operating result	204	78	126

FX	242		
Other	–62		
Taxes	–18		
Net result	366	–10	376

KPIs – Actual vs. analysts' consensus¹

€m	Q3 2021	Consensus	Impact ²
Combined ratio	112.8%	108.9%	–262
Tech. result, incl. fee income	9	44	–35

Combined ratio	95.6%	97.3%	16
Combined ratio	92.3%	94.2%	17

Segment ROI


%	Q3 2021
Property-casualty reinsurance	5.0
Life and health reinsurance	2.8
ERGO Life and Health Germany	2.9
ERGO Property-casualty Germany	2.2
ERGO International	1.7


¹ Simple average of estimates the Munich Re Investor Relations team has gathered from analysts covering Munich Re, not taking into account any external data providers (as at 15 October 2021, before pre-release of the Q3 2021 result on 19 October 2021).
² For combined ratios: Delta between actual and consensus times net earned premiums.


Premium development


Gross premiums written


€m

9M 2020  41,261

Foreign exchange  -1,023

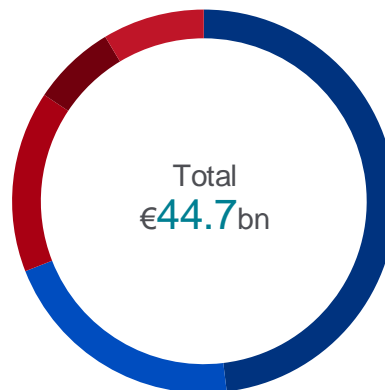
Divestments/
investments  -2






Organic change  4,437

9M 2021  44,673

Segmental breakdown

€m



 Reinsurance Property-casualty	21,483	(48%)	(▲ 16.3%)
 Reinsurance Life and Health	9,365	(21%)	(▲ -1.8%)
 ERGO Life and Health Germany	6,837	(15%)	(▲ 1.8%)
 ERGO Property-casualty Germany	3,150	(7%)	(▲ 7.0%)
 ERGO International	3,839	(9%)	(▲ 7.1%)

Development of combined ratio

Combined ratio vs. basic losses



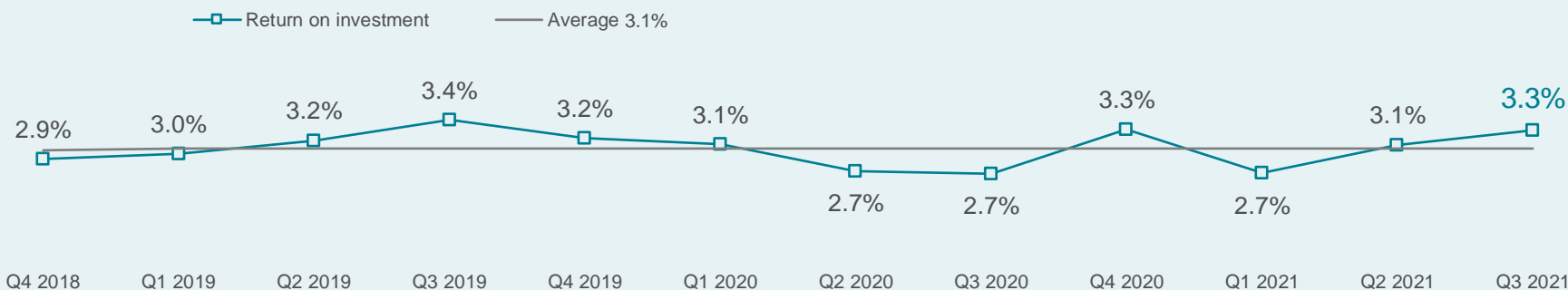
Nat cat vs. man-made



Return on investment by asset class and segment

9M 2021

% ¹	Regular income	Write-ups/-downs	Disposal result	Extraord. derivatives result	Other inc./exp.	Rol	Market value (€m)
Afs fixed-income	1.8	0.0	0.9	–	–	2.7	136,632
Afs non-fixed-income	5.4	–1.6	4.9	–	–	8.7	20,459
Derivatives	5.2	–	–	–26.1	–0.9	–21.7	2,031
Loans	2.6	0.0	1.0	–	–	3.6	61,316
Real estate	4.6	–1.2	1.6	–	–	5.0	12,214
Other ²	1.4	–0.3	1.8	–	–3.7	–0.7	18,593
Total	2.4	–0.2	1.3	–0.2	–0.3	3.0	251,244
Reinsurance	2.3	–0.3	1.5	0.2	–0.3	3.5	97,196
ERGO	2.5	–0.2	1.2	–0.5	–0.2	2.8	154,048



Investment result – Reinsurance

Life and health reinsurance

€m	Q3 2021	Return ¹	9M 2021	Return ¹	9M 2020	Return ¹
Regular income	177	2.4%	517	2.3%	572	2.6%
Write-ups/write-downs	–1	0.0%	–5	0.0%	–18	–0.1%
Disposal gains/losses	49	0.7%	156	0.7%	130	0.6%
Derivatives ²	4	0.1%	11	0.0%	17	0.1%
Other income/expenses	–19	–0.3%	–58	–0.3%	–63	–0.3%
Investment result	210	2.8%	621	2.8%	639	2.9%
Average market value		29,689		29,482		29,499

Property-casualty reinsurance

€m	Q3 2021	Return ¹	9M 2021	Return ¹	9M 2020	Return ¹
Regular income	432	2.5%	1,167	2.3%	1,268	2.6%
Write-ups/write-downs	–41	–0.2%	–179	–0.4%	–281	–0.6%
Disposal gains/losses	459	2.7%	970	1.9%	682	1.4%
Derivatives ²	72	0.4%	131	0.3%	345	0.7%
Other income/expenses	–58	–0.3%	–181	–0.4%	–180	–0.4%
Investment result	865	5.0%	1,908	3.8%	1,834	3.7%
Average market value		69,064		67,713		65,783

Investment result – ERGO

Life and Health Germany

€m	Q3 2021	Return ¹	9M 2021	Return ¹	9M 2020	Return ¹
Regular income	795	2.5%	2,540	2.7%	2,587	2.7%
Write-ups/write-downs	–116	–0.4%	–228	–0.2%	–1,426	–1.5%
Disposal gains/losses	324	1.0%	1,205	1.3%	1,280	1.3%
Derivatives ²	–15	0.0%	–491	–0.5%	244	0.3%
Other income/expenses	–86	–0.3%	–262	–0.3%	–231	–0.2%
Investment result	902	2.9%	2,764	2.9%	2,454	2.6%
Average market value		125,279		126,149		127,160

Property-casualty Germany

€m	Q3 2021	Return ¹	9M 2021	Return ¹	9M 2020	Return ¹
Regular income	45	2.3%	151	2.6%	115	2.0%
Write-ups/write-downs	–9	–0.4%	–20	–0.3%	–82	–1.5%
Disposal gains/losses	10	0.5%	70	1.2%	91	1.6%
Derivatives ²	5	0.2%	–5	–0.1%	6	0.1%
Other income/expenses	–6	–0.3%	–12	–0.2%	–8	–0.1%
Investment result	44	2.2%	184	3.2%	122	2.2%
Average market value		7,844		7,716		7,520

Investment result – ERGO

International

€m	Q3 2021	Return ¹	9M 2021	Return ¹	9M 2020	Return ¹
Regular income	58	1.2%	205	1.4%	259	1.8%
Write-ups/write-downs	–1	0.0%	16	0.1%	–25	–0.2%
Disposal gains/losses	39	0.8%	90	0.6%	28	0.2%
Derivatives ²	–5	–0.1%	–42	–0.3%	17	0.1%
Other income/expenses	–4	–0.1%	–14	–0.1%	–18	–0.1%
Investment result	86	1.7%	254	1.7%	260	1.8%
Average market value		19,864		20,183		19,110

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	+9.0	+4.4	–8.1	–15.4
Change in on-balance-sheet reserves, net	+2.5	+1.2	–2.3	–4.4
Change in off-balance-sheet reserves, net	+0.4	+0.2	–0.4	–0.7
P&L (investment result), gross	+0.2	+0.1	–0.2	–0.4
P&L, net	+0.1	+0.0	–0.1	–0.2

Sensitivity to spreads² in €bn (change in basis points)

		+50bps	+100bps
Change in market value, gross		–5.6	–10.7
Change in on-balance-sheet reserves, net		–1.4	–2.6
Change in off-balance-sheet reserves, net		–0.3	–0.5
P&L (investment result), gross		–0.2	–0.4
P&L, net		–0.1	–0.2

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

	–30%	–10%	+10%	+30%
Change in market value, gross	–2.9	–1.2	+1.3	+4.1
Change in on-balance-sheet reserves, net	–0.9	–0.3	+0.6	+1.7
P&L (investment result), gross	–1.0	–0.5	–0.0	+0.1
P&L, net	–0.8	–0.2	+0.0	+0.2

¹ Rough calculation with limited reliability assuming unchanged portfolio as at 30.9.2021. 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 a 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	31.12. 2020	31.3. 2021	30.6. 2021	30.9. 2021	▲ in Q3
Market value of investments	252,789	248,707	250,597	252,883	2,286
Total reserves	37,269	30,397	31,135	29,930	−1,205
On-balance-sheet reserves					
Fixed-interest securities	14,426	9,377	9,766	9,003	−763
Non-fixed-interest securities	2,866	3,740	4,569	4,533	−36
Other on-balance-sheet reserves ¹	137	139	165	179	14
Subtotal	17,430	13,256	14,499	13,715	−785
Off-balance-sheet reserves					
Real estate ²	5,592	5,652	5,629	5,753	124
Loans ³	12,778	10,095	9,503	8,948	−555
Associates	1,469	1,394	1,504	1,514	10
Subtotal	19,839	17,142	16,636	16,215	−421
Reserve ratio	14.7%	12.2%	12.4%	11.8%	−0.6%pp.

1 Unrealised gains/losses from unconsolidated affiliated companies, measured using the equity method and cash-flow hedging.
2 Excluding reserves from owner-occupied property. 3 Excluding insurance-related loans.

On- and off-balance-sheet reserves

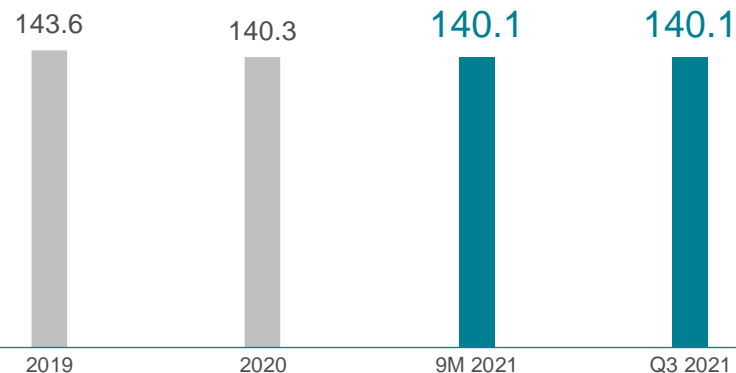
€m	On-balance-sheet reserves	Off-balance-sheet reserves ¹
Total reserves (gross)	13,715	16,215
Provision for deferred premium refunds	–5,407	–8,458
Deferred tax	–1,869	–2,227
Minority interests	–10	–
Consolidation and currency effects	–98	–
Shareholders' stake	6,330	5,530

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

Changes to shares in circulation

Shares (millions)	31.12. 2020	Acquisition of own shares in 9M 2021	Retirement of own shares in 9M 2021	30.9. 2021
Shares in circulation	140.1	—	—	140.1
Treasury shares	—	—	—	—
Total	140.1	—	—	140.1

Weighted average number of shares in circulation (millions)



Financial calendar

2021/2022



For more information, please contact

Investor Relations team

Christian Becker-Hussong

Head of Investor & Rating Agency Relations

Tel.: +49 (89) 3891-3910

Email: cbecker-hussong@munichre.com

Thorsten Dzuba

Tel.: +49 (89) 3891-8030

Email: tdzuba@munichre.com

Christine Franziszi

Tel.: +49 (89) 3891-3875

Email: cfranziszi@munichre.com

Ralf Kleinschroth

Tel.: +49 (89) 3891-4559

Email: rkleinschroth@munichre.com

Andreas Silberhorn (rating agencies)

Tel.: +49 (89) 3891-3366

Email: asilberhorn@munichre.com

Ingrid Grunwald (ESG)

Tel.: +49 (89) 3891-3517

Email: igrunwald@munichre.com

Maximiliane Gerstner (ERGO)

Tel.: +49 (211) 477-7483

Email: maximiliane.gerstner@ergo.de

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