



Munich Re - Annual General Meeting 2023

Fact Book

on Agenda Item 5

Disclaimer

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Appointment of the external auditor

Long-standing practice at Munich Re as a reinsurance company

- The **Supervisory Board** appointed the external auditor based on a specific provision for (re)insurance companies (Section 341k (2) German Commercial Code - old version)

Legal change due to the FISG¹

- For the first time for the 2022 financial year, the **Annual General Meeting** has appointed the external auditor
- Based on a recommendation by the Audit Committee, the Supervisory Board has submitted a resolution proposal on the appointment of the external auditor to the AGM

Recent appointments at Munich Re

- 2019: KPMG
- 2020: EY
- 2021: EY
- 2022: EY

Background information and considerations for 2023

- As a Public Interest Entity, Munich Re observes strict requirements regarding the external auditor:
 - For example, the recommendation by the Audit Committee is subject to strict requirements of the European Regulation No. 537/2014 (on specific requirements regarding statutory audit of public interest entities).
 - Furthermore, taking over an audit mandate like Munich Re requires up to three years (from start of the audit tender / selection procedure under the European Regulation No. 537/2014 to the first sign-off by the auditor).
- EY's main competitors are currently not independent: KPMG (as previous auditor) is currently in its legally required four-year cooling off phase (FY 2020 – FY 2023); PwC and Deloitte are currently involved in important accounting projects (e.g. IFRS 17, IFRS 9).
- Qualification and integrity of the persons acting in EY's audit team is ensured, for example:
 - EY deploys a highly qualified audit team throughout Munich Re's important locations worldwide.
 - Munich Re's Audit Committee regularly assesses the quality of the audit.
 - Munich Re discusses the composition of the audit team with EY at least once a year.
 - Quality of the audit for the financial years 2020 to 2022 was considered very positive within Munich Re, particularly the thoroughness of the audit.
- German Public Auditor responsible for 2023: Dr. Thomas Kagermeier (responsible for Munich Re since the the 2020 financial year)
- EY provides only a small amount of non-audit services (approx. 20% (2022 and 2021) and 24% (2020) of audit fees).
- **Addendum:** With regard to the **pending audit**, Munich Re currently does not expect any consequences from the announcement, on 3 April 2023, by the Auditor Oversight Body (Abschlussprüferaufsichtsstelle - APAS) about the decision by its Enforcement Panel regarding the disciplinary case against the auditors in the Wirecard case.