



Munich Re Group

Quarterly statement as at 31 March 2023

17 May 2023

Christoph Jurecka (CFO)



Quarterly statement as at 31 March 2023

Agenda





tampatra stock.adobe.com

01

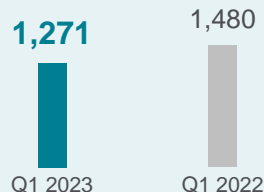
Munich Re

Good start to the year with earnings above pro-rata guidance

Elevated result in prior-year quarter due to lower major losses and FX

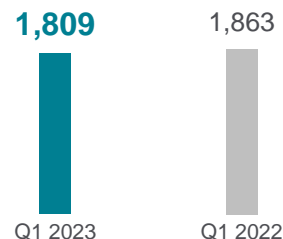
Net result

€m



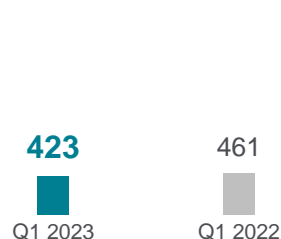
Total technical result

€m



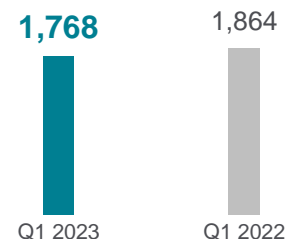
Net financial result

€m



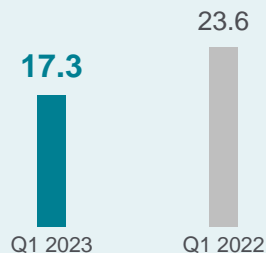
Operating result

€m



Return on equity¹

%



Reinsurance (net result: €1,051m)

Strong investment result (RoI 3.8%¹) and sound operating performance in both segments; above-average major losses

Property-casualty: Combined ratio: 86.5% (77.0%) – major-loss ratio: 16.4% (11.1%), reserve releases²: –5.0% (–5.3%) – net result: €760m (€958m)

Life and health: Total technical result: €320m (€238m) – net result: €291m (€367m)

April renewals: Risk-adjusted price change: ~ +4.7%, premium change: +11.1%

ERGO (net result: €219m)

High contribution from P&C Germany; P&C international impacted by large losses; L/H Germany burdened by expenses

Life and Health Germany: Total technical result: €258m (€243m) – net result: €41m (€137m)








Property-casualty Germany: Combined ratio: 81.2% (106.3%) – net result: €166m (–€64m)

International: Combined ratio: 95.4% (88.7%) – net result: €12m (€84m)

Capital position

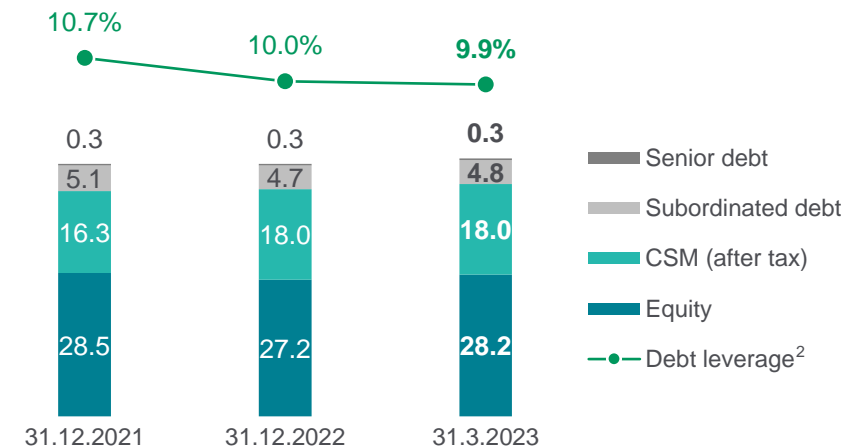
Equity

€m

Equity 31.12.2022	27,245	
Net result	1,271	
Changes		
Dividend	0	
Share buy-backs	–373	
Unrealised gains/losses	749	
Exchange rates	–281	
Other ¹	–428	
Equity 31.3.2023	28,182	

Capitalisation

€bn



Change in unrealised gains/losses

Investments	€ 1,923 m
Insurance contracts	–€ 1,174 m

Return on equity

Reinsurance	17.8%
ERGO	15.4%

Solvency II ratio

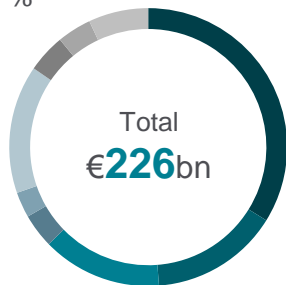
254%

Investments

Q1 2023

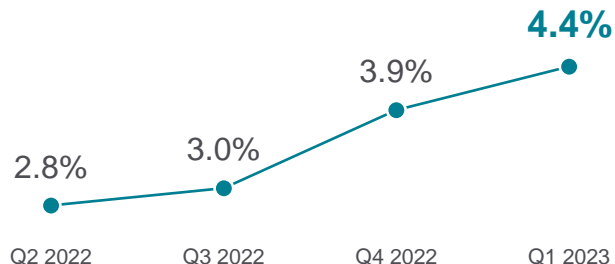
Investment portfolio¹

%



Government/Semi-government bonds ²	34 (34)	Alternative investments	15 (15)
Covered bonds/mortgage loans	15 (15)	Equities ³	4 (4)
Corporate bonds	14 (14)	Business-related participations	4 (4)
Emerging-market government bonds	4 (4)	Cash	7 (8)
ABS/MBS	3 (3)		

3-month reinvestment yield



Portfolio management

- Further expansion of illiquid investments
- Increase of equity exposure including derivatives due to rising stock markets
- Reinvestment yield benefits from investments in high-yield corporate bonds and emerging-market bonds

¹ Management view – not fully comparable with IFRS figures, e.g. including real estate in own use and cash. Fair values as at 31.3.2023 (31.12.2022).
² Developed markets. ³ Including derivatives: 3.3% (2.0%).

Investment result

€m	Q1 2023	Return ¹
Regular income	1,601	3.0%
Write-ups/write-downs	–28	–0.1%
Change in expected credit loss (ECL)	–38	–0.1%
Disposal gains/losses	166	0.3%
Fair-value change	74	0.1%
Other income/expenses	–164	–0.3%
Investment result	1,612	3.0%

Q1 2022	Return ¹
1,415	2.3%
–1,031	–1.7%
0	0.0%
936	1.5%
–926	–1.5%
–136	–0.2%
258	0.4%

	Fixed income	Equities	Other
Write-ups/write-downs	0	0	–28
Disposal gains/losses	–189	0	355
Fair-value change	–46	252	–131

Fixed income	Equities	Other
–698	–310	–22
409	506	20
–1,333	207	200

Net financial result

€m	Q1 2023	Q1 2022
Investment result	1,612	258
Currency result	–145	221
Investment result from unit-linked life insurance	327	–473
Net insurance finance income or expenses (IFIE)	–1,371	455
Net financial result	423	461
Life and health reinsurance	117	299
Property-casualty reinsurance	326	–43
ERGO Life and Health Germany	–58	96
ERGO Property-casualty Germany	52	65
ERGO International	–13	44

- Investment result benefits from increased interest rates and some disposal gains in reinsurance
- Negative currency result in both fields of business
- Positive investment result from unit-linked life insurance in ERGO L/H Germany and International offset in IFIE
- At ERGO, net financial result for VFA business (esp. L/H Germany, International) is usually close to 0, as IFIE largely offsets the sum of the other three components of the net financial result – accordingly, ERGO's net financial result is generally much lower than that of Reinsurance
- In reinsurance, IFIE largely reflects the unwinding of discount, which is still small due to low interest-rate levels at transition



xijian / iStockphoto / Getty Images

02

ERGO

ERGO Life and Health Germany

Key messages



- Higher CSM compared to prior year leads to higher absolute release of CSM and accordingly a higher total technical result
- Net income (€41m) burdened by non-directly attributable expenses in life new book

Insurance revenue (gross)

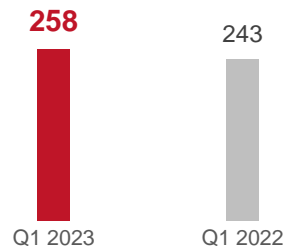
€m

Q1 2022		2,360
Foreign exchange		-2
Divestments/investments		0
Organic change		204
Q1 2023		2,562

- Increase of insurance revenues from life, short- and long-term health insurance, and travel

Total technical result

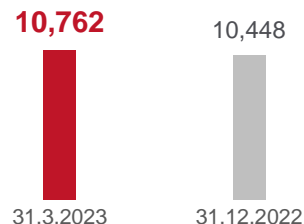
€m



- Total technical result mainly reflects release of CSM and risk adjustment in life and long-term health
- Short-term business (PAA) contribution of €39m to total technical result

Contractual service margin (CSM)¹

€m



- Contribution from new contracts smaller than CSM release due to
 - Run-off of life back book
 - Strategic shift of new health business into short-term contracts (PAA)
- Increase of CSM mainly driven by operational changes in life

ERGO Life and Health Germany









Total technical result – Q1 2023

€m

Release of CSM	227
Release of risk adjustment (non-PAA)	9
Experience adjustments not adjusted against CSM (non-PAA)	–24
Onerous contracts and changes not affecting CSM (non-PAA)	–3
Insurance service result from PAA business	39
Insurance service result	248
Result from insurance-related financial instruments	10
Total technical result	258

- 2.1% release of CSM results in higher absolute amounts, as current CSM level benefits from higher interest rates vs. transition at 1/1/2022
- Experience variances: Among others, P&L-neutral offset for lower-than-expected non-directly attributable expenses
- Insurance result from PAA business driven by short-term health insurance
- Result from insurance-related financial instruments reflecting market value change of interest-rate reinsurance

ERGO Life and Health Germany – CSM/RA

€m		CSM ¹	RA ¹
CSM/RA			
31.12.2022		10,448	580
New contracts added		43	2
Accretion of interest		0	0
Operating changes		500	-24
Change in financial effects		0	0
Other		-2	0
Release (through P&L)		-227	-9
CSM/RA			
31.3.2023		10,762	549

CSM

- New contracts added in life new book and long-term health – run-off of life back-book and strategic shift in health to short-term business result in lower new contracts added
- Positive operating changes due to deviation of actual quarterly portfolio development from pro-rata expectation in life back book; increase in new book due to benign capital markets
- Release driven by life back book and long-term health business

Risk adjustment

- Decrease mainly due to lower risk capital based on higher interest rates at Q4

ERGO Property-casualty Germany

Key messages



- Strong total technical result driven by very low large losses and low acquisition costs due to seasonality of new business
- Very high net result also driven by investment result

Insurance revenue (gross)

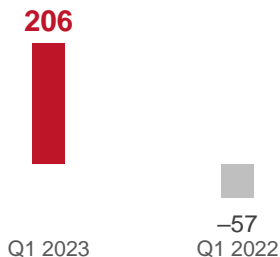
€m

Q1 2022		953
Foreign exchange		-4
Divestments/investments		0
Organic change		168
Q1 2023		1,117

- High increase mainly driven by motor, legal protection, liability, and personal accident, expected to level out in the remainder of the year

Total technical result

€m

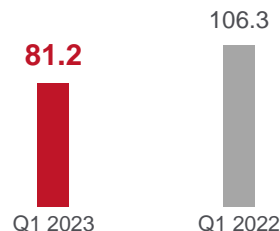


High total technical result and low combined ratio in Q1 2023 especially driven by

- Significantly lower-than-expected major man-made and nat cat losses
- Strong operating performance
- Low acquisition costs due to seasonality of new business for PAA business
- Discount effect in CR of ~4pp
- Q1 2022 significantly burdened by large losses

Combined ratio

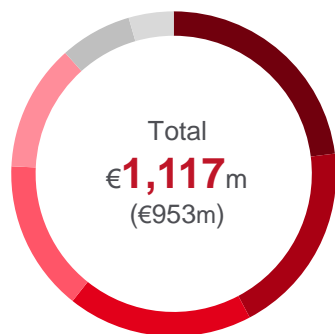
%



ERGO Property-casualty Germany

Insurance revenue (gross) in Q1 2023 (Q1 2022)

€m



Fire/property	257	Legal protection	141
Motor	215	Marine	80
Liability	206	Other	50
Personal accident	168		

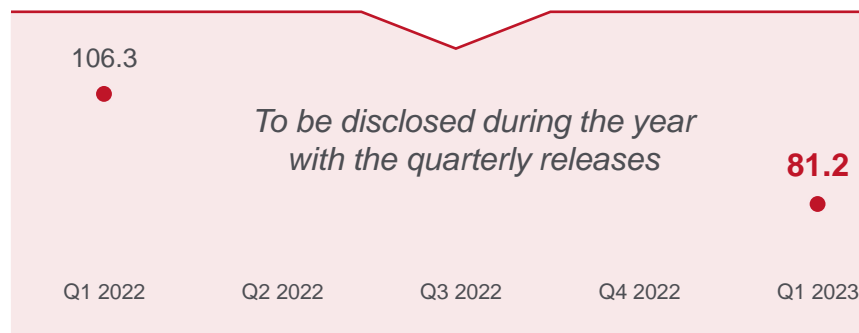
Combined ratio

%

■ Loss ratio

■ Expense ratio

2022	90.3	61.2	29.1
Q1 2022	106.3	76.8	29.5
Q1 2023	81.2	53.8	27.3



Key messages



- Total technical result in P-C mainly burdened mainly by large losses in Poland
- Total technical result of L/H in line with expectation; CSM release dominated by Belgium Life and Health

Insurance revenue (gross)

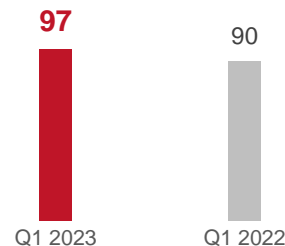
€m



- Good organic growth in life and health
- Thai entity fully consolidated (€48m)
- Lower revenues from legal protection

Total technical result

€m

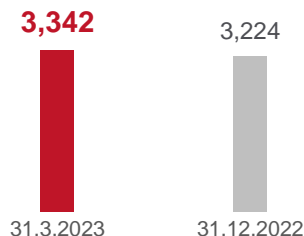


Combined ratio at Q1 of 95.4% (88.7%) impacted by:

- Large losses in Poland (intra-group reinsurance relief consolidated in IFRS; ~2pp)
- Elevated claims in legal protection
- Seasonality effect in Spain

Contractual service margin (CSM)¹

€m



- Increase mainly driven by operating changes, mostly from Belgian health business (inflation assumptions)
- CSM release in line with expectations

Property-casualty¹

Combined ratio

%

88.7

*To be disclosed during the year
with the quarterly releases*Q1
2022Q2
2022Q3
2022Q4
2022

95.4

Q1
2023

95.0

Poland²

94.2

Legal
protection

82.2

Greece

97.5

Baltics

90.9

Austria³

113.2

Thailand⁴

97.7

Spain

Life and
Health

Total technical result – Q1 2023

€m

Release of CSM	54
Release of risk adjustment (non-PAA)	3
Experience adjustments not adjusted against CSM (non-PAA)	-16
Onerous contracts and changes not affecting CSM (non-PAA)	14
Insurance service result from PAA business	4
Insurance service result	58
Result from insurance-related financial instruments	0
Total technical result	58

CSM/RA development

€m

	CSM ⁵	RA ⁵
31.12.2022	3,057	180
New contracts added	45	1
Accretion of interest	4	1
Operating changes	113	-28
Change in financial effects	0	3
Other	0	0
Release (through P&L)	-54	-3
31.3.2023	3,166	153

1 Includes short-term health business. 2 Adjusted for intra-group reinsurance effect consolidated in IFRS, CR would be -5pp lower.
3 Incl. DAS Austria since Q1 2023 (formerly under legal protection). 4 Recognition since Q1 2023. 5 Net of reinsurance.



03

Reinsurance

Life and health reinsurance

Key messages



- Strong total technical result above pro-rata guidance
- Pleasing new business development, especially in North America

Insurance revenue (gross)

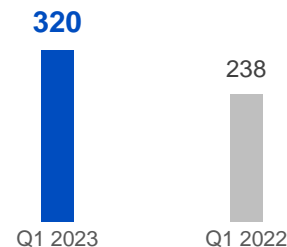
€m



- Decline in Continental Europe and Asia, partly offset by growing revenue in North America and UK

Total technical result

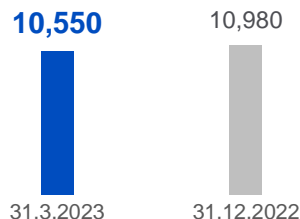
€m



- Release of CSM and RA in line with expectations
- FinMoRe business performing well, yet negative FX effects of ~€66m, reflected in the result from insurance-related financial instruments

Contractual service margin (CSM)¹

€m



- Decline caused by a shift from CSM to RA, still representing future profits
- CSM from new contracts exceeds release through P&L

Life and health reinsurance






Total technical result – Q1 2023

€m

Release of CSM	214
Release of risk adjustment	63
Experience adjustments not adjusted against CSM	–30
Onerous contracts and changes not affecting CSM	18
Insurance service result	264
Result from insurance-related financial instruments	56
Total technical result	320

- Release of CSM in line with expectation of ~2% per quarter
- Release of risk adjustment also in line with expectation
- Slightly negative experience adjustments driven by expenses and US mortality
- Onerous contracts: decrease of loss component mainly from unwind of a large treaty in Australia and updates related to a run-off portfolio in the US
- Successful business growth of financially motivated reinsurance mainly in Asia and the US, although negatively impacted by currency effects of ~€66m

Life and health reinsurance – CSM/RA

€m		CSM ¹	RA ¹
CSM/RA			
31.12.2022		10,980	2,907
New contracts added		225	32
Accretion of interest		35	10
Operating changes		–318	350
Change in financial effects		–158	27
Other		0	0
Release (through P&L)		–214	–63
CSM/RA			
31.3.2023		10,550	3,263

CSM

- Decline driven by shift to RA
- New contracts added reflect profitable new business growth, especially in North America, as well as Europe and Asia
- Change in financial effects driven by FX

Risk adjustment

- Operating changes mainly from annual parameter update leading to an increase of RA
- Change in financial effects reflects development of yield curves, partly offset by FX

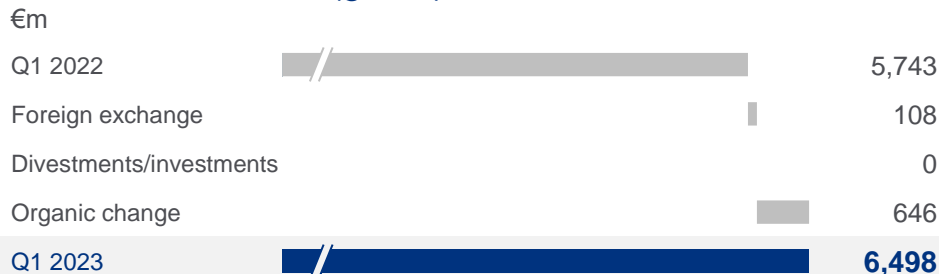
Property-casualty reinsurance

Key messages



- Strong revenue growth of 13.1% vs. Q1 2022
- Combined ratio of 86.5% largely in line with guidance despite elevated major losses
- Normalised combined ratio (85.1%) better than guidance allows to use higher-than-expected discount benefit to cater for claims uncertainty in basic losses

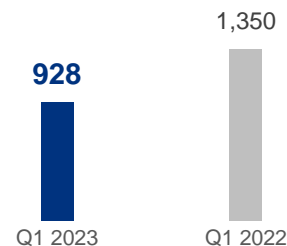
Insurance revenue (gross)



- Proportional business: New business and primary rate increases more than compensate for non-renewed shares
- XL business: Significant growth in nat cat at increased prices
- Global Specialty Insurance: Substantial growth across all units

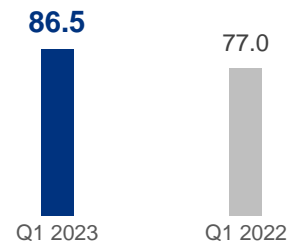
Total technical result

€m



Combined ratio

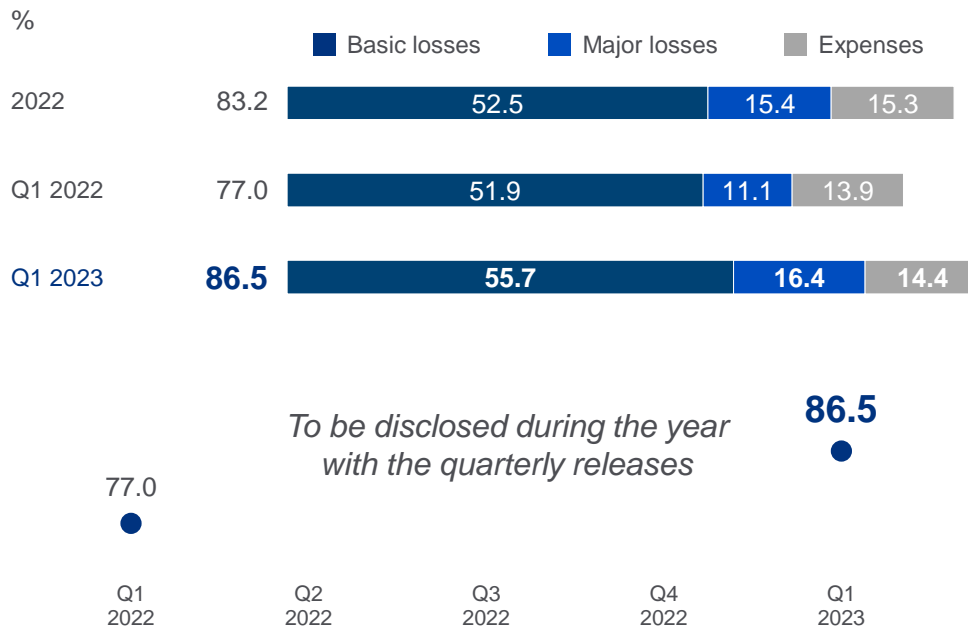
%



- Increased combined ratio driven by higher major loss ratio of 16.4% (Q1 2022: 11.1%)
- Earthquake in Turkey single biggest event ...
- ... contributing to elevated discounting effects in combined ratio of ~8pp...
- ... offset by prudent reflection of claims risks in basic loss ratio
- Release of loss component of -1.1% (Q1 2022: -3.2%)
- Pleasing normalised combined ratio of 85.1%

Property-casualty reinsurance

Combined ratio



	Q1 2023	Ø Annual expectation
Change in loss component	-1.1	~ 0.0
Major losses ¹	16.4	~ 14.0
Nat cat ¹	13.8	~ 10.0
Man-made ¹	2.6	~ 4.0
Reserve releases ²	-5.0	-5.0
Normalised combined ratio	85.1	~ 86.0

¹ Absolute figures: Major losses €1,035m, nat cat €870m, man-made €165m. ² Basic losses prior years. Absolute figure: -€314m.

April renewals

Total property-casualty book¹

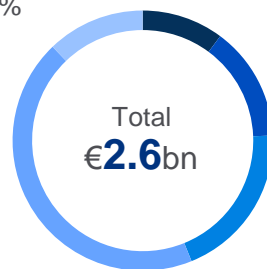
%



January renewals	44
April renewals	8
July renewals	13
Remaining business	35

Regional allocation of April renewals

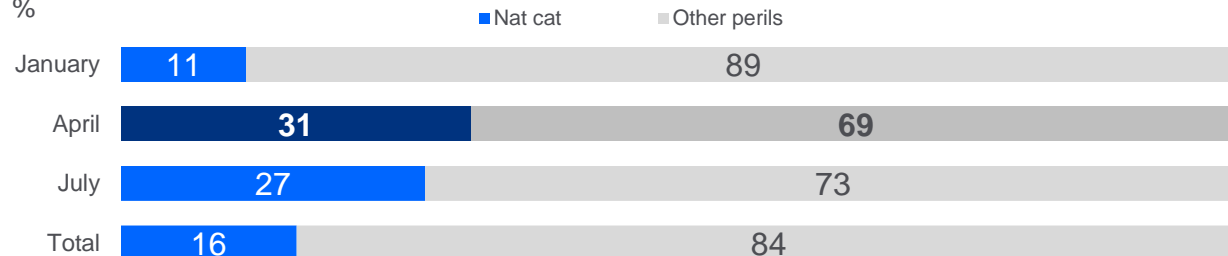
%



Europe	10	Latin America	12
Worldwide	19	North America	14
Asia/Pacific/Africa	44		

Nat cat shares of renewable portfolio²

%



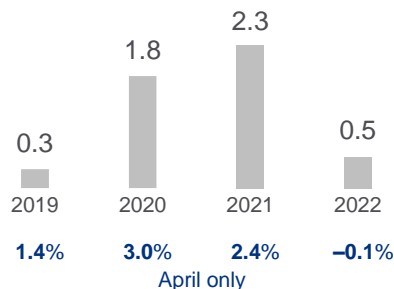
April renewals – Continued trend of profitable growth with sizeable improvements in terms and conditions



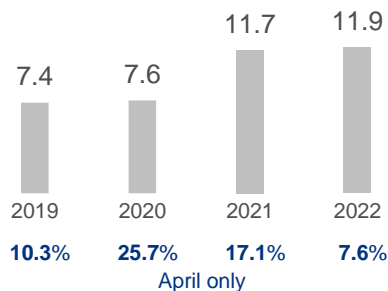
Price
change

Renewals 2019–2022

%



Volume
change



April renewals 2023¹

+4.7%

Optimistic about
July renewals

+11.1%

Well positioned for
further business growth

Higher risk-adjusted pricing

- Individual price changes by line of business at a stable portfolio composition amount to 3.9% – additional price increase of 0.8pp due to changed portfolio mix with a higher share of property XL business
- Conservative inflation and other loss-trend assumptions (e.g. nat cat modelling) fully reflected in risk-adjusted price change

Improved portfolio quality

- Material improvement in terms and conditions (e.g. hours clauses, exclusions and clearer coverage definitions) in addition to higher attachment points and distinct pricing of covered perils, making portfolio more robust, though not fully reflected in numbers
- Market discipline allows typical soft market features to be eliminated and many reinsurance programmes to be restructured favourably for reinsurers

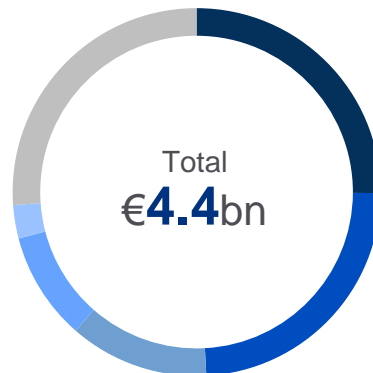
¹ Price change is fully risk-adjusted, considering most recent inflation and loss-trend assumptions.

Regional allocation of July renewals

Outlook



- Regional focus on USA, Latin America and Australia
- Comparatively high nat cat share of ~ 27%



North America	25%
Australia/New Zealand	24%
Latin America	12%

Asia/Pacific/Africa	10%
Europe	3%
Worldwide	26%



shansekala / iStockphoto / Getty Images

04

Transition to IFRS 9/17

IAS 39/IFRS 17: Balance sheet

31.12.2022 vs. 01.01.2022

Assets	31.12.2022	Deviation vs. 01.01.2022
A. Intangible assets	4,284	185
B. Insurance contracts ceded that are assets	3,892	312
C. Insurance contracts issued that are assets	5,977	−901
D. Investments	207,965	−33,701
E. Insurance-related investments	7,470	−1,112
F. Other insurance-related instruments	18,298	−176
G. Receivables	6,189	1,676
H. Cash and cash equivalents	6,439	1,026
I. Deferred tax assets	2,862	−159
J. Other assets	5,622	858
K. Non-current assets held for sale	392	−112
Total assets	269,391	−32,105

Equity and liabilities	31.12.2022	Deviation vs. 01.01.2022
A. Equity	27,245	−1,220
B. Subordinated liabilities	4,748	−307
C. Insurance contracts ceded that are liabilities	262	246
D. Insurance contracts issued that are liabilities	205,061	−28,568
E. Other provisions	2,661	−2,299
F. Liabilities	27,522	870
G. Deferred tax liabilities	1,751	−596
H. Liabilities related to non-current assets held for sale	141	−228
Total equity and liabilities	269,391	−32,105

Key financials under IFRS 17 vs. IFRS 4

FY 2022

IFRS 17 (IFRS 4)

Group	Net result €5.3bn (€3.4bn)	RoI (IAS 39) 1.3% (2.1%)	RoE 20.2% (13.5%)
ERGO	Net result €0.6bn (€0.8bn)	Combined ratio P-C Germany 90.3% (90.6%)	International 95.5% (94.3%)
Reinsurance	Net result €4.7bn (€2.6bn)	Combined ratio Property-casualty 83.2% (96.2%)	Total technical result Life and health ¹ €1.0bn (€0.9bn)

Major deviations

- **Group**
Higher net result: see next slide
Lower RoI driven by mark-to-market valuation of loans in VFA business (overlay approach)
- **P-C reinsurance**
Much lower combined ratio due to methodological differences, especially interest-rate effects
- **L/H reinsurance**
Total technical result slightly higher due to methodological differences

¹ Technical result including fee income under IFRS 4 not fully comparable with total technical result under IFRS 17.

Comparison of net result under IFRS 17 vs. IFRS 4

FY 2022

Net result

€m

	L/H reinsurance	P-C reinsurance	ERGO L/H Germany	ERGO P-C Germany	ERGO International	Total 2023
IFRS 4/IAS 39	737	1,856	485 ¹	185	155	3,419
IFRS 17/IAS 39	1,314	3,423	307	173	92	5,309
Change due to transition to IFRS 17	577	1,567	-179	-12	-63	1,890

Major drivers

L/H reinsurance: Earlier earnings recognition and other methodological differences (e.g. lower COVID-19 impact, higher currency result)

P-C reinsurance: Positive impact from release of loss component; high discounting only partially offset by low IFIE²

ERGO L/H Germany

- Updated IFRS profit-sharing assumptions in life, resulting in positive one-off of ~€200m only according to IFRS 4
- IFRS 17 result driven by CSM release

ERGO International

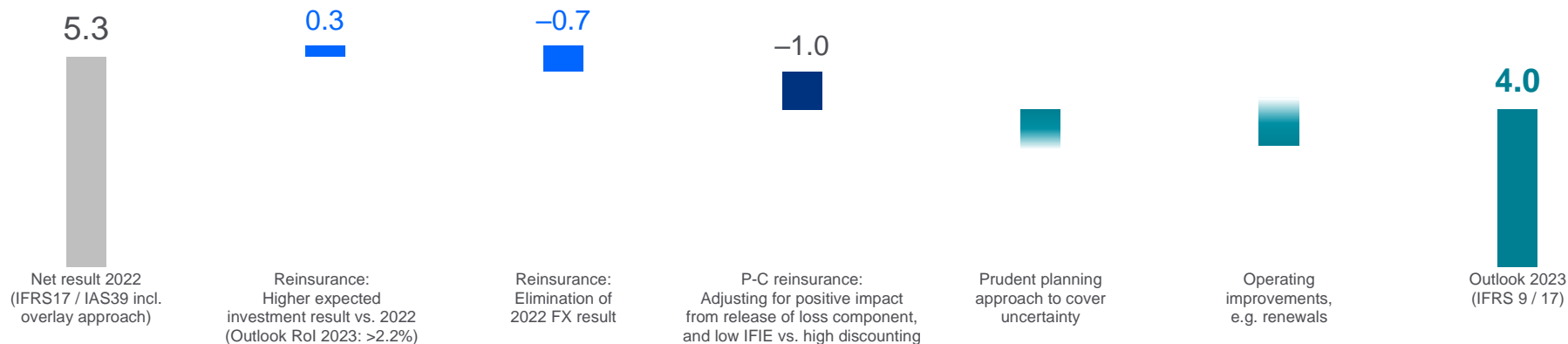
- Mainly negative effect from Health business, reflecting granular group of contracts

¹ Including positive one-off of ~€200m. ² Net insurance finance income or expenses.

Net result

Outlook 2023 vs. FY 2022

€bn (after tax)



Reinsurance

FY 2022 Outlook 2023

Life and health:
Total technical result

€1.0bn

~€1.0bn

Unchanged guidance for 2023 vs. 2022 actual, including some elements of prudence

Property-casualty:
Combined ratio

83.2%

~86%

Outlook 2023 includes operating improvements vs. normalised combined ratio of 86.6% in 2022, but also prudent assumptions



Thorsten Henn / Getty Images

05

Outlook

Group

Insurance revenue (gross)
~ **€58bn**

Net result
~ **€4.0bn**

Return on investment
> **2.2%**

ERGO

Insurance revenue (gross)
~ **€19bn**

Net result
~ **€0.7bn**

Combined ratio
P-C Germany
~ **89%**

International
~ **90%**

Reinsurance

Insurance revenue (gross)
~ **€39bn**

Net result
~ **€3.3bn**

Combined ratio
Property-casualty
~ **86%**

Total technical result
Life and health
~ **€1.0bn**



06

Additional information

Actual vs. analysts' consensus

Operating result – Actual vs. analysts' consensus¹

€m	Q1 2023	Consensus	Delta
Life and health reinsurance	391	260	131
Property-casualty reinsurance	1,076	840	236
ERGO Life and Health Germany	54	94	–40
ERGO Property-casualty Germany	211	89	122
ERGO International	36	74	–38
Operating result	1,768	1,333	435

Net finance costs	–42		
Taxes	–455		
Net result	1,271	1,012	259

KPIs – Actual vs. analysts' consensus¹

€m	Q1 2023	Consensus	Impact ²
Total technical result	320	251	69
Combined ratio	86.5%	85.9%	–38
Total technical result	258	116	142
Combined ratio	81.2%	89.5%	91
Combined ratio	95.4%	91.1%	–43

Segment RoI³

%	Q1 2023
Life and health reinsurance	3.2
Property-casualty reinsurance	4.0
ERGO Life and Health Germany	2.5
ERGO Property-casualty Germany	2.9
ERGO International	1.9

¹ Simple average of estimates the Munich Re Investor Relations team has gathered from analysts covering Munich Re, not considering any external data providers. ² For combined ratios: Delta between actual and consensus times insurance revenue (net). ³ Annualised.

Segment income statement

Q1 2023

€m	Life and health reinsurance	Property-casualty reinsurance	ERGO L/H Germany	ERGO P-C Germany	ERGO International	Total Q1 2023
<i>Gross premiums written¹</i>	3,290	9,050	2,612	1,763	1,514	18,229
Insurance revenue from insurance contracts issued	2,734	6,498	2,562	1,117	1,362	14,273
Insurance service result	264	855	248	206	98	1,672
Result from insurance-related financial instruments	56	73	10	0	–1	138
Total technical result	320	928	258	206	97	1,809
Investment result	171	676	628	54	83	1,612
Currency result	–25	–26	–94	2	–1	–145
Investment result from unit-linked life insurance	0	0	212	0	115	327
Net insurance finance income or expenses	–29	–324	–804	–4	–210	–1,371
Net financial result	117	326	–58	52	–13	423
Other operating result	–45	–179	–146	–47	–48	–465
Operating result	391	1,076	54	211	36	1,768
Net finance costs	–2	–33	10	–10	–7	–42
Taxes	–98	–283	–23	–35	–17	–455
Net result	291	760	41	166	12	1,271
Tax rate	25.2%	27.2%	35.7%	17.2%	57.7%	26.4%

¹ Alternative performance measure – not defined under IFRS 17.

Segment income statement

FY 2022

€m	Life and health reinsurance	Property-casualty reinsurance	ERGO L/H Germany	ERGO P-C Germany	ERGO International	Total FY 2022
<i>Gross premiums written¹</i>	13,676	34,399	9,703	4,198	5,157	67,133
Insurance revenue from insurance contracts issued	11,164	25,325	9,802	4,227	4,867	55,385
Insurance service result	755	4,093	1,189	400	343	6,779
Result from insurance-related financial instruments	286	130	−130	0	4	291
Total technical result	1,041	4,224	1,059	400	347	7,070
Investment result	582	727	1,379	113	182	2,983
Currency result	397	438	253	−12	−9	1,067
Investment result from unit-linked life insurance	0	0	−750	0	−390	−1,140
Net insurance finance income or expenses	−25	−429	−816	18	192	−1,060
Net financial result	955	736	66	118	−25	1,850
Other operating result	−274	−759	−683	−217	−176	−2,108
Operating result	1,722	4,201	442	301	146	6,812
Net finance costs	−26	−127	16	−7	−35	−179
Taxes	−381	−652	−152	−121	−18	−1,324
Net result	1,314	3,423	307	173	92	5,309
<i>Tax rate</i>	<i>22.5%</i>	<i>16.0%</i>	<i>33.1%</i>	<i>41.1%</i>	<i>16.6%</i>	<i>20.0%</i>

ERGO Life and Health Germany – Total technical result

FY 2022






€m

Release of CSM	948
Release of risk adjustment (non-PAA)	49
Experience adjustments not adjusted against CSM (non-PAA)	19
Onerous contracts and changes not affecting CSM (non-PAA)	–6
Insurance service result from PAA business	179
Insurance service result	1,189
Result from insurance-related financial instruments	–130
Total technical result 2022	1,059

- Release of CSM, including expected over-return
- Release of risk adjustment mainly driven by life back book
- PAA result largely from short-term health insurance and travel
- Negative result from insurance-related financial instruments reflecting market value change of interest-rate reinsurance

ERGO Life and Health Germany – CSM/RA

FY 2022

€m		CSM ¹	RA ¹
CSM/RA			
01.01.2022		9,411	1,038
New contracts added		221	14
Accretion of interest		0	0
Operating changes		1,764	–423
Change in financial effects		0	0
Other		0	0
Release (through P&L)		–948	–49
CSM/RA			
31.12.2022		10,448	580

CSM

- New contracts added in life new book and health – due to life back book run-off and strategic shift in health to short-term (PAA) business clearly below CSM release
- Considerable increase from operating changes in life back book mainly due to interest rate increase and updated management rules, ...
- ... partially offset by life new book and health, due to interest rate increase and stock market development

Risk adjustment

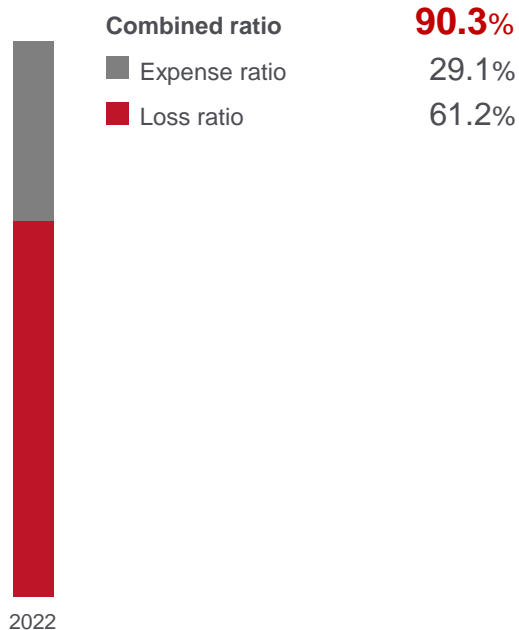
- Declining due to higher interest rates and lower risk capital

ERGO Property-casualty Germany

FY 2022

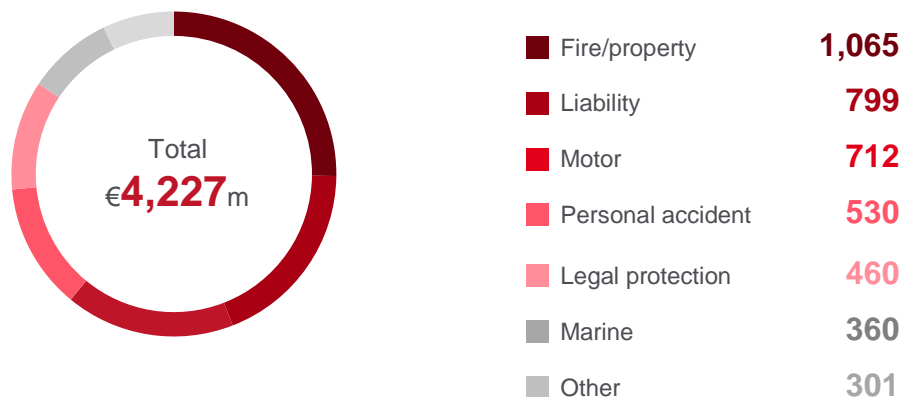
Combined ratio in 2022

%



Insurance revenue (gross) in 2022

€m



ERGO International

FY 2022

Property-casualty¹

Combined ratio

%



Combined ratio

Expense ratio

Loss ratio

95.5%

31.6%

63.9%

88.7

Poland

98.2

Legal
protection

97.7

Greece

95.8

Baltic
states

92.0

Austria

105.4

Spain

Life and Health

Total technical result – 2022

€m

Release of CSM	164
Release of risk adjustment (non-PAA)	11
Experience adjustments not adjusted against CSM (non-PAA)	–23
Onerous contracts and changes not affecting CSM (non-PAA)	–46
Insurance service result from PAA business	31
Insurance service result	138
Result from insurance-related financial instruments	0
Total technical result	138

CSM/RA development

€m

CSM²

RA²

01.01.2022

2,504

175

New contracts added

243

14

Accretion of interest

10

1

Operating changes

466

43

Change in financial effects

–2

–42

Other

0

0

Release (through P&L)

–164

–11

31.12.2022

3,057

180

Life and health reinsurance – Total technical result

FY 2022

€m

Release of CSM	954
Release of risk adjustment	255
Experience adjustments not adjusted against CSM	–245
Onerous contracts and changes not affecting CSM	–210
Insurance service result	755
Result from insurance-related financial instruments	286
Total technical result 2022	1,041

- Release of CSM in line with expectation of ~8% p.a.
- Release of risk adjustment also in line with expectation
- Negative experience adjustments mostly from adverse mortality experience in North America
- Negative effects from onerous contracts driven by one large contract
- Strong result contribution from insurance-related financial instruments, reflecting successful growth of financially motivated reinsurance, particularly in Asia and the US

Life and health reinsurance – CSM/RA

FY 2022

€m

CSM/RA
01.01.2022**CSM¹****RA¹****9,808****3,888**New contracts
added

1,354

285

Accretion
of interest

85

29

Operating
changes

603

18

Change in
financial effects

86

–1,057

Other



–2

0

Release
(through P&L)

–954

–255

CSM/RA
31.12.2022**10,980****2,907****CSM**

- Increase mainly driven by profitable new business growth, especially in North America
- Positive operating changes from favourable in-force portfolio developments and from extensions of existing contracts
- Release in line with expectation

Risk adjustment

- Substantial negative change in financial effects due to sharp rise in interest rates (note: financial effects other than FX do not impact CSM due to “lock-in” principle)
- Release in line with expectation

Property-casualty reinsurance – Combined ratio

FY 2022

Combined ratio

83.2%



2022

■ Expenses

15.3%

■ Major losses

15.4%

■ Basic losses

52.5%

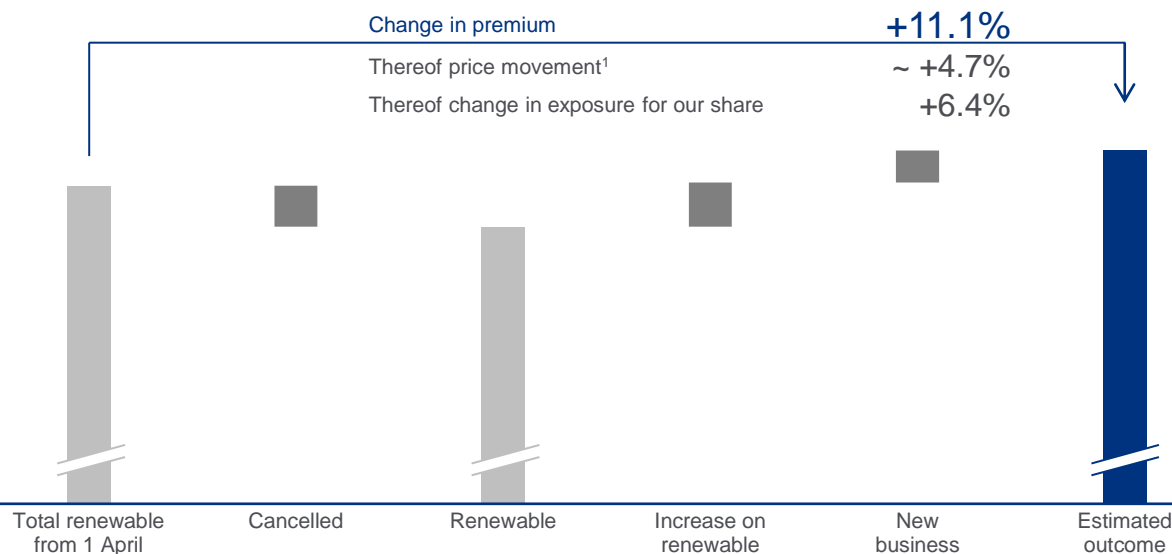
	%	2022	Ø Annual expectation
Change in loss component		-2.0	~ 0.0
Major losses ¹		15.4	~ 16.5
Nat cat ¹		8.7	~ 10.8
Man-made ¹		6.7	~ 5.7
Reserve releases ²		-5.3	-5.0
Normalised combined ratio		86.6	~ 86.0

¹ Major-loss expectation for 2022 of 16.5% based on outlier threshold of €10m; major-loss expectation of 14% for 2023 based on new outlier threshold of €30m.

² Basic losses prior years, already adjusted for directly corresponding sliding-scale and profit-commission effects.

April renewals

%	100	-12.9	87.1	+13.9	+10.1	111.1
€m	2,611	-337	2,274	+363	+264	2,902



Continued trend of profitable growth with sizeable improvements in terms and conditions

- **Property XL**
Substantial expansion of nat cat business with material price increases
- **Proportional business**
Active portfolio management to optimise risk-return profile
- **Casualty XL**
Reduction of business while protecting margins

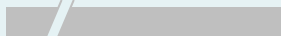
¹ Price movement is risk-adjusted, i.e. includes claims inflation and loss trends. Furthermore, price movement is calculated on a wing-to-wing basis (including cancelled and new business).

Revenue development

Q1 2023


Insurance revenue (gross)

€m

Q1 2022  13,261

Foreign exchange | 100

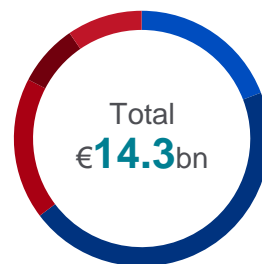
Divestments/
investments | 42

Organic change  870

Q1 2023  **14,273**

Segmental breakdown

€bn



Life and health reinsurance

Property-casualty reinsurance

ERGO Life and Health Germany

ERGO Property-casualty Germany

ERGO International

Revenue

2.7

Share

19%

6.5

46%

2.6

18%

1.1

8%

1.4

10%

Insurance revenue (gross) change vs. Q1 2022

%

L/H reinsurance -6.1 

P-C reinsurance  13.1

ERGO L/H Germany  8.5

ERGO P-C Germany  17.2

ERGO International  5.4

Munich Re Group  **7.6**

Insurance revenue (gross): ERGO International

Q1 2023

Property-casualty

	Q1 2023
Poland	430
Legal protection	156
Greece	61
Baltic states	59
Austria ¹	58
Thailand ²	48
Other	6
Total	817



Life and Health



	Q1 2023
Life	
Austria	42
Belgium	34
Other	54
Total	130

	Q1 2023
Health	
Spain ³	232
Belgium	183
Total	415

Total comprehensive income

Q1 2023

€m

	Reinsurance Total	ERGO L/H Germany	ERGO P-C Germany	ERGO International	Munich Re Q1 2023
Total comprehensive income	1,383	93	185	77	1,739
Thereof net result	1,051	41	166	12	1,271
Thereof change in OCI (after tax)	332	52	19	65	468
Thereof from investments	1,032	658	54	180	1,923
Thereof from insurance contracts	-434	-607	-35	-98	-1,174
Thereof currency translation differences	-266	1	-0	-17	-281

Change in CSM and risk adjustment by segment

Q1 2023

€m

	CSM	▲ vs. 31.12.2022 (%)	Risk adjustment	▲ vs. 31.12.2022 (%)
Life and health reinsurance	10,550	−3.9%	3,263	12.3%
Property-casualty reinsurance	12	—	345	1.6%
ERGO L/H Germany	10,762	3.0%	549	−5.4%
ERGO P-C Germany	384	3.4%	79	19.8%
ERGO International	3,342	3.7%	185	−11.4%
Total	25,050	0.1%	4,421	7.8%

Return on equity

Q1 2023

€m

	Reinsurance		ERGO		Munich Re Group	
	31.3.2023	31.12.2022	31.3.2023	31.12.2022	31.3.2023	31.12.2022
Adjusted equity	24,543	22,743	5,889	5,524	30,433	28,267
Average adjusted equity	23,643		5,707		29,350	
Net result	1,051		219		1,271	
RoE	17.8%		15.4%		17.3%	

Return on investment by asset class and segment

Q1 2023

% ¹	Regular income	Write-ups/-downs change in ECL	Disposal result	Fair-value change	Other inc./exp.	Rol	↻ Market value (€m)
Fixed income	2.9	−0.1	−0.4	−0.1	0.0	2.4	173,153
Equities	2.2	0.0	0.0	24.2	0.0	26.4	10,804
Affiliated/associated companies	0.7	0.0	11.9	0.3	0.0	12.8	9,030
Real estate	4.7	−0.6	2.6	−0.4	−0.3	6.0	13,170
Derivatives	0.5	0.0	0.0	−88.0	−2.5	−90.0	1,737
Other ²	−7.6	0.6	−13.7	−8.7	0.0	−11.5	7,538
Total	3.0	−0.1	0.3	0.1	−0.3	3.0	215,432
Reinsurance	3.1	−0.1	0.9	0.3	−0.5	3.8	88,914
ERGO	2.9	−0.2	−0.1	0.0	−0.2	2.4	126,518

0.4%

3.0%

To be disclosed during the year with the quarterly releases

Q1 2022

Q2 2022

Q3 2022

Q4 2022

Q1 2023

Investment result – Reinsurance

Q1 2023

Life and health reinsurance

€m	Q1 2023	Return ¹
Regular income	174	3.2%
Write-ups/write-downs	–1	0.0%
Change in expected credit loss (ECL)	1	0.0%
Disposal gains/losses	8	0.2%
Fair-value change	10	0.2%
Other income/expenses	–22	–0.4%
Investment result	171	3.2%
Average market value		21,511

Q1 2022	Return ¹
149	2.4%
–48	–0.8%
0	0.0%
29	0.5%
–20	–0.3%
–19	–0.3%
90	1.5%
	24,638

Property-casualty reinsurance

€m	Q1 2023	Return ¹
Regular income	522	3.1%
Write-ups/write-downs	–25	–0.1%
Change in expected credit loss (ECL)	7	0.0%
Disposal gains/losses	191	1.1%
Fair-value change	64	0.4%
Other income/expenses	–83	–0.5%
Investment result	676	4.0%
Average market value		67,403

Q1 2022	Return ¹
402	2.3%
–493	–2.9%
0	0.0%
437	2.5%
–207	–1.2%
–64	–0.4%
75	0.4%
	69,144

Figures for Q1 2022 based on IAS 39 including overlay, not fully comparable with IFRS 9.
¹ Annualised return on quarterly weighted investments (market values) in %.

Investment result – ERGO

Q1 2023

Life and Health Germany

€m	Q1 2023	Return ¹
Regular income	782	3.1%
Write-ups/write-downs	–1	0.0%
Change in expected credit loss (ECL)	–46	–0.2%
Disposal gains/losses	–29	–0.1%
Fair-value change	–26	–0.1%
Other income/expenses	–52	–0.2%
Investment result	628	2.5%
Average market value		101,348

	Q1 2022	Return ¹
	771	2.6%
	–447	–1.5%
	0	0.0%
	401	1.3%
	–731	–2.4%
	–50	–0.2%
	–56	–0.2%
		120,868

Property-casualty Germany

€m	Q1 2023	Return ¹
Regular income	51	2.7%
Write-ups/write-downs	–1	0.0%
Change in expected credit loss (ECL)	1	0.1%
Disposal gains/losses	–1	–0.1%
Fair-value change	10	0.5%
Other income/expenses	–5	–0.3%
Investment result	54	2.9%
Average market value		7,562

	Q1 2022	Return ¹
	34	1.8%
	–41	–2.1%
	0	0.0%
	50	2.6%
	22	1.1%
	–4	–0.2%
	61	3.2%
		7,742

Figures for Q1 2022 based on IAS 39 including overlay, not fully comparable with IFRS 9.
¹ Annualised return on quarterly weighted investments (market values) in %.

Investment result – ERGO

Q1 2023

International

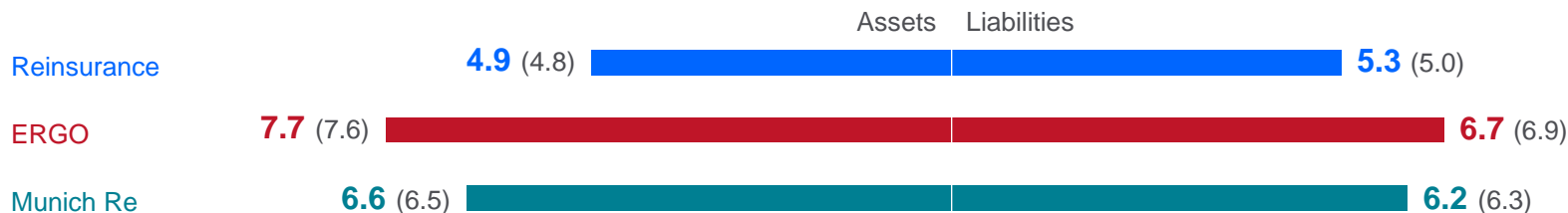
€m	Q1 2023	Return ¹
Regular income	72	1.6%
Write-ups/write-downs	0	0.0%
Change in expected credit loss (ECL)	-1	0.0%
Disposal gains/losses	-3	-0.1%
Fair-value change	17	0.4%
Other income/expenses	-2	0.0%
Investment result	83	1.9%
Average market value		17,609

	Q1 2022	Return ¹
	59	1.2%
	-2	0.0%
	0	0.0%
	19	0.4%
	10	0.2%
	1	0.0%
	87	1.7%
		20,187

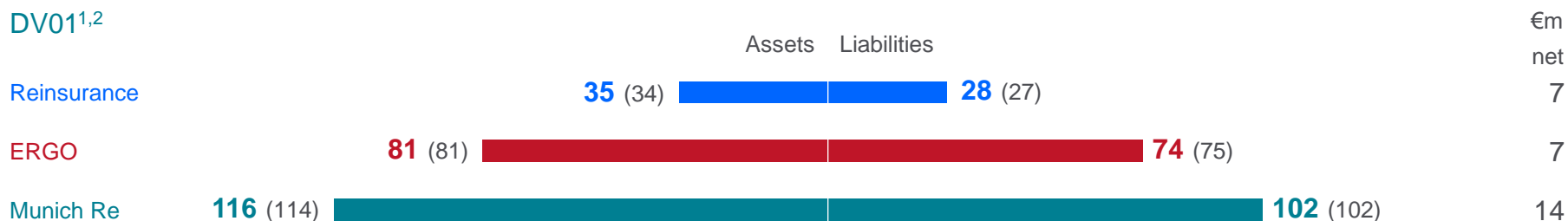
Duration investment portfolio

Q1 2023

Portfolio duration¹



DV01^{1,2}

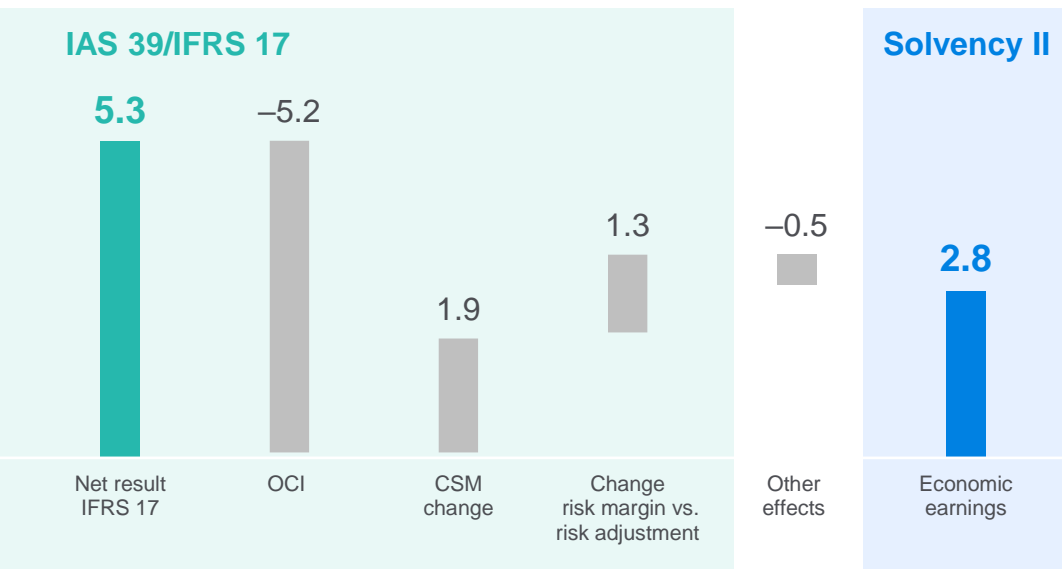


¹ Fair values as at 31.3.2023 (31.12.2022). ² Market-value change due to a parallel downward shift in yield curve by one basis point, considering the portfolio size of assets and liabilities (pre-tax). Negative net DV01 means rising interest rates are beneficial.

IFRS 17 vs. Solvency II

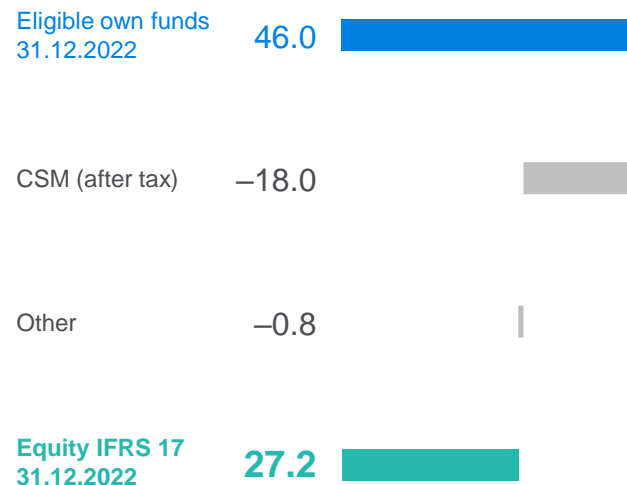
FY 2022

Methodological bridge IFRS result vs. SII economic earnings (31.12.2022)



SII/IFRS balance-sheet reconciliation

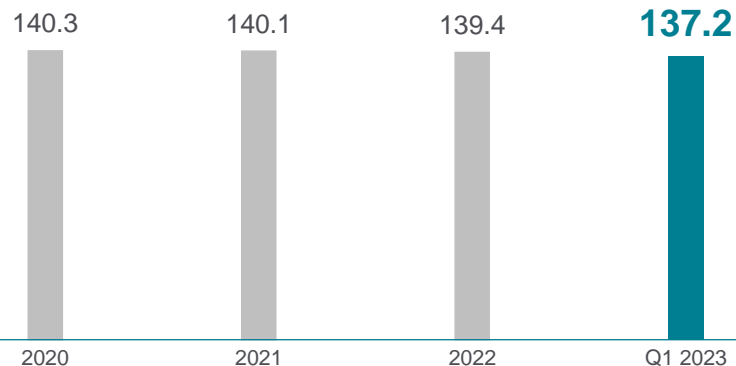
€bn



Changes to shares in circulation

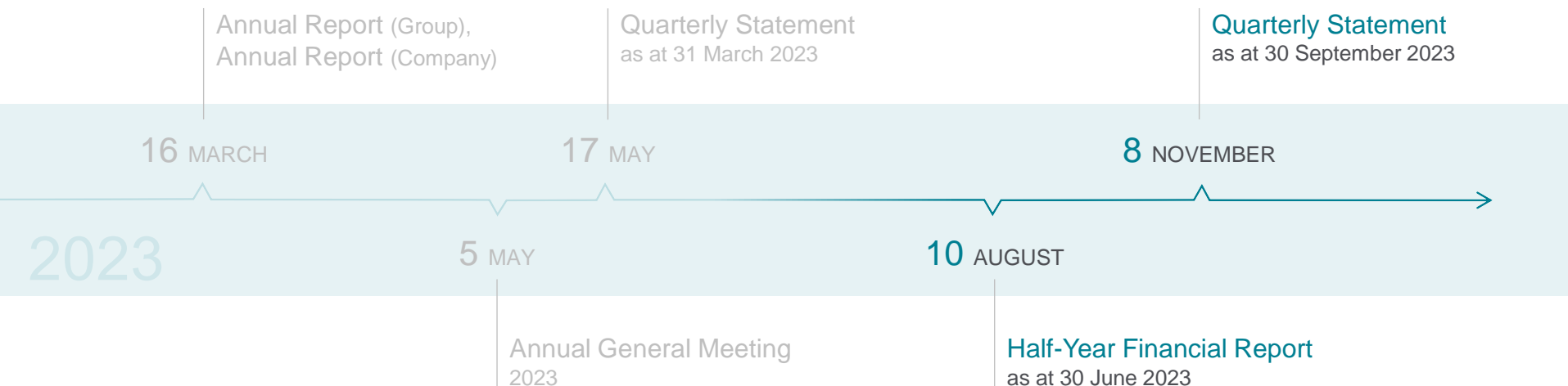
Shares (millions)	31.12. 2022	Acquisition of own shares in Q1 2023	Retirement of own shares in Q1 2023	31.3. 2023
Shares in circulation	137.6	-1.2	-	136.5
Treasury shares	2.5	1.2	-	3.6
Total	140.1	-	-	140.1

Weighted average number of shares in circulation (millions)



Financial calendar

2023



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

Nadine Schog (ERGO)

Tel.: +49 (211) 477-8035

Email: nadine.schog@ergo.de

This presentation contains forward-looking statements that are based on current assumptions and forecasts of the management of Munich Re. Known and unknown risks, uncertainties and other factors could lead to material differences between the forward-looking statements given here and the actual development, in particular of the results, financial situation and performance of our Group. Obvious fluctuations in the incidence of major losses in addition to the pronounced volatility of the capital markets and exchange rates – as well as the special features of IFRS accounting – make an accurate forecast of results impossible. The Group assumes no liability to update these forward-looking statements or to make them conform to future events or developments. Due to rounding, there may be minor deviations in summations and in the calculation of percentages in this presentation. Figures for FY 2022 are based on IFRS 17 and IAS 39 including overlay approach.