Munich Re withdraws profit guidance for 2020 and discontinues share buy-back until further notice

In the first quarter of 2020, Munich Re's property-casualty reinsurance segment saw a considerable claims burden from losses in connection with the effects of the significantly worsened COVID-19 crisis. The claims expenditure is due mainly to the cancellation and postponement of large events. Hence, even though work on the quarterly accounts has just begun, Munich Re only anticipates profits in the low three-digit million euro range for the first three months of 2020 (Q1 2019: €633m).

Owing to the great uncertainty concerning the macroeconomic and financial impacts of COVID-19, from today's perspective – and assuming a burden from major man-made and natural-catastrophe losses that is otherwise in line with expectations – Munich Re will not attain its profit guidance of €2.8bn for 2020 as a whole.

Even after the impacts of capital-market and loss developments, Munich Re's solvency ratio is still comfortably within the communicated optimal range of 175–220% of the requirement. The proposal to the Annual General Meeting on 29 April remains unchanged: that the dividend be increased to €9.80 per share. Implementation of the 2020/2021 share buy-back programme announced on 26 February 2020, however, will be discontinued until further notice and until there is greater clarity both on the actual burdens arising from COVID-19 and on capital requirements for potential organic or inorganic business opportunities.

Note: "Solvency ratio" excluding the application of transitional measures for technical provisions

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Munich Re

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