Quarterly Statement 3/2016
Munich Re

3/2016

WE PROGRESS AS ONE

Key figures (IFRS)

Munich Re at a glance

		Q1–3 2016	Q1–3 2015	Change	Q3 2016	Q3 2015	Change
				%			%
Consolidated result	€m	2,095	2,391	–12.4	684	525	30.3
Thereof attributable to non-controlling interests	€m	6	11	–49.7	–1	5	–
Earnings per share	€	13.0	14.3	–9.0	4.3	3.1	36.9
Return on risk-adjusted capital (RORAC)	%	11.8	11.8		11.5	7.7	
Return on investment (RoI)	%	3.4	3.3		2.7	2.6	
Return on equity (RoE)	%	8.8	10.1		8.5	6.9	

		30.9.2016	31.12.2015	Change
				%
Book value per share	€	202.49	188.40	7.5
Munich Reinsurance Company's market capitalisation	€bn	26.7	30.8	–13.2
Share price	€	166.00	184.55	–10.1
Equity	€m	32,355	30,966	4.5
Investments	€m	222,040	215,093	3.2
Insurance-related investments	€m	9,506	9,163	3.7
Net technical provisions	€m	202,715	198,455	2.1
Balance sheet total[1]	€m	271,770	268,868	1.1
Number of staff		43,880	43,554	0.7

Reinsurance

		Q1–3 2016	Q1–3 2015	Change	Q3 2016	Q3 2015	Change
				%			%
Gross premiums written	€m	20,945	21,236	–1.4	7,252	7,118	1.9
Combined ratio property-casualty	%	93.7	93.4		92.5	94.5	
Investment result	€m	1,735	2,078	–16.5	575	224	156.5
Consolidated result	€m	2,130	1,890	12.7	692	380	82.0
Thereof: Reinsurance – Life	€m	369	172	114.8	134	48	176.8
Thereof: Reinsurance – Property-casualty	€m	1,761	1,718	2.5	558	332	68.2

ERGO

		Q1–3 2016	Q1–3 2015	Change	Q3 2016	Q3 2015	Change
				%			%
Gross premiums written	€m	12,136	12,490	–2.8	3,849	3,970	–3.1
Combined ratio Property-casualty Germany	%	96.0	95.8		96.1	96.1	
Combined ratio International	%	98.5	101.1		98.6	104.1	
Investment result	€m	4,126	3,703	11.4	1,022	1,283	–20.4
Consolidated result	€m	–111	417	–	–52	100	–
Thereof: Life and Health Germany	€m	19	133	–85.5	–49	27	–
Thereof: Property-casualty Germany	€m	–83	234	–	10	48	–79.7
Thereof: International	€m	–47	50	–	–12	25	–

Munich Health

		Q1–3 2016	Q1–3 2015	Change	Q3 2016	Q3 2015	Change
				%			%
Gross premiums written	€m	3,701	4,260	–13.1	1,243	1,393	–10.8
Combined ratio[2]	%	99.3	99.6		96.4	98.5	
Investment result	€m	81	92	–11.9	23	24	–6.8
Consolidated result	€m	76	84	–9.4	44	45	–1.5

1 Previous year's figure adjusted owing to IAS 8.
2 Excluding health insurance conducted like life insurance.

Contents

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Quarterly Statement[1]

Business environment

The global low-interest environment continued to pose great challenges for investment. Yields on ten-year German government bonds remained negative for most of the third quarter, and interest rates in the USA reached a historic low of 1.36% in early July. Year on year, interest rates in the first nine months of 2016 were significantly lower. The chief reasons for this were weak global economic growth, low inflation, expansive monetary policy, and the flight into safe haven investments. Whilst the decline in yields leads to higher prices for fixed-income bonds in our portfolio, the lower interest rates diminish regular income from reinvestment. In the first nine months, our regular return on investments was 2.8%, and was thus down 0.3 percentage points on the same period of the previous year (3.1%).

Interest rates on ten-year government bonds

%	30.9.2016	31.12.2015
USA	1.6	2.3
Germany	–0.1	0.6

The European Central Bank and the US Federal Reserve did not adjust their key interest rates in the third quarter. Owing to a weaker growth outlook, the Bank of England lowered its key interest rate from 0.5% to 0.25% in August, and announced that it would be purchasing government and corporate bonds. In September, the Japanese central bank signalled that, in future, it will also be pursuing an interest-rate target for government bonds as part of its bond-buying programme. Monetary policy thus remained expansive in the world's most important economies.

Stock markets

	30.9.2016	31.12.2015
DJ EuroStoxx 50	3,002	3,268
Dow Jones Index	18,308	17,425

The volatility on the international stock markets – which had risen sharply following what for many was a surprising result in the Brexit referendum – receded in the course of the third quarter. Important share price indices such as the DJ EuroStoxx 50 and the Japanese Nikkei recovered somewhat as against their levels at the end of the second quarter, but remained below their highs in that same quarter. By contrast, the US Dow Jones Index and the German DAX climbed slightly. The rise in oil prices did not continue in the third quarter.

1 This Quarterly Statement was drawn up in accordance with IFRS principles. It is not an interim report within the meaning of IAS 34, or a financial statement within the meaning of IAS 1.

Currency translation rates

Rate for €1	30.9.2016	31.12.2015	Q3 2016	Q3 2015
Australian dollar	1.46855	1.49305	1.47166	1.53378
Canadian dollar	1.47700	1.50895	1.45589	1.45470
Pound sterling	0.86510	0.73705	0.85033	0.71792
US dollar	1.12380	1.08630	1.11618	1.11170

We write a large portion of our business outside the eurozone. If the euro appreciates against other currencies, this has a negative impact on the development of our premium income, whereas premium income increases if the euro loses value. Average exchange rates in the first nine months of 2016 had a negative year-on-year effect on premium volume. The value shown for investments in non-euro assets is translated at period-end exchange rates, so currency translation effects had a negative impact on the value of investments in the first nine months of the year. However, there were net currency gains when taking account of changes in the value of our liabilities.

Performance of Munich Re

Key figures

		Q1-3 2016	Q1-3 2015	Change	Q3 2016	Q3 2015	Change
				%			%
Gross premiums written	€m	36,782	37,986	-3.2	12,344	12,481	-1.1
Technical result[1]	€m	2,290	2,602	-12.0	816	822	-0.7
Investment result	€m	5,942	5,872	1.2	1,619	1,532	5.7
Insurance-related investment result	€m	60	-69	–	237	-322	–
Operating result	€m	3,202	3,392	-5.6	1,014	580	75.0
Taxes on income	€m	-623	-301	-107.2	-164	101	–
Return on risk-adjusted capital (RORAC)	%	11.8	11.8		11.5	7.7	
Return on equity (RoE)	%	8.8	10.1		8.5	6.9	
Consolidated result	€m	2,095	2,391	-12.4	684	525	30.3
Thereof: Attributable to non-controlling interests	€m	6	11	-49.7	-1	5	–
					30.9.2016	31.12.2015	Change
					€bn	€bn	%
Equity					32.4	31.0	4.5

1 Previous year's figure adjusted owing to IAS 8.

Munich Re posted a consolidated profit of €2.1bn (2.4bn) for the first nine months of 2016, of which €684m is attributable to the third quarter. There was a low impact from major losses both in the year as a whole and in the third quarter. Restructuring expenses of around €400m gross (around €160m net) for the ERGO Strategy Programme, which we posted in the second quarter, had an adverse impact on the consolidated result.

Gross premiums written by the Group were down by €1.2bn (–3.2%). If exchange rates had remained unchanged, premium income would have declined by €0.4bn (–1.1%).

The investment result for the third quarter was gratifying. We posted a high result from disposals, mainly from fixed-interest securities. We were thus able to generate a very satisfying return on investment for both reinsurance and for ERGO in the course of the year and with respect to the third quarter.

The revaluation of balance-sheet items in foreign currencies at period-end exchange rates led to a positive currency result of €325m (–314m), which is recognised under the “other non-operating result”. We benefited in particular from the depreciation of the British pound as a consequence of the Brexit referendum in the second quarter.

In the first nine months of 2016, we posted taxes on income of €623m (301m), of which €164m related to the third quarter. The effective tax rate from January to September was 22.9% (11.2%).

Since the beginning of the year, Group equity has risen by €1.4bn, of which €0.3bn related to the third quarter. This results from our consolidated profit and higher on-balance-sheet net unrealised gains on investments because of declining interest rates. These gains were offset in part by negative currency translation adjustments from the somewhat stronger euro against the US dollar over the year as a whole and in the third quarter. Above all, there was the negative impact from the dividend payout (€1.3bn) in April 2016 and from share buy-backs.

We concluded the share buy-back programme announced in March 2015 as planned on 15 April 2016. In March 2016, the Board of Management launched another share buy-back programme. We intend to buy back own shares up to a maximum purchase price of €1bn by the Annual General Meeting on 26 April 2017. Overall, as part of our share buy-back programmes, we repurchased 4.4 million Munich Re shares totalling €709m in the first nine months of 2016.

Business performance

Reinsurance – Life

Key figures

		Q1–3 2016	Q1–3 2015	Change	Q3 2016	Q3 2015	Change
				%			%
Gross premiums written	€m	7,212	7,653	–5.8	2,636	2,537	3.9
Share of gross premiums written in reinsurance	%	34.4	36.0		36.3	35.6	
Technical result	€m	318	247	28.8	146	114	28.0
Investment result	€m	469	628	–25.4	164	104	57.3
Operating result	€m	384	335	14.8	165	63	164.3
Consolidated result	€m	369	172	114.8	134	48	176.8
Thereof attributable to non-controlling interests	€m	0	0	–	0	0	–

Premium
With the majority of our business written in non-euro currencies, currency translation effects have a significant impact on premium development. If exchange rates had remained unchanged, our premium volume would have shown a year-on-year decrease of 2.3% for the first nine months and an increase of 5.3% for the third quarter. The decrease in the first three quarters is chiefly attributable to the fact that a large treaty was renewed at a reduced volume with effect from 2016.

Result

The technical result developed very well in the third quarter and is significantly above our expectations, partly owing to positive risk experience. There was an absence of large losses, and the result also benefited overall from a number of minor one-off effects. In geographical terms, the good result derived in particular from North America and Europe.

The significant decline in the investment result for the first nine months is mainly due to reduced regular income and lower gains on the disposal of equities. The net balance of derivatives improved, and thus mitigated the decline somewhat. The increase in the third quarter stems from an improved balance from reversals of impairments and write-downs, and from higher gains on disposals than in the same period last year.

Reinsurance – Property-casualty

Key figures

		Q1–3 2016	Q1–3 2015	Change	Q3 2016	Q3 2015	Change
				%			%
Gross premiums written	€m	13,733	13,583	1.1	4,616	4,581	0.8
Share of gross premiums written in reinsurance	%	65.6	64.0		63.7	64.4	
Loss ratio	%	62.4	62.2		61.9	63.3	
Thereof: Major losses	Percentage points	7.2	6.7		6.6	9.2	
Expense ratio	%	31.3	31.1		30.6	31.3	
Combined ratio	%	93.7	93.4		92.5	94.5	
Technical result	€m	1,642	1,870	–12.2	597	572	4.4
Investment result	€m	1,266	1,450	–12.7	411	120	242.5
Operating result	€m	2,010	2,284	–12.0	705	363	94.4
Consolidated result	€m	1,761	1,718	2.5	558	332	68.2
Thereof attributable to non-controlling interests	€m	0	0	–	0	0	–

Premium

In property-casualty reinsurance, changes in exchange rates had a negative impact on premium in the period from January to September. If exchange rates had remained unchanged, premium income would have seen a year-on-year increase of 3.5% for the first nine months and 2.9% for the third quarter.

The renewals at 1 July 2016 mainly involved treaty business in the US market, in Australia and Latin America, and from global clients. A total premium volume of around €2.1bn was up for renewal, representing around 12% of Munich Re's property-casualty reinsurance business. Pressure on prices, terms and conditions remained high, in particular for natural catastrophe covers, which accounted for about 21% of these renewals. Prices declined by only 0.4% (previous year's renewals at 1 July 2015: decrease of 2.1%); there were thus further signs of stabilisation. Premium volume remained approximately stable, as we were able to almost entirely offset price and cycle-management-related decreases in business volume by writing attractive new business. Despite declining prices in recent renewal rounds, our portfolio continues to be profitable.

Result

The technical result in the property-casualty reinsurance segment was down year on year.

Total major-loss expenditure in the first nine months amounted to €920m (847m), of which €277m (386m) was attributable to the third quarter. In each case, these figures are net of retrocessions and before tax, and are equivalent to 7.2% of net earned premiums for the first nine months and 6.6% for the third quarter, to be measured against our major-loss projections of 12% of earned premiums.

The claims burden from natural catastrophes totalled €470m (149m) for the first nine months, of which €145m (62m) was attributable to the third quarter. The highest expenditure for the third quarter resulted from severe flooding in Louisiana in August, for which we anticipate net major-loss expenditure of around €60m.

Man-made losses totalled €450m (699m) for the first nine months and €132m (324m) for the third quarter. A fire loss constituted the biggest single loss, for which we expect around €60m in net expenditure.

In addition to the comprehensive reassessment of provisions for basic losses that we carry out primarily towards the end of the year, we also perform detailed analyses of the claims notifications we receive every quarter. As the claims notifications remained appreciably below the expected level, we made reserve releases of around €210m in the third quarter, which is equivalent to 5.0 percentage points of the combined ratio. We also still aim 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 are possible at a later stage, especially as long as inflation remains low.

The combined ratio for the first nine months amounted to 93.7% (93.4%) of net earned premiums.

We posted an investment result of €1,266m (1,450m) in the period from January to September 2016. The year-on-year decrease is mainly due to lower gains on the disposal of equities and a positive one-off effect from last year's acquisition of almost all the shares in 13th & F Associates Limited Partnership Columbia Square (13th & F), Washington, D.C. The increase in the third quarter compared with the same period last year is largely due to the improved balance from reversals of impairments and write-downs.

ERGO

After conducting intense negotiations, ERGO Group AG (ERGO) and the co-determination bodies agreed on a reconciliation of interests regarding the sales organisation at the beginning of August. ERGO will thus implement the new sales structure with effect from 1 January 2017. This structure will involve consolidating the separately managed sales units into a tied agency sales force and withdrawing from a number of decentralised locations. ERGO stated in June 2016 that it would establish a Strategy Programme to adapt to the changes in the insurance market. In this context, ERGO will invest a net sum of €1bn by 2020, in particular in order to press ahead with the digital transformation of its business. In this connection, ERGO also announced that it would cut around 1,800 jobs in Germany, the majority of which would affect the sales organisation.

ERGO Life and Health Germany

Key figures

		Q1–3 2016	Q1–3 2015	Change	Q3 2016	Q3 2015	Change
				%			%
Total premium income[1]	€m	7,443	7,696	–3.3	2,455	2,510	–2.2
Gross premiums written	€m	6,823	7,025	–2.9	2,302	2,297	0.2
Share of gross premiums written by ERGO	%	56.2	56.2		59.8	57.9	
Technical result[2]	€m	207	263	–21.1	5	52	–90.0
Investment result	€m	3,698	3,141	17.7	895	1,162	–23.0
Operating result	€m	539	313	71.8	15	82	–82.1
Consolidated result	€m	19	133	–85.5	–49	27	–
Thereof attributable to non-controlling interests	€m	0	0	–	0	0	–

1 Total premium income includes not only gross premiums written but also savings premiums for unit-linked life insurance and capitalisation products in accordance with the applicable statutory accounting guidelines.
2 Previous year's figures adjusted owing to IAS 8.

Premium

The decline in overall premium income and gross premiums written is due to lower regular premium volume and lower income from single-premium business in life insurance.

In the Life Germany field of business, total premium income fell by 7.8% to €2,713m (2,941m) for the first nine months, of which €888m (934m) was attributable to the third quarter (–4.9%). Gross premiums written were down by 7.6% to €2,157m (2,334m) for the first three quarters and totalled €755m (741m) for the period from July to September. The 4.7% decrease in regular premium income derived in particular from persistent portfolio reduction, which could not be offset by new business. New regular premium business showed a 5.2% fall, and new single-premium business was down by 21.5% – mainly on account of lower sales, but also because in the first nine months of 2016 the number of policies concluded in 2015 and not accounted for until 2016 was down year on year. Overall, new business decreased by 18.1% in the period from January to September 2016. In terms of annual premium equivalent (APE, i.e. regular premium income plus one-tenth of single-premium volume), which is the performance measure customary among investors, our new business volume dropped by 9.6%.

In our Health Germany field of business, premium income was down by 0.6% year on year to €3,906m (3,929m) for the period January to September 2016 and by 0.7% to €1,300m (1,310m) for the third quarter. Premium in supplementary health insurance fell by 3.6%, chiefly owing to the termination of a large-volume treaty. Without this effect, premium income in supplementary health insurance would have increased by 1.6%. In comprehensive health insurance, premium volume was roughly on a par with the same period last year (+0.2%).

Total premium for direct business in Germany was at almost the same level as in the same period last year, declining by 0.1% to €825m (826m) in the first three quarters overall, but rising by 0.5% to €267m (266m) in the months July to September. The discontinuation of single-premium annuity business and the decrease in regular premium income from capital products in life insurance was only partly offset by growth in health insurance. Gross premiums written dipped by 0.2% to €760m (761m) in the first nine months of 2016, and were higher year on year at €248m (246m) for the period July to September. In terms of annual premium equivalent, our new business volume was 1.1% below last year's level.

Result

The technical result generated by the ERGO Life and Health Germany segment in the first nine months and in the third quarter of 2016 was down compared with the figures for the same periods last year. This was largely attributable to a one-off effect in the Life Germany field of business, which masked the slight rise in direct business in Germany. This one-off effect resulted from the regular monitoring of underwriting assumptions that takes place every year in the third quarter. The investment result for the first nine months was up year on year, but deteriorated for the third quarter. The overall increase since the beginning of the year was attributable to gains from our interest-rate hedges and higher gains on disposals, especially of fixed-interest securities to finance the additional interest reserve. Whilst the operating result was positively distorted by policyholder participation in one-off effects on the non-operating result, the consolidated result declined in the first three quarters of the year. In particular, a higher provision for tax risks had a negative impact on the result.

ERGO Property-casualty Germany

Key figures

		Q1–3 2016	Q1–3 2015	Change	Q3 2016	Q3 2015	Change
				%			%
Gross premiums written	€m	2,566	2,529	1.4	700	698	0.4
Share of gross premiums written by ERGO	%	21.1	20.3		18.2	17.6	
Loss ratio	%	61.3	63.2		62.8	63.9	
Expense ratio	%	34.7	32.7		33.3	32.2	
Combined ratio	%	96.0	95.8		96.1	96.1	
Technical result[1]	€m	124	141	-12.2	40	46	-12.7
Investment result	€m	31	171	-81.7	23	-29	–
Operating result	€m	86	247	-65.1	48	-7	–
Consolidated result	€m	-83	234	–	10	48	-79.7
Thereof attributable to non-controlling interests	€m	0	0	–	0	0	–

1 Previous year's figures adjusted owing to IAS 8.

Premium

The expansion of title insurance business of our UK branch, which posted a substantial rise in new business, contributed to the increase in premium volume. With the exception of personal accident business, other lines of business also developed favourably in the period from January to September. Premium volume climbed by 1.9% in liability insurance, 1.5% in motor insurance, 1.5% in legal protection insurance, and 0.3% in fire and property business. By contrast, in personal accident insurance, we recorded a year-on-year decrease of 2.3% in premium volume owing to a reduction in the portfolio.

Result

In the ERGO Property-casualty Germany segment, the technical result decreased year on year for the first nine months and for the third quarter. It was down for the first nine months – despite growth in premium volume – mainly owing to higher costs and lower income from technical interest. The investment result for the first nine months was down significantly year on year, but increased again in the third quarter. The figure mainly reflects lower gains on the disposal of shares since the beginning of the year.

The combined ratio for the third quarter and first nine months of 2016 was at a similar level to the same periods last year.

In the first three quarters of 2016, natural catastrophe losses and man-made major losses declined compared with the same period last year. In addition, the loss ratio benefited from releases of loss reserves in the individual classes of business and from the expansion of title insurance business. By contrast, the expense ratio deteriorated.

The reduced investment result and restructuring expenses were largely responsible for the negative consolidated result since the beginning of the year.

ERGO International

Key figures

		Q1–3 2016	Q1–3 2015	Change	Q3 2016	Q3 2015	Change
				%			%
Total premium income[1]	€m	3,008	3,204	–6.1	928	1,054	–12.0
Gross premiums written	€m	2,747	2,936	–6.4	846	975	–13.2
Share of gross premiums written by ERGO	%	22.6	23.5		22.0	24.6	
Loss ratio	%	59.5	61.7		60.1	66.5	
Expense ratio	%	39.0	39.4		38.5	37.7	
Combined ratio	%	98.5	101.1		98.6	104.1	
Technical result[2]	€m	–33	49	–	–23	4	–
Investment result	€m	396	390	1.6	103	150	–31.2
Operating result	€m	92	128	–27.8	17	38	–55.1
Consolidated result	€m	–47	50	–	–12	25	–
Thereof attributable to non-controlling interests	€m	0	9	–96.1	–3	3	–

1 Total premium income includes not only gross premiums written but also savings premiums for unit-linked life insurance and capitalisation products in accordance with the applicable statutory accounting guidelines.
2 Previous year's figures adjusted owing to IAS 8.

On 1 August, ERGO successfully completely the acquisition of the Greek company ATE Insurance, Athens. As a result of this transaction, ERGO has expanded its presence in Greece, and is now the biggest property-casualty insurer in the market. ERGO is convinced that the Greek insurance market has great potential, even if the country's economic situation remains challenging.

Premium

Approximately 39% of the segment's premium income derives from life insurance, and around 61% from property-casualty insurance. Our biggest markets include Poland (accounting for approximately 30% of premium volume), Austria (around 17%) and Belgium (around 14%).

Overall, we posted a decline in total premium income and gross premiums written because of a reduction in premium volume in life insurance business. Adjusted to eliminate currency translation effects, gross premiums written in the ERGO International segment would have decreased by 3.1% compared with the same period last year. The most significant negative currency translation effects were seen in Poland, Turkey, and the UK.

In international life insurance, we posted lower premium income for the first nine months and for the third quarter than in the same periods last year. The marked decrease is due in particular to developments in Poland and Belgium. In addition, the decline was attributable to the deconsolidation of our Italian company as at 30 June 2016. In terms of the annual premium equivalent, new business in international life insurance was down year on year by 18.7%. In international property-casualty insurance, we posted an increase in premium income of 3.2% to €1,849m (1,791m) for the period from January to September 2016, and 1.8% to €620m (608m) for the third quarter. The higher premium income mainly resulted from developments in Poland and the Baltic states. ATE Insurance of Greece, the insurer that was included in the consolidated group in the third quarter, also contributed to the increase with gross premiums written totalling €19m.

Result

The technical result in the ERGO International segment deteriorated year on year both for the first nine months and for the third quarter. This negative development was significantly influenced by life insurance business. The decline was due in equal measure to the results in Italy, Belgium and Austria and – with the exception of Italy – due partly to the regular monitoring of underwriting assumptions. By contrast, we posted an improvement in property-casualty business. The investment result for the first nine months was marginally higher than in the same period last year. This increase was due for the most part to a higher net balance of derivatives, in particular from our interest-rate hedges. By contrast, the investment result for the third quarter was lower than that of the same quarter last year.

In international property-casualty business, the combined ratio improved year on year for the period from January to September and for the third quarter, mainly on account of improvements in Turkey and the United Kingdom. In our companies in both countries, the loss ratio fell thanks to reserve strengthening in the previous year.

The consolidated result declined due to special effects in the other non-operating result.

Munich Health

Key figures

		Q1–3 2016	Q1–3 2015	Change	Q3 2016	Q3 2015	Change
				%			%
Gross premiums written	€m	3,701	4,260	–13.1	1,243	1,393	–10.8
Loss ratio[1]	%	82.7	84.8		78.1	85.1	
Expense ratio[1]	%	16.6	14.7		18.3	13.4	
Combined ratio[1]	%	99.3	99.6		96.4	98.5	
Technical result	€m	32	33	–2.2	52	35	50.1
Investment result	€m	81	92	–11.9	23	24	–6.8
Operating result	€m	91	86	6.5	64	41	54.0
Consolidated result	€m	76	84	–9.4	44	45	–1.5
Thereof attributable to non-controlling interests	€m	6	1	314.2	1	1	0.7

1 Excluding business conducted like life insurance.

Premium

In reinsurance, the decrease in premium volume by 18.3% to €2,681m (3,281m) in the first nine months was mainly attributable to the reduction of Munich Re's share in a large-volume treaty in North America and to negative currency translation effects, particularly for the Canadian dollar. In primary insurance, premium income saw positive growth in Spain, Belgium and Qatar, rising by 4.2% to €1,021m (980m). If exchange rates had remained the same, Munich Health's gross premiums would have decreased year on year by 10.7%.

Result

The technical result in reinsurance was at the same level as in the previous year. The reduction of our share in a large-volume treaty in North America and difficult economic conditions in the Middle East had a negative effect. The reduction in technical interest rates was offset by improved results in primary insurance and at our subsidiary Globality in particular.

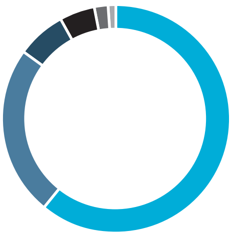
The combined ratio for the period from January to September was largely unchanged from the same period last year and relates only to short-term health business, not to business conducted like life insurance. Business conducted like life insurance accounted for 10.5% (8.9%) of gross premiums written in the first nine months of 2016. In reinsurance, the combined ratio amounted to 100.9% (100.8%) for short-term health insurance business in the first nine months and to 98.7% (101.3%) for the third quarter; in primary insurance the combined ratio totalled 92.6% (92.7%) for the first nine months and 86.8% (83.8%) for the third quarter.

There was a reduction in the investment result in the first nine months of 2016. In the previous year, the result had included profits from a subsequent purchase price adjustment on the sale of the Windsor Health Group. In the third quarter, the investment result remained largely unchanged year on year.

Investment performance

Investments by type according to carrying amounts

Total: €222bn (215bn)



Fixed-interest securities	61% (60%)
Loans	24% (25%)
Miscellaneous investments	7% (8%)
Shares and equity funds	5% (5%)
Real estate	2% (2%)
Participating interests	1% (1%)

Our investment portfolio is decisively shaped by fixed-interest securities and loans. The carrying amount of €222.0bn (215.1bn) as at 30 September 2016 was up compared with the end of 2015. The nine-month increase is mainly due to falling interest rates. The market value of our portfolio of investments totalled €241.8bn (230.5bn) at 30 September 2016.

In the period under review, we increased our portfolio of corporate and government bonds, but slightly reduced our investments in covered bonds and bank bonds.

The fall in interest rates in the first nine months of 2016 resulted in an increase in on- and off-balance-sheet unrealised gains; these will be posted to the income statement upon disposal of the relevant investments. Including investments in affiliated companies and associates, these gains climbed from €26.5bn at 31 December 2015 to €37.0bn at 30 September 2016.

Other securities available for sale

	Carrying amounts		On-balance-sheet unrealised gains and losses		At amortised cost	
€m	30.9.2016	31.12.2015	30.9.2016	31.12.2015	30.9.2016	31.12.2015
Fixed-interest	134,783	127,661	14,077	7,886	120,706	119,775
Non-fixed-interest	14,921	13,882	2,357	2,446	12,564	11,436
Total	**149,704**	**141,543**	**16,434**	**10,332**	**133,269**	**131,211**

Off-balance-sheet unrealised gains and losses

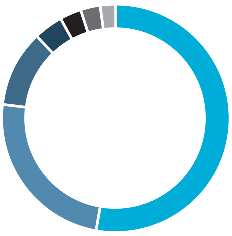
	Fair values		Off-balance-sheet unrealised gains and losses		Carrying amounts	
€m	30.9.2016	31.12.2015	30.9.2016	31.12.2015	30.9.2016	31.12.2015
Land and buildings[1]	9,458	9,514	2,743	2,795	6,716	6,719
Associates	2,057	1,678	603	553	1,453	1,125
Loans	70,315	66,126	16,991	12,610	53,324	53,516
Total	**81,830**	**77,318**	**20,336**	**15,958**	**61,494**	**61,360**

1 Including owner-occupied property.

As at the reporting date, our portfolio of fixed-interest securities was made up as follows:

Fixed-interest portfolio according to economic categories[1]

Total: €214bn (203bn)



Government bonds[2]	53% (52%)
Thereof: Inflation-linked bonds	8% (8%)
Pfandbriefs/Covered bonds	24% (24%)
Corporate bonds	11% (10%)
Cash/Other	4% (4%)
Bank bonds	3% (3%)
Policy and mortgage loans	3% (3%)
Structured products (credit structures)	2% (2%)

1 Presentation essentially shows fixed-interest securities and loans, including deposits with banks, at market value. The approximation is not fully comparable with the IFRS figures.
2 Including other public issuers and government-guaranteed bank bonds.

A total of 53% (52%) of our fixed-interest portfolio was invested in government bonds at the reporting date. In the current financial year, new investments have mainly been made in securities issued by supranational organisations, and in Italian government bonds. The purchase of government bonds from emerging markets is also part of our balanced investment strategy. Above all, we have reduced our bond holdings from issuers in Germany, the UK and Portugal. The vast majority of our government bonds continue to come from countries with a high credit rating.

Our portfolio of covered bonds decreased, and above all we reduced our holdings of Irish and Spanish covered bonds. Our investment in bank bonds is limited, and at the reporting date amounted to only 3% (3%) of our portfolio of fixed-interest securities. Around 11% (10%) of our portfolio also includes corporate bonds from other sectors. Our credit exposure is increased by a further percentage point through derivatives.

We ensure that the maturities of fixed-interest investments do not deviate significantly from those of our liabilities. That is why the economic interest-rate risk within the Group remains at an acceptable level, even in a low-interest-rate environment.

The carrying amount of our equity portfolio increased. Our equity-backing ratio amounted to 5.5% (5.2%). However, we reduced our overall exposure to equities, including derivatives. Our equity-backing ratio, including derivatives, was 4.4% (4.8%). To protect ourselves against accelerating inflation, we hold hedges in inflation-linked bonds in the amount of €9.1bn (8.9bn) (at market values) and in inflation-linked swaps with an exposure of €0.5bn (3.8bn). Real assets like shares, property, commodities, and investments in infrastructure, renewable energies and new technologies also serve as protection against inflation. Additionally, our investments in real assets have a positive diversification effect on the overall portfolio.

Investment result

	Q1–3 2016	Return[1]	Q1–3 2015	Return[1]	Q3 2016	Q3 2015
	€m	%	€m	%	€m	€m
Regular income	5,001	2.8	5,588	3.1	1,550	1,725
Write-ups/write-downs of non-derivative investments	–284	–0.2	–653	–0.4	–43	–415
Gains/losses on the disposal of non-derivative investments	1,823	1.0	2,321	1.3	696	515
Net balance of derivatives	–196	–0.1	–999	–0.6	–446	–158
Other income/expenses	–402	–0.2	–385	–0.2	–137	–135
Total	**5,942**	**3.4**	**5,872**	**3.3**	**1,619**	**1,532**

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

Largely as a consequence of the decline in portfolio interest rates, regular income fell year on year in the first nine months and in the third quarter of 2016. This was caused mainly by historically low interest-rate levels and ongoing negative yields on ten-year German government bonds. For the period from July to September, the return on reinvestment averaged 1.8% (1.9%) and thus remained far lower than the average return on our existing portfolio of fixed-interest investments. The decrease is also due to lower interest on deposits resulting from the termination of contracts in life reinsurance.

The net balance of write-downs and write-ups of non-derivative investments for the first three quarters was up year on year, with significantly lower net write-downs in the third quarter. These resulted in particular from lower write-downs of equities than in the previous year.

From January to September 2016, we posted net gains on the disposal of non-derivative investments that were lower year on year. The year-on-year decrease is mainly due to lower gains on the disposal of equities, and because last year there was a positive one-off effect from the acquisition of almost all the shares in 13th & F. We posted higher net gains on disposals in the third quarter of 2016, mainly from the disposal of fixed-interest securities and equities.

The net balance of derivatives saw much lower losses than in the previous year, mainly due to profits from ERGO's interest-rate hedging programme and an improved result from our commodity and inflation derivatives. However, the negative balance from write-ups and write-downs of derivatives and from disposals was higher in the third quarter compared with the previous year. The adverse effects were mainly attributable to equity derivatives.

Prospects

Our predictions for the further development of our Group are based on planning figures, forecasts and expectations. Consequently, this outlook merely reflects our imperfect assumptions and subjective views. It follows that we do not accept any responsibility or liability in the event that they are not realised in part or in full. It is not only the obvious fluctuations in the incidence of major losses that make an accurate forecast of IFRS results impossible. The pronounced volatility of the capital markets and exchange rates, as well as the special features of IFRS accounting, also make this difficult. Thus, there may be significant fluctuations in the investment result, currency result and consolidated result, despite the fact that our assets are geared to the characteristics of our liabilities.

Outlook Munich Re (Group) 2016

		As at 30.9.2016	From Q2 2016	From Q1 2016	From Annual Report 2015
Gross premiums written	€bn	47–49	47–49	47–49	47–49
Technical result – Life reinsurance	€m	400	400	400	400
Combined ratio – Property-casualty reinsurance	%	95	95	95	98
Combined ratio – ERGO Property-casualty Germany	%	98	98	95	95
Combined ratio – ERGO Property-casualty International	%	99	99	99	99
Combined ratio – Munich Health	%	99	99	99	99
Return on investment[1]	%	Around 3	Around 3	Around 3	Around 3
RORAC	%	15	15	15	15
Consolidated result	€bn	Significantly above 2.3	2.3	2.3	2.3–2.8

1 Excluding insurance-related investments.

We expect the highly competitive environment to remain unchanged for the forthcoming renewals as at 1 January 2017, and we accordingly anticipate that the prices, terms and conditions for reinsurance coverage will continue to be under pressure, albeit with decreasing intensity. Munich Re will maintain its consistently profit-oriented underwriting policy, and only underwrite risks at commensurate prices. In the future, we will thus continue to systematically withdraw from business we do not consider to be sustainably profitable, and in particular we will use innovative approaches to open up new growth potential.

For property-casualty reinsurance, the forecast we published in our Annual Report 2015 envisaged a combined ratio of around 98% of net earned premiums. Since the low incidence of major losses up to February had already been taken into account in this forecast, and far fewer major losses than expected occurred in the months of March and April, we reduced our forecast for the combined ratio to 95% in the first quarter of the year. Whilst major-loss expenditure for the second quarter was in line with expected levels at 12.3% of net earned premiums, it amounted to 6.6% for the third quarter and was thus below the average volume to be expected. Nevertheless, we are holding to our expected combined ratio of 95% for the full year, as the fourth quarter has already been affected by a number of major-loss events. At the beginning of October, Hurricane Matthew swept across Haiti, Jamaica and parts of the Dominican Republic, before continuing on to the Bahamas and the east coast of the USA. The catastrophe event caused great human suffering and high losses. Munich Re currently expects claims expenditure in the low triple-digit million euro range.

In our outlook at the start of the year, we envisaged a consolidated result in the range of €2.3–2.8bn. In the results for the first quarter that we published in May of this year, we adjusted this figure to €2.3bn, which is at the lower end of our original result forecast; unlike at the beginning of the year, this figure includes the expenditure attributable to 2016 for the implementation of ERGO's Strategy Programme and the strains owing to capital market volatility. Despite these added expenses, the good results we posted in the second and third quarters encourage us to aim for a consolidated result that is significantly higher than the €2.3bn projected in May. Whether and to what extent this is the case will depend above all on major-loss developments, the capital markets and exchange rates.

As interest rates fell during the course of the year, we expect the Group's economic value added – measured on the basis of economic earnings – to be below the expected IFRS result.

Our good capitalisation enables us to continue taking selective advantage of opportunities for profitable growth in individual regions and classes of business. We intend to carry on returning excess capital to equity holders in future as well. We therefore intend to buy back own shares for a maximum purchase price of €1bn by the Annual General Meeting in April 2017.

Selected financial information

Consolidated balance sheet
as at 30 September 2016[1]

Assets

			30.9.2016	31.12.2015	Change	
	€m	€m	€m	€m	€m	%
A. Intangible assets						
I. Goodwill		2,724		2,790	-66	-2.4
II. Other intangible assets		1,334		1,171	163	13.9
			4,058	**3,961**	**97**	**2.5**
B. Investments						
I. Land and buildings, including buildings on third-party land		4,356		4,317	38	0.9
II. Investments in affiliated companies, associates and joint ventures		1,590		1,278	313	24.5
Thereof: Associates and joint ventures accounted for using the equity method		1,453		1,125	329	29.2
III. Loans		53,324		53,516	-192	-0.4
IV. Other securities						
1. Available for sale	149,704			141,543	8,161	5.8
2. At fair value through profit or loss	3,391			2,551	841	33.0
		153,095		144,094	9,002	6.2
V. Deposits retained on assumed reinsurance		5,216		7,253	-2,037	-28.1
VI. Other investments		4,458		4,635	-177	-3.8
			222,040	**215,093**	**6,947**	**3.2**
C. Insurance-related investments			**9,506**	**9,163**	**344**	**3.7**
D. Ceded share of technical provisions			**3,543**	**4,327**	**-784**	**-18.1**
E. Receivables						
I. Current tax receivables		633		569	64	11.3
II. Other receivables		15,277		11,823	3,454	29.2
			15,909	**12,391**	**3,518**	**28.4**
F. Cash at banks, cheques and cash in hand			**3,591**	**3,955**	**-364**	**-9.2**
G. Deferred acquisition costs						
Gross		9,265		9,428	-163	-1.7
Ceded share		-100		-80	-19	-24.3
Net			9,165	9,348	-183	-2.0
H. Deferred tax assets			**561**	**206**	**355**	**172.0**
I. Other assets			**3,330**	**3,477**	**-146**	**-4.2**
J. Assets held for sale			**66**	**6,947**	**-6,880**	**-99.0**
Total assets			**271,770**	**268,868**	**2,903**	**1.1**

1 Previous year's figures adjusted owing to IAS 8.

Equity and liabilities

		30.9.2016	31.12.2015		Change
	€m	€m	€m	€m	%
A. Equity					
I. Issued capital and capital reserve	7,423		7,418	5	0.1
II. Retained earnings	14,796		14,110	685	4.9
III. Other reserves	7,767		6,032	1,735	28.8
IV. Consolidated result attributable to Munich Reinsurance Company equity holders	2,089		3,107	−1,018	−32.8
V. Non-controlling interests	279		298	−19	−6.4
		32,355	**30,966**	**1,389**	**4.5**
B. Subordinated liabilities		**4,218**	**4,416**	**−198**	**−4.5**
C. Gross technical provisions					
I. Unearned premiums	9,205		8,841	364	4.1
II. Provision for future policy benefits	108,215		108,572	−357	−0.3
III. Provision for outstanding claims	59,953		59,756	197	0.3
IV. Other technical provisions	20,629		17,413	3,216	18.5
		198,002	**194,582**	**3,420**	**1.8**
D. Gross technical provisions for unit-linked life insurance		**8,257**	**8,201**	**56**	**0.7**
E. Other accrued liabilities		**5,197**	**4,145**	**1,052**	**25.4**
F. Liabilities					
I. Bonds and notes issued	304		314	−10	−3.3
II. Deposits retained on ceded business	647		1,521	−874	−57.4
III. Current tax liabilities	2,589		2,018	571	28.3
IV. Other liabilities	17,105		14,061	3,044	21.6
		20,645	**17,914**	**2,730**	**15.2**
G. Deferred tax liabilities		**3,089**	**2,343**	**746**	**31.9**
H. Liabilities related to assets held for sale		**9**	**6,301**	**−6,293**	**−99.9**
Total equity and liabilities		**271,770**	**268,868**	**2,903**	**1.1**

Consolidated income statement
1 January to 30 September 2016[1]

Items

			Q1–3 2016	Q1–3 2015		Change
	€m	€m	€m	€m	€m	%
Gross premiums written	**36,782**			**37,986**	**–1,204**	**–3.2**
1. Earned premiums						
Gross	36,140			37,315	–1,175	–3.1
Ceded share	–1,106			–1,148	42	3.6
Net		35,034		36,167	–1,133	–3.1
2. Income from technical interest		**4,942**		**4,934**	**7**	**0.1**
3. Expenses for claims and benefits						
Gross	–29,273			–30,201	928	3.1
Ceded share	508			627	–118	–18.9
Net		–28,765		–29,574	809	2.7
4. Operating expenses						
Gross	–9,166			–9,144	–22	–0.2
Ceded share	246			219	28	12.6
Net		–8,920		–8,925	5	0.1
5. Technical result (1–4)			**2,290**	**2,602**	**–312**	**–12.0**
6. Investment result		**5,942**		**5,872**	**69**	**1.2**
Thereof: Income from associates and joint ventures accounted for using the equity method		99		375	–276	–73.6
7. Insurance-related investment result		**60**		**–69**	**129**	**–**
8. Other operating income		**510**		**588**	**–78**	**–13.2**
9. Other operating expenses		**–658**		**–666**	**8**	**1.3**
10. Deduction of income from technical interest		**–4,942**		**–4,934**	**–7**	**–0.1**
11. Non-technical result (6–10)			**912**	**790**	**122**	**15.4**
12. Operating result (5+11)			**3,202**	**3,392**	**–190**	**–5.6**
13. Other non-operating result			**–313**	**–523**	**210**	**40.1**
14. Impairment losses of goodwill			**–9**	**0**	**–9**	**–**
15. Net finance costs			**–162**	**–178**	**16**	**9.1**
16. Taxes on income			**–623**	**–301**	**–322**	**–107.2**
17. Consolidated result (12–16)			**2,095**	**2,391**	**–296**	**–12.4**
Thereof: Attributable to Munich Reinsurance Company equity holders			2,089	2,379	–290	–12.2
Attributable to non-controlling interests			6	11	–6	–49.7
			€	€	€	%
Earnings per share			**12.99**	**14.28**	**–1.29**	**–9.0**

1 Previous year's figures adjusted owing to IAS 8.

Consolidated income statement
1 July to 30 September 2016[1]

Items

			Q3 2016	Q3 2015		Change
	€m	€m	€m	€m	€m	%
Gross premiums written	**12,344**			**12,481**	**-138**	**-1.1**
1. Earned premiums						
Gross	12,290			12,374	-84	-0.7
Ceded share	-406			-419	13	3.0
Net		11,884		11,956	-72	-0.6
2. Income from technical interest		**1,621**		**1,424**	**197**	**13.8**
3. Expenses for claims and benefits						
Gross	-9,953			-9,881	-72	-0.7
Ceded share	227			204	23	11.4
Net		-9,726		-9,677	-49	-0.5
4. Operating expenses						
Gross	-3,061			-2,970	-91	-3.1
Ceded share	99			90	10	10.7
Net		-2,962		-2,880	-82	-2.8
5. Technical result (1–4)			**816**	**822**	**-5**	**-0.7**
6. Investment result		**1,619**		**1,532**	**87**	**5.7**
Thereof: Income from associates and joint ventures accounted for using the equity method		20		248	-228	-91.9
7. Insurance-related investment result		**237**		**-322**	**559**	**–**
8. Other operating income		**154**		**200**	**-46**	**-23.1**
9. Other operating expenses		**-192**		**-228**	**36**	**15.9**
10. Deduction of income from technical interest		**-1,621**		**-1,424**	**-197**	**-13.8**
11. Non-technical result (6–10)			**198**	**-242**	**440**	**–**
12. Operating result (5+11)			**1,014**	**580**	**435**	**75.0**
13. Other non-operating result			**-112**	**-97**	**-15**	**-15.5**
14. Impairment losses of goodwill			**0**	**0**	**0**	**–**
15. Net finance costs			**-54**	**-58**	**4**	**7.7**
16. Taxes on income			**-164**	**101**	**-265**	**–**
17. Consolidated result (12–16)			**684**	**525**	**159**	**30.3**
Thereof: Attributable to Munich Reinsurance Company equity holders			685	520	165	31.8
Attributable to non-controlling interests			-1	5	-6	–
			€	€	€	%
Earnings per share			**4.30**	**3.14**	**1.16**	**36.9**

1 Previous year's figures adjusted owing to IAS 8.

Statement of recognised income and expense
1 January to 30 September 2016

€m		Q1–3 2016	Q1–3 2015
Consolidated result		**2,095**	**2,391**
Currency translation			
Gains (losses) recognised in equity	–565		1,027
Recognised in the consolidated income statement	0		0
Unrealised gains and losses on investments			
Gains (losses) recognised in equity	3,021		–1,160
Recognised in the consolidated income statement	–706		–723
Change resulting from valuation at equity			
Gains (losses) recognised in equity	8		–37
Recognised in the consolidated income statement	0		0
Change resulting from cash flow hedges			
Gains (losses) recognised in equity	–1		1
Recognised in the consolidated income statement	0		0
Other changes	–1		1
I. Items where income and expenses recognised directly in equity are reallocated to the consolidated income statement	1,756		–891
Remeasurements of defined benefit plans	–426		235
Other changes	0		0
II. Items where income and expenses recognised directly in equity are not reallocated to the consolidated income statement	–426		235
Income and expense recognised directly in equity (I + II)		**1,330**	**–656**
Total recognised income and expense		**3,425**	**1,735**
Thereof:			
Attributable to Munich Reinsurance Company equity holders		3,429	1,722
Attributable to non-controlling interests		–4	13

Statement of recognised income and expense

1 July to 30 September 2016

€m		Q3 2016	Q3 2015
Consolidated result		**684**	**525**
Currency translation			
Gains (losses) recognised in equity	-177		-332
Recognised in the consolidated income statement	0		0
Unrealised gains and losses on investments			
Gains (losses) recognised in equity	569		-952
Recognised in the consolidated income statement	-265		270
Change resulting from valuation at equity			
Gains (losses) recognised in equity	11		-13
Recognised in the consolidated income statement	0		0
Change resulting from cash flow hedges			
Gains (losses) recognised in equity	0		0
Recognised in the consolidated income statement	0		0
Other changes	-2		1
I. Items where income and expenses recognised directly in equity are reallocated to the consolidated income statement	135		-1,026
Remeasurements of defined benefit plans	-163		127
Other changes	0		0
II. Items where income and expenses recognised directly in equity are not reallocated to the consolidated income statement	-163		127
Income and expense recognised directly in equity (I + II)		**-28**	**-899**
Total recognised income and expense		**656**	**-374**
Thereof:			
Attributable to Munich Reinsurance Company equity holders		659	-378
Attributable to non-controlling interests		-3	4

Segmentation of our business

In accordance with the management approach, the segmentation of our business operations is based on the way in which Munich Re is managed internally.

We have consequently identified six segments to be reported:

— Life reinsurance (global life reinsurance business)
— Property-casualty reinsurance (global property-casualty reinsurance business)
— ERGO Life and Health Germany (German life and health primary insurance business, German direct property-casualty primary insurance business, and global travel insurance business)
— ERGO Property-casualty Germany (German property-casualty primary insurance business, excluding direct business)
— ERGO International: (ERGO primary insurance business outside Germany)
— Munich Health (global health reinsurance business and health primary insurance business outside Germany)

Certain primary insurers whose business requires special solution-finding competence are coupled to reinsurance as the risk carrier. We therefore transact their business from within reinsurance and consequently allocate them to the reinsurance segments.

Segment income statement

1 January to 30 September 2016[1]

€m	Reinsurance Life Q1–3 2016	Reinsurance Life Q1–3 2015	Reinsurance Property-casualty Q1–3 2016	Reinsurance Property-casualty Q1–3 2015
Gross premiums written	**7,212**	**7,653**	**13,733**	**13,583**
1. Net earned premiums	7,012	7,485	12,748	12,632
2. Income from technical interest	420	550	840	1,031
3. Net expenses for claims and benefits	–5,585	–6,081	–7,959	–7,862
4. Net operating expenses	–1,529	–1,707	–3,987	–3,932
5. Technical result (1–4)	**318**	**247**	**1,642**	**1,870**
6. Investment result	469	628	1,266	1,450
7. Insurance-related investment result	–4	–36	40	59
8. Other operating result	21	46	–98	–64
9. Deduction of income from technical interest	–420	–550	–840	–1,031
10. Non-technical result (6–9)	**66**	**88**	**368**	**414**
11. Operating result (5+10)	**384**	**335**	**2,010**	**2,284**
12. Other non-operating result, net finance costs and impairment losses of goodwill	58	–109	196	–352
13. Taxes on income	–74	–54	–445	–213
14. Consolidated result (11–13)	**369**	**172**	**1,761**	**1,718**

1 Previous year's figures adjusted owing to IAS 8.

1 July to 30 September 2016[1]

€m	Reinsurance Life Q3 2016	Reinsurance Life Q3 2015	Reinsurance Property-casualty Q3 2016	Reinsurance Property-casualty Q3 2015
Gross premiums written	**2,636**	**2,537**	**4,616**	**4,581**
1. Net earned premiums	2,571	2,475	4,214	4,177
2. Income from technical interest	146	180	279	342
3. Net expenses for claims and benefits	–2,016	–2,028	–2,608	–2,641
4. Net operating expenses	–555	–513	–1,287	–1,306
5. Technical result (1–4)	**146**	**114**	**597**	**572**
6. Investment result	164	104	411	120
7. Insurance-related investment result	–5	8	3	34
8. Other operating result	7	17	–26	–21
9. Deduction of income from technical interest	–146	–180	–279	–342
10. Non-technical result (6–9)	**20**	**–51**	**108**	**–209**
11. Operating result (5+10)	**165**	**63**	**705**	**363**
12. Other non-operating result, net finance costs and impairment losses of goodwill	2	–15	–5	–72
13. Taxes on income	–33	1	–142	41
14. Consolidated result (11–13)	**134**	**48**	**558**	**332**

1 Previous year's figures adjusted owing to IAS 8.

ERGO						Munich Health		Total	
Life and Health Germany		Property-casualty Germany		International					
Q1–3 2016	Q1–3 2015	Q1–3 2016	Q1–3 2015	Q1–3 2016	Q1–3 2015	Q1–3 2016	Q1–3 2015	Q1–3 2016	Q1–3 2015
6,823	**7,025**	**2,566**	**2,529**	**2,747**	**2,936**	**3,701**	**4,260**	**36,782**	**37,986**
6,795	6,984	2,358	2,269	2,486	2,670	3,635	4,127	35,034	36,167
3,314	3,034	55	65	294	225	19	29	4,942	4,934
–8,860	–8,674	–1,472	–1,452	–1,869	–1,993	–3,020	–3,512	–28,765	–29,574
–1,042	–1,081	–818	–742	–943	–852	–601	–611	–8,920	–8,925
207	**263**	**124**	**141**	**–33**	**49**	**32**	**33**	**2,290**	**2,602**
3,698	3,141	31	171	396	390	81	92	5,942	5,872
–13	–19	0	0	36	–73	0	0	60	–69
–40	–37	–13	0	–14	–13	–3	–10	–147	–78
–3,314	–3,034	–55	–65	–294	–225	–19	–29	–4,942	–4,934
331	**51**	**–37**	**106**	**125**	**79**	**59**	**53**	**912**	**790**
539	**313**	**86**	**247**	**92**	**128**	**91**	**86**	**3,202**	**3,392**
–401	–135	–199	–54	–141	–50	2	–1	–484	–701
–118	–46	30	41	2	–28	–18	–1	–623	–301
19	**133**	**–83**	**234**	**–47**	**50**	**76**	**84**	**2,095**	**2,391**

ERGO						Munich Health		Total	
Life and Health Germany		Property-casualty Germany		International					
Q3 2016	Q3 2015	Q3 2016	Q3 2015	Q3 2016	Q3 2015	Q3 2016	Q3 2015	Q3 2016	Q3 2015
2,302	**2,297**	**700**	**698**	**846**	**975**	**1,243**	**1,393**	**12,344**	**12,481**
2,317	2,307	780	772	778	872	1,225	1,351	11,884	11,956
1,033	828	18	22	139	42	6	10	1,621	1,424
–3,033	–2,729	–498	–499	–610	–634	–961	–1,145	–9,726	–9,677
–311	–355	–260	–249	–330	–276	–219	–182	–2,962	–2,880
5	**52**	**40**	**46**	**–23**	**4**	**52**	**35**	**816**	**822**
895	1,162	23	–29	103	150	23	24	1,619	1,532
155	–295	0	0	84	–69	0	0	237	–322
–9	–9	4	–2	–8	–5	–5	–8	–38	–28
–1,033	–828	–18	–22	–139	–42	–6	–10	–1,621	–1,424
10	**31**	**8**	**–53**	**41**	**34**	**12**	**7**	**198**	**–242**
15	**82**	**48**	**–7**	**17**	**38**	**64**	**41**	**1,014**	**580**
–92	–37	–34	–23	–38	–8	1	0	–166	–155
28	–18	–5	78	8	–5	–20	4	–164	101
–49	**27**	**10**	**48**	**–12**	**25**	**44**	**45**	**684**	**525**

Supervisory Board

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(Chairman)

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Münchener Rückversicherungs-Gesellschaft
Königinstrasse 107
80802 München
Germany
www.munichre.com

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Responsible for content
Financial and Regulatory Reporting

Editorial deadline: 7 November 2016
Publication date: 9 November 2016

Printed by
Kastner & Callwey
Jahnstrasse 5
85661 Forstinning
Germany

The official German original of this statement is also available from the Company. In addition, you can find our annual and interim reports, along with further information about Munich Re and its shares, on the internet at www.munichre.com

Service for private investors
Alexander Rappl
Tel.: +49 89 3891-2255
Fax: +49 89 3891-4515
shareholder@munichre.com

Service for investors and analysts
Christian Becker-Hussong
Tel.: +49 89 3891-3910
Fax: +49 89 3891-9888
ir@munichre.com

Service for media
Johanna Weber
Tel.: +49 89 3891-2695
Fax: +49 89 3891-3599
presse@munichre.com

Important dates 2017

15 March 2017
Balance sheet press conference
for 2016 consolidated financial statements

26 April 2017
Annual General Meeting

9 May 2017
Quarterly Statement as at 31 March 2017

9 August 2017
Half-year Financial Report as at 30 June 2017

9 August 2017
Half-year press conference

9 November 2017
Quarterly Statement as at 30 September 2017

Order number 302-08855