

Munich Re Group

Quarterly statement as at 31 March 2024

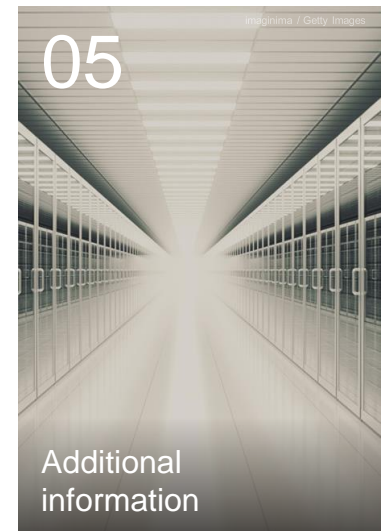
8 May 2024

Christoph Jurecka (CFO)



Quarterly Statement as at 31 March 2024

Agenda





Tampatra / stock.adobe.com

01

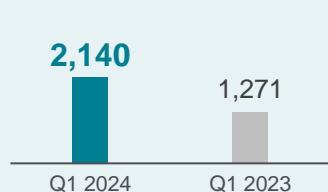
Munich Re

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

Better-than-expected operating performance in all lines, favourable capital markets

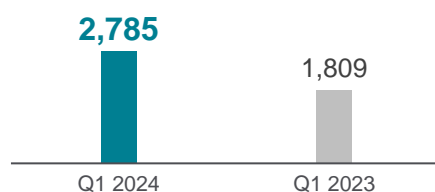
Net result

€m



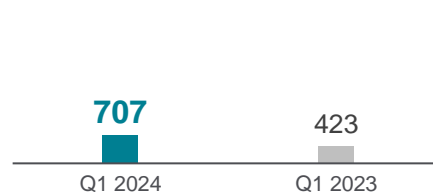
Total technical result

€m



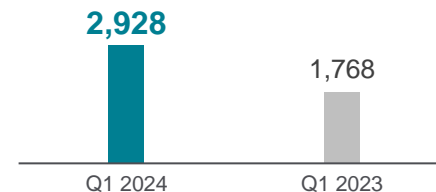
Net financial result

€m



Operating result

€m



Return on equity¹

%



RI net result Q1 2024 (Q1 2023):

€1,888m (€1,051m)

High investment return (RoI 4.5%¹) and strong technical results in both segments; below-average major losses in p-c

Property-casualty: Combined ratio: 75.3% (86.5%) – major-loss ratio: 9.9% (16.4%), reserve releases²: –5.0% (–5.0%) – net result: €1,336m (€760m)

Life and health: Total technical result: €586m (€320m) – net result: €552m (€291m)

April renewals: Risk-adjusted price change: ~ –0.7%, premium change: +6.1%

ERGO net result Q1 2024 (Q1 2023):

€252m (€219m)

Strong results in P-C Germany and International; L&H Germany with solid performance despite elevated claims

Life and Health Germany: Total technical result: €225m (€258m) – net result: €36m (€41m)

Property-casualty Germany: Combined ratio: 84.4% (81.2%) – net result: €150m (€166m)

International: Combined ratio: 89.5% (95.4%) – net result: €65m (€12m)

Capital position

Equity

€m

Equity 31.12.2023		29,772
Net result		2,140
Changes		
Dividend		0
Share buy-backs		-313
Unrealised gains/losses		-793
Exchange rates		392
Other		28
Equity 31.03.2024		31,226

Change in unrealised gains/losses

Investments	-€852m
Insurance contracts	€58m

Return on equity

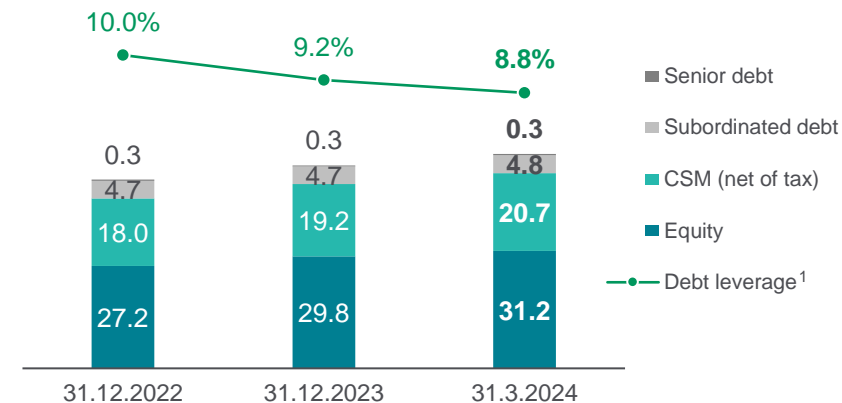
Reinsurance	28.9%
ERGO	19.5%

Solvency II ratio

273%

Capitalisation

€bn



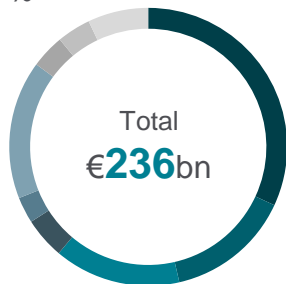
¹ Strategic debt (bonds and notes issued, and subordinated debt) divided by total capital (strategic debt + equity + CSM net of tax).

Investments

Q1 2024

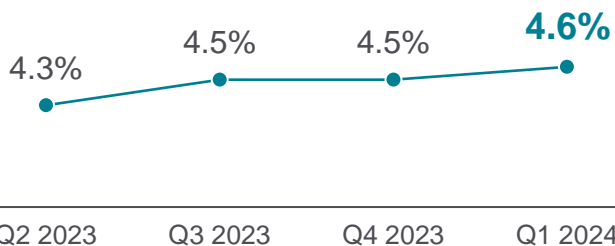
Investment portfolio¹

%



Government/Semi-government bonds ²	32 (33)	Alternative investments	16 (16)
Covered bonds/mortgage loans	15 (15)	Equities ³	4 (5)
Corporate bonds	15 (14)	Business-related participations	3 (3)
Emerging-market government bonds	5 (5)	Cash	7 (7)
ABS/MBS	3 (3)		

3-month reinvestment yield



Portfolio management

- Slight reduction of equity quota to 4.0% (2.8% net of hedges)
- Investments in corporate bonds and emerging market bonds safeguard a strong reinvestment yield of 4.6%

¹ Management view – not fully comparable with IFRS figures, e.g., including real-estate in own use and cash. Fair values as at 31.3.2024 (31.12.2023).
² Developed markets. ³ Including derivatives: 2.8% (3.7%).

Investment result

€m	Q1 2024		Return ¹	Q1 2023		Return ¹	
Regular income	1,807		3.2%	1,601		3.0%	
Write-ups/write-downs	-48		-0.1%	-28		-0.1%	
Change in expected credit loss (ECL)	25		0.0%	-38		-0.1%	
Disposal gains/losses	-55		-0.1%	166		0.3%	
Fair-value change	586		1.0%	74		0.1%	
Other income/expenses	-152		-0.3%	-164		-0.3%	
Investment result	2,163		3.8%	1,612		3.0%	
		Fixed income	Equities	Other	Fixed income	Equities	Other
Write-ups/write-downs		0	0	-48		0	-28
Disposal gains/losses		-76	0	20		0	355
Fair-value change		-93	576	103		252	-131

¹ Annualised return on quarterly weighted investments (market values) in %.



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02

ERGO

ERGO Life and Health Germany

Key messages



- Total technical result of life and long-term health business in line with expectation
- Elevated claims expenses in short-term health and travel business
- Net result of €36m

Insurance revenue (gross)

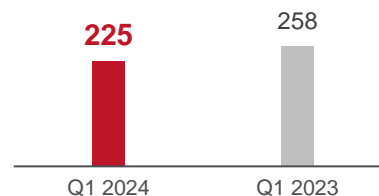
€m

Q1 2023	2,562
Foreign exchange	3
Divestments/investments	-31
Organic change	-1
Q1 2024	2,532

Increase of insurance revenues in short- and long-term health insurance, life new book and travel; decrease in life back book

Total technical result

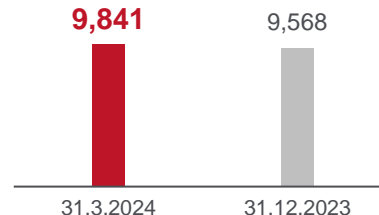
€m



- CSM release in life and long-term health at €211m
- Short-term business (PAA) contribution of €23m to total technical result

Contractual service margin (CSM)¹

€m



- Increase driven mainly by capital market related effects exceeding CSM release

ERGO Property-casualty Germany

Key messages



- Total technical result at strong level supported by low large losses and good operating performance
- Very high net result of €150m also driven by excellent investment result

Insurance revenue (gross)

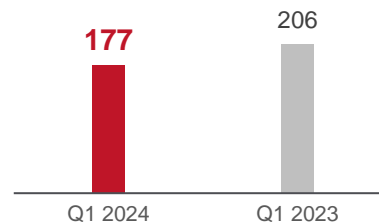
€m

Q1 2023	1,117
Foreign exchange	2
Divestments/investments	0
Organic change	30
Q1 2024	1,149

Increase mainly driven by fire/property and other (esp. engineering)

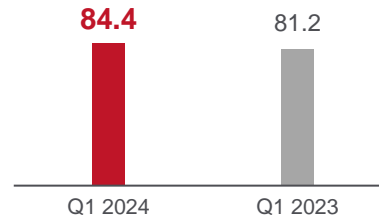
Total technical result

€m



Combined ratio

%



- Total technical result/combined ratio in Q1 2024 driven by
 - Significantly lower-than-expected major losses
 - Good operating performance
 - Combined ratio includes discount benefit of ~3pp
 - Seasonality of costs
- Q1 2023 with exceptionally low basic and large losses

Key messages



- Strong total technical result in p-c driven by excellent claims development and profitable growth
- Good technical development in life/health
- Net result of €65m

Insurance revenue (gross)

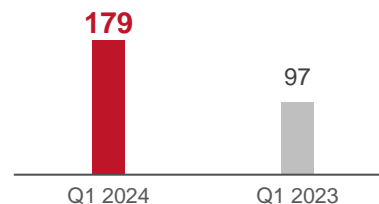
€m

Q1 2023	1,362
Foreign exchange	38
Divestments/investments	-37
Organic change	160
Q1 2024	1,523

Increase mainly from Poland P-C, Spain Health and Thailand P-C

Total technical result

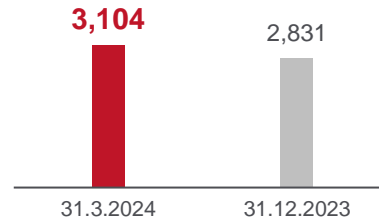
€m



- Excellent combined ratio of 89.5% (95.4%) driven by:
 - Benign large loss development
 - Strong operating performance
- Life/health: CSM release in line with expectation, e.g., in Spain Health and Belgium Life and Health

Contractual service margin (CSM)¹

€m



- Increase mainly driven by:
 - Operating changes, mostly from Belgium Health
 - Contribution from new contracts in the Spanish and Belgian health business



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03

Reinsurance

Life and health reinsurance

Key messages



- Very strong total technical result, exceeding pro-rata guidance
- Favourable biometric experience and positive FX impact
- Pleasing new business development, especially in North America

Insurance revenue (gross)

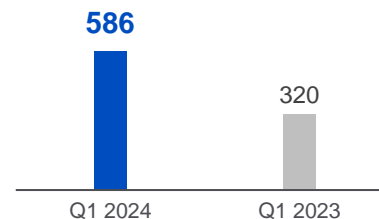
€m

Q1 2023	2,734
Foreign exchange	-28
Divestments/investments	0
Organic change	320
Q1 2024	3,027

Growth driven by North America and UK

Total technical result

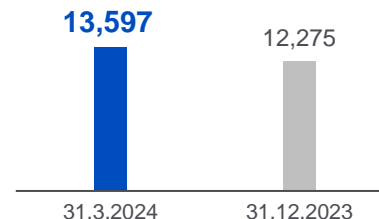
€m



- Insurance service result supported by strong new business and positive experience variances
- High result contribution from FinMoRe business

Contractual service margin (CSM)¹

€m



- High contribution from new business, including large transactions in North America

Property-casualty reinsurance

Key messages



- Revenue growth of 5.1% vs. Q1 2023
- Very pleasing combined ratio of 75.3% supported by benign major losses
- Normalised combined ratio of 79.5% better than FY guidance

Insurance revenue (gross)

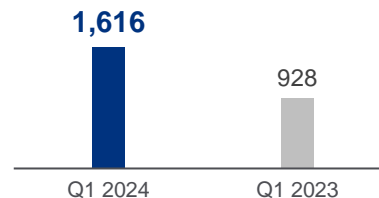
€m

Q1 2023	6,498
Foreign exchange	-97
Divestments/investments	0
Organic change	430
Q1 2024	6,831

- XL business: increased prices in nat cat
- Global Specialty Insurance: ongoing growth across all units

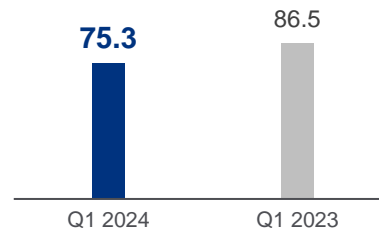
Total technical result

€m



Combined ratio

%



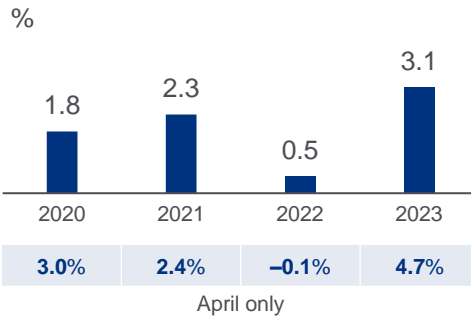
- Below-average major losses of 9.9% driven by benign nat cats, while Q1 2023 was impacted by earthquake in Turkey
- Collapse Francis Scott Key Bridge single biggest loss event in Q1
- Normalised combined ratio better than expected driven by favourable development of basic losses
- Combined ratio includes discount benefit of ~7.5%

April renewals – Continued trend of profitable growth, high portfolio quality maintained

Price change¹



Renewals 2020–2023



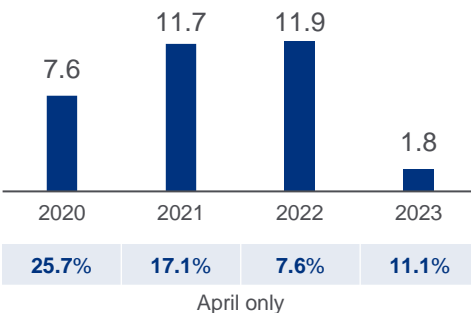
April renewals 2024

-0.7%
Optimistic about
July renewals

Selective growth and portfolio optimisation

- Another good renewal in an ongoing attractive market environment – strong pricing improvements of past years preserved
- Quality of the portfolio maintained by defending achieved improvements of terms and conditions (including higher attachment points) or implementing further risk-mitigating measures
- Expansion of casualty proportional business which benefited from sizeable original rate increases, e.g., European motor
- Nat cat exposure in Japan slightly decreased
- Excluding portfolio mix effects, price change continued to increase by +0.6%

Volume change²



+6.1%
Well positioned for
further business growth

¹ Price change is fully risk-adjusted, considering most recent inflation and loss-trend assumptions. Calculation until 2023 based on gross written premium (IFRS 4). From 2024 calculation of price change based on insurance revenue (IFRS 17), i.e. premiums are adjusted for ceding commissions which leads to shifts in portfolio weights (stronger weighting of non-proportional business) and a smaller denominator. ² Volume change still based on GWP.



Thorsten Henn / Getty Images

04

Outlook

Outlook 2024

Group	Insurance revenue (gross)	Net result	Return on investment	
	~€59bn	~€5.0bn	>2.8%	
ERGO	Insurance revenue (gross)	Net result	Combined ratio P-C Germany	Combined ratio International
	~€20bn	~€0.8bn	~87%	~90%
Reinsurance	Insurance revenue (gross)	Net result	Combined ratio Property-casualty	Total technical result Life and health
	~€39bn	~€4.2bn	~82%	~€1.45bn

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