

Quarterly Statement: Profit guidance for 2021 still attainable – despite hurricane and flash floods

- With business and financial performance remaining strong, Munich Re delivers a profit of approximately €2.1bn for Q1–3, and €0.4bn for Q3
- Hurricane Ida and Storm Bernd cause losses of €1.2bn and €0.6bn respectively
- COVID-19 gives rise to losses of around €170m in life and health reinsurance for Q3, but generates virtually no additional expenditure in property-casualty reinsurance
- High gains on investments and currency translation effects



„The horrific images of the devastation wreaked by Hurricane Ida and Storm Bernd remain vivid in our minds. Business, government and individuals need to make every effort towards achieving the Paris climate goals in order to slow the pace of climate change and prevent the likelihood of natural catastrophes from increasing any further. It is imperative that the Climate Change Conference (COP26) in Glasgow be followed up with immediate action. Munich Re will rigorously implement its ambitious CO₂ reduction targets in its investments, insurance business and own operations. Together, the two weather events – Ida and Bernd – are expected to cost Munich Re €1.8bn. Nevertheless, our annual target of €2.8bn remains within reach, thanks to a gratifying operational performance and high investment results.”

Christoph Jurecka, CFO

Summary of Q3 figures

Munich Re posted a profit of €366m (199m) for Q3 and €2,061m (999m) for Q1–3. High natural catastrophe claims made their mark on the quarter. Hurricane Ida caused losses amounting to €1.2bn, while Storm Bernd resulted in losses amounting to €0.6bn, of which €0.1bn was attributable to ERGO. The quarterly result was impacted by higher than expected expenditure totalling around €170m on COVID-19-related losses in life and health reinsurance business. High losses were incurred again in particular in the USA, India and South Africa. In property-casualty

reinsurance, by contrast, COVID-19 losses were significantly below expectations, with virtually no pandemic losses incurred in Q3. In the ERGO field of business, COVID-19 expenditure had an adverse earnings impact of €12m in Q3. Overall, losses attributable to COVID-19 totalled €680m in the reinsurance field of business for Q1-3, with around €470m attributable to life and health reinsurance and around €210m to property-casualty reinsurance. Nine months into 2021, ERGO posted only minor losses related to COVID-19.

For the reinsurance field of business, Munich Re now expects around €800m in COVID-19 losses in the whole of 2021 (previous estimate approximately €700m), with around €600m ascribable to life and health reinsurance (previous estimate approximately €400m) and about €200m to property-casualty reinsurance (previous estimate around €300m). In the ERGO field of business, the negative earnings impact anticipated from COVID-19 for the full year amounts to around €20–30m.

The operating result fell to €204m, compared with €353m for the same quarter last year. The other non-operating result amounted to –€18m (–31m). Furthermore, the currency result totalled €242m (–100m), mainly owing to currency gains against the US dollar and in several emerging markets. The effective tax rate was 4.7% (–19.4%). Gross premiums written rose notably – by 9.4% to €15,480m (14,150m) in Q3, and by 8.3% to €44,673m (41,261m) in Q1–3.

Equity was slightly higher at the reporting date (€30,055m) than at the start of the year (€29,994m). The solvency ratio stood at around 231% (208% as at 31 December 2020) and was thus above the optimum range (175–220%).

In Q3 2021, annualised return on equity (RoE) amounted to 6.3% (3.6%); the RoE for Q1–3 was 12.1% (5.9%).

Reinsurance: Result of €232m

The reinsurance field of business contributed €232m (63m) to the consolidated result for Q3 and €1,594m (619m) for Q1–3. The operating result totalled €13m (55m) in Q3. Gross premiums written saw a significant increase to €11,160m (9,926m).

Life and health reinsurance business generated a profit of €94m (86m) in Q3. Premium income amounted to €3,164m (3,127m). The technical result, including the result from reinsurance treaties with non-significant risk transfer, was €9m (56m).

Property-casualty reinsurance contributed €138m (–23m) to the result in Q3. Premium volume grew robustly to €7,997m (6,798m). The combined ratio amounted to 112.8% (112.2%) of net earned premiums for Q3, and 100.9% (106.1%) for Q1–3.

Major losses of over €10m each were up in Q3 and totalled €1,974m (1,518m). As usual, these figures include gains and losses from the settlement of major losses from previous years. Major-loss expenditure corresponds to 29.6% (26.7%) of net earned premiums, and was thus significantly higher than the long-term average expected value of 12% both for Q3 and for Q1–3 (17.6%). Man-made major losses dropped to €245m (1,045m), mainly owing to an appreciable decline in COVID-19 losses. By contrast, major-loss expenditure from natural catastrophes rose significantly to €1,729m (474m), especially as a consequence of Hurricane Ida.

In Q3, reserves of €265m (226m) were released for basic losses from prior years; this figure corresponds to 4.0% (4.0%) of net earned premiums. Munich Re continually seeks 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.

ERGO: Result of €134m

Munich Re generated a profit of €134m (136m) in its ERGO field of business in Q3 and €467m (381m) in Q1–3. The operating result for the ERGO field of business amounted to €191m (297m).

The good Q3 result benefited primarily from ERGO Life and Health Germany, which posted a result of €80m (31m) thanks to its continued good operational performance in health, low losses in travel insurance, and high investment and currency translation results. ERGO International generated a result of €32m (57m). The impact of COVID-19 in India and major losses in the Baltic states and Austria were partly offset by the continued strong development of operations, above all in Poland and Spain. ERGO Property-casualty Germany saw its result fall to €21m (48m). Natural catastrophe losses were largely cushioned by continued growth, robust operational development, and a higher investment result.

Despite major losses, the combined ratios remained at a good level. Natural catastrophe losses, particularly from Storm Bernd, were responsible for the rise in the combined ratio for Property-casualty Germany to 95.6% (90.9%) for Q3 and 94.1% (92.2%) for Q1–3. In ERGO International, the combined ratio for Q3 remained almost constant at 92.3% (92.5%) for Q3 and 92.8% (92.6%) for Q1–3.

Total premium income increased to €4,539m (4,418m) in Q3, and gross premiums written rose to €4,319m (4,224m).

Investments: Investment result of €2,107m

The Group's investment result (excluding insurance-related investments) increased to a high €2,107m (1,691m) in Q3. Regular income from investments was down slightly to €1,507m (1,536m). Net gains and losses on disposal excluding derivatives amounted to €881m (644m). Gains on disposal resulted from the sale of fixed-interest securities and equities, also following on from the

outsourcing of individual activities to external asset managers, and from normal portfolio restructuring in the current environment of low interest rates. The net balance of derivatives amounted to €61m (–65m). The balance from write-ups and write-downs improved to –€168m (–265m).

Overall, the Q3 investment result represents a return of 3.3% on the average market value of the portfolio. The running yield was 2.4% and the yield on reinvestment was 1.4%. By means of acquisitions in primary insurance and reinsurance – and aided by the positive market development – Munich Re increased its equity-backing ratio, including equity derivatives, to 7.2% as at 30 September 2021 (6.0% as at 31 December 2020).

The investment portfolio (excluding insurance-related investments) as at 30 September 2021 increased compared with the 2020 year-end figure, with the carrying amount moving up to €236,668m (232,950m); the market values amounted to €252,883m (252,789m).

Outlook for 2021: Annual target unchanged at €2.8bn

For life and health reinsurance, Munich Re projects a technical result (including the result from reinsurance treaties with non-significant risk transfer) totalling €200m (previously: €400m) for the full year. Munich Re had already communicated in its statement of 19 October 2021 that it would fall short of its original guidance for the full year owing to the increased loss expectation due to COVID-19.

For property-casualty reinsurance, Munich Re expects a combined ratio of around 100% (previously 96%) of net earned premium on account of the high natural catastrophe losses that occurred in Q3.

Munich Re is still aiming for a combined ratio of around 92% of net earned premium for ERGO Property-casualty. Depending on further major-loss development, there is increased uncertainty as to whether Munich Re will be able to reach that target.

All other sub-targets specified in the Half-Year Financial Report for 2021 remain unchanged. In particular, Munich Re is still aiming for a consolidated profit of €2.8bn for the 2021 financial year.

All forecasts are made more difficult by the pronounced volatility of the capital markets and exchange rates, and by the increased uncertainty with regard to potential claims in connection with the coronavirus pandemic. As always, the projections are subject to major losses being within normal bounds, and to the income statement not being impacted by severe fluctuations in the currency or capital markets, significant changes in the tax environment, or other one-off effects.

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Munich Re

Munich Re is one of the world's leading providers of reinsurance, primary insurance and insurance-related risk solutions. The group consists of the reinsurance and ERGO business segments, as well as the asset management company MEAG. Munich Re is globally active and operates in all lines of the insurance business. Since it was founded in 1880, Munich Re has been known for its unrivalled risk-related expertise and its sound financial position. It offers customers financial protection when faced with exceptional levels of damage – from the 1906 San Francisco earthquake through to the 2019 Pacific typhoon season. Munich Re possesses outstanding innovative strength, which enables it to also provide coverage for extraordinary risks such as rocket launches, renewable energies or cyberattacks. The company is playing a key role in driving forward the digital transformation of the insurance industry, and in doing so has further expanded its ability to assess risks and the range of services that it offers. Its tailor-made solutions and close proximity to its customers make Munich Re one of the world's most sought-after risk partners for businesses, institutions, and private individuals.

Disclaimer

This media release 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 the results, financial situation and performance of our Company. The Company assumes no liability to update these forward-looking statements or to make them conform to future events or developments.

Key figures

Munich Re at a glance

		Q1–3 2021	Q1–3 2020	Change %	Q3 2021	Q3 2020	Change %
Consolidated result	€m	2,061	999	106.2	366	199	83.7
Thereof attributable to non-controlling interests	€m	-3	-4	17.6	1	-3	-
Earnings per share	€	14.73	7.15	106.1	2.61	1.44	80.8
Return on equity (RoE)	%	12.1	5.9		6.3	3.6	
Return on investment (RoI)	%	3.0	2.8		3.3	2.7	

			30.9.2021	31.12.2020	Change %
Share price	€		236.90	242.80	-2.4
Munich Reinsurance Company's market capitalisation	€bn		33.2	34.0	-2.4
Carrying amount per share	€		213.88	213.38	0.2
Investments	€m		236,668	232,950	1.6
Insurance-related investments	€m		12,068	11,033	9.4
Equity	€m		30,055	29,994	0.2
Off-balance-sheet unrealised gains and losses ¹	€m		17,720	21,298	-16.8
Net technical provisions	€m		231,718	221,480	4.6
Balance sheet total	€m		310,724	297,946	4.3
Number of staff			39,341	39,642	-0.8

¹ Including those apportionable to minority interests and policyholders.

Reinsurance

		Q1–3 2021	Q1–3 2020	Change %	Q3 2021	Q3 2020	Change %
Gross premiums written	€m	30,848	28,017	10.1	11,160	9,926	12.4
Combined ratio property-casualty	%	100.9	106.1		112.8	112.2	
Investment result	€m	2,529	2,473	2.3	1,074	885	21.4
Consolidated result	€m	1,594	619	157.6	232	63	266.2
Thereof: Reinsurance – Life and health	€m	239	153	56.3	94	86	9.4
Thereof: Reinsurance – Property-casualty	€m	1,355	466	190.9	138	-23	-
Return on equity (RoE)	%	12.7	4.9		5.4	1.6	

ERGO

		Q1–3 2021	Q1–3 2020	Change %	Q3 2021	Q3 2020	Change %
Gross premiums written	€m	13,825	13,245	4.4	4,319	4,224	2.3
Combined ratio Property-casualty Germany	%	94.1	92.2		95.6	90.9	
Combined ratio International	%	92.8	92.6		92.3	92.5	
Investment result	€m	3,201	2,835	12.9	1,032	807	27.9
Consolidated result	€m	467	381	22.7	134	136	-1.6
Thereof: Life and Health Germany	€m	206	99	107.4	80	31	161.6
Thereof: Property-casualty Germany	€m	127	120	6.6	21	48	-55.9
Thereof: International	€m	134	162	-17.4	32	57	-43.3
Return on equity (RoE)	%	10.5	8.7		8.9	9.3	

Outlook Munich Re (Group) 2021

		As at 30.09.2021	From Q2 2021	From Q1 2021	From Annual Report 2020
Gross premiums written	€bn	58	58	57	55
Technical result – Life and health reinsurance ¹	€m	200	400	400	400
Combined ratio – Property-casualty reinsurance	%	100	96	96	96
Combined ratio – ERGO Property-casualty Germany	%	92 ³	92	92	92
Combined ratio – ERGO Property-casualty International	%	93	93	93	93
Return on investment ²	%	Over 2.5	Over 2.5	Over 2.5	Over 2.5
Consolidated result	€bn	2.8	2.8	2.8	2.8
Economic Earnings	€bn	Over 2.8	Over 2.8	Over 2.8	Over 2.8

1 Including the result from reinsurance treaties with non-significant risk transfer.

2 Excluding insurance-related investments.

3 Increased uncertainty due to large losses, especially NatCat.

Investment mix

€m	Carrying amounts		Unrealised gains/losses ¹		Fair values	
	30.9.2021	31.12.2020	30.9.2021	31.12.2020	30.9.2021	31.12.2020
Land and buildings, including buildings on third-party land	6,548	6,539	5,753	5,592	12,301	12,131
Investments in affiliated companies, associates and joint ventures	3,391	3,372	1,675	1,584	4,905	4,841
Loans	50,439	51,944	8,948	12,778	59,387	64,722
Other securities available for sale	159,987	155,389	13,536	17,293	159,987	155,389
Thereof: Fixed-interest	137,476	138,404	9,003	14,426	137,476	138,404
Thereof: Non-fixed-interest	22,511	16,985	4,533	2,866	22,511	16,985
Other securities at fair value through profit or loss	2,966	2,927			2,966	2,927
Thereof: Derivatives	2,010	2,339			2,010	2,339
Deposits retained on assumed reinsurance	8,623	7,980			8,623	7,980
Other investments	4,714	4,800			4,714	4,800
Total	236,668	232,950	29,911	37,247	252,883	252,789

¹ Including on- and off-balance-sheet unrealised gains and losses.

Investment result

	Q1–3 2021	RoI ¹	Q1–3 2020	RoI ¹	Q3 2021	Q3 2020
	€m	%	€m	%	€m	€m
Regular income	4,580	2.4	4,801	2.6	1,507	1,536
Write-ups/write-downs of non-derivative investments	-416	-0.2	-1,832	-1.0	-168	-265
Gains/losses on the disposal of non-derivative investments	2,491	1.3	2,210	1.2	881	644
Net balance of derivatives	-397	-0.2	629	0.3	61	-65
Other income/expenses	-527	-0.3	-500	-0.3	-173	-159
Total	5,731	3.0	5,308	2.8	2,107	1,691

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

Consolidated balance sheet

Assets

			30.9.2021	31.12.2020		Change
	€m	€m	€m	€m	€m	%
A. Intangible assets						
I.	Goodwill	3,058		2,782	276	9.9
II.	Other intangible assets	1,258		1,223	35	2.9
			4,317	4,005	312	7.8
B. Investments						
I.	Land and buildings, including buildings on third-party land	6,548		6,539	9	0.1
II.	Investments in affiliated companies, associates and joint ventures	3,391		3,372	19	0.6
	Thereof:					
	Associates and joint ventures accounted for using the equity method	3,010		3,104	-94	-3.0
III.	Loans	50,439		51,944	-1,505	-2.9
IV.	Other securities					
	1. Available for sale	159,987		155,389	4,598	3.0
	2. At fair value through profit or loss	2,966		2,927	39	1.3
		162,953		158,316	4,638	2.9
V.	Deposits retained on assumed reinsurance	8,623		7,980	644	8.1
VI.	Other investments	4,714		4,800	-86	-1.8
			236,668	232,950	3,718	1.6
C. Insurance-related investments			12,068	11,033	1,035	9.4
D. Ceded share of technical provisions			6,211	5,321	891	16.7
E. Receivables						
I.	Current tax receivables	732		765	-33	-4.3
II.	Other receivables	30,326		25,431	4,896	19.3
			31,058	26,196	4,863	18.6
F. Cash at banks, cheques and cash in hand			6,257	5,615	642	11.4
G. Deferred acquisition costs						
	Gross	10,390		9,617	773	8.0
	Ceded share	-590		-498	-91	-18.3
	Net		9,800	9,119	681	7.5
H. Deferred tax assets			364	278	86	30.9
I. Other assets			3,221	3,215	6	0.2
J. Non-current assets held for sale			759	215	543	252.4
Total assets			310,724	297,946	12,777	4.3

Equity and liabilities

			30.9.2021	31.12.2020		Change
	€m	€m	€m	€m	€m	%
A. Equity						
I.	Issued capital and capital reserve	7,432		7,432	0	0.0
II.	Revenue reserves	13,578		13,568	10	0.1
III.	Other reserves	6,890		7,683	-793	-10.3
IV.	Consolidated result attributable to Munich Reinsurance Company equity holders	2,064		1,211	853	70.4
V.	Non-controlling interests	91		100	-9	-9.3
			30,055	29,994	61	0.2
B. Subordinated liabilities			5,002	5,047	-46	-0.9
C. Gross underwriting provisions						
I.	Unearned premiums	13,819		10,964	2,855	26.0
II.	Provision for future policy benefits	114,493		112,928	1,565	1.4
III.	Provision for outstanding claims	79,624		72,475	7,149	9.9
IV.	Other underwriting provisions	21,350		22,478	-1,128	-5.0
			229,286	218,846	10,441	4.8
D. Gross technical provisions for unit-linked life insurance			8,643	7,955	688	8.6
E. Other provisions			5,216	5,438	-221	-4.1
F. Liabilities						
I.	Notes and debentures	288		272	15	5.6
II.	Deposits retained on ceded business	1,465		1,261	204	16.2
III.	Current tax liabilities	1,798		1,823	-25	-1.4
IV.	Other liabilities	26,867		24,895	1,972	7.9
			30,417	28,251	2,166	7.7
G. Deferred tax liabilities			1,713	2,293	-579	-25.3
H. Liabilities related to non-current assets held for sale			390	123	268	218.2
Total equity and liabilities			310,724	297,946	12,777	4.3

Consolidated income statement

			Q1–3 2021		Q1–3 2020		Change	
	€m	€m	€m	€m	€m	€m	%	
Gross premiums written	44,673				41,261	3,412		8.3
1. Earned premiums								
Gross	42,167				39,907	2,261		5.7
Ceded	-1,802				-1,919	117		6.1
Net		40,365			37,988	2,378		6.3
2. Income from technical interest		4,490			3,451	1,040		30.1
3. Expenses for claims and benefits								
Gross	-35,362				-32,656	-2,706		-8.3
Ceded	1,292				1,203	89		7.4
Net		-34,070			-31,453	-2,617		-8.3
4. Operating expenses								
Gross	-10,053				-9,813	-240		-2.4
Ceded	347				430	-83		-19.2
Net		-9,706			-9,383	-323		-3.4
5. Technical result (1–4)			1,079		602	477		79.3
6. Investment result		5,731			5,308	422		8.0
Thereof:								
Income from associates and joint ventures accounted for using the equity method		133			60	73		123
7. Insurance-related investment result		833			-374	1,207		–
8. Other operating income		777			790	-13		-1.6
9. Other operating expenses		-1,374			-1,370	-4		-0.3
10. Deduction of income from technical interest		-4,490			-3,451	-1,040		-30.1
11. Non-technical result (6–10)			1,477		904	573		63.4
12. Operating result (5+11)			2,556		1,505	1,050		69.8
13. Other non-operating result			-39		-48	10		20.0
14. Currency result			102		67	36		53.5
15. Net finance costs			-157		-164	7		4.5
16. Taxes on income			-402		-360	-42		-11.6
17. Consolidated result (12–16)			2,061		999	1,062		106.2
Thereof:								
Attributable to Munich Reinsurance Company equity holders			2,064		1,004	1,061		105.7
Attributable to non-controlling interests			-3		-4	1		17.6
			€		€	€		%
Earnings per share			14.73		7.15	7.58		106.1

Consolidated income statement

	€m	€m	Q3 2021 €m	Q3 2020 €m	€m	Change %
Gross premiums written	15,480			14,150	1,330	9.4
1. Earned premiums						
Gross	14,657			13,480	1,178	8.7
Ceded	-691			-653	-38	-5.8
Net		13,967		12,827	1,140	8.9
2. Income from technical interest		1,350		1,444	-94	-6.5
3. Expenses for claims and benefits						
Gross	-12,957			-11,455	-1,501	-13.1
Ceded	567			383	184	47.9
Net		-12,390		-11,072	-1,318	-11.9
4. Operating expenses						
Gross	-3,537			-3,285	-252	-7.7
Ceded	135			149	-13	-8.9
Net		-3,402		-3,137	-265	-8.4
5. Technical result (1–4)			-475	62	-536	–
6. Investment result		2,107		1,691	415	24.5
Thereof:						
Income from associates and joint ventures accounted for using the equity method		1		31	-29	-95.8
7. Insurance-related investment result		68		175	-107	-61.3
8. Other operating income		311		314	-3	-1.0
9. Other operating expenses		-456		-445	-11	-2.5
10. Deduction of income from technical interest		-1,350		-1,444	94	6.5
11. Non-technical result (6–10)			678	291	388	133.4
12. Operating result (5+11)			204	353	-149	-42.2
13. Other non-operating result			-18	-31	13	43.1
14. Currency result			242	-100	343	–
15. Net finance costs			-45	-54	10	18.0
16. Taxes on income			-18	32	-50	–
17. Consolidated result (12–16)			366	199	167	83.7
Thereof:						
Attributable to Munich Reinsurance Company equity holders			365	202	163	80.8
Attributable to non-controlling interests			1	-3	4	–
			€	€	€	%
Earnings per share			2.61	1.44	1.16	80.8

Segment balance sheet

Segment assets

€m	Reinsurance										ERGO		Total	
	Life and health		Property-casualty		Life and Health Germany		Property-casualty Germany		International		30.9.2021	31.12.2020	30.9.2021	31.12.2020
	30.9.2021	31.12.2020	30.9.2021	31.12.2020	30.9.2021	31.12.2020	30.9.2021	31.12.2020	30.9.2021	31.12.2020				
A. Intangible assets	519	280	2,166	2,099	164	173	1,297	1,279	170	174	4,317	4,005		
B. Investments														
I. Land and buildings, including buildings on third-party land	233	183	3,040	2,937	2,934	3,088	205	205	135	126	6,548	6,539		
II. Investments in affiliated companies, associates and joint venture: Thereof: Associates and joint ventures accounted for using the equity method	47	48	1,856	1,848	395	408	101	94	991	974	3,391	3,372		
III. Loans	580	518	533	595	47,442	49,002	1,382	1,365	502	464	50,439	51,944		
IV. Other securities														
1. Available for sale	23,025	22,806	53,881	50,496	60,855	59,233	5,647	5,337	16,579	17,517	159,987	155,389		
2. fair value through profit or loss	165	84	1,094	990	1,462	1,422	43	51	202	379	2,966	2,927		
	23,190	22,890	54,975	51,486	62,317	60,656	5,690	5,388	16,781	17,896	162,953	158,316		
V. Deposits retained on assumed reinsurance	5,006	4,835	3,593	3,111	17	21	8	12	0	0	8,623	7,980		
VI. Other investments	599	416	2,730	2,381	1,075	1,734	190	123	119	145	4,714	4,800		
	29,655	28,890	66,727	62,358	114,181	114,909	7,577	7,188	18,529	19,605	236,668	232,950		
C. Insurance-related investments	2,769	2,921	976	461	5,790	5,259	0	0	2,534	2,391	12,068	11,033		
D. Ceded share of technical provisions	2,550	2,074	2,842	2,557	11	12	245	102	564	575	6,211	5,321		
E. Non-current assets held for sale	0	1	0	17	61	16	2	23	695	159	759	215		
F. Other segment assets	19,772	17,865	17,698	14,368	8,637	7,957	2,027	1,706	2,567	2,528	50,701	44,423		
Total segment assets	55,265	52,031	90,409	81,860	128,844	128,325	11,147	10,298	25,058	25,432	310,724	297,946		

Segment equity and liabilities

€m	Reinsurance										ERGO		Total	
	Life and health		Property-casualty		Life and Health Germany		Property-casualty Germany		International		30.9.2021	31.12.2020	30.9.2021	31.12.2020
	30.9.2021	31.12.2020	30.9.2021	31.12.2020	30.9.2021	31.12.2020	30.9.2021	31.12.2020	30.9.2021	31.12.2020				
A. Subordinated liabilities	1,156	1,202	3,833	3,832	0	0	0	0	13	13	5,002	5,047		
B. Gross technical provisions														
I. Unearned premiums	328	341	10,461	8,042	274	241	820	522	1,935	1,817	13,819	10,964		
II. Provision for future policy benefits	13,194	12,464	0	0	91,396	90,474	373	387	9,531	9,603	114,493	112,928		
III. Provision for outstanding claims	10,822	9,962	57,285	51,392	2,930	3,018	5,555	5,083	3,032	3,021	79,624	72,475		
IV. Other underwriting provisions	209	391	291	230	20,064	20,889	131	125	656	843	21,350	22,478		
	24,552	23,158	68,037	59,664	114,664	114,622	6,879	6,117	15,155	15,285	229,286	218,846		
C. Gross technical provisions for unit-linked life insurance contracts	0	0	0	0	6,116	5,554	0	0	2,527	2,401	8,643	7,955		
D. Other provisions	194	190	689	690	1,973	2,135	1,164	1,146	1,197	1,277	5,216	5,438		
E. Liabilities related to non-current assets held for sale	0	0	0	0	1	0	0	0	390	123	390	123		
F. Other segment liabilities	15,089	14,381	9,633	9,020	5,539	5,090	586	540	1,283	1,513	32,131	30,544		
Total segment liabilities	40,991	38,932	82,192	73,206	128,293	127,400	8,629	7,803	20,563	20,611	280,668	267,952		
										Equity	30,055	29,994		
									Total equity and liabilities		310,724	297,946		

Segment income statement

€m	Reinsurance						ERGO				Total	
	Life and health		Property-casualty		Life and Health Germany		Property-casualty Germany		International		Q1–3 2021	Q1–3 2020
	Q1–3 2021	Q1–3 2020	Q1–3 2021	Q1–3 2020	Q1–3 2021	Q1–3 2020	Q1–3 2021	Q1–3 2020	Q1–3 2021	Q1–3 2020		
Gross premiums written	9,365	9,538	21,483	18,479	6,837	6,718	3,150	2,943	3,839	3,584	44,673	41,261
1. Net earned premiums	8,502	8,575	18,746	16,668	6,801	6,743	2,779	2,635	3,538	3,367	40,365	37,988
2. Income from technical interest	469	501	646	837	2,987	2,006	38	51	350	55	4,490	3,451
3. Net expenses for claims and benefits	-7,620	-7,491	-13,337	-12,634	-8,575	-7,379	-1,839	-1,642	-2,699	-2,306	-34,070	-31,453
4. Net operating expenses	-1,392	-1,554	-5,581	-5,053	-928	-1,043	-822	-806	-984	-927	-9,706	-9,383
5. Technical result (1–4)	-41	31	474	-182	285	327	156	237	205	189	1,079	602
6. Investment result	621	639	1,908	1,834	2,764	2,454	184	122	254	260	5,731	5,308
7. Insurance-related investment result	72	34	118	-43	439	-276	0	0	204	-89	833	-374
8. Other operating result	52	35	-245	-192	-200	-223	-89	-105	-115	-96	-597	-580
9. Deduction of income from technical interest	-469	-501	-646	-837	-2,987	-2,006	-38	-51	-350	-55	-4,490	-3,451
10. Non-technical result (6–9)	276	207	1,135	762	16	-52	57	-34	-7	20	1,477	904
11. Operating result (5+10)	235	238	1,609	580	301	275	213	203	198	209	2,556	1,505
12. Other non-operating result	-2	1	-15	-10	-12	-32	-9	-12	-1	5	-39	-48
13. Currency result	22	-5	68	170	-1	-91	11	-7	3	0	102	67
14. Net finance costs	-28	-29	-98	-93	-10	-16	-4	-5	-17	-20	-157	-164
15. Taxes on income	12	-51	-209	-181	-72	-36	-83	-60	-49	-32	-402	-360
16. Consolidated result (11–15)	239	153	1,355	466	206	99	127	120	134	162	2,061	999

Segment income statement

€m	Reinsurance								ERGO				Total	
	Life and health		Property-casualty		Life and Health Germany		Property-casualty Germany		International		Q3 2021	Q3 2020	Q3 2021	Q3 2020
	Q3 2021	Q3 2020	Q3 2021	Q3 2020	Q3 2021	Q3 2020	Q3 2021	Q3 2020	Q3 2021	Q3 2020				
Gross premiums written	3,164	3,127	7,997	6,798	2,268	2,254	809	808	1,242	1,162	15,480	14,150		
1. Net earned premiums	2,900	2,844	6,665	5,680	2,269	2,254	942	917	1,191	1,133	13,967	12,827		
2. Income from technical interest	158	169	220	286	888	878	13	17	73	94	1,350	1,444		
3. Net expenses for claims and benefits	-2,655	-2,504	-5,475	-4,666	-2,755	-2,482	-651	-576	-854	-844	-12,390	-11,072		
4. Net operating expenses	-449	-499	-2,045	-1,698	-305	-369	-268	-266	-334	-305	-3,402	-3,137		
5. Technical result (1–4)	-46	10	-636	-399	96	281	35	92	76	78	-475	62		
6. Investment result	210	239	865	646	902	697	44	29	86	81	2,107	1,691		
7. Insurance-related investment result	18	24	33	-10	4	116	0	0	12	46	68	175		
8. Other operating result	27	17	-81	-16	-32	-75	-16	-26	-43	-31	-145	-131		
9. Deduction of income from technical interest	-158	-169	-220	-286	-888	-878	-13	-17	-73	-94	-1,350	-1,444		
10. Non-technical result (6–9)	97	110	597	334	-14	-141	15	-14	-17	1	678	291		
11. Operating result (5+10)	52	120	-39	-65	82	140	50	78	59	79	204	353		
12. Other non-operating result	-1	1	-5	-2	-8	-29	-4	-7	0	5	-18	-31		
13. Currency result	45	-19	156	-20	32	-65	7	4	1	1	242	-100		
14. Net finance costs	-8	-10	-33	-31	0	-6	0	-2	-4	-7	-45	-54		
15. Taxes on income	6	-6	60	96	-27	-10	-33	-25	-24	-22	-18	32		
16. Consolidated result (11–15)	94	86	138	-23	80	31	21	48	32	57	366	199		

Notes on determining the combined ratio

€m	Reinsurance		Property-casualty Germany		ERGO Property-casualty International ¹	
	Property-casualty Q1–3 2021	Property-casualty Q1–3 2020	Q1–3 2021	Q1–3 2020	Q1–3 2021	Q1–3 2020
Net earned premiums	18,746	16,668	2,779	2,635	2,597	2,425
Net expenses for claims and benefits	-13,337	-12,634	-1,839	-1,642	-1,644	-1,536
Net operating expenses	-5,581	-5,053	-822	-806	-770	-722
Loss-ratio calculation adjustments	6	-4	47	19	5	12
Fire brigade tax and other expenses	18	16	15	18	16	16
Expenses for premium refunds	0	0	26	22	1	2
Other underwriting income	-12	-8	-2	-26	-7	-7
Change in remaining technical provisions and other underwriting expenses	-1	-12	8	5	-6	1
Adjusted net expenses for claims and benefits	-13,331	-12,637	-1,794	-1,624	-1,639	-1,524
Loss ratio	% 71.1	% 75.8	% 64.6	% 61.6	% 63.1	% 62.9
Combined ratio	% 100.9	% 106.1	% 94.1	% 92.2	% 92.8	% 92.6

¹ Property-casualty business and short-term health insurance not conducted like life insurance.

Notes on determining the annualised return on equity (RoE)

€m	Reinsurance		ERGO		Total	
	30.9.2021	31.12.2020	30.9.2021	31.12.2020	30.9.2021	31.12.2020
Segment assets	145,673	133,892	165,050	164,055	310,724	297,946
Segment liabilities	123,183	112,138	157,485	155,815	280,668	267,952
Adjustments used in the calculation of equity						
Unrealised gains and losses, currency translation reserve, remeasurement gains/losses from cash flow hedges	4,757	4,994	2,133	2,689	6,890	7,683
Adjustment item for material asset transfers between reinsurance and ERGO	529	410	-529	-410	0	0
Adjusted equity	17,204	16,350	5,961	5,961	23,165	22,311
	Q1-3 2021		Q1-3 2021		Q1-3 2021	
Average adjusted equity	16,777		5,961		22,738	
Consolidated result	1,594		467		2,061	
Return on equity (RoE)	%	12.7	10.5		12.1	

Notes on determining the annualised return on equity (RoE)

€m	Reinsurance		ERGO		Total	
	30.9.2020	31.12.2019	30.9.2020	31.12.2019	30.9.2020	31.12.2019
Segment assets	134,271	128,171	161,702	159,383	295,973	287,553
Segment liabilities	112,696	104,862	153,636	152,116	266,332	256,978
Adjustments used in the calculation of equity						
Unrealised gains and losses, currency translation reserve, remeasurement gains/losses from cash flow hedges	5,152	5,301	2,504	2,209	7,656	7,510
Adjustment item for material asset transfers between reinsurance and ERGO	301	732	-301	-732	0	0
Adjusted equity	16,122	17,275	5,862	5,791	21,985	23,066
	Q1-3 2020		Q1-3 2020		Q1-3 2020	
Average adjusted equity	16,699		5,827		22,525	
Consolidated result	619		381		999	
Return on equity (RoE)	%	4.9	8.7		5.9	