

MUNICH RE EQUITY STORY

Executing business opportunities – Good start to the 2020 ambition

September 2019



Why invest in Munich Re



Attractive dividends



Digital transformation opportunities



Diversified business model



Strong capital position

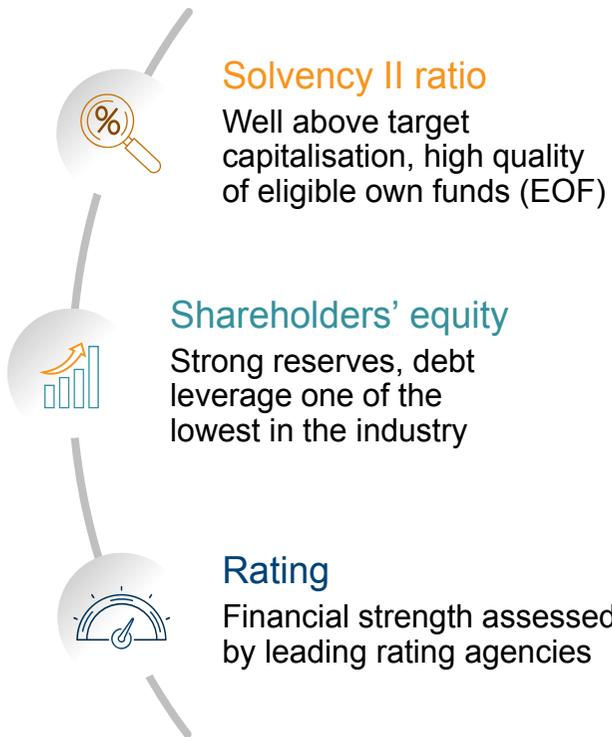


Good sustainability ratings



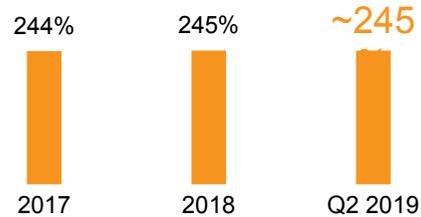
Leading global reinsurer

Strong capital position and financial stability



Solvency II ratio

Well above target capitalisation, high quality of eligible own funds (EOF)



Tier 1²: 88%
Tier 2: 11%
Tier 3: 1%

Shareholders' equity

Strong reserves, debt leverage one of the lowest in the industry



12.0%

Rating

Financial strength assessed by leading rating agencies

A.M. Best
Fitch

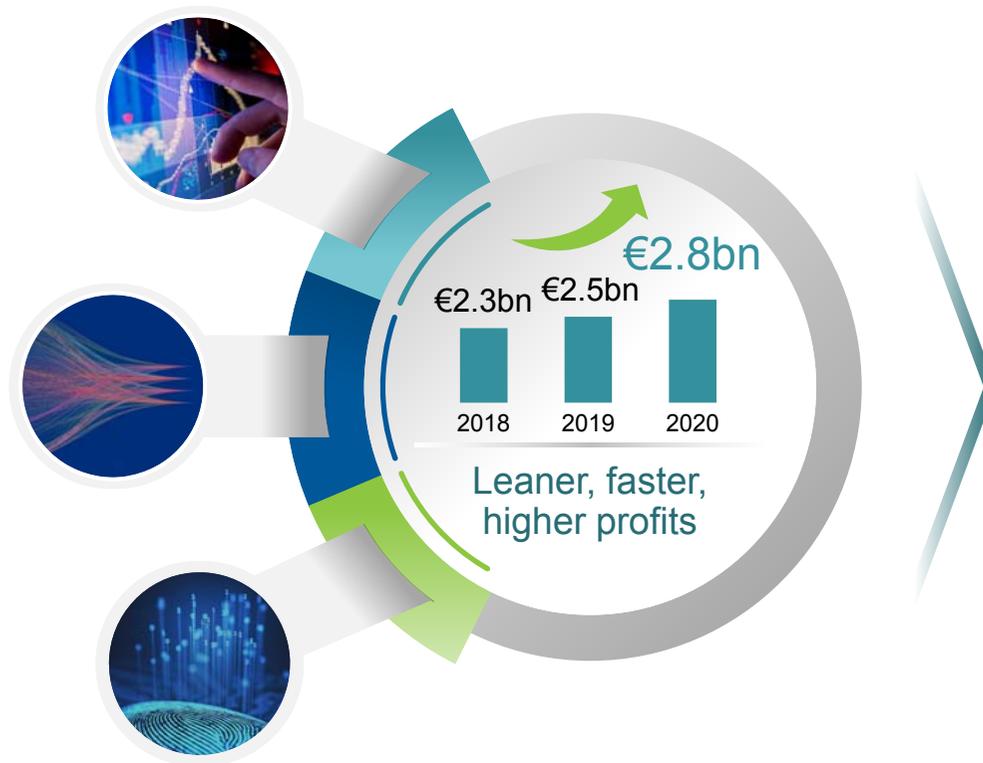
A+
AA

Moody's
S&P

Aa3
AA-

¹ As at 31.12.2018. ² 99.97% unrestricted, 0.03% hybrid capital. ³ As at 30.6.2019. Strategic debt (senior, subordinated and other debt) divided by total capital (strategic debt + equity).

Increasing confidence level to deliver on next year's net profit targets as a basis for our mid-term strategy



Focus on our three pillars is paying off, both strategically and financially

We take care of our long-term TSR development and seek top 3 position in our peer group

Consistent progress towards our 2020 strategic ambition – Select highlights of H1 2019



INCREASE EARNINGS

REINSURANCE

- Focus on profitable organic growth (US, cyber, niche business)
- Cost savings reinvested into new business models



REDUCE COMPLEXITY

- Global single-risk unit established, pooling together ~560 employees
- Re-engineering and automation of accounting processes (~100 FTEs)



DIGITAL TRANSFORMATION

- A good number of newly developed business models and platforms already productive and ready to scale up

ERGO

- Announced merger HDFC ERGO / Apollo Munich in India
- ~€200m or ~71% of 2020 target cost reduction already achieved
- Sale of 18 subscale subsidiaries completed
- ERGO Direkt and ERV brands merged under ERGO umbrella
- SAP platform for B2B2C mobility business launched
- Proof points for robotics achieved, already able to process ~350k transactions p.a.

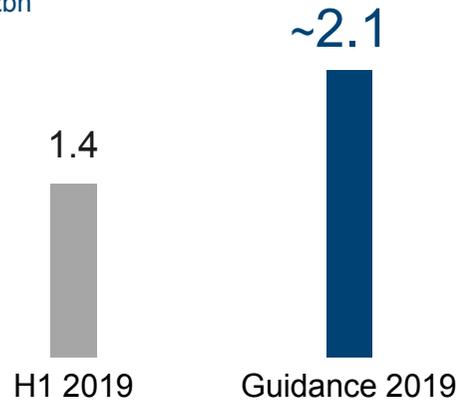
The Group is building the basis to become faster, leaner and increase earnings

At the half-way stage of our 2020 strategic ambition, we are well on track



REINSURANCE

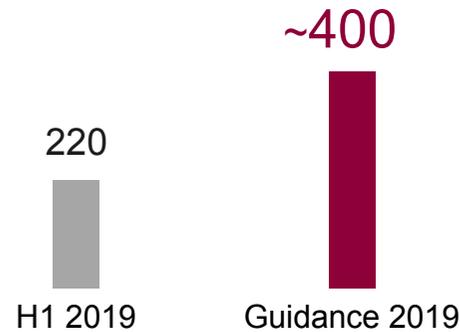
NET RESULT
€bn



Sound reserving position and low level of major losses in P-C

ERGO

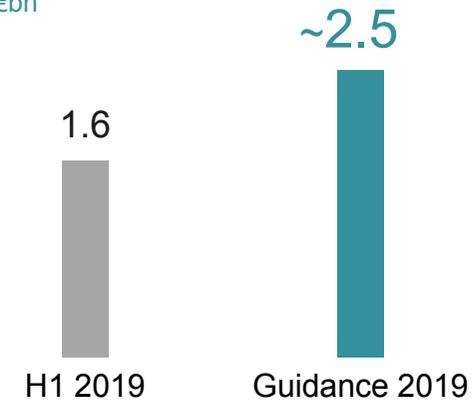
NET RESULT
€m



ESP well on track – pleasing profitability across all segments

GROUP

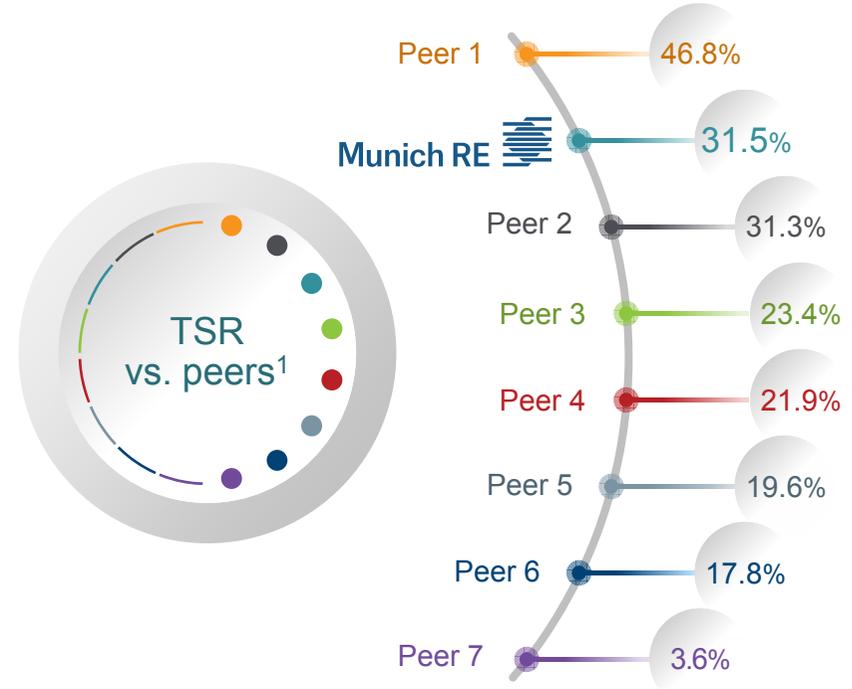
NET RESULT
€bn



Unchanged guidance given the usual uncertainty concerning developments in major losses in H2

Our market performance since 2018 – We are in the top 3 among our peer group

Committed to leveraging drivers of TSR ... to deliver attractive returns to our shareholders



1 Source: Datastream. Period from 1.1.2018 to 31.7.2019. Peers: Allianz, Axa, Generali, Hannover Re, Scor, Swiss Re, Zurich.

Systematically integrating sustainability criteria when creating value – Key achievements in 2018



Climate strategy

Enabling new technologies for a low-carbon economy

- Innovative insurance solutions for new technologies, e.g. battery storage
- €1.6bn invested in renewable energies, €0.9bn in green bonds

Driving industry standards for climate risk management via UNEP FI PSI¹ Working Group on TCFD² recommendations



ESG in core business

Sustainability criteria deeply entrenched in our underwriting and investment decisions

- Investment process established to fully integrate ESG criteria for all asset classes
- New approach to coal sector – divestment (30% revenue threshold) and strict underwriting exclusions for new coal projects



Governance

New remuneration system for the Board of Management, aligned with long-term shareholders' interests

Responsible employer

- Establishment of Munich Re Digital School to enhance digital qualifications of employees
- Voluntary programme to support reduced complexity and digital transformation

Top positions in major external ratings:
MSCI AA rating, top 10 in DJSI, #1 Union Investment for governance

¹ United Nations Environment Programme – Finance Initiative on Principles for Sustainable Insurance. ² Task force on climate-related financial disclosures.

Strong balance sheet, dividend increase and continuation of €1bn share buy-back in 2019



245%
Well above target capitalisation



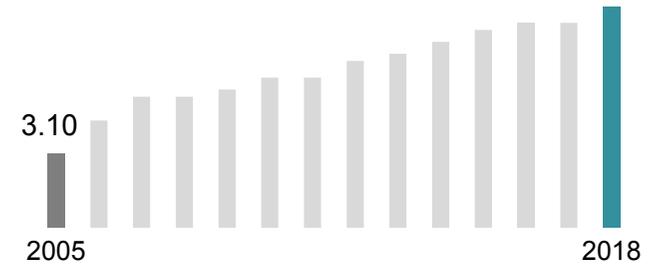
€3.8bn
Safeguards capital repatriation



12.0%
Provides financial flexibility



Sustainable dividend-per-share growth
€9.25



Ongoing share buy-backs



1 As at 31.12.2018. 2 As at 30.06.2019

Reinsurance – Good 2018 performance



PROPERTY-CASUALTY

NET RESULT

€1,135m (–€476m)

Sound underlying profitability despite higher frequency of smaller and medium-sized losses

COMBINED RATIO

99.4% (114.1%)

Close to original full-year target – underlying combined ratio ~99%

RESERVE RELEASES¹

4.6% (5.2%)

Absolute amount of reserve releases largely unchanged – confidence level preserved



LIFE AND HEALTH

NET RESULT

€729m (€596m)

Improvement in line with technical result and high investment result

TECHNICAL RESULT
INCL. FEE INCOME

€584m (€428m)

Significantly above guidance due to favourable claims experience and pleasing new business development

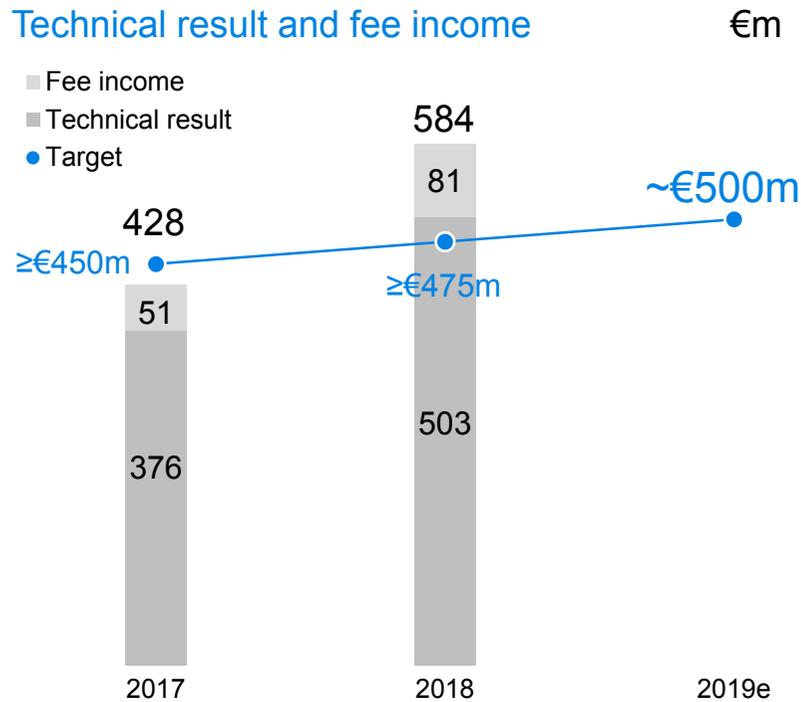
NEW BUSINESS CONTRIBUTION

€1.1bn (€1.1bn)

Again attractive level – driven by strong traditional business in NA and Asia as well as FinMoRe

Sustainable new business proposition and active portfolio management foster earnings growth

Technical result and fee income



Steady earnings growth

- Strong footprint in traditional reinsurance as the core of new business generation
- Established initiatives (FinMoRe, Asia, asset protection, longevity) contributing to growth
- New reinsurance products and risk-related services
- Active portfolio management improving earnings stability and reducing strain from underperforming business
- Guidance 2019 assumes claims in the range of expectation and no major one-offs from in-force management

Munich Re is well positioned to profitably grow its core business fields and drive innovation in the industry



1 Sustainable new business proposition and active portfolio management

2 Effectively serving our clients and strengthening the business model

3 Reinforcing underlying profitability and growth

4 Building a diversified profit base – shaping and seizing opportunities in the digital transformation of the (re)insurance industry

1 | Well-diversified portfolio – New business growth opportunities in North America and Asia

Canada (€1.5bn / 14%)

- Attractive margins despite competitive environment
- Maintain leadership position in traditional reinsurance and financially-motivated business
- Develop multi-channel distribution initiative

UK / Ireland (€1.8bn / 16%)

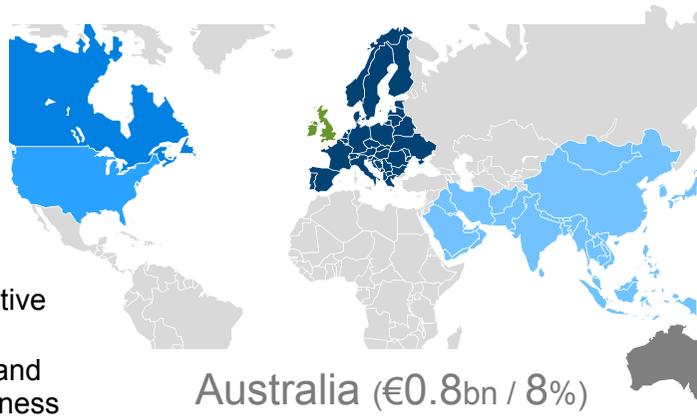
- Successful FinMoRe and longevity proposition
- Unattractive margins in protection business
- Business set-up prepared for Brexit

Continental Europe (€1.1bn / 10%)

- Sound but stagnating traditional business overall
- Demand for tailor-made FinMoRe solutions

USA (€2.8bn / 26%)

- Solid position among market leaders
- Develop FinMoRe business and predictive analytics to foster growth
- In-force management on legacy block and attractive risk-return profile in new business leads to sustainable bottom-line growth
- In-depth understanding of mortality key long-term success factor



Australia (€0.8bn / 8%)

- Top priority: Rehabilitation efforts and in-force management
- Highly selective new business proposition

Asia (€2.3bn / 22%)

- Pleasing development of new business including vital pipeline of FinMoRe solutions
- Substantial share of health reinsurance
- Product trends to be monitored closely, particularly in critical illness

2 | Strategic initiatives are delivering

BUSINESS GROWTH



Top position in core mature markets

- ✓ Expansion in currently under-represented segments/markets
- ✓ Stronger focus on US regional business
- ✓ Selective expansion of cat XL business

Smart growth in core emerging markets

- ✓ Focus on Asia, Latin America and Africa
- ✓ Expansion of specialty business, e.g. agro, marine, credit/mortgage
- ✓ Public-sector development – closing the protection gap

Capital management solutions

- ✓ Expanding global footprint
- ✓ Diversifying portfolio

BUSINESS EXCELLENCE



Living client centricity

- ✓ Regional centers successfully implemented
- ✓ ADVANCE¹ with strong response

First-class underwriting and risk management

- ✓ Invest in in-house cyber expertise and technology partnerships

Efficient and agile processes

- ✓ Complexity and cost reduction
- ✓ Digitalisation of selective processes and functions
- ✓ Global IT transformation

¹ Renewed top-talent programme for clients.

3 | Risk Solutions: 2018 marked by nat cat and other large losses – Foundations set to capture profitable growth

GROSS
EARNED
PREMIUMS



€4.3bn (€4.5bn)

Stable portfolio –
reduction solely
driven by FX effects

COMBINED
RATIO



103.4% (106.7%)

Strongly impacted
by large loss events,
normalised ambition
(combined ratio in the
mid-nineties) still intact

Munich Re Specialty Insurance – New growth platform for commercial specialty insurance

- Munich Re's commercial specialty insurance units in North America brought together in one unit under one brand, with a strong growth ambition
- Mutual benefits for clients, distribution partners and Munich Re
 - Center of excellence with underwriting capabilities, capacity, risk insights, advanced technology and claims expertise
 - Broad solution portfolio available out of one hand
- Targeting mid-market segment across P-C and Specialty Lines including excess and surplus lines business

Munich Re Syndicate Ltd. – Focusing growth on leading Lloyd's syndicate

- Growing MRSL from a leading marine and energy Lloyd's syndicate into a diversified Specialty syndicate and leading digital syndicate
- Investments in IT and process automation
- Divestment of MSP Underwriting Ltd.

4 | We focus on tangible business impact – Innovative and more disruptive offerings are gaining traction

MUNICH RE STRATEGIC ADVANTAGES

Domain expertise in underwriting, claims, risk management Efficient access to new solutions
Global presence Financial strength Strong brand and reputation No IT legacy

Reshuffling the value chain

- Digital cooperation models (e.g. Digital Partners, SaveUp)
- IoT applications and services (via HSB/relayr)

Expanding the boundaries of insurability

- Cyber (re)insurance: GWP 2018 US\$ 473m, low loss ratios, stringent accumulation control
- Cyber embedded service solutions and growing cooperation network, e.g. DXC Technology
- Insurance of AI technology

Data-driven solutions

- Digitally augmented underwriting/claims solutions for our cedants (e.g. Realytix, Improvex, Non-Life Analytics Platform)

Investments in technology and people

- Cutting-edge AI cooperations (e.g. DFKI¹ membership)
- Global analytics organisation and infrastructure in place
- Data science community >200 FTEs

Strategic investments in partnerships

- >€130m invested² in >20 companies (e.g. Team 8) focusing on InsurTech, IoT, data analytics and AI
- Focus on joint value creation

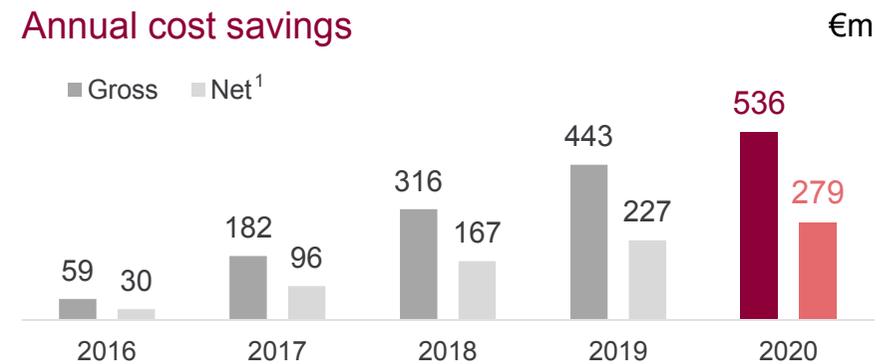
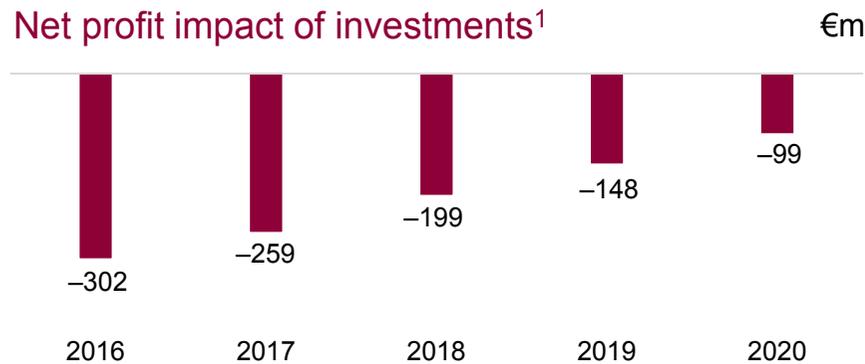
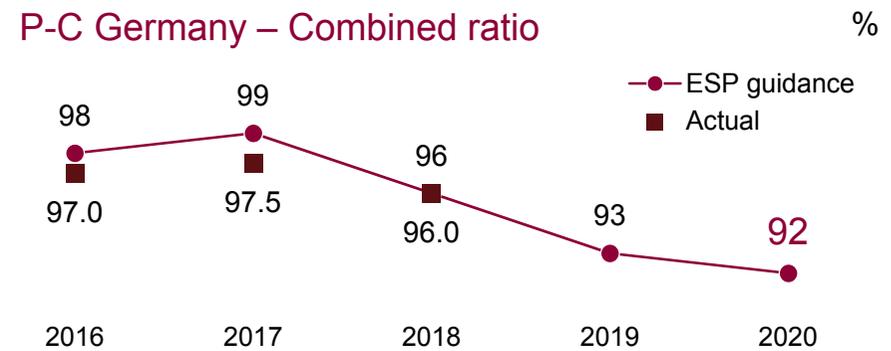
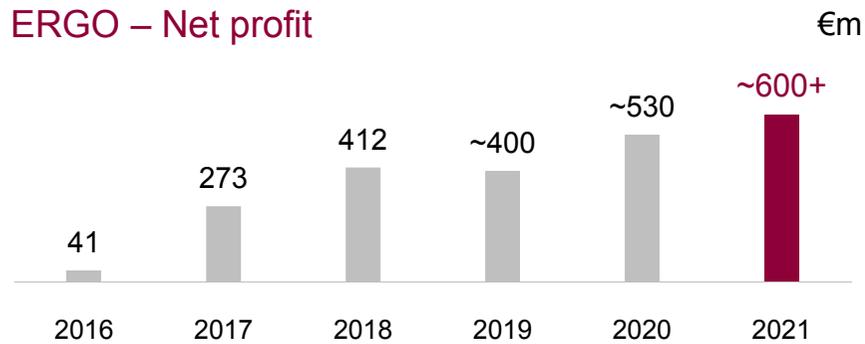
¹ German Research Centre for Artificial Intelligence (DFKI). ² Excluding acquisitions, e.g. relayr.

ERGO Strategy Programme – Highlights

	 2016 Launch of ESP	 2018 Current status	 2020 Ambition
Sales efficiency	Separated, partially integrated sales forces	Full integration of sales forces into one organisation; tied agent productivity increased by ~25% since 2016	Continuous increase of agent productivity
Cost structure	Germany and International: Efficiency improvement programme initiated	Total cost savings ¹ Germany: €174m already achieved International: €30m already achieved	Total cost savings ¹ Germany: €279m International: €120m
IT landscape	Dependency on legacy systems	Back-book migration in preparation (IBM) Separation of information from legacy systems started; 44 out of 59 systems ramped down so far	Step change in modernisation of IT infrastructure
Products	Separate product offerings of several risk carriers	Product portfolios substantially renewed and de-risked; integrated on- and offline offering started	Omnichannel retail product approach implemented Simplified product approach

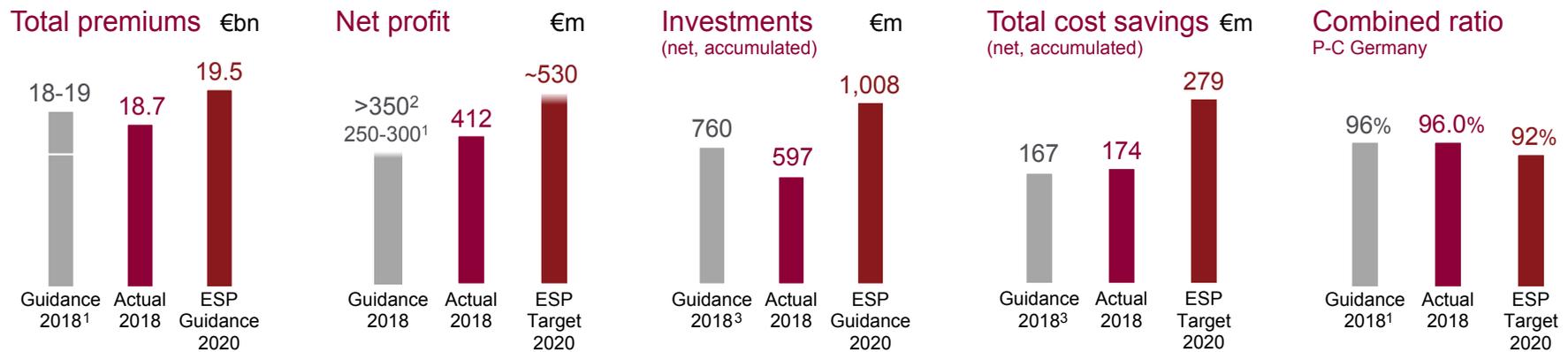
¹ Net, accumulated.

ERGO Strategy Programme (ESP) – Continuously increasing net profit



¹ ESP guidance, after policyholder participation and taxes.

ERGO Strategy Programme (ESP) on track – Consistent financial delivery and consequent strategic execution



ERGO Germany

GROUNDWORK FOR GROWTH

- Tied agent productivity increased by ~20%^{4,5}
- New business increased by ~10%, new business in Life increased by 25%^{4,5} driven by attractive product portfolio
- Overall cost savings (€174m of €279m) and FTE reduction (~1,240 of ~2,100) in plan

INNOVATION AND DIGITISATION

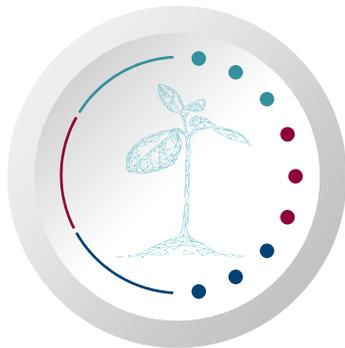
- nexible more than doubled⁵ number of policies to ~50,000
- Increasing number of use cases for robotics, voice and AI, modernisation of IT infrastructure on its way
- Number of users of ERGO-wide customer self-service portal increased by 31%⁵ to ~900,000

ERGO International

- Portfolio consolidation fully on track
- Increased profits in core markets esp. Poland, Baltics, Spain and Austria
- Strong premium development⁵ in India (+14%) and China (+45%)

1 Annual report 2017. 2 As at Q3 2018 reporting. 3 ESP Guidance as at 1 June 2016. 4 Tied agents (EBV) only. 5 2018 vs. 2017.

Outlook 2019



GROUP

Gross premiums written
~€49bn

Net result¹
~€2.5bn

Return on investment
~3%

ERGO

Gross premiums written
~€17.5bn

Net result
~€0.4bn

Combined ratio
P-C Germany
~93%

International
~95%

REINSURANCE

Gross premiums written
~€31bn

Net result
~€2.1bn

Combined ratio
Property-casualty²
~98%

Life and Health
Technical result incl. fee income³
~€500m

1 Tax rate 25% or slightly below. 2 Expectation of reserve releases (basic losses) in 2019 of at least 4%-pts. 3 Substantial risk of falling short of this guidance in 2019.

Group



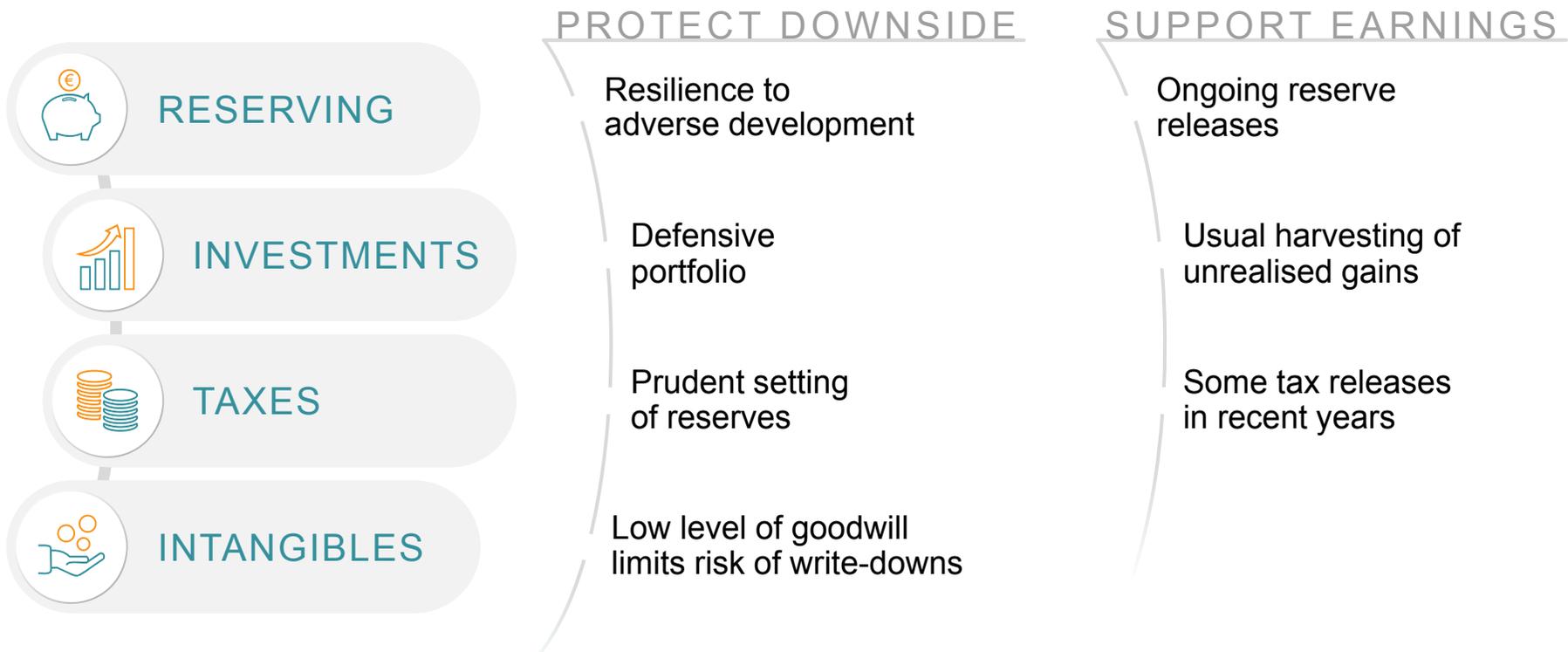
Munich Re at a glance – Key financials



		2018	2017	2016	2015	2014
Gross written premiums	€bn	49.1	49.1	48.9	50.4	48.8
Operating result	€m	3,725	1,241	4,025	4,819	4,028
Taxes on income	€m	-576	298	-760	-476	312
Consolidated result	€m	2,275	392	2,581	3,122	3,171
Investments	€bn	216.9	217.6	219.4	215.1	218.9
Return on equity	%	8.4	1.3	8.1	10.0	11.3
Equity	€bn	26.5	28.2	31.8	31.0	30.3
Off-balance-sheet reserves ¹	€bn	16.1	15.0	17.3	16.0	17.4
Net technical provisions	€bn	208.3	205.8	202.2	198.5	198.4
Staff at 31 December		41,410	42,410	43,428	43,554	43,316
Book value per share	€	180.9	185.2	200.9	188.4	178.1
Earnings per share	€	15.5	2.4	16.0	18.7	18.3
Dividend per share	€	9.25	8.60	8.60	8.25	7.75
Amount distributed	€m	1,342	1,290	1,338	1,329	1,293
Share price at 31 December	€	190.6	180.8	179.7	184.6	165.8
Market capitalisation at 31 December	€bn	28.5	28.0	28.9	30.8	28.7
No. of shares at year-end	m	149.5	155.0	161.1	166.8	172.9

¹ Including amounts attributable to minority interests and policyholders.

Solid balance sheet limits downside while providing a good basis for earnings growth



Strong reserving position – Protection against adverse development while contributing to earnings strength

PROTECT DOWNSIDE Global hot spots well managed

MOTOR LIABILITY

UK: Significant reduction of discount rate for claims settlement (“Ogden”) in 2017

USA: Continually increasing loss frequency and severity – reserve increases for whole US primary market

CASUALTY

USA: High litigation risk, increased claims inflation risk

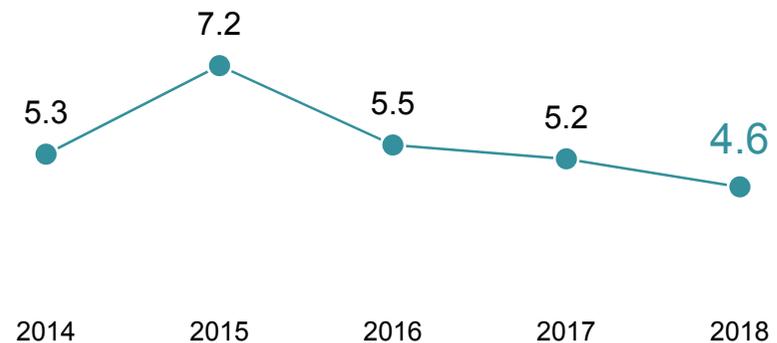
Asbestos: Complex litigation, changes in legal and regulatory environment

US workers’ compensation: High losses for reinsurers in business underwritten during soft market (late 90s)

- Prudent reserving approach ensuring solid reserve position going forward
- Stable reserve situation in 2018 demonstrating resilience to all hot-spot areas

SUPPORT EARNINGS Ongoing reserve releases¹

%



- Positive run-off responds to benign loss emergence while preserving confidence level
- Cautious initial loss picks for new underwriting year expected to unwind over time

¹ Basic losses.

Investment portfolio – Resilience to capital market shocks while providing reliable earnings contribution

PROTECT DOWNSIDE Well-balanced profile

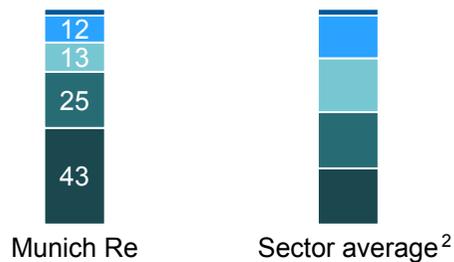
Low exposure to risky assets¹

- Equity
- Real estate
- ABS/MBS
- Corporates

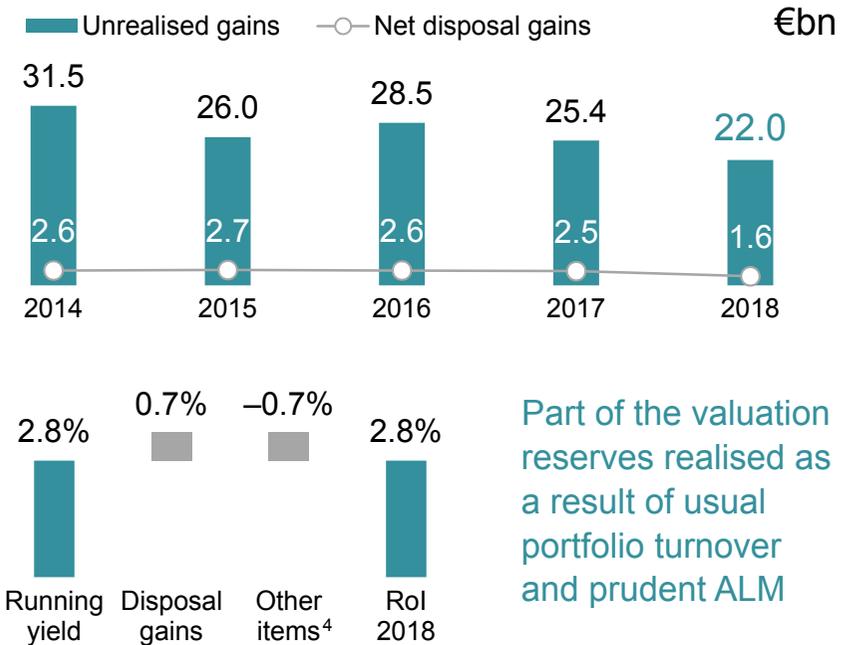


High rating quality³

- <BBB
- BBB
- A
- AA
- AAA



SUPPORT EARNINGS Ongoing disposal gains



Part of the valuation reserves realised as a result of usual portfolio turnover and prudent ALM

¹ In relation to total investments. ² Sector average based on company data and analysts' research. ³ Fixed-income portfolio. ⁴ Write-ups/write-downs, derivatives, other income/expenses.

IFRS capital position

Equity

	€m	Change in Q2
Equity 31.12.2018	26,500	
Consolidated result	1,626	993
Changes		
Dividend	-1,335	-1,335
Unrealised gains/losses	3,480	1,414
Exchange rates	126	-200
Share buy-backs	-389	-109
Other	-465	-211
Equity 30.6.2019	29,543	

Unrealised gains/losses

Fixed-interest securities
 H1: €2,667m Q2: €1,301m

Non-fixed-interest securities
 H1: €814m Q2: €117m

Exchange rates

FX effect mainly driven by US\$

Capitalisation



- Debt leverage¹ (%)
- Senior and other debt²
- Subordinated debt
- Equity

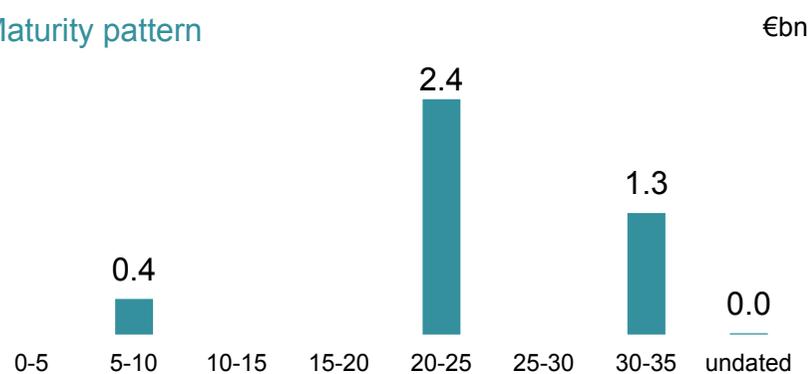
¹ Strategic debt (senior, subordinated and other debt) divided by total capital (strategic debt + equity).
² Other debt includes Munich Re bank borrowings and other strategic debt.

Outstanding bonds

Senior and subordinated bonds¹

Nominal volume	Coupon rate p. a.	Emission/Issue	Maturity	First possible redemption date
€1,250m	Until 2029 3.25% , thereafter variable	2018	2049	26 May 2029
€900m	Until 2022 6.25% , thereafter variable	2012	2042	26 May 2022
£450m	Until 2022 6.625% , thereafter variable	2012	2042	26 May 2022
€1,000m	Until 2021 6.00% , thereafter variable	2011	2041	26 May 2021
US\$342m	7.45%	1996	2026	

Maturity pattern



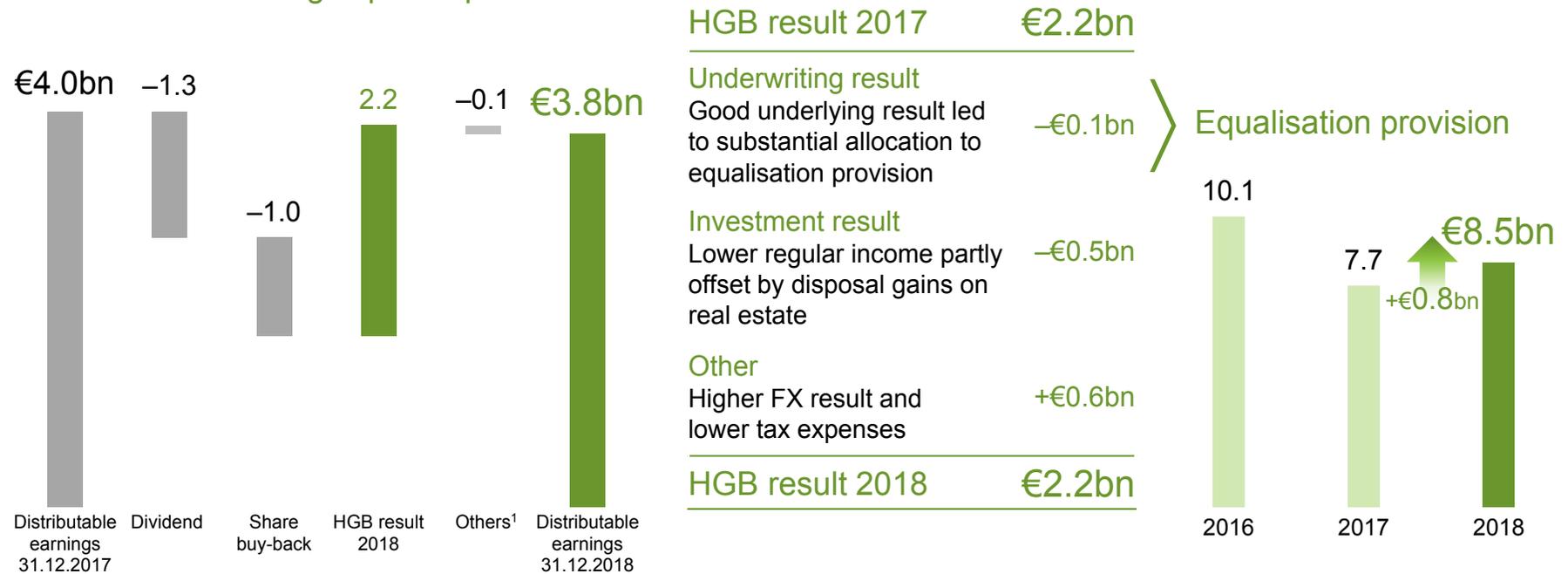
Currency pattern



¹ As at 31 March 2019. Bonds with a nominal value below €100m not considered. In addition, Munich Re has placed some natural catastrophe bonds.

German GAAP (HGB) – Distributable earnings remain largely stable

HGB result is financing capital repatriation



¹ Changes in restrictions on distribution.

Munich Re (Group) – Economic earnings 2018

Outlook 2019: >€2.5bn

€bn	Actual
Operating impact	3.2
New business contribution	0.1
Expected in-force contribution	2.0
Operating variances in-force business	1.6
Debt costs	-0.2
Other, including holding costs	-0.4
Market variances	-0.2
Other including tax	-1.1
Other, non-operating and non-market changes	-0.5
Tax	-0.6
Economic earnings 2018	1.9

Operating impact

- Positive operating impact from Reinsurance and ERGO
- New business contribution includes major losses above expectation for first development year and prudency margin in P-C Reinsurance
- Expected in-force contribution mainly driven by expected excess return from risk-bearing assets based on “real world” assumptions (€1.7bn) and unwind of risk margin
- Positive operating variances in in-force business mainly from prior year development in P-C Reinsurance, including release of prudency

Market variances

- Variances from “real world” assumptions with high countervailing effects
- Economic gains from revaluation of real estate, foreign currencies and other¹ compensate for economic losses from credit spreads, equities and risk-free interest rates

Other, including tax

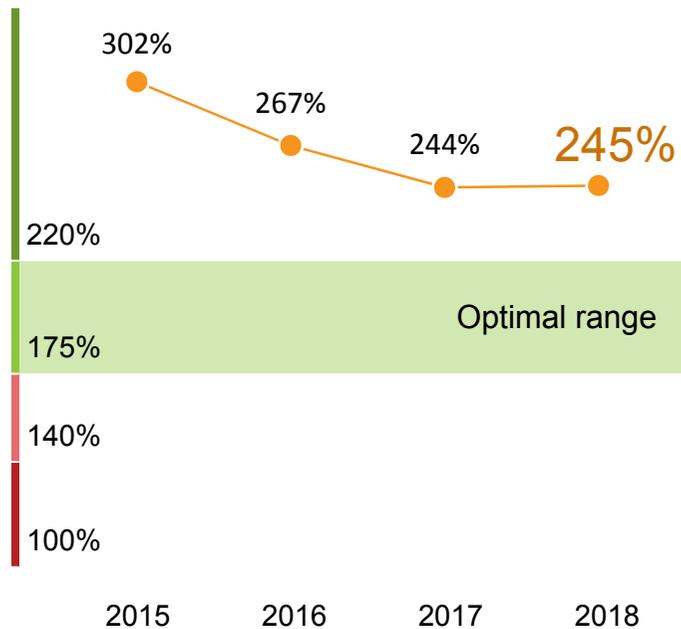
- Taxes on economic earnings components as all other line items are disclosed pre-tax

¹ Primarily related to illiquid investments: property, infrastructure, forestry, hedge funds, private equity.

P&L attribution – Positive operating impact in RI and ERGO

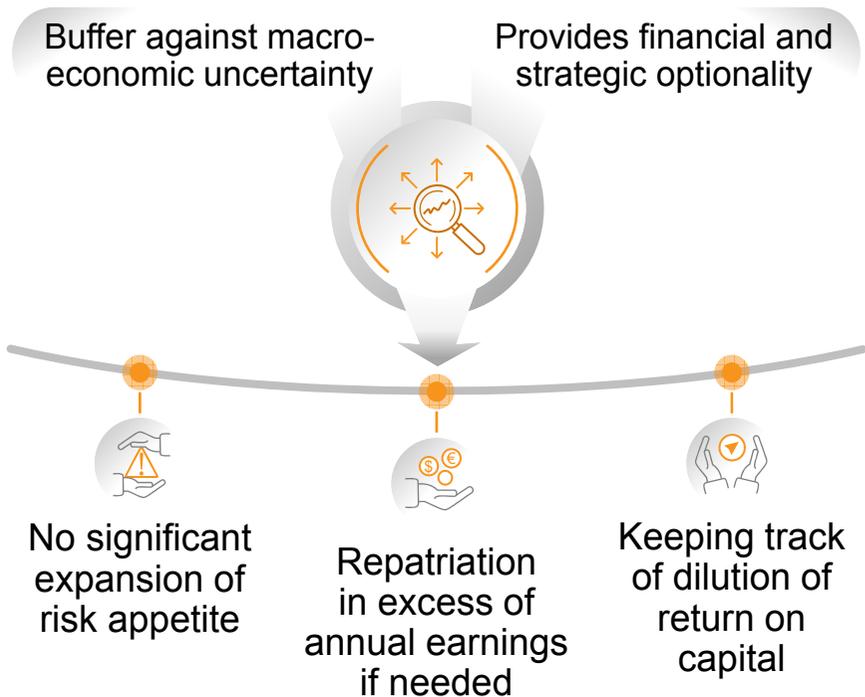
Munich Re (Group) 2018 €bn	Reinsurance L/H	Reinsurance P-C	ERGO L/H Germany	ERGO P-C Germany	ERGO International	Munich Re (Group)
Operating impact	1.3	1.2	0.6	0.2	-0.1	3.2
New business contribution	1.1	-1.5	0.1	0.1	0.3	0.1
Expected in-force contribution	0.6	1.1	0.3	0.1	0.1	2.0
Operating variances in-force business	-0.3	1.8	0.2	0.2	-0.3	1.6
Debt costs	0.0	-0.1	-0.1	0.0	0.0	-0.2
Other, including holding costs	0.0	-0.1	0.0	-0.1	-0.2	-0.4
Market variances	0.3	0.2	-0.5	0.0	-0.2	-0.2
Other, including tax	-0.5	0.0	-0.3	-0.2	0.0	-1.1
Other, non-operating and non-market changes	-0.1	0.0	-0.2	-0.1	-0.1	-0.5
Tax	-0.5	0.0	-0.1	0.0	0.0	-0.6
Economic earnings	1.0	1.4	-0.3	0.1	-0.4	1.9

Solvency II ratio – Stable capitalisation despite volatile capital markets

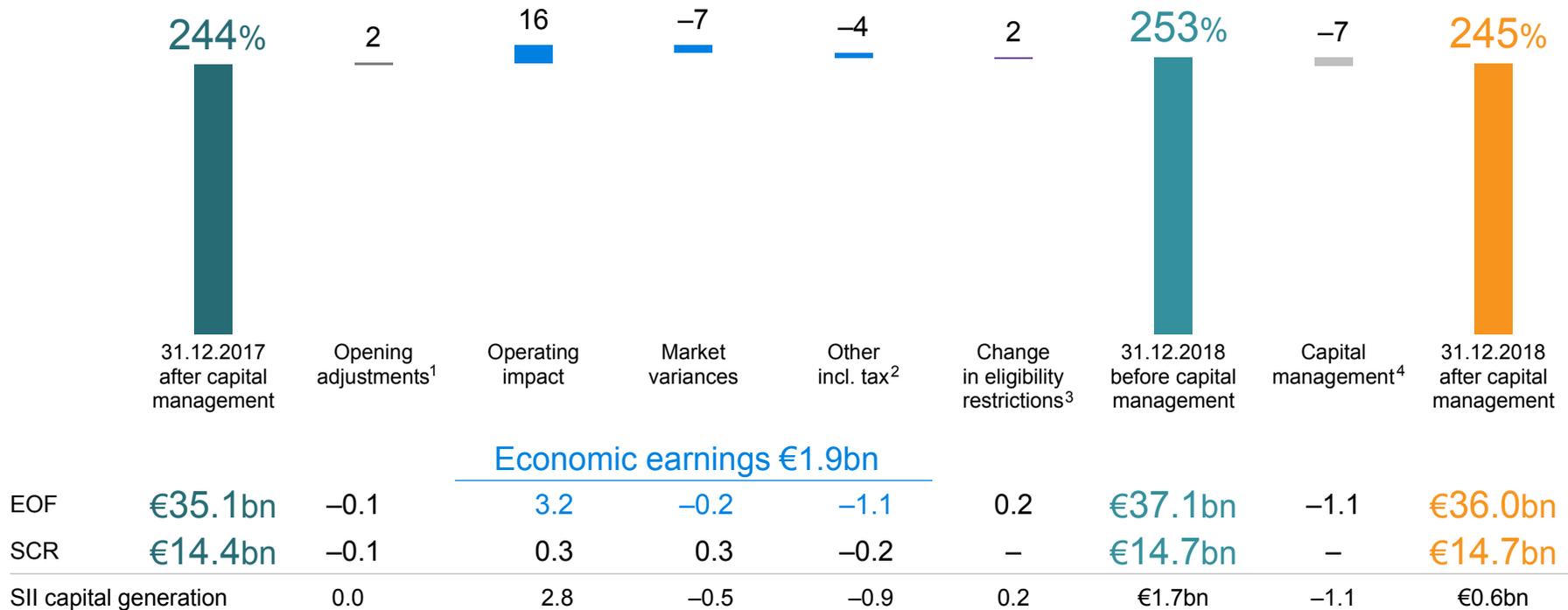


SII ratio does not include long-term guarantees.

Keeping SII ratio above the optimal range



Solvency II ratio – Solid economic earnings offset slight increase in SCR



1 Opening adjustments incl. M&A, regulatory model changes and other. 2 Operating impact and market variances pre-tax. 3 Change in non-available own fund items. 4 Foreseeable dividend for 2018 (€1.3bn), foreseeable share buy-back in 2019/20 (€1.0bn) and issuance of subordinated bond in 2018 (€1.25bn).

SCR increase due to business growth – Impact of volatile capital markets well absorbed

Eligible own funds



- Strong operating earnings in Reinsurance and ERGO
 - RI: High NBC² from L&H offset by large losses and initial prudence in P-C – ERGO: positive NBC in all segments
 - Sound expected in-force contribution across all segments
 - Positive variances in P-C RI (favourable run-off result)
- Issuance of hybrid debt slightly increased debt leverage

SCR before diversification

	2018	2017	▲
Property-casualty	7.6	6.3	+1.3
Life and Health	5.3	4.9	+0.4
Market	9.2	9.2	–0.0
Credit	3.2	3.4	–0.3

- Selective exposure growth in L&H and P-C Reinsurance
- Investments: Tight duration matching and some de-risking, e.g. reduction of equity exposure
- More balanced risk profile leads to higher diversification benefit

¹ 99.97% unrestricted, 0.03% hybrid capital. ² New business contribution.

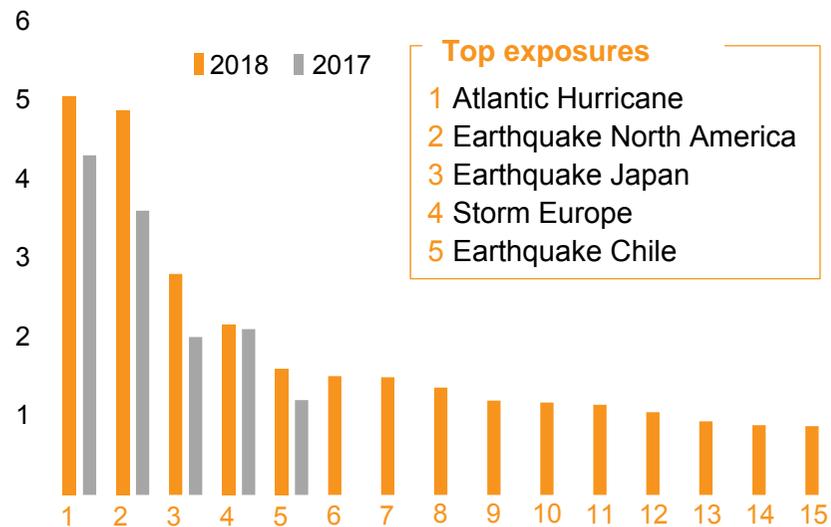
Breakdown of SCR – Property-casualty growth partly offset by better diversification at Group level

Risk category (€bn)	Group		Delta	RI	ERGO	Div. 2018	Remarks
	2017	2018		2018	2018		
Property-casualty	6.3	7.6	+1.3	7.6	0.4	-0.3	Substantial portfolio growth
Life and Health	4.9	5.3	+0.4	4.5	1.1	-0.4	Exposure growth and capital-market impact
Market	9.2	9.2	-0.0	5.5	5.7	-2.0	
Credit	3.4	3.2	-0.3	2.1	1.2	-0.1	
Operational risk	1.2	1.1	-0.2	0.8	0.5	-0.2	Active risk mitigation
Other ¹	0.7	0.7	+0.0	0.5	0.2		
Simple sum	25.8	27.0	+1.2	20.9	9.2	-3.1	
Diversification	-9.1	-9.9	-0.8	-7.8	-2.0		Diversification benefit at Group level increased due to more balanced risk profile
Tax	-2.3	-2.4	-0.2	-2.3	-0.6		
Total SCR	14.4	14.7	+0.3	10.8	6.6	-2.7	

¹ Capital requirements for associated insurance undertakings and other financial sectors, e.g. institutions for occupational retirement provisions.

Property-casualty risk – Increase mainly driven by business growth in P-C Reinsurance

Top scenario exposures
(net of retrocession) – AggVaR¹ €bn

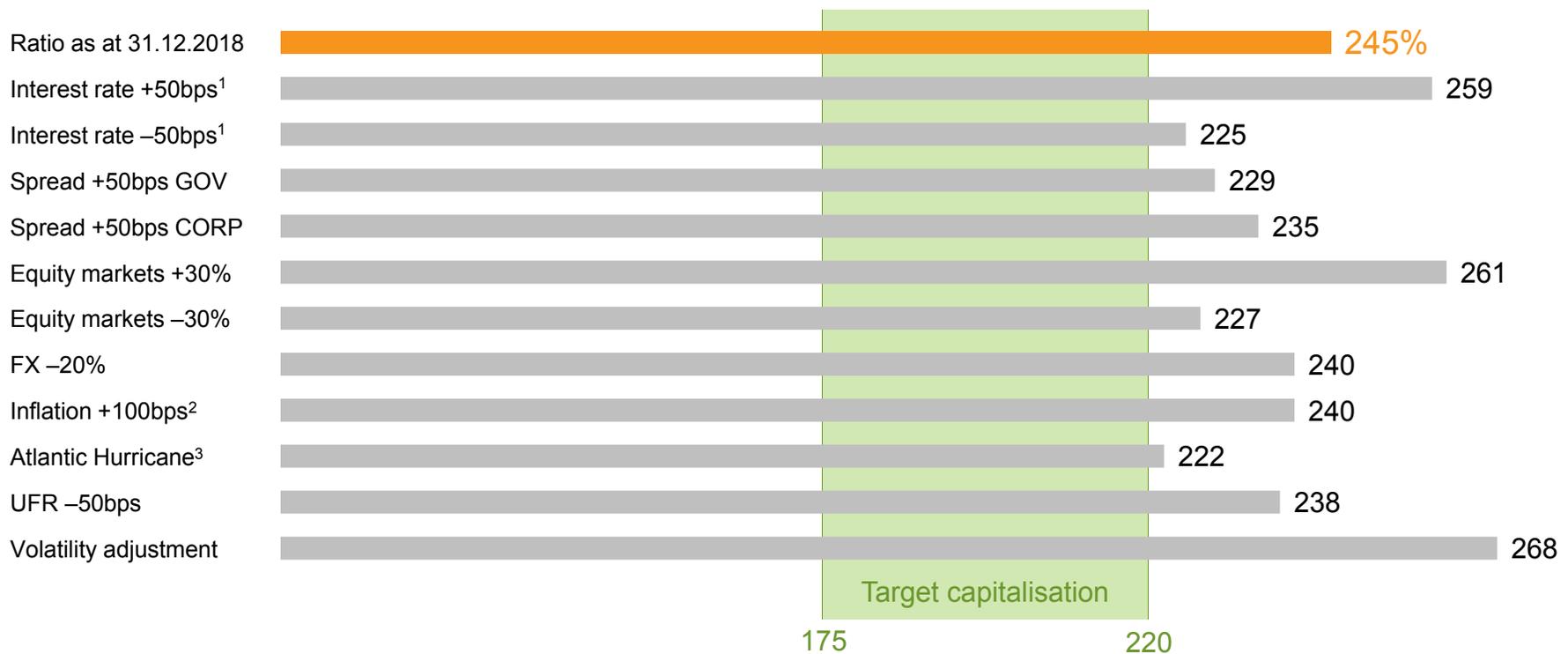


	2018	2017
Basic losses	4.0	3.4
Major losses ²	7.1	5.7
Diversification	-3.5	-2.8
Total	7.6	6.3

- **Basic losses**
Portfolio growth and material model update
- **Major losses**
Despite selective exposure growth, expectation of major nat cat losses in combined ratio remains unchanged – overall share of nat cat premiums is largely stable, also due to growth in proportional and personal lines business
- **IT Virus**
Explicit reflection in the Group Internal Risk Model in 2018

1 Munich Re (Group). Return period 200 years, pre-tax. 2 Natural catastrophes, man-made (including terrorism and casualty accumulations) and major single losses.

Sensitivities of SII ratio



¹ Parallel shift until last liquid point, extrapolation to unchanged UFR. ² Based on CPI inflation. ³ Based on 200-year event.

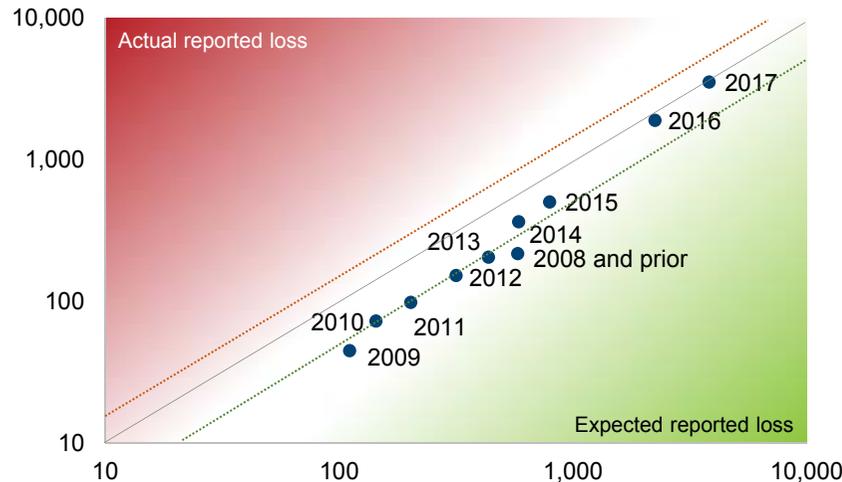
Very strong reserve position – Actual losses continue to be consistently below actuarial expectations



Reinsurance group – Comparison of incremental expected losses with actual reported losses¹

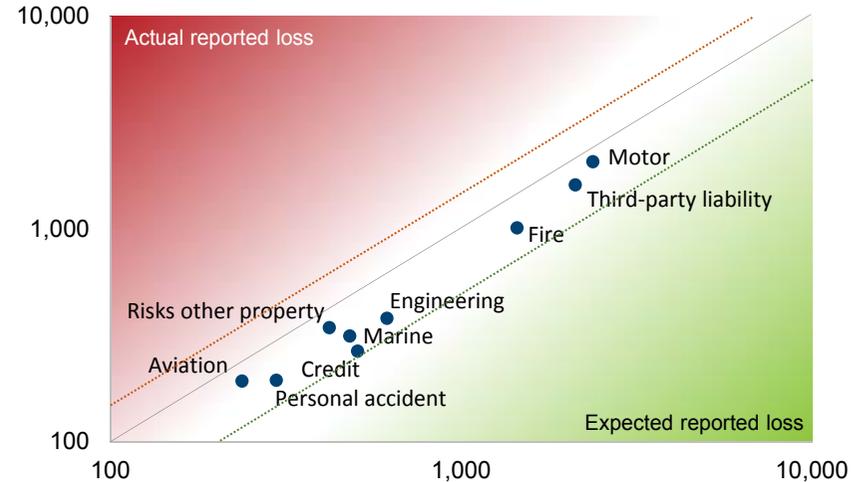
€m

By exposure year



Actuals for first run-off year (2017) are around 10% below expectations – consistent with picture in previous years

By line of business



Very stable actual-versus-expected development per line of business

Legend: **Green** Actuals below expectation **Red** Actuals above expectation **Solid line** Actuals equal expectation **Dotted line** Actuals 50% above/below expectations

¹ Reinsurance group losses as at Q4 2018, not including parts of Risk Solutions, special liabilities and major losses (i.e. events of over €10m for Munich Re's share).

Reserve position remains strong – Positive run-off result without weakening resilience against future volatility

Ultimate losses¹ – Favourable actual-vs.-expected comparison facilitates ultimate reductions for prior years

€m	Accident year											Total	
	≤2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018		
31.12.2008	52,184												
31.12.2009	51,699	13,098											
31.12.2010	51,074	13,029	13,394										
31.12.2011	50,556	12,565	13,569	17,385									
31.12.2012	49,563	12,448	13,457	17,479	14,362								
31.12.2013	49,090	12,441	13,543	17,206	14,141	14,219							
31.12.2014	48,489	12,119	13,573	16,807	13,943	14,437	14,124						
31.12.2015	47,826	11,911	13,380	16,683	13,740	14,403	14,169	13,433					
31.12.2016	47,529	11,874	13,160	16,225	13,708	14,113	14,154	13,489	14,308				
31.12.2017	47,385	11,855	13,031	16,197	13,605	14,013	13,942	13,285	14,168	17,425			
31.12.2018	46,885	11,654	12,864	15,910	13,351	13,747	13,682	13,084	14,205	17,450	17,663		
CY 2018 run-off change	499	201	167	286	254	266	260	202	-37	-25	-	2,073	
CY 2018 run-off change (%)	1.1	1.7	1.3	1.8	1.9	1.9	1.9	1.5	-0.3	-0.1	-	-1.2	

Reinsurance² €2,015m
ERGO €58m

¹ Basic and major losses; accident-year split partly based on approximations. Adjusted to exchange rates as at 31.12.2018.
² Basic losses: 1,151m, major losses: €864m.

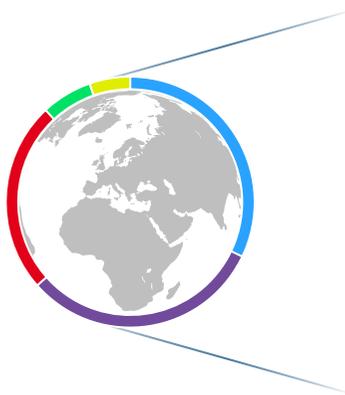
Reinsurance



Moderate reinsurance premium growth expected

P-C reinsurance: Ceded premiums 2018

P-C insurance: real growth rates¹



	Ceded Premiums (€bn)	Share (%)	Reinsurance		Primary insurance	
			16–18	19–21	16–18	19–21
Europe	€73bn	32%	0.5%	1%	1%	1.5%
North America	€72bn	32%	3%	2%	3%	2%
Asia Pacific	€55bn	24%	1.5%	3%	5%	5%
Latin America ²	€15bn	6%	2%	1%	1%	3%
Africa/Middle East	€13bn	6%	1%	2%	2.5%	3%
Total	~€228bn		1.5%	2%	3%	3%

¹ CAGR. ² Excluding Venezuela. Source: Munich Re Economic Research

Munich Re – Leading global reinsurer



Rank	Company	Country	Net reinsurance premiums written 2017 (US\$ bn)
1	Munich Re	Germany	36.5
2	Swiss Re	Switzerland	32.3
3	Berkshire Hathaway Re	USA	24.2
4	Hannover Re	Germany	19.3
5	SCOR	France	16.2
6	Lloyd's	UK	10.8
7	China Re	China	10.0
8	Reinsurance Group of America	USA	9.8
9	Everest Re	Bermuda	6.2
10	General Insurance of India (GIC Re)	India	5.8
	Total top 10		171.1

Reinsurance – Overview



		2018	2017	2016	2015	2014
Gross written premiums	€bn	31.3	31.6	31.5	28.2	26.8
Investments	€bn	85.6	85.8	91.9	89.2	88.0
Net technical provisions	€bn	72.4	68.1	67.1	65.4	63.5
Major losses (net)	€m	2,152	4,314	1,542	1,046	1,162
Thereof natural catastrophes	€m	1,256	3,678	929	149	538

Property-casualty – GWP by region 2018 %



Life and Health – GWP by region 2018 %



Increased top line – Well-balanced diversified portfolio



- Growth in traditional and tailor-made reinsurance business
- Lower share of Risk Solutions mainly due to growth of remaining business



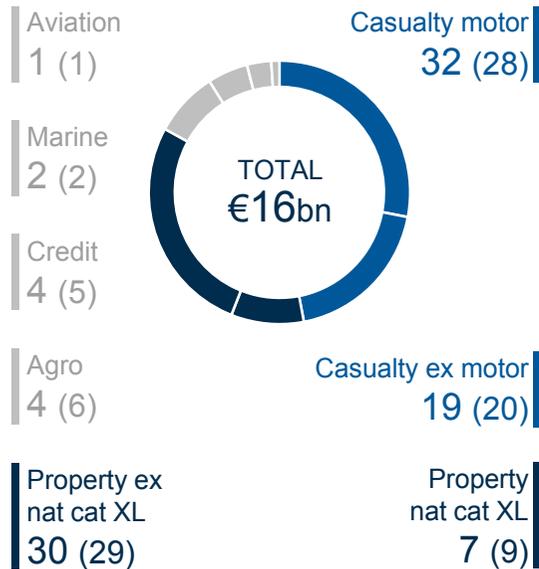
- Well-balanced traditional portfolio
- Slight move towards casualty



- Dominated by US business – around 60%
- Adjusted for currency effects stable premium overall despite exit from underperforming business

Portfolio management and high share of proportional business support earnings resilience

Traditional



Proportional
77 (75)



%
Facultative
8 (9)

XL
15 (16)

Portfolio developments

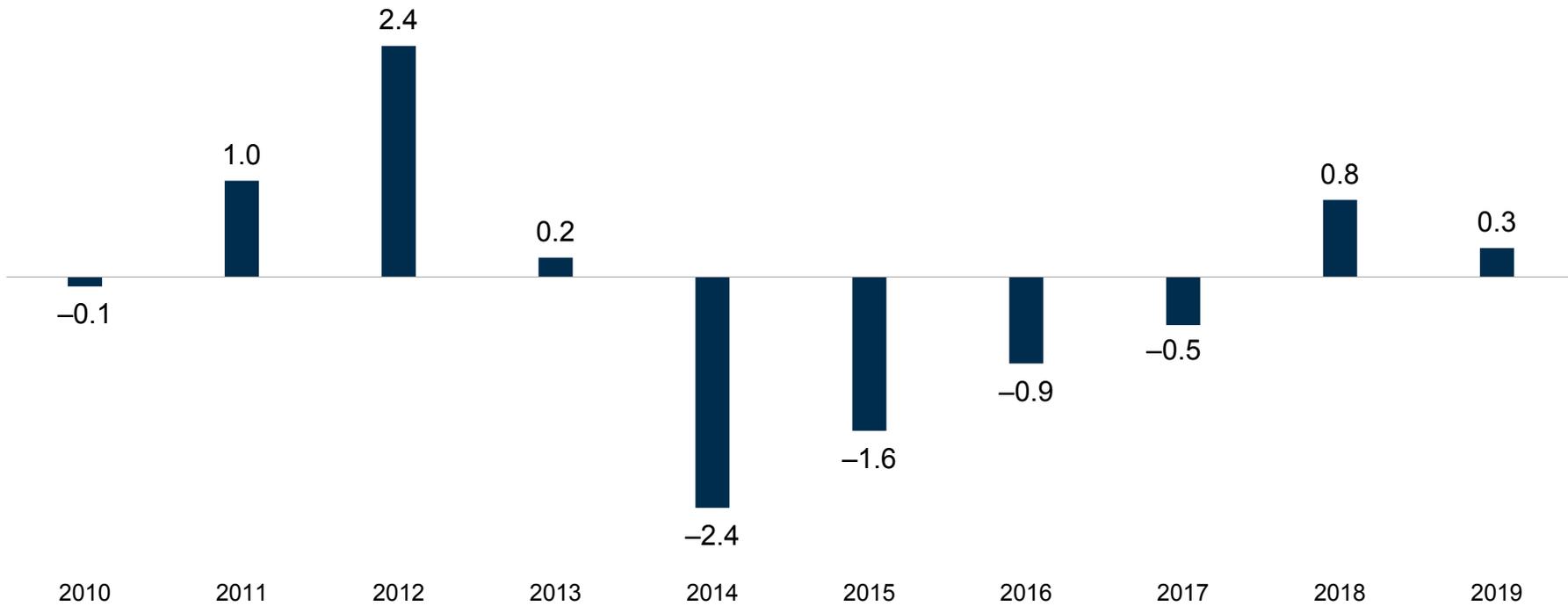
Share increases

- Proportional property and casualty – following the realisation of profitable business opportunities
- Accordingly, ongoing slight shift towards proportional business

Share decreases

- Top-line reduction in agro driven by a merger-driven cancellation, partly compensated for by selected expansions
- Relatively stable nat cat XL volume, reduced share due to growth in proportional business

Renewal results – Nominal price changes since 2010



July renewals – Overview

Total property-casualty book¹ %

Remaining business 30 Business up for January renewal 46

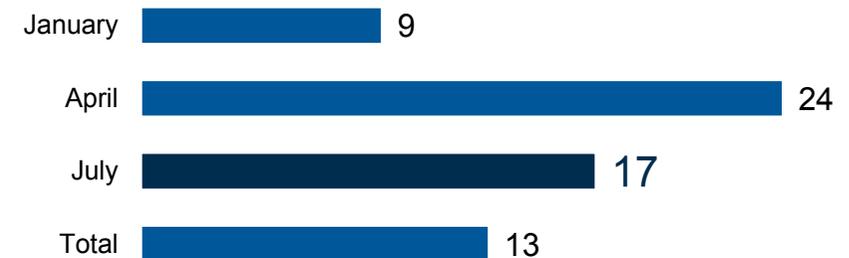


Business up for July renewal 16 Business up for April renewal 8

Regional allocation of July renewals %



Nat cat shares of renewable portfolio² %

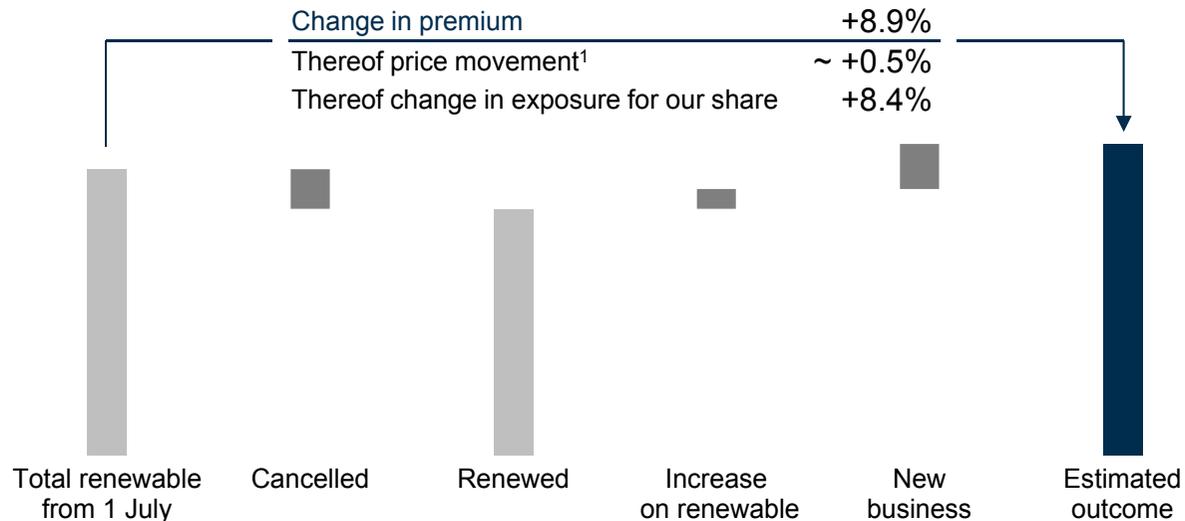


¹ Gross premiums written. Management view – not fully comparable with IFRS figures. ² Total refers to total P-C book, incl. remaining business.

Positive price dynamic continues

July renewals 2019

%	100	-13.9	86.1	6.9	15.8	108.9
€m	3,212	-445	2,767	223	507	3,497

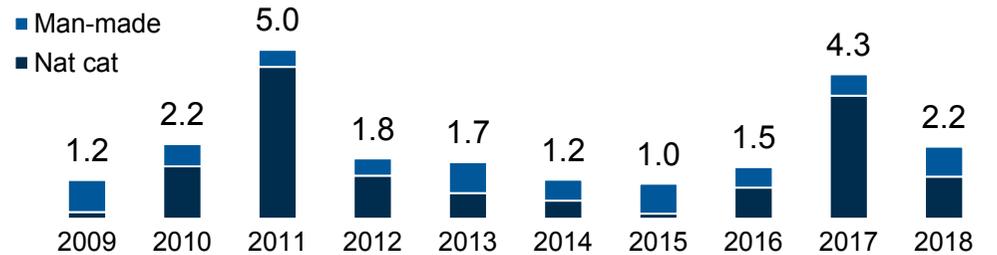


- Munich Re able to continue its growth, and in particular to generate attractive new business in the Americas
- Significant price improvement in loss-affected markets, stable development elsewhere
- Overall risk-adjusted price change of ~0.5% includes increased loss expectations

¹ Price movement is risk-adjusted, i.e. includes claims inflation/loss trend and is adjusted for portfolio mix effects, including cancelled and new business.

Large-loss experience in line with expectation overall

Development of major losses¹



Number of major events

■	30	25	28	31	31	33	41	28	28	50
■	9	14	18	13	18	13	13	14	16	18

Munich Re's experience in 2018

Cautious loss picks for prior years' major claims facilitating positive run-off over time, resulting in an 11.6%-point major-loss ratio close to average expectation (~12%)



Consistent underwriting action ...

- Update models, pricing and underwriting for visible trends and topics
- Develop understanding for new categories of loss relationships or indirect drivers of losses



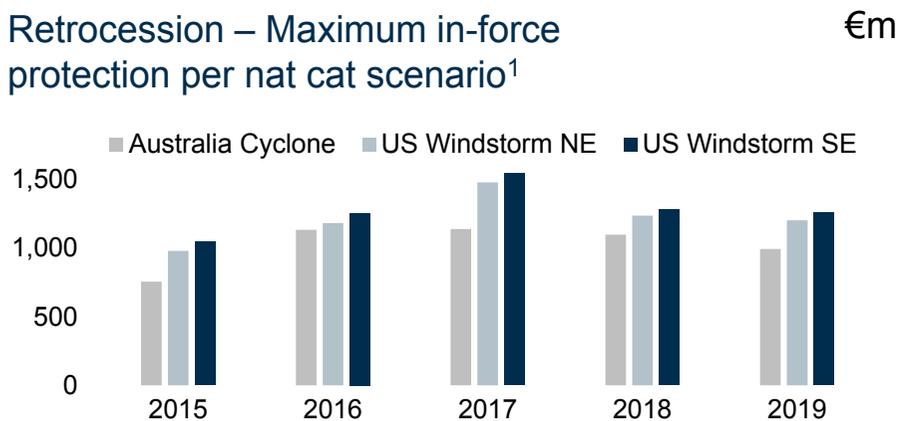
... and client-centered solutions

- Offer protection where feasible
- Develop new covers for clients' needs, e.g. US flood cover
- Support clients in risk mitigation measures, e.g. building code promotion

¹ Fiscal-year view. Nat cat: Earthquake in 2011, hurricanes and wildfires in 2017, typhoons and wildfires in 2018. Man-made: Continuous number of fire losses – Other categories fluctuate more (e.g. satellite, mining)

Retrocession – Munich Re is utilising multiple instruments, consistent market approach/placements well received

Retrocession – Maximum in-force protection per nat cat scenario¹



- Protection against peak risks via multiple instruments – mainly traditional retrocession (CXL) and sidecars
- Well-balanced buying strategy reflecting
 - strong Munich Re capital base and risk-bearing capacity,
 - expected IFRS result stabilisation,
 - market terms

Munich Re key channels to tap alternative capacity sources

Traditional retrocession

- One of the largest retrocession programmes globally
- Munich Re’s retro placements well received – capacity constraints in the market only with limited effect

Sidecar programme²

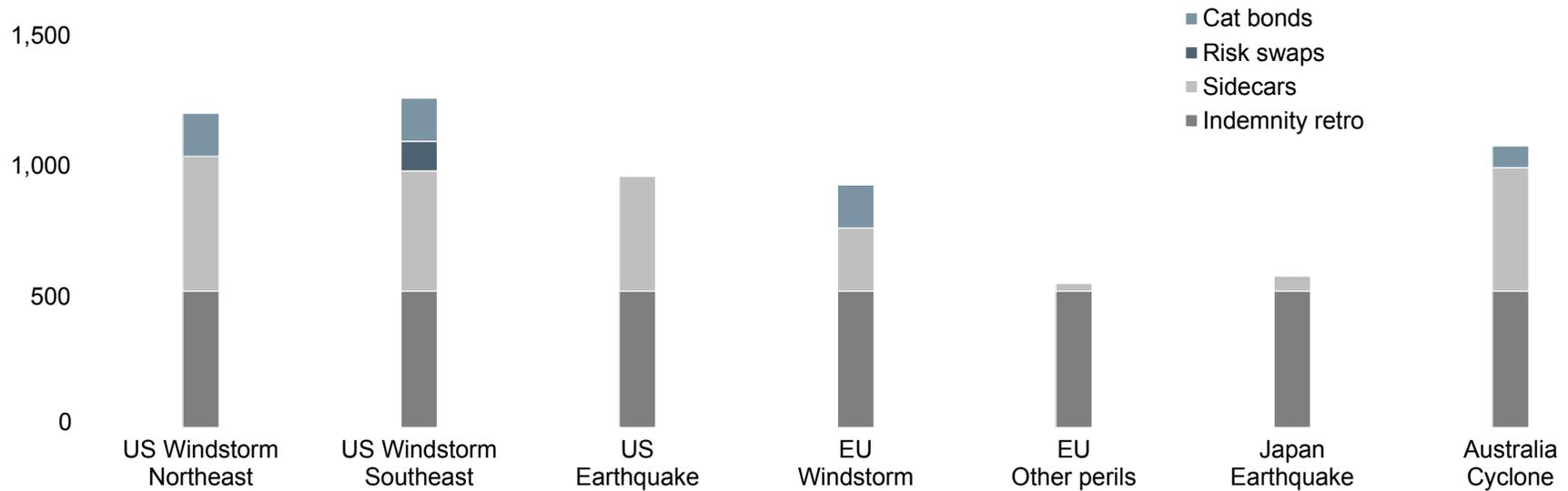
- One of the largest sidecar programmes in the market (US\$ 700m); QS cessions of certain lines of business
- Placed with a broad range of investors and targeting long-term partnerships with large institutional accounts
- Two products: (1) placed with broad investor group, (2) bilateral (single counterparty)

¹ Including indemnity retrocession, ILW/derivatives, risk swaps, cat bonds and the sidecars including Eden Re. Selection of main scenarios. ² Munich Re structured and arranged transactions.

Munich Re's maximum in-force nat cat protection

Nat cat protection before reinstatement premiums, as at January 2019

€m



Outstanding insurance-linked securities (ILS) – Munich Re's Capital Partners unit is a recognised player in the ILS market



	Transaction	Closing	Maturity	Volume	Perils covered
For clients	Pandemic Emergency Financing Facility	7/2017	7/2020	US\$ 225m	Class A – Pandemic influenza, Coronavirus
				US\$ 95m	Class B – Filovirus, Coronavirus, Lassa Fever, Rift Valley Fever, and Crimean Congo Hemorrhagic Fever
	Atmos Re DAC	2/2019	2/2022	€45m	Atmospheric perils, flood, snow pressure
	Lion Re II DAC	6/2017	7/2021	€200m	Europe Windstorm, Italy Earthquake, Europe Flood
	Vitality Re X Ltd.	1/2019	1/2023	US\$ 200m	US health risks
	Vitality Re IX Ltd.	1/2018	1/2022	US\$ 200m	US health risks
	Vitality Re VIII Ltd.	1/2017	1/2021	US\$ 200m	US health risks
	Vitality Re VII Ltd.	1/2016	1/2020	US\$ 200m	US health risks
	Fonden		8/2017	8/2020	US\$ 150m
12/2019				US\$ 100m	Class B – Atlantic Hurricane
12/2019				US\$ 110m	Class C – Pacific Earthquake
For Munich Re's book ¹	Eden Re II Ltd. (Series 2018-1)	12/2017	3/2022	US\$ 300m	Various perils
	Eden Re II Ltd. (Series 2017-1)	12/2016	3/2021	US\$ 360m	Various perils
	Queen Street XII Re DAC	5/2016	4/2020	US\$ 190m	Hurricane US & Windstorm Europe

- Generation of fee income
- Active investor in the primary and secondary market
- Improvement of own risk/return profile and cost efficiency
- Utilisation of unexhausted risk budgets
- Offering one-stop shopping to clients as sponsors

¹ Excluding private transactions.

Digital Partners – Building digital insurance with partners

DIGITAL DISTRIBUTION

Making insurance like the rest of the internet



DIGITAL ECONOMY

Insuring the sharing and gig economies



DIGITAL DATA

Using new sources of data to price risk better



VALUE PROPOSITION

Global multi-line capacity

Product design and data

Agile delivery

Venture capital

Flexible technical architecture

ACHIEVEMENTS

- ✓ Growth above expectation
- ✓ Larger partnerships including BMW UK and Google Waymo
- ✓ Pleasing loss development
- ✓ Strong international expansion (US, Europe, Asia)

Internet of Things – Developing insurance, finance and technology solutions

SME



Loss prevention via
sensor deployment

Direct (HSB) or white-
labelling for insurers

MID to LARGE

Insurance and financial solutions

End-to-end IoT
implementations

Direct
(HSB/relayr)

LARGE INDUSTRIAL



Financial asset and
risk management

Direct/via
industry partners

We bring the technology

- Acquisition of **meshify**
- Turnkey IoT solutions in place¹
- Ongoing commercialisation

Partners bring the technology

- Acquisition of **relayr**.

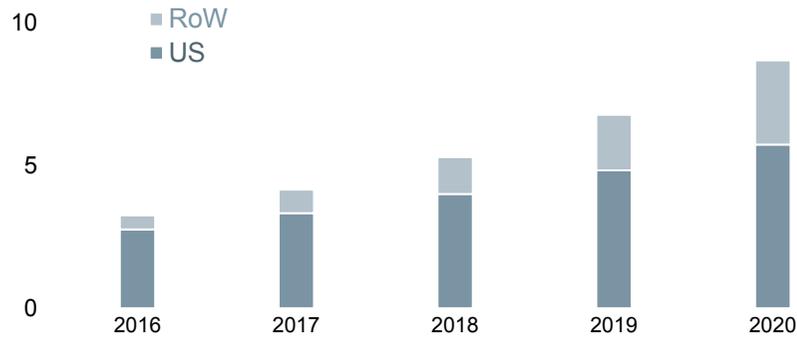
- Partnerships with leading IoT industrials



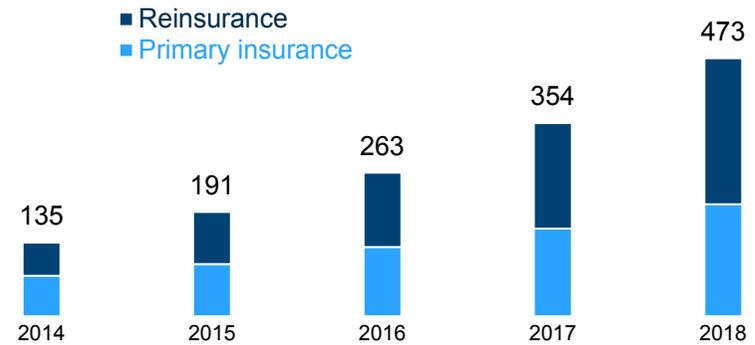
¹ Applications monitored include water detection, freeze loss, perishable goods, mould and more.

Strong long-term growth in cyber (re)insurance expected – Munich Re with leading-edge expertise and market presence

GWP global cyber insurance market¹ US\$ bn



GWP Munich Re cyber portfolio US\$ m



REINSURANCE: First mover and global market leader

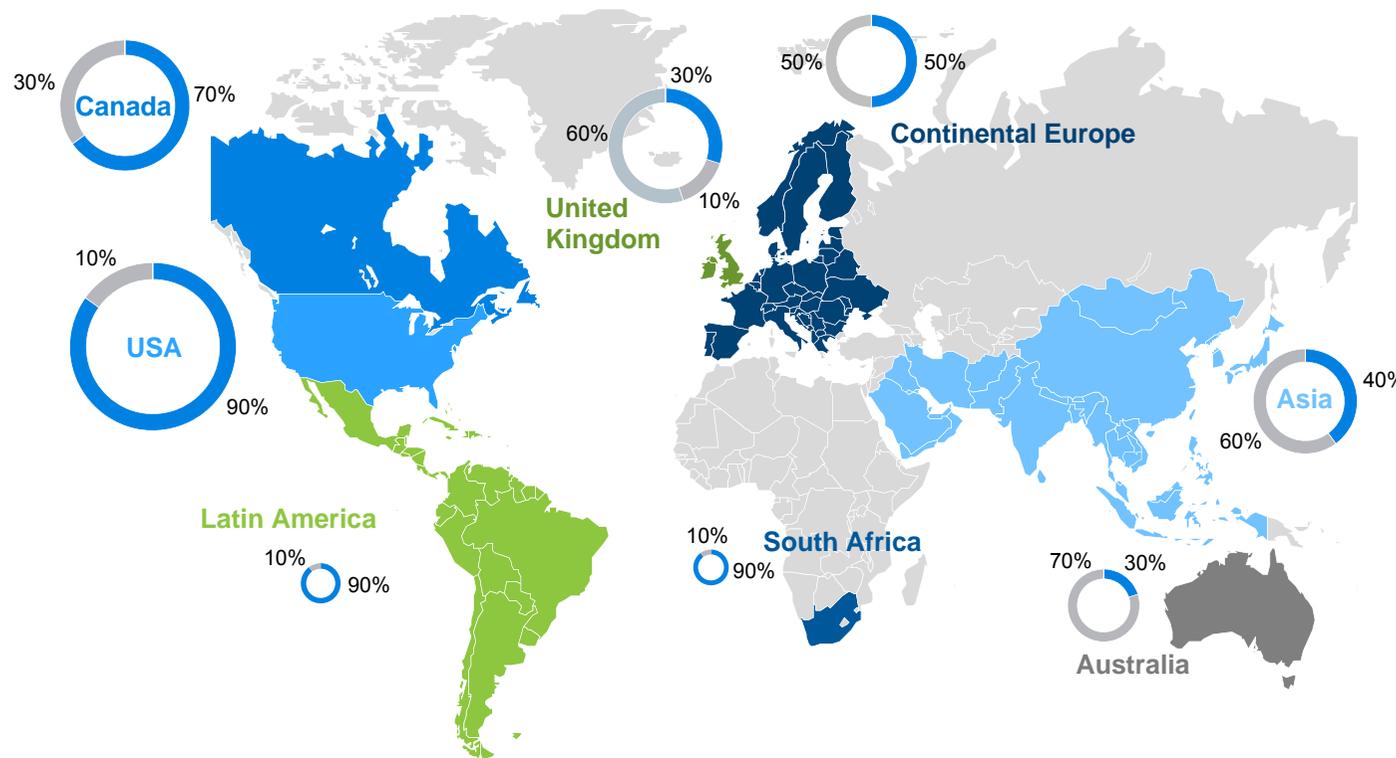
- Dynamic growth through joint projects with cedants
- Steady growth in the US, accelerated growth in Europe
- Strong accumulation models, increased expert headcount
- Network with external cyber-service providers further extended (underwriting, data, claims services for cedants/insureds)

PRIMARY INSURANCE: Specialised single-risk taker

- Hartford Steam Boiler: Established player in the US for SMEs and individuals
- Corporate Insurance Partner: Focus on larger corporate clients – Cooperation with IT providers and Beazley

¹ Munich Re estimates.

Well-diversified portfolio: Overweight in North America, and traditional mortality risk



■ Mortality	~60%
■ Morbidity	~30%
■ Longevity	~10%

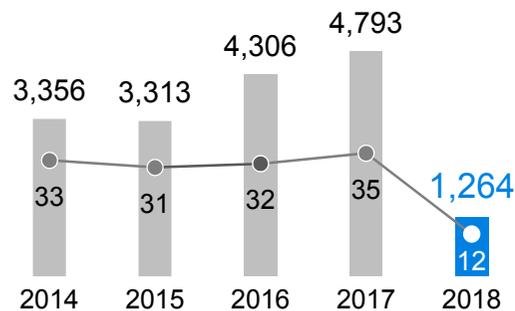
NA	~55%
Europe	~30%
Asia	~10%
Australia	~5%
Africa/LA	<5%

Size of bubbles indicative of present value of future claims.

Financially Motivated Reinsurance – Strong demand prevails

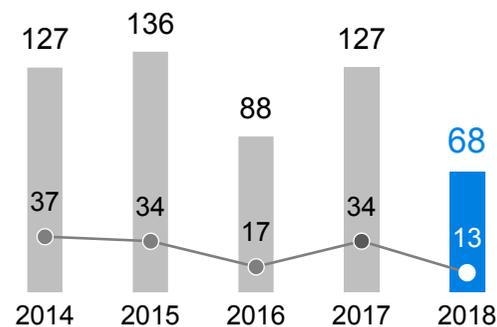
Gross premiums written¹ €m

—●— % of total



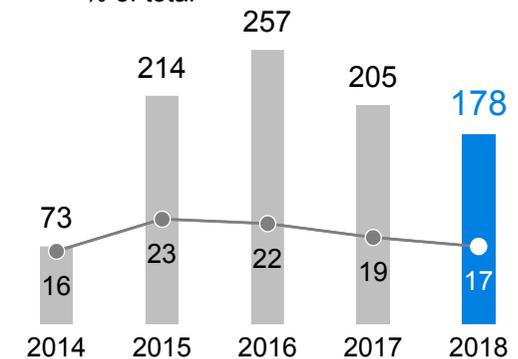
Technical result¹ €m

—●— % of total



New business contribution² €m

—●— % of total



Portfolio development

- Geographically well-diversified portfolio
- Drop in top line due to scheduled termination and restructuring of two particularly premium-intensive transactions
- 2018 result affected by depreciation of acquisition expenses in Australia

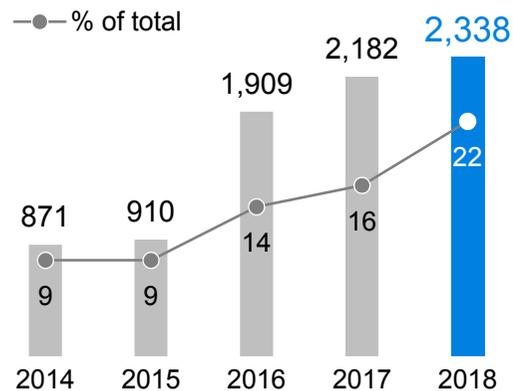
Expectations going forward

- Demand expected to remain high
- Transaction types tailored to client needs
- Number and size of transactions will vary on an annual basis

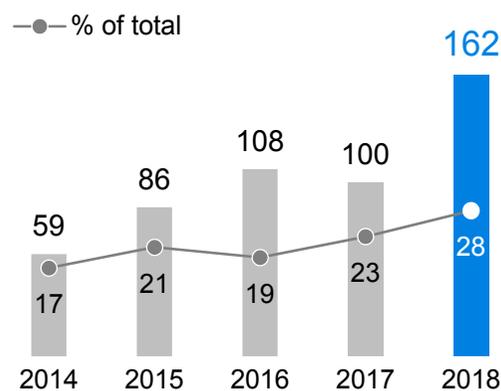
¹ 2014–15 Life only, from 2016 including Health. Technical result incl. fee income. ² 2014 MCEV, from 2015 Solvency II, from 2017 including Health.

Asia – Growth potential confirmed

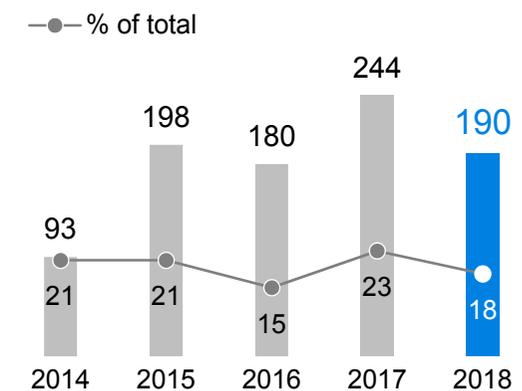
Gross premiums written¹ €m



Technical result¹ €m



New business contribution² €m



Portfolio development

- Sustained growth path
- Focus on Greater China and FinMoRe
- Tailor-made market and client strategies

Expectations going forward

- Growth path in the region prevails
- High demand for solvency relief and financing solutions
- Competition expected to increase
- Closely watch product trends, particularly in critical illness

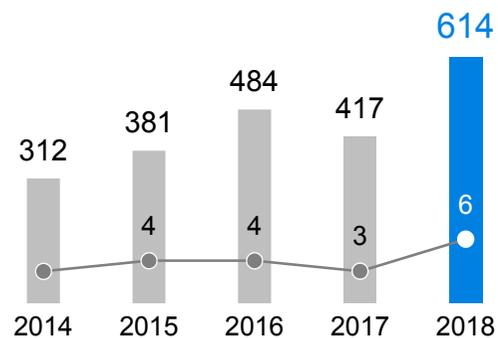
¹ 2014–15 Life only, from 2016 including Health. Technical result incl. fee income. ² 2014 MCEV, from 2015 Solvency II, from 2017 including Health.

Longevity – Book developed carefully in line with risk appetite

Gross premiums written

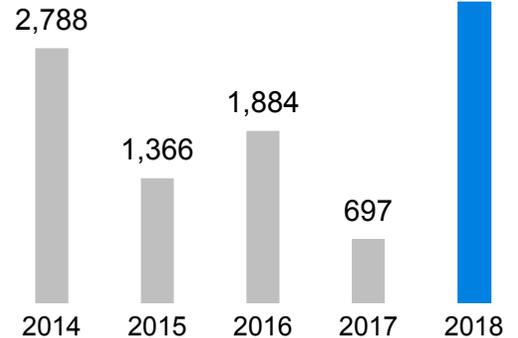
€m

—●— % of total



Liability p.a.

€m



Strategic proposition

- Longevity primarily written as a risk-management tool
- Prudent approach in pricing and valuation

Portfolio development

- Portfolio comprises longevity transactions in the UK
- Market entry in 2011 after in-depth research
- Claims emerge better than expected in pricing
- Positive contribution to IFRS and SII earnings
- 2018 extraordinarily strong year in terms of new business

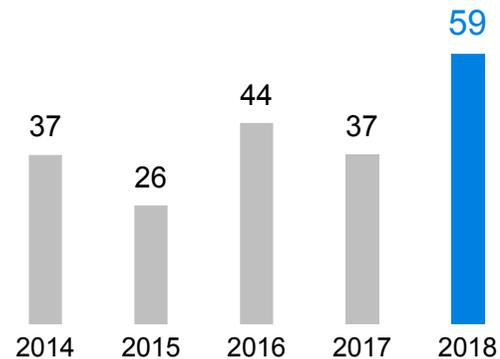
Expectations going forward

- Develop portfolio within clearly defined risk tolerance
- Careful investigation of expansion beyond UK

Asset protection – Comprehensive market-risk solutions gained greater significance with accelerated growth in the future



IFRS earnings contribution¹ €m



Portfolio development

- Initial focus on Europe and Asia (mainly Japan)
- More recently expansion across the US and Asia
- Portfolio has gained stand-alone significance
- Growing contribution to IFRS earnings and new business contribution

¹ Recognised in non-technical result.

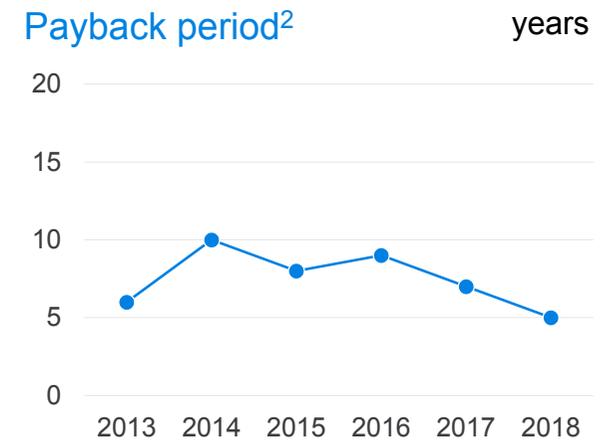
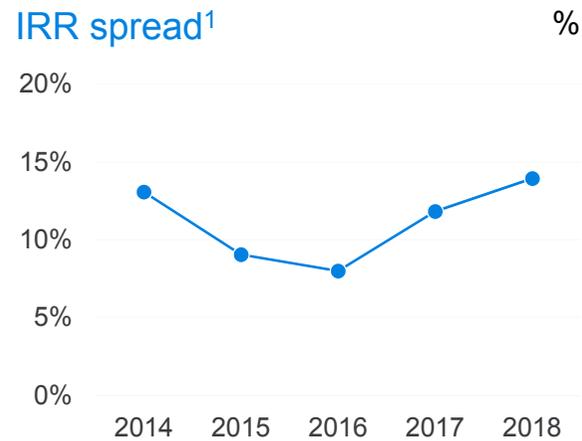
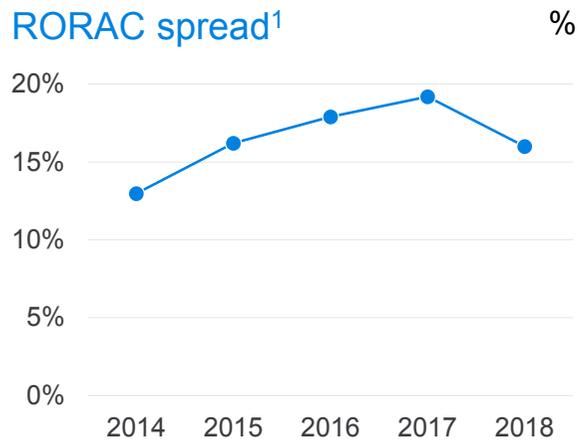
Strategic proposition

- Offer comprehensive solutions to clients globally to manage their market risks and returns
- Innovate new business, optimise in-force business, and boost asset returns of (life) insurers, pension providers and other institutional investors
- Capitalise on growth opportunities for the global savings, retirement and investment industry
- Leverage capital market, structuring, accounting, legal, and regulatory expertise on the basis of strong technical and quantitative capabilities
- State-of-the-art hedging platform to transfer financial risks to markets

Expectations going forward

- Intensify coverage of existing markets and expand to new markets and regions
- Accelerate growth by scaling up the organisation globally and increasing visibility
- Further broaden the offering in the area of savings, retirement and investment products

New-business profitability continues to be strong



- Very good new-business profitability relative to economic risk capital and total investment
- Composition of new business portfolio main driver of changes over the years

- Payback period particularly influenced by share of financing business

¹ Spread in addition to reference rate (weighted-average swap yield curves), after tax. ² Years it takes to amortise the investment in new business through future (undiscounted) distributable earnings.

ERGO



4

ERGO – Overview

		2018	2017	2016	2015	2014
Gross written premiums	€bn	17.8	17.5	17.4	16.5	16.7
Investments	€bn	139.7	141.1	139.4	131.0	135.5
Net technical provisions	€bn	135.9	137.6	135.2	130.3	132.4
Combined ratio p-c Germany	%	96.0	97.5	97.0	97.9	95.3
Combined ratio p-c International	%	94.6	95.3	98.0	104.7	97.3

Premium split by region – 2018

Rest of World
13

Belgium
5

Spain
5



%

Germany
68

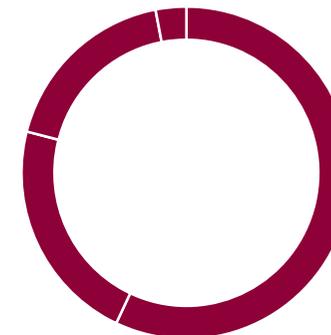
Poland
9

Distribution channels Germany – New business 2017 %

Banks/other
3

Direct
18

Broker
22



Tied agents
57

Life and Health Germany

Status 2018

GROSS PREMIUMS WRITTEN
€9.3bn (€9.2bn)



NET RESULT
€264m (€175m)

ROI
2.9% (3.5%)

Life

New IT platform: Reducing legacy risks, lifting efficiency gains

- Life portfolio management partnership with IBM
- Ramp-up phase successfully completed, migration of first tranche expected for Q1 2020
- Reduction of IT costs (sourcing/partnership) and realisation of efficiency gains

Maintain sustainable profitability

- Strengthen earnings potential of back book over time while maintaining financial stability
- Operational and organisational separation of classic life business completed
- Continued hedging programme via receiver swaptions and new interest-rate reinsurance programme to mitigate interest-rate risk

Health

Strong position in comprehensive insurance

- Stable and attractive earnings contribution
- Offering for online and hybrid customers further developed
- Position as second biggest insurer in German market (GWP: €3.7bn) confirmed

Market leadership in supplementary health

- Further growth in supplementary health business (+12%¹)
- ERGO clear market leader (GWP: €1.6bn) – expansion in long-term care and direct insurance
- Hybrid customer: All relevant supplementary health products available online

Backup: ERGO

Life Germany – Key figures and ZZR



	2021	...	2018	2017	% 2016
Key figures¹					
Reinvestment yield	n.a.		1.6	1.5	1.3
Average yield	~2.7		2.9	3.0	3.3
Average guarantee ²	~1.2		2.0	2.1	2.4
<hr/>					
					€bn
Key financials¹			2018	2017	2016
Free RfB			1.3	1.4	1.2
Terminal bonus fund			0.9	0.9	1.1
Unrealised gains			9.4	10.4	13.7
Accumulated ZZR			5.4	5.0	3.6

¹ German GAAP figures. ² Actuarial interest rate incl. effect from ZZR, not considering changes from corridor method.

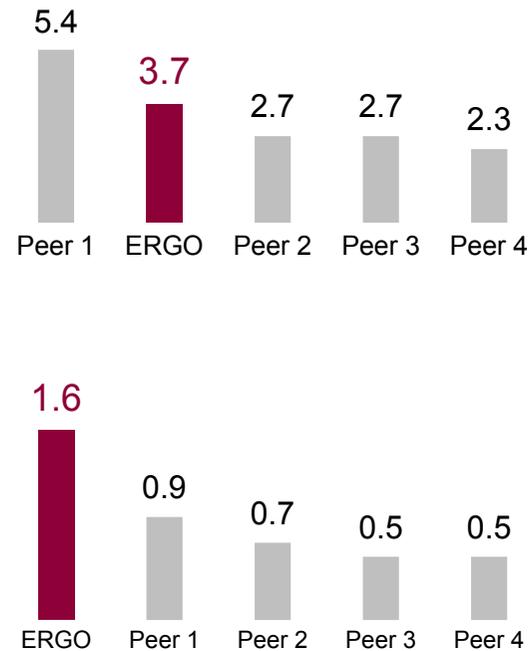
Health Germany – Stabilise comprehensive insurance, strengthen supplementary insurance

Comprehensive insurance

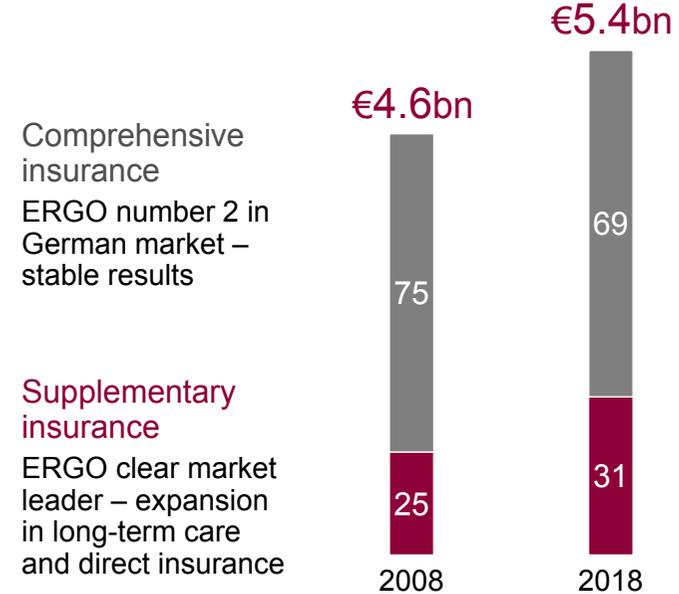


Supplementary insurance

Market view (GWP)¹ €bn



ERGO business mix (GWP) %



Comprehensive insurance
ERGO number 2 in German market – stable results

Supplementary insurance
ERGO clear market leader – expansion in long-term care and direct insurance

¹ Gross premiums written as at 31.12.2017. Source: PKV Verband.

Property-casualty Germany

Status 2018

GROSS PREMIUMS WRITTEN
€3.4bn (€3.3bn)



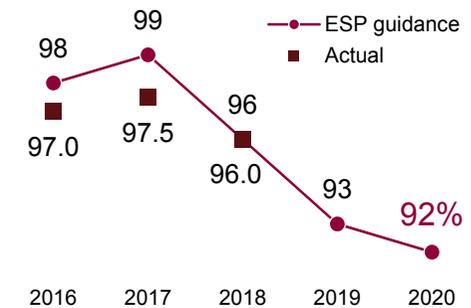
NET RESULT
€45m (€57m)

COMBINED RATIO
96.0% (97.5%)

Combined ratio – On track to 92% target

Improvement driven by

- Top-line growth
- Decrease in expense ratio mainly driven by realisation of efficiency gains and decreasing ESP investments
- Decrease in claims ratio influenced by E2E digitalisation of claims processes, e.g. motor, further product lines planned



Products – Achievements in 2018

- Modularisation and simplification of retail product portfolio
- New IT back-end system and pricing engine for motor business implemented, ~7m policies migrated
- New motor tariff with simplified product model launched, further product optimisations planned
- Profitable premium growth in commercial and industrial business

International

Status 2018

GROSS PREMIUMS WRITTEN

P-C **€2.8bn** (€2.8bn)

Life **€0.8bn** (€0.9bn)

Health **€1.4bn** (€1.4bn)

NET RESULT

€103m (€40m)

COMBINED RATIO

94.6% (95.3%)

Strengthen presence in core markets

- **Poland and Baltics:** Significant contribution, continuous high profitability of motor business
- **Greece:** Bancassurance cooperation extended (10 years)
- **Spain Health:** Operational improvement leading to higher profit
- **Belgium Health:** Premium growth² (+7%), product portfolio de-risking started

Execute international optimisation

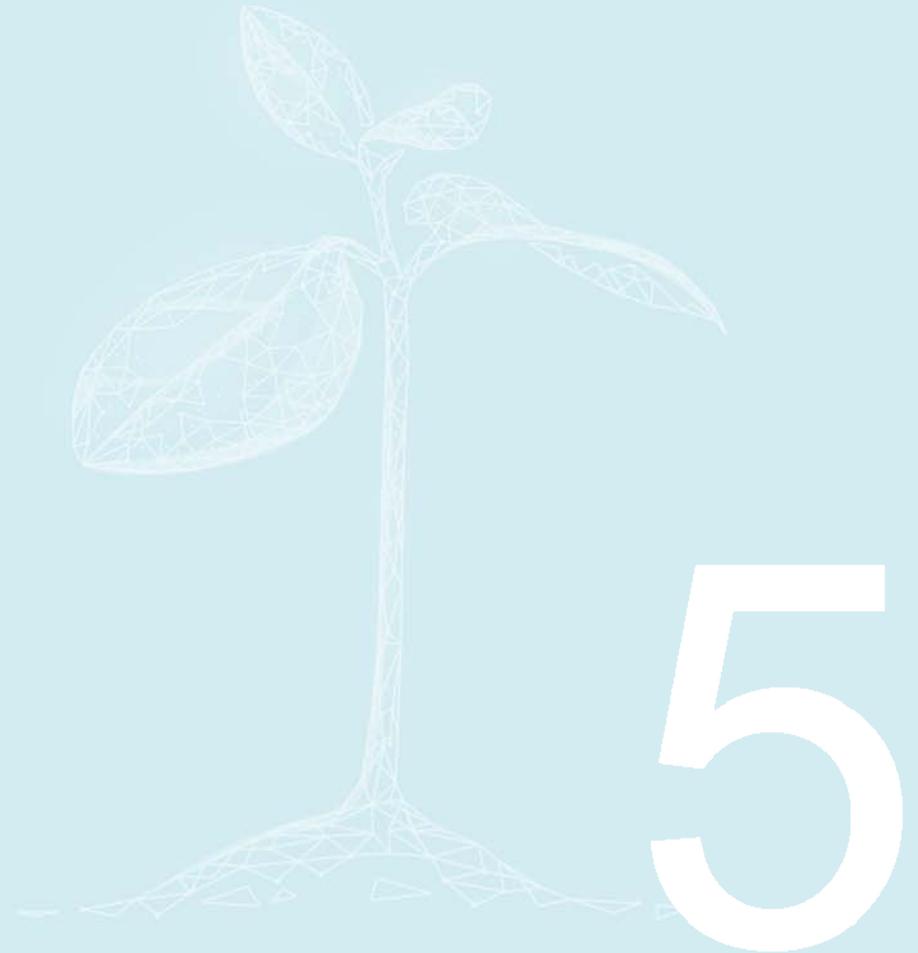
- Progress in defined portfolio optimisation: Sale of 13 entities¹
- Implementation of cost optimisation programme: Planned savings of ~€80m (gross, run rate) until 2020, efficiency measures on track

Capture opportunities in dedicated growth markets

- Positive development in major growth markets despite adverse currency effects
- **India:** Good premium growth² (+14%)
- **China:** Significant premium increase² (+45%)

Financial highlights

H1 2019



Reinsurance Property-casualty

Gross premiums written	€m
H1 2018	9,940
Foreign exchange	380
Divestments/investments	-98
Organic change	104
H1 2019	10,327

- Positive FX effects mainly driven by US\$
- Sale of MSP Underwriting
- Organic growth mainly in liability

Major result drivers

	H1 2019	H1 2018	▲	Q2 2019	Q2 2018	▲
Technical result	1,297	933	364	910	184	726
Non-technical result	104	283	-179	47	194	-147
thereof investment result	830	900	-70	445	496	-51
Other	-330	-290	-40	-253	-43	-210
Net result	1,071	925	146	704	335	369

Technical result

- Very low major losses, especially in Q2
- Q2: Transactions with corresponding release of basic-loss reserves and particularly favourable development in some lines of business
- Q2: Elevated normalised combined ratio due to seasonality effects and adverse claims development in our North American Risk Solutions business

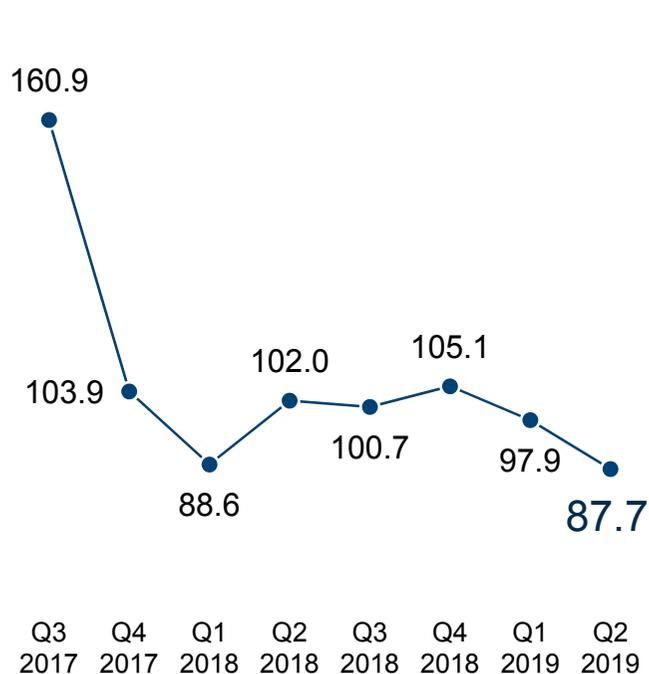
Investment result

- Increased regular income and disposal gains from sale of fixed income investments
- Q2: Return on investment: 2.8%

Other

- H1: FX result of €114m (€1m), thereof €75m in Q2

Reinsurance Property-casualty – Combined ratio



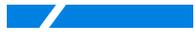
		Basic losses	Major losses	Expenses
2017	114.1	54.8	25.8	33.5
2018	99.4	53.6	11.6	34.2
H1 2019	92.8	52.4	6.9	33.5
Q2 2019	87.7	50.1	4.1	33.5

	Major losses	Nat cat	Man-made	Reserve releases ¹	Normalised combined ratio ²
H1 2019	6.9	3.5	3.3	-5.7	99.6
Q2 2019	4.1	3.1	0.9	-7.3	98.9
Ø Annual expectation	~12.0	~8.0	~4.0	~-4.0	

¹ Basic losses prior years, already adjusted for directly corresponding sliding-scale and profit-commission effects. ² Based on reserve releases of 4%-pts.

Reinsurance Life and Health

Gross premiums written €m

H1 2018		5,174
Foreign exchange		166
Divestments/investments		0
Organic change		296
H1 2019		5,636

- Positive FX effects mainly driven by US\$
- Organic growth in Asia and Europe

Major result drivers

	H1 2019	H1 2018	▲	Q2 2019	Q2 2018	▲
Technical result	114	296	-182	36	156	-120
Non-technical result	281	249	32	170	167	2
thereof investment result	580	510	70	340	302	38
Other	-60	-100	40	-51	-38	-13
Net result	335	444	-110	154	285	-131

Technical result, incl. fee income of €169m

- Q2 negatively impacted by
 - Australia: Negative claims experience in disability business and DAC write-off related to “protect your super” legislation
 - Canada: Shortening of asset duration
- Overall, claims experience in line with expectations in all major markets except for Australia

Investment result

- Disposal gains due to shortening of asset duration in Canada exceeding reduction in the technical result
- Q2: Return on investment: 4.9%

Other

- H1: FX result of €42m vs €5m, thereof €22m in Q2

ERGO Life and Health Germany

Gross premiums written		€m
H1 2018		4,633
Foreign exchange		0
Divestments/investments		-3
Organic change		27
H1 2019		4,658

- **Health: +€83m**
Increase mainly driven by Travel; growth in comprehensive and supplementary health insurance
- **Digital Ventures: +€21m**
Growth driven by dental tariffs and nexible
- **Life: -€79m**
Decline in regular premiums from ordinary attrition of back book, growth from new products

Major result drivers

	H1 2019	H1 2018	▲	Q2 2019	Q2 2018	▲
Technical result	198	158	40	88	67	20
Non-technical result	179	59	120	128	-1	128
thereof investment result	2,000	1,857	144	1,008	807	201
Other	-242	-196	-46	-143	-81	-62
Net result	135	21	114	72	-15	87

Technical result

- H1/Q2: Increase driven by higher shareholder profit participation

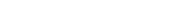
Investment result

- H1: Disposal gains to finance ZZR
- Q2: Negative contribution from equity derivatives overcompensated by positive result from interest-rate hedging
- Q2: Return on investment: 3.2%

Other

- H1: Higher tax expenses, partly due to a positive one-off in 2018
- Q2: Negative FX result

ERGO Property-casualty Germany

Gross premiums written		€m
H1 2018		1,947
Foreign exchange		2
Divestments/investments		0
Organic change		86
H1 2019		2,035

- Organic growth driven by Fire/property (+€37m), other insurance (+€35m, primarily marine) and liability (+€23m)
- Positive development by earlier receipt of some large contracts in broker channel

Major result drivers

	H1 2019	H1 2018	▲	Q2 2019	Q2 2018	▲
Technical result	150	92	58	127	98	29
Non-technical result	33	47	-14	7	27	-20
thereof investment result	71	77	-6	27	40	-14
Other	-114	-82	-32	-79	-68	-11
Net result	69	57	12	55	57	-2

Technical result

H1 combined ratio of 91.9% supports annual guidance – very good C/R of 86.2% in Q2 driven by:

- Profitable premium growth
- Overall good claims experience, with large losses below expectation
- Reversal of seasonality in premiums which had a negative impact in Q1

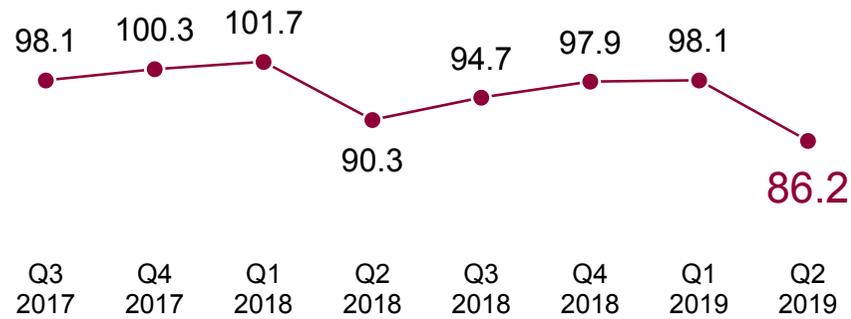
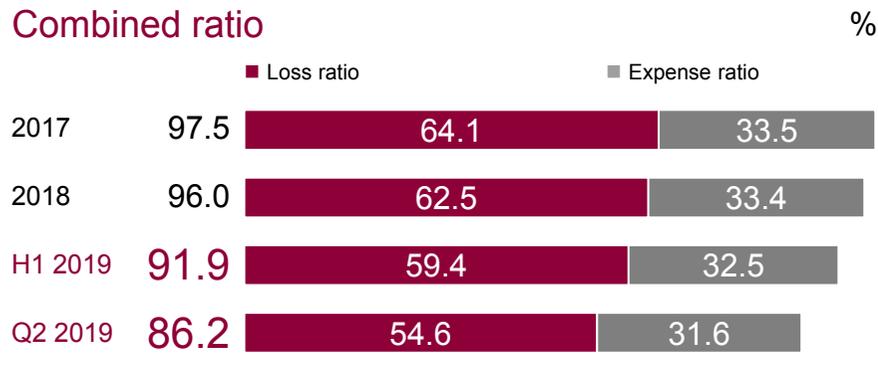
Investment result

- Q2: Strong equity markets leading to losses from equity derivatives
- Q2: Return on investment: 1.4%

Other

- H1: Positive tax one-off in 2018
- Q2: Negative FX result

ERGO Property-casualty Germany



Gross premiums written €m

Category	2018	H1 2019
Other	267	(231)
Motor	450	(452)

Legal protection
219 (219)

Personal accident
309 (314)



Fire/property
409 (372)

Liability
382 (359)

ERGO International

Gross premiums written €m

H1 2018		2,619
Foreign exchange		-30
Divestments/investments		-53
Organic change		-16
H1 2019		2,519

Life: –€89m

- Russia: Disposal of life business
- Belgium: Impacted by run-down
- Austria: Reduced new business and expiring traditional book

P-C: –€34m

Growth in Poland, Baltics and Austria more than offset by divestments and FX effects

Health: +€24m

Premium adjustments in Belgium from 2018, growth of individual and burial business in Spain

Major result drivers

	H1 2019	H1 2018	▲	Q2 2019	Q2 2018	▲
Technical result	95	111	-16	51	63	-12
Non-technical result	-7	54	-61	7	41	-35
thereof investment result	160	211	-51	81	113	-32
Other	-71	-57	-14	-49	-39	-11
Net result	16	107	-90	8	66	-58

Technical result

- Q2: Higher benefits at ERGO Belgium
- P-C: Profitable premium growth in Poland
- Health: Strong Q2 result in Spain, reversing negative seasonal effect of Q1
- Overall, combined ratio in H1/Q2 in line with full-year guidance

Investment result

- Disposal losses related to portfolio optimisation, in particular sale of ERGO Turkey in Q2 (–€39m)
- Q2: Return on investment: 1.8%

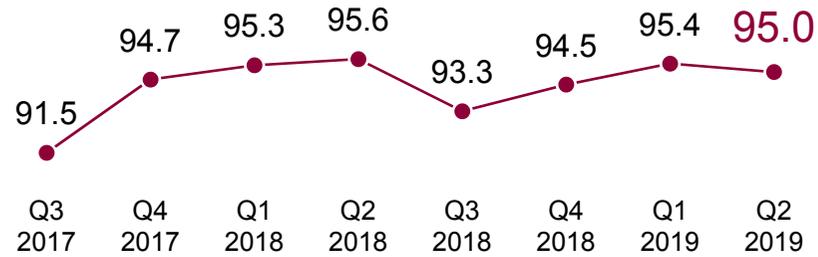
Other

- Q2: Noticeable decline of FX result driven by deconsolidation effects

ERGO International



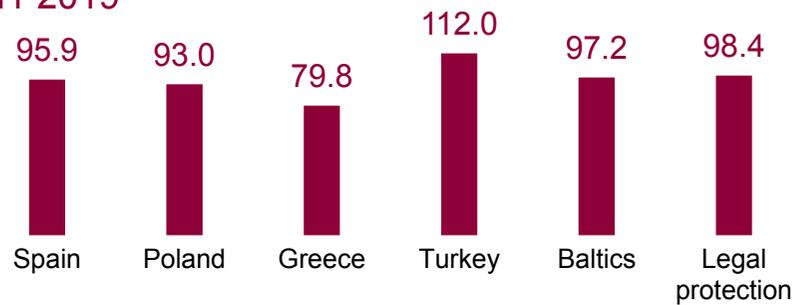
Combined ratio %



Gross premiums written €m

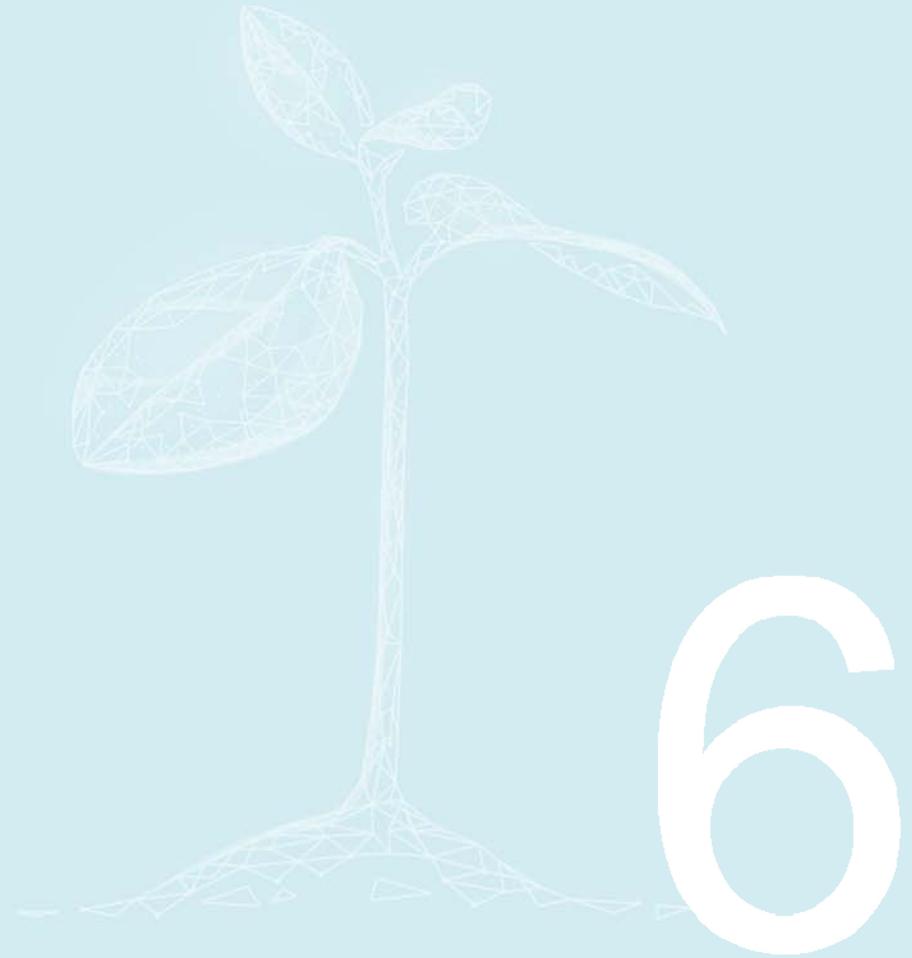


H1 2019



	H1 2019	H1 2018		H1 2019	H1 2018
P-C			Life		
thereof:			thereof:		
Poland	743	706	Austria	181	195
Legal protection	320	350	Belgium	77	88
Greece	120	128	Health		
Baltics	96	91	thereof:		
Turkey	59	84	Spain	426	414
			Belgium	305	293

Investments



Investment result H1 2019

€m	Q2 2019	Return ¹	H1 2019	Return ¹	H1 2018	Return ¹
Regular income	1,848	3.0%	3,459	2.9%	3,329	2.9%
Write-ups/write-downs	-98	-0.2%	-181	-0.2%	-256	-0.2%
Disposal gains/losses	436	0.7%	1,038	0.9%	866	0.7%
Derivatives ²	-97	-0.2%	-329	-0.3%	-70	-0.1%
Other income/expenses	-189	-0.3%	-346	-0.3%	-314	-0.3%
Investment result	1,900	3.1%	3,641	3.0%	3,554	3.1%
Total return		11.7%		12.1%		0.5%

3-month reinvestment yield	Q2 2019	Write-ups/ write-downs	Disposal gains/losses	Derivatives	H1 2019	Write-ups/ write-downs	Disposal gains/losses	Derivatives
Q2 2019 2.2%	Fixed income	-9	313	174	Fixed income	-17	682	189
Q1 2019 2.1%	Equities	-94	60	-225	Equities	-162	248	-545
	Commodities/Inflation	33	0	-27	Commodities/Inflation	38	0	21
Q4 2018 2.1%	Other	-29	64	-19	Other	-40	108	7

¹ Annualised return on quarterly weighted investments (market values) in %. Impact from dividends in regular income: 0.6%-points in Q2 2019 and 0.4%-points in H1 2019
² Result from derivatives without regular income and other income/expenses.

Return on investment by asset class and segment H1 2019



% ¹	Regular income	Write-ups/ -downs	Disposal result	Extraord. derivative result	Other inc./exp.	Rol	Market value (€m)
Afs fixed-income	2.3	0.0	0.9	0.0	0.0	3.2	127.723
Afs non-fixed-income	5.5	-1.9	2.9	0.0	0.0	6.5	17.130
Derivatives	7.2	0.0	0.0	-32.0	0.0	-25.8	2.056
Loans	2.8	0.0	0.3	0.0	0.0	3.1	65.525
Real estate	4.8	-1.1	2.2	0.0	0.0	5.9	10.679
Other ²	3.3	0.7	-0.1	0.0	0.0	-0.3	16.048
Total	2.9	-0.2	0.9	-0.3	-0.3	3.0	239.161
Reinsurance	3.0	-0.2	0.9	-0.2	-0.4	3.1	90.055
ERGO	2.8	-0.1	0.9	-0.3	-0.2	3.0	149.106



¹ Annualised. ² Including management expenses.

Investment portfolio H1 2019

Investment portfolio¹

Land and buildings
4.4 (4.6)

Miscellaneous²
7.5 (7.7)

Shares, equity funds and
participating interests³
6.9 (6.2)



Fixed-interest securities
53.9 (53.8)

Loans
27.4 (27.7)

%

Portfolio management in Q2

- Ongoing geographic diversification and longer duration stabilise reinvestment yield
- Decrease of short-term investments due to dividend payment
- Increase of infrastructure debt
- Equity quota net of hedges 5.5% – derivatives position slightly expanded

Portfolio duration¹

	Assets	Liabilities
Reinsurance	5.9 (5.0)	6.4 (5.8)
ERGO	9.2 (8.8)	10.1 (9.2)
Munich Re (Group)	8.1 (7.5)	9.1 (8.2)

DV01^{1,4}

	Assets	Liabilities	€m Net
Reinsurance	41 (34)	35 (30)	6
ERGO	124 (112)	141 (120)	-16
Munich Re (Group)	165 (146)	176 (150)	-10

¹ Market values as at 30.6.2019 (31.12.2018). ² Deposits retained on assumed reinsurance, deposits with banks, investment funds (excl. equities), derivatives and investments in renewable energies and gold. ³ Net of hedges: 5.5% (5.2%). ⁴ Market value change due to a parallel downward shift in yield curve by one basis point, considering the portfolio size of assets and liabilities (pre-tax). Negative net DV01 means rising interest rates are beneficial.

Investment portfolio

Fixed-interest securities and miscellaneous – H1 2019

Investment portfolio

Miscellaneous
7.5 (7.7)



Loans
27.4 (27.7)

Miscellaneous

Other
24 (22)
Derivatives²
7 (9)
Investment funds³
11 (10)
Bank deposits
18 (18)



Fixed-interest securities
53.9 (53.8)

Fixed-interest securities¹

Structured products
3 (3)
Corporates
18 (17)
Banks
2 (2)
Pfandbriefe/Covered bonds
14 (14)



Governments/
Semi-government
63 (64)

Cash/Other
1 (0)

Loans¹

Loans to policyholders/
mortgage loans
12 (12)
Corporates
3 (2)
Banks
1 (2)



Governments/
Semi-government
41 (41)

Pfandbriefe/
Covered bonds
42 (44)

¹ Approximation – not fully comparable with IFRS figures. Market values as at 30.6.2019 (31.12.2018).
² Non-fixed derivatives. ³ Non-fixed property funds and non-fixed bond funds



Fixed-income portfolio

Allocation and regional structure – H1 2019

Fixed-income portfolio

Bank bonds

2 (2)

Structured products

2 (2)

Loans to policyholders/
mortgage loans

4 (4)

Cash/other

5 (5)

Corporate bonds

12 (12)

Pfandbriefe/covered bonds

22 (23)



%
Governments/
semi-government
53 (53)

Regional breakdown

	Without policyholder	With participation	Total	
			30.6.2019	31.12.2018
Germany	4.6	23.0	27.6	28.2
US	13.0	1.8	14.8	14.3
France	2.4	5.4	7.8	8.1
UK	3.0	2.1	5.0	4.9
Canada	4.0	0.6	4.6	4.5
Netherlands	1.4	2.9	4.3	4.5
Supranationals	0.7	3.1	3.8	3.7
Spain	1.0	2.1	3.1	2.8
Australia	2.5	0.5	2.9	2.8
Austria	0.5	2.1	2.6	2.5
Belgium	0.6	1.6	2.2	2.3
Ireland	0.8	1.4	2.2	2.1
Poland	1.3	0.5	1.8	1.7
Sweden	0.2	1.3	1.5	1.6
Italy	0.5	0.9	1.3	1.7
Other	6.6	7.8	14.4	14.2
Total	43.1	56.9	100.0	100.0

Approximation – not fully comparable with IFRS figures. Market values as at 30.6.2019 (31.12.2018).

Fixed-income portfolio

Rating and maturity structure – H1 2019

Rating structure	Market value (€bn)	AAA (%)	AA	A	BBB	BB	<BB	NR
Total	207.2	42	25	13	12	3	0	5¹
Governments/semi-government	109.9	43	33	16	7	2	–	–
Pfandbriefe/covered bonds	46.4	74	23	2	0	–	–	1
Corporate bonds (excluding bank bonds)	25.5	2	4	20	60	12	2	0
Bank bonds	3.6	–	13	46	34	6	0	1
Structured products	4.1	56	32	10	2	0	0	0

Maturity structure	Average maturity (years)	0-1 years (%)	1-3 years	3-5 years	5-7 years	7-10 years	>10 years	n.a.
Total	9.7	9	13	14	13	15	34	3
Governments/semi-government	11.0	7	12	11	11	15	44	–
Pfandbriefe/covered bonds	7.0	6	13	18	19	21	22	–
Corporate bonds (excluding bank bonds)	7.4	10	19	20	14	14	24	–
Bank bonds	2.8	30	29	26	7	6	2	–

Approximation – not fully comparable with IFRS figures. Market values as at 30.6.2019 (31.12.2018).
¹ Mainly loans to policyholders, mortgage loans and bank deposits.



Fixed-income portfolio

Corporate bonds and bank bonds – H1 2019

Corporate bonds – Sector breakdown

	%	
	30.6.19	31.12.18
Utilities	14.1	16.2
Industrial goods and services	14.0	13.7
Oil and gas	11.9	11.9
Financial services	9.6	9.0
Telecommunications	7.9	7.9
Healthcare	7.7	7.3
Technology	6.0	4.8
Food and beverages	4.0	3.7
Media	3.9	4.1
Automobiles	3.2	3.0
Personal and household goods	3.2	3.7
Retail	3.2	3.3
Basic resources	3.1	2.7
Other	8.3	8.7

Bank bonds – Regional breakdown

	Senior bonds	Subordinated	Loss-bearing	Total		%
				30.6.2019	31.12.2018	
US	35.1	6.4	0.4	41.9	43.4	
Canada	8.3	1.5	0.0	9.8	5.4	
Ireland	9.6	0.0	0.0	9.6	8.6	
Germany	4.3	0.6	4.6	9.6	11.8	
UK	6.9	0.6	0.0	7.5	7.8	
France	2.9	0.8	1.4	5.1	4.8	
Guernsey	2.7	0.0	0.0	2.7	2.6	
Australia	2.3	0.0	0.0	2.3	1.1	
Netherlands	1.5	0.1	0.0	1.6	1.4	
Other	8.2	1.5	0.1	9.8	13.1	

Bank bonds – Investment category

	%
Loss-bearing ¹	7 (7)
Subordinated ²	11 (13)
Senior	82 (80)



¹ Classified as Tier 1 and upper Tier 2 capital for solvency purposes. ² Classified as lower Tier 2 and Tier 3 capital for solvency purposes. Approximation – not fully comparable with IFRS figures. Market values as at 30.6.2019 (31.12.2018).

On- and off-balance-sheet reserves (gross) H1 2019

€m	31.12.2017	31.12.2018	31.3.2019	30.6.2019	▲ in Q2
Market value of investments	231,885	231,876	240,484	245,124	4,640
Total reserves	25,395	22,002	27,612	32,839	5,227
On-balance-sheet reserves					
Fixed-interest securities	7,622	4,953	7,856	10,927	3,071
Non-fixed-interest securities	3,261	1,817	2,984	3,194	210
Other on-balance-sheet reserves ¹	189	207	215	213	-2
Subtotal	11,072	6,977	11,055	14,333	3,278
Off-balance-sheet reserves					
Real estate ²	2,744	4,769	4,781	4,822	41
Loans ³	10,788	9,453	11,093	12,965	1,872
Associates	792	803	683	719	36
Subtotal	14,323	15,024	16,556	18,506	1,949
Reserve ratio	11.0%	9.5%	11.5%	13.4%	1.9%-pts.

¹ Unrealised gains/losses from unconsolidated affiliated companies, valuation at equity and cash-flow hedging. ² Excluding reserves from owner-occupied property.
³ Excluding insurance-related loans.

Sensitivities to interest rates, spreads and equity markets

H1 2019

Sensitivity to risk-free interest rates – Basis points

	–50	–25	+50	+100
Change in gross market value (€bn)	+8.7	+4.3	–8.0	–15.4
Change in on-balance-sheet reserves, net (€bn) ¹	+2.2	+1.1	–2.0	–3.9
Change in off-balance-sheet reserves, net (€bn) ¹	+0.4	+0.2	–0.4	–0.7
P&L impact (€bn) ¹	+0.1	+0.1	–0.1	–0.2

Sensitivity to spreads² (change in basis points)

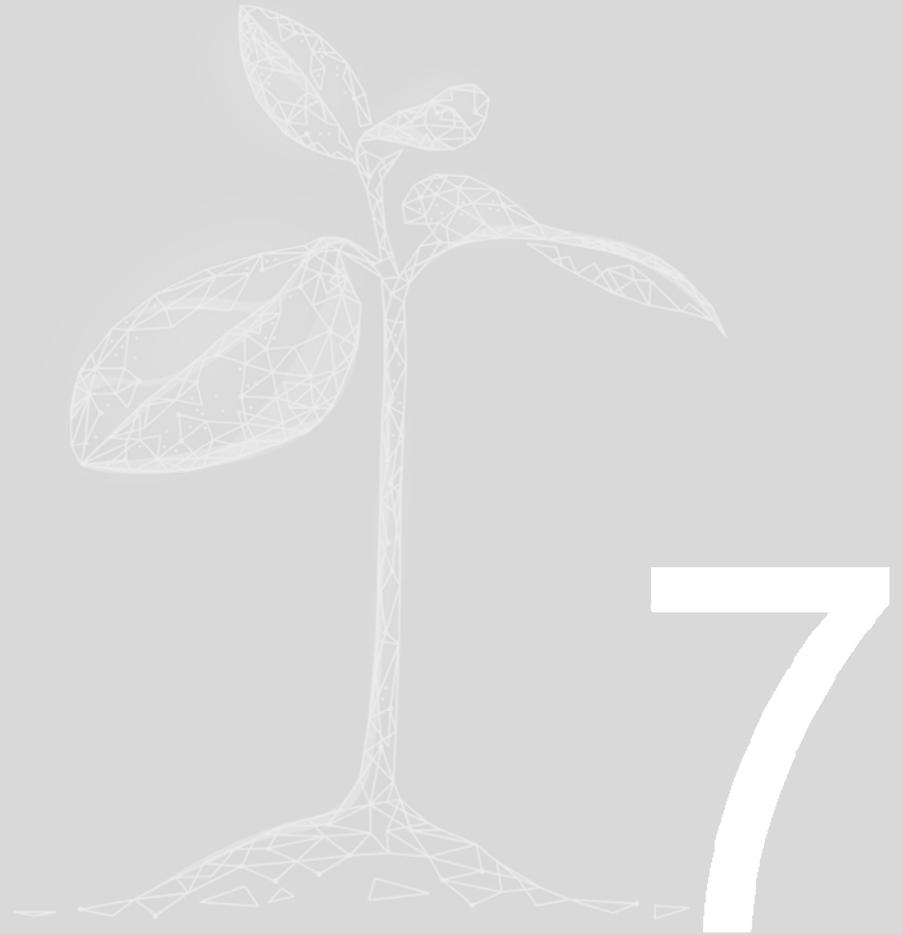
		+50	+100
Change in gross market value (€bn)		–5.9	–11.3
Change in on-balance-sheet reserves, net (€bn) ¹		–1.4	–2.7
Change in off-balance-sheet reserves, net (€bn) ¹		–0.3	–0.5
P&L impact (€bn) ¹		–0.1	–0.2

Sensitivity to equity and commodity markets³

	–30%	–10%	+10%	+30%
Change in gross market value (€bn)	–5.5	–1.8	+1.8	+5.5
Change in on-balance-sheet reserves, net (€bn) ¹	–1.4	–0.6	+0.9	+2.8
Change in off-balance-sheet reserves, net (€bn) ¹	–0.9	–0.3	+0.3	+1.0
P&L impact (€bn) ¹	–1.4	–0.4	–0.0	–0.0

¹ Rough calculation with limited reliability assuming unchanged portfolio as at 30.6.2019. After rough estimation of policyholder participation and deferred tax; linearity of relations cannot be assumed. Approximation – not fully comparable with IFRS figures. ² Sensitivities to changes of spreads are calculated for every category of fixed-interest securities, except government securities with AAA ratings. ³ Worst-case scenario assumed, including commodities: impairment as soon as market value is below acquisition cost. Approximation – not fully comparable with IFRS figures.

Shareholder information

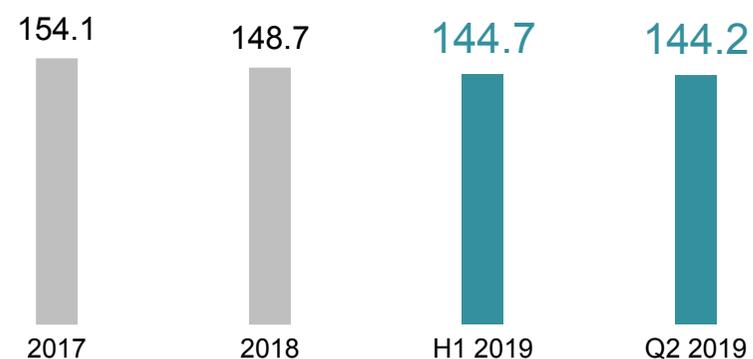


Share information



Shares (millions)	31.12. 2018	Acquisition of own shares in H1 2019	Retirement of own shares in H1 2019	30.6. 2019
Shares in circulation	145.8	-1.9	-	143.9
Treasury shares	3.7	1.9	-5.2	0.4
Total	149.5	-	-5.2	144.3

Weighted average number of shares in circulation (millions)



Key company data

Sector	Insurance
Country	Germany
Currency	Euro
Accounting principles	IFRS

Securities codes

Reuters	MUVGn
Bloomberg	MUV2
WKN	843002
ISIN	DE0008430026

Type of share	No-par-value registered shares
Votes	Each share entitles the holder to one vote
Dividend	Paid out once per year in cash
Trading venues	All German stock exchanges plus Xetra

Mission of Investor & Rating Agency Relations



We aim to enhancing Munich Re's visibility and attractiveness in the international financial community

RESPONSIBILITY

Munich Re's communication with the capital market / financial community

MAIN OBJECTIVE

Active communication to support a fair capital-market valuation of Munich Re shares and outstanding bonds

EXTERNAL COMMUNICATION

INCREASE TRANSPARENCY



on financial performance, strategy and expectations about future perspectives within the principles of a credible, accurate, complete and timely provision of relevant information

TARGET



Achieving a fair valuation and optimising the cost of capital by increasing information efficiency between Munich Re and the financial community while developing a relationship of trust with our investor base

INTERNAL COMMUNICATION

TRANSMISSION



of investors' and creditors' demands, and the capital markets' perception of Munich Re, to management and staff

TARGET



Support management in the setting of ambitious targets as well as in the execution of a value-based and shareholder-oriented strategy

Financial calendar

2019

7 NOVEMBER Quarterly statement as at 30 September 2019

2020

28 FEBRUARY Balance sheet media conference for 2019 financial statements
Analysts' and Investors' call

18 MARCH Annual report (Group), Annual report (Company)

29 APRIL Annual General Meeting 2020

7 MAY Quarterly statement as at 31 March 2020

6 AUGUST Half-year financial report as at 30 June 2020

5 NOVEMBER Quarterly statement as at 30 September 2020

For information, please contact



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Disclaimer

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