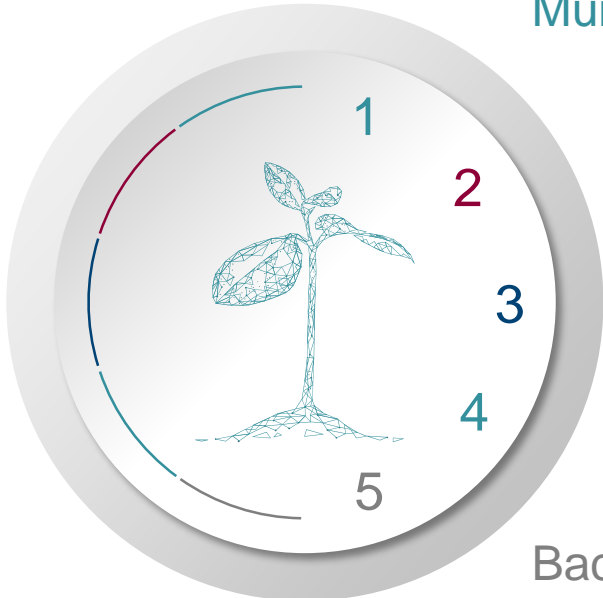




Quarterly statement as at 31 March 2019

8 May 2019

Christoph Jurecka



Munich Re (Group)	2
ERGO	7
Reinsurance	13
Outlook	20
Backup	22

Good start to the year

MUNICH RE (GROUP)

Net result

€633m (€827m)

Solid underlying performance, positive currency effects and low tax expenses

Return on investment¹

2.9% (3.1%)

Disposal gains offset write-downs and derivative losses

Shareholders' equity

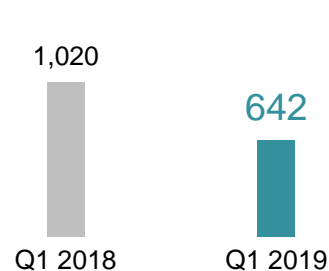
€29.0bn (+9.4% vs. 31.12.)

Sound capitalisation –
Solvency II ratio at ~250%

Q1 2019 (Q1 2018)

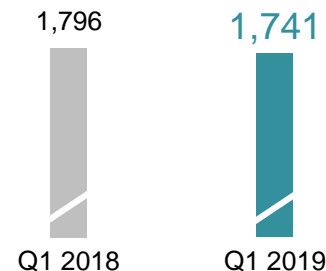
Technical result

€m



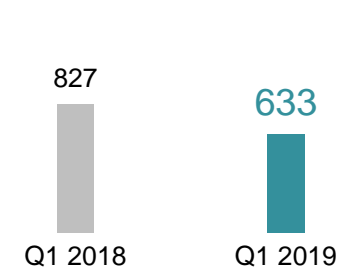
Investment result

€m



Net result

€m



Reinsurance

Life and Health: Technical result incl. fee income: €105m (€155m) – slightly below run-rate due to technical one-offs

Property-casualty: Combined ratio: 97.9% (88.6%) –
Major-loss ratio: 9.7% (1.4%)

April renewals:

Price change: ~ +1.4%, premium change: +10.3%

ERGO

Life and Health Germany:

Life: High RoI; Health: Sound performance

Property-casualty:

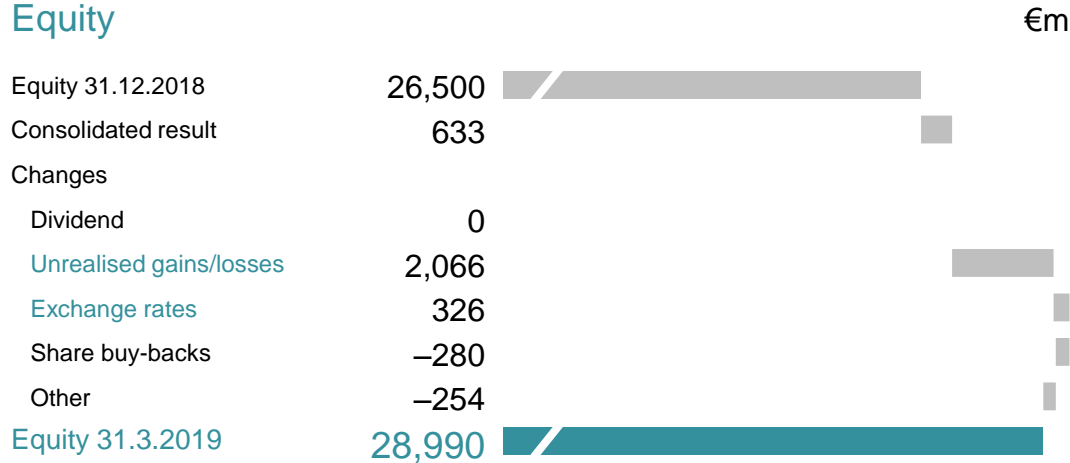
C/R: 98.1% (101.7%) – Storm Eberhard

International:

C/R: 95.4% (95.3%); disposal losses

IFRS capital position

Equity



Unrealised gains/losses

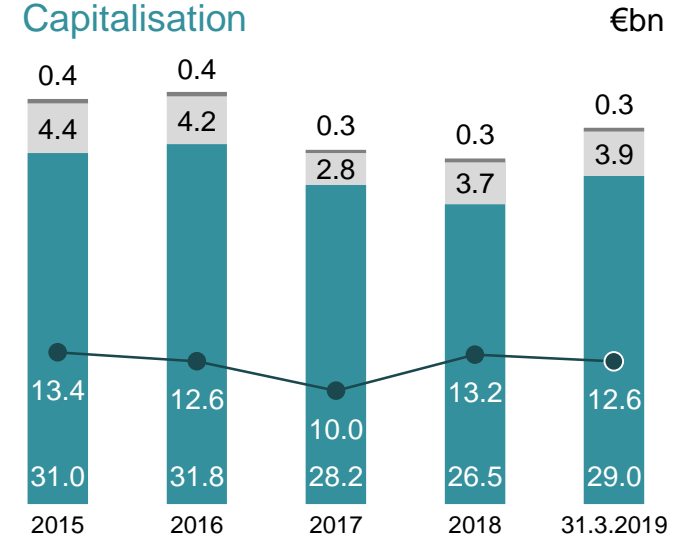
Fixed-interest securities
€1,366m





Non-fixed-interest securities
€698m

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.

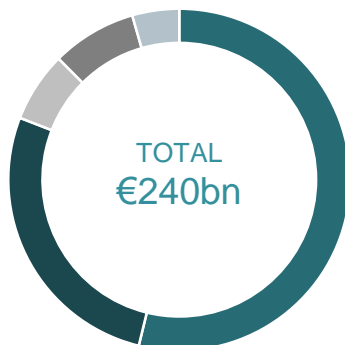
Investment portfolio

Investment portfolio¹

Land and buildings
4.4 (4.6)

Miscellaneous²
8.0 (7.7)

Shares, equity funds and
participating interests³
6.6 (6.2)



Fixed-interest securities
53.8 (53.8)

Loans
27.1 (27.7)

%

Portfolio management in Q1

- Increased market values after decline of interest rates and strong equity markets
- Equity quota net of hedges up to 6.0% – derivatives position slightly reduced
- Further expansion of alternative and infrastructure investments
- Temporarily higher short-term investments (funding of dividend payment)

Portfolio duration¹

	Assets	Liabilities
Reinsurance	5.3 (5.0)	6.2 (5.8)
ERGO	8.9 (8.8)	9.4 (9.2)
Munich Re (Group)	7.7 (7.5)	8.5 (8.2)

DV01^{1,4}

	Assets	Liabilities	Net
	37 (34)	33 (30)	4
	117 (112)	127 (120)	-10
	154 (146)	160 (150)	-6

¹ Fair values as at 31.3.2019 (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: 6.0 (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 result

€m	Q1 2019	Return ¹	Q1 2018	Return ¹
Regular income	1,611	2.7%	1,493	2.6%
Write-ups/write-downs	-83	-0.1%	-115	-0.2%
Disposal gains/losses	602	1.0%	584	1.0%
Derivatives ²	-231	-0.4%	-17	0.0%
Other income/expenses	-157	-0.3%	-149	-0.3%
Investment result	1,741	2.9%	1,796	3.1%
Total return		12.5%		-1.3%

3-month reinvestment yield	Q1 2019	Write-ups/ write-downs	Disposal gains/losses	Derivatives	Q1 2018	Write-ups/ write-downs	Disposal gains/losses	Derivatives
Q1 2019 2.1%	Fixed income	-9	370	16	Fixed income	-1	326	-124
Q4 2018 2.1%	Equities	-68	188	-321	Equities	-79	209	109
Q3 2018 2.5%	Commodities/Inflation	5		48	Commodities/Inflation	9		7
	Other	-11	44	25	Other	-44	50	-8

ERGO



ERGO Life and Health Germany

Gross premiums written

	€m
Q1 2018	2,321
Foreign exchange	0
Divestments/investments	-1
Organic change	26
Q1 2019	2,346

- **Life: -€43m**
Decline in in-force business, growth from new products
- **Health: +€57m**
Strong increase in Travel; growth in comprehensive and supplementary insurance
- **Digital Ventures: +€11m**
Growth driven by dental tariffs and nexible motor business

Major result drivers

	Q1 2019	Q1 2018	€m
Technical result	110	91	20
Non-technical result	52	60	-8
thereof investment result	992	1,049	-57
Other	-99	-115	16
Net result	63	36	27

Technical result

- Improvements in Life – Adjusted distribution of shareholder profits during the year

Investment result

- Disposal gains to finance ZZR
- Negative contribution from equity derivatives partly offset by positive result from interest-rate hedging
- Return on investment 3.3%

Other

- FX result improved significantly
- Higher tax expenses, partly due to a positive one-off in 2018

ERGO Property-casualty Germany

Gross premiums written

	€m
Q1 2018	1,266
Foreign exchange	0
Divestments/investments	0
Organic change	83
Q1 2019	1,349

- Organic growth mainly driven by fire/property (+€40m), other insurance (+€31m, primarily marine) and liability (+€17m)
- Positive development owing to earlier receipt of some large contracts in broker channel

Major result drivers

	Q1 2019	Q1 2018	€m
Technical result	23	-6	29
Non-technical result	26	20	6
thereof investment result	45	37	8
Other	-35	-14	-21
Net result	14	0	14

Technical result

- Improvement driven by premium growth
- Combined ratio of 98.1%, affected by Winter Storm Eberhard
- Adjusted for above-average large-loss expenditure and for the usual seasonal fluctuations in claims and premiums, the underlying combined ratio in Q1 supports the ~93% full-year guidance for 2019

Investment result

- Disposal gains from equities increased
- Higher regular income from private equity and dividends
- Lower equity derivatives result
- Return on investment 2.4%

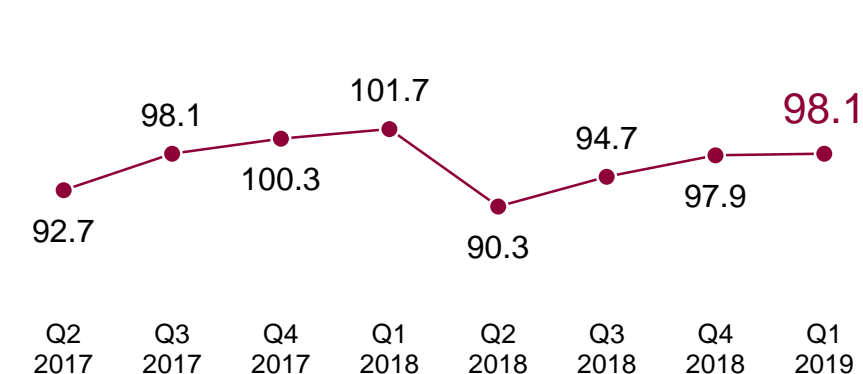
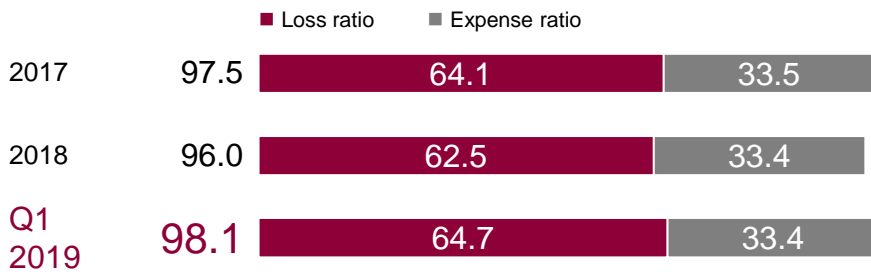
Other

- Tax one-off in 2018

ERGO Property-casualty Germany

Combined ratio

%



Gross premiums written

€m

Other

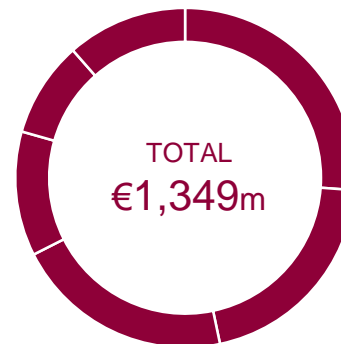
155 (124)

Motor

353 (358)

Legal protection

123 (122)



Liability

277 (260)

Personal accident

160 (162)

Fire/property

281 (241)

ERGO International

Gross premiums written

	€m
Q1 2018	1,356
Foreign exchange	-22
Divestments/investments	-27
Organic change	-7
Q1 2019	1,300

Life: -€43m

- Austria: Lower single-premium business compared with strong Q1 2018
- Belgium: Impacted by run-down
- Russia: Disposal of life business

P-C: -€27m

Growth in Poland more than offset by divestments and decrease in Greece after a strong Q1 2018

Health: +€13m

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

Major result drivers

	Q1 2019	Q1 2018	€m
Technical result	44	47	-3
Non-technical result	-14	12	-26
thereof investment result	79	98	-19
Other	-22	-19	-4
Net result	8	41	-33

Technical result

- Life
Negative effect from discontinuation of banking cooperation in CEE
- P-C
Improvements mainly due to new reinsurance structure
- Health
Higher claims in Spain (seasonal effect)

Investment result

- Lower equity derivatives result
- Disposal losses related to portfolio optimisation (-€22m)
- Return on investment: 1.8%

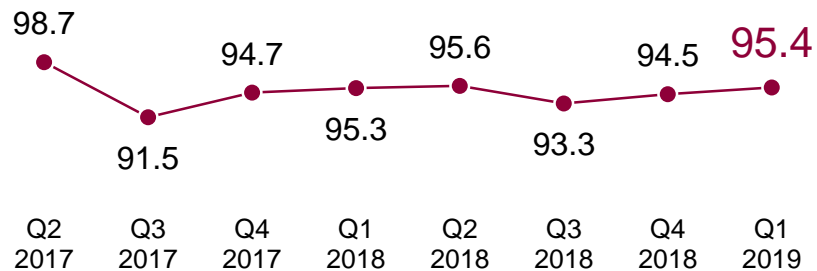
Other

- Slightly improved non-operating result

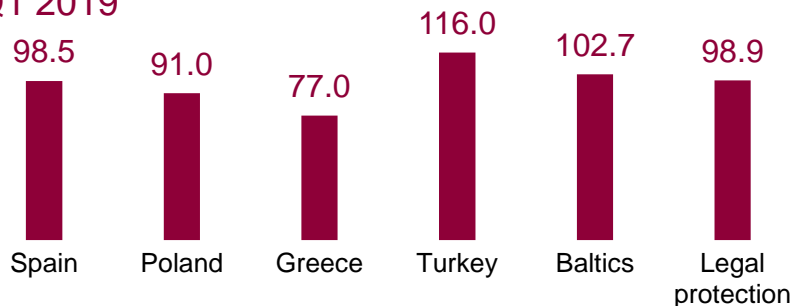
ERGO International

Combined ratio

%



Q1 2019



Gross premiums written

€m

Property-casualty
730 (756)

Life
170 (213)



Health
400 (387)

P-C	Q1 2019	Q1 2018	Life	Q1 2019	Q1 2018
thereof:			thereof:		
Poland	370	350	Austria	86	94
Legal protection	168	183	Belgium	37	45
Greece	57	72			
Baltics	48	44	Health		
Turkey	34	46	thereof:		
			Spain	241	234
			Belgium	159	153

Reinsurance



Reinsurance Life and Health

Gross premiums written

	€m
Q1 2018	2,865
Foreign exchange	101
Divestments/investments	0
Organic change	-71
Q1 2019	2,896

- Positive FX effects mainly driven by US\$
- Restructuring of a large capital-relief transaction resulting in top-line decrease ...
- ... largely offset by organic growth in Asia and Europe

Major result drivers

	Q1 2019	Q1 2018	€m
Technical result	78	140	-62
Non-technical result	48	82	-34
thereof investment result	177	207	-31
Other	2	-62	64
Net result	128	159	-31

Technical result, incl. fee income of €105m

- Negative technical reserving effects
 - Australia: Strengthening of claims reserves due to declining interest rates
 - Canada: Shortening of asset duration
- Biometric experience in line with expectations overall – adverse development in Australia compensated for by positive experience in Continental Europe

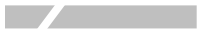




Investment result

- Disposal gains after shortening of asset duration in Canada (albeit major part allocated to P-C Reinsurance segment)
- Return on investment: 2.6%

Other

- FX result of €20m (-€6m)

Reinsurance Property-casualty

Gross premiums written		€m
Q1 2018		5,317
Foreign exchange		214
Divestments/investments		-41
Organic change		-6
Q1 2019		5,484

- Positive FX effects mainly driven by US\$
- Sale of MSP Underwriting

Major result drivers

	Q1 2019	Q1 2018	€m	
Technical result		387	749	-362
Non-technical result		121	89	32
thereof investment result		449	404	44
Other		-88	-247	159
Net result		420	591	-171

Technical result

- Below-average major losses despite negative run-off for prior-year claims of 5.1%-pts.
- Elevated basic losses due to larger losses below outlier threshold in North American Risk Solutions business and higher commissions

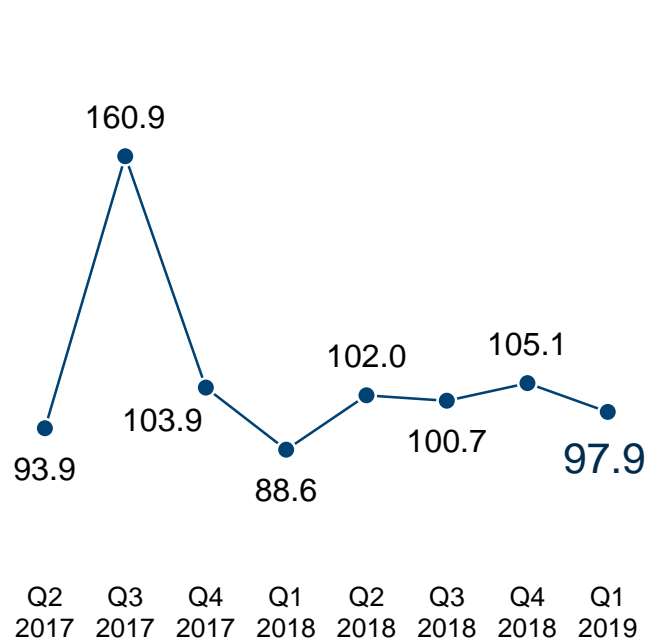
Investment result

- Disposal gains after shortening of asset duration in Canada and sale of MSP Underwriting
- Return on investment: 2.9%

Other

- FX result of €39m (-€28m)

Reinsurance Property-casualty – Combined ratio



		Basic losses	Major losses	Expense ratio		
					%	
2017	114.1	54.8	25.8	33.5		
2018	99.4	53.6	11.6	34.2		
Q1 2019	97.9	54.8	9.7	33.4		
		Major losses	Nat cat	Man-made	Reserve releases ¹	Normalised combined ratio ²
Q1 2019		9.7	4.0	5.7	-4.0	100.2
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.

April renewals – Main renewal for Japan, high nat cat share

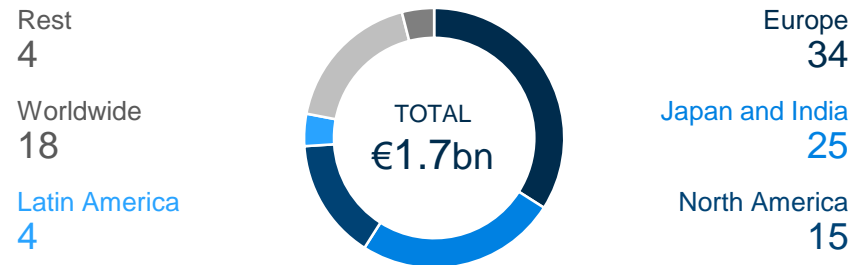
Total property-casualty book¹ %

Remaining business	30	Business up for January renewal	46
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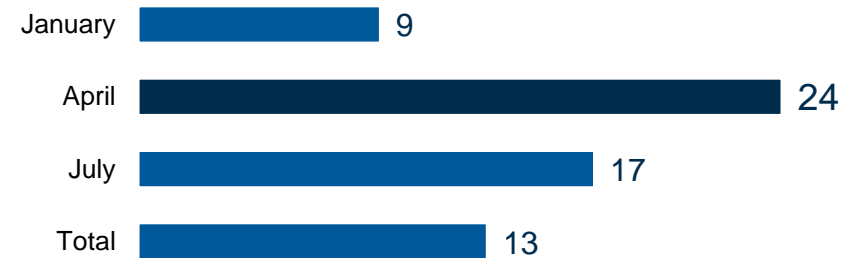


Business up for July renewal	16	Business up for April renewal	8
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Regional allocation of April renewals %



Nat cat shares of renewable portfolio² %

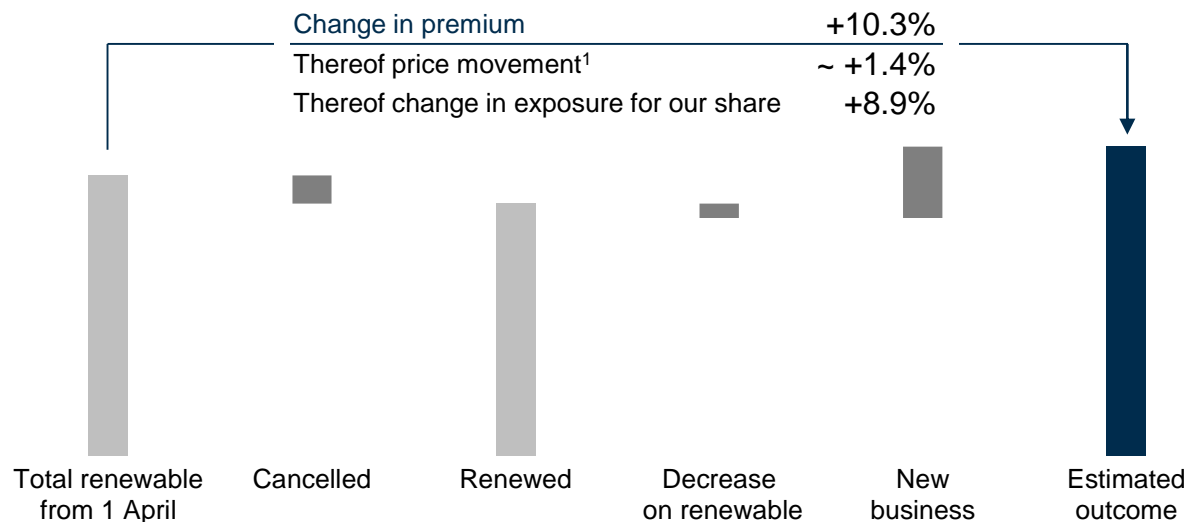


¹ Gross premiums written. Economic view – not fully comparable with IFRS figures. ² Total refers to total P-C book, incl. remaining business.

Overall portfolio profitability further improved – Rate increases in loss-affected business

April renewals 2019

%	100	-10.1	89.9	-5.2	25.5	110.3
€m	1,658	-167	1,491	-86	423	1,828



- Price increase of 1.4% – improvement compared with January 2019 renewals
- Substantial rate increases for loss-affected nat cat XL business (Japan)
- Top-line growth in India, USA and aviation

¹ Price movement is risk-adjusted, i.e. includes claims inflation/loss trend and is adjusted for portfolio mix effects. Furthermore, price movement is calculated on a wing-to-wing basis (including cancelled and new business).

Regional allocation of July renewals

Regional focus on North and Latin America, main renewal date in Australia



Relatively high nat cat share of ~17%

North America
29%

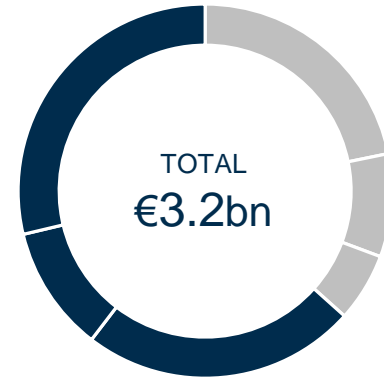
Latin America
11%

Australia
24%

Worldwide
22%

Asia, Pacific
and Africa
9%

Europe
6%



Outlook



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%

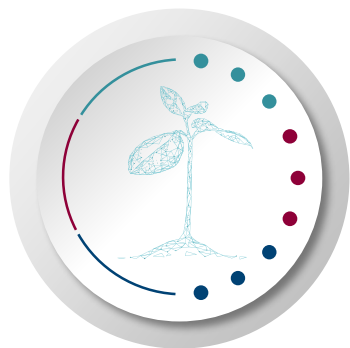
REINSURANCE

Gross premiums written
~€31bn

Net result
~€2.1bn

Combined ratio
Property-casualty²
~98%

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



Backup



Premium development

Gross premiums written €m

Q1 2018 13,126

Foreign exchange 293

Divestments/
investments -69

Organic change 26

Q1 2019 13,375

Segmental breakdown €m

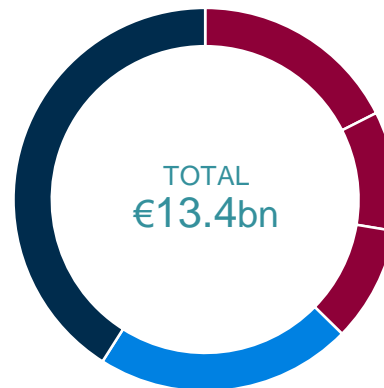
Reinsurance
Property-casualty
5,484 (41%) (▲ 3.1%)

Reinsurance
Life and Health
2,896 (22%) (▲ 1.1%)

ERGO
Life and Health Germany
2,346 (18%) (▲ 1.1%)

ERGO
Property-casualty Germany
1,349 (10%) (▲ 6.6%)

ERGO
International
1,300 (10%) (▲ -4.1%)



Reconciliation of operating result with net result

Reconciliation of operating result with net result – Q1 2019

€m

Operating result	875	
Other non-operating result	-122	
Currency result	58	
Net finance costs	-56	
Taxes on income	-122	
Net result	633	

Other non-operating result (€m)	Q1 2019	Tax rates (%)	Q1 2019
Goodwill impairments	-1	Group	16.2
Restructuring expenses	-5	Reinsurance	14.6
Other	-117	ERGO	25.3

Actual vs. analysts' consensus

Operating result – Actual vs. analysts' consensus¹ €m

	Q1 2019	Consensus	Delta
Reinsurance Property-casualty	507	523	-16
Reinsurance Life and Health	126	202	-76
ERGO Life and Health Germany	162	128	34
ERGO Property-casualty Germany	49	66	-17
ERGO International	30	74	-44
Operating result	875	993	-118
FX	58		
Other	-178		
Taxes	-122		
Net result	633	632	1

Major developments in Q1 2019

Reinsurance Property-casualty

Combined ratio: 97.9% (consensus: 98.0%) – major-loss ratio: 9.7%, reserve releases basic losses: 4.0%; RoI: 2.9%

Reinsurance Life and Health

Technical result, incl. fee income of €105m; RoI: 2.6%

ERGO Life and Health Germany

Adjusted distribution of shareholder profits during the year; RoI: 3.3% (disposal gains to finance ZZR)

ERGO Property-casualty Germany

Combined ratio: 98.1% (consensus: 95.5%) – Storm Eberhard and seasonal fluctuations in claims and premiums; RoI: 2.4%

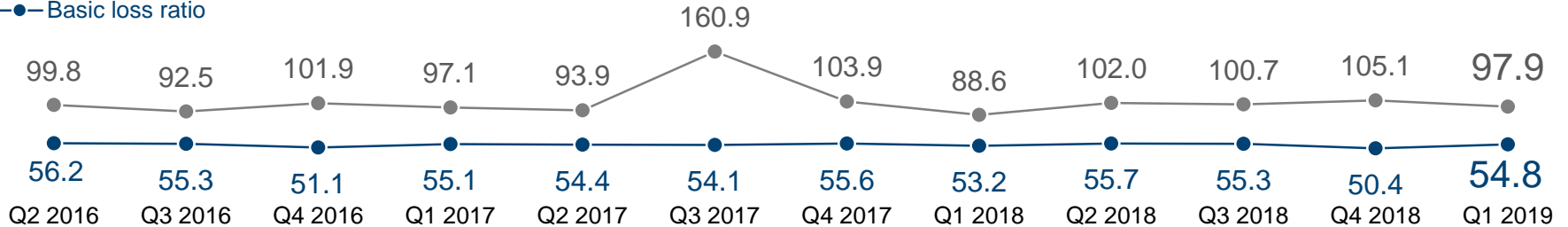
ERGO International

Combined ratio: 95.4% (consensus: 95.9%); RoI: 1.8% – Disposal loss from portfolio optimisation

Development of combined ratio

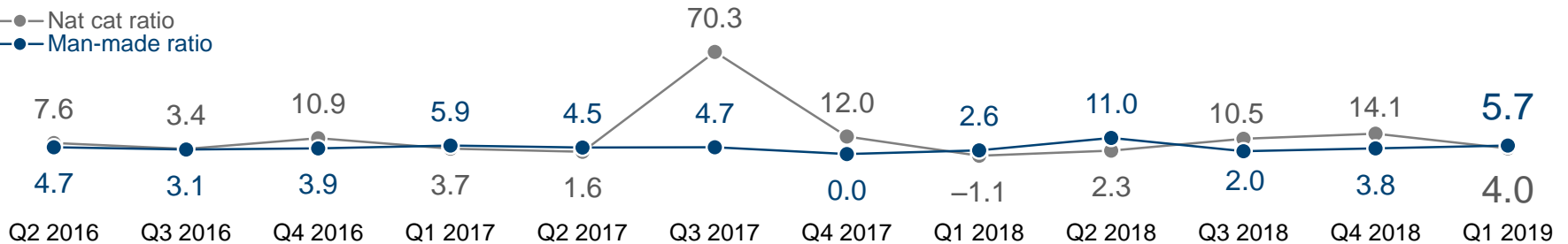
Combined ratio vs. basic losses (%)

—●— Combined ratio
—●— Basic loss ratio



Nat cat vs. man-made (%)

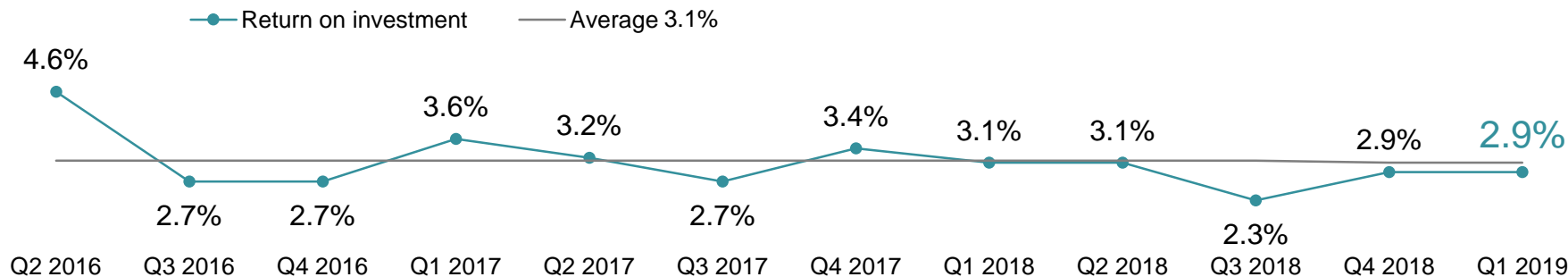
—●— Nat cat ratio
—●— Man-made ratio



Return on investment by asset class and segment

Q1 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	126.205
Afs non-fixed-income	2.9	-1.7	4.6	0.0	0.0	5.8	16.426
Derivatives	7.5	0.0	0.0	-46.8	-0.8	-40.0	1.979
Loans	2.8	-0.1	0.5	0.0	0.0	3.3	64.709
Real estate	4.8	-1.1	1.2	0.0	0.0	4.9	10.645
Other ²	3.4	0.6	0.3	0.0	-3.8	0.4	16.216
Total	2.7	-0.1	1.0	-0.4	-0.3	2.9	236.180
Reinsurance	2.8	-0.3	0.7	-0.1	-0.4	2.8	89.533
ERGO	2.7	-0.1	1.2	-0.6	-0.2	3.0	146.647



Investment result Reinsurance

Reinsurance Life and Health (€m)

	Q1 2019	Return ¹	Q1 2018	Return ¹
Regular income	188	2.7%	173	2.7%
Write-ups/write-downs	-10	-0.1%	-10	-0.2%
Disposal gains/losses	22	0.3%	69	1.1%
Derivatives ²	-6	-0.1%	-8	-0.1%
Other income/expenses	-17	-0.3%	-15	-0.2%
Investment result	177	2.6%	207	3.2%
Average market value		27,533		25,625

Reinsurance Property-casualty (€m)

	Q1 2019	Return ¹	Q1 2018	Return ¹
Regular income	439	2.8%	370	2.5%
Write-ups/write-downs	-49	-0.3%	-41	-0.3%
Disposal gains/losses	129	0.8%	167	1.1%
Derivatives ²	-9	-0.1%	-36	-0.2%
Other income/expenses	-62	-0.4%	-56	-0.4%
Investment result	449	2.9%	404	2.7%
Average market value		62,000		59,985

Investment result ERGO

Life and Health Germany (€m)

	Q1 2019	Return ¹	Q1 2018	Return ¹
Regular income	855	2.8%	819	2.7%
Write-ups/write-downs	-41	-0.1%	-43	-0.1%
Disposal gains/losses	409	1.3%	322	1.1%
Derivatives ²	-165	-0.5%	18	0.1%
Other income/expenses	-66	-0.2%	-67	-0.2%
Investment result	992	3.3%	1,049	3.5%
Average market value		121,796		120,780

Property-casualty Germany (€m)

	Q1 2019	Return ¹	Q1 2018	Return ¹
Regular income	37	2.0%	30	1.7%
Write-ups/write-downs	-5	-0.3%	-6	-0.3%
Disposal gains/losses	42	2.3%	15	0.8%
Derivatives ²	-24	-1.3%	1	0.1%
Other income/expenses	-6	-0.3%	-4	-0.2%
Investment result	45	2.4%	37	2.1%
Average market value		7,308		7,040

Investment result ERGO

International (€m)	Q1 2019	Return ¹	Q1 2018	Return ¹
Regular income	91	2.1%	101	2.3%
Write-ups/write-downs	22	0.5%	-15	-0.4%
Disposal gains/losses	0	0.0%	11	0.3%
Derivatives ²	-27	-0.6%	8	0.2%
Other income/expenses	-7	-0.1%	-7	-0.2%
Investment result	79	1.8%	98	2.2%
Average market value		17,544		17,402

Sensitivities to interest rates, spreads and equity markets

Sensitivity to risk-free interest rates – Basis points

	–50	–25	+50	+100
Change in gross market value (€bn)	+8.1	+4.0	–7.5	–14.3
Change in on-balance-sheet reserves, net (€bn) ¹	+2.1	+1.0	–1.9	–3.7
Change in off-balance-sheet reserves, net (€bn) ¹	+0.4	+0.2	–0.4	–0.7
P&L impact (€bn) ¹	+0.0	+0.0	–0.0	–0.1

Sensitivity to spreads² (change in basis points)

		+50	+100
Change in gross market value (€bn)		–5.5	–10.6
Change in on-balance-sheet reserves, net (€bn) ¹		–1.3	–2.5
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)	–5.4	–1.8	+1.8	+5.7
Change in on-balance-sheet reserves, net (€bn) ¹	–1.2	–0.5	+0.9	+2.7
Change in off-balance-sheet reserves, net (€bn) ¹	–0.9	–0.3	+0.3	+0.9
P&L impact (€bn) ¹	–1.6	–0.4	+0.0	+0.1

¹ Rough calculation with limited reliability assuming unchanged portfolio as at 31.3.2019. 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.

On- and off-balance-sheet reserves

€m	31.12.2016	31.12.2017	31.12.2018	31.3.2019	▲ in Q1
Market value of investments	238,490	231,885	231,876	240,484	8,608
Total reserves	28,496	25,395	22,002	27,612	5,610
On-balance-sheet reserves					
Fixed-interest securities	8,649	7,622	4,953	7,856	2,902
Non-fixed-interest securities	2,924	3,261	1,817	2,984	1,167
Other on-balance-sheet reserves ¹	186	189	207	215	8
Subtotal	11,759	11,072	6,977	11,055	4,078
Off-balance-sheet reserves					
Real estate ²	2,413	2,744	4,769	4,781	13
Loans ³	13,591	10,788	9,453	11,093	1,639
Associates	733	792	803	683	-120
Subtotal	16,738	14,323	15,024	16,556	1,532
Reserve ratio	11.9%	11.0%	9.5%	11.5%	2.0%-pts.

On- and off-balance-sheet reserves

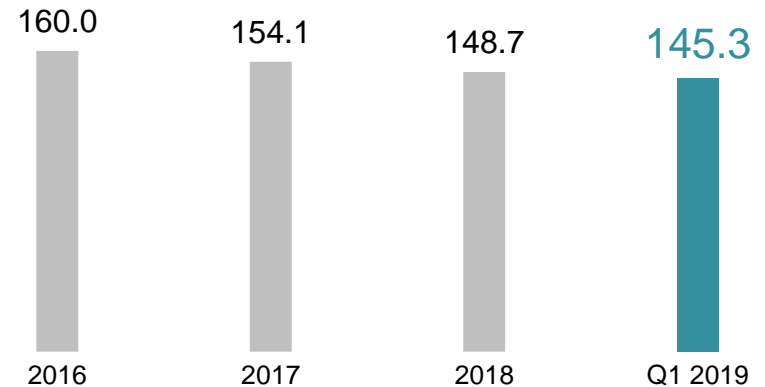
€m	On-balance-sheet reserves	Off-balance-sheet reserves ¹
Total reserves (gross)	11,055	16,556
Provision for deferred premium refunds	−4,781	−10,041
Deferred tax	−1,269	−2,032
Minority interests	−4	0
Consolidation and currency effects	−206	0
Shareholders' stake	4,795	4,484

¹ Excluding reserves for owner-occupied property and insurance-related loans.

Changes to shares in circulation

Shares (millions)	31.12. 2018	Acquisition of own shares in Q1 2019	Retirement of own shares in Q1 2019	31.3. 2019
Shares in circulation	145.8	-1.4	-	144.4
Treasury shares	3.7	1.4	-	5.1
Total	149.5	-	-	149.5

Weighted average number of shares in circulation (millions)



Financial calendar

2019

- 7 AUGUST** Half-year financial report as at 30 June 2019
- 7 NOVEMBER** Quarterly statement as at 30 September 2019

2020

- 6 FEBRUARY** Preliminary key figures 2019 and renewals
- 18 MARCH** Balance sheet press conference for 2019 financial statements
Analysts' call
- 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

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