

Image: Getty Images/Oaltindag

# Quarterly statement as at 31 March 2018

8 May 2018

Jörg Schneider

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1	Munich Re (Group)	2	4	Outlook	20
2	ERGO	7	5	Backup	22
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# Strong start to the year – Well on track to achieve annual targets

## Munich Re (Group)

### Net result

€827m (€557m)

Good operating performance, in particular exceptionally low major losses in p-c reinsurance

### Return on investment<sup>1</sup>

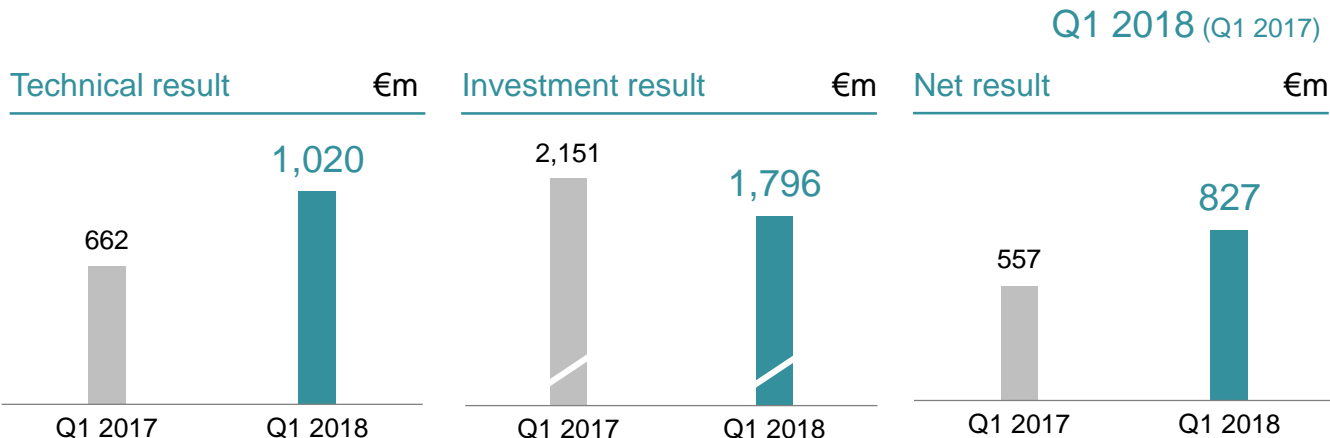
3.1% (3.6%)

Resilient result given volatile capital markets

### Shareholders' equity

€27.2bn (–3.6% vs. 31.12.)

Sound capitalisation –  
Solvency II ratio at 245%



### Reinsurance

**Life and Health:** Technical result incl. fee income: €155m (€158m) – On course to achieve annual target of ≥€475m

**Property-casualty:** Combined ratio: 88.6% (97.1%) –  
Major-loss ratio: 1.4% (9.6%)

**April renewals:**  
Price change: +0.8%, premium change: +8.1%

### ERGO

**Life and Health Germany:**  
Return on investment: 3.5% (4.4%)

**Property-casualty:**  
Combined ratio: 101.7% (99.1%)

**International:**  
Combined ratio: 95.3% (96.3%)

# IFRS capital position

## Equity

	€m
Equity 31.12.2017	28,198
Consolidated result	827
Changes	
Dividend	0
Unrealised gains/losses	-1,171
Exchange rates	-313
Share buy-backs	-311
Other	-39
Equity 31.3.2018	27,191

## Unrealised gains/losses

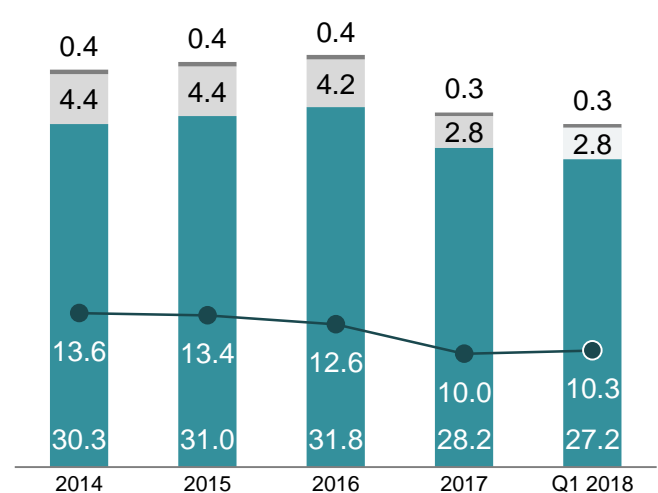
Fixed-interest securities  
-€558m

Non-fixed-interest securities  
-€612m

## Exchange rates

FX effect mainly driven by US\$

## Capitalisation



- Debt leverage<sup>1</sup> (%)
- Senior and other debt<sup>2</sup>
- Subordinated debt
- Equity



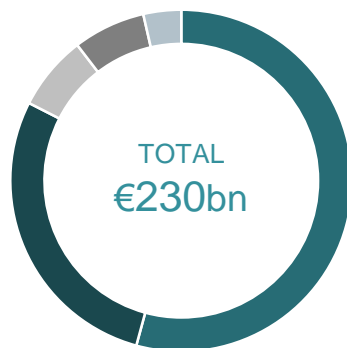
1 Strategic debt (senior, subordinated and other debt) divided by total capital (strategic debt + equity).

2 Other debt includes Munich Re bank borrowings and other strategic debt.

# Investment portfolio

## Investment portfolio<sup>1</sup>

Land and buildings	3.6 (3.4)
Miscellaneous <sup>2</sup>	6.8 (6.2)
Shares, equity funds and participating interests <sup>3</sup>	7.1 (7.3)
Loans	28.3 (28.2)









Fixed-interest securities  
54.2 (54.9)

%

## Portfolio management in Q1

- Reduction of US inflation-linked bonds
- Slight increase of corporate bonds and credit exposure
- Further expansion of infrastructure debt
- New real-estate investments
- Reduction of asset duration in reinsurance

## Portfolio duration<sup>1</sup>

	Assets		Liabilities		DV01 <sup>1,4</sup>	Assets		Liabilities		Net
	€m		€m		€m		€m		€m	€m
Reinsurance	5.3 (5.8)		4.4 (4.2)		34 (39)		36 (35)			-2
ERGO	8.8 (8.8)		9.5 (9.5)		115 (115)		122 (125)			-8
Munich Re (Group)	7.6 (7.8)		7.5 (7.5)		149 (153)		158 (160)			-10

<sup>1</sup> Fair values as at 31.3.2018 (31.12.2017). <sup>2</sup> Deposits retained on assumed reinsurance, deposits with banks, investment funds (excl. equities), derivatives and investments in renewable energies and gold. <sup>3</sup> Net of hedges: 6.5 (6.7%). <sup>4</sup> 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

Investment result (€m)	Q1 2018	Return <sup>1</sup>	Q1 2017	Return <sup>1</sup>
Regular income	1,493	2.6%	1,634	2.7%
Write-ups/write-downs	-115	-0.2%	-26	-0.0%
Disposal gains/losses	584	1.0%	1,048	1.8%
Derivatives <sup>2</sup>	-17	-0.0%	-362	-0.6%
Other income/expenses	-149	-0.3%	-143	-0.2%
<b>Investment result</b>	<b>1,796</b>	<b>3.1%</b>	<b>2,151</b>	<b>3.6%</b>
<b>Total return</b>		<b>-1.3%</b>		<b>-0.3%</b>

3-month reinvestment yield	Q1 2018	Write-ups/write-downs	Disposal gains/losses	Derivatives	Q1 2017	Write-ups/write-downs	Disposal gains/losses	Derivatives
Q1 2018 1.9%	Fixed income <sup>3</sup>	-1	326	-124	Fixed income <sup>3</sup>	1	727	-119
Q4 2017 1.9%	Equities	-79	209	109	Equities	-16	312	-218
Q3 2017 2.0%	Commodities/Inflation	9		6	Commodities/Inflation	31		-19
	Other	-44	50	-8	Other	-42	9	-6

1 Annualised return on quarterly weighted investments (market values) in %. 2 Result from derivatives without regular income and other income/expenses.

3 Thereof interest-rate hedging ERGO: Q1 2018: €2m/-€1m (gross/net); Q1 2017: -€130m/-€14m (gross/net).

ERGO

2

# ERGO Life and Health Germany

## Q1 2018 vs. Q1 2017

### Gross premiums written

	€m
Q1 2017	2,324
Foreign exchange	-2
Divestments/investments	18
Organic change	-19
<b>Q1 2018</b>	<b>2,321</b>

- Life: -€46m  
Decline in regular premiums from ordinary attrition, while single premiums were affected amongst others by discontinuation of bank co-operation
- Health: +€36m  
Travel growing, positive development in supplementary health insurance
- Direct: +€8m  
Growth driven by dental tariffs

### Major result drivers

	Q1 2018	Q1 2017	€m
Technical result	91	70	▲ 21
Non-technical result	60	103	-43
thereof investment result	1,049	1,337	-287
Other	-115	-110	-4
<b>Net result</b>	<b>36</b>	<b>63</b>	<b>-26</b>

#### Technical result

- Improvements in Health and Direct

#### Investment result

- Significantly lower disposal gains in Life Germany
- Increase in derivative result from equity and interest-rate derivatives
- Return on investment 3.5%

#### Other

- Slightly higher non-operating expenses
- Lower tax expenses



# ERGO Property-casualty Germany

## Q1 2018 vs. Q1 2017

Gross premiums written	€m
Q1 2017	1,240
Foreign exchange	0
Divestments/investments	0
Organic change	26
<b>Q1 2018</b>	<b>1,266</b>

- Organic growth mainly driven by motor (+€13m) and other insurance (+€9m), e.g. title and engineering insurance

Major result drivers	Q1 2018	Q1 2017	€m
Technical result	-6	16	-22
Non-technical result	20	29	-8
thereof investment result	37	49	-12
Other	-14	-32	18
<b>Net result</b>	<b>0</b>	<b>12</b>	<b>-12</b>

### Technical result

- Combined ratio of 101.7%, heavily affected by Winter Storm Friederike
- Adjusted for the above-average nat cat burden as well as for the usual seasonal fluctuations in claims and premiums ...
- ... the underlying Q1 combined ratio supports the 96% guidance for full-year 2018

### Investment result

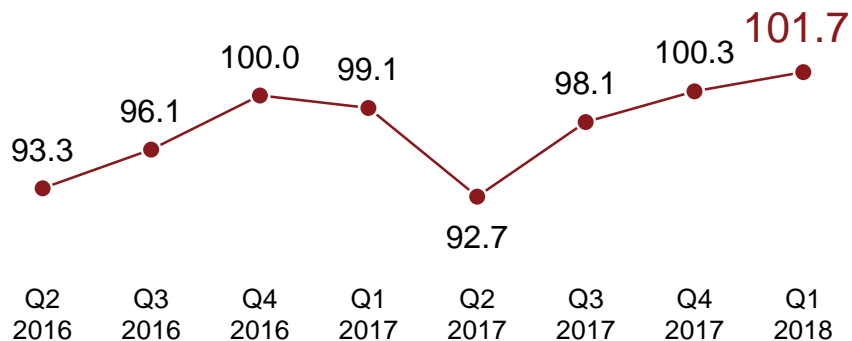
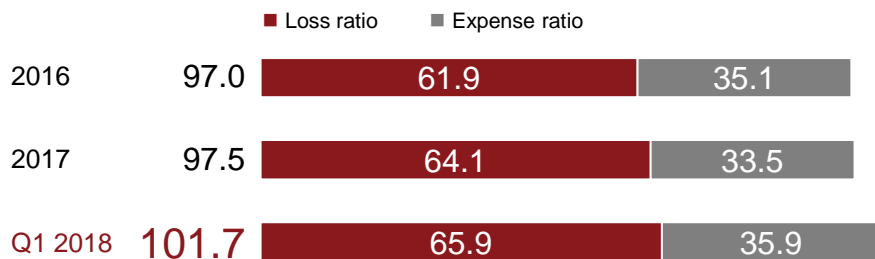
- Regular income down
- Lower disposal gains from equities
- Return on investment 2.1%

### Other

- FX result improved
- Positive tax effect

# ERGO Property-casualty Germany

## Combined ratio %



## Gross premiums written €m

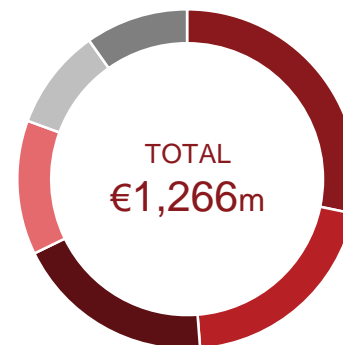
Other 124 (115) Motor 358 (345)

Legal protection 122 (119)

Personal accident 162 (164)

Liability 260 (258)

Fire/property 241 (239)



# ERGO International

## Q1 2018 vs. Q1 2017

### Gross premiums written

	€m
Q1 2017	1,315
Foreign exchange	−4
Divestments/investments	−18
Organic change	63
<b>Q1 2018</b>	<b>1,356</b>

Life: −€10m

- Austria: Lower single premium business compared with strong Q1 2017
- Belgium: New business discontinued due to run-down

P-C: +€75m

- Increase mainly driven by ERGO Hestia (Polish motor business)

Health: −€23m

### Major result drivers

	Q1 2018	Q1 2017	▲
Technical result	47	45	2
Non-technical result	12	7	5
thereof investment result	98	74	24
Other	−19	−35	17
<b>Net result</b>	<b>41</b>	<b>16</b>	<b>25</b>

#### Technical result

- Life (−€5m): Lower results, mainly in Austria and Belgium, partly compensated for by improvements in CEE countries
- P-C (+€2m): Improvements in Poland and Austria offset by declines in Greece and Turkey
- Health (+€5m): Better results in Belgium and Spain

#### Investment result

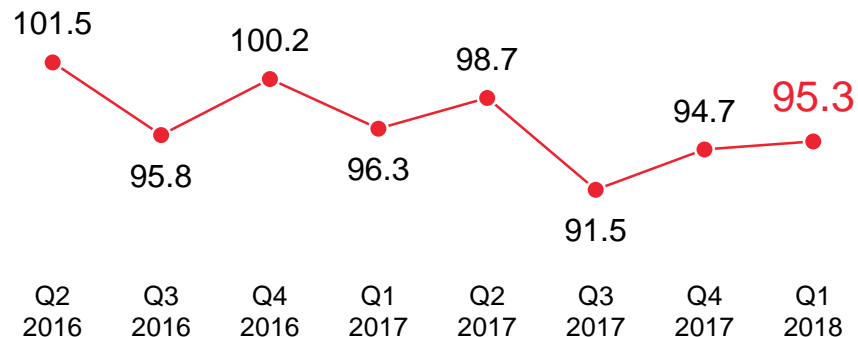
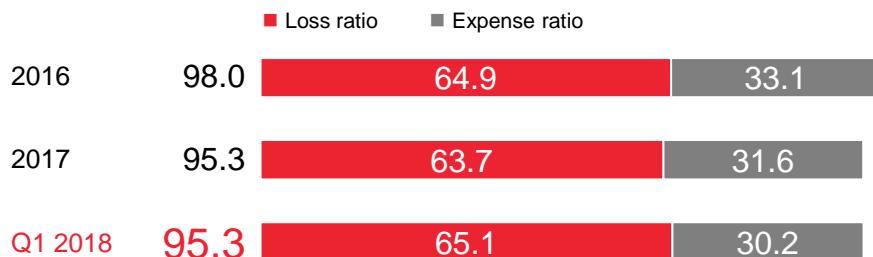
- Increase in derivative result and lower write-downs on real estate and participations
- Lower disposal gains on equity
- Return on investment: 2.2%

#### Other

- Higher FX and tax result

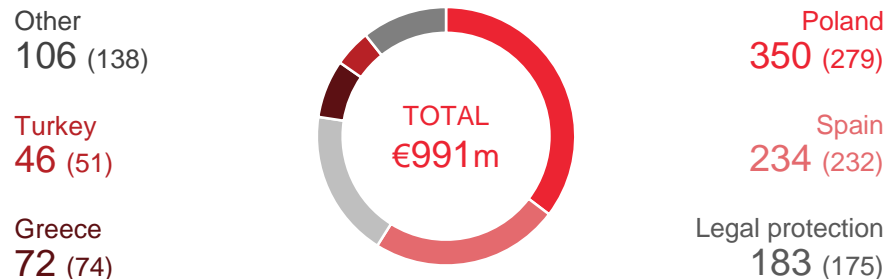
# ERGO International – Property-casualty<sup>1</sup>

## Combined ratio<sup>1</sup> %

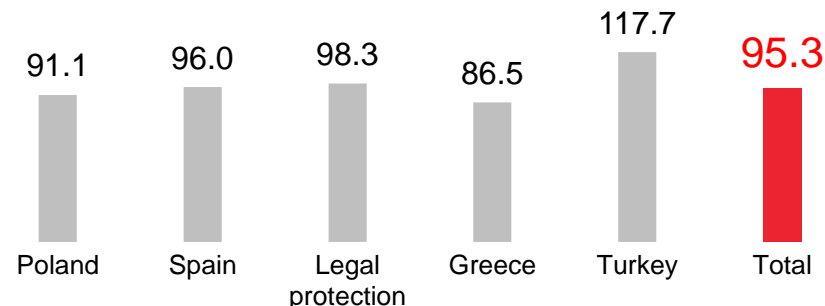


<sup>1</sup> Including only short-term health business since 2016.

## Gross premiums written €m



## Combined ratio Q1 2018<sup>1</sup> %



# Reinsurance

3

# Reinsurance Life and Health

## Q1 2018 vs. Q1 2017

### Gross premiums written

	€m
Q1 2017	3,488
Foreign exchange	-279
Divestments/investments	0
Organic change	-344
<b>Q1 2018</b>	<b>2,865</b>

- Negative FX effects driven by US\$ and Can\$
- Termination of a large capital-relief transaction

### Major result drivers

	Q1 2018	Q1 2017	▲
Technical result	140	145	-5
Non-technical result	82	48	34
thereof investment result	207	221	-14
Other	-62	-66	4
<b>Net result</b>	<b>159</b>	<b>126</b>	<b>33</b>

#### Technical result, incl. fee income of €155m

- Positive claims experience especially in North America and UK, ...
- ... partly offset by negative experience in Australia
- Positive impact from a recapture in Europe
- On course to achieve annual target of  $\geq$ €475m

#### Investment result

- Lower regular income mainly due to reduced amount of deposits retained on assumed reinsurance
- Disposal gains on fixed income and equities
- Return on investment: 3.2%

#### Other

- FX impact of -€6m (-€6m)
- Tax rate at 22.4% (28.4%)

# Reinsurance Property-casualty

## Q1 2018 vs. Q1 2017

Gross premiums written	€m
Q1 2017	4,558
Foreign exchange	-521
Divestments/investments	0
Organic change	1,280
<b>Q1 2018</b>	<b>5,317</b>

- Negative FX effects mainly driven by US\$
- Strong organic growth across all main lines of business driven by new large treaties in Australia and US

Major result drivers	Q1 2018	Q1 2017	€m
Technical result	749	387	361
Non-technical result	89	104	-15
thereof investment result	404	470	-66
Other	-247	-151	-96
<b>Net result</b>	<b>591</b>	<b>340</b>	<b>250</b>

### Technical result

- Low burden of nat cat losses, including run-off profits from prior years
- Elevated expenses due to sliding-scale effects corresponding to reserve releases and commissions for new large treaties

### Investment result

- Lower income from associated companies than previous year
- Losses on interest-rate derivatives
- Disposal gains mainly on equities
- Return on investment: 2.7%

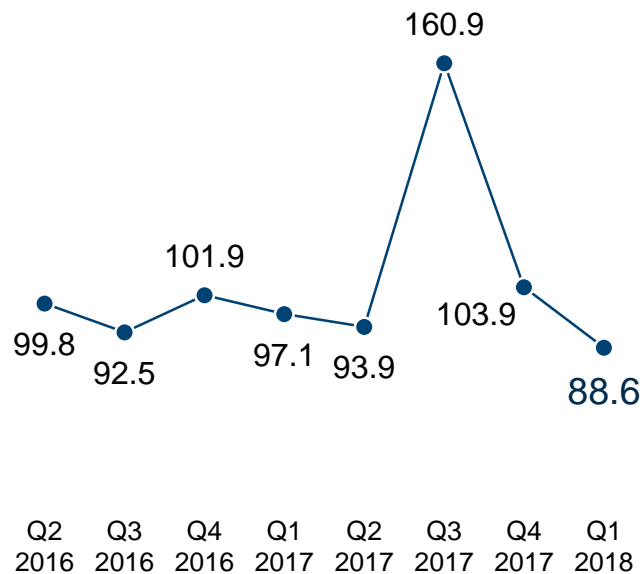
### Other

- FX impact of -€28m (-€2m)
- Tax rate of 24.2% (26.5%)

# Combined ratio

## Combined ratio

%



		Basic losses	Major losses	Expense ratio
2016	95.7	54.2	9.1	32.4
2017	114.1	54.8	25.8	33.5
Q1 2018	88.6	53.2	1.4	34.0

	Major losses	Nat cat	Man-made	Reserve releases <sup>1</sup>	Normalised combined ratio <sup>2</sup>
Q1 2018	1.4	-1.1	2.6	-4.1	99.3
Ø Annual expectation	~12.0	~8.0	~4.0	~-4.0	

<sup>1</sup> Basic losses prior years, already adjusted for directly corresponding sliding-scale and profit-commission effects.

<sup>2</sup> Based on 4%-pts. reserve releases.



# April renewals

## Total property-casualty book<sup>1</sup> %

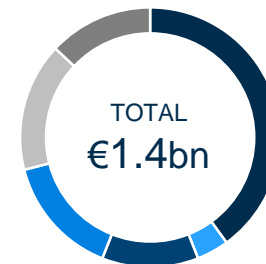
Remaining business 30	Business up for January renewal 47
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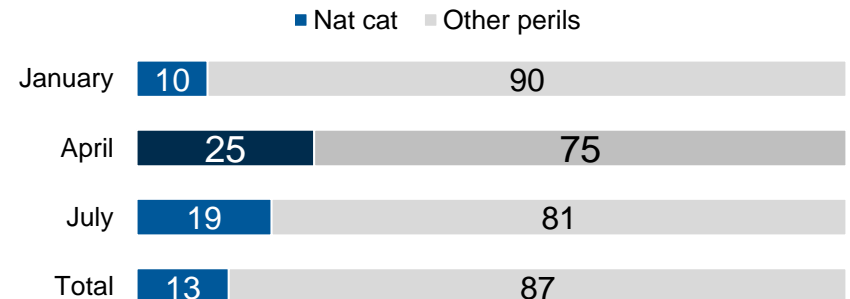
Business up for July renewal 15	Business up for April renewal 8
------------------------------------	------------------------------------

## Regional allocation of April renewals %

Rest 13	Europe 40
Worldwide 16	Latin America 4
Japan 15	North America 12



## Nat cat shares of renewable portfolio<sup>2</sup> %

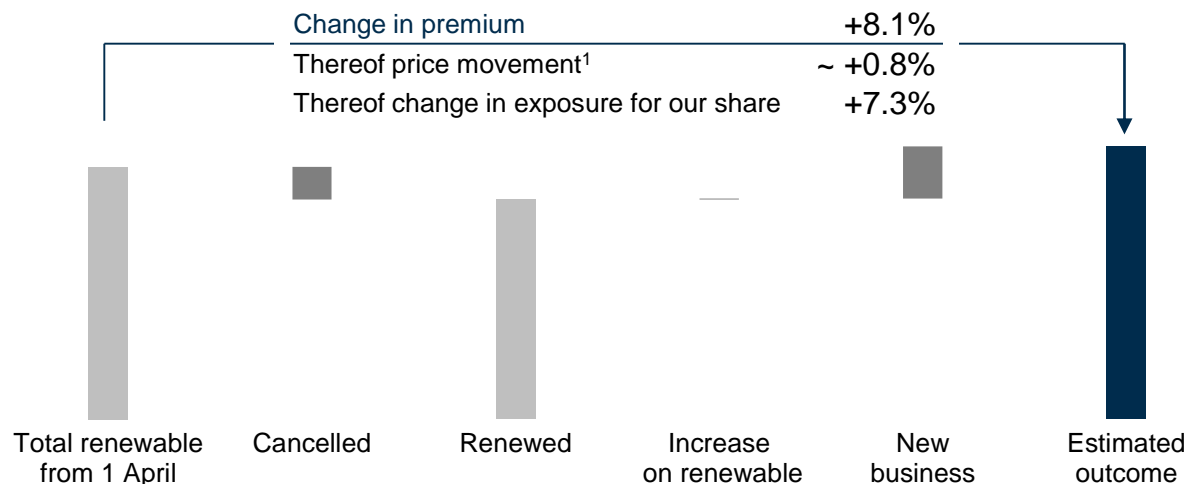


<sup>1</sup> Gross premiums written. Economic view – not fully comparable with IFRS figures. <sup>2</sup> Total refers to total P-C book, incl. remaining business.

# Trend from January renewals continued – rate increases in loss-affected business, remaining portfolio rather flat

## April renewals 2018

%	100	-12.9	87.1	0.4	20.7	108.1
€m	1,440	-186	1,254	6	298	1,557



Overall portfolio profitability further improved

- Price increase of 0.8% (~1.8% including interest-rate effects) in line with January renewals
- Substantial rate increases for loss-affected nat cat XL business (US, Caribbean) – making up only a small share of the total renewable portfolio
- Other programmes (e.g. Japan) rather flat
- Top-line growth due to selected expansions in proportional casualty and property

<sup>1</sup> 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

North America  
28%

Latin America  
14%

Australia  
13%



Worldwide  
26%

Asia, Pacific and Africa  
12%

Europe  
7%

- Regional focus on North and Latin America, main renewal date in Australia
- Relatively high nat cat share of ~19%

Outlook

4

## GROUP

Gross premiums written  
**€46–49bn**

Net result  
**€2.1–2.5bn**

Return  
on investment  
**~3%**

## REINSURANCE

Gross premiums written  
**€29–31bn**

Net result  
**€1.8–2.2bn**

P-C  
combined ratio<sup>1</sup>  
**~97%**  
(prev. ~99%)

L/H technical result  
incl. fee income  
**≥€475m**

## ERGO

Gross premiums written  
**€17–18bn**

Net result  
**€250–300m**

P-C combined ratio  
Germany      International  
**~96%**      **~97%**

<sup>1</sup> Expectation of reserve releases in 2018 of at least 4%-pts.

Backup

6

# Premium development

## Gross premiums written

€m

Q1 2017  12,925

Foreign exchange  -806

Divestments/  
investments 0

Organic change  1,007

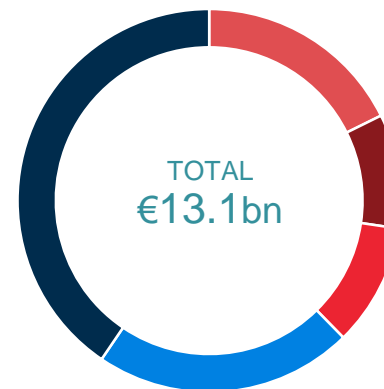
Q1 2018  13,126

## Segmental breakdown

€m

Reinsurance  
Property-casualty  
5,317 (41%) (▲ 16.6%)

ERGO  
Life and Health Germany  
2,321 (18%) (▲ -0.1%)








Reinsurance  
Life and Health  
2,865 (22%) (▲ -17.9%)

ERGO  
International  
1,356 (10%) (▲ 3.1%)

# Reconciliation of operating result with net result

## Reconciliation of operating result with net result

€m

	Q1 2018	
Operating result	1,283	
Other non-operating result	-194	
Goodwill impairments	0	
Net finance costs	-51	
Taxes	-212	
Net result	827	

## Other non-operating result (€m)

	Q1 2018
Foreign exchange	-68
Restructuring expenses	-4
Other	-121

## Tax rates (%)

	Q1 2018
Group	20.4
Reinsurance	23.8
ERGO	-41.2



# Actual vs. analysts' consensus

## Operating result – Actual vs. analysts' consensus<sup>1</sup>

	Q1 2018	Consensus	€m	Delta
Reinsurance Property-casualty	838	785		53
Reinsurance Life and Health	221	177		45
ERGO Life and Health Germany	151	112		39
ERGO Property-casualty Germany	14	56		-42
ERGO International	60	61		-1
<b>Operating result</b>	<b>1,283</b>	<b>1,193</b>		<b>90</b>
FX	-68			
Other	-176			
Taxes	-212			
<b>Net result</b>	<b>827</b>	<b>828</b>		<b>-1</b>

## Major developments in Q1 2018

### Reinsurance Property-casualty

Combined ratio: 88.6% (consensus: 91.0%) – major-loss ratio: 1.4%, reserve releases: 4.1%; return on investment: 2.7%

### Reinsurance Life and Health

Technical result, incl. fee income of €155m; return on investment: 3.2%

### ERGO Life and Health Germany

Interest-rate hedge €5m/€1m (gross/net); return on investment: 3.5% (disposal gains to finance ZZR)

### ERGO Property-casualty Germany

Combined ratio: 101.7% (consensus: 97.7%); return on investment: 2.1%

### ERGO International

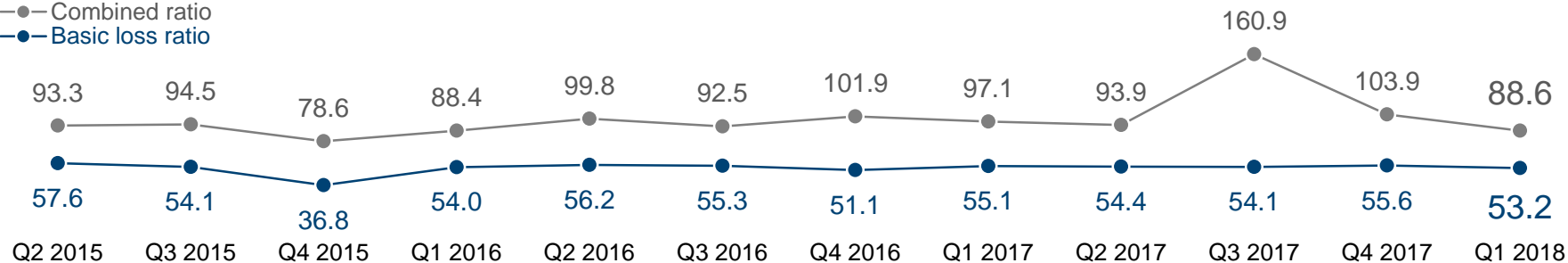
Combined ratio: 95.3% (consensus: 96.3%); return on investment: 2.2%

# Development of combined ratio

## Combined ratio vs. basic losses

%

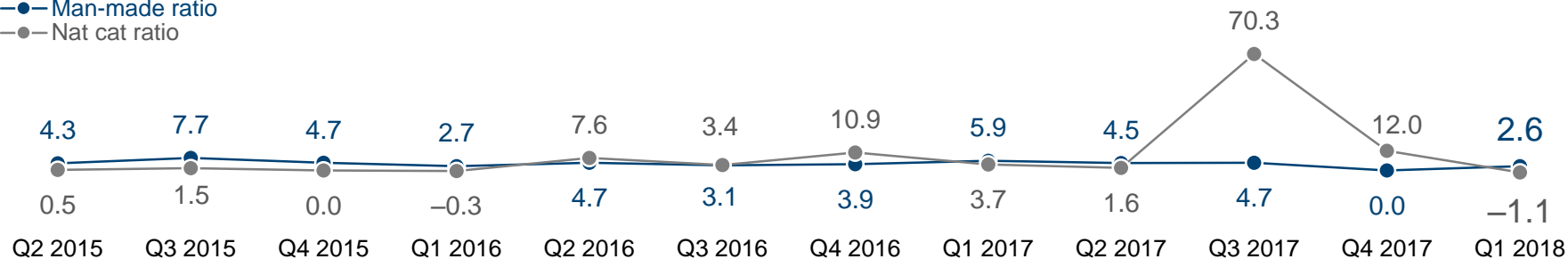
—●— Combined ratio  
—●— Basic loss ratio



## Nat cat vs. man-made

%

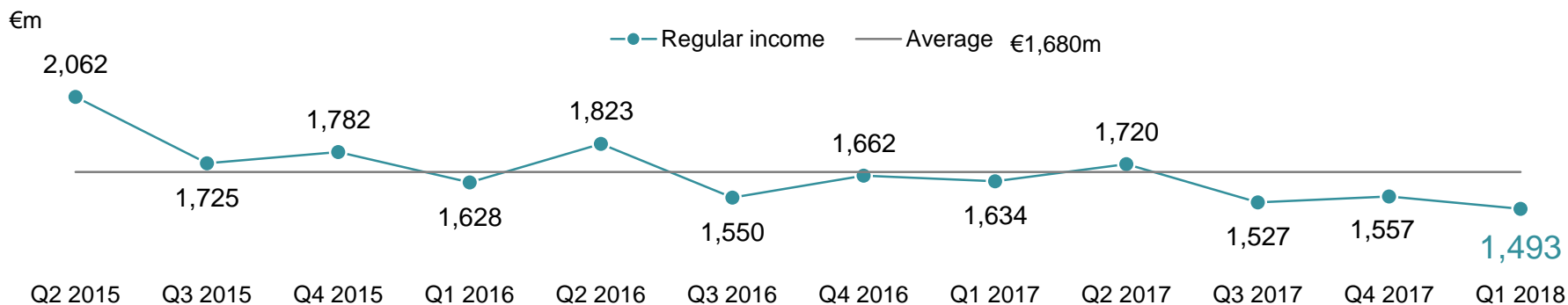
—●— Man-made ratio  
—●— Nat cat ratio



# Breakdown of regular income

## Investment result – Regular income (€m)

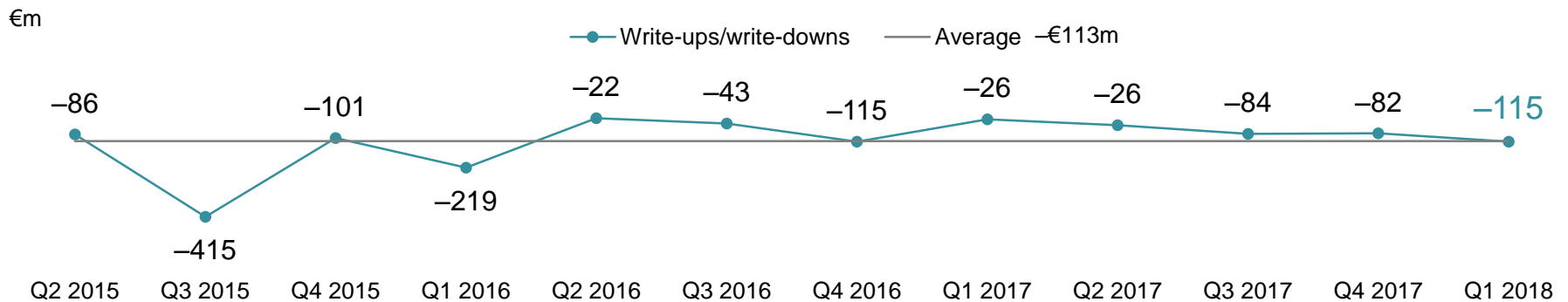
	Q1 2018	Q1 2017	▲
Afs fixed-interest	690	752	-62
Afs non-fixed-interest	91	140	-49
Derivatives	26	33	-6
Loans	481	488	-7
Real estate	118	99	19
Deposits retained on assumed reinsurance and other investments	87	123	-36
<b>Total</b>	<b>1,493</b>	<b>1,634</b>	<b>-141</b>



# Breakdown of write-ups/write-downs

## Investment result – Write-ups/write-downs (€m)

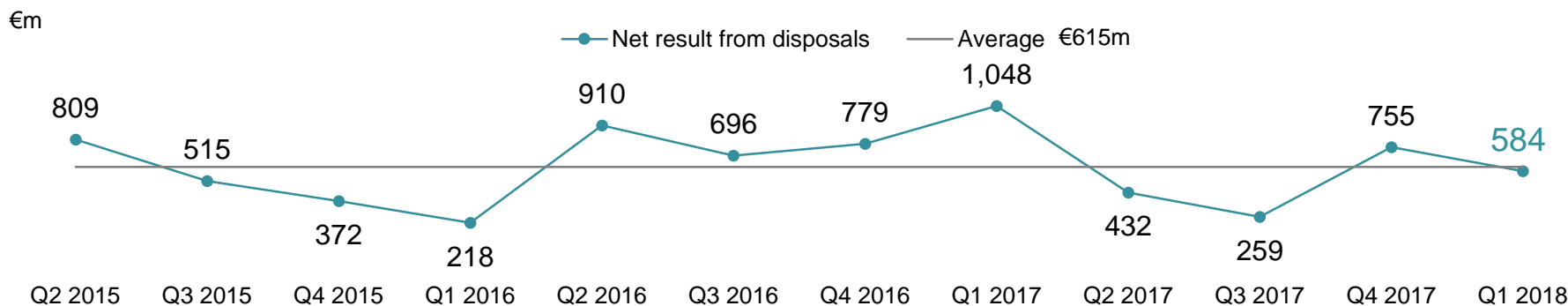
	Q1 2018	Q1 2017	▲
Afs fixed-interest	0	-1	1
Afs non-fixed-interest	-79	-16	-64
Loans	0	2	-2
Real estate	-22	-31	9
Deposits retained on assumed reinsurance and other investments	-13	20	-33
<b>Total</b>	<b>-115</b>	<b>-26</b>	<b>-89</b>



# Breakdown of net result from disposals

## Investment result – Net result from disposal of investments (€m)

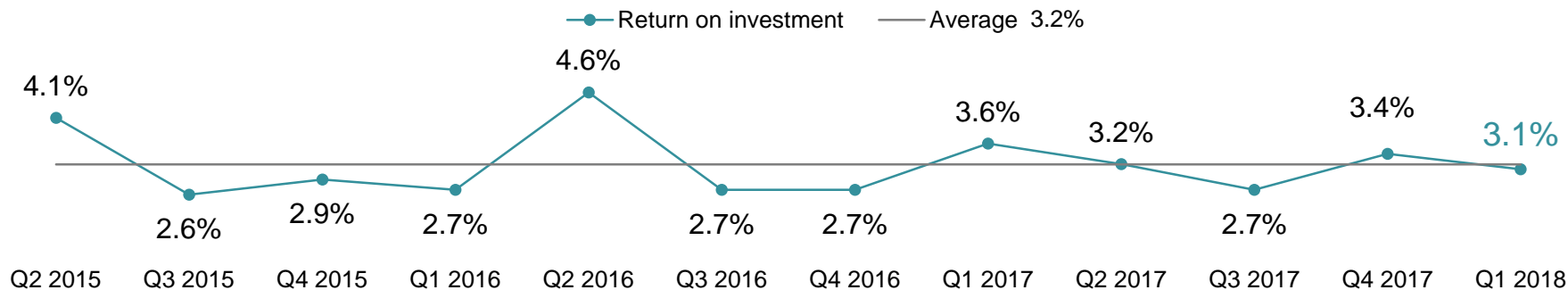
	Q1 2018	Q1 2017	▲
Afs fixed-interest	134	48	86
Afs non-fixed-interest	209	312	-103
Loans	192	679	-488
Real estate	43	6	37
Deposits retained on assumed reinsurance and other investments	7	3	4
<b>Total</b>	<b>584</b>	<b>1,048</b>	<b>-464</b>



# Return on investment by asset class and segment

## Q1 2018

% <sup>1</sup>	Regular income	Write-ups/-downs	Disposal result	Extraord. derivative result	Other inc./exp.	RoI	Market value (€m)
Afs fixed-income	2.2	0.0	0.4	0.0	0.0	2.6	125,237
Afs non-fixed-income	2.1	-1.9	4.9	0.0	0.0	5.1	17,135
Derivatives	6.2	0.0	0.0	-4.1	-0.2	2.0	1,700
Loans	2.9	0.0	1.2	0.0	0.0	4.1	65,216
Real estate	5.9	-1.1	2.1	0.0	0.0	6.9	8,038
Other <sup>2</sup>	2.6	-0.4	0.2	0.0	-4.4	-2.0	13,507
<b>Total</b>	<b>2.6</b>	<b>-0.2</b>	<b>1.0</b>	<b>0.0</b>	<b>-0.3</b>	<b>3.1</b>	<b>230,833</b>
Reinsurance	2.5	-0.2	1.1	-0.2	-0.3	2.9	85,611
<b>ERGO</b>	<b>2.6</b>	<b>-0.2</b>	<b>1.0</b>	<b>0.1</b>	<b>-0.2</b>	<b>3.3</b>	<b>145,222</b>



## Investment result Reinsurance

Reinsurance Life and Health (€m)	Q1 2018	Return <sup>1</sup>	Q1 2017	Return <sup>1</sup>
Regular income	173	2.7%	201	3.0%
Write-ups/write-downs	-10	-0.2%	0	0.0%
Disposal gains/losses	69	1.1%	41	0.6%
Derivatives <sup>2</sup>	-8	-0.1%	-7	-0.1%
Other income/expenses	-15	-0.2%	-14	-0.2%
<b>Investment result</b>	<b>207</b>	<b>3.2%</b>	<b>221</b>	<b>3.3%</b>
Average market value		25,625		27,000

Reinsurance Property-casualty (€m)	Q1 2018	Return <sup>1</sup>	Q1 2017	Return <sup>1</sup>
Regular income	370	2.5%	428	2.6%
Write-ups/write-downs	-41	-0.3%	-1	-0.0%
Disposal gains/losses	167	1.1%	122	0.7%
Derivatives <sup>2</sup>	-36	-0.2%	-32	-0.2%
Other income/expenses	-56	-0.4%	-47	-0.3%
<b>Investment result</b>	<b>404</b>	<b>2.7%</b>	<b>470</b>	<b>2.9%</b>
Average market value		59,986		65,775

## Investment result ERGO

Life and Health Germany (€m)	Q1 2018	Return <sup>1</sup>	Q1 2017	Return <sup>1</sup>
Regular income	819	2.7%	860	2.8%
Write-ups/write-downs	-43	-0.1%	-17	-0.1%
Disposal gains/losses	322	1.1%	838	2.8%
Derivatives <sup>2,3</sup>	18	0.1%	-277	-0.9%
Other income/expenses	-67	-0.2%	-67	-0.2%
<b>Investment result</b>	<b>1,049</b>	<b>3.5%</b>	<b>1,337</b>	<b>4.4%</b>
Average market value		120,780		121,447

Property-casualty Germany (€m)	Q1 2018	Return <sup>1</sup>	Q1 2017	Return <sup>1</sup>
Regular income	30	1.7%	38	2.2%
Write-ups/write-downs	-6	-0.3%	-1	-0.1%
Disposal gains/losses	15	0.8%	26	1.5%
Derivatives <sup>2</sup>	1	0.1%	-9	-0.5%
Other income/expenses	-4	-0.2%	-5	-0.3%
<b>Investment result</b>	<b>37</b>	<b>2.1%</b>	<b>49</b>	<b>2.9%</b>
Average market value		7,040		6,811

1 Return on quarterly weighted investments (market values) in % p.a. 2 Result from derivatives without regular income and other income/expenses.

3 Thereof interest-rate hedging ERGO: Q1 2018 €5m/€1m (gross/net); Q1 2017 -€127m/-€12m (gross/net).



# Investment result ERGO

International (€m)	Q1 2018	Return <sup>1</sup>	Q1 2017	Return <sup>1</sup>
Regular income	101	2.3%	107	2.5%
Write-ups/write-downs	-15	-0.4%	-7	-0.2%
Disposal gains/losses	11	0.3%	21	0.5%
Derivatives <sup>2</sup>	8	0.2%	-37	-0.9%
Other income/expenses	-7	-0.2%	-10	-0.2%
<b>Investment result</b>	<b>98</b>	<b>2.2%</b>	<b>74</b>	<b>1.7%</b>
Average market value		17,402		16,992

# 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)	+7.9	+3.9	–7.3	–13.9
Change in on-balance-sheet reserves, net (€bn) <sup>1</sup>	+1.8	+0.9	–1.7	–3.2
Change in off-balance-sheet reserves, net (€bn) <sup>1</sup>	+0.3	+0.2	–0.4	–0.9
P&L impact (€bn) <sup>1</sup>	–0.1	–0.0	+0.1	+0.1

## Sensitivity to spreads<sup>2</sup> (change in basis points)

			+50	+100
Change in gross market value (€bn)			–5.4	–10.3
Change in on-balance-sheet reserves, net (€bn) <sup>1</sup>			–1.1	–2.2
Change in off-balance-sheet reserves, net (€bn) <sup>1</sup>			–0.3	–0.8
P&L impact (€bn) <sup>1</sup>			–0.0	–0.0

## Sensitivity to equity and commodity markets<sup>3</sup>

	–30%	–10%	+10%	+30%
<b>EURO STOXX 50 (3,362 as at 31.3.2018)</b>	<b>2,353</b>	<b>3,026</b>	<b>3,698</b>	<b>4,371</b>
Change in gross market value (€bn)	–5.4	–1.8	+1.8	+5.7
Change in on-balance-sheet reserves, net (€bn) <sup>1</sup>	–1.0	–0.3	+1.0	+3.0
Change in off-balance-sheet reserves, net (€bn) <sup>1</sup>	–0.8	–0.3	+0.3	+0.8
P&L impact (€bn) <sup>1</sup>	–2.2	–0.7	+0.1	+0.3

<sup>1</sup> Rough calculation with limited reliability assuming unchanged portfolio as at 31.3.2018. After rough estimation of policyholder participation and deferred tax; linearity of relations cannot be assumed. Approximation – not fully comparable with IFRS figures. <sup>2</sup> Sensitivities to changes of spreads are calculated for every category of fixed-interest securities, except government securities with AAA ratings. <sup>3</sup> 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	31.12.2015	31.12.2016	31.12.2017	31.3.2018	▲ in Q1
Market value of investments	233,023	238,490	231,885	229,781	-2,104
Total reserves	25,969	28,496	25,395	22,852	-2,543
On-balance-sheet reserves					
Fixed-interest securities	7,886	8,649	7,622	6,736	-886
Non-fixed-interest securities	2,446	2,924	3,261	2,338	-923
Other on-balance-sheet reserves <sup>1</sup>	201	186	189	198	9
Subtotal	10,533	11,759	11,072	9,272	-1,799
Off-balance-sheet reserves					
Real estate <sup>2</sup>	2,273	2,413	2,744	2,726	-18
Loans and investments (held to maturity)	12,610	13,591	10,788	10,034	-754
Associates	553	733	792	820	29
Subtotal	15,436	16,738	14,323	13,580	-743
Reserve ratio	11.1%	11.9%	11.0%	9.9%	-2.1%-pts.

# On- and off-balance-sheet reserves

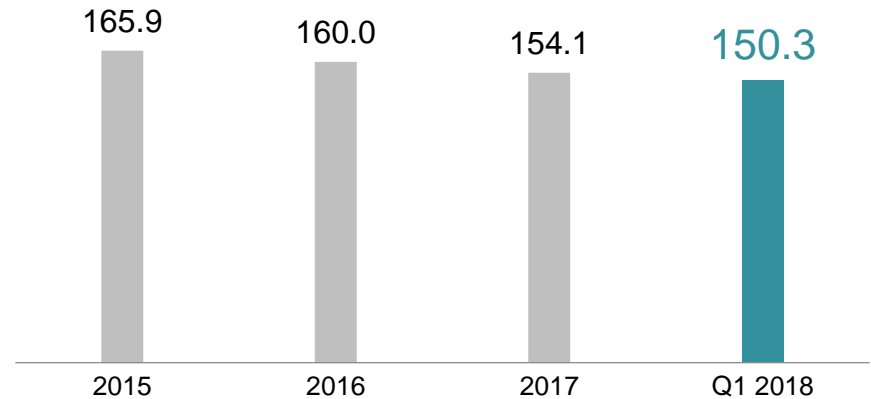
€m	On-balance-sheet reserves	Off-balance-sheet reserves <sup>1</sup>
Total reserves (gross)	9,272	13,580
Provision for deferred premium refunds	-4,462	-9,278
Deferred tax	-968	-1,278
Minority interests	-10	0
Consolidation and currency effects	-176	-
Shareholders' stake	3,657	3,024

<sup>1</sup> Excluding reserves for owner-occupied property.

# Changes to shares in circulation

Shares (millions)	31.12. 2017	Acquisition of own shares in Q1 2018	Retirement of own shares in Q1 2018	31.3. 2018
Shares in circulation	151.3	-1.7	-	149.6
Own shares held	3.8	1.7	-	5.5
<b>Total</b>	<b>155.0</b>	<b>-</b>	<b>-</b>	<b>155.0</b>

## Weighted average number of shares in circulation (millions)



# Financial calendar

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## 2018

- 8 AUGUST** Half-year financial report as at 30 June 2018
- 7 NOVEMBER** Quarterly statement as at 30 September 2018

## 2019

- 6 FEBRUARY** Preliminary key figures 2018 and renewals
- 20 MARCH** Balance sheet press conference for 2018 financial statements  
Analysts' call
- 30 APRIL** Annual General Meeting 2019
- 8 MAY** Quarterly statement as at 31 March 2019
- 7 AUGUST** Half-year financial report as at 30 June 2019
- 7 NOVEMBER** Quarterly statement as at 30 September 2019

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This presentation contains forward-looking statements that are based on current assumptions and forecasts of the management of Munich Re. Known and unknown risks, uncertainties and other factors could lead to material differences between the forward-looking statements given here and the actual development, in particular the results, financial situation and performance of our Company. The Company assumes no liability to update these forward-looking statements or to make them conform to future events or developments.

The primary insurance units of the disbanded Munich Health field of business are now recognised in the ERGO International segment, units with reinsurance business in the Reinsurance Life and Health segment. Previous year's figures were adjusted to ensure comparability.