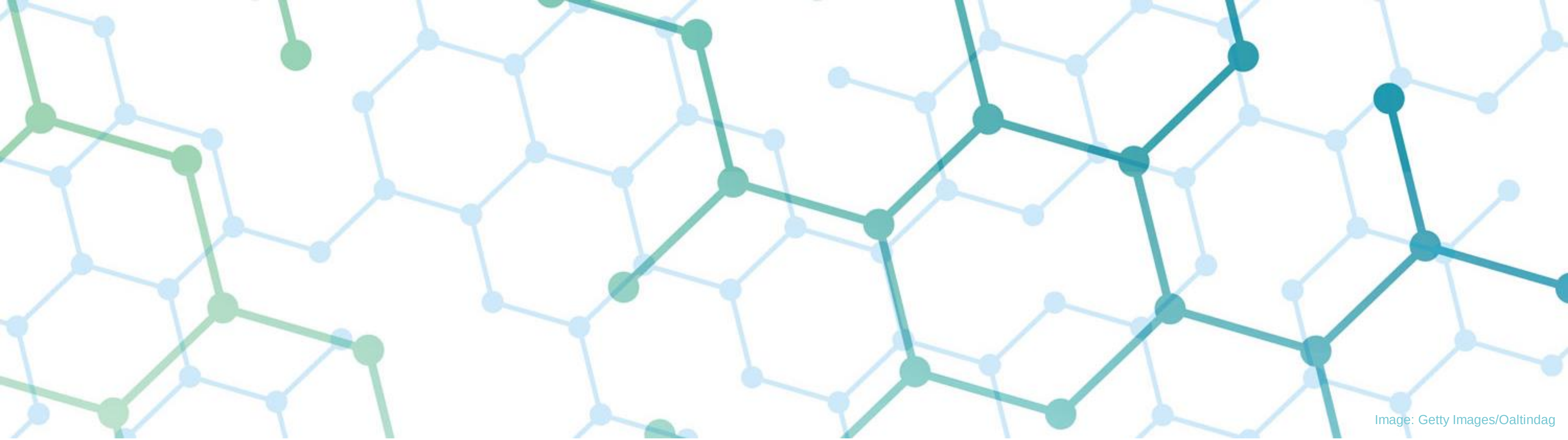


Image: Getty Images/Oaltindag

Balance sheet press conference 2018

Executing business opportunities

Munich, 15 March 2018

Agenda

Munich RE

1 Executing business opportunities
Joachim Wenning 2

2 Group Finance
Jörg Schneider 9

3 ERGO
Markus Rieß 15

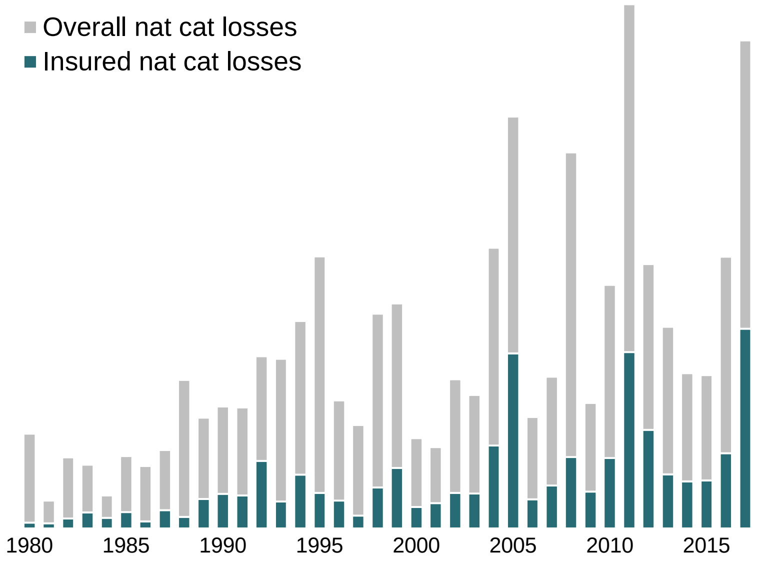
4 Reinsurance
Torsten Jeworrek 24

5 Outlook
Joachim Wenning 31

A year of record-high insured natural catastrophe losses

Munich RE

Record-high insured nat cat losses of US$ 135bn



Munich Re delivers good underlying results

IFRS
NET INCOME

€0.4bn

Diversification proved beneficial

NORMALISED
NET RESULT

~€2.2bn

Adjusted for severe nat cats in line with guidance[1]

GERMAN GAAP (HGB)
DISTRIBUTABLE EARNINGS

€4.0bn

Safeguards capital repatriation

SOLVENCY II
RATIO

244%

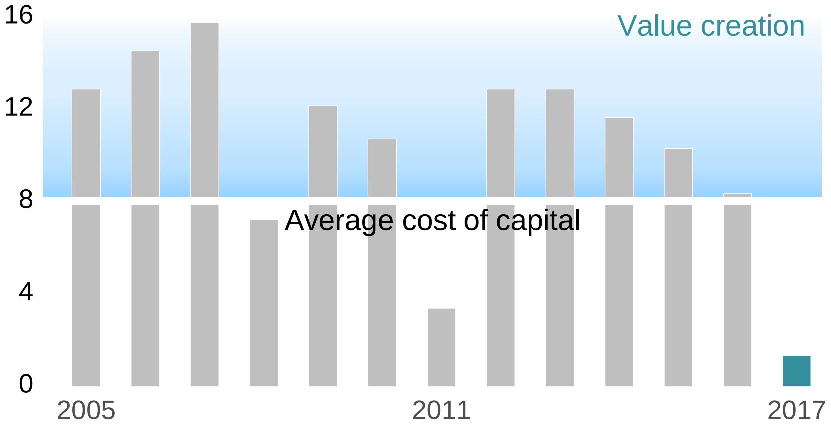
Well above target capitalisation

1 Adjusted for 8%-pts. nat cat expectation.

Despite loss volatility, Munich Re proves a superior risk/return profile

RoE exceeds cost of capital

%



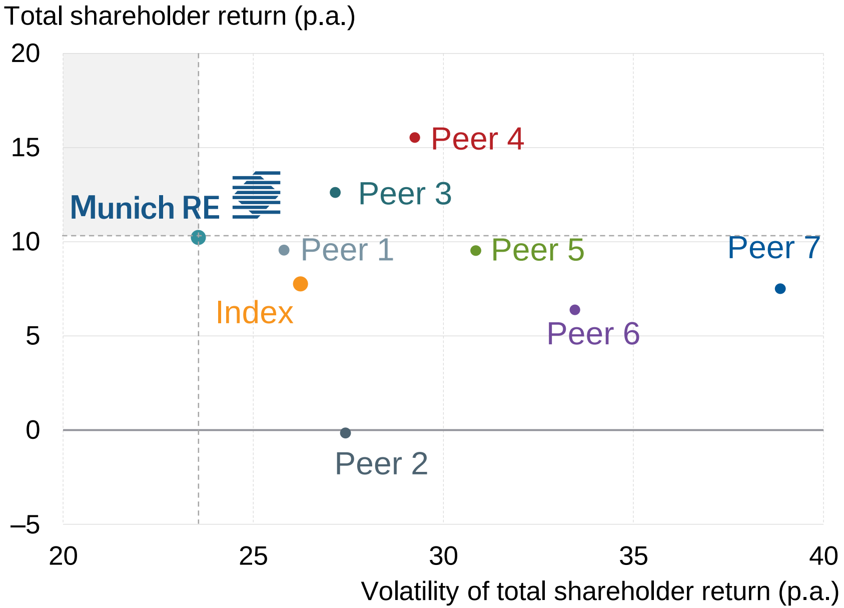
~10% > ~8%

13-year average RoE

Average cost of capital

Performance vs. major peers and insurance index[1]

%



1 Annualised total shareholder return defined as price performance plus dividend yield over the period from 1.1.2005 until 28.2.2018; based on Bloomberg data in local currency; volatility calculation with 250 trading days per year. Peers: Allianz, Axa, Generali, Hannover Re, Scor, Swiss Re, ZIG, Stoxx Europe 600 Insurance (“index”).

Executing strategic priorities of the Group (1/2)

Munich RE

STRATEGIC PRIORITIES

Earnings stabilisation and increase of earnings power

Focus on

- Profitability
- Business development
- Building new business models

Digital transformation

- Focus on leveraging all our strengths[1]

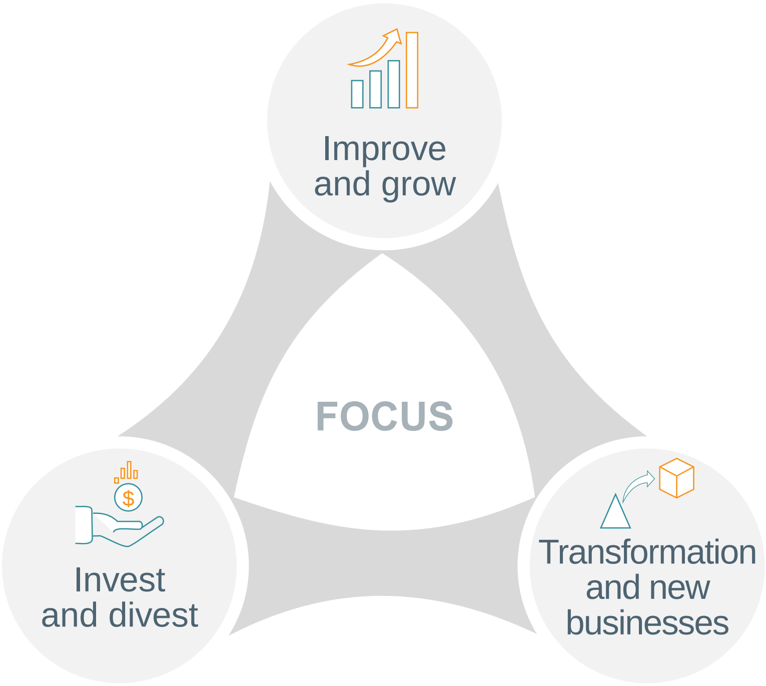
Leanness, complexity reduction

- Focus on business and smart governance
- De-focus from rest, and divest from sub-critical business

1 Details provided at the Investor Day on 21 November 2017.

Executing strategic priorities of the Group (2/2)

Munich RE



GROUP

- Corporate venture-capital activities
- Munich Health integration into ERGO and Reinsurance
- Interlocked business model

ERGO

- German life back-book: New platform
- Portfolio streamlining of international operations
- nexible, Mobility Solutions, Digital IT, …

REINSURANCE

- Business growth in traditional Reinsurance
- Business growth in Risk Solutions
- Run growing traditional book at lower cost
- Increasing investments into transformation competence and business cases: Digital Partners, IoT, data and analytics, cyber, multi-channel distribution, …

Transformation Programme in the Reinsurance Group

Munich RE

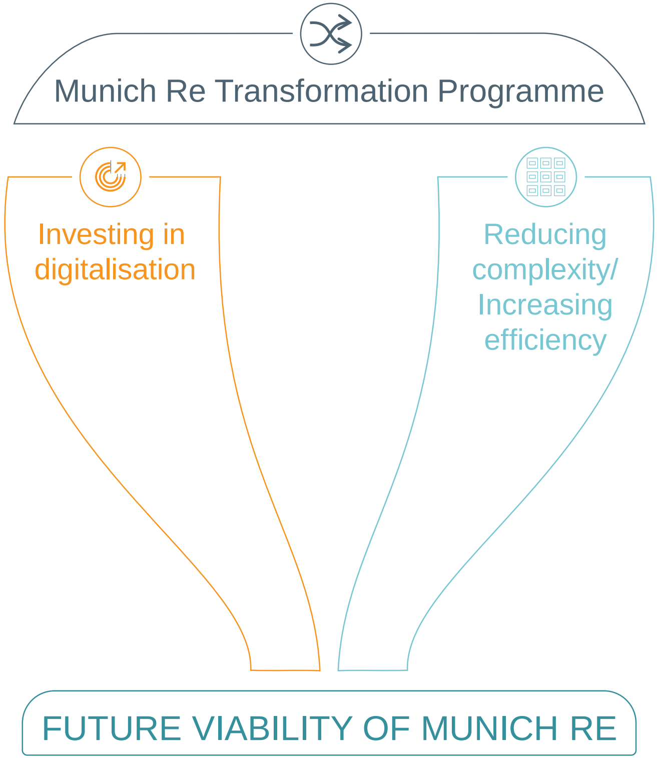
RESHUFFLING THE VALUE CHAIN
- Digital cooperation models
- IoT applications and services

EXPANDING THE BOUNDARIES OF INSURABILITY
- E.g.: Cyber with GWP 2017 US$ 354m

DATA-DRIVEN SOLUTIONS
- Digitally augmented underwrtiting/claims solutions

TECHNOLOGY AND PEOPLE
- Bi-modal IT, smart data analytics, data storage, cooperations
- >150 FTEs with data-science background

STRATEGIC PARTNERSHIPS
- Investments focusing on InsurTech, IoT and data specialists
- >€60m invested into >10 assets



RESTRUCTURING ACCORDING TO CLIENTS NEEDS
- Munich Health integration
- Regional hubs (Asia & Latin America)
- New structure in Claims

INCREASING OF ORGANISATIONAL EFFICIENCY
- Smart governance
- Simplification of internal processes
- Investing in automation

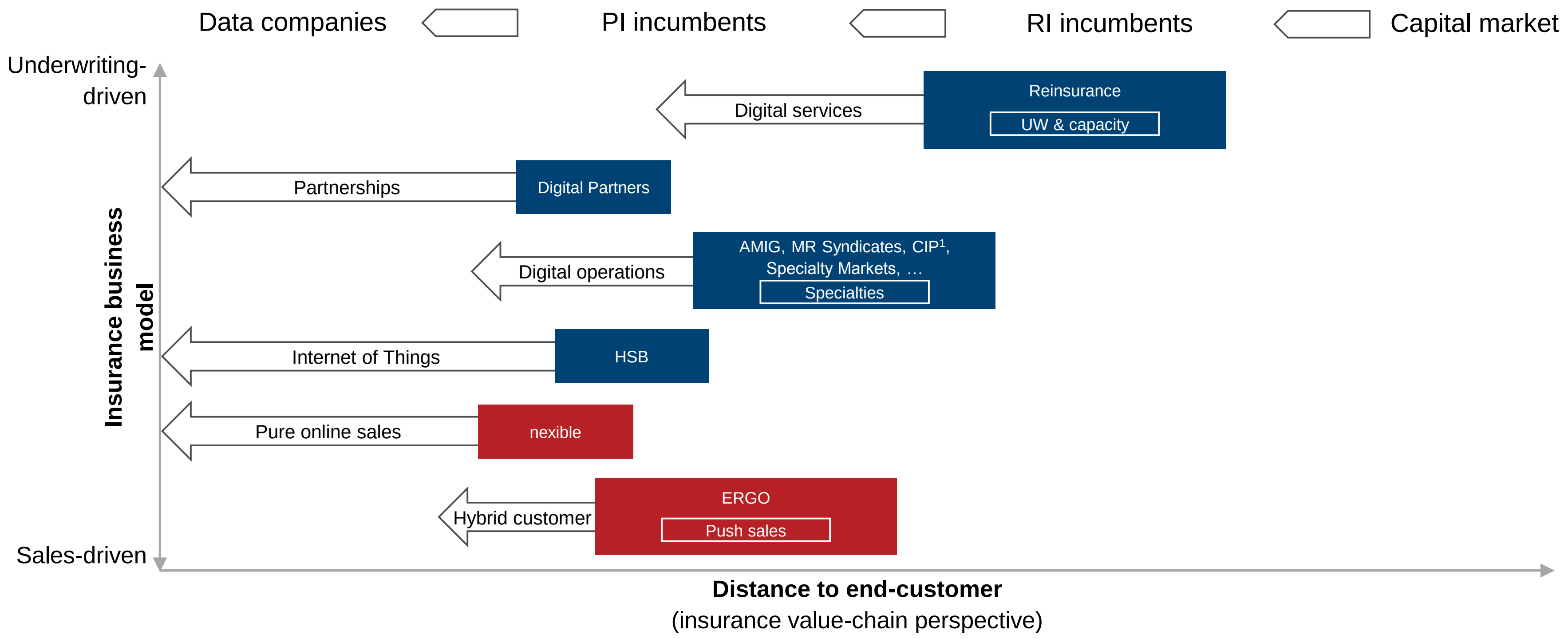
REALLOCATION OF RESOURCES
- Voluntary measures to reduce staff in traditional business
- Simultanious development of new competencies

LEVERAGE SYNERGIES IN THE GROUP
- Interlocked business models

Leverage traditional value creation and transform businesses to reduce distance to end customer

Munich RE

– ILLUSTRATIVE –



1 Corporate Insurance Partner.

Group Finance

2

Nat cats dominating 2017

Munich RE

REINSURANCE NET INCOME

€120m (€2,540m)

High nat cat claims, strong life and health result, tax income, FX losses

ERGO NET INCOME

€273m (€41m)

Above guidance – Strategy Programme well on track

HGB RESULT

€2.2bn (€3.4bn)

Release of equalisation provision mitigates high nat cat losses

ECONOMIC EARNINGS

€0.5bn (€2.3bn)

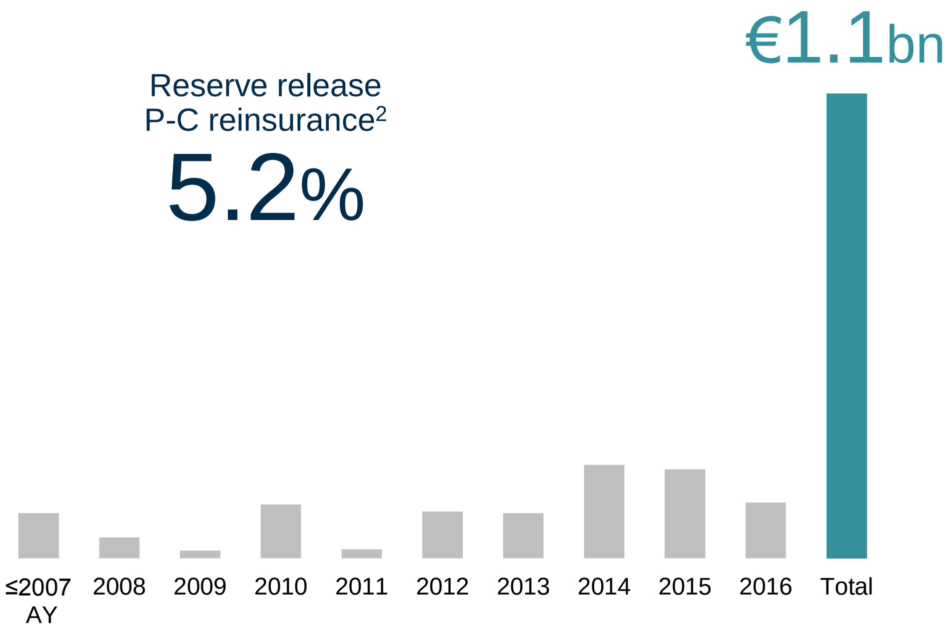
Nat-cat-driven economic losses in P-C Reinsurance offset by pleasing performance at ERGO and L/H Reinsurance

Figures as at 31.12.2017 (31.12.2016).

Prudent approach allows for reserve releases without weakening resilience against future volatility

Munich RE

Run-off change of ultimate basic and major losses[1]



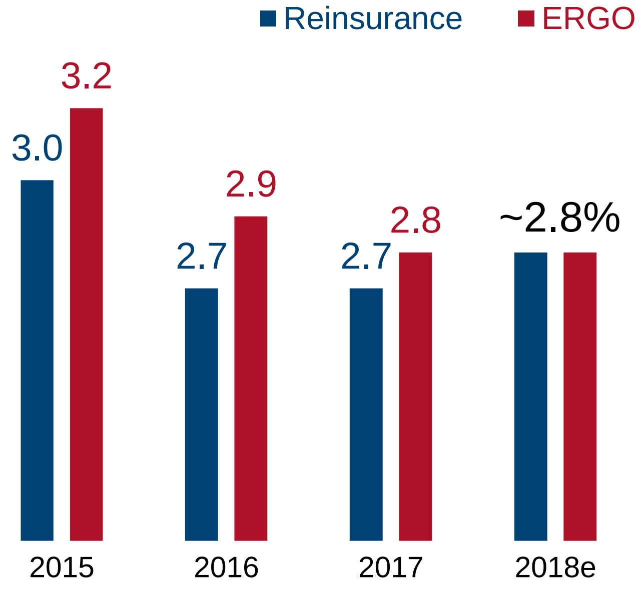
- Prudent reserving approach
  - For example Ogden rate fully anticipated – no adverse P&L impact in 2016/17 (reserves still based on –0.75%)
  - Cautious reaction to signs of deterioration in selected casualty portfolios
  - Cautious initial loss picks for new underwriting year
- Positive run-off responds to benign loss emergence while preserving confidence level
- Strong reserving position, resilient to a rise in inflation

1 Accident year split is partly based on approximations. 2 Basic losses, adjusted for commission effects.

Trough of running yield attrition reached – Diversification and real investments improve return

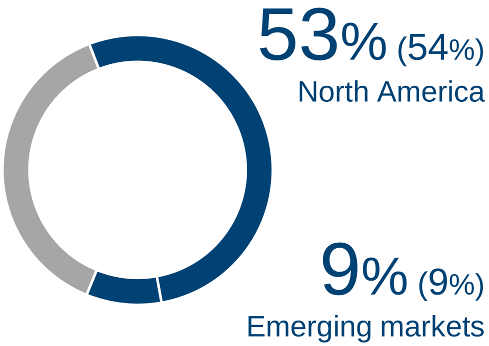
Running yield

%



Reinsurance portfolio – Enhancement of running yield

Fixed-income[1]



Ongoing diversification – Investments in countries with higher yields

Share of real investments[1]

18% (15%)

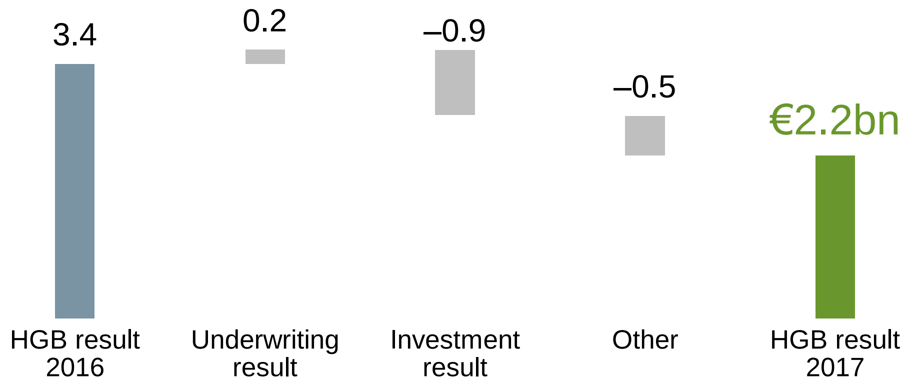
Cautious increase in real estate, infrastructure, private and public equity

1 As at 31.12.2017 (31.12.2016).

HGB result in 2017 meets capital repatriation of ~€2.3bn

Munich RE

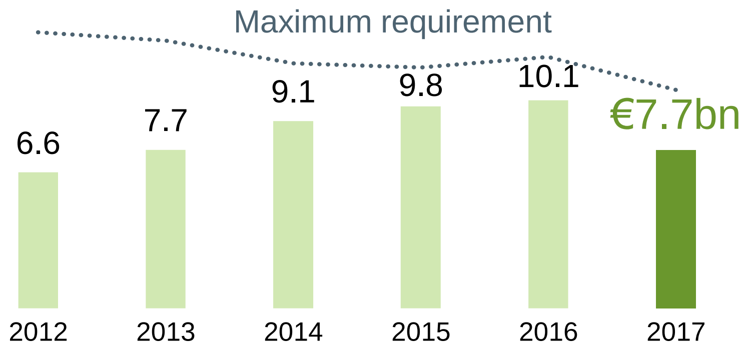
HGB result



- Underwriting result stabilised by releases of equalisation provision
- Investments: Lower dividend income from subsidiaries and lower disposal gains (intra-Group disposal gains in 2016)
- Other: Lower FX result partly offset by lower tax expenses
- Level of distributable earnings almost unchanged at €4.0bn

Equalisation provision

ILLUSTRATIVE



- 2012–2016: Strengthening of reserve
- 2017: Relief in fire and aviation
- Replenishment in the following years

Strong balance sheet allows us to execute business opportunities

STRONG BALANCE SHEET

enabling

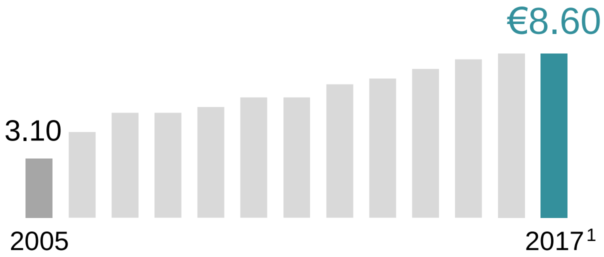
facilitating earnings growth

CAPITAL DEPLOYMENT

- ✓ Organic growth
- ✓ M&A
- ✓ Partnerships

HIGH CAPITAL RETURN

Sustainable dividend per share growth



~€25bn

Total pay-out 2005–2017 (dividends and share buy-backs[2])

1 Subject to approval of AGM. 2 Further continuation of €1bn share buy-back until AGM 2019.

ERGO

3

ERGO Strategy Programme (ESP) on track – Groundwork for growth laid – first success visible

	Guidance 2017	Actual 2017	ESP Plan 2020
Total premiums ERGO	€18–19bn[1]	€18.5bn	€19.5bn
Net profit ERGO	€200–250m[2]	€273m	~€530m
Investments (net)	€259m[3]	€170m	€1,008m
Total cost savings (accumulated)	€96m[3]	€91m	€279m
Combined ratio P-C Germany	98%[2]	97.5%	92%

GROUNDWORK FOR GROWTH

- Sales: Overheads reduced by 36%
- New products launched – revamping of portfolio P-C, Life and investment funds moving ahead
- Sales results 2017 higher than planned

INNOVATIVE INITIATIVES

- Successful start of nexible in Germany
- Strategic partnership with Deutsche Telekom to develop Safe Home won "Insurance Innovation of the Year"
- ERGO Mobility Solutions started, strategic partnership with Ford Germany

DIGITAL TRANSFORMATION PROCEEDS

- Go-live of ERGO group-wide customer self-service portal, number of users increased by 43% to 685,000
- STP[4] in P-C from 2015 to 2017 significantly increased, e.g. in motor to 53% (37%), in legal protection to 66% (52%)
- Digital IT fully up and running – currently ~120 experts at locations in Berlin and Warsaw

1 From Annual Report 2016. 2 As at Q2 2017 reporting. 3 ESP guidance as at 1 June 2016. 4 Straight-through processing.

ESP – Timeline

Munich RE

Fit

- Q1 2017: Sales: New organisational set-up implemented
- Q3 2017: Agents sales system (EASY) updated
- Q4 2017: Implementation of new structures in admin and central operations functions
- Q1 2018: Go-live of separate organisational entity "Traditional Life"
- Q1 2018: Sales: ERGO competence centre pilot started
- Q3 2018: Go-live IISS[1] (Data Centre)
- Q4 2018: First cost reductions from optimised international set-up

Digital

- Q1 2017: New IT organisational structure implemented
- Q4 2017: Digital IT established (Berlin & Warsaw)
- Q1 2018: New sourcing organisation implemented
- Q4 2018: Further improved STP[2] rates

Successful!

- Q1 2017: ERGO Mobility Solutions (EMS) GmbH started
- Q1 2017: Modular product innovation: Personal accident household
- Q2 2017: New ERGO Multi-asset funds launched
- Q3 2017: New health products launched
- Q4 2017: nexible started with first product (motor)
- Q4 2017: Modular products innovation: Residential building – Legal protection
- Q1 2018: Go-live unified customer portal
- Q1 2018: Life Germany: New term-life and pension products launched
- Q3 2018: New toolbox for tied agents' websites goes live
- Q4 2018: All ESP new functions fully staffed
- Q4 2018: New motor insurance launched

Q1 2017 | Q2 2017 | Q3 2017 | Q4 2017 | Q1 2018 | Q2 2018 | Q3 2018 | Q4 2018

1 International Infrastructure Shared Services Center (Data Centre). 2 Straight-through processing.

Life and Health Germany – Status 2017

Munich RE

GROSS PREMIUMS WRITTEN	NET RESULT	RETURN ON INVESTMENT
€9.2bn (€9.2bn)	€175m (€114m)	3.5% (3.6%)
Four new life and pension products for individual coverage Supplementary health: market leadership extended	Enhanced profitability in Life, Health and Direct business supported by one-offs in Life	Significantly lower derivatives result – positive effects from disposal gains

Figures as at 31.12.2017 (31.12.2016).

Life Germany – New setup for traditional book, revised product portfolio

Munich RE

Strategic rationale

- Decision to keep and manage traditional life back book – make most of value potential
- Focus on improved IT, opportunity for professional management of traditional life books for third parties
- Separation of traditional life business and stop of new business improves capital position significantly, opportunity to unlock earnings potential in inforce
- Building on expertise handling risks in a low interest rate environment (e.g. hedging programme against reinvestment risk in place since 2005)

Management traditional life book

- Separate organisational unit for traditional life business established – fully operational as of 1 January 2018
- Life portfolio management partnership between ERGO and IBM – migration of six million traditional life insurance contracts to a new, state-of-the-art IT platform started
- Mid-term opportunity for professional management of traditional life books for third parties

New business – revised product portfolio

- New business via ERGO Vorsorge
- New product suite focusing on biometric and capital efficient products
- Four new life and pension products successfully launched in 12/2017

Property-casualty Germany – Status 2017

GROSS PREMIUMS WRITTEN	NET RESULT	COMBINED RATIO
€3.3bn (€3.2bn)	€57m (–€72m)	97.5% (97.0%)

Gross premiums written

Growth mainly driven by fire/property and marine

New modular product concept with consistent look and feel fully implemented

Net result

Non-recurring restructuring expenses and higher investment gains – expectations exceeded

Combined ratio

Better than ERGO Strategy Programme guidance (–1.5%-pt.)

Strategic investments with impact of ~2.7%-pts. on combined ratio

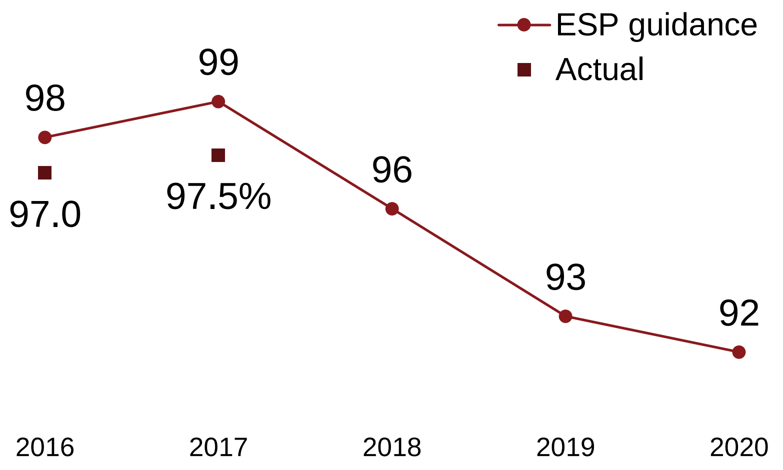
Peak level reached as expected – gradual improvement until 2020

Figures as at 31.12.2017 (31.12.2016).

Property-casualty Germany – Shaping and strengthening a balanced portfolio

Munich RE

P-C Germany – Combined ratio



Significant cost reduction in the medium term – Improvement of expense ratio main driver of higher profitability

Product innovations

Private clients 2017

- New modular product concept and consistent look and feel fully implemented in 2017
  - Personal accident, homeowners', household and legal expenses
- Sale of smart home solution started in cooperation with Deutsche Telekom (ERGO Safe Home)

Prospects 2018

- Private clients
  - Focus on hybrid customer and new motor tariff
  - Product adjustments in liability and personal accident
- Commercial/Industrial clients
  - Focus on digital transformation
  - Product facelift, e.g. cyber and liability

International – Status 2017

PROPERTY-CASUALTY GROSS PREMIUMS WRITTEN

€2.8bn (€2.5bn)

Strong new business growth – driven by motor business in Poland, acquisition of ATE in Greece

LIFE GROSS PREMIUMS WRITTEN

€0.9bn (€1.2bn)

De-risking of traditional life business continued as planned – bancassurance reduced in Poland

HEALTH GROSS PREMIUMS WRITTEN

€1.4bn (€1.4bn)

Successful further development due to growth in Spain and Belgium

COMBINED RATIO

95.3% (98.0%)

Significantly better than recent target of 97%

Overall improvement in claims and costs, mainly on account of good developments in Poland

NET RESULT

€40m (–€1m)

Positive development in several markets, e. g. P-C business in Poland and India – partly offset by one-off effects, e.g. in Belgium

Figures as at 31.12.2017 (31.12.2016).

International portfolio management

Munich RE

STRATEGY WELL ON TRACK

- Fostering strong market positions, e.g. in Poland (P-C result of +€50m in 2017) and India (31% profitable growth in 2017)
- Belgium: Run-down successfully initiated, de-risking of life business
- First results of portfolio optimisation: Sale of entities in Switzerland, Slovakia and Luxembourg
- Successful integration of international health business
- New governance implemented and executed

We laid a solid base for our international business …

ONGOING PORTFOLIO OPTIMISATION

- Analysing further divestment opportunities
- Realising efficiency gains and enhancing productivity
- nexible to launch its Austrian operations in 2018
- Coherent cost-saving programme initiated

… with multiple initiatives on the way …

ACHIEVING MEDIUM-TERM TARGETS

- Completing portfolio optimisation
- Identifying and securing new markets and business opportunities
- Driving technological innovation and thought leadership across all international business activities

… to further improve profitability

Reinsurance

4

Substantial impact of large nat cat losses in P-C – Favourable claims experience in Life and Health

Munich RE

PROPERTY-CASUALTY

NET RESULT

–€476m (€2,025m)

Accumulation of large nat cat losses – sound underlying profitability

COMBINED RATIO

114.1% (95.7%)

Substantial impact from hurricanes Harvey, Irma and Maria – normalised combined ratio ~100%

RESERVE RELEASES

5.2% (5.5%)

Confidence level preserved

LIFE AND HEALTH

NET RESULT

€596m (€515m)

Positive one-off effect of US tax reform

TECHNICAL RESULT INCL. FEE INCOME

€428m (€561m)

Close to original guidance, despite strain from US in-force management

NEW BUSINESS VALUE (NBV)

€1.1bn (€1.2bn)

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

Figures as at 31.12.2017 (31.12.2016).

January renewals driven by recent hurricane events – Munich Re able to capitalise on value proposition

Munich RE

MARKET DEVELOPMENTS

- Substantial price increases in cat-loss-affected business lines and regions
- Selective price increases in other segments, esp. casualty
- Stabilisation elsewhere
- Traditional reinsurance capital: stable overall
- Alternative capital: remains at a high level

PRICE CHANGE

+0.8%

+1.6% adjusted for interest-rate changes

Munich Re JANUARY RENEWALS

EXPOSURE CHANGE

+18.2%

Selective growth with structured deals

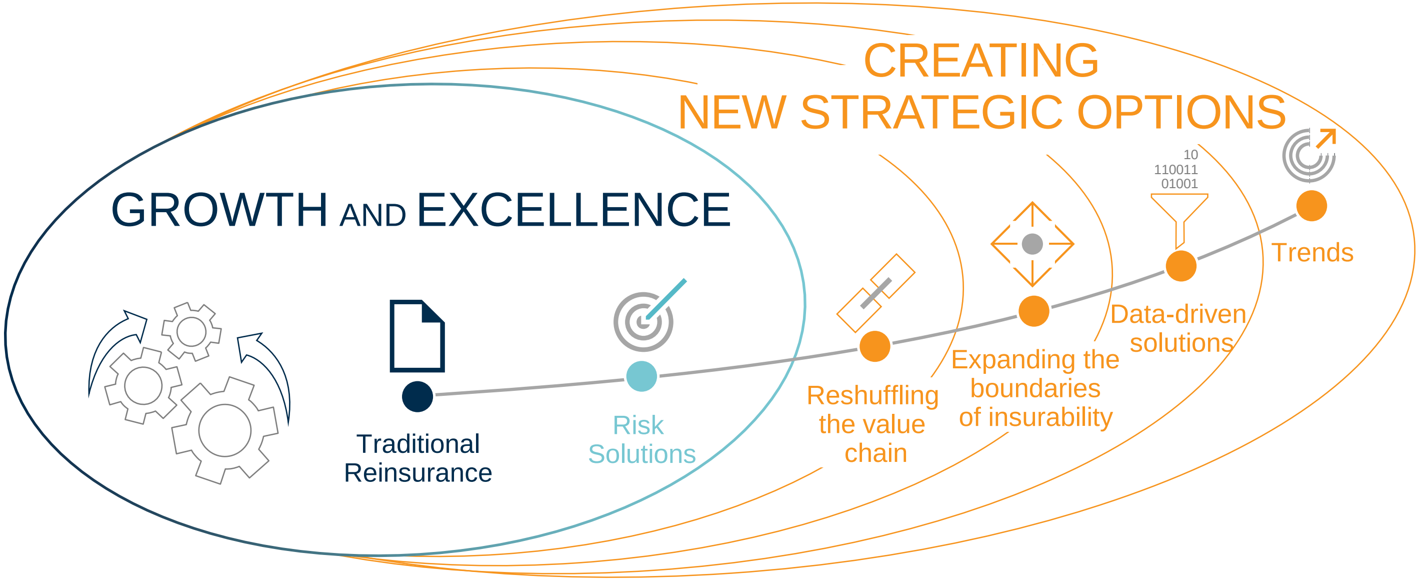
- Scale, financial strength and capability to offer tailor-made solutions paying off
- Strong demand for large and complex reinsurance programmes offers opportunities
- Well positioned to flexibly shape the portfolio – well directed business expansion where markets recovered

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

TRADITIONAL REINSURANCE
Effectively serving our clients and strengthening the business model

RISK SOLUTIONS
Reinforcing underlying profitability and growth

NEW STRATEGIC OPTIONS
Building a diversified profit base



Strategic initiatives – Significant additional result contribution expected

Munich RE

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
- Public sector development

Capital management solutions

- Expanding global footprint
- Diversifying portfolio

BUSINESS EXCELLENCE

Living client centricity

- Shifting client-facing functions to regional centers, e.g. Asia, Latin America
- Strengthening client proximity, e.g. ADVANCE[1]

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

1 Renewed top-talent programme for clients

We invest in data and technology as enablers for innovation and focus on tangible business impact

Munich RE

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 (Digital Partners, multi-channel distribution, …)
- IoT applications and services (via HSB)

Expanding the boundaries of insurability

- Cyber (re)insurance and embedded service solutions for cedants and insureds
- GWP 2017 US$ 354m, low loss ratios, stringent accumulation control

Data-driven solutions

- Digitally augmented underwriting/ claims solutions for our cedants

Investments in technology and people

- Bi-modal IT, smart data analytics, data storage (“data lake”), cooperation with technology analytics providers
- >150 FTEs with data-science background

Strategic investments in partnerships

- >€60m invested into >10 assets focusing on InsurTech, IoT and data specialists
- Focus on joint value creation

Life and Health: Tapping growth opportunities in North America and Asia

Munich RE

Canada (€5.1bn / 37%)

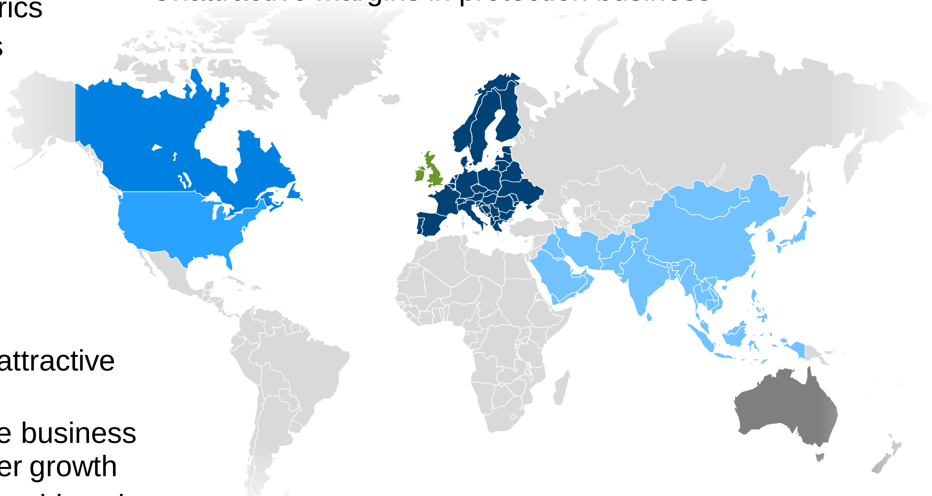
- Competitive environment, but still very good profits under all metrics
- Leading market position allows for one-off opportunities
- Multi-channel distribution initiative to become a leading writer of group benefits

USA (€2.8bn / 20%)

- High new business value with attractive risk-return profile
- Dedication to develop FinMoRe business and predictive analytics to foster growth
- Rigorous in-force management addressing performance issues in pre-2009 legacy block

UK (€1.9bn / 14%)

- Successful FinMoRe and longevity proposition
- Strong results from in-force portfolio
- Unattractive margins in protection business



Continental Europe (€0.6bn / 5%)

- Sound but stagnating traditional business overall
- Solvency II generates demand for tailor-made solutions

Asia (€2.2bn / 16%)

- Pleasing development of new and in-force business
- Persistingly high demand for FinMoRe and successful offering of asset protection
- Substantial contribution from health business

Australia (€0.8bn / 6%)

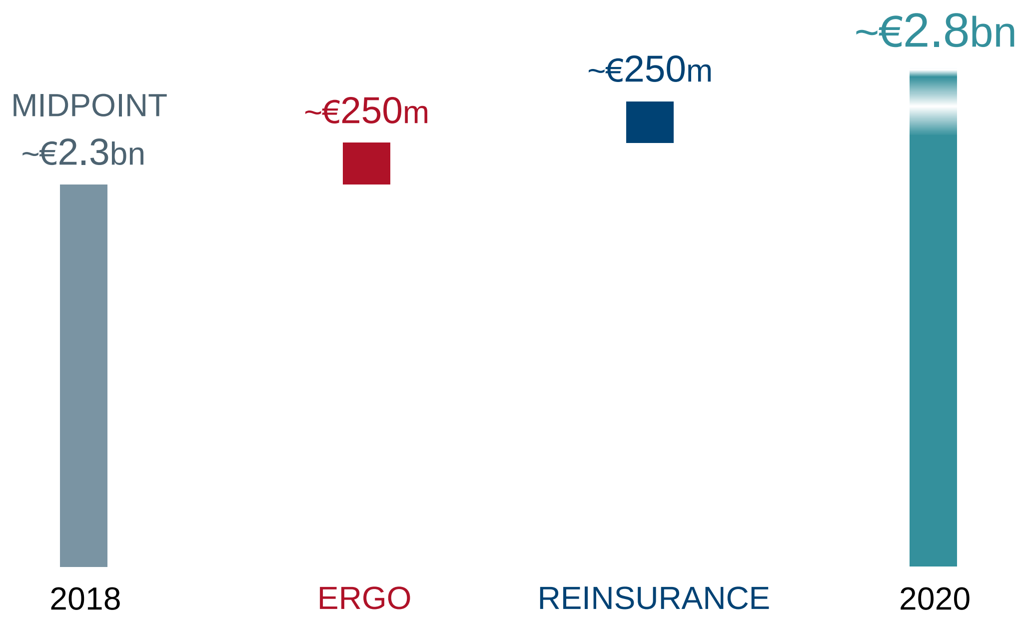
- Rehabilitation efforts and in-force management continue
- Opportunistic approach to new business

Gross written premium as at 31.12.2017 / share of total (Core regions).

Outlook

5

Medium-term ambition – Pushing IFRS earnings beyond current level



ERGO >€0.5bn by 2020

Strategy Programme well on track

- Substantial investments to strengthen position as leading primary insurer
- Cost savings to improve competitiveness

REINSURANCE ~€2.3bn by 2020

Improving earnings quality in property-casualty

- Growth initiatives to increase underwriting result, including cost savings
- Prudent assumption as regards reserves – in tendency lower investment disposal gains, reserve releases cautiously set at 4%-points

Outlook 2018

Munich RE

GROUP	REINSURANCE		ERGO	
Gross premiums written €46–49bn	Gross premiums written €29–31bn		Gross premiums written €17–18bn	
Net result €2.1–2.5bn	Net result €1.8–2.2bn		Net result €250–300m	
Return on investment ~3%	P-C combined ratio[1] ~99%	L/H technical result incl. fee income ≥€475m	P-C combined ratio Germany ~96%	P-C combined ratio International ~97%

1 Expectation of reserve releases in 2018 of at least 4%-pts.

Disclaimer

Munich RE

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.