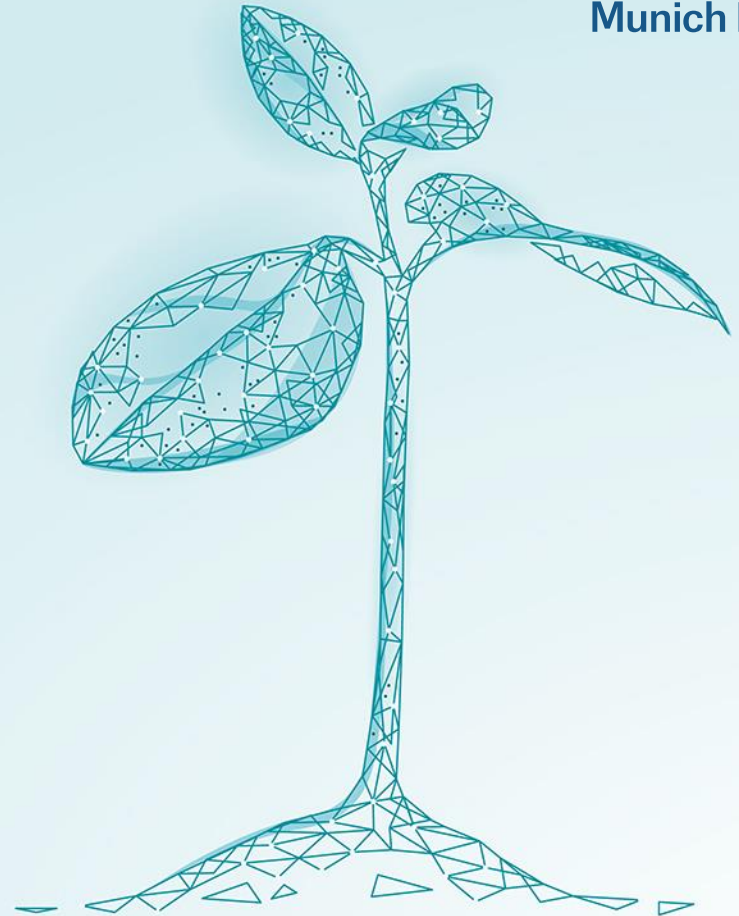


Half-year financial report as at 30 June 2019

7 August 2019



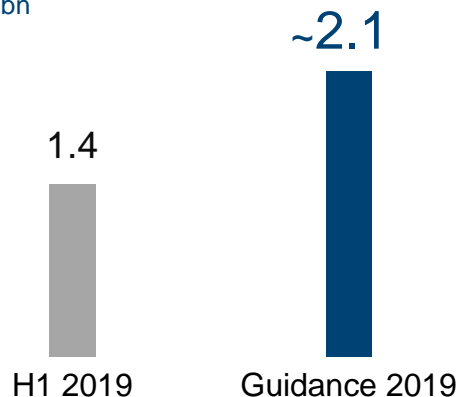


1	Overview	3
2	Munich Re (Group)	9
3	ERGO	14
4	Reinsurance	18

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

REINSURANCE

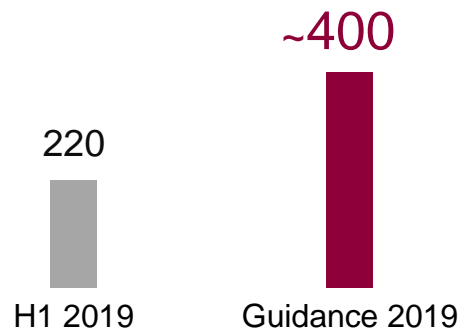
NET RESULT
€bn



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

ERGO

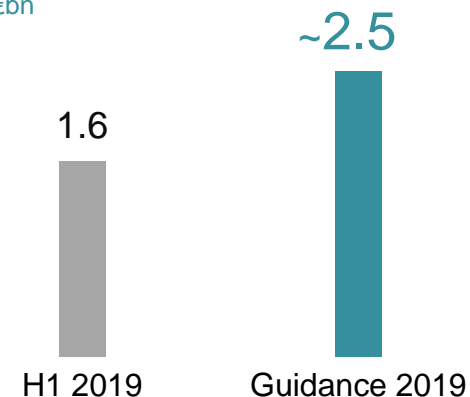
NET RESULT
€m



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

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

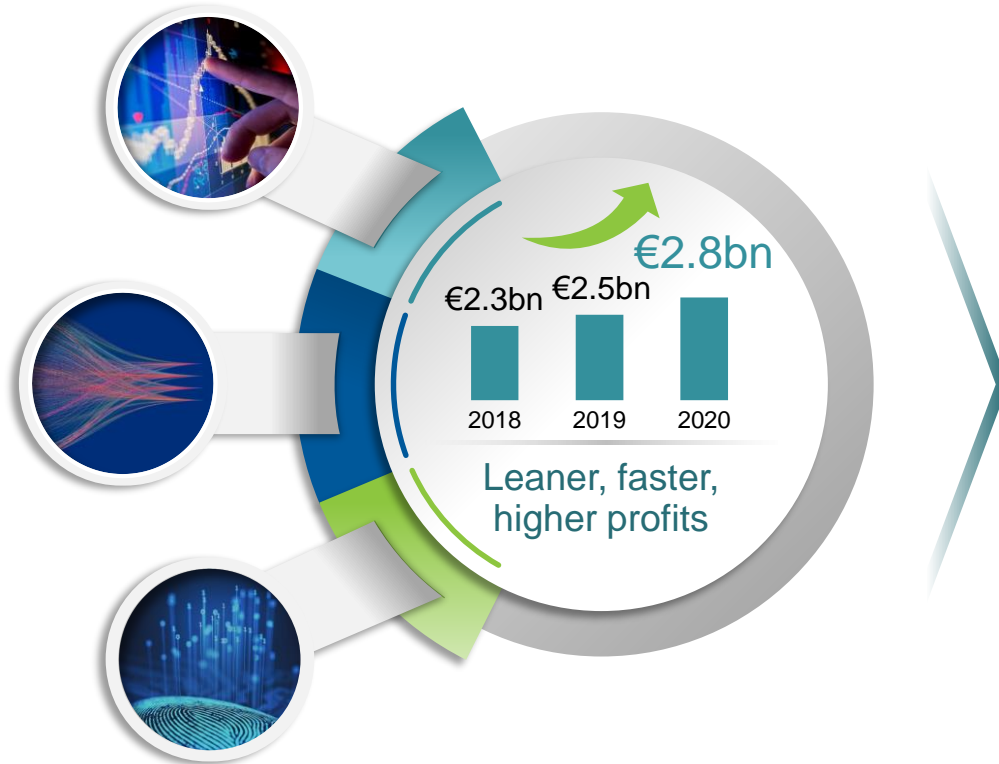
- A good number of newly developed business models and platforms already productive and ready to scale up

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

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

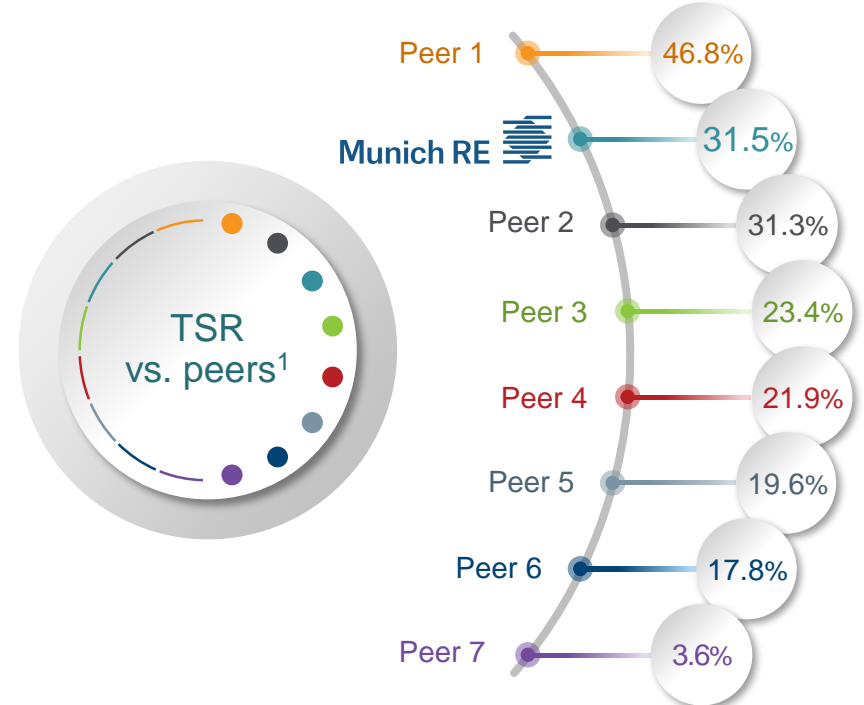


Focus on our three pillars is paying off, both strategically and financially

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

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

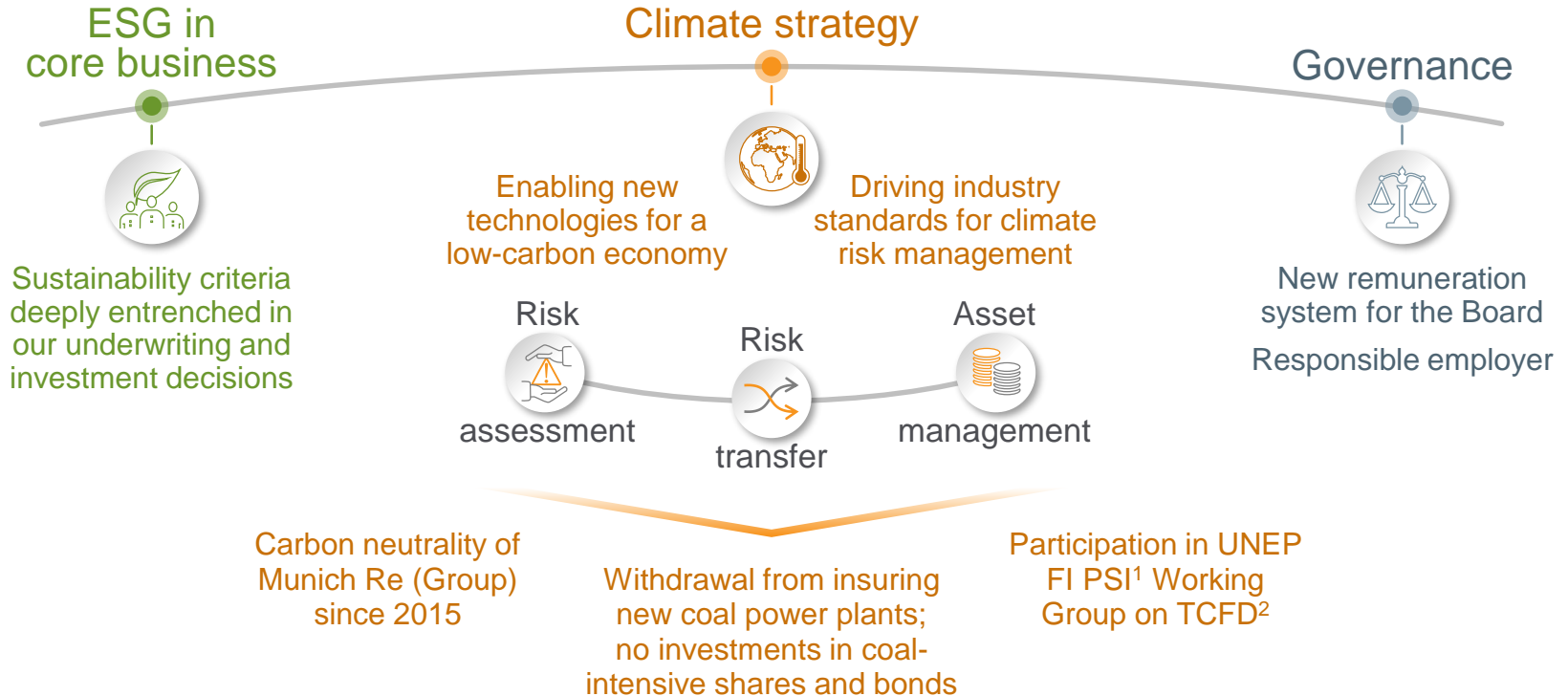
Committed to leveraging drivers of TSR ... to deliver attractive returns to our shareholders



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



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%

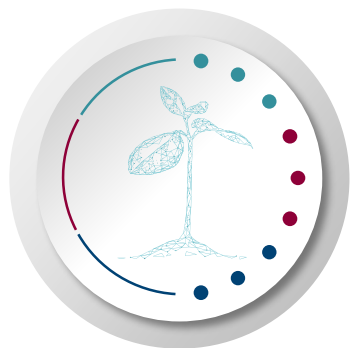
REINSURANCE

Gross premiums written
~€31bn

Net result
~€2.1bn

Combined ratio
Property-casualty²
~98%

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



Munich Re (Group)



After strong Q2 result, well underway to meet annual guidance

MUNICH RE (GROUP)

Net result

€993m (€1,626m)

Low level of major losses in P-C Reinsurance – Strong ERGO result of €135m

Return on investment¹

3.1% (3.0%)

Solid return supports full-year guidance – Reinvestment yield slightly up to 2.2%

Shareholders' equity

€29.5bn (+11.5% vs. 31.12.)

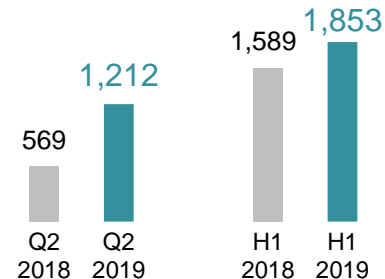
Return on equity¹: 13.6% (11.5%)
Solvency II ratio: ~245%

¹ Annualised.

Q2 2019 (H1 2019)

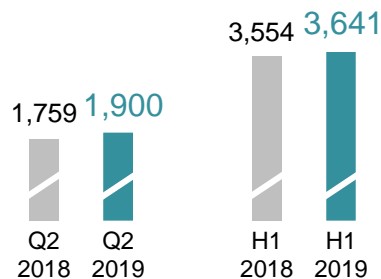
Technical result

€m



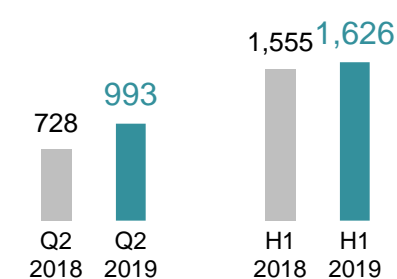
Investment result

€m



Net result

€m



Reinsurance

Life and Health: Technical result incl. fee income: €64m (€169m) – ongoing negative trend in Australia

Property-casualty: Combined ratio (C/R): 87.7% (92.8%) – Major-loss ratio: 4.1% (6.9%); Reserve releases for prior-year basic losses: 7.3% (5.7%)

July renewals: Risk-adjusted price change: ~ +0.5%, premium change: +8.9%

ERGO

L&H Germany: Strong investment result and higher shareholder profit participation

Property-casualty Germany: C/R: 86.2% (91.9%) – Benign claims

International: C/R: 95.0% (95.2%); disposal loss (Turkey)

IFRS capital position

Equity

	€m		€m
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

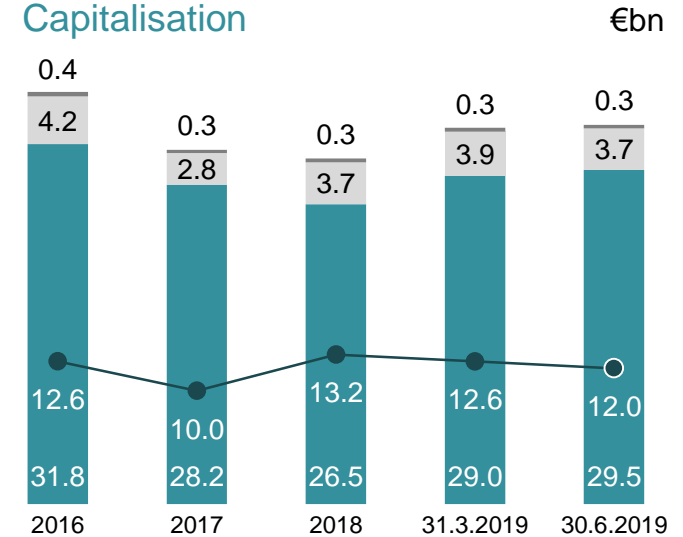
Non-fixed-interest securities

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.

Investment portfolio

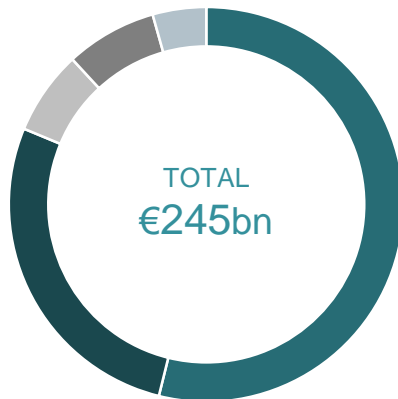
Investment portfolio¹

Land and buildings
4.4 (4.6)

Miscellaneous²
7.5 (7.7)

Shares, equity funds and participating interests³
6.9 (6.2)

Loans
27.4 (27.7)



Fixed-interest securities
53.9 (53.8)

%

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

Investment result

€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
	Equities	–94	60	–225	Equities	–162	248	–545
Q1 2019 2.1%	Commodities/Inflation	33	0	–27	Commodities/Inflation	38	0	21
Q4 2018 2.1%	Other	–29	64	–19	Other	–40	108	7

ERGO



Gross premiums written €m

H1 2018		9,199
Foreign exchange		-28
Divestments/investments		-56
Organic change		97
H1 2019		9,212

- **Property-casualty Germany¹ (+€88m):** Significant growth in fire/property, liability and marine; positive development by earlier receipt of some large contracts in broker channel
- **Life and Health Germany¹ (+€24m):** Positive development in Health, Travel and Digital Ventures; decline in Life despite growth from new products
- **International (–€99m):** Lower premium volume mainly due to divestments

Major result drivers

	H1 2019	H1 2018	▲	Q2 2019	Q2 2018	▲
Technical result	443	360	82	266	229	37
Non-technical result	206	160	46	141	67	74
thereof investment result	2,231	2,144	87	1,116	960	155
Other	-428	-335	-93	-272	-188	-83
Net result	220	185	35	135	108	27

Technical result

H1: Improvements driven by

- P-C Germany (+€58m), increase in almost all lines; very good C/R of 86.2% in Q2 driven by profitable premium growth as well as an overall good claims experience and
- L&H Germany (+€40m), esp. due to changed assumptions on policyholder participations

Decrease in International (–€16m): lower results in Life and Health could not be compensated by improvement in P-C

Investment result

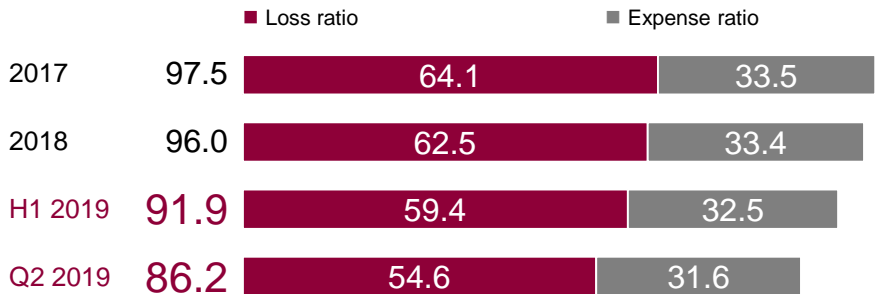
- H1: Increase primarily due to high disposal gains and an increased result from interest-rate derivatives
- Q2: Return on investment: 2.9%

Other

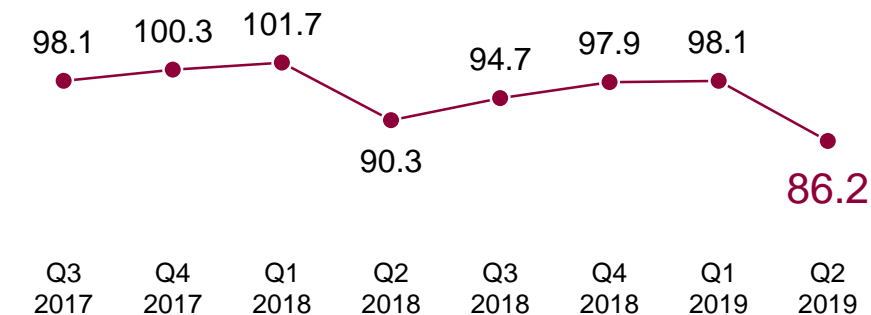
- H1: FX result declined, mainly in International
- H1: Normalisation of tax expenses in 2019

ERGO Property-casualty Germany

Combined ratio



%



Gross premiums written

€m

Other

267 (231)

Motor

450 (452)

Legal protection

219 (219)

Fire/property

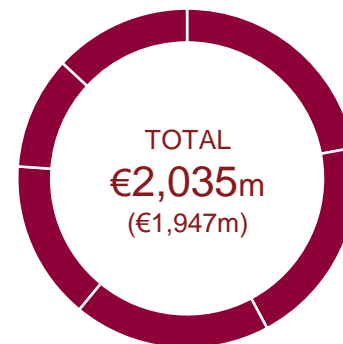
409 (372)

Personal accident

309 (314)

Liability

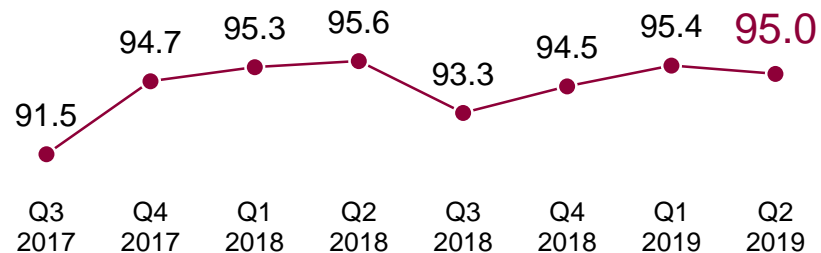
382 (359)



ERGO International

Combined ratio

%

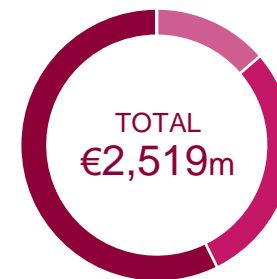


Gross premiums written

€m

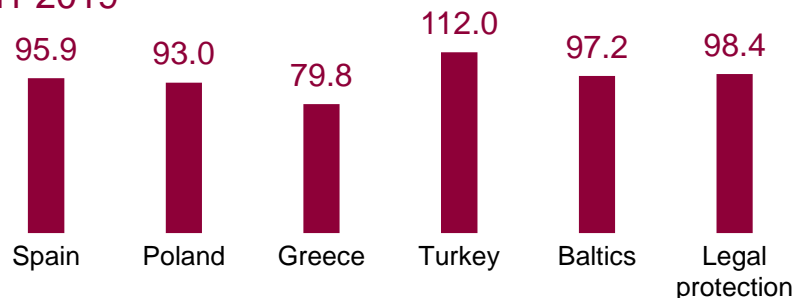
Property-casualty
1,444 (1,478)

Life
345 (434)



Health
731 (707)

H1 2019



P-C	H1 2019	H1 2018	Life	H1 2019	H1 2018
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

Reinsurance



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

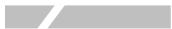




Investment result

- 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

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

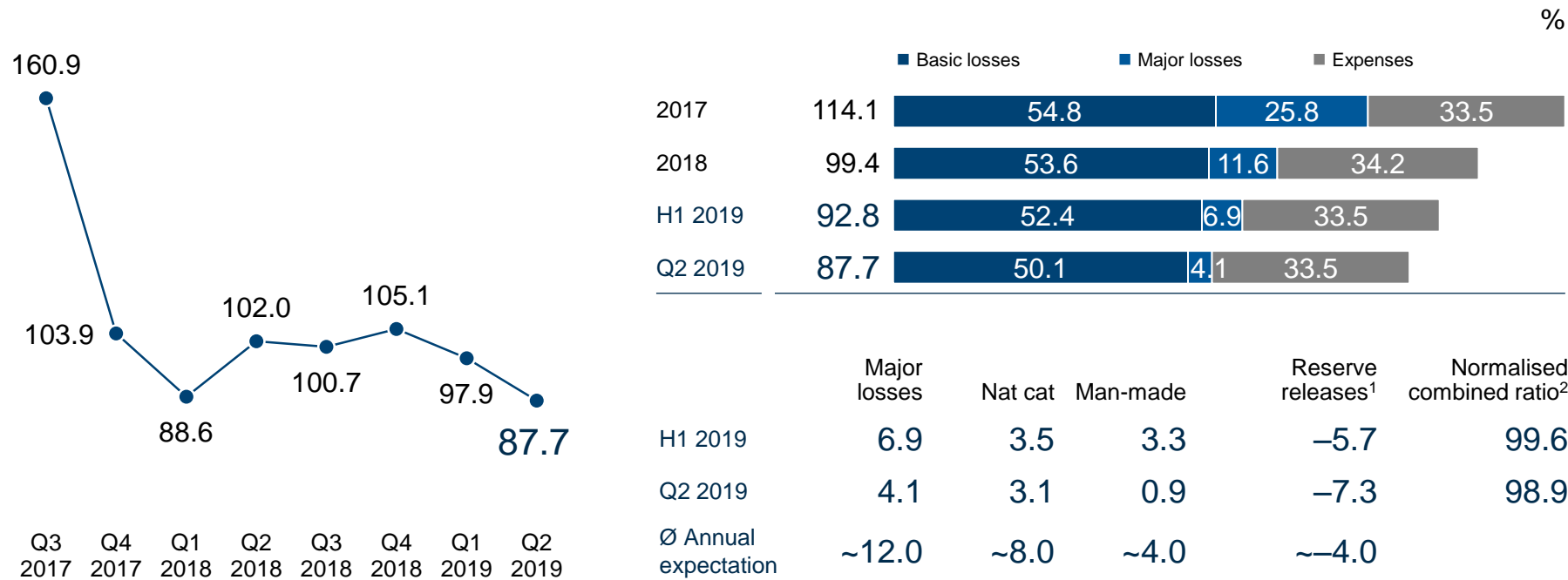
Investment result

- 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

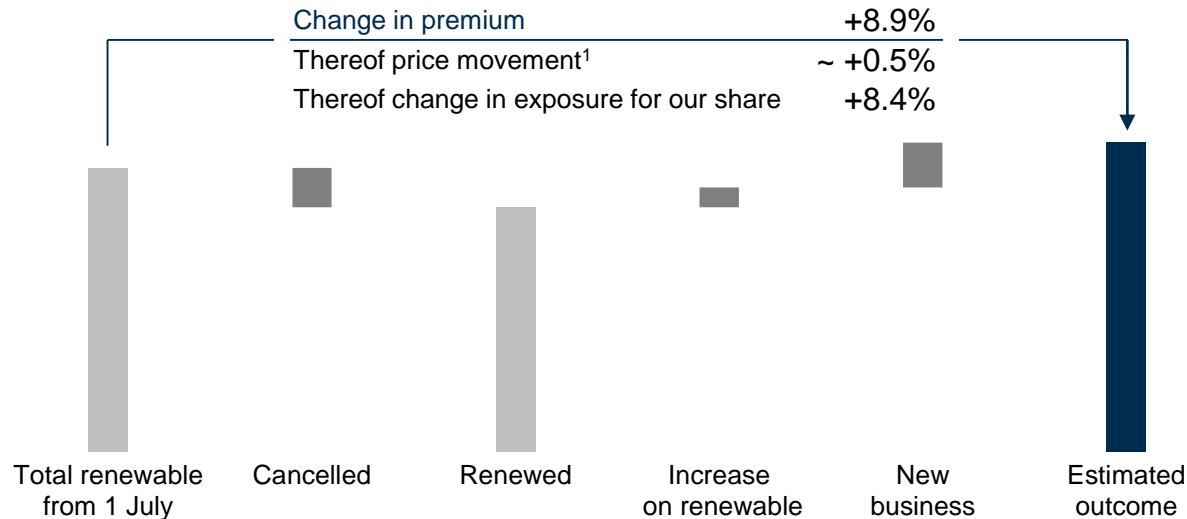
Reinsurance Property-casualty – Combined ratio



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.

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.