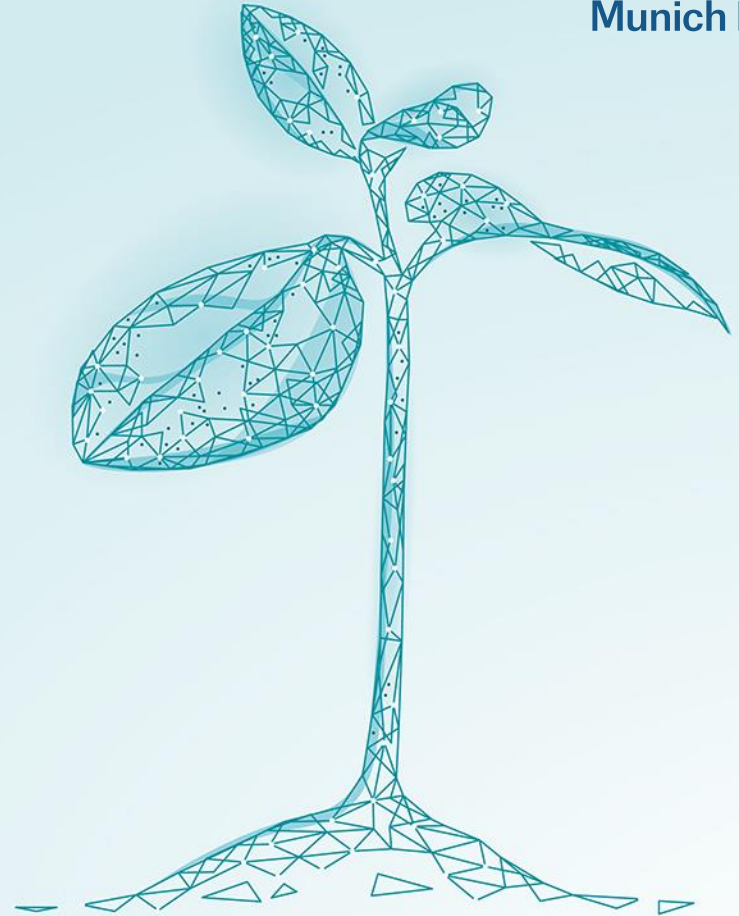


QUARTERLY STATEMENT

as at 30 September 2019

7 November 2019

Christoph Jurecka





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FY 2019 guidance already met after nine months – Good underlying earnings quality in Q3

MUNICH RE (GROUP)

Net result

€865m (€2,490m)

Sound operating performance across all segments – strong investment result and FX gains offset high large losses

Return on investment¹

3.4% (3.2%)

High return supports full-year guidance – Reinvestment yield almost stable at 2.1%

Shareholders' equity

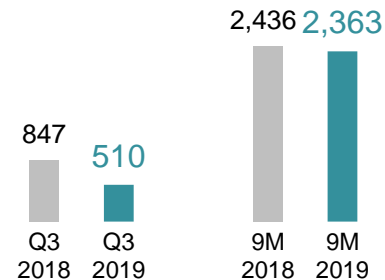
€31.6bn (+19.2% vs. 31.12.)

Return on equity¹: 11.3% (11.4%)
Solvency II ratio: ~230%

¹ Annualised.

Technical result

€m



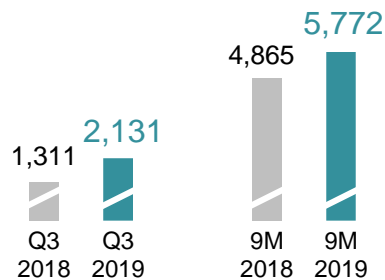
Reinsurance

Life and Health: Technical result incl. fee income: €218m (€387m) – exceptionally strong technical performance in Q3: restructuring of treaties and good biometric experience

P-C: Combined ratio (C/R): 104.7% (97.0%) – Major-loss ratio: 18.4% (10.9%); Reserve releases for prior-year basic losses: 4.0% (5.1%); Normalised C/R: 98.2% (99.1%)

Investment result

€m



ERGO

L&H Germany: Resilient return on investment of 3.0% – net result below high Q1 and Q2 earnings

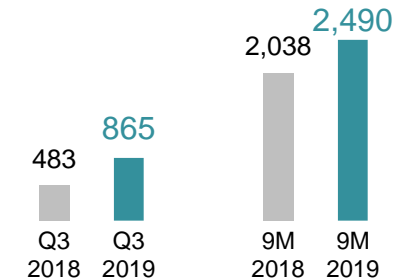
Property-casualty Germany: C/R: 92.1% (92.0%) – Benign claims

International: C/R: 91.8% (94.1%); Positive seasonality effects in health business in Q3

Q3 2019 (9M 2019)

Net result

€m



IFRS capital position

Equity

	€m		€m
Equity 31.12.2018	26,500		
Consolidated result	2,490		865
Changes			
Dividend	-1,335		0
Unrealised gains/losses	4,738		1,259
Exchange rates	735		609
Share buy-backs	-721		-332
Other	-830		-365
Equity 30.9.2019	31,578		2,036

Unrealised gains/losses

Fixed-interest securities

9M: €3,867m Q3: €1,200m

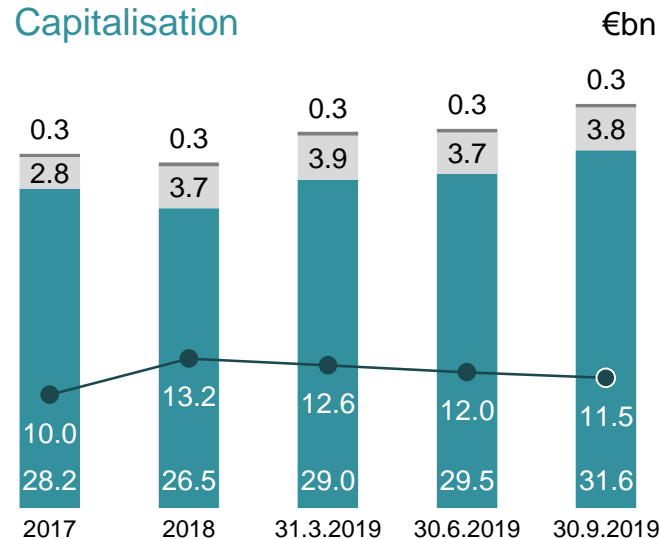
Non-fixed-interest securities

9M: €872m Q3: €58m

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

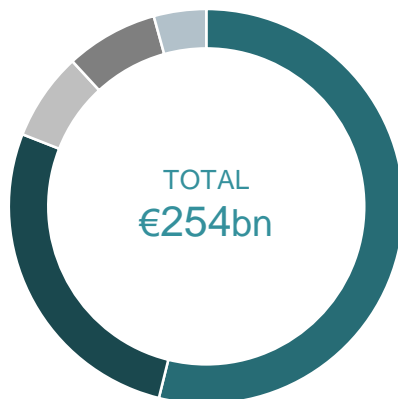
Investment portfolio¹

Land and buildings
4.3 (4.6)

Miscellaneous²
7.6 (7.7)

Shares, equity funds and
participating interests³
7.2 (6.2)

Loans
27.1 (27.7)



Fixed-interest securities
53.9 (53.8)

%

Portfolio management in Q3

- Investments in US bonds with longer maturities and emerging markets stabilise reinvestment yield
- Further increase in corporate bonds and infrastructure investments
- Equity quota net of hedges up to 6.1% – hedging position slightly reduced

Investment result

€m	Q3 2019	Return ¹	9M 2019	Return ¹	9M 2018	Return ¹
Regular income	1,674	2.7%	5,133	2.8%	4,927	2.8%
Write-ups/write-downs	–104	–0.2%	–285	–0.2%	–475	–0.3%
Disposal gains/losses	633	1.0%	1,671	0.9%	912	0.5%
Derivatives ²	121	0.2%	–208	–0.1%	–15	0.0%
Other income/expenses	–193	–0.3%	–539	–0.3%	–485	–0.3%
Investment result	2,131	3.4%	5,772	3.2%	4,865	2.8%
Total return		11.9%		12.0%		1.1%

3-month reinvestment yield	Q3 2019	Write-ups/ write-downs	Disposal gains/losses	Derivatives	9M 2019	Write-ups/ write-downs	Disposal gains/losses	Derivatives
Q3 2019 2.1%	Fixed income	–31	251	264	Fixed income	–48	934	453
Q2 2019 2.2%	Equities	–66	289	–111	Equities	–228	537	–658
Q1 2019 2.1%	Commodities/Inflation	25	0	–54	Commodities/Inflation	63	0	–33
	Other	–32	92	22	Other	–72	200	30

¹ Annualised return on quarterly weighted investments (market values) in %. Impact from dividends in regular income: 0.2%-points in Q3 2019 and 0.3%-points in 9M 2019.

² Result from derivatives without regular income and other income/expenses.

ERGO



Gross premiums written €m

9M 2018		13,423
Foreign exchange		-30
Divestments/investments		-112
Organic change		92
9M 2019		13,373

- **Life and Health Germany¹ (+€1m):**
Positive development in Health and Travel; successful growth from new products in Life
- **Property-casualty Germany¹ (+€105m):**
Significant growth in fire/property, liability and marine
- **International (–€156m):**
Lower premium volume mainly due to divestments and FX-effects

Major result drivers

	9M 2019	9M 2018	▲	Q3 2019	Q3 2018	▲
Technical result	719	880	–161	277	519	–243
Non-technical result	220	92	127	14	–68	82
thereof investment result	3,388	2,832	555	1,156	688	468
Other	–600	–614	14	–172	–278	107
Net result	339	359	–19	119	173	–54

Technical result

- **L&H Germany (–€233m):** positive one-off effect due to changed profit-share assumptions in Q3 2018
- **P-C Germany (+€102m):** increase in almost all lines; C/R of 92.0% driven by an overall good claims experience and large losses in line with expectations
- **International (–€30m):** weaker performance in Life and Health but ongoing favourable development in P-C

Investment result

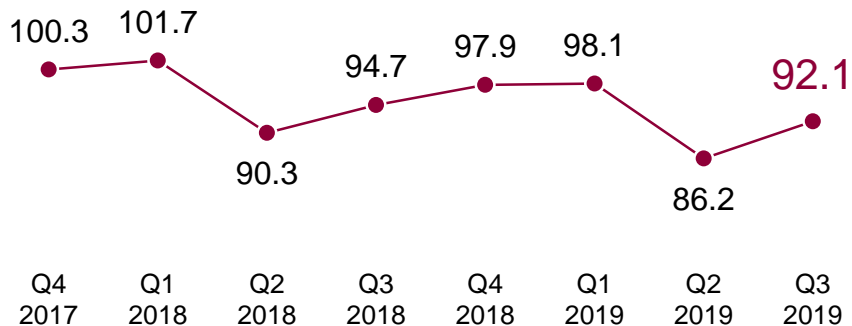
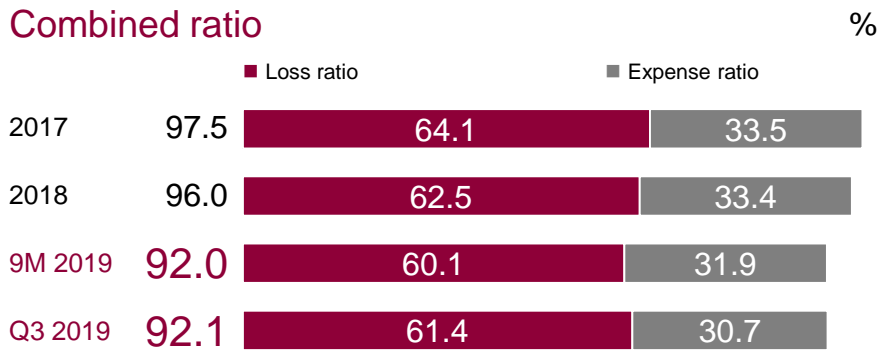
- 9M/Q3: Increase primarily due to high disposal gains and gains from interest-rate hedging
- Q3: Return on investment: 3.0%

Other

- 9M/Q3: Higher FX result in L&H Germany
- 9M: Normalisation of tax expenses in 2019

ERGO Property-casualty Germany

Combined ratio

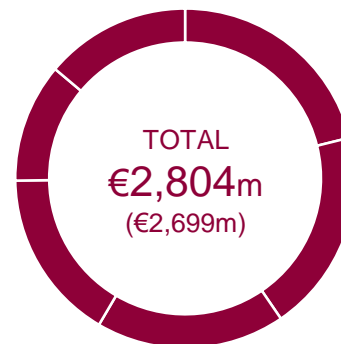


Gross premiums written

Other Motor

389 (357) 593 (589)

Legal protection
318 (318)



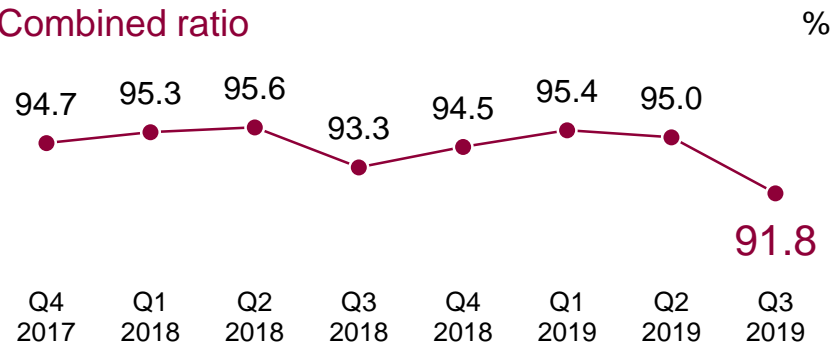
Fire/property
542 (499)

Personal accident
458 (466)

Liability
505 (471)

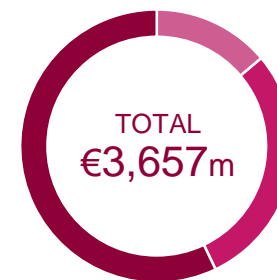
ERGO International

Combined ratio



Gross premiums written

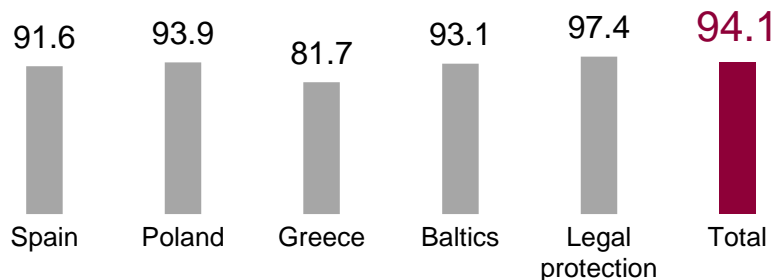
Property-casualty
2,087 (2,140)



€m
Life
507 (641)

Health
1,062 (1,032)

9M 2019



P-C	9M 2019	9M 2018
thereof:		
Poland	1,080	1,046
Legal protection	476	494
Greece	173	182
Baltics	144	137

Life	9M 2019	9M 2018
thereof:		
Austria	266	286
Belgium	114	127
Health		
thereof:		
Spain	615	600
Belgium	448	431

Reinsurance



Reinsurance Life and Health

Gross premiums written

	€m
9M 2018	7,980
Foreign exchange	251
Divestments/investments	0
Organic change	395
9M 2019	8,625

- Positive FX effects mainly driven by US\$
- Organic growth in Asia and Europe
- Growth in North American life business offset by the exit from the US health reinsurance market

Major result drivers

	9M 2019	9M 2018	▲	Q3 2019	Q3 2018	▲	€m
Technical result	299	363	-64	185	67	118	
Non-technical result	393	386	6	112	137	-26	
thereof investment result	855	727	128	275	217	58	
Other	-75	-146	71	-15	-46	31	
Net result	617	603	13	282	159	123	

Technical result

- Q3: Exceptionally strong technical performance, technical result incl. fee income of €218m
 - Restructuring of treaties
 - Positive claims experience and solid contribution from new business
- 9M: Overall, claims experience in line with expectations in all major markets except for Australia






Investment result

- Disposal gains from fixed-income investments
- Q3: Return on investment: 3.8%

Other

- 9M: FX result of €83m vs -€4m, thereof €41m in Q3

Reinsurance Property-casualty

Gross premiums written		€m
9M 2018		15,701
Foreign exchange		550
Divestments/investments		-140
Organic change		809
9M 2019		16,920

- Positive FX effects mainly driven by US\$
- Sale of MSP Underwriting
- Organic growth esp. in liability, fire and marine

Major result drivers

	9M 2019	9M 2018	▲	Q3 2019	Q3 2018	▲	€m
Technical result	1,345	1,193	151	48	261	-213	
Non-technical result	449	406	43	345	124	221	
thereof investment result	1,529	1,306	224	699	405	294	
Other	-259	-523	265	71	-234	304	
Net result	1,535	1,076	459	464	151	313	

Technical result

- Q3: Higher than expected nat cat (esp. Typhoon Faxai and Hurricane Dorian) and man-made losses
- Q3: Normalised combined ratio in line with expectations
- 9M: Strong operating performance – underlying earnings quality in line with expectations

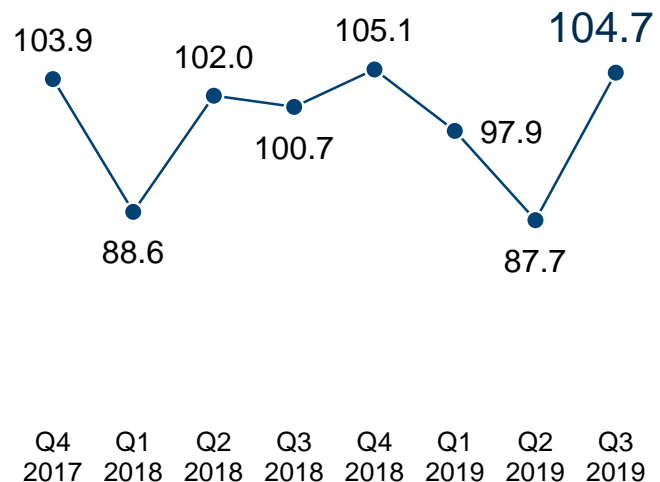
Investment result

- Disposal gains from fixed income investments and equities
- Q3: Return on investment: 4.3%

Other

- 9M: FX result of €251m (-€80m), thereof €137m in Q3

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
9M 2019	97.0	53.2	10.9	32.8
Q3 2019	104.7	54.7	18.4	31.6

	Major losses	Nat cat	Man-made	Reserve releases ¹	Normalised combined ratio ²
9M 2019	10.9	6.1	4.8	-5.1	99.1
Q3 2019	18.4	10.8	7.6	-4.0	98.2
∅ Annual expectation	~12.0	~8.0	~4.0	~-4.0	

Outlook



GROUP

Gross premiums written
>€49bn
(prev. ~€49bn)

Net result
>€2.5bn
(prev. ~€2.5bn)

Return on investment
~3%

ERGO

Gross premiums written
~€17.5bn

Net result
~€0.4bn

Combined ratio
P-C Germany
~93%

International
~95%

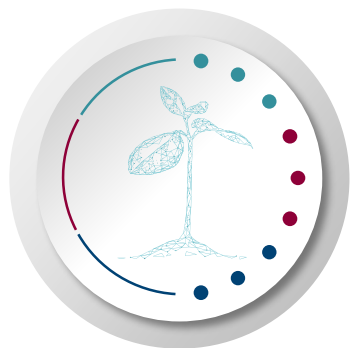
REINSURANCE

Gross premiums written
>€31bn
(prev. ~€31bn)

Net result
>€2.1bn
(prev. ~€2.1bn)

Combined ratio¹
Property-casualty
~98%

Technical result incl. fee income²
Life and Health
~€500m



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.