

Image: Getty Images/Oaltindag

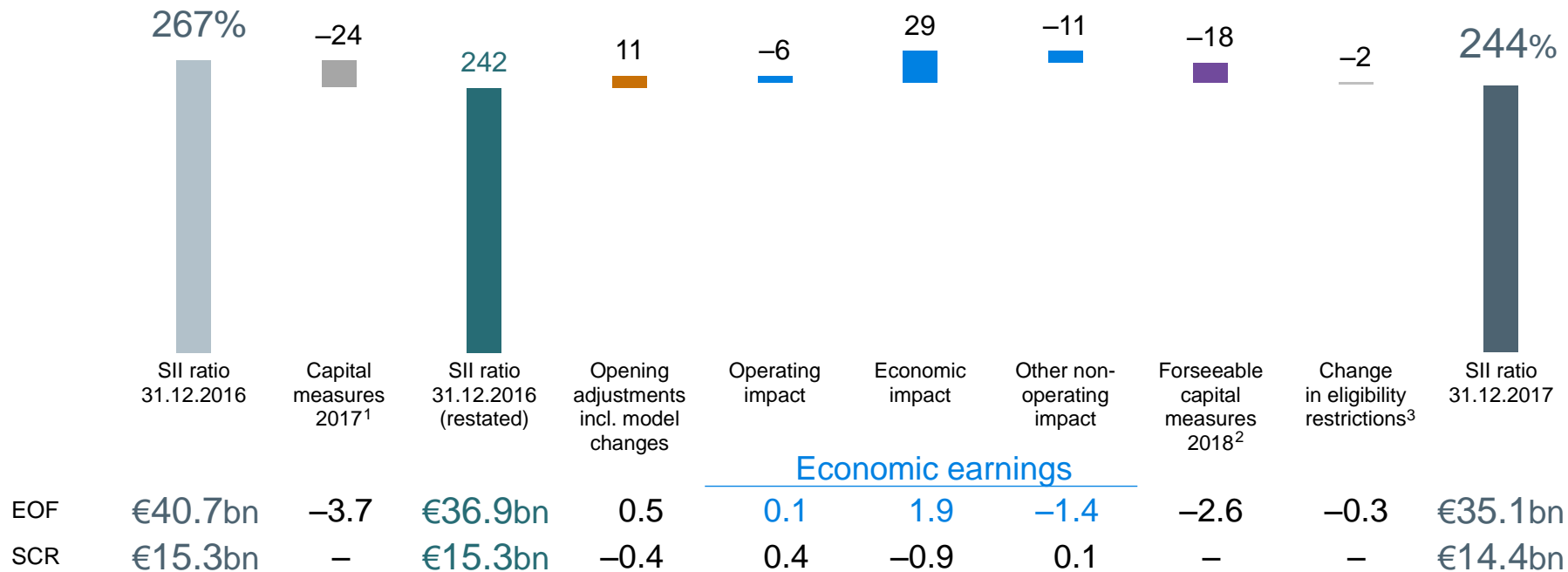
FY 2017

Alignment of SII Disclosure

March 2019

SII ratio in a comfortable range

Original SII disclosure
analysts' conference,
March 2018



Operating impact and economic impact pre tax; taxes incl. in other non-operating impact. ¹ Dividend payment in 2017 (€1.3bn), share buy-back (€1.0bn) and repayment of subordinated bond in 2017 (€1.4bn). ² Foreseeable dividend for 2017 (€1.3bn), foreseeable share buy-back in 2018/19 (€1.0bn) and foreseeable repayment of subordinated bond in 2018 (€0.3bn). ³ Change in non-available own fund items.

SII ratio in a comfortable range

Aligned
SII disclosure format



	Economic earnings €0.5bn								
EOF	€36.9bn	0.5	0.9	0.5	-0.9	-0.3	€37.7bn	-2.6	€35.1bn
SCR	€15.3bn	-0.4	0.7	-1.3	0.1	-	€14.4bn	-	€14.4bn
SII capital generation		1.0	0.2	1.7	-0.9	-0.3	€1.7bn	-2.6	-€1.0bn

1 Opening adjustments incl. M&A, regulatory model changes and other. 2 Operating impact and Market variances pre-tax. 3 Change in non-available own fund items. 4 Foreseeable dividend for 2017 (€1.3bn), foreseeable share buy-back in 2018/19 (€1.0bn) and foreseeable repayment of subordinated bond in 2018 (€0.3bn).

Munich Re (Group) – Economic earnings 2017

Original SII disclosure
analysts' conference,
March 2018



€bn	Actual	Expectation
Operating economic earnings	0.1	1.9
Expected return existing business	0.7	
New business value	–1.0	
Operating variances existing business	0.4	
Economic effects	1.9	1.4
Interest rate	1.3	
Equity	1.2	
Credit	1.1	
Currency	–2.5	
Other ¹	0.7	
Other non-operating earnings	–1.4	–0.8
Total economic earnings 2017	0.5	2.4
Total economic earnings 2016	2.3	2.5

Operating economic earnings

- Positive operating economic earnings in Reinsurance Life and Health and ERGO offset by negative contribution from Reinsurance P-C (major losses –€2.3bn above expectation)
- Expectation: Operating economic earnings without variances in new and existing business

Economic effects

- Both reinsurance and ERGO with high economic gains on risk-free interest rates, credit spreads and infrastructure
- Reinsurance with high economic loss from FX development over the year, partially compensated for by high gains on equities
- Expectation: Influence of capital market parameters on assets and liabilities, assuming stability

Other non-operating earnings

- Expectation: Taxes on expected earnings in particular, as all other line items are pre-tax

Outlook 2018: Slightly above IFRS result outlook of €2.1–2.5bn

¹ Primarily related to illiquid investments: Property, infrastructure, forestry, hedge funds, private equity.

Munich Re (Group) – Economic earnings 2017

Aligned
SII disclosure format

€bn	Actual
Operating impact	0.9
New business contribution	–1.0
Expected inforce contribution	2.1
Operating variances inforce business	0.4
Debt costs	–0.2
Other, including holding costs	–0.3
Market variances	0.5
Other, including tax	–0.9
Other, non-operating and non-market changes	–0.3
Tax	–0.5
Economic earnings 2017	0.5

Operating impact

- Positive operating economic earnings in Reinsurance Life and Health and ERGO offset by negative contribution from Reinsurance P-C (major losses –€2.3bn above expectation)
- Expected inforce contribution mainly driven by expected excess return based on real world assumptions (€1.4bn) and unwind of risk margin

Market variances

- Both reinsurance and ERGO with high economic gains on risk-free interest rates, credit spreads and other¹
- Reinsurance with high economic loss from FX development over the year, partially compensated for by high gains on equities

Other, including tax

- Taxes on all economic earnings components; as all other line-items are disclosed pre-tax

Outlook 2018: Slightly above IFRS result outlook of €2.1–2.5bn

¹ Primarily related to illiquid investments: property, infrastructure, forestry, hedge funds, private equity.