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Quarterly statement as at 30 September 2016

9 November 2016

Jörg Schneider

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Business highlights Q3 2016

Developing **innovative propositions**
with **digital insurance start-ups** and
digital **verticals**, e.g. Slice, Trov

ERGO **completes** acquisition of ATE
and becomes **largest property-
casualty** insurer in Greece

ERGO **Strategy Programme well on
track** – Reconciliation of interests' agreement
for German sales force **reached** in August

July **renewals** with signs of price **stabilisation** –
Munich Re almost entirely **offsets** decreases
by writing **attractive** new business

Excellent position in the
Dow Jones **Sustainability** Indices –
for the **15th** consecutive year

Global No. 13
on Fortune's **Change**
the **World Top 50** List

New **big-data-based**
platform **M.I.N.D.** improves
clients' **risk management** in Mexico

Munich Health study¹ shows **private
health insurance** in China will surge
fivefold to RMB **1.1** trillion by 2020

Developing a new **Pandemic** product which provides
insurance **solutions** for companies that could
suffer financial **loss** as a result of **epidemics**

After pleasing Q3 result, annual profit to significantly exceed €2.3bn guidance

Munich Re (Group)

Net result

€684m (9M: €2,095m)

Good underwriting performance across most segments – investment result in line with expectations

Return on investment¹

2.7% (9M: 3.4%)

Resilient return given low interest rates – increased value of equity portfolio but write-downs of hedges

Shareholders' equity

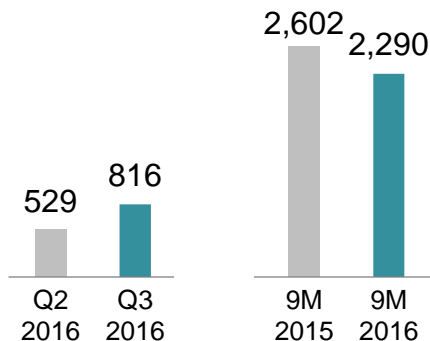
€32.4bn (+1.1% vs. 30.6.)

Further increase of valuation reserves – Solvency II ratio stable at ~250%

¹ Annualised.

Technical result

€m



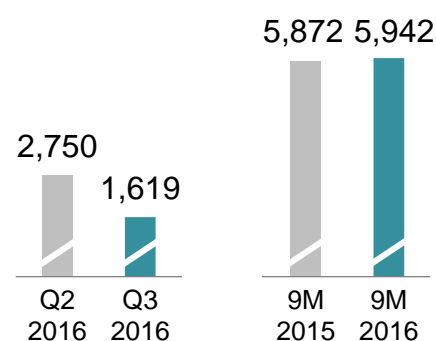
Reinsurance

Life: Technical result €146m (9M: €318m) – Well on track to achieve annual target of €400m

P-C: Combined ratio 92.5% (9M: 93.7%) – Major-loss ratio 6.6% (9M: 7.2%)

Investment result

€m



ERGO

L/H Germany: Result impacted by low interest rates

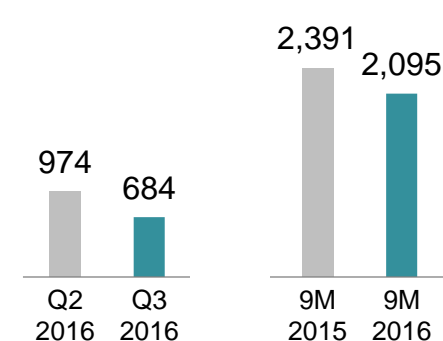
P-C: Combined ratio 96.1% (9M: 96.0%)

International: Combined ratio 98.6% (9M: 98.5%)

Q3 2016 (9M 2016)

Net result

€m











Munich Health

Reinsurance: Combined ratio 98.7% (9M: 100.9%)

Primary insurance: Combined ratio 86.8% (9M: 92.6%)

IFRS capital position

Equity

		€m		€m
Equity 31.12.2015	30,966		Change Q3	
Consolidated result	2,095			684
Changes				
Dividend	-1,329			-
Unrealised gains/losses	2,315			304
Exchange rates	-565			-177
Share buy-backs	-711			-318
Other	-416			-149
Equity 30.9.2016	32,355			343

Unrealised gains/losses

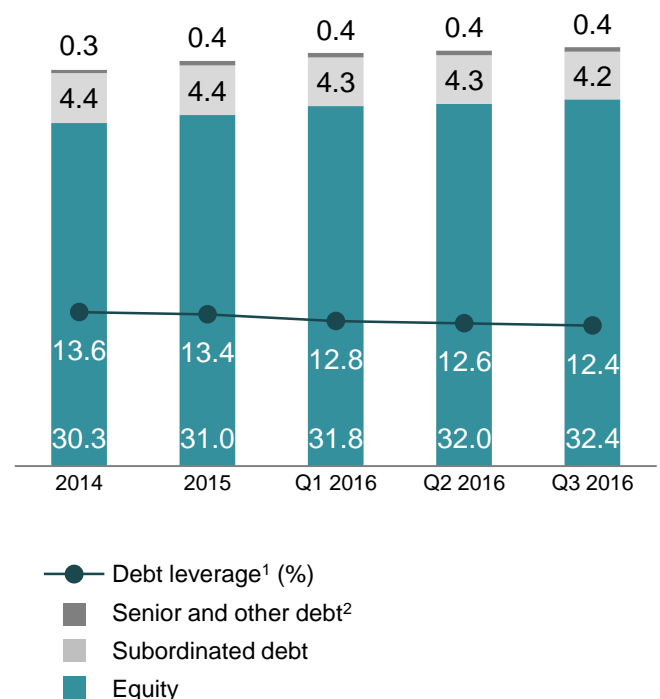
Fixed-interest securities
9M: +€2,353m Q3: +€84m

Non-fixed-interest securities
9M: -€31m Q3: +€222m

Exchange rates

FX effect mainly driven by US\$

Capitalisation



Investment portfolio

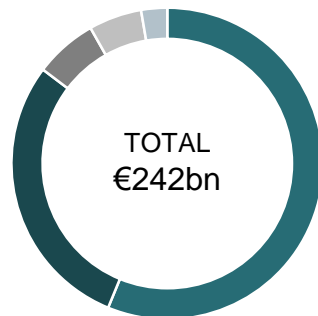
Investment portfolio¹

Land and buildings
2.7 (2.9)

Shares, equity funds and participating interests²
5.5 (5.2)

Miscellaneous³
6.5 (7.5)

Loans
29.1 (28.7)



Fixed-interest securities
56.2 (55.7)

%

Portfolio management in Q3

- Ongoing geographic diversification
- Slight increase in corporate bonds
- Reduction of cash and bank bonds
- Increase of net equity exposure to 4.4%
- Increase of asset duration in reinsurance

Portfolio duration⁴

DV01^{1,4}

€m

	Assets		Liabilities		Assets		Liabilities		Net
Reinsurance	6.1 (5.4)			5.1 (4.8)	47 (41)			47 (44)	–
ERGO	9.5 (8.4)			10.7 (9.1)	130 (111)			151 (126)	–21
Munich Re (Group)	8.3 (7.3)			8.5 (7.4)	177 (151)			198 (170)	–21

¹ Fair values as at 30.9.2016 (31.12.2015). ² Net of hedges: 4.4% (4.8%). ³ Deposits retained on assumed reinsurance, deposits with banks, investment funds (excl. equities), derivatives and investments in renewable energies and gold. ⁴ 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

	Q2 2016	Return ¹	Q3 2016	Return ¹	9M 2016	Return ¹	9M 2015	Return ¹
Regular income	1,823	3.1%	1,550	2.6%	5,001	2.8%	5,588	3.1%
Write-ups/write-downs	–22	–0.0%	–43	–0.1%	–284	–0.2%	–653	–0.4%
Disposal gains/losses	910	1.5%	696	1.2%	1,823	1.0%	2,321	1.3%
Derivatives ²	176	0.3%	–446	–0.7%	–196	–0.1%	–999	–0.6%
Other income/expenses	–137	–0.2%	–137	–0.2%	–402	–0.2%	–385	–0.2%
Investment result	2,750	4.7%	1,619	2.7%	5,942	3.4%	5,872	3.3%
Total return		8.9%		5.8%		9.3%		0.7%

3-month reinvestment yield		Q3 2016	Write-ups/ write-downs	Disposal gains/losses	Derivatives	9M 2016	Write-ups/ write-downs	Disposal gains/losses	Derivatives
Q3 2016	1.8%	Fixed income ³	15	506	–50	Fixed income ³	–25	1,620	356
		Equities	–41	190	–421	Equities	–296	334	–538
Q2 2016	1.6%	Commodities/Inflation			7	Commodities/Inflation	78		–14
Q1 2016	1.9%	Other	–17	–1	18	Other	–41	–131	1

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: Q3 €48m/€7m (gross/net); 9M €494m/€59m (gross/net).




ERGO

2

ERGO Life and Health Germany

9M 2016 vs. 9M 2015

Gross premiums written €m

9M 2015		7,025
Foreign exchange		-2
Divestments/investments		0
Organic change		-200
9M 2016		6,823

- Life: -€177m
Decline in regular premiums due to ordinary attrition while single premiums suffered from lower product sales
- Health: -€23m
Positive development in supplementary insurance but overcompensated by discontinuation of a large contract; comprehensive cover flat

Major result drivers

	9M 2016	9M 2015	▲
Technical result	207	263	-55
Non-technical result	331	51	280
thereof investment result	3,698	3,141	557
Other	-519	-181	-339
Net result	19	133	-113

	Q3 2016	Q2 2016	▲
Technical result	5	119	-114
Non-technical result	10	227	-217
thereof investment result	895	1,538	-642
Other	-64	-291	227
Net result	-49	55	-104

Technical result

- Q3: Decrease mainly due to usual assessment of interest-rate assumptions in Life -€97m/-€66m (gross¹/net)

Investment result

- 9M: Significant increase of derivative result, partly reversed in Q3
- 9M: Release of unrealised gains for ZZR, mainly in H1 2016
- 9M: Lower regular income
- Q3: Return on investment 2.9%

Other

- 9M: Restructuring expenses of €218m/€40m (gross/net) in Q2; negative one-off effect from accounting difference between IFRS and local GAAP regarding pension liabilities and extraordinary tax charges (Health) in Q1
- 9M: Tax rate of 86.0% vs. 25.6%

¹ Effect on technical result after policyholder participation.

ERGO Property-casualty Germany (1)

9M 2016 vs. 9M 2015

Gross premiums written	€m
9M 2015	2,529
Foreign exchange	0
Divestments/investments	0
Organic change	37
9M 2016	2,566

- Positive development in almost all lines of business

Major result drivers	€m		
	9M 2016	9M 2015	
Technical result	124	141	▲ -17
Non-technical result	-37	106	-144
thereof investment result	31	171	-140
Other	-169	-13	-156
Net result	-83	234	-317
	Q3 2016	Q2 2016	▲
Technical result	40	69	-29
Non-technical result	8	2	6
thereof investment result	23	23	0
Other	-39	-139	101
Net result	10	-68	77

Technical result

- 9M: Combined ratio up slightly to 96.0%
- 9M: Expansion of title insurance caused higher expense ratio (+2.0%-pts.) as well as lower loss ratio (-1.9%-pts.)
- 9M: Major losses slightly lower compared to previous year
- Q3: Losses esp. in fire and liability

Investment result

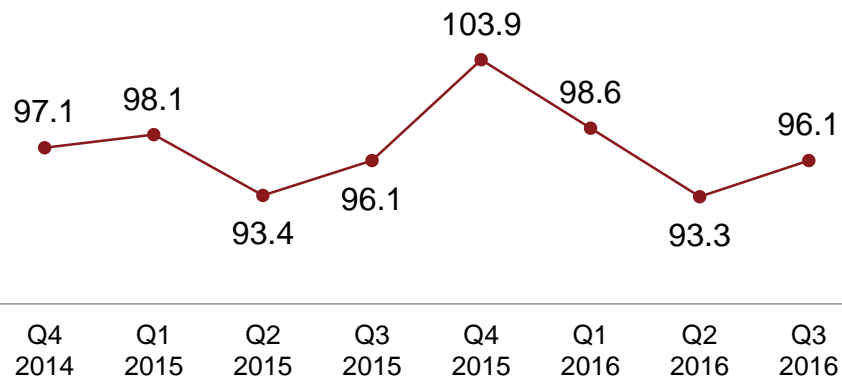
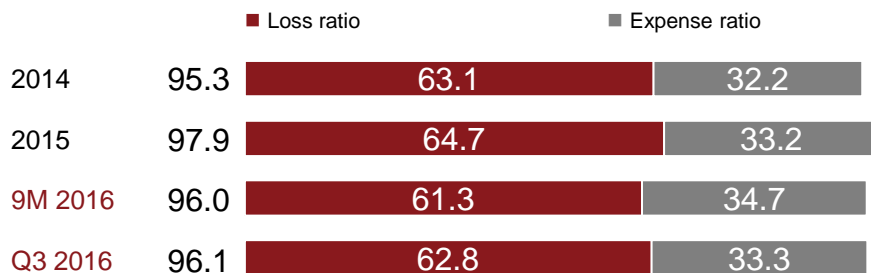
- 9M: Lower disposal gains
- Q3: Lower equity impairments and losses on derivatives
- Q3: Return on investment: 1.4%

Other

- 9M: Restructuring expenses of €173m/€116m (gross/net) in Q2; negative one-off effect from accounting difference between IFRS and local GAAP regarding pension liabilities in Q1
- 9M: Tax rate of 26.6% vs. -21.4%

ERGO Property-casualty Germany (2)

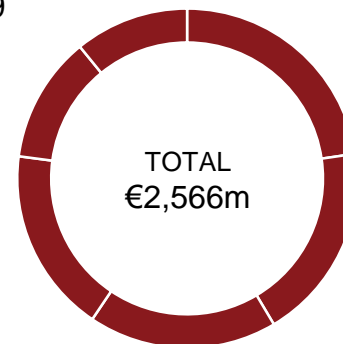
Combined ratio %



Gross premiums written €m

Other 279 582 Motor

Legal protection 309



Fire/property 453

Liability 461

482 Personal accident

ERGO International

9M 2016 vs. 9M 2015

Gross premiums written

	€m
9M 2015	2,936
Foreign exchange	-96
Divestments/investments	-47
Organic change	-46
9M 2016	2,747

Negative FX effects driven by PLN and TRY

Life: -€247m

- Poland: Lower sales of bancassurance products
- Belgium: Decrease mainly due to reclassification of premiums
- Disposal of ERGO Italy (€77m)

P-C: +€58m

- Increase mainly driven by price increases in motor business in Poland and Baltic states
- First-time consolidation of ATE (€19m)

Major result drivers

	9M 2016	9M 2015	▲
Technical result	-33	49	-82
Non-technical result	125	79	46
thereof investment result	396	390	6
Other	-140	-78	-62
Net result	-47	50	-98

	Q3 2016	Q2 2016	▲
Technical result	-23	-35	12
Non-technical result	41	63	-23
thereof investment result	103	166	-62
Other	-29	-49	20
Net result	-12	-21	9

Technical result

Life: -€119m (9M)

- Usual assessment of interest-rate assumptions in Belgium in Q3: -€32m/-€22m (gross/net)
- Sale of ERGO Italy
- P-C: +€37m (9M)
- UK: Lower claims expenses
- Turkey: Better loss development in motor TPL

Investment result

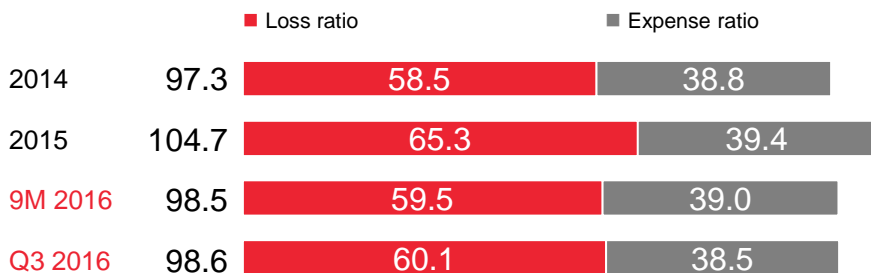
- Q3: Decline in net balance of derivatives
- Q3: Return on investment 2.9%

Other

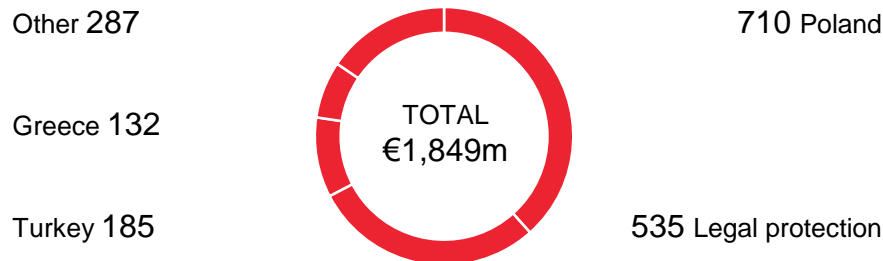
- 9M: Restructuring expenses of €10m/€7m (gross/net) in Q2; payments for an exclusivity agreement in Q1
- 9M: Tax rate of 3.4% vs. 35.4%

ERGO International – Property-casualty

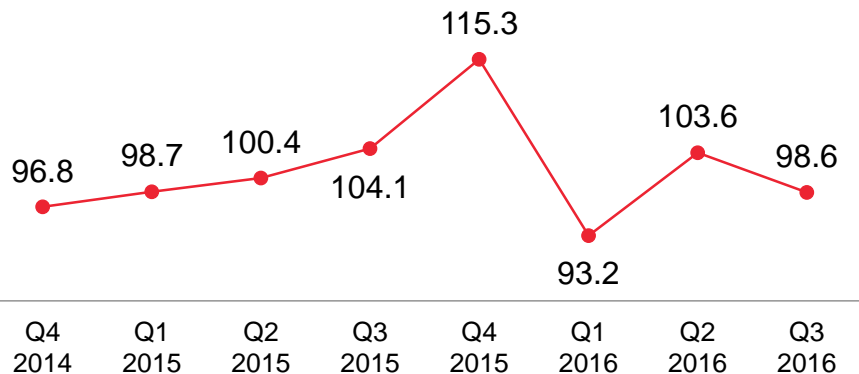
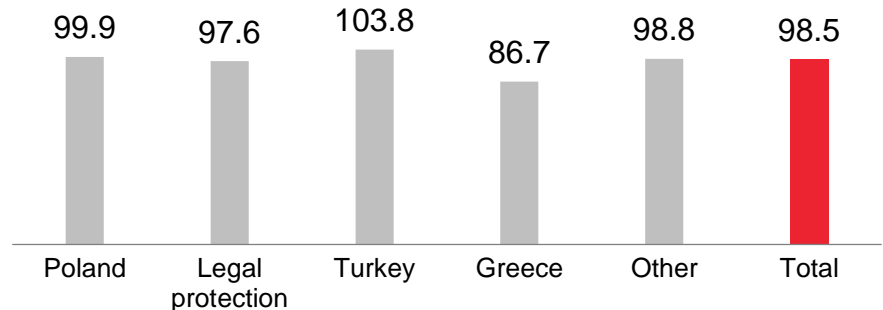
Combined ratio %



Gross premiums written – Property-casualty €m



Combined ratio 9M 2016 %



Munich Health

3

Munich Health

9M 2016 vs. 9M 2015

Gross premiums written	€m
9M 2015	4,260
Foreign exchange	-101
Divestments/investments	0
Organic change	-458
9M 2016	3,701

- Negative FX effects mainly due to Can\$
- Organic decrease mainly driven by reduced share and restructuring of one large treaty, and in US termination of poorly performing accounts...
- ... partly offset by growth in China, Middle East and Spain

Major result drivers	€m		
	9M 2016	9M 2015	▲
Technical result	32	33	-1
Non-technical result	59	53	6
thereof investment result	81	92	-11
Other	-15	-2	-13
Net result	76	84	-8
	Q3 2016	Q2 2016	▲
Technical result	52	-16	68
Non-technical result	12	24	-12
thereof investment result	23	29	-6
Other	-19	8	-27
Net result	44	16	28

Technical result

- 9M: Overall combined ratio at 99.3% (-0.2%)
 - Reinsurance: 100.9% (+0.1%)
Adverse impact of US business, albeit improved result in Q3
 - Primary insurance: 92.6% (-0.1%)
Strong contribution from Spain
- Q3: Improvement driven by US reinsurance business and seasonal effects in Spain and Belgium

Investment result

- 9M: Stable regular income, lower disposal gains
- Q3: Return on investment 2.6%

Other

- 9M: Tax rate 18.7% vs. 1.3%

Reinsurance

4

Reinsurance Life

9M 2016 vs. 9M 2015

Gross premiums written

	€m
9M 2015	7,653
Foreign exchange	-263
Divestments/investments	0
Organic change	-178
9M 2016	7,212

- Negative FX effects driven by Can\$ and GBP
- Negative organic change due to cancellation/modification of large capital-relief deals, ...
- ... partly offset by growth in Asia, Canada, UK

Major result drivers

	9M 2016	9M 2015	▲
Technical result	318	247	71
Non-technical result	66	88	-21
thereof investment result	469	628	-159
Other	-16	-163	147
Net result	369	172	197

	Q3 2016	Q2 2016	▲
Technical result	146	103	43
Non-technical result	20	119	-99
thereof investment result	164	240	-76
Other	-31	-7	-24
Net result	134	214	-80

Technical result

- Q3: Strong contribution mainly from Asia, Canada and Europe supported by one-off effects
- Well on track to achieve annual target of ~€400m

Investment result

- 9M: Lower interest income from deposits retained on assumed reinsurance due to cancellation/modification of large capital-relief deals
- 9M: Lower disposal gains
- Q3: Return on investment 2.7%

Other

- 9M: FX result of €84m vs. -€79m, high contribution from GBP
- 9M: Tax rate of 16.7% vs. 24.0%

Reinsurance Property-casualty

9M 2016 vs. 9M 2015

Gross premiums written

	€m
9M 2015	13,583
Foreign exchange	-330
Divestments/investments	0
Organic change	480
9M 2016	13,733

- Negative FX effects mainly driven by GBP
- Organic growth due to several new deals, particularly in motor and fire

Major result drivers

	9M 2016	9M 2015	▲
Technical result	1,642	1,870	-228
Non-technical result	368	414	-46
thereof investment result	1,266	1,450	-184
Other	-248	-565	317
Net result	1,761	1,718	43

	Q3 2016	Q2 2016	▲
Technical result	597	289	308
Non-technical result	108	498	-390
thereof investment result	411	754	-343
Other	-147	-10	-137
Net result	558	778	-220

Technical result

- 9M: Major loss ratio clearly below expectation of 12.0%
- Q3: Lower basic losses, as Q2 was inflated by various larger claims just below the outlier threshold

Investment result

- 9M: Reduced disposal gains and lower regular income
- Q3: Negative impact from equity derivatives (hedging) and less dividend income
- Q3: Return on investment 2.6%

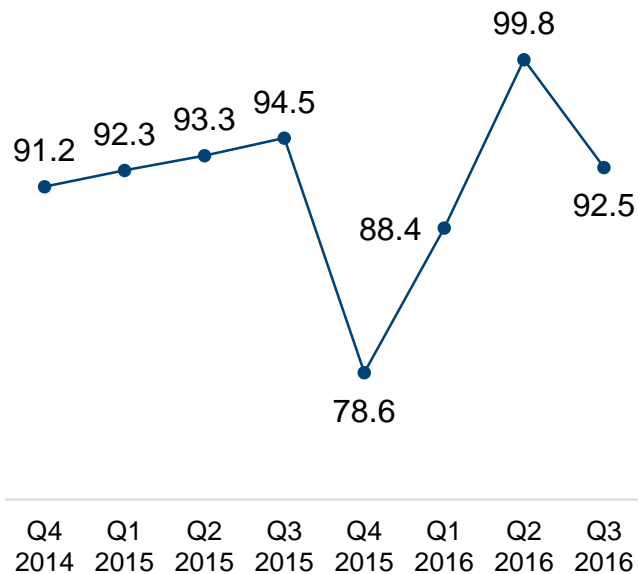
Other

- 9M: FX result of €299m vs. -€225m, high contribution from GBP
- 9M: Tax rate 20.2% vs. 11.0%

Combined ratio

Combined ratio

%



		Basic losses	Major losses	Expense ratio
2014	92.7	53.0	7.2	32.5
2015	89.7	50.8	6.2	32.6
9M 2016	93.7	55.2	7.2	31.3
Q3 2016	92.5	55.3	6.6	30.6

	Major losses	Nat cat	Man-made	Reserve releases ¹	Normalised combined ratio ²
9M 2016	7.2	3.7	3.5	-5.4	99.9
Q3 2016	6.6	3.4	3.1	-5.0	98.9
Ø Annual expectation	~12.0	~8.0	~4.0		

¹ Basic losses; in Q3 mainly fire; no corresponding sliding-scale effects.

² Based on 4%-pts. reserve releases.

Outlook

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Munich Re (Group)

Net result

Significantly above **€2.3bn**
(prev. €2.3bn)

Return on investment

~3%
Solid return given ongoing
low-interest-rate environment

Gross premiums written

€47–49bn
Focus on bottom-line growth prevails

Combined ratio

~95%	~98%
Reinsurance	ERGO Germany
~99%	~99%
Munich Health	ERGO International

Backup

6

Premium development

Gross premiums written

€m

9M 2015  37,986

Foreign exchange  -792

Divestments/
investments  -47

Organic change  -365

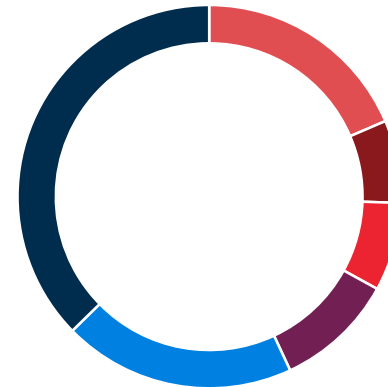
9M 2016  36,782

Segmental breakdown

€m

Reinsurance
Property-casualty
13,733 (37%) (▲ 1.1%)

ERGO
Life and Health Germany
6,823 (19%) (▲ -2.9%)



ERGO
Property-casualty Germany
2,566 (7%) (▲ 1.4%)

ERGO
International
2,747 (7%) (▲ -6.4%)

Reinsurance
Life
7,212 (20%) (▲ -5.8%)

Munich Health
3,701 (10%) (▲ -13.1%)

Reconciliation of operating result with net result

Reconciliation of operating result with net result

	9M 2016	Q3 2016
Operating result	3,202	1,014
Other non-operating result	-313	-112
Goodwill impairments	-9	0
Net finance costs	-162	-54
Taxes	-623	-164
Net result	2,095	684

Other non-operating result

	€m	€m
	9M 2016	Q3 2016
Foreign exchange	325	6
Restructuring expenses	-410	-9
Other	-229	-108

Tax rates

	%	%
	9M 2016	Q3 2016
Group	22.9	19.3
Reinsurance	19.6	20.2
ERGO	-356.0	37.7
Munich Health	18.7	31.2

Actual vs. analysts' consensus

Operating result – Actual vs. analysts' consensus¹

	Q3 2016	Consensus	€m	Delta
Reinsurance P-C	705	768		-63
Reinsurance Life	165	154		11
ERGO L/H Germany	15	72		-57
ERGO P-C Germany	48	51		-3
ERGO International	17	44		-27
Munich Health	64	25		39
Operating result	1,014	1,115		-101
FX	6			
Other	-171			
Taxes	-164			
Net result	684	753		-69

Major developments in Q3 2016

Reinsurance Property-casualty

Combined ratio: 92.5% (consensus: 91.9%) – major-loss ratio: 6.6%, reserve releases: ~5.0%; return on investment: 2.6%

Reinsurance Life

Technical result of €146m

ERGO Life and Health Germany

Interest-rate hedge +€45m/+€4m (gross/net), assessment of interest-rate assumptions -€97m/-€66m (gross²/net)

ERGO Property-casualty Germany

Combined ratio: 96.1% (consensus: 97.5%)

ERGO International

Combined ratio: 98.6% (consensus: 99.8%), assessment of interest-rate assumptions in Belgium -€32m/-€22m (gross/net)

Munich Health

Positive seasonal effects in Spain and Belgium (+€34m)

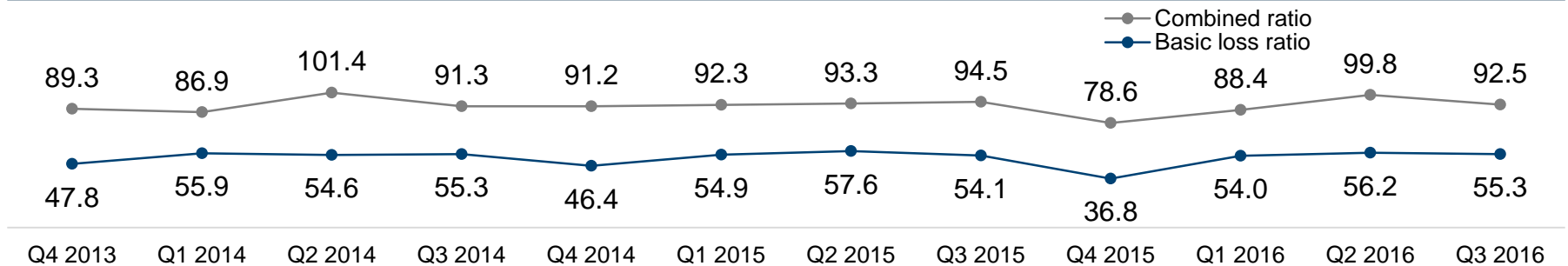
¹ Simple average of estimates the Munich Re Investor Relations team has gathered from analysts covering Munich Re, not taking into account any external data providers.

² Effect on technical result after policyholder participation.

Development of combined ratio

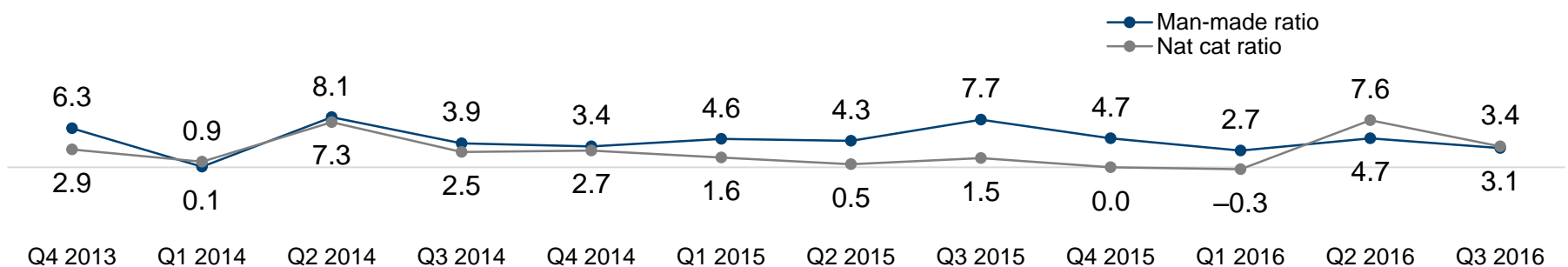
Combined ratio vs. basic losses

%



Nat cat vs. man-made

%



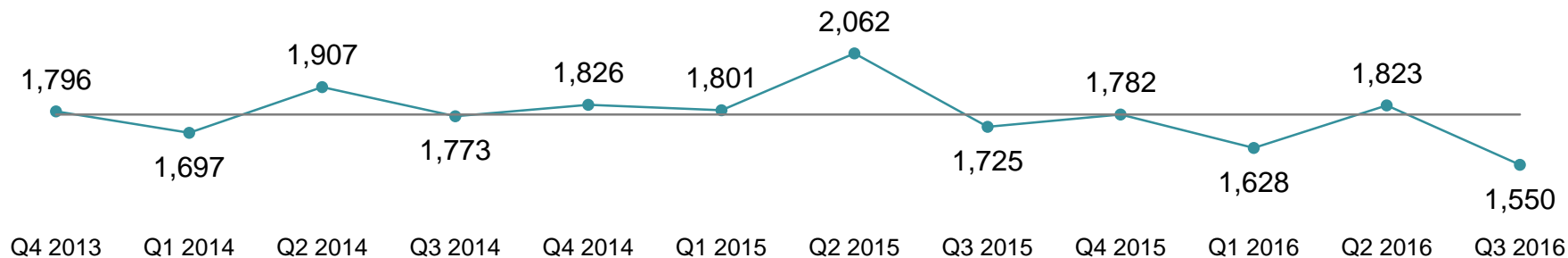
Breakdown of regular income

Investment result – Regular income (€m)

	Q3 2016	9M 2016	9M 2015	Change
Afs fixed-interest	764	2,427	2,661	-234
Afs non-fixed-interest	81	443	517	-74
Derivatives	26	88	104	-16
Loans	499	1,515	1,573	-58
Real estate	100	302	268	34
Deposits retained on assumed reinsurance and other investments	78	226	466	-240
Total	1,550	5,001	5,588	-588

€m

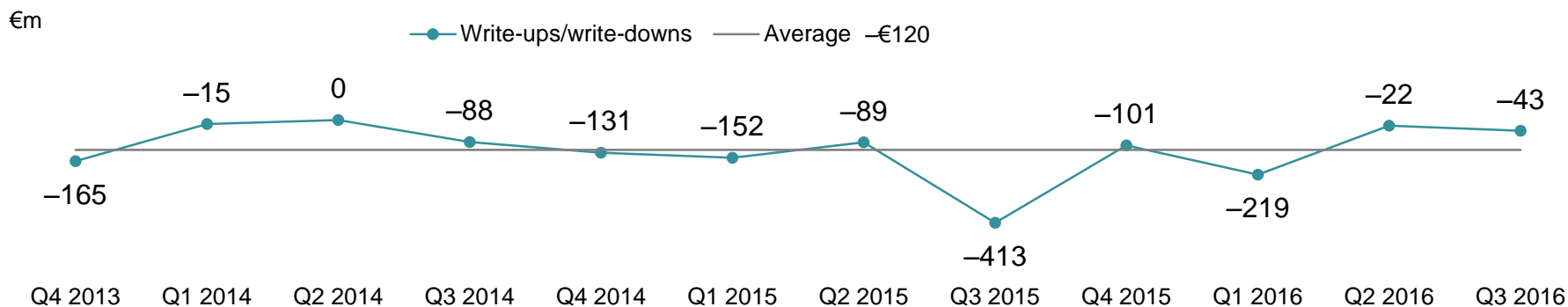
— Regular income — Average €1,781m



Breakdown of write-ups/write-downs

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

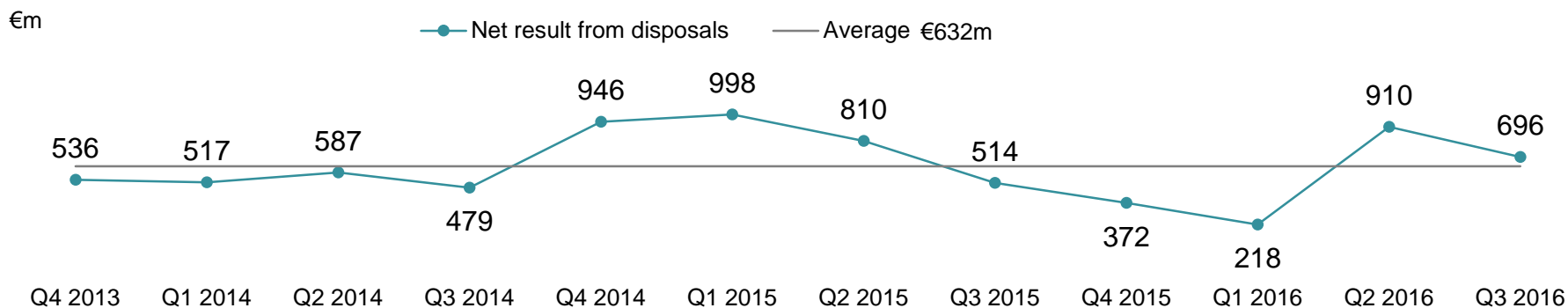
	Q3 2016	9M 2016	9M 2015	Change
Afs fixed-interest	13	0	-56	57
Afs non-fixed-interest	-41	-296	-418	122
Loans	2	-26	-65	39
Real estate	-21	-55	-58	3
Deposits retained on assumed reinsurance and other investments	5	92	-56	149
Total	-43	-284	-653	369



Breakdown of net result from disposals

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

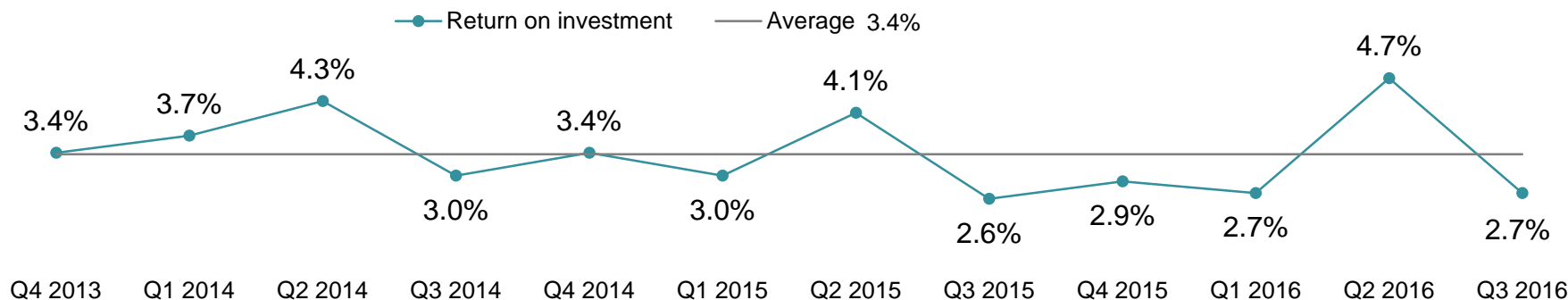
	Q3 2016	9M 2016	9M 2015	Change
Afs fixed-interest	480	1,113	1,208	–94
Afs non-fixed-interest	190	334	790	–456
Loans	26	507	92	414
Real estate	3	14	5	9
Deposits retained on assumed reinsurance and other investments	–3	–145	226	–371
Total	696	1,823	2,321	–498



Return on investment by asset class and segment

9M 2016

% ¹	Regular income	Write-ups/-downs	Disposal result	Extraord. derivative result	Other inc./exp.	Rol	Market value (€m)
Afs fixed-income	2.5	0.0	1.1	0.0	0.0	3.6	131,525
Afs non-fixed-income	4.2	-2.8	3.2	0.0	0.0	4.6	13,967
Derivatives	4.2	0.0	0.0	-9.4	-0.3	-5.5	2,783
Loans	2.9	0.0	1.0	0.0	0.0	3.9	68,618
Real estate	6.2	-1.1	0.3	0.0	0.0	5.3	6,541
Other ²	2.5	1.0	-1.6	0.0	-4.3	-2.4	12,268
Total	2.8	-0.2	1.0	-0.1	-0.2	3.4	235,703
Reinsurance	2.7	-0.1	1.3	-1.0	-0.3	2.6	88,482
ERGO	3.0	-0.2	0.9	0.4	-0.2	3.9	142,818
Munich Health	2.0	0.0	0.7	-0.1	-0.1	2.4	4,404



Investment result by segment

Investment result – Reinsurance Life

	Q3 2016	Return ¹	9M 2016	Return ¹	9M 2015	Return ¹
Regular income	167	2.7%	506	2.8%	665	3.4%
Write-ups/write-downs	-6	-0.1%	-17	-0.1%	-58	-0.3%
Disposal gains/losses	79	1.3%	139	0.8%	212	1.1%
Derivatives ²	-62	-1.0%	-121	-0.7%	-154	-0.8%
Other income/expenses	-15	-0.2%	-39	-0.2%	-38	-0.2%
Investment result	164	2.7%	469	2.6%	628	3.2%
Average market value		24,361		24,139		26,250

Investment result – Reinsurance Property-casualty

	Q3 2016	Return ¹	9M 2016	Return ¹	9M 2015	Return ¹
Regular income	388	2.4%	1,258	2.6%	1,401	2.9%
Write-ups/write-downs	-28	-0.2%	-40	-0.1%	-253	-0.5%
Disposal gains/losses	363	2.3%	728	1.5%	1,127	2.3%
Derivatives ²	-261	-1.6%	-532	-1.1%	-683	-1.4%
Other income/expenses	-50	-0.3%	-149	-0.3%	-141	-0.3%
Investment result	411	2.6%	1,266	2.6%	1,450	3.0%
Average market value		64,412		64,342		65,108

Investment result by segment

Investment result – ERGO Life/Health Germany

€m

	Q3 2016	Return ¹	9M 2016	Return ¹	9M 2015	Return ¹
Regular income	859	2.7%	2,724	3.0%	2,923	3.3%
Write-ups/write-downs	-23	-0.1%	-170	-0.2%	-172	-0.2%
Disposal gains/losses	187	0.6%	844	0.9%	681	0.8%
Derivatives ^{2,3}	-67	-0.2%	481	0.5%	-119	-0.1%
Other income/expenses	-61	-0.2%	-180	-0.2%	-171	-0.2%
Investment result	895	2.9%	3,698	4.0%	3,141	3.5%
Average market value		125,509		122,414		118,845

Investment result – ERGO Property-casualty Germany

€m

	Q3 2016	Return ¹	9M 2016	Return ¹	9M 2015	Return ¹
Regular income	34	2.1%	123	2.4%	152	2.8%
Write-ups/write-downs	-7	-0.4%	-57	-1.1%	-108	-2.0%
Disposal gains/losses	20	1.2%	12	0.2%	162	2.9%
Derivatives ²	-21	-1.2%	-34	-0.7%	-23	-0.4%
Other income/expenses	-4	-0.2%	-12	-0.2%	-12	-0.2%
Investment result	23	1.4%	31	0.6%	171	3.1%
Average market value		6,682		6,772		7,351

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: Q3 €45m/€4m (gross/net); 9M €472m/€45m (gross/net).

Investment result by segment

Investment result – ERGO International

	€m					
	Q3 2016	Return ¹	9M 2016	Return ¹	9M 2015	Return ¹
Regular income	81	2.3%	325	3.2%	382	2.8%
Write-ups/write-downs	21	0.6%	0	0.0%	-61	-0.4%
Disposal gains/losses	42	1.2%	76	0.7%	108	0.8%
Derivatives ²	-35	-1.0%	13	0.1%	-19	-0.1%
Other income/expenses	-5	-0.2%	-18	-0.2%	-20	-0.1%
Investment result	103	2.9%	396	3.9%	390	2.9%
Average market value		14,194		13,632		18,063

Investment result – Munich Health

	€m					
	Q3 2016	Return ¹	9M 2016	Return ¹	9M 2015	Return ¹
Regular income	20	1.8%	65	2.0%	65	2.1%
Write-ups/write-downs	0	0.0%	-1	-0.0%	-1	-0.0%
Disposal gains/losses	5	0.4%	23	0.7%	31	1.0%
Derivatives ²	-1	-0.1%	-2	-0.1%	0	0.0%
Other income/expenses	-1	-0.1%	-4	-0.1%	-3	-0.1%
Investment result	23	2.0%	81	2.4%	92	3.0%
Average market value		4,514		4,404		4,064

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)	+9.6	+4.7	–8.8	–16.9
Change in on-balance-sheet reserves, net (€bn) ¹	+2.1	+1.0	–1.9	–3.7
Change in off-balance-sheet reserves, net (€bn) ¹	+0.4	+0.2	–0.4	–0.8
P&L impact (€bn) ¹	+0.1	+0.0	–0.1	–0.1

Sensitivity to spreads² (change in basis points)

			+50	+100
Change in gross market value (€bn)			–6.5	–12.3
Change in on-balance-sheet reserves, net (€bn) ¹			–1.2	–2.3
Change in off-balance-sheet reserves, net (€bn) ¹			–0.3	–0.6
P&L impact (€bn) ¹			–0.0	–0.1

Sensitivity to equity and commodity markets³

	–30%	–10%	+10%	+30%
EURO STOXX 50 (3,002 as at 30.9.2016)	2,101	2,702	3,302	3,903
Change in gross market value (€bn)	–4.3	–1.4	+1.4	+4.5
Change in on-balance-sheet reserves, net (€bn) ¹	–0.9	–0.4	+0.8	+2.5
Change in off-balance-sheet reserves, net (€bn) ¹	–0.8	–0.3	+0.3	+0.8
P&L impact (€bn) ¹	–1.7	–0.5	+0.0	+0.2

¹ Rough calculation with limited reliability assuming unchanged portfolio as at 30.9.2016. After rough estimation of policyholder participation and deferred tax; linearity of relations cannot be assumed. Approximation – not fully comparable with IFRS figures. ² Sensitivities to changes of spreads are calculated for every category of fixed-interest securities, except government securities with AAA ratings. ³ 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 (gross)

€m	31.12.2014	31.12.2015	31.3.2016	30.6.2016	30.9.2016
Market value of investments	235,849	230,529	232,941	237,519	241,824
Total reserves	31,470	25,969	32,025	34,530	36,401
On-balance-sheet reserves					
Fixed-interest securities	11,967	7,886	11,494	13,685	14,077
Non-fixed-interest securities	2,270	2,446	2,239	1,966	2,357
Other on-balance-sheet reserves ¹	311	201	179	164	182
Subtotal	14,548	10,533	13,911	15,816	16,617
Off-balance-sheet reserves					
Real estate ²	2,006	2,273	2,184	2,176	2,190
Loans and investments (held to maturity)	14,400	12,610	15,350	15,926	16,991
Associates	516	553	579	613	603
Subtotal	16,922	15,436	18,114	18,714	19,784
Reserve ratio	13.3%	11.3%	13.7%	14.5%	15.1%

On-balance-sheet reserves

On-balance-sheet reserves

€m

	30.9.2016	Change Q3
Investments afs	16,434	783
Valuation at equity	75	8
Unconsolidated affiliated enterprises	85	11
Cash-flow hedging	22	-1
Total on-balance-sheet reserves (gross)	16,617	801
Provision for deferred premium refunds	-7,566	-456
Deferred tax	-2,350	-45
Minority interests	-17	-1
Consolidation and currency effects	-205	13
Shareholders' stake	6,479	312

Off-balance-sheet reserves

Off-balance-sheet reserves

€m

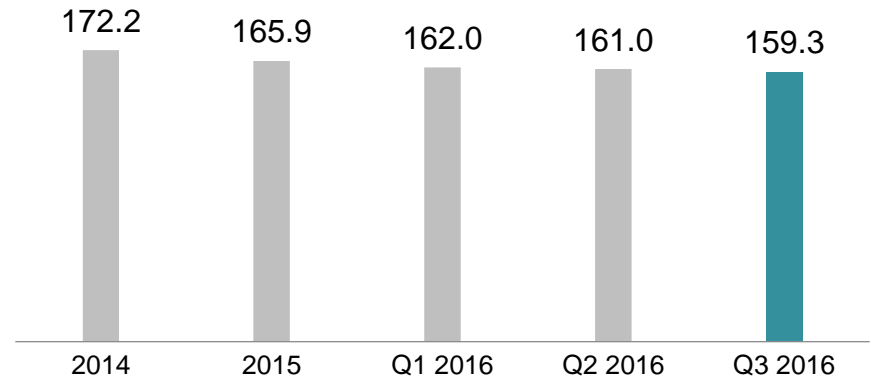
	30.9.2016	Change Q3
Real estate ¹	2,190	15
Loans	16,991	1,065
Associates	603	-9
Total off-balance-sheet reserves (gross)	19,784	1,070
Provision for deferred premium refunds	-14,870	-899
Deferred tax	-1,503	-60
Minority interests	-1	0
Shareholders' stake	3,410	111

¹ Excluding reserves for owner-occupied property.

Development of shares in circulation

Shares (millions)	31.12. 2015	Acquisition of own shares in 9M 2016	Retirement of own shares in 9M 2016	30.9. 2016
Shares in circulation	162.8	-4.4	-	158.4
Own shares held	4.1	+4.4	-5.8	2.6
Total	166.8	-	-5.8	161.1

Weighted average number of shares in circulation (millions)



Financial calendar

2017

7 February	Preliminary key figures 2016 and renewals
15 March	Balance sheet press conference for 2016 financial statements Analysts' conference in Munich with videocast
26 April	Annual General Meeting 2017, ICM – International Congress Centre Munich
9 May	Quarterly statement as at 31 March 2017 ¹
9 August	Half-year financial report as at 30 June 2017
9 November	Quarterly statement as at 30 September 2017 ¹

¹ Munich Re is adjusting its financial reporting format following an amendment to the regulations of the Frankfurt stock exchange. The half-year financial reports and annual reports will remain unchanged. However, instead of issuing quarterly reports for the first and third quarters, we will release reports in the new form of quarterly statements from 2016 onwards. We will continue to present and explain the figures for each quarter in telephone conferences for analysts and journalists, and in press releases.

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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.