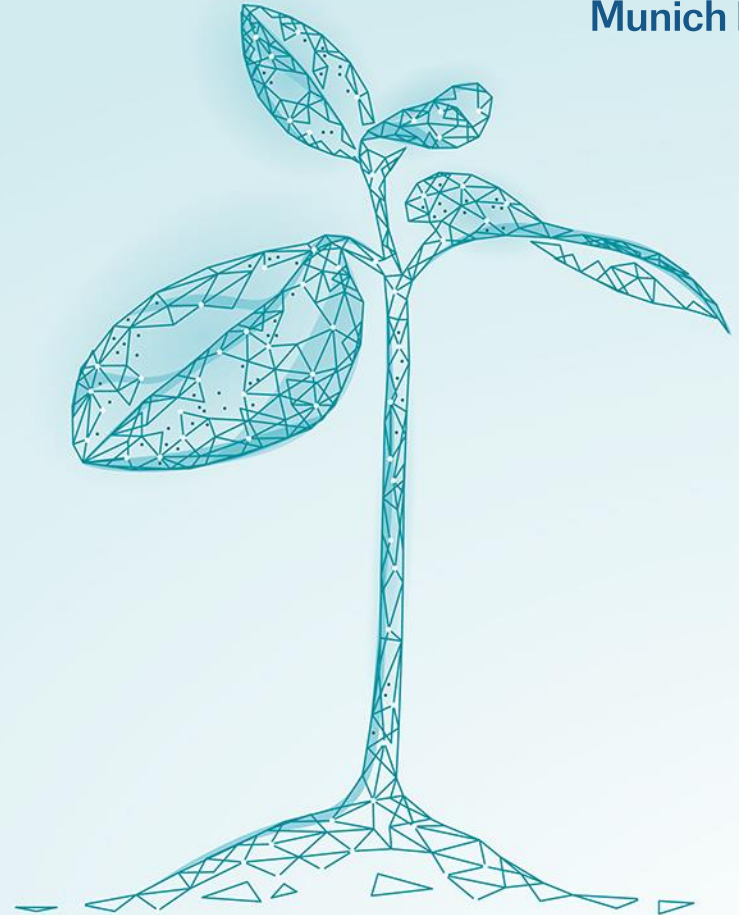


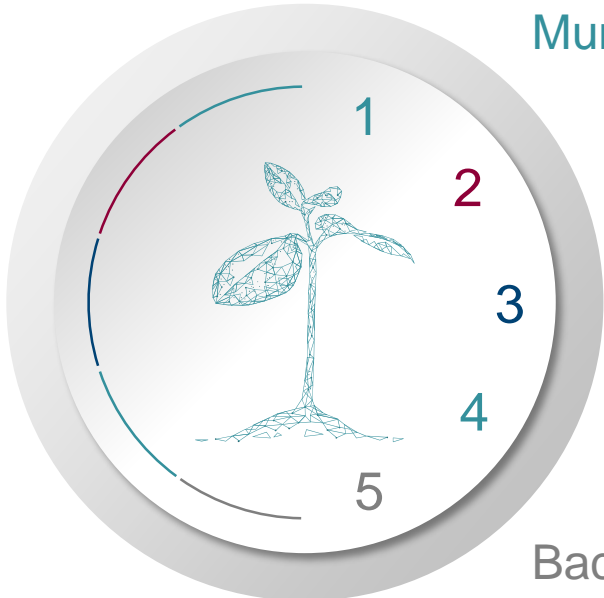
# QUARTERLY STATEMENT

as at 30 September 2019

7 November 2019

Christoph Jurecka





1	Munich Re (Group)	3
2	ERGO	7
3	Reinsurance	13
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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 investment<sup>1</sup>

3.4% (3.2%)

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

### Shareholders' equity

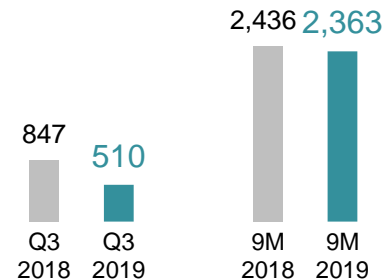
€31.6bn (+19.2% vs. 31.12.)

Return on equity<sup>1</sup>: 11.3% (11.4%)  
Solvency II ratio: ~230%

<sup>1</sup> Annualised.

### Technical result

€m



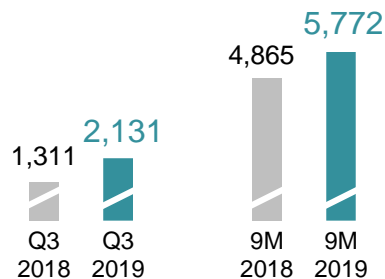
### Reinsurance

**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

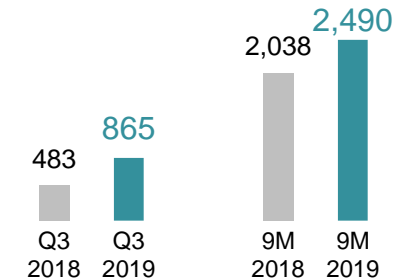
**Property-casualty Germany:** C/R: 92.1% (92.0%) – Benign claims

**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

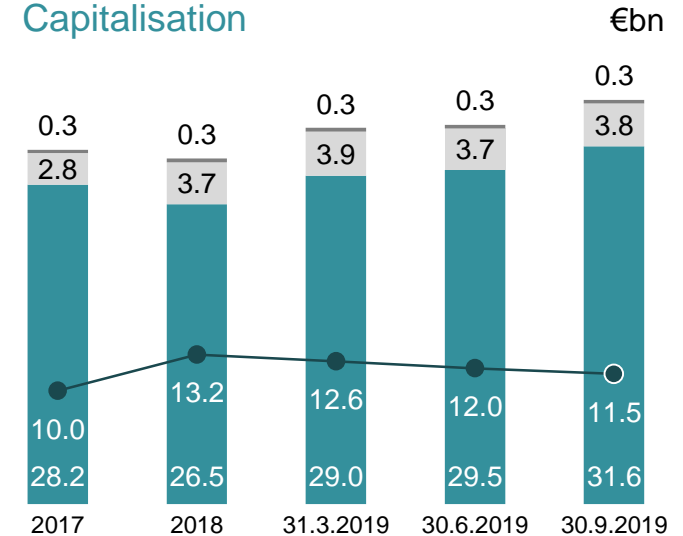
Non-fixed-interest securities

9M: €872m Q3: €58m

## Exchange rates

FX effect mainly driven by US\$

## Capitalisation



- Debt leverage<sup>1</sup> (%)
- Senior and other debt<sup>2</sup>
- Subordinated debt
- Equity

<sup>1</sup> Strategic debt (senior, subordinated and other debt) divided by total capital (strategic debt + equity).

<sup>2</sup> Other debt includes Munich Re bank borrowings and other strategic debt.

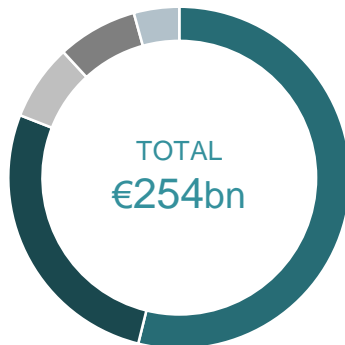
# Investment portfolio

## Investment portfolio<sup>1</sup>

Land and buildings  
4.3 (4.6)

Miscellaneous<sup>2</sup>  
7.6 (7.7)

Shares, equity funds and  
participating interests<sup>3</sup>  
7.2 (6.2)



Fixed-interest securities  
53.9 (53.8)

Loans  
27.1 (27.7)

%

## 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

## Portfolio duration<sup>1</sup>

	Assets	Liabilities
Reinsurance	6.8 (5.0)	6.9 (5.8)
ERGO	9.7 (8.8)	10.8 (9.2)
Munich Re (Group)	8.7 (7.5)	9.7 (8.2)

## DV01<sup>1,4</sup>

	Assets	Liabilities	€m Net
Reinsurance	49 (34)	38 (30)	11
ERGO	136 (112)	156 (120)	-21
Munich Re (Group)	184 (146)	195 (150)	-10

<sup>1</sup> Market values as at 30.9.2019 (31.12.2018). <sup>2</sup> Deposits retained on assumed reinsurance, deposits with banks, investment funds (excl. equities), derivatives and investments in renewable energies and gold. <sup>3</sup> Net of hedges: 6.1% (5.2%). <sup>4</sup> 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

€m	Q3 2019	Return <sup>1</sup>	9M 2019	Return <sup>1</sup>	9M 2018	Return <sup>1</sup>
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 <sup>2</sup>	121	0.2%	–208	–0.1%	–15	0.0%
Other income/expenses	–193	–0.3%	–539	–0.3%	–485	–0.3%
<b>Investment result</b>	<b>2,131</b>	<b>3.4%</b>	<b>5,772</b>	<b>3.2%</b>	<b>4,865</b>	<b>2.8%</b>
<b>Total return</b>		<b>11.9%</b>		<b>12.0%</b>		<b>1.1%</b>

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 <b>2.1%</b>	Fixed income	–31	251	264	Fixed income	–48	934	453
Q2 2019 <b>2.2%</b>	Equities	–66	289	–111	Equities	–228	537	–658
Q1 2019 <b>2.1%</b>	Commodities/Inflation	25	0	–54	Commodities/Inflation	63	0	–33
	Other	–32	92	22	Other	–72	200	30



<sup>1</sup> 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.

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

ERGO



# ERGO Life and Health Germany

Gross premiums written		€m
9M 2018		6,911
Foreign exchange		0
Divestments/investments		-5
Organic change		5
<b>9M 2019</b>		<b>6,912</b>

- **Life +€135m:** Increase driven by merger of EDL<sup>1</sup> (Digital Ventures) into EVL<sup>2</sup> (Life) and successful growth from new products; ordinary attrition of back book
- **Health +€93m:** Increase mainly driven by Travel; growth in comprehensive and supplementary health insurance
- **Digital Ventures -€227m:** Organic growth far overcompensated for by effects from merger of EDL<sup>1</sup>

## Major result drivers

	9M 2019	9M 2018		Q3 2019	Q3 2018		€m
Technical result	298	530	▲	99	372	▲	-272
Non-technical result	108	48		-71	-11		-59
thereof investment result	2,985	2,494		985	638		347
Other	-263	-380		-21	-184		163
<b>Net result</b>	<b>143</b>	198		<b>8</b>	176		-169

### Technical result

- Q3: Positive one-off effect due to changed profit-share assumptions in Life in Q3 2018

### Investment result

- 9M: Disposal gains to finance ZZR, largely accomplished in H1; high result from fixed-income derivatives hedging life back book
- Q3: Disposal gains especially from equities
- Q3: Return on investment: 3.0%

### Other

- 9M/Q3: Positive FX result, mainly from Health



# ERGO Property-casualty Germany (1)

Gross premiums written	€m
9M 2018	2,699
Foreign exchange	0
Divestments/investments	0
Organic change	105
<b>9M 2019</b>	<b>2,804</b>

- Organic growth driven by fire/property (+€43m), liability (+€34m) and other insurance (+€33m, primarily marine)

## Major result drivers

	9M 2019	9M 2018	▲	Q3 2019	Q3 2018	▲	€m
Technical result	231	129	102	81	37	44	
Non-technical result	57	45	13	24	-3	26	
thereof investment result	105	98	7	34	21	13	
Other	-184	-134	-50	-69	-52	-17	
<b>Net result</b>	<b>105</b>	<b>40</b>	<b>65</b>	<b>36</b>	<b>-18</b>	<b>53</b>	

### Technical result

- Very good combined ratio of 92.1%/92.0% (Q3/9M) – optimistic about meeting annual guidance
- Improvement driven by
  - Profitable premium growth
  - Operative measures
  - Large losses in line with expectations

### Investment result

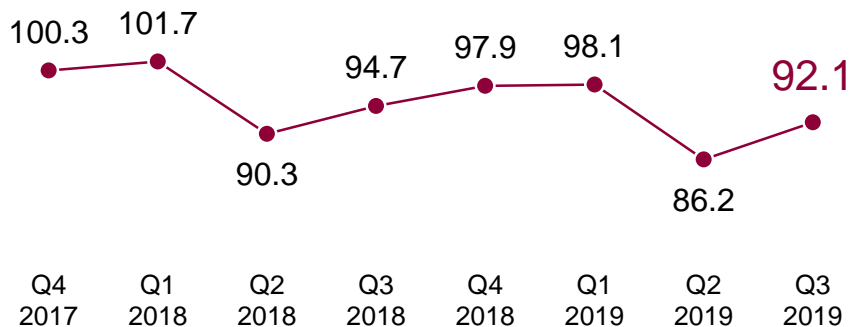
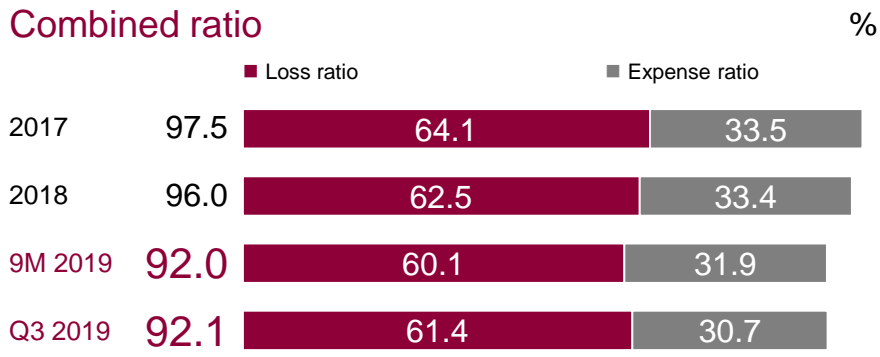
- 9M: Disposal gains overcompensate for negative derivative result
- Q3: Return on investment: 1.8%

### Other

- 9M: Positive tax one-off in 2018

# ERGO Property-casualty Germany (2)

## Combined ratio



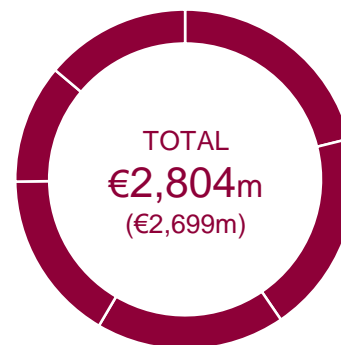
## Gross premiums written

Other Motor

389 (357) 593 (589)

Legal protection  
318 (318)

Personal accident  
458 (466)



Fire/property  
542 (499)

Liability  
505 (471)

# ERGO International (1)

## Gross premiums written €m

9M 2018		3,813
Foreign exchange		-31
Divestments/investments		-106
Organic change		-19
<b>9M 2019</b>		<b>3,657</b>

### Life -€134m

- Russia: Disposal of life business
- Austria: Attrition of traditional book and reduced new business
- Belgium: Impacted from planned run-down

### P-C -€53m

Organic growth in Poland, Baltics and Austria more than offset by divestments and FX effects

### Health +€31m

Growth in Spain and Belgium

## Major result drivers

	9M 2019	9M 2018	▲	Q3 2019	Q3 2018	▲
Technical result	191	221	-30	96	110	-15
Non-technical result	54	0	54	61	-54	115
thereof investment result	298	241	57	138	30	108
Other	-153	-99	-54	-81	-42	-39
<b>Net result</b>	<b>92</b>	<b>122</b>	<b>-30</b>	<b>76</b>	<b>15</b>	<b>61</b>

### Technical result

- L/H: Weaker performance in Austria (higher premium refunds) and Belgium (higher claims incurred)
- P-C: Ongoing favourable development
  - 9M: Combined ratio of 94.1% driven by cost-ratio improvements, partly offset by increased claims primarily in Poland
  - Q3: Combined ratio of 91.8% benefited from seasonality effects in Spain

### Investment result

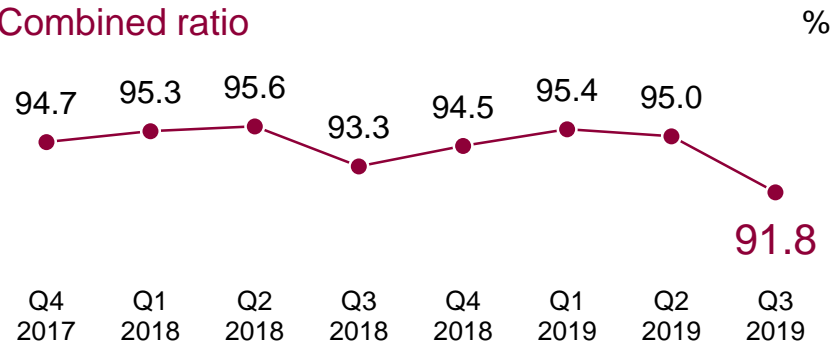
- Q3: Disposal gains due to portfolio streamlining
- Q3: Return on investment: 3.0%

### Other

- 9M/Q3: Noticeable decline in FX result driven by deconsolidation effects

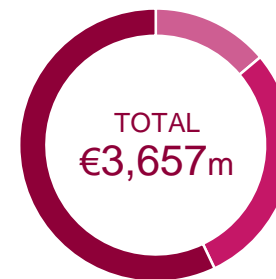
# ERGO International (2)

## Combined ratio



## Gross premiums written

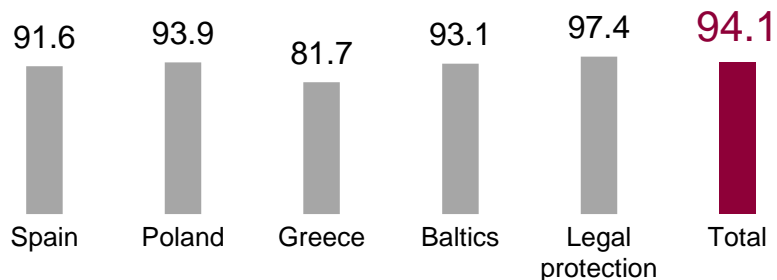
Property-casualty  
2,087 (2,140)



€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
<b>9M 2019</b>		<b>8,625</b>

- 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	
<b>Net result</b>	<b>617</b>	603	13	<b>282</b>	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
<b>9M 2019</b>		<b>16,920</b>

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

## Major result drivers

	€m					€m
	9M 2019	9M 2018	▲	Q3 2019	Q3 2018	▲
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
<b>Net result</b>	<b>1,535</b>	<b>1,076</b>	<b>459</b>	<b>464</b>	<b>151</b>	<b>313</b>

### 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

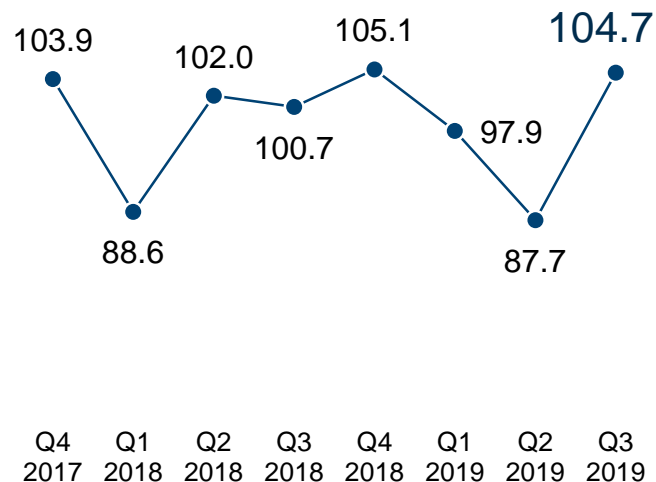
### Investment result

- 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 <sup>1</sup>	Normalised combined ratio <sup>2</sup>
9M 2019	10.9	6.1	4.8	-5.1	99.1
Q3 2019	18.4	10.8	7.6	-4.0	98.2
Ø 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%**

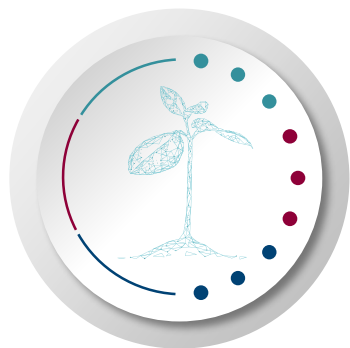
## REINSURANCE

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

Net result  
**>€2.1bn**  
(prev. ~€2.1bn)

Combined ratio<sup>1</sup>  
Property-casualty  
**~98%**

Technical result incl. fee income<sup>2</sup>  
Life and Health  
**~€500m**



Backup



# Segment income statement Q3 2019

€m	Reinsurance L/H <sup>1</sup>	Reinsurance P-C	ERGO L/H Germany	ERGO P-C Germany	ERGO International	Total Q3 2019
<b>Gross premiums written</b>	<b>2,989</b>	<b>6,593</b>	<b>2,254</b>	<b>769</b>	<b>1,137</b>	<b>13,743</b>
Net earned premiums	2,694	5,342	2,265	856	1,131	12,287
Income from technical interest	176	296	1,165	19	116	1,772
Net expenses for claims and benefits	-2,067	-3,902	-2,998	-530	-823	-10,321
Net operating expenses	-618	-1,688	-332	-263	-327	-3,229
<b>Technical result</b>	<b>185</b>	<b>48</b>	<b>99</b>	<b>81</b>	<b>96</b>	<b>510</b>
Investment result	275	699	985	34	138	2,131
Insurance related-investment result	12	29	121	0	45	206
Other operating result	2	-87	-12	9	-6	-95
Deduction of income from technical interest	-176	-296	-1,165	-19	-116	-1,772
<b>Non-technical result</b>	<b>112</b>	<b>345</b>	<b>-71</b>	<b>24</b>	<b>61</b>	<b>471</b>
<b>Operating result</b>	<b>297</b>	<b>393</b>	<b>29</b>	<b>105</b>	<b>157</b>	<b>980</b>
Other non-operating result	1	-1	-79	-48	-19	-146
Currency result	41	137	94	-6	-38	228
Net finance costs	-10	-31	-6	-1	-7	-55
Taxes on income	-48	-34	-30	-14	-17	-143
<b>Net result</b>	<b>282</b>	<b>464</b>	<b>8</b>	<b>36</b>	<b>76</b>	<b>865</b>

# Segment income statement 9M 2019

€m	Reinsurance L/H <sup>1</sup>	Reinsurance P-C	ERGO L/H Germany	ERGO P-C Germany	ERGO International	Total 9M 2019
<b>Gross premiums written</b>	<b>8,625</b>	<b>16,920</b>	<b>6,912</b>	<b>2,804</b>	<b>3,657</b>	<b>38,917</b>
Net earned premiums	7,762	15,219	6,860	2,498	3,426	35,765
Income from technical interest	497	888	3,410	57	464	5,315
Net expenses for claims and benefits	-6,266	-9,767	-8,949	-1,528	-2,713	-29,223
Net operating expenses	-1,694	-4,996	-1,023	-796	-986	-9,495
<b>Technical result</b>	<b>299</b>	<b>1,345</b>	<b>298</b>	<b>231</b>	<b>191</b>	<b>2,363</b>
Investment result	855	1,529	2,985	105	298	5,772
Insurance related-investment result	20	25	578	0	261	884
Other operating result	15	-218	-44	9	-41	-280
Deduction of income from technical interest	-497	-888	-3,410	-57	-464	-5,315
<b>Non-technical result</b>	<b>393</b>	<b>449</b>	<b>108</b>	<b>57</b>	<b>54</b>	<b>1,061</b>
<b>Operating result</b>	<b>691</b>	<b>1,794</b>	<b>406</b>	<b>288</b>	<b>245</b>	<b>3,424</b>
Other non-operating result	-10	-44	-211	-148	-60	-472
Currency result	83	251	54	-18	-57	313
Net finance costs	-29	-95	-17	-4	-21	-165
Taxes on income	-119	-372	-90	-14	-15	-609
<b>Net result</b>	<b>617</b>	<b>1,535</b>	<b>143</b>	<b>105</b>	<b>92</b>	<b>2,490</b>

# Premium development

## Gross premiums written €m

9M 2018  37,104

Foreign exchange  771

Divestments/  
investments  -252

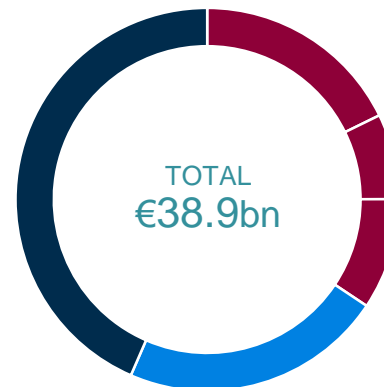
Organic change  1,295

9M 2019  38,917

## Segmental breakdown €m

Reinsurance  
Property-casualty  
16,920 (43%) (▲ 7.8%)

Reinsurance  
Life and Health  
8,625 (22%) (▲ 8.1%)



ERGO  
Life and Health Germany  
6,912 (18%) (▲ 0.0%)

ERGO  
Property-casualty Germany  
2,804 (7%) (▲ 3.9%)

ERGO  
International  
3,657 (9%) (▲ -4.1%)

# Reconciliation of operating result with net result

## Reconciliation of operating result with net result

	9M 2019	Q3 2019	€m
Operating result	3,424	980	
Other non-operating result	-472	-146	
Currency result	313	228	
Net finance costs	-165	-55	
Taxes on income	-609	-143	
<b>Net result</b>	<b>2,490</b>	<b>865</b>	

Other non-operating result (€m)	9M 2019	Q3 2019	Tax rates (%)	9M 2019	Q3 2019
Goodwill impairments	-1	0	Group	19.7	14.2
Restructuring expenses	-56	-9	Reinsurance	18.6	9.9
Other	-416	-137	ERGO	25.9	34.0

# Actual vs. analysts' consensus

## Operating result – Actual vs. analysts' consensus<sup>1</sup> €m

	Q3 2019	Consensus	Delta
Reinsurance Property-casualty	393	570	-177
Reinsurance Life and Health	297	236	61
ERGO Life and Health Germany	29	187	-158
ERGO Property-casualty Germany	105	91	14
ERGO International	157	70	87
<b>Operating result</b>	<b>980</b>	<b>1,155</b>	<b>-175</b>
FX	228		
Other	-201		
Taxes	-143		
<b>Net result</b>	<b>865</b>	<b>849</b>	<b>16</b>

## Major developments in Q3 2019

### Reinsurance Property-casualty

Combined ratio: 104.7% (consensus: 100.0%) – major-loss ratio: 18.4%, reserve releases basic losses: 4.0%; RoI: 4.3%

### Reinsurance Life and Health

Technical result, incl. fee income of €218m; RoI: 3.8%

### ERGO Life and Health Germany

Policyholder participation related to €94m FX result decreasing operating result; RoI: 3.0%

### ERGO Property-casualty Germany

Combined ratio: 92.1% (consensus: 93.1%); RoI: 1.8%

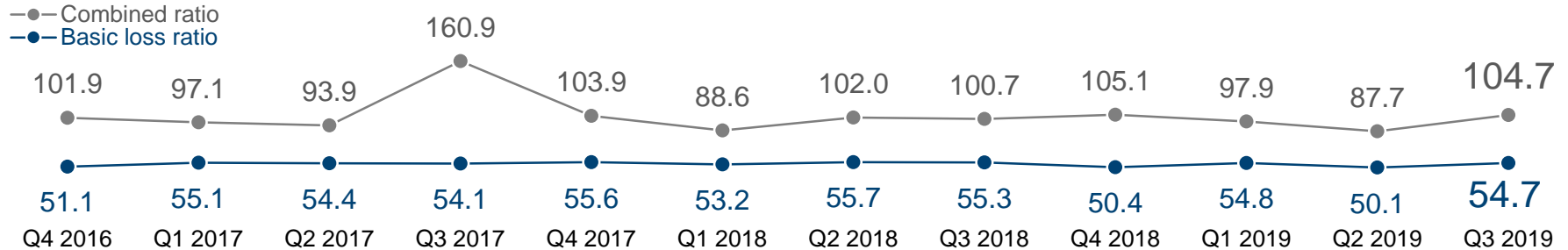
### ERGO International

Combined ratio: 91.8% (consensus: 95.0%); RoI: 3.0%

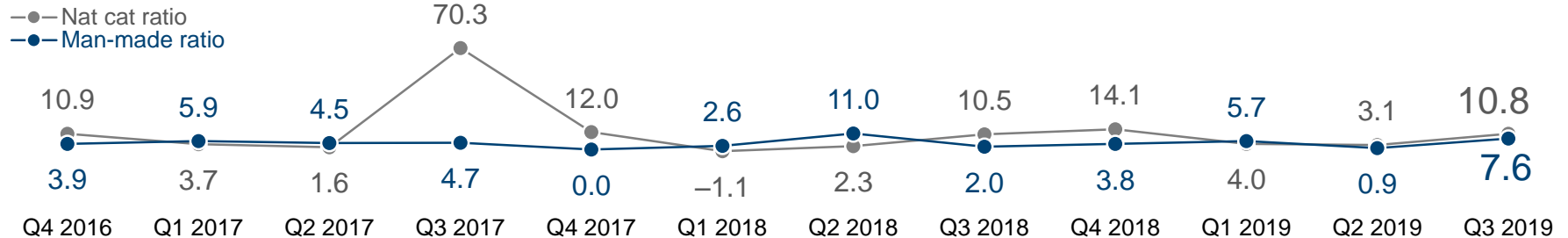


# Development of combined ratio

## Combined ratio vs. basic losses (%)



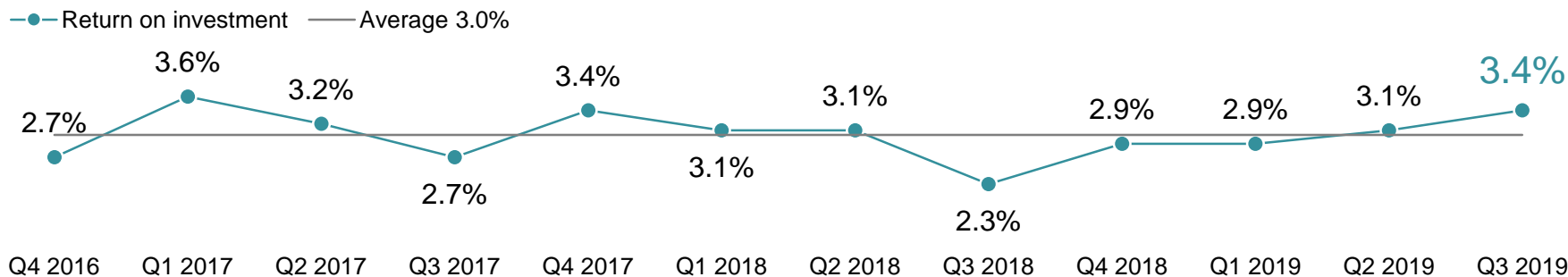
## Nat cat vs. man-made (%)



# Return on investment by asset class and segment

## 9M 2019

% <sup>1</sup>	Regular income	Write-ups/ -downs	Disposal result	Extraord. derivative result	Other inc./exp.	Rol	Market value (€m)
Afs fixed-income	2.3	0.0	0.9	0.0	0.0	3.1	129,565
Afs non-fixed-income	4.6	-1.7	4.0	0.0	0.0	6.9	17,781
Derivatives	6.7	0.0	0.0	-12.6	-1.1	-7.0	2,201
Loans	2.8	0.0	0.2	0.0	0.0	3.0	66,311
Real estate	4.8	-1.1	1.8	0.0	0.0	5.5	10,727
Other <sup>2</sup>	3.3	0.7	0.4	0.0	-4.3	0.1	16,168
<b>Total</b>	<b>2.8</b>	<b>-0.2</b>	<b>0.9</b>	<b>-0.1</b>	<b>-0.3</b>	<b>3.2</b>	<b>242,751</b>
Reinsurance	3.0	-0.2	1.0	0.0	-0.4	3.5	91,271
ERGO	2.7	-0.2	0.8	-0.2	-0.3	3.0	151,480



# Investment result Reinsurance

## Reinsurance Life and Health (€m)

	Q3 2019	Return <sup>1</sup>	9M 2019	Return <sup>1</sup>	9M 2018	Return <sup>1</sup>
Regular income	214	3.0%	600	2.9%	560	2.9%
Write-ups/write-downs	0	0.0%	0	0.0%	-41	-0.2%
Disposal gains/losses	56	0.8%	274	1.3%	230	1.2%
Derivatives <sup>2</sup>	12	0.2%	4	0.0%	24	0.1%
Other income/expenses	-8	-0.1%	-23	-0.1%	-46	-0.2%
<b>Investment result</b>	<b>275</b>	<b>3.8%</b>	<b>855</b>	<b>4.1%</b>	<b>727</b>	<b>3.8%</b>
Average market value		28,622		27,961		25,600

## Reinsurance Property-casualty (€m)

	Q3 2019	Return <sup>1</sup>	9M 2019	Return <sup>1</sup>	9M 2018	Return <sup>1</sup>
Regular income	468	2.9%	1,420	3.0%	1,314	2.9%
Write-ups/write-downs	-25	-0.2%	-114	-0.2%	-233	-0.5%
Disposal gains/losses	260	1.6%	444	0.9%	294	0.6%
Derivatives <sup>2</sup>	74	0.5%	10	0.0%	99	0.2%
Other income/expenses	-77	-0.5%	-229	-0.5%	-169	-0.4%
<b>Investment result</b>	<b>699</b>	<b>4.3%</b>	<b>1,529</b>	<b>3.2%</b>	<b>1,306</b>	<b>2.9%</b>
Average market value		64,387		63,310		60,514

# Investment result ERGO

Life and Health Germany (€m)	Q3 2019	Return <sup>1</sup>	9M 2019	Return <sup>1</sup>	9M 2018	Return <sup>1</sup>
Regular income	869	2.7%	2,722	2.9%	2,649	2.9%
Write-ups/write-downs	-71	-0.2%	-180	-0.2%	-164	-0.2%
Disposal gains/losses	239	0.7%	827	0.9%	368	0.4%
Derivatives <sup>2</sup>	43	0.1%	-137	-0.1%	-123	-0.1%
Other income/expenses	-95	-0.3%	-248	-0.3%	-236	-0.3%
<b>Investment result</b>	<b>985</b>	<b>3.0%</b>	<b>2,985</b>	<b>3.2%</b>	<b>2,494</b>	<b>2.8%</b>
Average market value		129,980		125,888		120,438

Property-casualty Germany (€m)	Q3 2019	Return <sup>1</sup>	9M 2019	Return <sup>1</sup>	9M 2018	Return <sup>1</sup>
Regular income	38	2.0%	119	2.1%	113	2.1%
Write-ups/write-downs	-10	-0.5%	-23	-0.4%	-19	-0.4%
Disposal gains/losses	18	0.9%	73	1.3%	24	0.5%
Derivatives <sup>2</sup>	-5	-0.3%	-44	-0.8%	-6	-0.1%
Other income/expenses	-7	-0.4%	-19	-0.3%	-15	-0.3%
<b>Investment result</b>	<b>34</b>	<b>1.8%</b>	<b>105</b>	<b>1.9%</b>	<b>98</b>	<b>1.8%</b>
Average market value		7,682		7,495		7,083

# Investment result ERGO

<b>International</b> (€m)	<b>Q3 2019</b>	<b>Return<sup>1</sup></b>	<b>9M 2019</b>	<b>Return<sup>1</sup></b>	<b>9M 2018</b>	<b>Return<sup>1</sup></b>
Regular income	85	1.8%	273	2.0%	292	2.2%
Write-ups/write-downs	2	0.0%	32	0.2%	-17	-0.1%
Disposal gains/losses	60	1.3%	53	0.4%	-4	0.0%
Derivatives <sup>2</sup>	-3	-0.1%	-41	-0.3%	-10	-0.1%
Other income/expenses	-6	-0.1%	-19	-0.1%	-20	-0.2%
<b>Investment result</b>	<b>138</b>	<b>3.0%</b>	<b>298</b>	<b>2.2%</b>	<b>241</b>	<b>1.8%</b>
Average market value		18,651		18,097		17,387

# 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)	+9.7	+4.8	–8.9	–16.9
Change in on-balance-sheet reserves, net (€bn) <sup>1</sup>	+2.5	+1.2	–2.3	–4.4
Change in off-balance-sheet reserves, net (€bn) <sup>1</sup>	+0.5	+0.2	–0.4	–0.8
P&L impact (€bn) <sup>1</sup>	+0.2	+0.1	–0.2	–0.4

## Sensitivity to spreads<sup>2</sup> (change in basis points)

		+50	+100
Change in gross market value (€bn)		–6.3	–12.1
Change in on-balance-sheet reserves, net (€bn) <sup>1</sup>		–1.5	–2.9
Change in off-balance-sheet reserves, net (€bn) <sup>1</sup>		–0.3	–0.6
P&L impact (€bn) <sup>1</sup>		–0.1	–0.2

## Sensitivity to equity and commodity markets<sup>3</sup>

	–30%	–10%	+10%	+30%
Change in gross market value (€bn)	–6.1	–2.0	+2.0	+6.2
Change in on-balance-sheet reserves, net (€bn) <sup>1</sup>	–1.3	–0.6	+1.0	+3.1
Change in off-balance-sheet reserves, net (€bn) <sup>1</sup>	–1.0	–0.3	+0.3	+1.1
P&L impact (€bn) <sup>1</sup>	–1.8	–0.4	+0.0	+0.1

<sup>1</sup> Rough calculation with limited reliability assuming unchanged portfolio as at 30.9.2019. After rough estimation of policyholder participation and deferred tax; linearity of relations cannot be assumed. Approximation – not fully comparable with IFRS figures. <sup>2</sup> Sensitivities to changes of spreads are calculated for every category of fixed-interest securities, except government securities with AAA ratings. <sup>3</sup> 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

€m	31.12.2017	31.12.2018	30.6.2019	30.9.2019	▲ in Q3
Market value of investments	231,885	231,876	245,124	253,521	8,396
Total reserves	25,395	22,002	32,839	38,148	5,309
On-balance-sheet reserves					
Fixed-interest securities	7,622	4,953	10,927	14,026	3,099
Non-fixed-interest securities	3,261	1,817	3,194	3,311	117
Other on-balance-sheet reserves <sup>1</sup>	189	207	213	223	10
Subtotal	11,072	6,977	14,333	17,560	3,226
Off-balance-sheet reserves					
Real estate <sup>2</sup>	2,744	4,769	4,822	4,941	119
Loans <sup>3</sup>	10,788	9,453	12,965	14,897	1,932
Associates	792	803	719	750	31
Subtotal	14,323	15,024	18,506	20,588	2,082
Reserve ratio	11.0%	9.5%	13.4%	15.0%	1.7%-pts.

# On- and off-balance-sheet reserves

€m	On-balance-sheet reserves	Off-balance-sheet reserves <sup>1</sup>
<b>Total reserves (gross)</b>	<b>17,560</b>	<b>20,588</b>
Provision for deferred premium refunds	-7,687	-12,979
Deferred tax	-2,158	-2,366
Minority interests	-7	0
Consolidation and currency effects	-242	0
<b>Shareholders' stake</b>	<b>7,466</b>	<b>5,243</b>

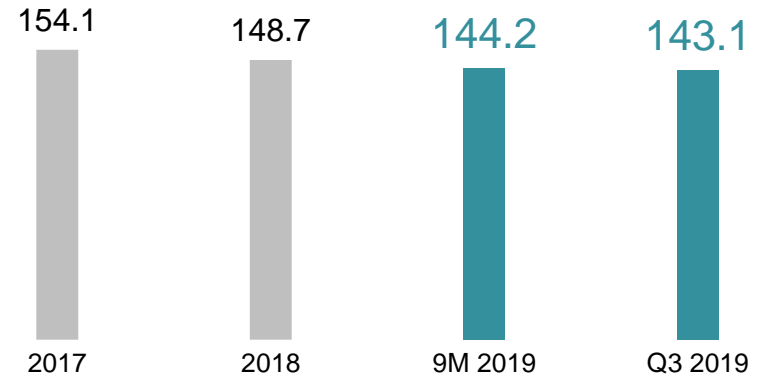
<sup>1</sup> Excluding reserves for owner-occupied property and insurance-related loans.



# Changes to shares in circulation

Shares (millions)	31.12. 2018	Acquisition of own shares in 9M 2019	Retirement of own shares in 9M 2019	30.9. 2019
Shares in circulation	145.8	-3.4	-	142.4
Treasury shares	3.7	3.4	-5.2	1.9
<b>Total</b>	<b>149.5</b>	<b>-</b>	<b>-5.2</b>	<b>144.3</b>

## Weighted average number of shares in circulation (millions)



# Financial calendar

## 2020

- 28 FEBRUARY** Balance sheet media conference for 2019 financial statements – Analysts' and Investors' call
- 18 MARCH** Annual report (Group), Annual report (Company)
- 29 APRIL** Annual General Meeting 2020
- 7 MAY** Quarterly statement as at 31 March 2020
- 6 AUGUST** Half-year financial report as at 30 June 2020
- 5 NOVEMBER** Quarterly statement as at 30 September 2020

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