

Image: Getty Images/Stop

Quarterly statement as at 31 March 2017

9 May 2017

Jörg Schneider

1	Munich Re (Group)	2	4	Outlook	20
2	ERGO	7	5	First-time publication SFCR reports	22
3	Reinsurance	13	6	Backup	31

Q1 result in line with expectations – Well on track to achieve annual targets

Munich Re (Group)

Q1 2017 (Q1 2016)

Net result

€557m (€436m)

Good underwriting performance,
strong investment result

Return on investment¹

3.6% (2.7%)

Stable running yield, disposal gains
due to financing of ZZR at ERGO L/H
Germany exceed derivative losses

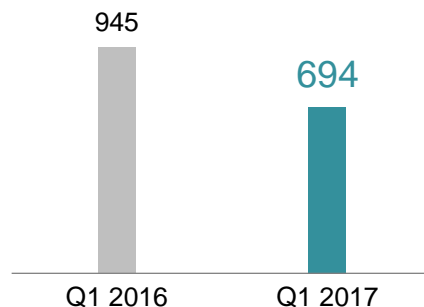
Shareholders' equity

€32.1bn (+1.2% vs. 31.12.)

Sound capitalisation –
Solvency II ratio at 243%²

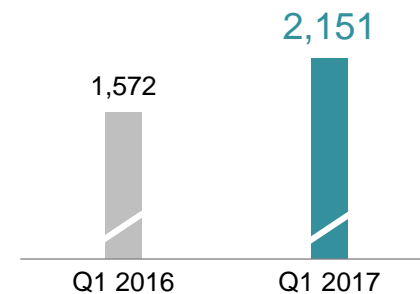
Technical result

€m



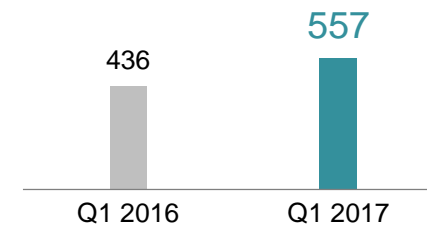
Investment result

€m



Net result

€m



Reinsurance

Life and Health: Technical result incl. fee income: €158m (€74m) – On course to achieve annual target of €450m

Property-casualty: Combined ratio: 97.1% (88.4%) –
Major-loss ratio: 9.6% (2.4%)

April renewals:
Price change: –0.5%, exposure change: –8.7%

ERGO

Life and Health Germany:
Return on investment: 4.5%

Property-casualty:
Combined ratio: 99.1% (98.6%)

International:
Combined ratio: 96.3% (94.3%)

IFRS capital position

Equity

€m

Equity 31.12.2016	31,785	
Consolidated result	557	
Changes		
Dividend	–	
Unrealised gains/losses	221	
Exchange rates	–101	
Share buy-backs	–326	
Other	23	
Equity 31.3.2017	32,160	

Unrealised gains/losses

Fixed-interest securities
–€49m

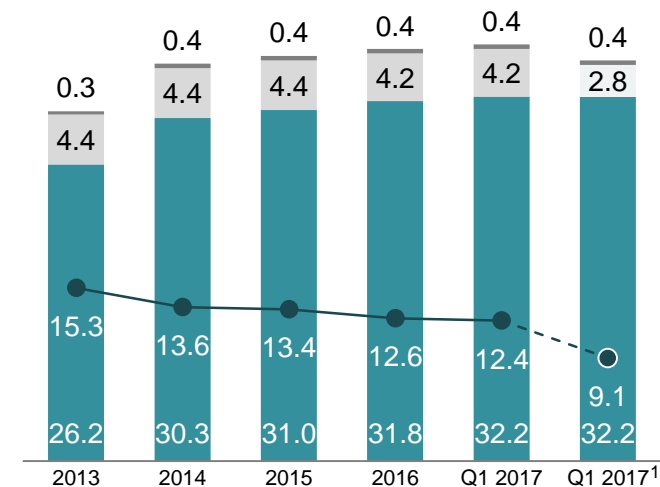
Non-fixed-interest securities
€277m





Exchange rates

FX effect mainly driven by US\$

Capitalisation

€bn



-  Debt leverage² (%)
-  Senior and other debt³
-  Subordinated debt
-  Equity

Investment portfolio

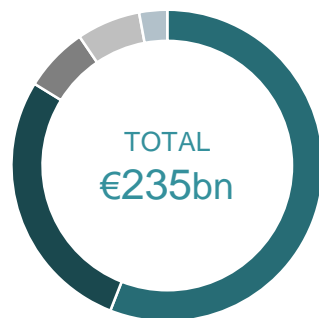
Investment portfolio¹

Land and buildings
2.9 (2.9)

Shares, equity funds and
participating interests²
6.6 (6.1)

Miscellaneous³
6.7 (6.2)

Loans
27.8 (28.5)



Fixed-interest securities
55.9 (56.3)

%

Portfolio management in Q1

- Ongoing geographic diversification
- Slight decrease in corporate bonds
- Slight increase in net equity exposure to 5.3%
- Shortening of asset duration at ERGO Life and Health Germany

Portfolio duration⁴

DV01^{1,4}

€m

	Assets		Liabilities		Assets		Liabilities		Net
Reinsurance	6.0	(5.9)	5.0	(4.6)	45	(45)	47	(43)	-1
ERGO	8.8	(9.3)	10.1	(10.6)	113	(121)	132	(143)	-19
Munich Re (Group)	7.7	(8.0)	8.0	(8.1)	158	(166)	178	(185)	-20

1 Fair values as at 31.3.2017 (31.12.2016). 2 Net of hedges: 5.3% (5.0%). 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)	Q1 2017	Return ¹	Q1 2016	Return ¹
Regular income	1,634	2.8%	1,628	2.8%
Write-ups/write-downs	-26	-0.0%	-219	-0.4%
Disposal gains/losses	1,048	1.8%	218	0.4%
Derivatives ²	-362	-0.6%	74	0.1%
Other income/expenses	-143	-0.2%	-128	-0.2%
Investment result	2,151	3.6%	1,572	2.7%
Total return		-0.3%		13.2%

3-month reinvestment yield	Q1 2017	Write-ups/write-downs	Disposal gains/losses	Derivatives	Q1 2016	Write-ups/write-downs	Disposal gains/losses	Derivatives
Q1 2017 2.0%	Fixed income ³	1	727	-119	Fixed income ³	-87	220	228
Q4 2016 1.8%	Equities	-16	312	-218	Equities	-150	-3	-136
Q3 2016 1.8%	Commodities/Inflation	31		-19	Commodities/Inflation	52		-10
Q2 2016 1.6%	Other	-42	9	-6	Other	-34	1	-9

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: Q1 2017: -€130m/-€14m (gross/net); Q1 2016: €267m/€34m (gross/net).

ERGO





2

ERGO Life and Health Germany

Q1 2017 vs. Q1 2016

Gross premiums written		€m
Q1 2016		2,333
Foreign exchange		-4
Divestments/investments		0
Organic change		-5
Q1 2017		2,324

- Life: -€51m
Decline in regular premiums due to ordinary attrition, while single-premium business suffered from lower product sales
- Health: +€45m
Positive development in comprehensive and supplementary insurance driven by premium adjustments

Major result drivers				€m
		Q1 2017	Q1 2016	▲
Technical result		102	83	19
Non-technical result		71	95	-24
thereof investment result		1,337	1,266	71
Other		-110	-164	54
Net result		63	14	49

Technical result

- Slight improvements in Life and Health overcompensate for decrease in Direct business

Investment result

- Decrease in derivative result overcompensated by disposal gains to finance bulk of 2017 ZZR
- Lower regular income
- Return on investment 4.5%

Other

- Lower tax expenses (extraordinary tax charges at DKV in Q1 2016)
- Negative FX effect (disposal of shares denominated in pounds sterling)

ERGO Property-casualty Germany

Q1 2017 vs. Q1 2016

Gross premiums written	€m
Q1 2016	1,219
Foreign exchange	-3
Divestments/investments	0
Organic change	23
Q1 2017	1,240

- Organic growth mainly driven by new business in fire/property (+€15m), liability (+€9m) and motor (+€5m)

Major result drivers	Q1 2017	Q1 2016	€m
Technical result	16	14	▲ 1
Non-technical result	29	-48	77
thereof investment result	49	-15	64
Other	-32	9	-41
Net result	12	-25	37

Technical result

- Combined ratio slightly increased to 99.1% (+0.5%-pts.)
- Motor and fire/property mainly responsible for higher loss ratio (+0.5%-pts.)
- Expense ratio stable at 35.8%

Investment result

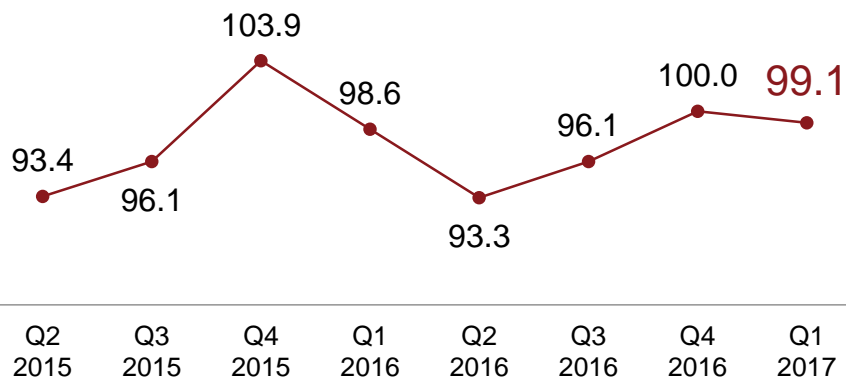
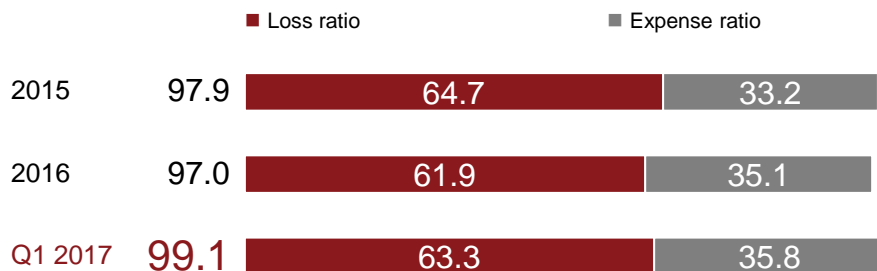
- High disposal gains mainly from equities
- Lower level of equity impairments
- Return on investment: 2.9%

Other

- Positive one-off in 2016
- Investments in ERGO Strategy Programme
- Tax refund

ERGO Property-casualty Germany

Combined ratio %



Gross premiums written €m

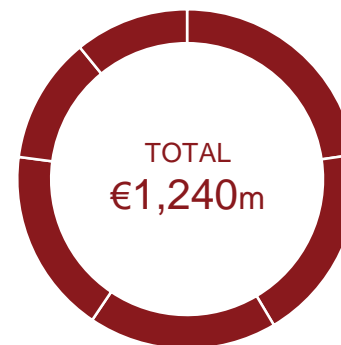
Other 115 Motor 345

Legal protection 119

Fire/property 239

Liability 258

Personal accident 164



ERGO International

Q1 2017 vs. Q1 2016

Gross premiums written

	€m
Q1 2016	1,335
Foreign exchange	−3
Divestments/investments	−31
Organic change	15
Q1 2017	1,315

Life: −€104m

- Italy: Sale of ERGO Italia in Q2 2016 (−€58m)
- Less new business in Poland and Austria

P-C: +€66m

- Increase mainly driven by motor business in Poland
- Acquisition of ATE in Q3 2016 (+€30m)

Health: +€19m

- Growth across all countries driven by new business and premium adjustments

Major result drivers

	Q1 2017	Q1 2016	▲
Technical result	45	28	16
Non-technical result	7	33	−27
thereof investment result	74	141	−67
Other	−35	−63	28
Net result	16	−1	18

Technical result

Life (+€21m): Negative result of ERGO Italia in Q1 2016

P-C (−€3m):

- Poland: Tariff adjustments in motor implemented in 2015 and 2016
- Greece: Positive impact from inclusion of ATE

Health (−€2m): Positive one-off at DKV Seguros in Q1 2016

Investment result

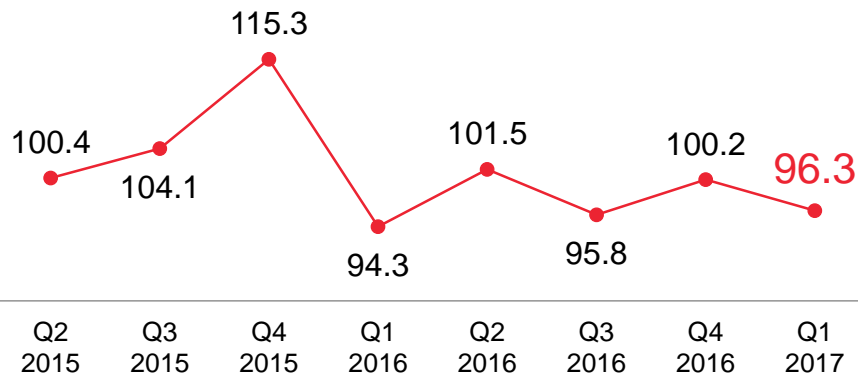
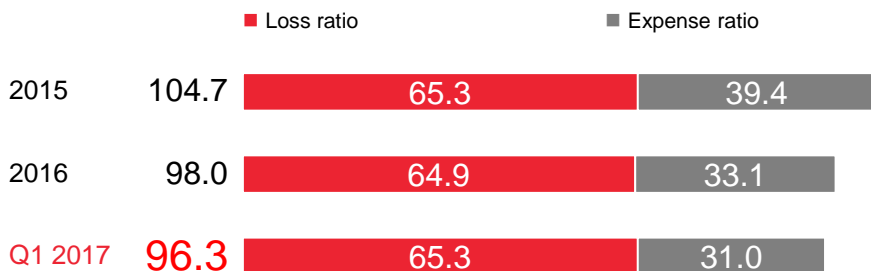
- Decrease of derivative result and lower regular income partly compensated for by higher disposal gains
- Return on investment: 1.7%

Other

- Higher unrealised gains from unit-linked business in Belgium and Austria
- Lower tax rate
- Payments for an exclusivity agreement in Q1 2016

ERGO International – Property-casualty, including Health

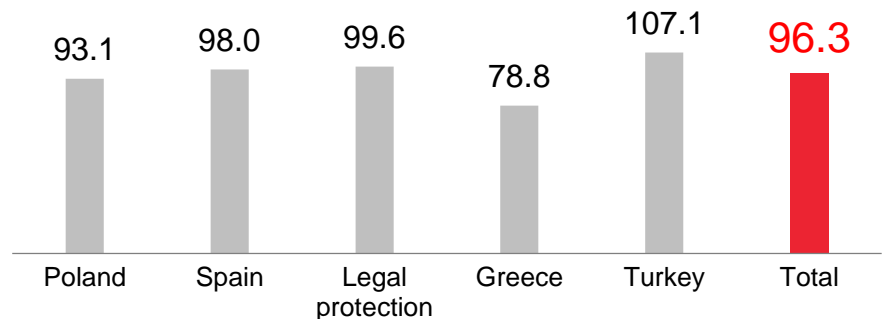
Combined ratio %



Gross premiums written €m



Combined ratio Q1 2017¹ %



¹ Only short-term health business.

Reinsurance

3

Reinsurance Life and Health

Q1 2017 vs. Q1 2016

Gross premiums written		€m
Q1 2016		3,096
Foreign exchange		151
Divestments/investments		0
Organic change		241
Q1 2017		3,488

- Positive FX effects driven by Can\$ and US\$
- Business growth in Australia, Asia and Canada as well as from large capital-relief transactions

Major result drivers		€m		
		Q1 2017	Q1 2016	▲
Technical result		145	63	81
Non-technical result		48	-61	109
thereof investment result		221	80	141
Other		-66	21	-88
Net result		126	24	102

Technical result incl. fee income of €158m

- Strong contribution from North America, Europe and Asia
- In aggregate, favourable claims experience
- Previous year impacted by two large single claims in Q1
- On course to achieve annual target of ~€450m

Investment result

- High regular income supported by deposits retained on assumed reinsurance
- Disposal gains on equities
- Return on investment: 3.3%

Other

- Higher tax expenses

Reinsurance Property-casualty

Q1 2017 vs. Q1 2016

Gross premiums written	€m
Q1 2016	4,528
Foreign exchange	68
Divestments/investments	0
Organic change	-37
Q1 2017	4,558

- Positive FX effects mainly driven by US\$
- Reduced business in agro and fire partly off-set by new transactions, particularly in motor and other property

Major result drivers	Q1 2017	Q1 2016	€m
Technical result	387	755	-368
Non-technical result	104	-238	342
thereof investment result	470	101	369
Other	-151	-92	-59
Net result	340	425	-85

Technical result

- Major loss ratio of 9.6% below expectation of 12.0%, but significantly higher than in previous year
- Higher basic losses mainly due to various larger claims just below the outlier threshold in US nat cat business

Investment result

- Regular income benefits from higher contribution of associated companies
- Disposal gains on equities
- Previous year impacted by impairments on equities and losses on derivatives
- Return on investment: 2.9%

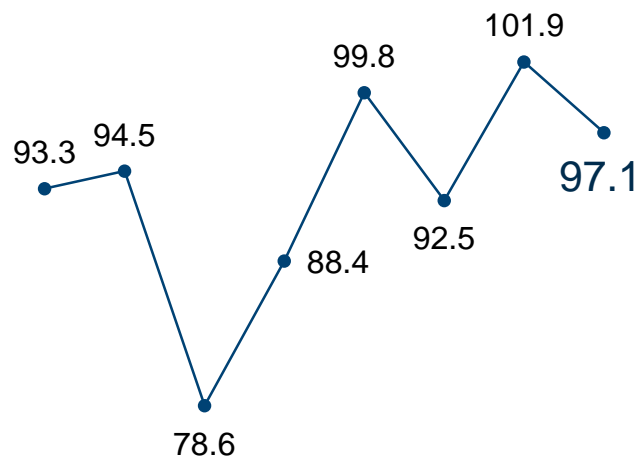
Other

- Normal tax rate, tax income in previous year

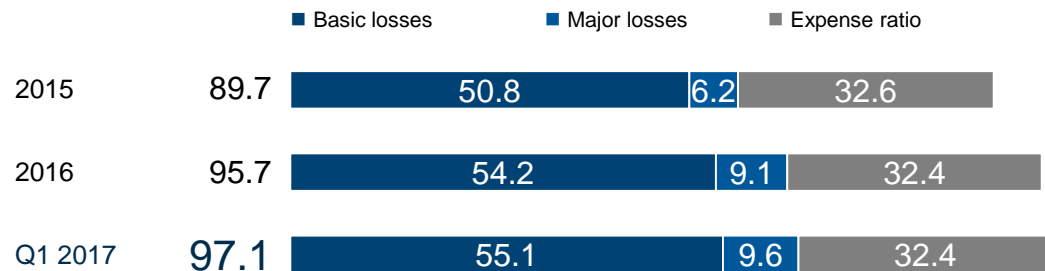
Combined ratio

Combined ratio

%



Q2 2015 Q3 2015 Q4 2015 Q1 2016 Q2 2016 Q3 2016 Q4 2016 Q1 2017



	Major losses	Nat cat	Man-made	Reserve releases ¹	Normalised combined ratio ²
Q1 2017	9.6	3.7	5.9	-6.0	101.3
Ø Annual expectation	~12.0	~8.0	~4.0		

April renewals – Main renewal date in Japan, high nat cat share

Total property-casualty book¹ %

Remaining business	29	Business up for January renewal	50
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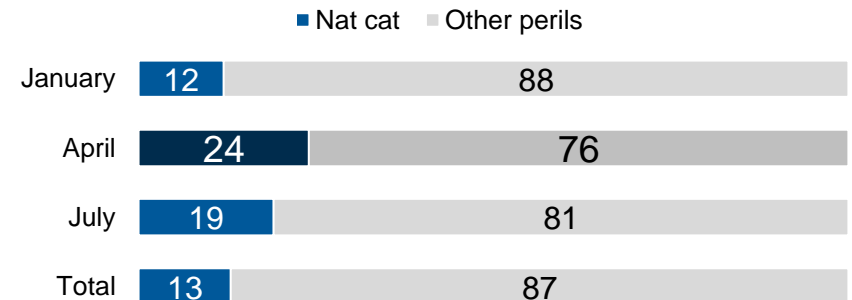
Business up for July renewal	12	Business up for April renewal	9
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Regional allocation of April renewals %

Rest	6	Europe	35
Worldwide	19	Latin America	3
Japan	14	North America	23



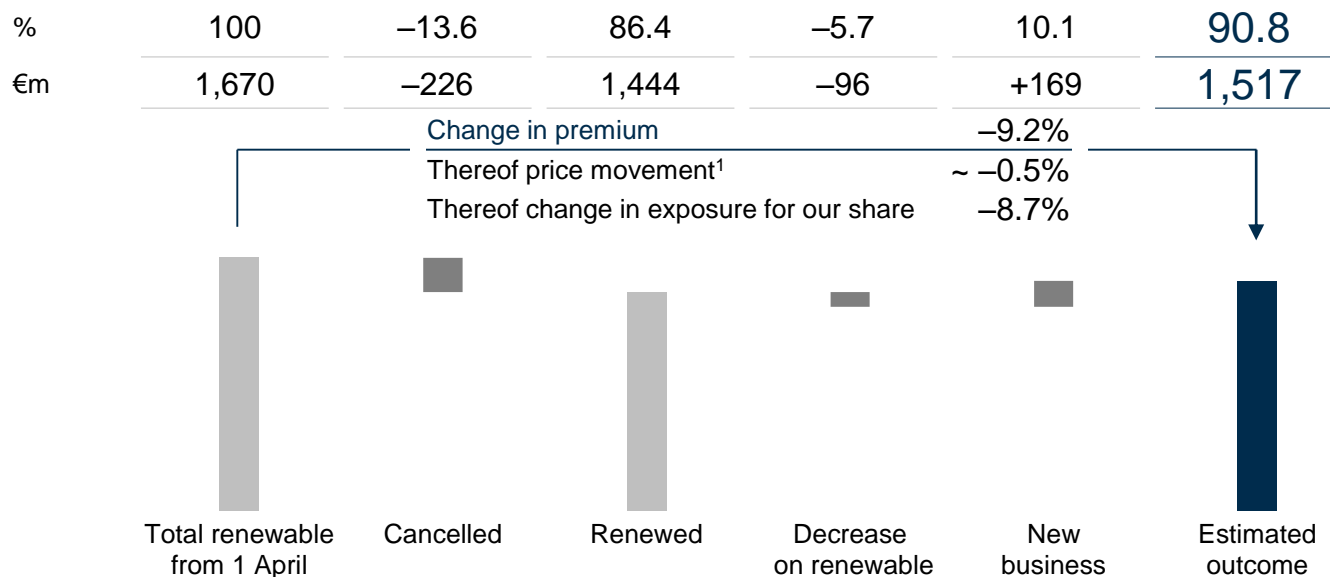
Nat cat shares of renewable portfolio² %



¹ Gross premiums written. Economic view – not fully comparable with IFRS figures. ² Total refers to total P-C book, incl. remaining business.

Cycle-management measures lower top line – Slowing of price declines confirmed once again

April renewals 2017



- Active portfolio management measures only partly compensated for by new business opportunities
- Scheduled expiry of a large quota-share treaty
- Price change (-0.5%) again less pronounced than one year ago (-1.5%)
- Continued, but decelerating pressure on nat cat business
- Stabilising impact from proportional book

Overall portfolio profitability remains clearly above cost of capital

¹ Price movement is risk-adjusted, i.e. includes claims inflation/loss trend and is adjusted for portfolio mix effects. Furthermore, price movement is calculated on a wing-to-wing basis (including cancelled and new business).

Outlook for July renewals – Regional focus on North America and Latin America, main renewal date in Australia

Regional allocation of July renewals

North America
29

Latin America
11

Australia
16



Worldwide
28

Rest¹
9

Europe
7

Outlook for July renewals

- Capacity and competition expected to remain high unless major losses occur
- Given relatively high nat cat share of ~19%, overall pricing trend will largely depend on nat cat prices

▶ Clear focus on profitability to maintain portfolio quality

Outlook

4

Group

Gross premiums written

€48–50bn

Net result

€2.0–2.4bn

Return on investment

~3%

Reinsurance

Gross premiums written

€31–33bn

Net result

€1.8–2.2bn

Combined ratio¹

~97%

ERGO

Gross premiums written

€17–17.5bn

Net result

€150–200m

Combined ratio

~99% ~98%
Germany International

First-time publication SFCR reports

5

SFCR confirms Munich Re's sound risk management and economic management framework

1 Strong SII ratio of 267%¹...

... allows for long-term track record of attractive capital repatriation while keeping the flexibility to seize opportunities for profitable growth

2 High quality of capital

Conservatively calibrated Group internal model and economic valuation assures sound risk measurement and provides adequate management impulses

3 Resilience of SII ratio

Munich Re's capitalisation remains at comfortable levels in typical stress scenarios

4 All solo ratios meet requirements without LTG²

SFCR³ provides additional transparency and improves comparability of SII metrics – prudent model calibration at Munich Re solo entity level

¹ 31.12.2016. Ratio as at 31.3.2017: 243% (after dividend of –€1.3bn for 2016 paid in April 2017, share buy-back 2017/18 and call of subordinated bond to be redeemed in June 2017). From 31.12.2017, foreseeable dividend will be deducted in the year-end SII ratio. SII ratio 31.12.2016 considering transitionals for ERGO Leben and Victoria Leben: 316%. ² Long-term guarantee measures. ³ Solvency and Financial Condition Report.

1 Strong capitalisation facilitates attractive shareholder returns

Solvency II ratio¹

267%

Well above
target capitalisation

HGB distributable earnings

€4.2bn

Safeguards
capital repatriation

Dividend per share

€8.60

▲ +4.2%

Share buy-back

€1bn

Until AGM 2018

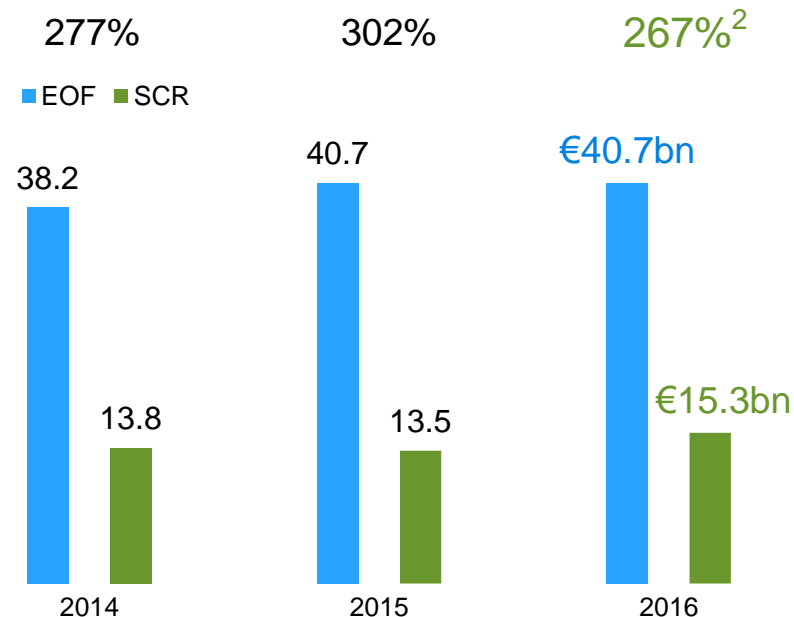
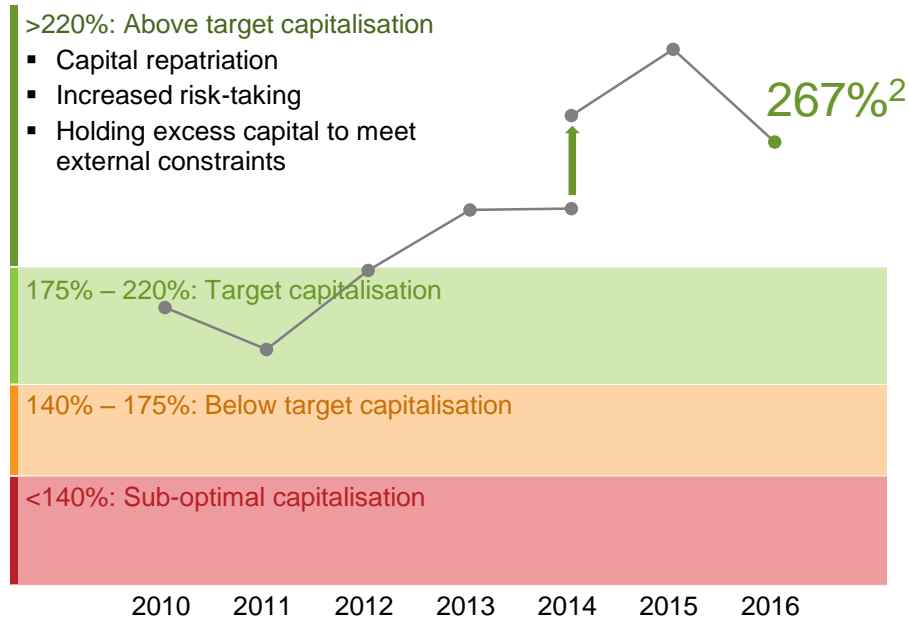
Cash yield

8.5%

Total payout divided by
average market capitalisation

1 Munich Re's SII ratio well above target capitalisation

SII ratio continuously in a very comfortable range¹



¹ All figures do not include effects of transitionals or long-term-guarantee (LTG) measures, e.g. volatility adjustment. ² 31.12.2016. Ratio as at 31.3.2017: 243% (after dividend of -€1.3bn for 2016 paid in April 2017, share buy-back 2017/18 and call of subordinated bond to be redeemed in June 2017). From 31.12.2017, foreseeable dividend will be deducted in the year-end SII ratio. SII ratio 31.12.2016 considering transitionals for ERGO Leben and Victoria Leben: 316%.

2 Prudent Munich Re (Group) Internal Model calibration

Specific features of Group Internal Model (GIM)

- GIM approved by core college of insurance supervisors (BaFin, PRA, MFSA) covers all risk categories
- Own funds and SCR based on fully consolidated accounts – no use of deduction and aggregation, e.g. for US subsidiaries
- All figures do not include effects from transitionals or other long-term-guarantee (LTG) measures, e.g. volatility adjustment
- Stable and market-consistent calibration of pricing scenarios¹
- Pricing models fully capable of reflecting market distortions, e.g. negative interest rates
- Conservative treatment of loss-absorbing capacity of deferred taxes
- Consideration of tail dependencies via Gumbel copula²
- The prudent principles are also incorporated in the underlying stochastic valuation models, and therefore also impact the standard formula results

Relevant driver of capital requirements

- Migration, default (credit risk) and spread variations (market risk), capitalised for all fixed-income securities³, e.g. government bonds
- Capitalisation of all relevant pension liabilities, type DBO, also in case of externally-managed pension funds
- Capitalisation of significant interest rate “down” shocks, also in case of negative interest rates
- Consideration of interest-rate sensitivity of risk margin in GIM
- Internal Model also capitalises variations at the very-long end of the interest-rate curve, i.e. no convergence towards UFR implemented in real-world scenarios
- No expected return considered in real-world projections

¹ This implies that (i) asset prices observed in financial markets are recovered, (ii) “no arbitrage” condition is fulfilled, and (iii) pricing scenarios fully reflect risk-free interest-rate curve.

² Validation via extreme events, e.g. pandemic. ³ Including EEA sovereign bonds, AAA- and AA-rated non-EEA sovereign bonds, supranationals, and mortgage loans on residential property.

2 High quality of capital

Shows in IFRS ...

Goodwill

8.9%

Moderate in relation to shareholders' equity

€28bn

unrealised investment gains

Debt leverage¹

12.6%

One of the lowest in the insurance industry

Strong balance sheet also regarding prudence of claims reserve and tax provision

... the same as in Solvency II

Tier 1 unrestricted

87%

Tier 1 restricted²

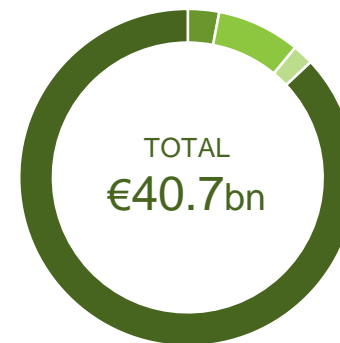
3%

Tier 2

8%

Tier 3

2%

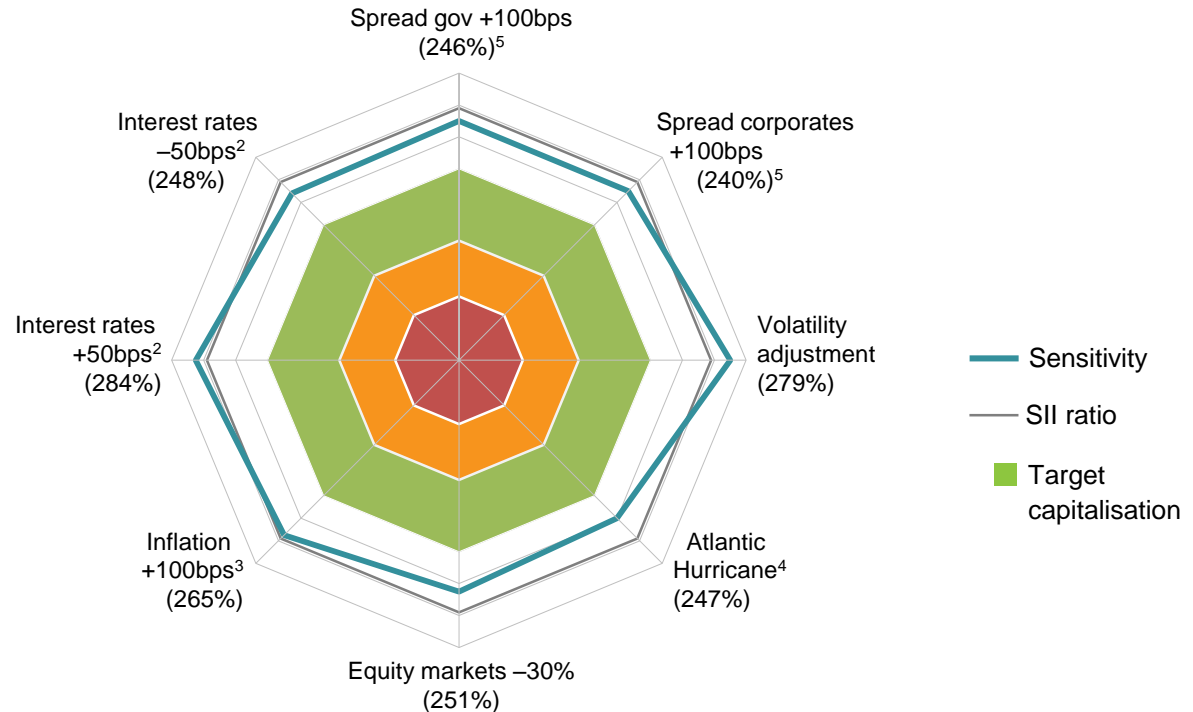


High-quality eligible own funds

3 SII ratio remains comfortable in typical stress scenarios

SII ratio sensitivity¹

- Reduced interest rates and recognition of negative interest rates in internal model contribute equally to increased interest and spread sensitivity
- Use of LTG measures would additionally reduce other sensitivities (e.g. spread, equity sensitivity)
- UFR reduction has very limited impact on Munich Re's SII ratio



As at 31.12.2016. 1 All figures shown do not include transitionals or long-term-guarantee (LTG) measures. 2 Parallel shift until last liquid point, extrapolation to unchanged UFR. 3 Based on CPI inflation. 4 Based on 200-year event. 5 Due to diversification, spread sensitivity simultaneously stressing GOV and CORP spreads (226%) is lower than sum of separate sensitivities shown.

4 SII ratios of Munich Re (Group) and solo entities¹

	€bn	EOF (without LTG)	SCR (without LTG)	S-II Ratio (without LTG)	S-II Ratio (incl. LTG)
Internal Model	Munich Re (Group)	40.7	15.3	267%	316%
	Munich Reinsurance Comp.	40.6 ²	15.3	266% ²	317%
	Munich Re of Malta	3.1	0.6	508%	–
	Great Lakes (GBP bn)	0.4	0.2	238%	–
	ERGO Versicherung AG	2.1	0.6	385%	–
	DKV	2.7	0.7	360%	–
Standard Formula	ERGO Leben	2.3 ³	2.3	100%	328%
	Victoria Leben	1.5 ⁴	0.6	259%	683%
	ERGO Direkt ⁵	1.0	0.5	210%	–
	ERGO Austria	0.5	0.3	154%	–
	ERGO Belgium Life	0.6	0.4	127%	–
	ERGO Poland P-C (PLN bn)	1.6	1.2	131%	–

Good financial flexibility

- Limited dependency on dividend upstreaming – Munich Reinsurance Company serves as parent company
- High flexibility by pooling capital at parent company level – sufficient capitalisation at subsidiary level considering regulatory, rating and business requirements
- With rising interest rates at year-end, ERGO German life units meet SCR without transitionals – SII ratios are substantially higher including transitional measures

¹ Entities with internal model and selected companies with standard formula application. ² Pro-forma, deducting impact of LTG measures from ERGO Leben and Victoria Leben.

³ Including transitionals €7.5bn. ⁴ Including transitionals €3.9bn. ⁵ SCR-weighted average of ERGO Direkt companies. ERGO Direkt Versicherungs AG applies an internal model, the life and health companies apply the standard formula.

4 SFCRs give detailed overview of Munich Re's highly developed governance, risk management and valuation framework

A Business and performance

- Underwriting performance (IFRS) by SII line of business and geographical area (A2)
- Related undertakings within the Group (A1.4)

B System of governance

- Description of the organisation of key functions (B1.2 ff)
- Description for ensuring fitness and propriety criteria (B2)
- Result of ORSA (B3.5)
- Outsourcing (B7)
- Assessment of the adequacy of the system of governance (B8.1)

C Risk profile

- Per risk category:
 - Risk exposure
 - Risk concentration
 - Risk mitigation
 - Risk sensitivity (C1-C5)
- Liquidity risk management (incl. amounts of expected profit included in future premiums – EPIFP¹) (C4.3/C4.4)

D Valuation for solvency purposes

- Impact of transitional measures (D2.1.5)
- Valuation differences IFRS vs. Solvency II (D1–D3)
- Transitional analyses of technical provisions IFRS vs. Solvency II (D2.4)

E Capital management

- Differences between equity IFRS vs. excess of assets over liabilities for Solvency II (E1.2)
- Information on structure, amount and quality of own funds, given separately for each Tier (incl. subordinated bonds) (E1.4)
- SCR and MCR (E2)
- Methods of the internal model (E4.2)
- Differences between standard formula and internal model (E4.3)

Solo-entity reports and Group SFCR published in local language on 19 May.
English version of Group SFCR to be published at the end of June.

Backup

6

Premium development

Gross premiums written

€m

Q1 2016		12,511
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Foreign exchange		210
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Divestments/ investments		-31
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Organic change		236
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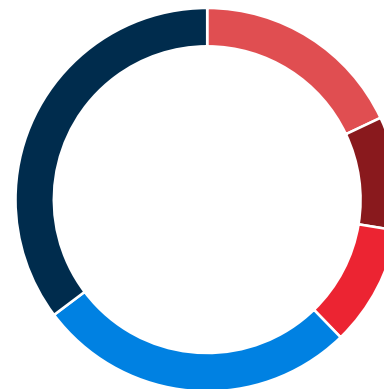
Q1 2017		12,925
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Segmental breakdown

€m

Reinsurance
Property-casualty
4,558
(35%) (▲ 0.7%)

ERGO
Life and Health Germany
2,324
(18%) (▲ -0.4%)



Reinsurance
Life and Health
3,488
(27%) (▲ 12.7%)






ERGO
Property-casualty Germany
1,240
(10%) (▲ 1.7%)

ERGO
International
1,315
(10%) (▲ -1.5%)

Reconciliation of operating result with net result

Reconciliation of operating result with net result

€m

	Q1 2017	
Operating result	952	
Other non-operating result	-153	
Goodwill impairments	0	
Net finance costs	-54	
Taxes	-188	
Net result	557	

Other non-operating result

	€m	Tax rates	%
	Q1 2017		Q1 2017
Foreign exchange	-57	Group	25.2
Restructuring expenses	-9	Reinsurance	27.0
Other	-87	ERGO	14.2

Actual vs. analysts' consensus

Operating result – Actual vs. analysts' consensus¹

	Q1 2017	Consensus	Delta
Reinsurance Property-casualty	491	600	-109
Reinsurance Life and Health	192	151	41
ERGO Life and Health Germany	173	88	85
ERGO Property-casualty Germany	44	39	5
ERGO International	52	62	-10
Operating result	952	940	12
FX	-57		
Other	-150		
Taxes	-188		
Net result	557	598	-41

Major developments in Q1 2017

Reinsurance Property-casualty

Combined ratio: 97.1% (consensus: 95.2%) – major-loss ratio: 9.6%, reserve releases: ~6.0%; return on investment: 2.9%

Reinsurance Life and Health

Technical result, incl. fee income of €158m; return on investment: 3.3%

ERGO Life and Health Germany

Interest-rate hedge -€127m/-€12m (gross/net); return on investment: 4.5% (high disposal gains to finance ZZR)

ERGO Property-casualty Germany

Combined ratio: 99.1% (consensus: 98.6%); return on investment: 2.9%

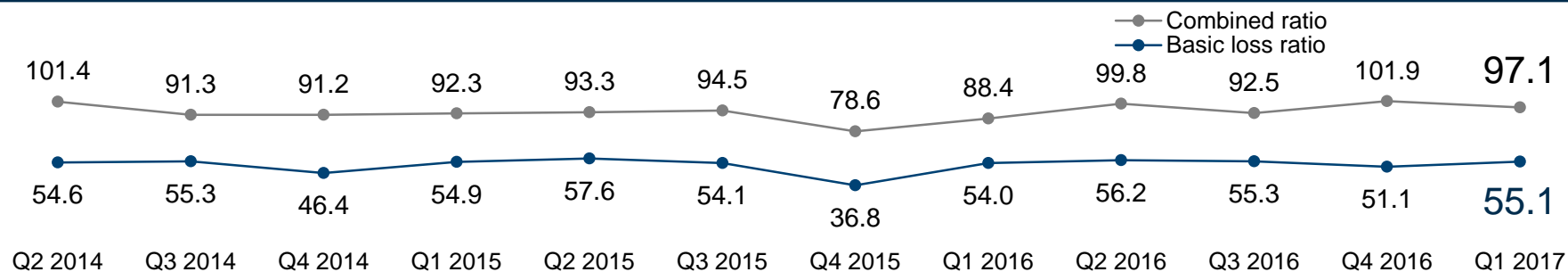
ERGO International

Combined ratio: 96.3% (consensus: 97.5%); return on investment: 1.7%

Development of combined ratio

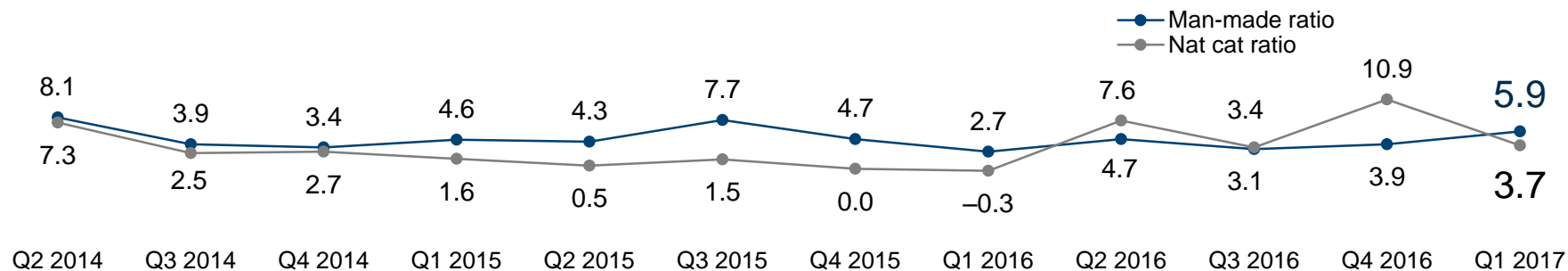
Combined ratio vs. basic losses

%



Nat cat vs. man-made

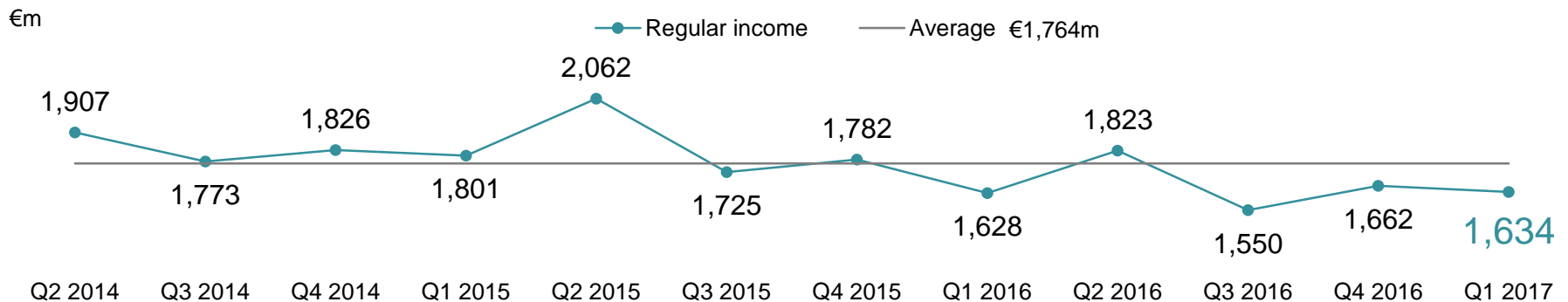
%



Breakdown of regular income

Investment result – Regular income (€m)

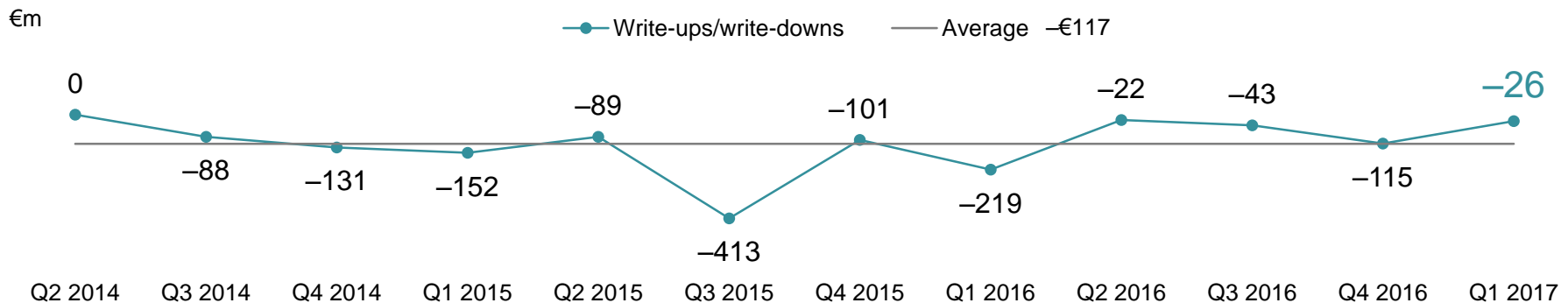
	Q1 2017	Q1 2016	Change
Afs fixed-interest	752	828	-76
Afs non-fixed-interest	140	107	33
Derivatives	33	31	1
Loans	488	512	-24
Real estate	99	98	0
Deposits retained on assumed reinsurance and other investments	123	51	72
Total	1,634	1,628	6



Breakdown of write-ups/write-downs

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

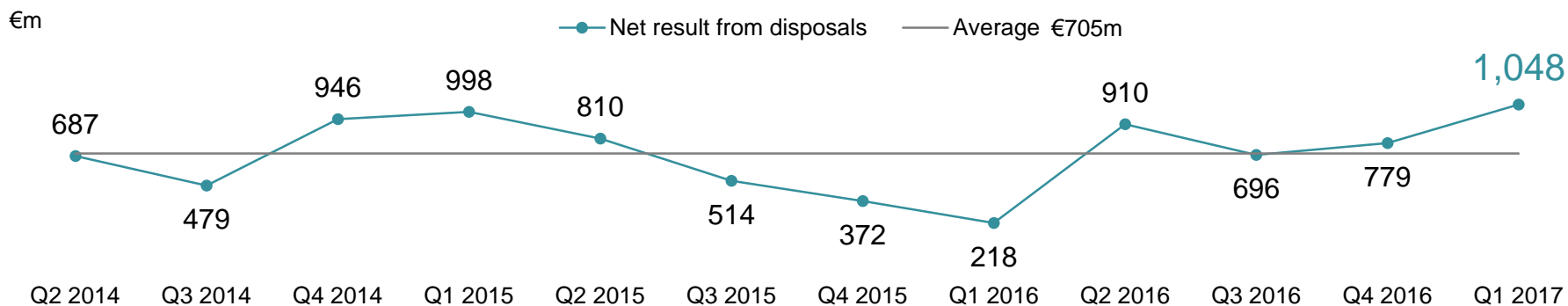
	Q1 2017	Q1 2016	Change
Afs fixed-interest	-1	-48	47
Afs non-fixed-interest	-16	-150	134
Loans	2	-40	41
Real estate	-31	-21	-10
Deposits retained on assumed reinsurance and other investments	20	38	-19
Total	-26	-219	193



Breakdown of net result from disposals

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

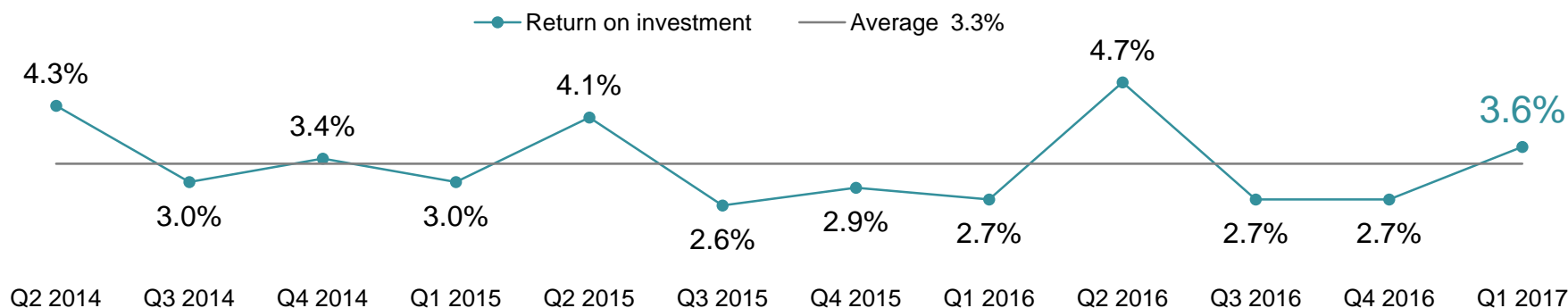
	Q1 2017	Q1 2016	Change
Afs fixed-interest	48	48	0
Afs non-fixed-interest	312	-3	315
Loans	679	172	507
Real estate	6	10	-4
Deposits retained on assumed reinsurance and other investments	3	-9	12
Total	1,048	218	830



Return on investment by asset class and segment

Q1 2017

% ¹	Regular income	Write-ups/-downs	Disposal result	Extraord. derivative result	Other inc./exp.	Rol	Market value (€m)
Afs fixed-income	2.3	0.0	0.1	0.0	0.0	2.4	131,422
Afs non-fixed-income	3.4	-0.4	7.6	0.0	0.0	10.6	16,437
Derivatives	6.9	0.0	0.0	-76.1	-0.5	-69.7	1,903
Loans	2.9	0.0	4.1	0.0	0.0	7.0	66,349
Real estate	5.7	-1.8	0.3	0.0	0.0	4.3	6,869
Other ²	3.9	0.6	0.1	0.0	-4.4	0.2	12,796
Total	2.8	0.0	1.8	-0.6	-0.2	3.6	235,776
Reinsurance	2.7	0.0	0.7	-0.2	-0.3	3.0	92,166
ERGO	2.8	-0.1	2.5	-0.9	-0.2	4.1	143,611



Investment result by segment

Investment result – Reinsurance Life and Health

	Q1 2017	Return ¹	Q1 2016	Return ¹
Regular income	201	3.0%	173	2.6%
Write-ups/write-downs	0	0.0%	-14	-0.2%
Disposal gains/losses	41	0.6%	-21	-0.3%
Derivatives ²	-7	-0.1%	-44	-0.7%
Other income/expenses	-14	-0.2%	-13	-0.2%
Investment result	221	3.3%	80	1.2%
Average market value		26,810		26,128

Investment result – Reinsurance Property-casualty

	Q1 2017	Return ¹	Q1 2016	Return ¹
Regular income	428	2.6%	388	2.4%
Write-ups/write-downs	-1	-0.0%	-66	-0.4%
Disposal gains/losses	122	0.7%	29	0.2%
Derivatives ²	-32	-0.2%	-202	-1.3%
Other income/expenses	-47	-0.3%	-48	-0.3%
Investment result	470	2.9%	101	0.6%
Average market value		65,356		64,272

Investment result by segment

Investment result – ERGO Life/Health Germany

	Q1 2017	Return ¹	Q1 2016	Return ¹
Regular income	860	2.9%	890	3.0%
Write-ups/write-downs	-17	-0.1%	-96	-0.3%
Disposal gains/losses	838	2.8%	226	0.8%
Derivatives ^{2,3}	-277	-0.9%	302	1.0%
Other income/expenses	-67	-0.2%	-57	-0.2%
Investment result	1,337	4.5%	1,266	4.2%
Average market value		120,026		119,320

Investment result – ERGO Property-casualty Germany

	Q1 2017	Return ¹	Q1 2016	Return ¹
Regular income	38	2.3%	40	2.3%
Write-ups/write-downs	-1	-0.1%	-24	-1.4%
Disposal gains/losses	26	1.5%	-14	-0.8%
Derivatives ²	-9	-0.5%	-13	-0.7%
Other income/expenses	-5	-0.3%	-4	-0.2%
Investment result	49	2.9%	-15	-0.9%
Average market value		6,755		6,862

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: Q1 2017 -€127m/-€12m (gross/net); Q1 2016 €252m/€24m (gross/net).

Investment result by segment

Investment result – ERGO International

	Q1 2017	Return ¹	Q1 2016	Return ¹	€m
Regular income	107	2.6%	137	3.6%	
Write-ups/write-downs	-7	-0.2%	-18	-0.5%	
Disposal gains/losses	21	0.5%	-3	-0.1%	
Derivatives ²	-37	-0.9%	31	0.8%	
Other income/expenses	-10	-0.2%	-7	-0.2%	
Investment result	74	1.7%	141	3.7%	
Average market value		16,829		15,154	

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)	+8.4	+4.1	–7.7	–14.8
Change in on-balance-sheet reserves, net (€bn) ¹	+2.0	+1.0	–1.8	–3.6
Change in off-balance-sheet reserves, net (€bn) ¹	+0.4	+0.2	–0.4	–0.7
P&L impact (€bn) ¹	+0.0	+0.0	–0.0	–0.0

Sensitivity to spreads² (change in basis points)

		+50	+100
Change in gross market value (€bn)		–5.5	–10.5
Change in on-balance-sheet reserves, net (€bn) ¹		–1.1	–2.1
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 (3,501 as at 31.3.2017)	2,451	3,151	3,851	4,551
Change in gross market value (€bn)	–5.1	–1.6	+1.6	+5.0
Change in on-balance-sheet reserves, net (€bn) ¹	–1.5	–0.7	+1.0	+3.0
Change in off-balance-sheet reserves, net (€bn) ¹	–0.9	–0.3	+0.3	+0.9
P&L impact (€bn) ¹	–1.6	–0.3	+0.0	+0.1

¹ Rough calculation with limited reliability assuming unchanged portfolio as at 31.3.2017. 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	31.12.2016	31.3.2017
Market value of investments	235,849	230,529	236,153	235,399
Total reserves	31,470	25,969	28,496	26,180
On-balance-sheet reserves				
Fixed-interest securities	11,967	7,886	8,649	7,815
Non-fixed-interest securities	2,270	2,446	2,924	3,311
Other on-balance-sheet reserves ¹	311	201	186	201
Subtotal	14,548	10,533	11,759	11,327
Off-balance-sheet reserves				
Real estate ²	2,006	2,273	2,413	2,450
Loans and investments (held to maturity)	14,400	12,610	13,591	11,692
Associates	516	553	733	711
Subtotal	16,922	15,436	16,738	14,853
Reserve ratio	13.3%	11.3%	12.1%	11.1%

On-balance-sheet reserves

On-balance-sheet reserves

€m

	31.3.2017	Change Q1
Investments afs	11,126	-447
Valuation at equity	118	38
Unconsolidated affiliated enterprises	63	-27
Cash-flow hedging	21	5
Total on-balance-sheet reserves (gross)	11,327	-431
Provision for deferred premium refunds	-4,990	644
Deferred tax	-1,350	33
Minority interests	-16	0
Consolidation and currency effects	-289	5
Shareholders' stake	4,682	250

Off-balance-sheet reserves

Off-balance-sheet reserves

€m

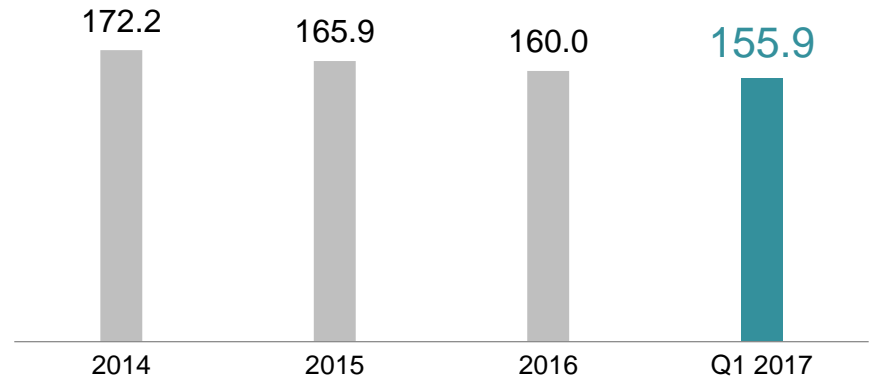
	31.3.2017	Change Q1
Real estate ¹	2,450	37
Loans	11,692	-1,899
Associates	711	-23
Total off-balance-sheet reserves (gross)	14,853	-1,885
Provision for deferred premium refunds	-10,498	1,691
Deferred tax	-1,325	97
Minority interests	0	1
Shareholders' stake	3,030	-96

¹ Excluding reserves for owner-occupied property.

Changes to shares in circulation

Shares (millions)	31.12. 2016	Acquisition of own shares in Q1 2017	Retirement of own shares in Q1 2017	31.3. 2017
Shares in circulation	156.9	-1.8	-	155.1
Own shares held	4.2	1.8	-	6.0
Total	161.1	-	-	161.1

Weighted average number of shares in circulation (millions)



Financial calendar

2017

- | | |
|------------|---|
| 9 August | Half-year financial report as at 30 June 2017 |
| 9 November | Quarterly statement as at 30 September 2017 |

2018

- | | |
|------------|---|
| 6 February | Preliminary key figures 2017 and renewals |
| 15 March | Balance sheet press conference for 2017 financial statements
Analysts' conference in Munich with videocast |
| 25 April | Annual General Meeting 2018, ICM – International Congress Centre Munich |
| 8 May | Quarterly statement as at 31 March 2018 |
| 8 August | Half-year financial report as at 30 June 2018 |
| 7 November | Quarterly statement as at 30 September 2018 |

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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.

The primary insurance units of the disbanded Munich Health field of business are now recognised in the ERGO International segment, units with reinsurance business in the Reinsurance Life and Health segment. Previous year's figures were adjusted to ensure comparability.