

Analysts' and Investors' Call 2020

Good progress towards 2020 ambition – Exploiting opportunities in an improving market environment

28 February 2020



Analysts' and Investors' Call 2020





Good progress towards 2020 ambition Joachim Wenning



Group finance and risk Christoph Jurecka



ERGO Markus Rieß



Reinsurance Torsten Jeworrek



Additional information

Strong performance in 2019



IFRS net income

€2.7bn (€2.3bn)

Exceeds initial guidance of €2.5bn

Return on Equity

9.2% (8.4%)

Above cost of capital



Solvency II ratio

237% (245%)

Well above target capitalisation

Dividend per share

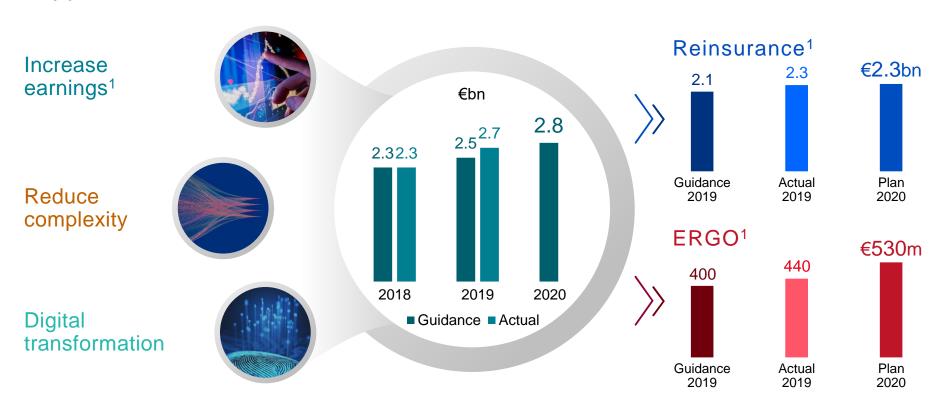
€9.80¹(€9.25)

High pay-out to shareholders

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Ongoing business and earnings growth supports 2020 ambition





Reinsurance – Strategic growth initiatives well on track

2019







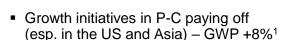
- Consolidate top position in mature markets
- Smart growth in select emerging markets



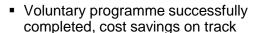
- Launch of voluntary programme reduction of ~350 FTEs
- Cost savings of ~€200m by 2020
- Disposal of MSP Underwriting and Ellipse



- Push new business models relayr acquisition to strengthen IoT offering
- Data-driven solutions, e.g. Realytix
- InsurTech platform via Digital Partners



- Strong new business generation in Life and Health continues
- MR Specialty Insurance established



- Re-engineering and automation of accounting processes (~100 FTEs)
- Global single-risk unit established, pooling together ~560 employees
- Create new income streams in the Canadian group insurance market
- Cyber insurance premiums up 27%¹
- Digital Partners premiums doubled



2020

Continue profitable growth path

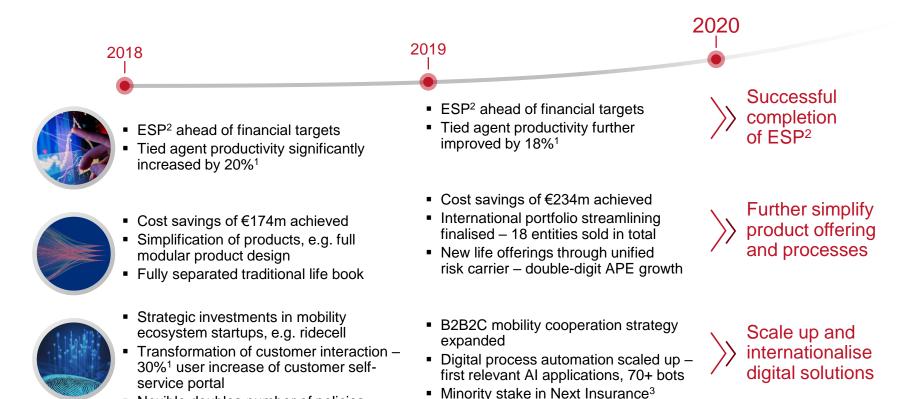
Streamline processes towards business and execution

Scale up successful initiatives, push new business models

1 Compared to previous year. Analysts' and Investors' Call 2020 28 February 2020 5

ERGO – Sustainably increasing profitability



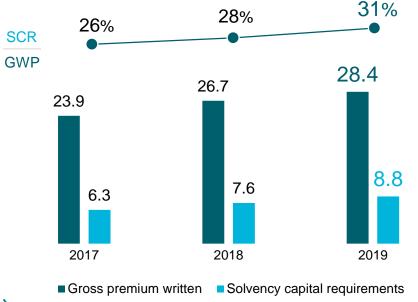


Nexible doubles number of policies

Business and earnings focus – Gradually increasing risk appetite in underwriting where opportunities are good



Balancing growth and risk in property-casualty¹



- Disciplined growth in P-C Re in select mature/emerging markets and business lines with unchanged risk limits and in line with risk-bearing capacity (EOF) ...
- ... taking advantage of rising rates in more capital intensive but increasingly profitable – nat cat lines
- Expansion of Risk Solutions business with favourable risk/return profile
- Positive earnings trajectory in L/H Re to stabilise tendency towards higher volatility in P-C
- Further diversification due to ERGO's growing German
 P-C and international operations
- Risk management is key: cautious expansion of new lines of business (e.g. cyber) while managing hot-spot areas (e.g. US casualty)



Continued diversification of our global footprint provides flexibility and increases competitiveness

New organisational set-up in investments aims to generate higher returns



Streamlining the organisation



Group approach

One consistent investment strategy across the Group

Best ownership

Assigning investment mandates either in-house or to specialised third parties

Close to business

Combining investment and underwriting expertise



Well on track towards best-practice investment processes

Improving risk-return profile

Strategic level

Further expand asset classes that still have attractive returns, e.g. illiquid assets such as infrastructure and private equity/debt

Tactical allocation

Actively managing our portfolio by using trading ranges and incorporating external managers

Further diversification

Continuously improving the riskreturn profile to limit downside





Systematically integrating sustainability criteria when creating value - Key achievements in 2019





Enabling new technologies for a low-carbon economy

- Strong growth in innovative insurance solutions for new technologies, e.g. battery storage
- Invested capital in renewable energies: €1.6bn (targeting €2.8bn)
- Increase in green bonds to €1.3bn

Climate-neutral investment portfolio by 2050

 Munich Re joins the UN-convened Net-zero Asset Owner Alliance



Sustainability risk management

Consequently improving risk assessment also for the industry, e.g.

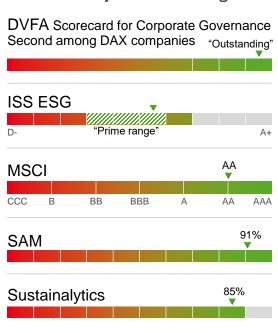
- Munich Re's Wildfire Risk Score supports clients in evaluating wildfire risks in North America
- Driving industry standards for climate risk management via UNEP FI PSI¹ Working Group on TCFD² recommendations

Sustainability risk assessment across all asset classes at Munich Re

Sustainability ratio well above 80%



Top positions in major SRI ratings



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Shareholders participate in our earnings growth

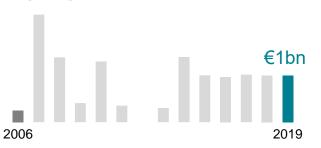




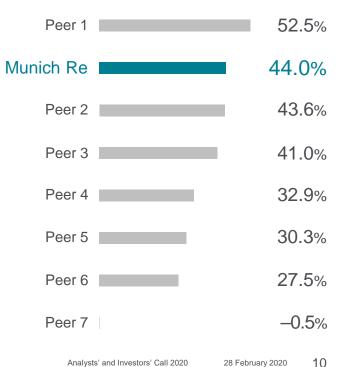
... supports attractive shareholder returns³



Ongoing share buy-backs







Outlook 2020





Group

Gross premiums written

~€**52**bn

Net result

~€2.8bn

Return on investment

~3%

ERGO

Gross premiums written

~>€17.5bn

Net result

~€530m

Combined ratio

P-C Germany

~92%

International

~94%

Reinsurance

Gross premiums written

~€34bn

Net result

~€2.3bn

Combined ratio Property-casualty

~97%

Based on new calculation method of cost allocation

Technical result, incl. fee income Life and Health

~€550m



Presentation of business ambition beyond 2020

8 December 2020



Group finance and risk





Financial results 2019 – Strong earnings despite high large losses and low/negative interest rates



IFRS net income €2.7bn (€2.3bn) HGB result €1.5bn (€2.2bn) Solvency II ratio 237% (245%)

- Earnings growth in Reinsurance despite challenging Q4 improved underlying C/R of ~98-99%
- ERGO contributing €440m ahead of its ESP targets
- High investment result (Rol: 3.2%) and low tax expenses
- Decline in HGB result due to lower underwriting result and higher tax expenses ...
- ... partially offset by strong investment result
- Distributable earnings support continuation of attractive capital management returns
- Well above target capitalisation
- High economic earnings¹ of >€7bn compensate for ...
- ... increase of required capital due to business growth and further decline of interest rates

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IFRS result Q4 2019 – Major drivers



Net income

€217m

Technical result

–€225m

Investment result €1,965m

(€1,661m)

Reinsurance: €116m

High large losses in P-C and strengthening of disability assumptions in Australian life business (approx. –€200m)

P-C Re C/R: 112.5% – Major-loss ratio: 27.4% Reserve releases¹: 7.1%

L/H Re technical result including fee income: €70m

Return on investment 3.1%

ERGO: €101m

Fully in line with run-rate of FY guidance

Tax income: €127m

FX losses:

—€241m

ERGO P-C Germany

C/R: 93.2%

ERGO International

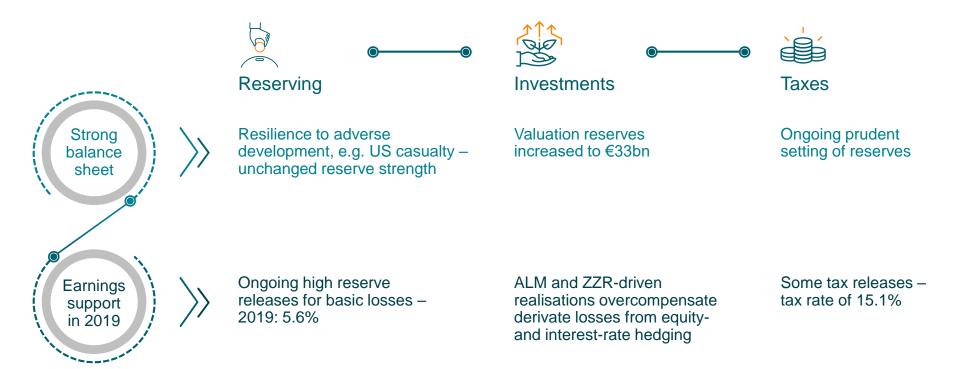
C/R: 94.8%

Disposal gains overcompensate for derivative losses Reinvestment yield slightly down to 1.9% due to investments in shorter maturities in Q4



IFRS result FY 2019 – Operating performance supported by strong balance sheet







Prudent reserving protecting balance sheet against negative Munich RE surprises while continuously contributing to earnings strength



Managing industry hot spots

Asbestos

Complex litigation, changes in legal and regulatory environment

US workers' comp.

High losses for reinsurers in business underwritten during late 90s; significant late-loss emergence

US liability

High litigation risk and increasing social-inflation trends

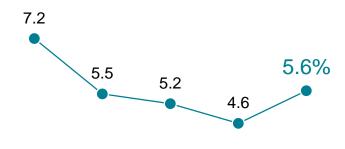
Munich Re impact

De-risking with large claims settlements in the past and very strong survival ratio

Prudent reserving situation allowed for reserve releases again in 2019

Worsening loss trends in selected portfolios, continuous and pro-active strengthening of reserves to ensure prudence level

Ongoing reserve releases¹



2015 2016 2017 2018 2019



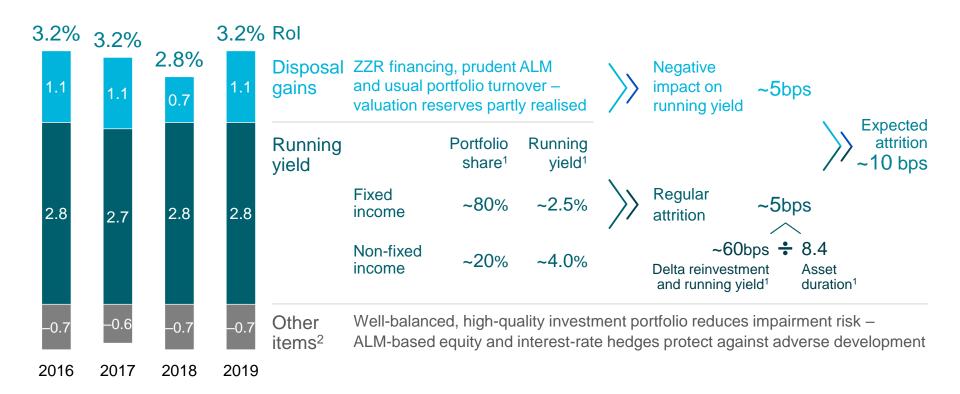
Positive claims experience by far exceeding adverse development in selected hot-spot areas

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Investment return – Resilience to low interest rates expected to persist







German GAAP (HGB) – Capital repatriation well funded despite decline of distributable earnings



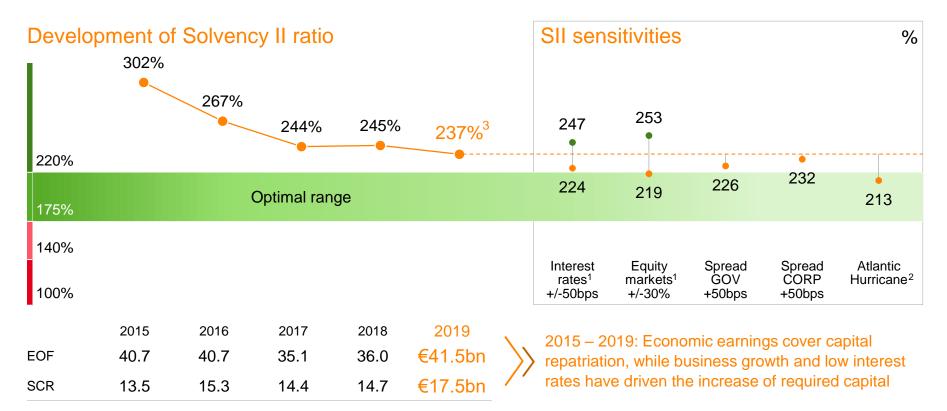
HGB result below capital repatriation





Sound economic capitalisation continues to support our capitalmanagement strategy — First-time application of VA for four ERGO entities





¹ Parallel shift until last liquid point, extrapolation to unchanged UFR. 2 Based on 200-year event. 3 SII ratio includes volatility adjustment for ERGO Leben, Victoria Leben, ERGO Belgium and DKV Belgium. VA impact in 2019 ~6%-pts.

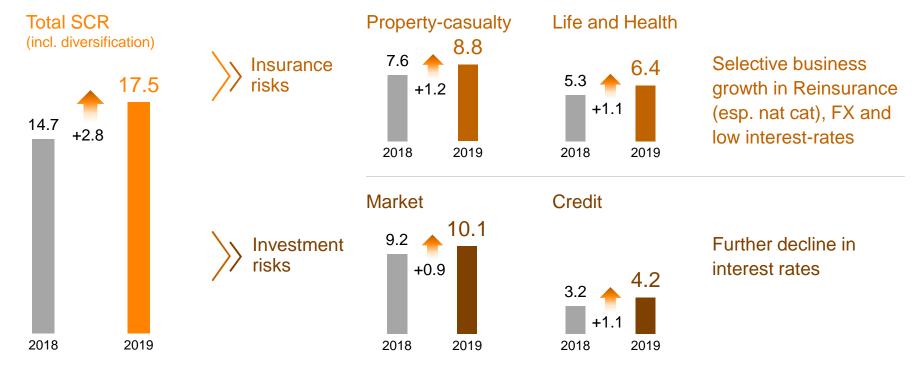


SCR development – Balanced risk profile between insurance and investment risks maintained



SCR increase largely driven by selective business growth and low interest rates





Selected changes in disclosure as from Q1 2020 to increase comparability across segments and peers





Current situation

- Focus on economic value creation, stronger consideration of IFRS
- Some inconsistency of KPIs across segments
- Most peers allocate some costs outside admin costs

 Some costs, especially related to Strategy Programme (e.g. project costs) accounted for as non-operating, albeit being rather operating

Changes as from Q1 2020¹

- IFRS ROE¹ to replace external RORAC
- Harmonise allocation of admin costs between ERGO and Reinsurance²
- Reallocation of some admin costs affecting technical and investment result³
- No impact on operating result
- P-C Re combined ratio reduces by approx.
 0.5%-pt. to ~1%-pt.
- Allocation of respective costs to other operating result
- Decline of operating result, other nonoperating result increases accordingly



ERGO Strategy Programme (ESP) – On track to deliver targets 2020



	Actual 2018	Guidance 2019	Actual 2019	ESP guidance 2020 ²
Total premiums	€18.7bn	~€18.5bn¹	€18.9bn	~€18.5bn
Net profit	€412m	~€400m¹	€440m	~€530m
Investments (net, accumulated)	€597m	€908m²	€770m	>>> €1,008m
Total cost savings (net, accumulated)	€174m	€227 m²	€234m	€279m
Combined ratio P-C Germany	96.0%	~93%1	92.3%	92%

ERGO Strategy Programme – Progress in focus areas



Germany

- Product portfolio optimisation continued, simplified product approach shows first results
- Sales increased by ~6%¹; tied-agent productivity further improved (~18%^{1,2})
- Progress in hybrid customer business model:
 - ERGO Direkt, ERV and D.A.S. Germany unified in one brand ERGO; modern OneWebsite "Ergo.de" launched
 - Integrated campaigns performed based on new CRM analytics – leads to tied agents significantly increased (>230k, +330%¹)
 - Registered customer portal users reached one million (2018: 900k users)

Digital Ventures

- nexible
 - Growth continued (~62k policies; +23%¹; ~100k risks insured)
 - Focus on process optimization after successful launch
- ERGO Mobility Solutions
 - Cooperation strategy successfully expanded
 - SAP platform for B2B2C mobility business launched
- Robotics and Artificial Intelligence (AI):
 Process automation scaled up; more than
 70 Bots and first AI applications in operation

International

- High earnings contribution and profitability in core markets continued
- Top 5 positions in core markets maintained
- Footprint in emerging markets expanding, e.g. regional expansion in China; merger in India leading to increasing business opportunities
- International portfolio streamlining finalised while maintaining strong earnings level; sale of 18 subsidiaries completed³

Technology

Unlocking further business potential through continued technical integration of products into omni-channel sales system (e.g. health) Delivery volume of Digital IT significantly increased while improving efficiency and time-to-market (e.g. OneWebsite, new KPI cockpit for tied agents)

Integrated target IT architecture across ERGO brands currently in implementation

ERGO Group – Key financials 2019



Group

GWP **€17.5**bn (€17.4bn)¹

L&H Germany

€9.2bn (€9.3bn)

Growth in Life new book partially compensates for back-book attrition; positive development in Health

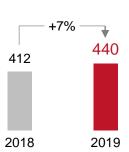
P-C Germany

€3.5bn (€3.4bn)
Strong growth – increase in commercial and retail business

International

€4.7bn (€4.6bn)¹
Premiums increased in core markets

Net **€440**m (€412m)



€187m (€264m)

Adjusted for one-off in 2019, net profit in Life increased; ongoing high Health contribution

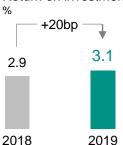
€148m (€45m)

Significant improvement of technical result

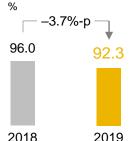
€105m (€103m)

Good operating performance offsets divestment effects

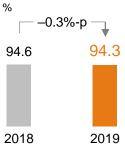
Return on investment



Combined ratio



Combined ratio



Life and Health Germany – Addressing low-interest-rate environment in Life





Life Germany €2.9bn (32%)

New book

- ERGO Vorsorge as unified risk carrier for new product offering through merger¹
- Profitable new business concentrating on biometric offers and products with significantly reduced market risk
- Double-digit APE growth, mainly driven by capital-market related² products
- Already substantial share of Life Germany premiums (~20%)

New business (APE)



Back book

- Progress in portfolio migration onto new IT platform
- Foundation for TPA business model set through additional sales joint venture with IBM
- Resilient investment yields exceeding guarantee obligations (incl. ZZR), total yield even higher
- Measures to mitigate interest-rate risks continued, e.g. hedging and interest-rate reinsurance

Investment margins



Life and Health Germany – Maintaining leading positions in Health





Business development on track

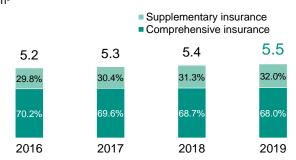
- Strong and sustainable earnings contribution
- Focus on profitable and low-risk supplementary insurance without ageing reserves
- Launch of integrated mobile application "Meine DKV"

Extension of market leading position in supplementary insurance

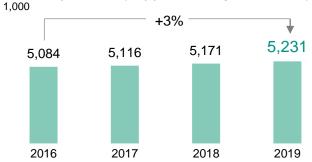
- Market leader with >20% market share²; strong new business development
- Expansion in long-term care and dental insurance
- Further integration of on- and offline sales channels with positive impact on new business

Health Germany €5.6bn¹ (60%)

Business mix (GWP) _{€bn³}



Insured persons (supplementary insurance)



Munich RE

Property-casualty Germany – Ongoing profitable premium growth



Business development on track

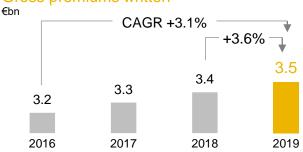
- Strong premium growth in 2019 increases in commercial and retail
- Simplified product approach and process optimisation with first successes:
 - Successful renewal of new motor insurance

 simplified product approach continued
 with legal protection and business content
 insurance
 - Digitalisation of claims processes with focus on speed and improved efficiency in motor completed; customer satisfaction increased

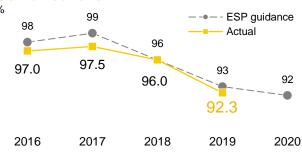
2020 level already almost achieved in 2019

- Sustainable improvement in 2019 driven by
 - Reduction of claims ratio: favourable claims development in basic losses driven by improved underwriting (esp. commercial lines) and claims management (esp. motor) as well as lower nat-cat and man-made losses
 - Improvement of cost ratio: stable cost development despite strong growth and supported by reduced fixed cost level
- Lowest combined ratio since 2011

Gross premiums written



Combined ratio



International – Sustainable increase of profitability





Core markets €3.9bn (82%)

in addition (JVs): Growth markets €0.7bn

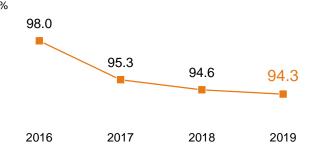
Consolidated portfolio with leading positions in core markets

- Premium increase¹ in both core and growth markets
- Strong earnings level continued despite of disposal effects
- Continuous improvement of combined ratio supported by already achieved sustainable cost savings of €35m (net, accumulated)

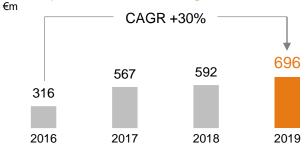
Successful expansion in selected growth markets

- India (P-C, Health): HDFC ERGO with substantial premium growth (+8%3); announced merger with Apollo Munich Health will create second-largest private accident/health insurer
- China (Life): Significant premium increase (+48%³); regional presence expanded to Hebei in 2019, third province after Shandong and Jiangsu





Gross premiums written in growth markets⁴



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Property-casualty – Earnings growth fully supports the 2020 ambition

net result **€1,562**m (€1,135m)

- Strong volume increase by almost €2bn earnings trajectory supported by growth from renewals and strategic initiatives
- Overall sound underlying profitability of portfolio – comfortably exceeding cost of capital
- High nat cat (esp. typhoons in Japan) and man-made claims, particularly in Q4
- Strong investment result, incl. disposal gains
- Normalised for single large events (e.g. aerospace) positive development of profitability in Risk Solutions business
- Support from low tax expenses





Combined 101.0% (99.4%) ratio

- Major losses (15.2%) above average
- Underlying combined ratio ~98–99%, slightly elevated due to non-outlier losses, higher admin expenses and cautious loss picks

Reserve

releases¹ 5.6% (4.6%)

- Sustained favourable reserve development - releases exceed last year's level in absolute and relative terms
- Confidence level preserved showing resilience as positive claims experience exceeds adverse development in selected hot-spot areas

Life and Health – Result below guidance on strain from Australia – Favourable experience in other markets



Technical result¹ €456m (€584m)

- On aggregate positive claims experience
- Strong contribution from new business and positive impact from restructuring of certain large treaties
- Negative impact from reserve review in Australia; overall global reserve position considered strong
- Strain on technical result from restructuring of asset portfolio in Canada
- Positive 2020 outlook: vital new business proposition and earnings stabilisation from 2019 inforce management and reserve review



Net result

€706m (€729m)

- Decline of technical result
- High investment result driven by restructuring of assets in Canada, overcompensating strain on technical result

New business contribution

~€1.3bn (€1.1bn)

- Again high level
- Strong traditional business development in North America and Asia
- FinMoRe with ongoing strong demand

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Munich Re is well positioned to profitably grow its core business fields and drive innovation in the industry





- 1 Sustainable new business proposition and active portfolio management
- 2 Effectively serving our clients and strengthening the business model
- Reinforcing underlying profitability and growth
- Building a diversified profit base shaping and seizing opportunities in the digital transformation of the (re)insurance industry

1 | Strong footprint in all major markets



Canada (€1.7bn / 14%)

- Attractive margins despite competitive environment
- Maintain leadership position in traditional business
- Develop footprint in Group business

USA (€2.9bn / 25%)

- Solid position among market leaders
- Further develop FinMoRe business and predictive analytics to foster growth
- Attractive risk-return profile of new business
- Successful inforce management execution

Continental Europe (€1.0bn / 9%)

- Sound but stagnating traditional business overall
- Demand for tailor-made FinMoRe solutions



UK / Ireland (€1.8bn / 15%)

- Successful FinMoRe and longevity proposition
- Margins in protection business remain unattractive
- Organisational set-up ready for Brexit

Asia / MENA (€3.0bn / 26%)

- Pleasing development of new business, including vital pipeline of FinMoRe solutions
- Substantial share of health reinsurance
- Product trends to be monitored closely, particularly in critical illness

Australia (€0.8bn / 7%)

- State of disability market remains an area of concern
- Strengthening of assumptions reflecting recent experience – in Q4 technical result impact of ~—€200m
- Rehabilitation of in-force top priority
- Highly selective new business proposition

Strong new business generation continues – Portfolio composition fosters steady earnings growth



Core

Strong footprint in traditional reinsurance

In-depth expertise in risk assessment and management

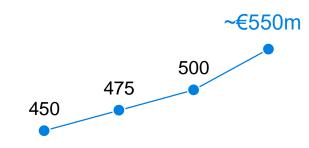


Ambition² Technical result, incl. fee income

Portfolio management

Australian disability portfolio US pre-2009 mortality block





Growth

Established growth areas¹
Leading digital services
Risk-related services
New (re-) insurance products



2017

2018

2019

2020e

36

2 January renewals 2020 – Overall positive outcome



Market developments



Further improving environment – uneven distribution across lines and geographies

Positive trends for loss-affected business and specialty lines

Alternative capital: volume stagnation – some strain in retro markets

Primary markets for commercial single risk and specialty lines developing favourably

 $\rangle\!\rangle$

Cautiously optimistic outlook on upcoming treaty renewals

Munich Re January renewals

Overall price increases overcompensating loss-trend expectations

Flat pricing in Asia (ex Japan), distinct price increases in Europe

Worldwide and North American business with stronger rate development

Business expansion for selected markets – top-line growth driven by specialty lines and Europe/Asia

Actively giving up business not meeting our criteria, e.g. casualty with US clients

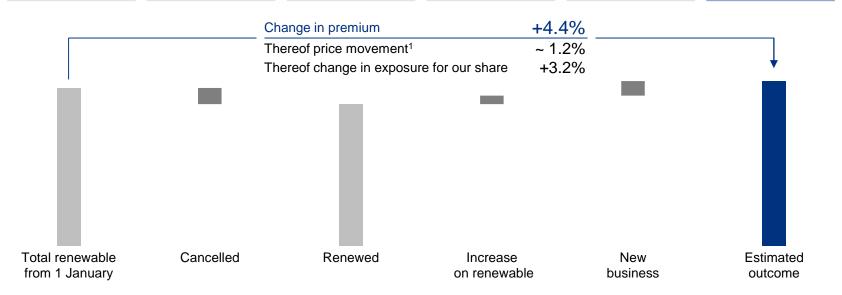


2 | Select growth in firming market environment



January renewals 2020

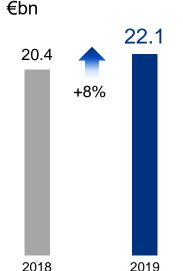
%	100	-10.3	89.7	+5.3	+9.3	104.4
€m	10,205	-1,046	9,159	+545	+950	10,655



2 Growth initiatives gaining traction – Profitable business expansion



Gross premiums written¹



Underlying combined ratio ~99% ~98–99%

Mature markets²



France: Successful re-entry and already ahead of plan, further strengthened as at 1.1.2020, now >€300m premiums

Global Clients: Growth in longstanding relationships, focus on balanced portfolios and adequate reflection of client strength

US: Selective expansion in local or regional business, when pricing and risk relation deemed good, cautious on casualty

Japan: Expansion of nat cat business reacting to increasing rates in wake of recent typhoons

Emerging markets²



Risk Solutions business²

+14%

India: Executing growth strategy and broadening offer successful, leading to diversified portfolio now >€300m premiums

Latin America: Growing in line with our ambition and market position with existing partners and new business

F&C: Direct Property and Energy business seizing market opportunities to write more business at hardening terms and better rates

AMIG: Transformation efforts bearing fruit and permitting growth of 17%, well above market average

Expansion of nat cat business...

2 Growth areas – Expansion of nat cat business globally, but locally selective based on risk appetite and terms



US nat cat Secondary perils, e.g. wildfire, only written with material price increases, otherwise reduced appetite in reinsurance for US and global clients

US hurricane Reinsurance with selective increase and opportunities written, e.g. in Florida – also given up business in January renewals, which did not meet expectations

Japan

Wind prices better after Jebi and Trami, therefore exposure slightly increased

Caribbean markets

After strong hit in the Bahamas (Dorian), acutely aware of need for appropriate cover, thus willing to accept material price increases

Risk Solutions Given loss experience 2017–2019, all primary units profiting from the primary market hardening and certain capacity retreat, e.g. F&C direct

2 US casualty – Sustaining a robust portfolio





US traditional casualty book¹ approx. 40% of global traditional casualty book



- Additional casualty premium via Risk Solutions business of ~€900m (thereof ~€750m US) ...
- ... providing balance for the overall US casualty book with very high share of smaller commercial and personal lines business

- Munich Re with early response in portfolio management and pricing
- Loss drivers (social inflation) identified and being addressed, risk appetite clearly defined and coverage-specific restrictions for critical exposures stated in underwriting best practices
- Personal lines business minimally exposed to social inflation
- Proportional business >90%

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3 Risk Solutions – 2019 with another step back to target profitability



Gross premiums written



€5.0bn (€4.3bn)

Capturing profitable growth opportunities

Combined ratio



100.7% (103.4%)

Normalised for large losses (aerospace) C/R in line with mid-nineties ambition (elevated prior to 2019 due to attritional losses)

American Modern

- Transformation investments bearing fruit with growth of 17%¹, showing attractiveness of new product suite
- One-off IT costs and business run-off partly impact the result
- Combined ratio of 88% confirms earnings potential of the unit

Facultative & Corporate

- Good and profitable market position confirmed by a 93% C/R in 2019 – following a period affected by severe outlier events
- Premiums with strong growth above expectation, particularly in property, leading to an increase of 35%¹

Aerospace

- Unusual accumulation of large-loss events for Space and Aviation business leading to a C/R of 166%. Market materially reshaped after these events allowing for positive outlook
- Growing premium due to better market conditions and an improving competitive landscape by 20% in 2019 already. Further improvement expected for 2020

4 We focus on tangible business impact – Innovative and more disruptive offerings are gaining traction



Munich Re strategic advantages.

Domain expertise in underwriting, claims, risk management

Efficient access to new solutions

Global presence

Financial strength

Strong brand and reputation

No IT legacy

... foster creation of new strategic options

Reshuffling the value chain



- Digital cooperation models (e.g. Digital Partners)
- IoT¹ applications and services (e.g. MHP/ Porsche cooperation)
- Munich Re New Ventures Parachute platform

-----Details next slides

Expanding the boundaries of insurability



- Cyber (re)insurance: GWP 2019 US\$ 604m, good profitability, accumulation control

 Details
- Cyber embedded service solutions and growing cooperation network (e.g. DXC Technology)
- Insurance of AI technology

Data-driven solutions



- Newly developed risk scores (e.g. climate risk)
- Digitally augmented underwriting/claims solutions for our cedants (e.g. Munich Engine, Realytix, Improvex)

Investments in technology and people







Strategic investments in partnerships

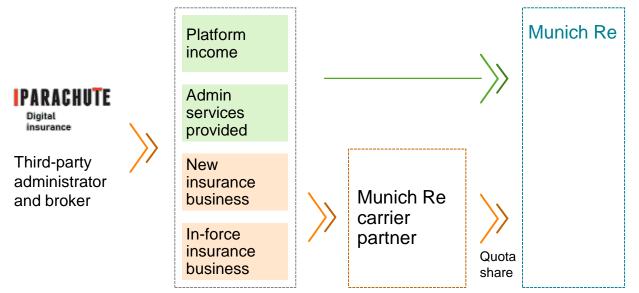
1 Internet of Things.

Analysts' and Investors' Call 2020 28 February 2020 43

4 Munich Re New Ventures – Tapping opportunities in the CAD 44bn Canadian group insurance market



Bringing concrete solutions to our clients with the vision to enhance the Group insurance market and create new income streams

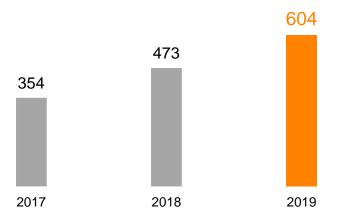


- Create ~€100m annual income in the mid- to long-term, by unlocking untapped markets
- Grow the voluntary group benefits market with a B2B2C model
- Improve scalability and efficiency of mandatory and voluntary products by straight-through processing
- Ensure scalability and expansion in other markets and product lines where possible

4 Cyber insurance – Continuously one of Munich Re's main strategic growth areas



Gross premiums written cyber portfolio¹ US\$ m



- Profitable growth in line with strategy and ambition
- Cautious participation in a further growing market balancing growth and stringent risk management – market share of up to 10%

- Early and full commitment to cyber allows us to shape the market and results in a lead position
- Good profitability of the cyber insurance book
- Competitive knowledge advantage and further investments in leading cyber expertise (~100 FTE)
- Further establishing relevant and efficient partnerships and detecting new distribution channels
- Actively addressing the topic silent cyber, managing our own exposure and creating new business by supporting clients
- Accumulation management is constantly challenged, further refined and state of the art

1 Munich Re Group excl. ERGO Analysts' and Investors' Call 2020 28 February 2020 45

Additional information





Segment income statement Q4 2019



€m	Reinsurance L/H ¹	Reinsurance P-C	ERGO L/H Germany	ERGO P-C Germany	ERGO International	Total Q4 2019
Gross premiums written	3,091	5,172	2,327	695	1,256	12,540
Net earned premiums	2,778	5,347	2,331	863	1,195	12,515
Income from technical interest	155	327	849	18	127	1,477
Net expenses for claims and benefits	-2,315	-3,947	-2,752	-529	–919	-10,462
Net operating expenses	-589	-2,071	-392	-281	-422	-3,754
Technical result	30	-344	36	72	-20	-225
Investment result	225	623	932	52	132	1,965
Insurance related-investment result	11	39	173	0	69	292
Other operating result	47	-20	-17	14	2	25
Deduction of income from technical interest	-155	-327	-849	-18	-127	-1,477
Non-technical result	128	315	239	48	77	805
Operating result	158	-30	275	120	57	580
Other non-operating result	0	-3	-93	-64	-32	-193
Currency result	-36	-102	-95	-6	-1	-241
Net finance costs	-10	-33	-6	-1	-7	-56
Taxes on income	-23	195	-37	-5	-4	127
Net result	89	27	44	43	13	217

1 Technical result incl. fee income: €70m.

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Segment income statement 2019



€m	Reinsurance L/H ¹	Reinsurance P-C	ERGO L/H Germany	ERGO P-C Germany	ERGO International	Total 2019
Gross premiums written	11,716	22,091	9,238	3,500	4,912	51,457
Net earned premiums	10,540	20,566	9,191	3,362	4,621	48,280
Income from technical interest	652	1,215	4,196	75	591	6,729
Net expenses for claims and benefits	-8,580	-13,714	-11,701	-2,056	-3,633	-39,685
Net operating expenses	-2,283	-7,066	-1,415	-1,077	-1,408	-13,249
Technical result	329	1,000	271	303	171	2,074
Investment result	1,080	2,152	3,916	157	430	7,737
Insurance related-investment result	30	65	751	0	330	1,176
Other operating result	62	-238	–61	22	-39	-254
Deduction of income from technical interest	-652	-1,215	-4,196	–75	– 591	-6,729
Non-technical result	520	763	410	105	131	1,930
Operating result	849	1,764	681	408	302	4,004
Other non-operating result	-10	-47	-305	-212	-92	-665
Currency result	47	149	-41	-24	-59	73
Net finance costs	-39	-128	-23	-5	-27	-222
Taxes on income	-142	-176	-127	-19	-19	-483
Net result	706	1,562	187	148	105	2,707

1 Technical result incl. fee income: €456m.

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IFRS P&L statements – Changes as from Q1 2020 Actual 2019 (restated)



€m		Rein	surance				ERG	O			Munio	h Re
	L8	kН	P-	-C	L/H Ge	ermany	P-C Ge	ermany	Intern	ational		
	Reported	Restated	Reported	Restated	Reported	Restated	Reported	Restated	Reported	Restated	Reported	Restated
Gross premiums written	11,716	11,716	22,091	22,091	9,238	9,238	3,500	3,500	4,912	4,912	51,457	51,457
Net earned premiums	10,540	10,540	20,566	20,566	9,191	9,191	3,362	3,362	4,621	4,621	48,280	48,280
Income from technical interest	652	652	1,215	1,215	4,196	4,196	75	75	591	591	6,729	6,729
Net expenses for claims and benefits	-8,580	-8,580	-13,714	-13,714	-11,701	-11,701	-2,056	-2,056	-3,633	-3,633	-39,685	-39,685
Net operating expenses	-2,283	-2,246	-7,066	-6,910	-1,415	-1,415	-1,077	-1,077	-1,408	-1,408	-13,249	-13,056
Technical result	329	365	1,000	1,157	271	271	303	303	171	171	2,074	2,267
Investment result	1,080	1,097	2,152	2,220	3,916	3,916	157	157	430	430	7,737	7,822
Insurance related-investment result	30	37	65	65	751	751	0	0	330	330	1,176	1,182
Other operating result	62	2	-238	-463	-61	-354	22	-174	-39	-124	-254	-1,112
Deduction of income from technical interest	-652	-652	-1,215	-1,215	-4,196	-4,196	-75	-75	-591	-591	-6,729	-6,729
Non-technical result	520	484	763	607	410	118	105	-91	131	45	1,930	1,163
Operating result	849	849	1,764	1,764	681	389	408	212	302	217	4,004	3,430
Other non-operating result	-10	-10	-47	-47	-305	-12	-212	-16	-92	-6	-665	-91
Currency result	47	47	149	149	-41	-41	-24	-24	-59	-59	73	73
Net finance costs	-39	-39	-128	-128	-23	-23	-5	-5	-27	-27	-222	-222
Taxes on income	-142	-142	-176	-176	-127	-127	-19	-19	-19	-19	-483	-483
Net result	706	706	1,562	1,562	187	187	148	148	105	105	2,707	2,707

Actual vs. analysts' consensus



. analysts	' consensus ¹	€m
Q4 2019	Consensus	Delta
-30	251	-281
158	63	95
275	115	160
120	84	36
57	75	– 18
580	588	-8
-241		
-249		
127		
217	293	– 76
	Q4 2019 -30 158 275 120 57 580 -241 -249 127	-30 251 158 63 275 115 120 84 57 75 580 588 -241 -249 127

Major developments in Q4 2019

Reinsurance Property-casualty

Combined ratio: 112.5% (consensus: 105.1%) – major-loss ratio: 27.4%, reserve releases basic losses: 7.1%; Rol: 3.8%

Reinsurance Life and Health

Technical result, incl. fee income of €70m; Rol: 3.1%

ERGO Life and Health Germany

Policyholder participation in FX result and tax-related positive one-off; Rol: 2.9%

ERGO Property-casualty Germany

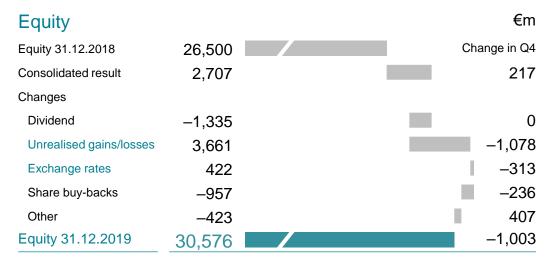
Combined ratio: 93.2% (consensus: 94.8%); Rol: 2.8%

ERGO International

Combined ratio: 94.8% (consensus: 98.0%); Rol: 2.8%

IFRS capital position





Unrealised gains/losses

Fixed-interest securities

2019: **+€2**,672m Q4: **–€1**,195m

Non-fixed-interest securities

2019: +€992m Q4: +€119m

Exchange rates

FX effect mainly driven by US\$



- ── Debt leverage¹ (%)
- Senior and other debt²
- Subordinated debt
- Equity

¹ Strategic debt (senior, subordinated and other debt) divided by total capital (strategic debt + equity). 2 Other debt includes Munich Re bank borrowings and other strategic debt.

Premium development



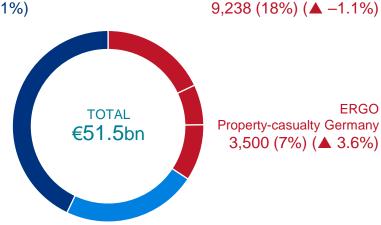
Life and Health Germany

€m

ERGO







Reinsurance Life and Health 11,716 (23%) (▲ 8.0%) ERGO International 4,912 (10%) (▲ −2.9%)

Reconciliation of operating result with net result



Reconciliation of oper	Reconciliation of operating result with net result								
	2019					Q4 2019			
Operating result	4,004					580			
Other non-operating result	-665					-193			
Currency result	73					-241			
Net finance costs	-222					-56			
Taxes on income	-483					127			
Net result	2,707					217			
Other non-operating resu	lt (€m)	2019	Q4 2019	Tax rates (%)	2019	Q4 2019			
Goodwill impairments		-1	0	Group	15.1	-139.8			
Restructuring expenses		-60	-4	Reinsurance	12.3	307.7			
Other		-605	-189	ERGO	27.2	31.4			

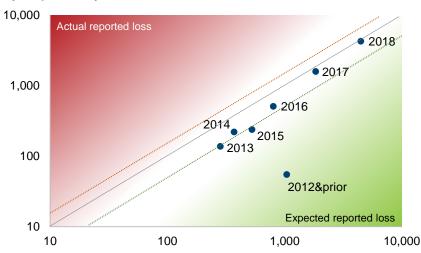
Very strong reserve position – Actual basic losses continue to be consistently below actuarial expectations



Reinsurance group – Comparison of incremental expected losses with actual reported losses¹

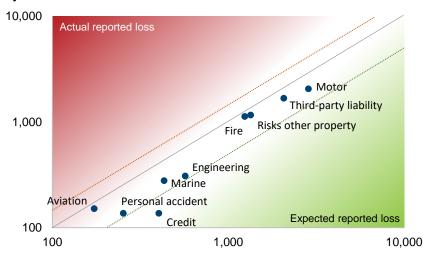
€m





Actuals below expectation for all contract years – overall picture consistent with previous years

By line of business



Also on a line-of-business view all actuals are below expectations

Legend: Green Actuals below expectation

Red Actuals above expectation

Solid line Actuals equal expectation

Dotted line Actuals 50% above/below expectations

2 Basic losses: €1.494m, major losses: €37m.

Positive run-off result despite reserve strengthening in selected Munich RE portfolios without weakening resilience against future volatility

Ultimate losses¹ – Favourable actual vs. expected comparison facilitates ultimate reductions for prior years

6					Accide	nt year (A	AY)						
€m	≤2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total	
31.12.2009	53,838												 Ultimate reductions in particular for basic losses
31.12.2010	53,118	13,517											Negative run-off in AY 2018
31.12.2011	52,226	13,707	17,594										largely driven by adverse
31.12.2012	51,079	13,585	17,745	14,520									outlier development (e.g. Typhoon Jebi), and to a
31.12.2013	50,588	13,669	17,459	14,301	14,409								much smaller extent also
31.12.2014	49,641	13,698	17,043	14,096	14,630	14,324							impacted by prudent
31.12.2015	48,728	13,496	16,918	13,883	14,586	14,351	13,587						reserving for US casualty loss trend
31.12.2016	48,380	13,270	16,446	13,848	14,291	14,328	13,640	14,486					
31.12.2017	48,210	13,140	16,418	13,748	14,190	14,117	13,429	14,324	17,667				 Reserve position remains strong
31.12.2018	47,495	12,971	16,124	13,488	13,917	13,851	13,219	14,366	17,693	17,907			
31.12.2019	46,377	12,915	15,855	13,254	13,765	13,668	13,068	14,196	17,563	18,773	18,928) Poincurones ² 61 521 m
CY 2018 run- off change	1,118	56	269	234	151	183	151	170	130	-866	_	1,597	Reinsurance² €1,531m ERGO €66m
CY 2018 run- off change (%)	2.4	0.4	1.7	1.7	1.1	1.3	1.1	1.2	0.7	-4.8	_	0.9	

Response to benign emergence of basic losses in line with considered judgement



Actual vs. expected Changes in projection Property Reserve release Specialty¹ Reserve release Casualty Reserve release

Business rationale

Releases follow favourable indications

- Positive actual-versus-expected indications
- Short-tail lines develop relatively quickly
- Releases spread across various property lines of business

Favourable loss development leads to release

- Favourable indications across all lines
- Reserve release primarily in credit and marine

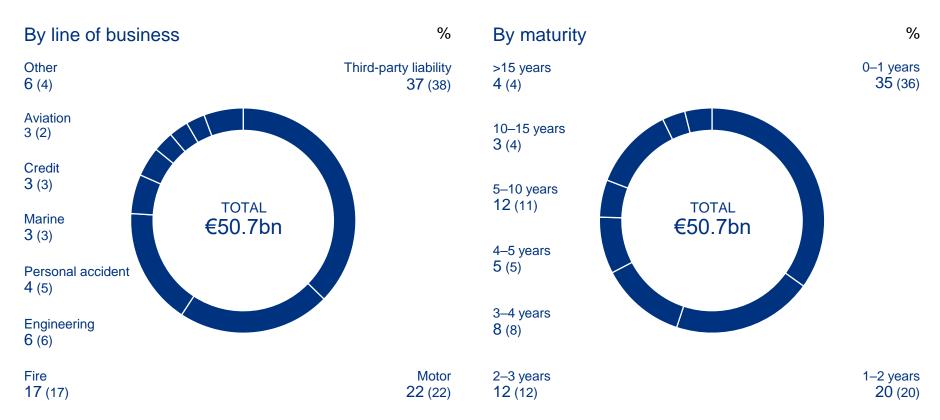
Small releases despite favourable indications

- Deliberately small reserve release, despite favourable overall actual-versus-expected development
- Releases in motor and third-party liability
- Cautious reaction to signs of deterioration in selected casualty portfolios

1 Aviation, credit and marine. Analysts' and Investors' Call 2020 28 February 2020 56

Property-casualty provision for outstanding claims





Fair values (gross) as at 31.12.2019 (31.12.2018).

Asbestos and environmental survival ratio 31 December 2019



Munich Re (Group) – Net definitive as at 31 December 2019 ¹			€m
	Asbestos	Environmental	A&E total
Paid	3,319	1,002	4,320
Case reserves	450	126	576
IBNR	618	175	793
Total reserves	1,067	301	1,368
3-year average annual paid losses	56	21	77
Survival ratio 3-year average %	19.0	14.7	17.8

Investment result



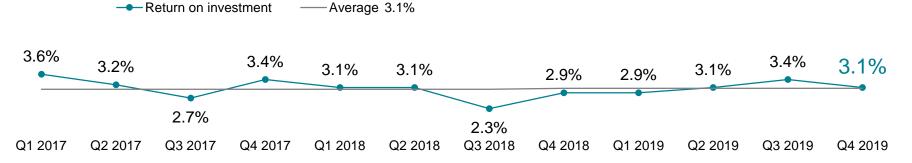
€m					Q4 2019	Return ¹	2019	Return ¹	2018	Return ¹
Regular income	e				1,618	2.6%	6,751	2.8%	6,586	2.8%
Write-ups/write-	-downs				-24	0.0%	-309	-0.1%	-1,054	-0.5%
Disposal gains/l	losses				1,108	1.8%	2,779	1.1%	1,582	0.7%
Derivatives ²					-509	-0.8%	-717	-0.3%	103	0.0%
Other income/e	xpenses				-228	-0.4%	-767	-0.3%	-691	-0.3%
Investment resu	ult				1,965	3.1%	7,737	3.2%	6,526	2.8%
Total return						-4.9%		7.7%		1.4%
3-month reinvestment yie	eld	Q4 2019	Write-ups/ write- downs	Disposal gains/ losses	De- rivatives	2019		Write-ups/ write- downs	Disposal gains/ losses	De- rivatives
Q4 2019	1.9%	Fixed income	-3	597	-269	Fixed income	е	– 51	1,530	184
Q3 2019	2.1%	Equities	-83	500	-268	Equities		-311	1,037	-927
Q3 2019	2.1/0	Commodities/Inflation	7	0	46	Commodities	s/Inflation	70	0	13
Q2 2019	2.2%	Other	55	11	-18	Other			211	12

¹ Annualised return on quarterly weighted investments (market values) in %. Impact from dividends in regular income: 0.2%-points in Q4 and 0.3%-points in Q1-4. 2 Result from derivatives without regular income and other income/expenses.

Return on investment by asset class and segment 2019

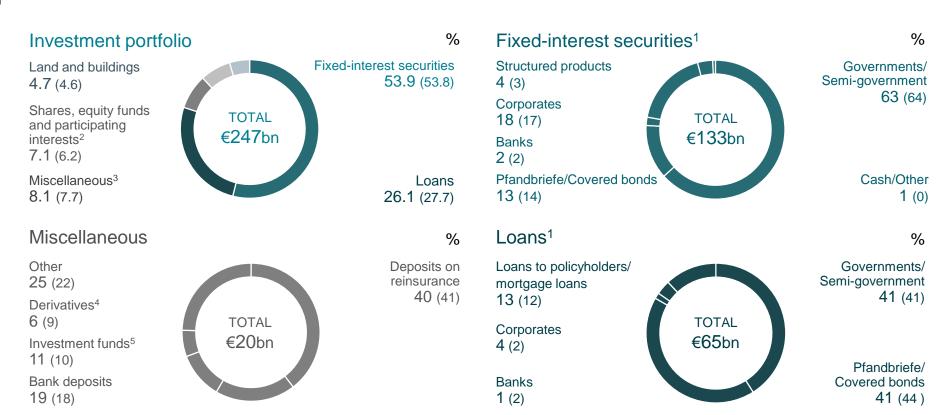


% ¹	Regular income	Write-ups/ -downs	Disposal result	Extraord. derivative result	Other inc./exp.	Rol	Market value (€m)
Afs fixed-income	2.3	-0.0	1.0	0.0	0.0	3.2	130,076
Afs non-fixed-income	4.1	-1.7	5.7	0.0	0.0	8.1	18,112
Derivatives	6.7	0.0	0.0	-32.9	-1.1	-27.3	2,181
Loans	2.8	-0.0	0.3	0.0	0.0	3.1	65,979
Real estate	4.7	-1.1	1.4	0.0	0.0	5.0	10,899
Other ²	3.3	1.0	0.3	0.0	-4.5	0.1	16,416
Total	2.8	-0.1	1.1	-0.3	-0.3	3.2	243,663
Reinsurance	2.9	-0.1	1.2	-0.1	-0.4	3.5	91,991
ERGO	2.7	-0.2	1.1	-0.4	-0.3	3.0	151,672



Investment portfolio





¹ Approximation – not fully comparable with IFRS figures. Fair values as at 31.12.2019 (31.12.2018). 2 Net of hedges: 6.4 (5.2%). 3 Deposits retained on assumed reinsurance, deposits with banks, investment funds (excl. equities), derivatives and investments in renewable energies and gold. 4 Non-fixed derivatives. 5 Non-fixed property funds and non-fixed bond funds

Fixed-income portfolio Total



%

Governments/ Semi-government 53 (53)

Fixed-income portfolio

Bank bonds 1 (2)

Structured products 2 (2)

Loans to policyholders/ Mortgage loans 4 (4)

Cash/Other 5 (5)

Corporates 13 (12)

Pfandbriefe/ Covered bonds 21 (23)



62

Fixed-income portfolio Total



Rating structure

NR¹ 5 (5)

BB 3 (3)

BBB

12 (12)

A 13 (13)



Maturity structure

n.a. 3 (3)

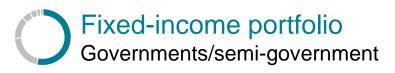
>10 years 34 (33)

7–10 years **15** (15)



% Regional breakdown

AAA		Without	With	To	tal
43 (43)		policyholder p	articipation	31.12.2019	31.12.2018
()	Germany	4.8	22.0	26.8	28.2
	US	14.0	1.7	15.6	14.3
	France	2.2	5.1	7.3	8.′
	UK	3.1	2.0	5.1	4.9
	Canada	4.1	0.7	4.7	4.5
AA	Netherlands	1.4	2.9	4.3	4.5
24 (25)	Supranationals	0.7	2.9	3.6	3.7
%	Spain	1.0	2.1	3.1	2.8
/0	Australia	2.6	0.4	3.1	2.8
0–1 years	Austria	0.5	2.1	2.6	2.5
9 (10)	Belgium	0.8	1.6	2.4	2.3
1–3 years	Ireland	0.7	1.4	2.2	2.1
13 (13)	Poland	1.3	0.5	1.8	1.7
3–5 years	Sweden	0.2	1.2	1.4	1.6
13 (13)	Italy	0.5	0.8	1.3	1.7
5–7 years	Other	6.7	7.8	14.6	14.2
13 (13)	Total	44.7	55.3	100.0	100.0





%

Rating structure

BB 2 (2)

BBB 7 (7)

16 (15)

AA 32 (33)

TOTAL €111.2bn

Maturity structure

>10 years 44 (42)

7-10 years

15 (15)



% Regional breakdown

AAA

43 (43)

0-1 years

1-3 years

3-5 years

5-7 years

9 (10)

11 (13)

11 (10)

11 (10)

Ireland

Italy

Other

Total

Without With Total policyholder participation 31.12.2019 31.12.2018 3.1 20.8 23.9 25.1 Germany 15.2 1.3 US 16.5 15.6 1.3 5.5 6.7 6.9 Supranationals 5.8 0.7 6.2 Canada 6.5 1.3 3.0 4.3 3.7 Spain 1.3 2.8 3.9 Belgium 4.1 4.0 0.1 4.0 3.6 Australia France 1.7 2.1 3.8 4.6 2.3 0.9 3.2 3.1 Poland 0.5 2.6 3.2 3.4 Austria 2.7 UK 2.8 0.0 2.8 0.3 1.8 2.0 2.2 Finland 0.6 1.3 2.2 Netherlands 1.9 1.2 1.6 1.7

0.4

0.5

7.6

48.5

0.9

6.5

51.5

1.4

14.1

100.0

2.1

13.0

100.0





31.12.2019

35.4

19.5

9.8

8.4

5.9

5.4

1.8

1.1

0.3

12.5

Rating structure

1 (1) **BBB**

2 (4)

AA 20 (21)



Maturity structure

>10 years 21 (25)



%

Regional breakdown

AAA 77 (74)

Italy

Ireland

Sweden Norway Spain

Other

Cover pools

Mixed and other 9 (10)

1-3 years 15 (12)

5 (7)

0-1 years

%

3-5 years 17 (18)

5-7 years **Public** 29 (29) 20 (19)



France UK Netherlands



Mortgage 62 (61)

%

37.7

19.7

8.4

7.8 6.0

5.7

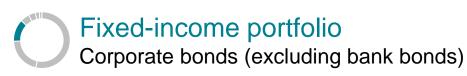
2.0

1.0

0.3

11.5

31.12.2018





Rating structure

NR 0 (1)

<BB 2 (2)

BB 11 (12)

BBB 61 (60)

TOTAL €26.5bn

Maturity structure

>10 years 24 (21)

7–10 years 12 (13)

5–7 years **15** (16)



%	Sector breakdown		%
AAA		31.12.2019	31.12.2018
2 (2)	Industrial goods and services	14.2	13.7
	Utilities	13.6	16.2
AA 5 (4)	Oil and gas	10.9	11.9
O (4)	Financial services	9.6	9.0
А	Telecommunications	8.0	7.9
19 (20)	Healthcare	7.5	7.3
%	Technology	6.0	4.8
	Food and beverages	4.0	3.7
0–1 years 10 (10)	Automobiles	3.9	3.0
()	Media	3.6	4.1
1–3 years	Basic resources	3.5	2.7
19 (19)	Personal and household goods	3.1	3.7
0.5	Construction	2.8	3.1
3–5 years 20 (22)	Other	9.2	8.9
` /			





Structured products portfolio (at market values): Breakdown by rating and region

€m

		Rating				Regio	n		Market-to-		
		AAA	AA	Α	BBB	<bbb< th=""><th>NR</th><th>USA + RoW</th><th>Europe</th><th>Total</th><th>par</th></bbb<>	NR	USA + RoW	Europe	Total	par
ABS	Consumer-related ABS ¹	174	80	66	0	0	0	188	133	320	101%
	Corporate-related ABS ²	0	7	188	40	0	0	32	202	235	100%
	Subprime HEL	1	0	0	0	0	0	1	0	1	95%
CDO/ CLN	Subprime-related	0	0	0	0	0	0	0	0	0	0%
	Non-subprime-related	748	1,359	35	18	0	9	764	1,405	2,169	100%
MBS	Agency	1,402	26	0	0	0	0	1,428	0	1,428	104%
	Non-agency prime	4	17	1	0	0	0	1	22	23	100%
	Non-agency other (not subprime)	101	26	2	0	0	0	18	110	129	100%
	Commercial MBS	446	13	11	0	0	0	438	32	470	104%
	Total 31.12.2019	2,876	1,527	303	58	0	9	2,870	1,904	4,774	101%
	In %	60%	32%	6%	1%	0%	0%	60%	40%	100%	
	Total 31.12.2018	2,217	1,264	378	89	0	0	2,107	1,840	3,947	100%

¹ Consumer loans, auto, credit cards, student loans. 2 Asset-backed CPs, business and corporate loans, commercial equipment. Approximation – not fully comparable with IFRS figures. Fair values as at 31.12.2019 (31.12.2018).





Total

%

%

68

Senior

82 (80)



NR 1 (0) <BB 0(0)BB 4 (5) **BBB** 38 (42)



Maturity structure

>10 years 2 (4) 7-10 years



7 (9)



% Regional breakdown

AAA		Senior bonds	Subordinated	Loss-bearing	31.12.2019	31.12.2018
1 (0)	US	26.1	8.8	0.5	35.4	43.4
1 (0)	Canada	11.4	0.0	0.0	11.4	5.4
	Germany	4.9	0.3	5.1	10.2	11.8
Λ Λ	Ireland	8.8	0.0	0.0	8.8	8.6
AA	UK	5.9	1.0	0.2	7.2	7.8
17 (12)	France	4.2	0.8	0.0	5.0	4.8
	Australia	2.8	0.0	0.0	2.8	1.1
	Netherlands	2.5	0.0	0.0	2.6	1.4
Α	Guernsey island	2.3	0.0	0.0	2.3	2.6
38 (40)	Other	12.8	1.5	0.0	14.3	13.1
` '						

Cover pools

Loss-bearing¹ 0-1 years 13 (25) 6 (7) 1-3 years 40 (31)

%





Sensitivities to interest rates, spreads and equity markets



Consitivity to rick free interest rates. Posis points	50	0.5	. 50	. 400
Sensitivity to risk-free interest rates – Basis points	–50	–25	+50	+100
Change in gross market value (€bn)	+9.1	+4.4 +1.1 +0.2	-8.3	-15.7
Change in on-balance-sheet reserves, net (€bn)¹	+2.3		-2.1	-4.1
Change in off-balance-sheet reserves, net (€bn)¹	+0.4		-0.4	-0.7
P&L impact (€bn)¹	+0.2	+0.1	-0.2	-0.4
Sensitivity to spreads ² (change in basis points)			+50	+100
Change in gross market value (€bn)			-6.0	-11.3
Change in on-balance-sheet reserves, net (€bn)¹			-1.4	-2.8
Change in off-balance-sheet reserves, net (€bn)¹			-0.3	-0.5
P&L impact (€bn)¹			-0.1	-0.2
Sensitivity to equity and commodity markets ³	-30%	-10%	+10%	+30%
Change in gross market value (€bn)	-6.0	-2.0	+2.0	+6.2
Change in on-balance-sheet reserves, net (€bn)¹	-1.4	-0.6	+0.9	+2.7
Change in off-balance-sheet reserves, net (€bn)¹	-1.1	-0.4	+0.4	+1.3
P&L impact (€bn)¹	-1.5	-0.3	-0.0	+0.1

¹ Rough calculation with limited reliability assuming unchanged portfolio as at 31.12.2019. 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



€m	31.12. 2017	31.12. 2018	30.9. 2019	31.12. 2019	in Q4
Market value of investments	231,885	231,876	253,521	247,310	-6,210
Total reserves	25,395	22,002	38,148	33,120	-5,029
On-balance-sheet reserves					
Fixed-interest securities	7,622	4,953	14,026	10,738	-3,288
Non-fixed-interest securities	3,261	1,817	3,311	3,632	320
Other on-balance-sheet reserves ¹	189	207	223	203	-19
Subtotal	11,072	6,977	17,560	14,574	-2,987
Off-balance-sheet reserves					
Real estate ²	2,744	4,769	4,941	5,600	659
Loans ³	10,788	9,453	14,897	12,147	-2,750
Associates	792	803	750	799	49
Subtotal	14,323	15,024	20,588	18,546	-2,042
Reserve ratio	11.0%	9.5%	15.0%	13.4%	

¹ Unrealised gains/losses from unconsolidated affiliated companies, valuation at equity and cash-flow hedging. 2 Excluding reserves from owner-occupied property. 3 Excluding insurance-related loans.

On- and off-balance-sheet reserves



€m	On-balance-sheet reserves	Off-balance-sheet reserves ¹
Total reserves (gross)	14,574	18,546
Provision for deferred premium refunds	-6,200	-10,861
Deferred tax	-1,782	-2,348
Minority interests	–7	0
Consolidation and currency effects	-206	0
Shareholders' stake	6,379	5,338

Breakdown of SCR – Increase driven by substantial business growth and lower interest rates



Risk category €bn	Gro u 2018	ip 2019	Delta	RI 2019	ERGO 2019	Div. 2019	
Property-casualty	7.6	8.8	+1.2	8.8	0.4	-0.4	Substantial growth of nat cat portfolio, depreciation of the euro
Life and Health	5.3	6.4	+1.1	5.5	1.2	-0.4	Business growth, decreasing interest rates, depreciation of the euro
Market	9.2	10.1	+0.9	6.3	6.0	-2.2	Lower interest rates
Credit	3.2	4.2	+1.0	2.5	1.9	-0.2	Lower interest rates
Operational risk	1.1	1.1	+0.0	0.7	0.6	-0.2	
Other ¹	0.7	0.7	+0.0	0.4	0.2		
Simple sum	27.0	31.2	+4.2	24.2	10.3	-3.3	
Diversification	-9.9	-10.7	-0.8	-8.8	-1.2		
Tax	-2.4	-3.0	-0.5	-2.8	-0.8		
Total SCR	14.7	17.5	+2.8	12.6	8.3	-3.4	

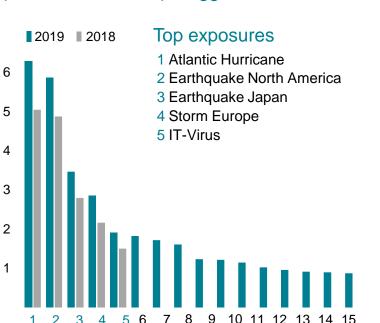
¹ Capital requirements for associated insurance undertakings and other financial sectors, e.g. institutions for occupational retirement provisions.

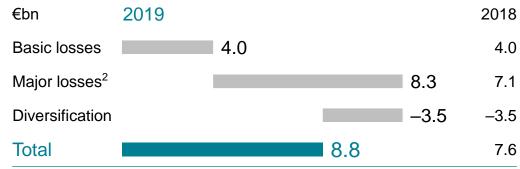
Property-casualty risk – Increase mainly driven by business growth in P-C Reinsurance

€bn



Top scenario exposures (net of retrocession) – AggVaR¹



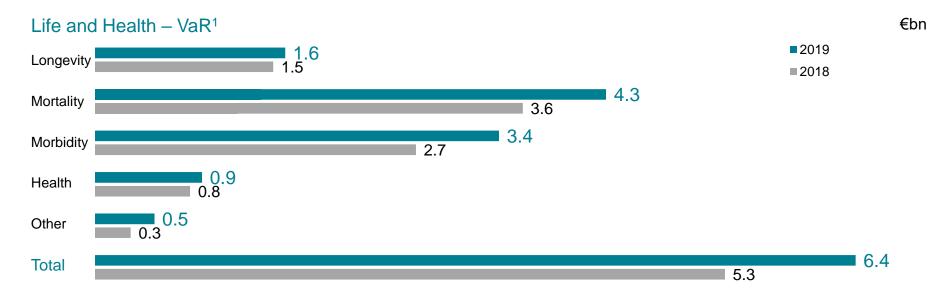


- Exploiting opportunities in an improving market environment – exposure growth in all major scenarios in accordance with higher risk-bearing capacity (strongly increased EOF)
- Additional exposure expansion due to depreciation of euro
- Well-diversified cat portfolio across perils and regions

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Life and Health risk





Overall increase driven by

Reinsurance

Lower interest rates and increase in exposure, esp. US mortality business

ERGO

Lower Euro interest rates

74

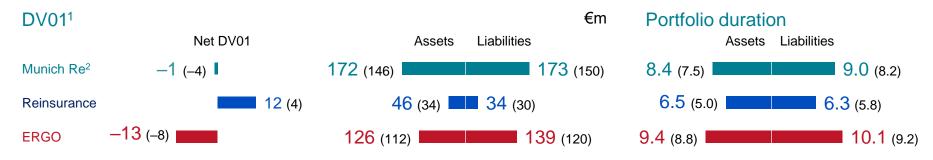
Market risk – Solvency capital requirement

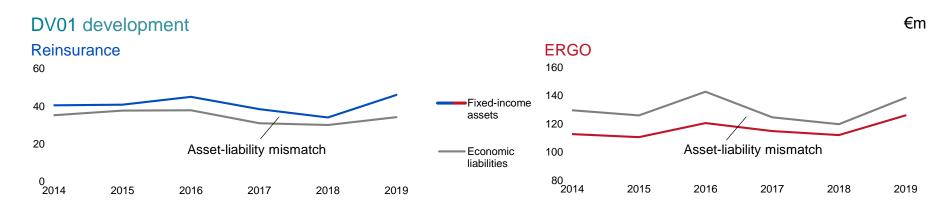


Risk category €bn	Grou 2018	p 2019	RI 2019	ERGO 2019	Div. 2019	
Equity	3.6	4.2	2.8	1.5	-0.1	Exposure increase and rising markets
General interest rate	3.7	3.0	1.5	2.8	-1.3	Reduction of duration mismatch and increased downside protection
Credit spread	3.2	4.1	1.6	3.1	-0.6	Exposure increase in Reinsurance, higher shareholder participation at ERGO
Real estate	2.1	2.2	1.5	8.0	-0.1	
Currency	3.8	4.6	4.5	0.2	-0.1	Increase of FX mismatch position
Simple sum	16.3	18.1	12.0	8.3	-2.2	
Diversification	-7.1	-8.1	-5.7	-2.4	_	
Total market risk SCR	9.2	10.1	6.3	6.0	-2.2	

Market risk – Interest-rate sensitivity







¹ Fair values as at 31.12.2019 (31.12.2018): 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. 2 Liabilities comprise technical provisions according to Solvency II. 3 Figures for ERGO and consequently Munich Re Group include VA for Q4 2019. Historical values are not restated.

Analysts' and Investors' Call 2020

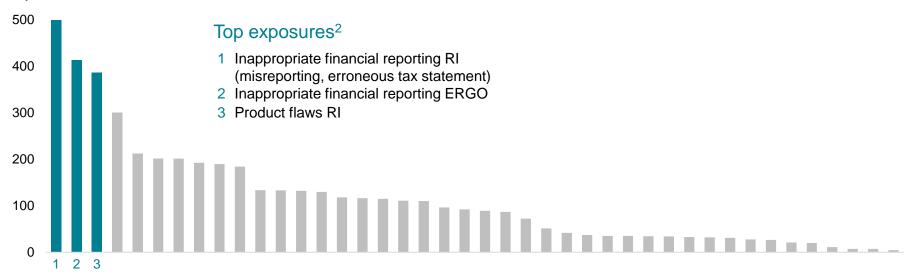
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Operational risk









Integral part of the internal model

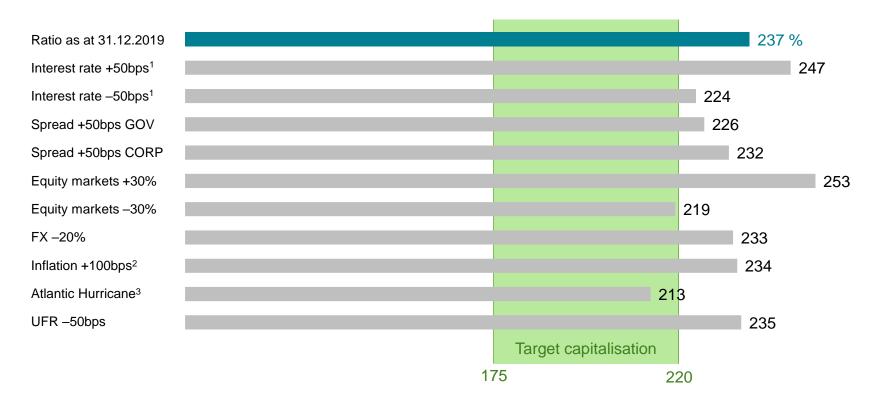
Internal control system implemented to actively manage operational risks for Munich Re (Group)

Overall no changes to quantitative assessment

77

Sensitivities of SII ratio





Preliminary SII ratios of Munich Re and solo entities¹



€bn	EOF	SCR	S-II Ratio	S-II Ratio
Internal Model	(without TM ²)	(without TM ²)	(without TM ²)	(incl. TM ²)
Munich Re	41.5	17.5	237%	274%
Munich Reinsurance Company	41.9	17.5	239%	276%
Munich Re of Malta	3.0	0.7	431%	_
GLISE	0.4	0.2	184%	_
ERGO Versicherung AG	2.8	0.6	455%	_
DKV	3.8	1.1	335%	
Otan dand Farmula				
Standard Formula				
ERGO Leben	2.23	2.1	107%	420%
Victoria Leben	1.34	0.5	262%	677%
ERGO Vorsorge Leben	8.0	0.1	520%	_
ERGO Austria	0.5^{5}	0.3	156%	305%
ERGO Belgium Life	0.8	0.3	259%	_
ERGO Poland P-C (PLN bn)	2.6	1.7	148%	_

¹ Entities with internal model and selected companies with standard formula application. 2 Transitional measures. 3 Including transitional measures €6.4bn. 4 Including transitional measures €0.9bn.

ERGO Life and Health Germany (1)



Gross premiums written	€m	Major result drivers						€m
2018	9,345		Q4 2019	Q4 2018	A	2019	2018	A
Foreign exchange	1	Technical result	36	94	-58	271	552	-281
g g		Non-technical result	239	118	120	410	238	172
Divestments/investments	- 5	thereof investment result	932	1,008	-76	3,916	3,502	415
Organic change	■ -102	Other	-231	-147	-84	-494	<i>–</i> 527	33
2019	9,238	Net result	44	66	-22	187	264	–77

Life and Health Germany (€m)	Q4 2019	Return ¹	2019	Return ¹	2018	Return ¹
Regular income	849	2.6%	3,571	2.8%	3,489	2.9%
Write-ups/write-downs	-69	-0.2%	-249	-0.2%	-387	-0.3%
Disposal gains/losses	611	1.9%	1,439	1.1%	650	0.5%
Derivatives ²	-362	-1.1%	-499	-0.4%	83	0.1%
Other income/expenses	-97	-0.3%	-345	-0.3%	-333	-0.3%
Investment result	932	2.9%	3,916	3.1%	3,502	2.9%
Average market value		129,142		125,982		120,251

80

ERGO Life and Health Germany (2) – Key figures



Life Germany

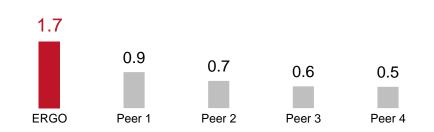
Key figures ¹ %	2017	2018	2019
Reinvestment yield	1.5	1.6	1.8
Average yield	3.0	2.9	2.8
Average guarantee ²	2.1	2.0	1.9

Key financials¹ €bn	2017	2018	2019
Free RfB	1.4	1.3	1.6
Terminal bonus fund	0.9	0.9	8.0
Unrealised gains	10.4	9.4	13.3
Accumulated ZZR	5.0	5.4	6.2

Health Germany GWP – Market view³ €bn Comprehensive insurance – ERGO number 2 in German market



Supplementary insurance – ERGO clear market leader



Other income/expenses

Investment result

Average market value

ERGO Property-casualty Germany (1)



Gross premiums written	€m	Major result drivers						€m
2018	3,377		Q4 2019	Q4 2018	A	2019	2018	A
Foreign exchange	1	Technical result	72	2 37	36	303	166	138
o o		Non-technical result	48	18	30	105	62	42
Divestments/investments	0	thereof investment result	52	35	17	157	133	24
Organic change	122	Other	-77	– 49	-27	-260	-183	-77
2019	3,500	Net result	43	5	38	148	45	103
Property-casualty Germany	/ (€m)		Q4 2019	Return ¹	2019	Return ¹	2018	Return ¹
Regular income			40	2.1%	159	2.1%	148	2.1%
Write-ups/write-downs			- 5	-0.2%	–27	-0.4%	-40	-0.6%
Disposal gains/losses			27	1.4%	100	1.3%	30	0.4%
Derivatives ²			-6	-0.3%	-51	-0.7%	13	0.2%

-23

157

-0.2%

2.8%

7,617

52

-0.3%

2.1%

7,504

-19

133

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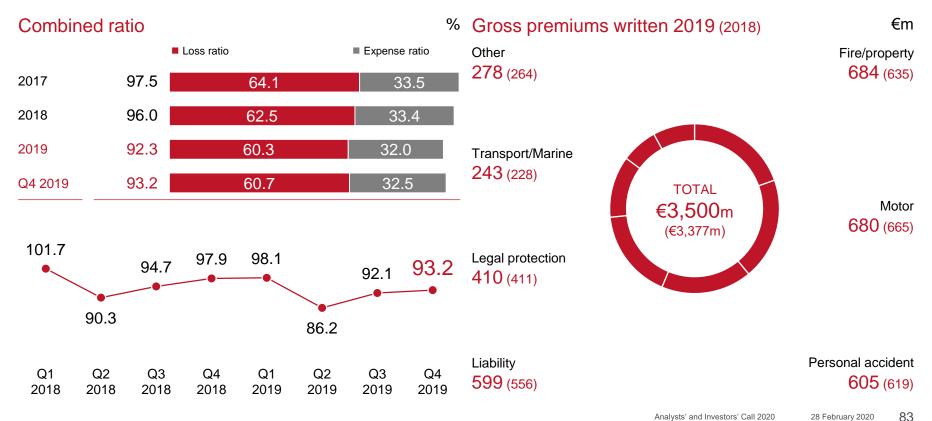
-0.3%

1.9%

7,085

ERGO Property-casualty Germany (2)





Average market value

ERGO International (1)



Gross premiums written	€m	Major result drivers						€m
2018	5,057		Q4 20 ²	9 Q4 2018	A	2019	2018	A
Foreign exchange	-28	Technical result	-2	7	-26	171	228	– 57
_		Non-technical result	7	7 15	62	131	14	116
Divestments/investments	-142	thereof investment result	13	2 107	25	430	348	82
Organic change	25	Other	_4	. 4 –40	-4	-197	-139	-58
2019	4,912	Net result	1	3 –18	31	105	103	2
International (€m)			Q4 2019	Return ¹	2019	Return ¹	2018	Return ¹
Regular income			96	2.0%	368	2.0%	406	2.3%
Write-ups/write-downs			8	0.2%	40	0.2%	-55	-0.3%
Disposal gains/losses			59	1.3%	112	0.6%	3	0.0%
Derivatives ²			-24	-0.5%	-65	-0.4%	22	0.1%
Other income/expenses			– 6	-0.1%	-25	-0.1%	–27	-0.2%
Investment result			132	2.8%	430	2.4%	348	2.0%

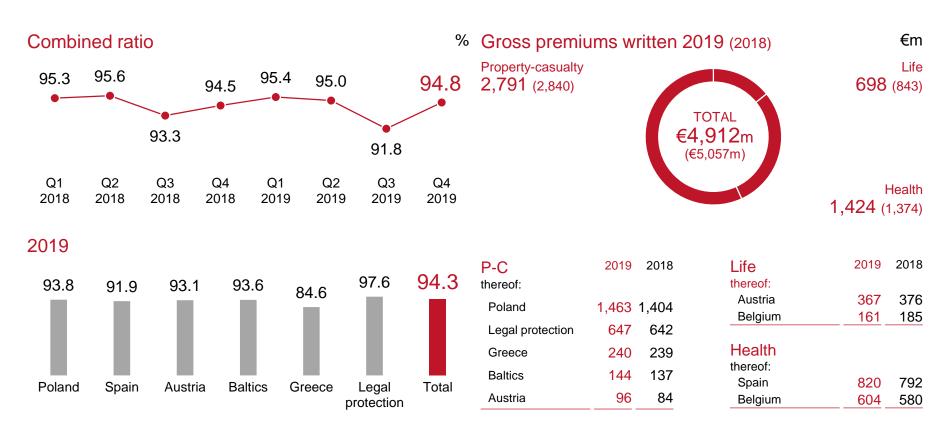
18,186

18,763

17,361

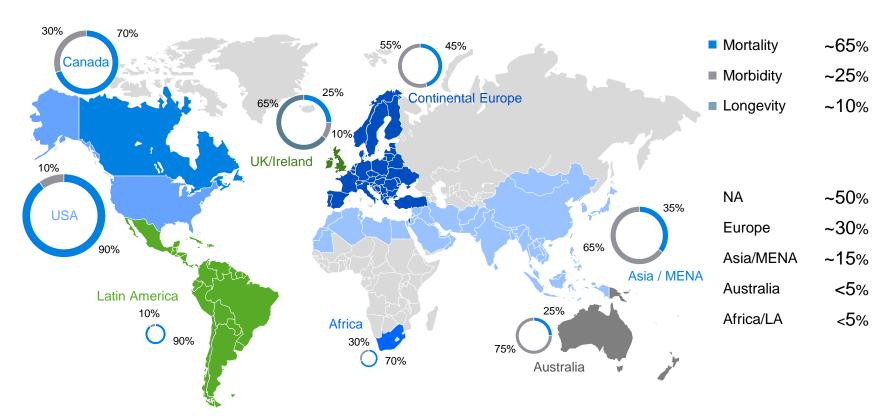
ERGO International (2)





Overweight in North America and traditional mortality risk





Reinsurance Life and Health



Gross premiums written	€m	Major result drivers						€m
2018	10,849		Q4 2019	Q4 2018	A	2019	2018	A
Foreign exchange	309	Technical result	30	141	-111	329	503	-175
c c		Non-technical result	128	40	87	520	427	94
Divestments/investments	0	thereof investment result	225	261	-36	1,080	988	92
Organic change	558	Other	-69	-56	-13	-144	-201	58
2019	11,716	Net result	89	126	-37	706	729	-23

Reinsurance Life and Health (€m)	Q4 2019	Return ¹	2019	Return ¹	2018	Return ¹
Regular income	191	2.6%	791	2.8%	806	3.1%
Write-ups/write-downs	14	0.2%	14	0.0%	-108	-0.4%
Disposal gains/losses	48	0.7%	322	1.1%	358	1.4%
Derivatives ²	-13	-0.2%	-9	0.0%	-2	0.0%
Other income/expenses	-15	-0.2%	-38	-0.1%	-65	-0.3%
Investment result	225	3.1%	1,080	3.8%	988	3.8%
Average market value		29,170		28,205		25,812

Result below guidance – Growth of fee income partly balances lower than expected technical result

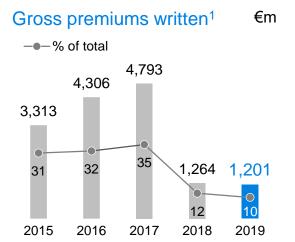


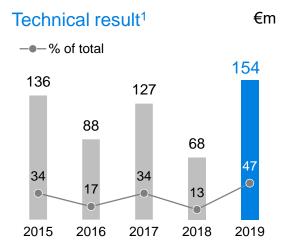
€m	2019	2018	Gross premiums written
Gross premiums written	11,716	10,849	 Top-line growth in Europe, Asia and the US
Mortality	51%	51%	Technical result
Morbidity	42%	41%	 Strain from disability business in Australia (claims experience and reserve strengthening)
Other	7%	8%	 Negative impact from restructuring of asset portfolio in Canada Aggregate positive claims experience (including Australia)
Technical result	329	503	 Strong contribution from new business and positive impact from restructuring of certain large treaties
Mortality	124%	50%	 Positive impact from reserve review (except Australia)
Morbidity	-28%	34%	English and the second
Other	4%	16%	Fee income Comprises business with little or no risk transfer
Fee income	127	81	Stable and predictable result contributionStrong growth particularly in Asia and the US

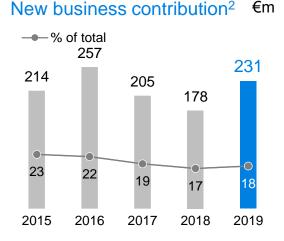
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Financially Motivated Reinsurance – Strong demand prevails









Portfolio development

- New business dominated by US and Asia
- 2018's drop in top line due to scheduled termination and restructuring of two particularly premium-intensive transactions

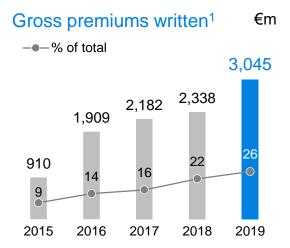
Expectations going forward

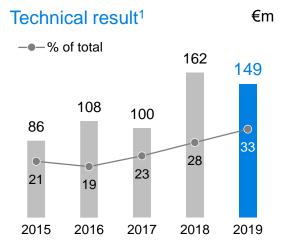
- Demand expected to remain high
- Transaction types tailored to client needs
- Number and size of transactions will vary on an annual basis

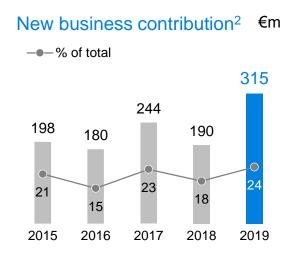
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Asia – Success through tailor-made market and client strategies









Portfolio development

- Strong organisational set-up throughout the region
- Sustained growth path
- Growing fee income
- New business contribution volatile on amount of FinMoRe written in a particular year

Expectations going forward

- Growth path in the region prevails
- High demand for solvency relief and financing solutions
- Competition expected to increase
- Closely watch product trends, particularly in critical illness

Longevity – Hold on to prudent underwriting approach





Strategic proposition

- Portfolio comprises longevity transactions in the UK
- Market entry in 2011 after in-depth
- Prudent approach in pricing and

Portfolio development

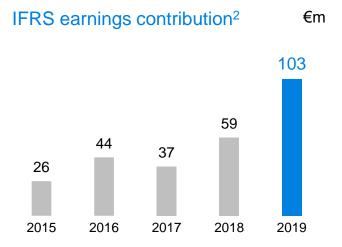
- Book carefully developed in line with risk appetite
- Claims emerge better than expected in pricing
- Positive contribution to IFRS and SII earnings
- 2019: one large transaction executed late in the year

Expectations going forward

- No change to prudent underwriting approach
- Carefully consider expansion beyond UK and extension of product offering

Financial Markets¹ – Comprehensive market risk solutions for the financial services industry





Strategic proposition

- Offer comprehensive solutions to manage market risks and returns globally
- Innovate new business, optimise inforce business, and boost asset returns of insurers, pension providers and other institutional and private investors
- Capitalise on growth and consolidation opportunities in the global savings, retirement and investment industry
- Leverage capital market, structuring, accounting, legal, and regulatory expertise on the basis of technical and quantitative capabilities
- Transfer and transform financial risks to markets via state-of-the-art platform

Portfolio development

- Initial focus on Europe and Asia (mainly Japan)
- Expansion across Europe, Asia, and North America
- Market exploration in Latin America and Australia
- Portfolio has gained stand-alone significance

Expectations going forward

- Intensify coverage of existing markets and expand into further markets
- Support growth by further scaling up the organisation
- Broaden product, service and regulatory scope
- Grow contribution to IFRS earnings and new business contribution

Reinsurance Property-casualty



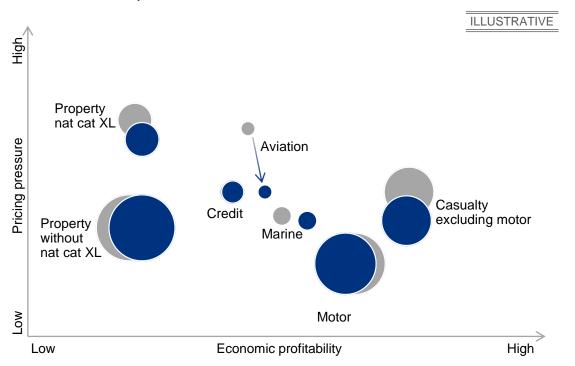
Gross premiums written	€m	Major result drivers						€m
2018	20,437		Q4 2019	Q4 2018	A	2019	2018	A
Foreign exchange	638	Technical result	-344	56	-401	1,000	1,250	-249
		Non-technical result	315	-122	436	763	284	479
Divestments/investments	–183	thereof investment result	623	249	374	2,152	1,555	597
Organic change	1,200	Other	57	124	-67	-202	-399	197
2019	22,091	Net result	27	59	-32	1,562	1,135	427

Reinsurance Property-casualty (€m)	Q4 2019	Return ¹	2019	Return ¹	2018	Return ¹
Regular income	442	2.7%	1,862	2.9%	1,736	2.9%
Write-ups/write-downs	28	0.2%	- 87	-0.1%	-463	-0.8%
Disposal gains/losses	363	2.2%	807	1.3%	540	0.9%
Derivatives ²	-104	-0.6%	-94	-0.1%	-12	0.0%
Other income/expenses	-106	-0.6%	-336	-0.5%	-246	-0.4%
Investment result	623	3.8%	2,152	3.4%	1,555	2.6%
Average market value		65,725		63,786		60,684

Consistently managing portfolio quality – Profitability comfortably exceeds cost of capital



Traditional P-C portfolio – Outlook 20201



- Quite stable portfolio composition with slight move to specialty lines
- Varying pricing trends depending on distinct geographies and lines of business
- Favourable development in Marine and Aviation
- Upcoming renewals to determine situation on cat XL markets
- Overall economic profitability of portfolio slightly increased
- Interest rate environment puts pressure on economic profitability for long-tail lines

US casualty - Closely monitoring adverse trends, reserving risks manageable



US casualty provisions for outstanding claims

Risk Solutions **US** casualty



%

Traditional **US** casualty 83 Immediate response to early signs of adverse development

Continuous and strong reaction to adverse US casualty loss trends over the last years to maintain prudence level for our reserve position

2018

Traditional US casualty by underwriting years

UY 2002 and prior 19 (62% IBNR)

UY 2003-2014 **33** (79% IBNR)

TOTAL €13.7bn %

UY 2015+ 48 (88% IBNR) Decisive action on our US primary book by changing strategy, but also by strengthening reserves in motor and general

liability lines

Action on individual portfolios in our reinsurance liability book where we saw elevated loss reporting from our cedants

Further reserve strenathenina in reinsurance motor liability, general liability and financial lines to respond to ongoing loss trends

2019

95 Analysts' and Investors' Call 2020 28 February 2020 Fair values (net) as at 31.12.2019

2017

US casualty market highly differentiated – Still allows us to seize opportunities while active risk management remains key



Market observations

- Social inflation reflects the changing values of society and particularly materialises as a frequency of severity
- Mainly exposed are bodily-injury related classes of business, e.g. commercial auto, general and product liability and healthcare/medical malpractice
- Limit reductions on original policies
- Accelerating rate increases on original policies, primarily in the non-admitted market, e.g. E&S and D&O
- Further firming in primary admitted market to be expected after adjusted rate filings
- Accelerated rate increases expected throughout 2020 renewals, especially for high excess Bermuda and financial lines renewals

Munich Re approach

- Long-term track record in managing and early responding to risk of change, e.g. social inflation
- Active portfolio management
 - Selective opportunities in some proportional business lines benefitting from increasing original rates, credible alignment of interest and high transparency
 - Expansion of personal lines business from 7% to 18%¹
 - Reduction of portfolio parts with imbalanced premium/risk reward,
 e.g. US commercial liability XL business from 10% to 6%¹
- Proactive adjustment of pricing parameters to reflect dynamic market/ claims environment and avoid anti-selection
- Reduction of ceding commissions
- Risk management strict limit management, accumulation control and feedback loops between underwriting, claims and reserving



Ongoing qualitative improvement of our proportional US commercial liability portfolio

Risk Solutions: AMIG, F&C and MRS with particularly good results – Aerospace hit by large loss events

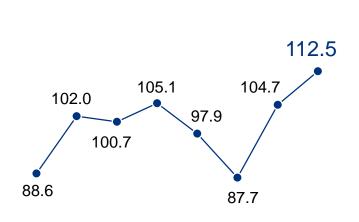


	Combined ratio 2019 ¹	GWP growth 2019 ^{1,2}	_	Combined ratio 2019 ¹	GWP growth 2019 ^{1,2}
American Modern (AMIG)	88%	+17%	F&C	93%	+35%
 Transformation investments bearing fruits with higher growth than expected 			 Good and profitable market position afte a period affected by severe outlier event 		
 One-offs IT costs and business run off partly impact the result 			 Premiums with strong growth above expectations, particularly driven by properties. 	erty	
Hartford Steam Boiler	92%	+13%	Munich Re Syndicate (MRS)	96%	+31%
 Strong growth of strategic products and further growth in core business Investing in new MR wide IoT activities 			 Better market conditions and diversification in new specialty lines supporting positive growth Investing in digitalisation and process automation 		
 Munich Re Specialty Insurance Investing in newly created unit and building up E&S business Solid proporty result 	102%	+7%	 Aerospace Unusual accumulation of large loss events for Space and Aviation business Growing promium due to better market 	166%	+20%
Solid property resultTurnaround of casualty business executed			 Growing premium due to better market conditions and an improving competitive landscape 		

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Reinsurance Property-casualty – Combined ratio





Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 2018 2018 2018 2018 2019 2019 2019



	Major losses	Nat cat	Man-made	Reserve releases ¹
2019	15.2	10.0	5.2	-5.6
Q4 2019	27.4	21.1	6.3	-7.1
Ø Annual expectation	~12.0	~8.0	~4.0	~-4.0

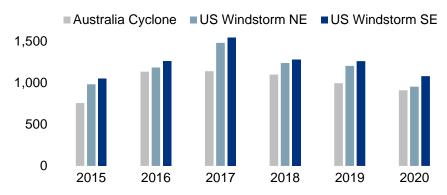
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Retrocession – Stable programme structure despite a tightened market

€m



Retrocession – Maximum in-force protection per nat cat scenario¹



- Protection against peak risks via multiple instruments mainly traditional retrocession (CXL) and sidecars
- Well-balanced buying strategy reflecting
 - strong Munich Re capital base and risk-bearing capacity,
 - expected IFRS result stabilisation,
 - market terms

Munich Re key channels

Traditional retrocession

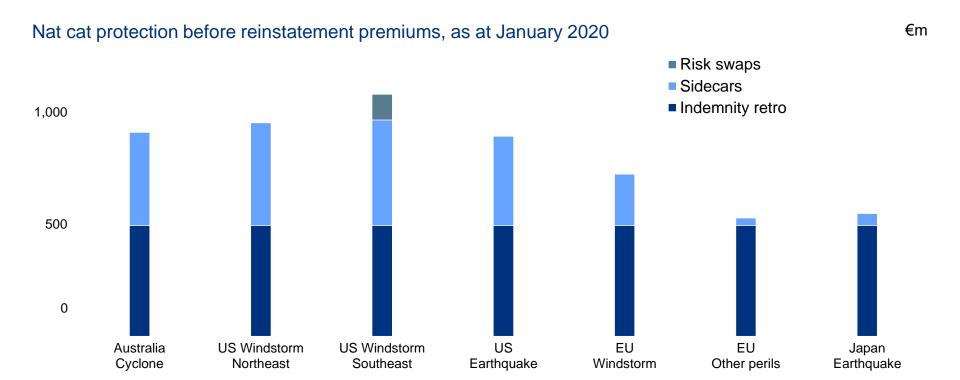
- Munich Re has one of the largest retrocession programmes globally
- Capacity constraints in the broader market, some locked-in capital
- Reliable Munich Re approach placements well received

Sidecar program²

- One of the largest sidecar programmes in the market (US\$ 685m); QS cessions of certain lines of business
- Placed with a broad range of investors and targeting long-term partnerships with large institutional accounts
- Two products: (1) placed with broad investor group,
 (2) bilateral (single counterparty)

Munich Re's maximum in-force nat cat protection





January renewals with satisfactory outcome – Overall portfolio profitability increased



Munich Re portfolio – Price and volume change in major business lines

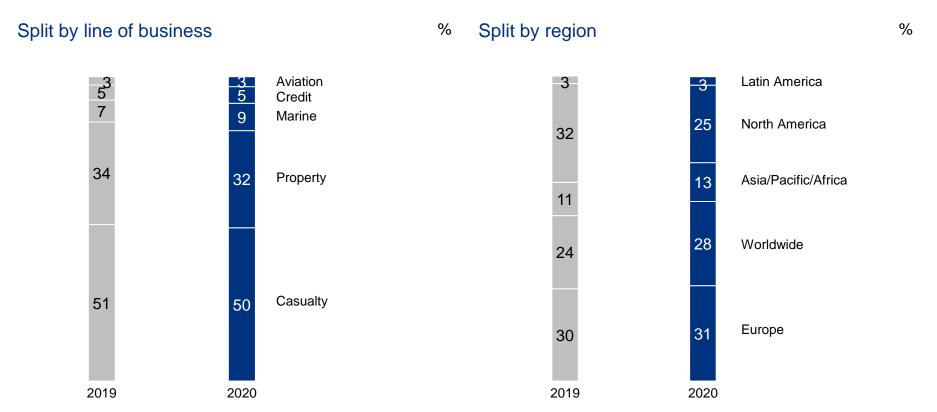
	Total	Pro	perty	Cas	sualty		Specialty lines	i
Business line		Prop.	XL	Prop.	XL	Marine	Credit	Aviation
Premium split1	€10.7bn	22%	10%	46%	5%	9%	5%	3%
Price change								8.2%
	~ 1.2%	0.8%	0.7%	0.8%	1.5%	3.3%	0.2%	
Volume change	4.4%		11.5%	2.0%	5.0%	31.0%	14.5%	24.5%
		-5.8%						

Price change

- Overall price increases
- Proportional casualty and property business slightly increased, property XL mixed picture with ongoing rate pressure on loss free accounts and rate increases in loss-affected accounts.
- Price increases in aviation and marine supported by primary market rate increases

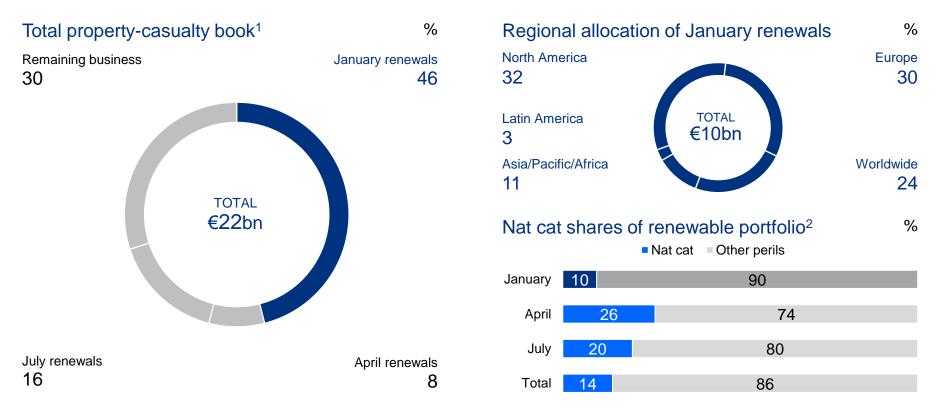
January renewals 2020 -Split by line of business and region





Munich RE

January renewals – Almost half of total P-C book up for renewal



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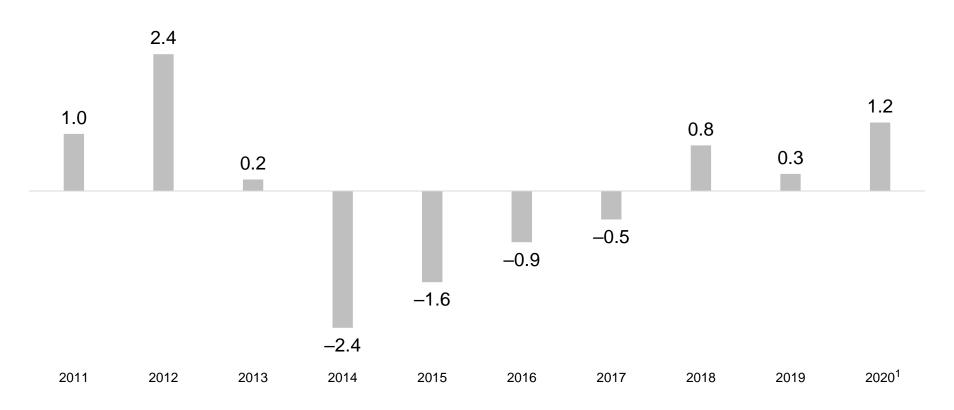
Cautiously optimistic outlook for upcoming renewals





Renewal results – Nominal price change 2011–2020





1 January renewals only.

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Increased top line – Well-balanced diversified portfolio



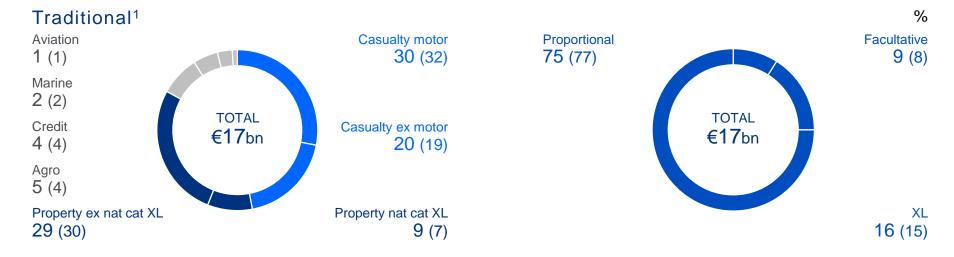


- Stable portfolio composition
- Well-balanced traditional portfolio
- Slight move towards specialty

 Strong proportion of US business, spread across all lines of business

Portfolio management and high share of proportional business support earnings resilience





Share increases

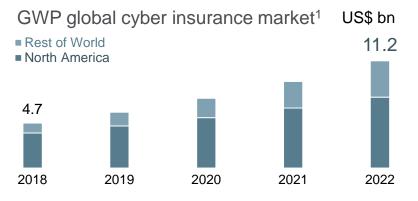
- Nat cat XL
- Accordingly, ongoing slight shift towards non-proportional business
- Agro business

Share decreases

- Proportional property
- Casualty

Strong long-term growth in cyber (re)insurance expected – Munich Re with leading-edge expertise and market presence





Cyber insurance market with strong expected growth

- North America will remain the biggest region. Europe and Asia to expand their share in the world market significantly
- Regulatory changes in more than 100 countries and further increased awareness drives demand for cyber solutions
- Growth of digital business models. IoT developments will further increase the demand for cyber policies

■ Reinsurance ■ Primary insurance 263 191

2017

2015

2016

2018

2019

Serving all client segments via RI and PI carriers

- Dedicated cyber teams ensure client proximity through a global set up supported by a central cyber unit
- Steady growth in the US, accelerated growth in Europe and Asia
- HSB as a well established player in the US conforming strong growth and detecting new distribution channels
- Sustainable growth of corporate single risks through centralised and strengthened expertise (MR F&C)

1 Munich Re estimates.

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Financial calendar



2020

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

8 December Investor Day, Munich

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