Balance sheet media conference for 2019 financial statements

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

28 February 2020

Munich RE

Please note: Presentation based on 2019 preliminary figures

Image: Klaus Ohlenschläger / dpa Picture Alliance

Balance sheet media conference for 2019 financial statements

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Good progress towards 2020 ambition
Joachim Wenning

Group finance and risk
Christoph Jurecka

ERGO
Markus Rieß

Reinsurance
Torsten Jeworrek

Strong performance in 2019

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IFRS net income

€2.7bn (€2.3bn)

Exceeds initial guidance of €2.5bn

Solvency II ratio

237% (245%)

Well above target capitalisation

Return on Equity

9.2% (8.4%)

Above cost of capital

Dividend per share

€9.80[1] (€9.25)

High pay-out to shareholders

Figures as at 31.12.2019 (31.12.2018). 1 Subject to the approval of the Supervisory Board and the Annual General Meeting.

Ongoing business and earnings growth supports 2020 ambition

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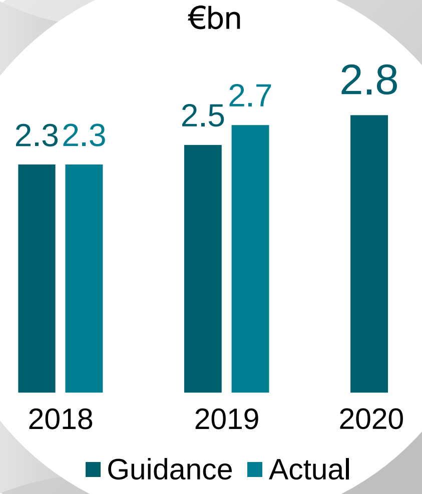
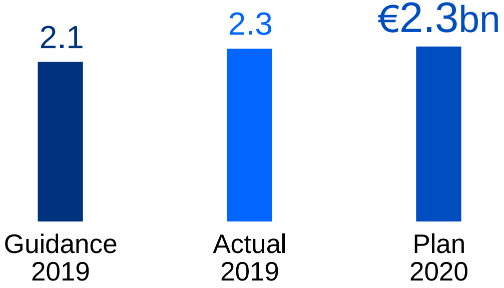
Increase earnings[1]

Reduce complexity

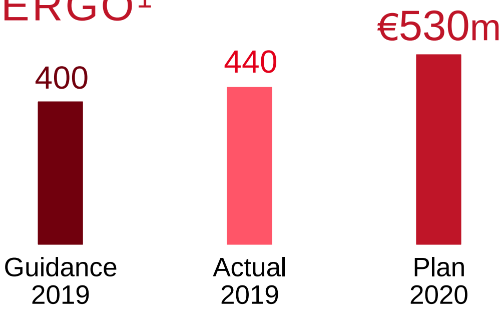
Digital transformation



Reinsurance[1]



ERGO[1]



1 IFRS net income.

Reinsurance – Strategic growth initiatives well on track

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2018 | 2019 | 2020

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

- Growth initiatives in P-C paying off (esp. in the US and Asia) – GWP +8%[1]
- Strong new business generation in Life and Health continues
- MR Specialty Insurance established

Continue profitable growth path

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

- Voluntary programme successfully completed, cost savings on track
- Re-engineering and automation of accounting processes (~100 FTEs)
- Global single-risk unit established, pooling together ~560 employees

Streamline processes towards business and execution

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

- Create new income streams in the Canadian group insurance market
- Cyber insurance premiums up 27%[1]
- Digital Partners premiums doubled

Scale up successful initiatives, push new business models

1 Compared to previous year.

ERGO – Sustainably increasing profitability

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2018	2019	2020

2018
- ESP[1] ahead of financial targets
- Tied agent productivity significantly increased by 20%[2]

2019
- ESP ahead of financial targets
- Tied agent productivity further improved by 18%[1]

2020
Successful completion of ESP

2018
- Cost savings of €174m achieved
- Simplification of products, e.g. full modular product design
- Fully separated traditional life book

2019
- Cost savings of €234m achieved
- International portfolio streamlining finalised – 18 entities sold in total
- New life offerings through unified risk carrier – double-digit APE growth

2020
Further simplify product offering and processes

2018
- Strategic investments in mobility ecosystem startups, e.g. ridecell
- Transformation of customer interaction – 30%[2] user increase of customer self-service portal
- Nexible doubles number of policies

2019
- B2B2C mobility cooperation strategy expanded
- Digital process automation scaled up – first relevant AI applications, 70+ bots
- Minority stake in Next Insurance[3]

2020
Scale up and internationalise digital solutions

1 ERGO Strategy Programme. 2 Compared to previous year. 3 Closing expected in March 2020.

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

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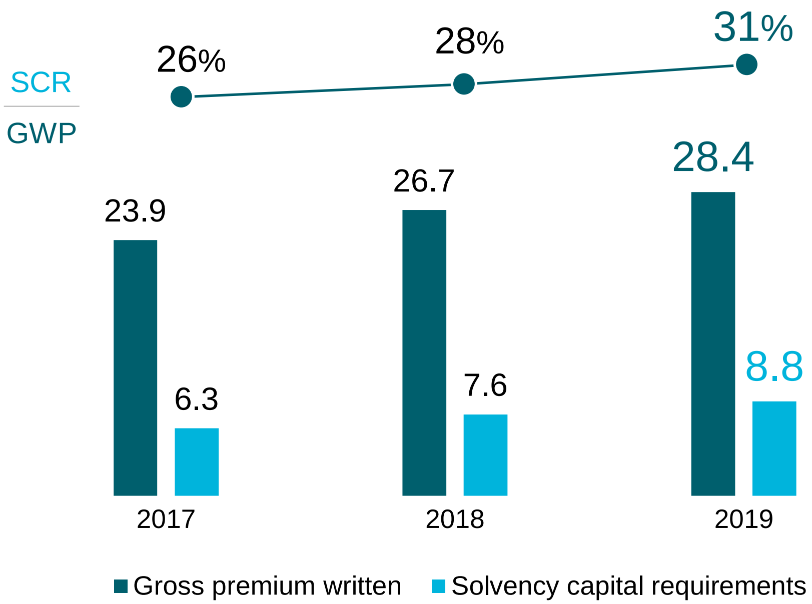
Balancing growth and risk in property-casualty[1]



- 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

1 Reinsurance P-C, ERGO P-C Germany, ERGO P-C International.

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

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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 risk-return profile to limit downside

Identify untapped return potential without changing the overall risk

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

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Climate strategy

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

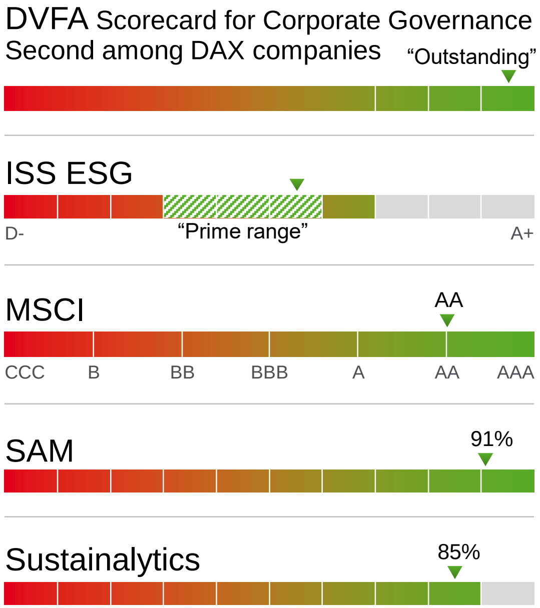
Consequently improving risk assessment also for the industry, e.g.

- 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 PSI[1] Working Group on TCFD[2] recommendations

Sustainability risk assessment across all asset classes at Munich Re

- Sustainability ratio well above 80%

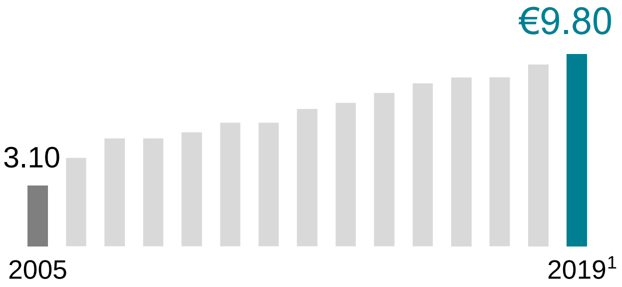
Top positions in major SRI ratings



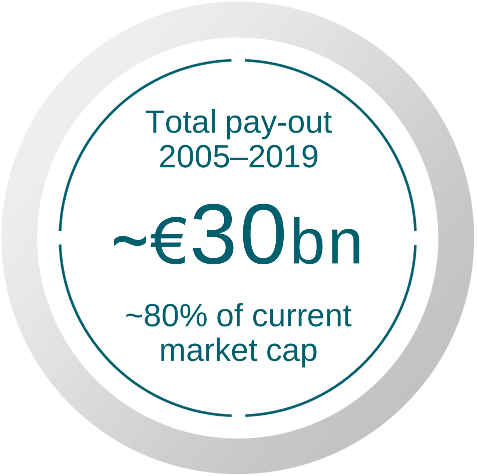
1 United Nations Environment Programme – Finance Initiative on Principles for Sustainable Insurance.
2 Task force on climate-related financial disclosures.

Shareholders participate in our earnings growth

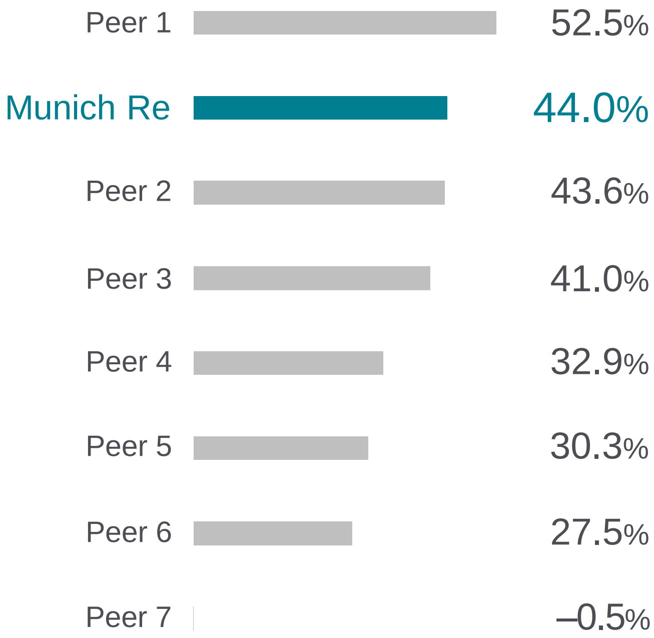
Sustainable dividend-per-share growth …



Ongoing share buy-backs



… supports attractive shareholder returns[2]



1 Subject to the approval of the Supervisory Board and the Annual General Meeting.
2 Total shareholder return 1.1. – 31.12.2019. Peers: Allianz, Axa, Generali, Hannover Re, Scor, Swiss Re, Zurich. Source: Datastream.

Outlook 2020

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Group

Gross premiums written
~€52bn

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

Munich Re Media Briefing

Presentation of business ambition beyond 2020

8 December 2020

Munich RE

Image: ipopba / Getty Images

Group finance and risk

Munich RE

2

Image: Vertigo3d / Getty ImagesiStockphoto

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

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IFRS net income

€2.7bn (€2.3bn)

- 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 (RoI: 3.2%) and low tax expenses

HGB result

€1.5bn (€2.2bn)

- 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

Solvency II ratio

237% (245%)

- Well above target capitalisation
- High economic earnings[1] of >€7bn compensate for …
- … increase of required capital due to business growth and further decline of interest rates

Figures as at 31.12.2019 (31.12.2018). 1 Comprehensive disclosure on economic earnings will be available on 18 March 2020.

IFRS result Q4 2019 – Major drivers

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Net income
€217m
(€238m)

Reinsurance: €116m
High large losses in P-C and strengthening of disability assumptions in Australian life business (approx. –€200m)

ERGO: €101m
Fully in line with run-rate of FY guidance

FX losses:
–€241m

Tax income:
€127m

Technical result
–€225m
(€335m)

P-C Re C/R: 112.5% –
Major-loss ratio: 27.4%
Reserve releases[1]: 7.1%

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

ERGO P-C Germany
C/R: 93.2%

ERGO International
C/R: 94.8%

Investment result
€1,965m
(€1,661m)

Return on investment
3.1%

Disposal gains overcompensate for derivative losses

Reinvestment yield slightly down to 1.9% due to investments in shorter maturities in Q4

Figures as at Q4 2019 (Q4 2018). 1 Basic losses from prior years, already adjusted for directly corresponding sliding-scale and profit-commission effects.

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

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	Reserving	Investments	Taxes
Strong balance sheet	Resilience to adverse development, e.g. US casualty – unchanged reserve strength	Valuation reserves increased to €33bn	Ongoing prudent setting of reserves
Earnings support in 2019	Ongoing high reserve releases for basic losses – 2019: 5.6%	ALM and ZZR-driven realisations overcompensate derivate losses from equity- and interest-rate hedging	Some tax releases – tax rate of 15.1%

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

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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

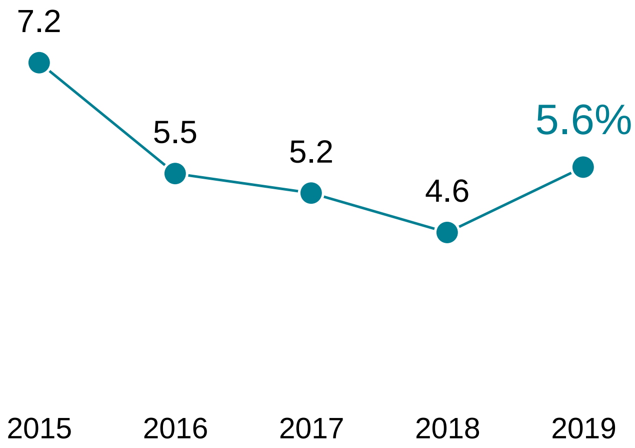
Munich Re impact

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 releases[1]



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

1 Reinsurance Property-casualty, in % of net earned premium, basic losses after sliding scale commissions.

Investment return – Resilience to low interest rates expected to persist

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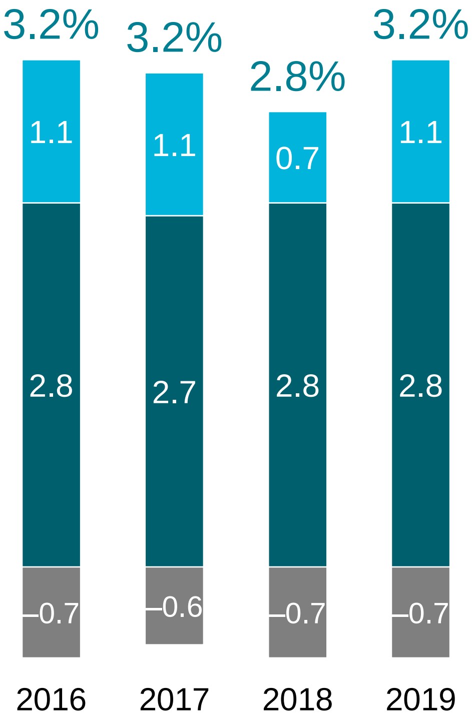

RoI

Disposal gains – ZZR financing, prudent ALM and usual portfolio turnover – valuation reserves partly realised → Negative impact on running yield ~5bps

Running yield

	Portfolio share[1]	Running yield[1]
Fixed income	~80%	~2.5%
Non-fixed income	~20%	~4.0%

→ Regular attrition ~5bps

~60bps ÷ 8.4
Delta reinvestment and running yield[1] – Asset duration[1]

→ Expected attrition ~10 bps

Other items[2] – Well-balanced, high-quality investment portfolio reduces impairment risk – ALM-based equity and interest-rate hedges protect against adverse development

1 Munich Re, as at 31.12.2019. 2 Write-ups/write-downs, derivatives, other income/expenses.

Sound economic capitalisation continues to support our capital-management strategy – First-time application of VA for four ERGO entities

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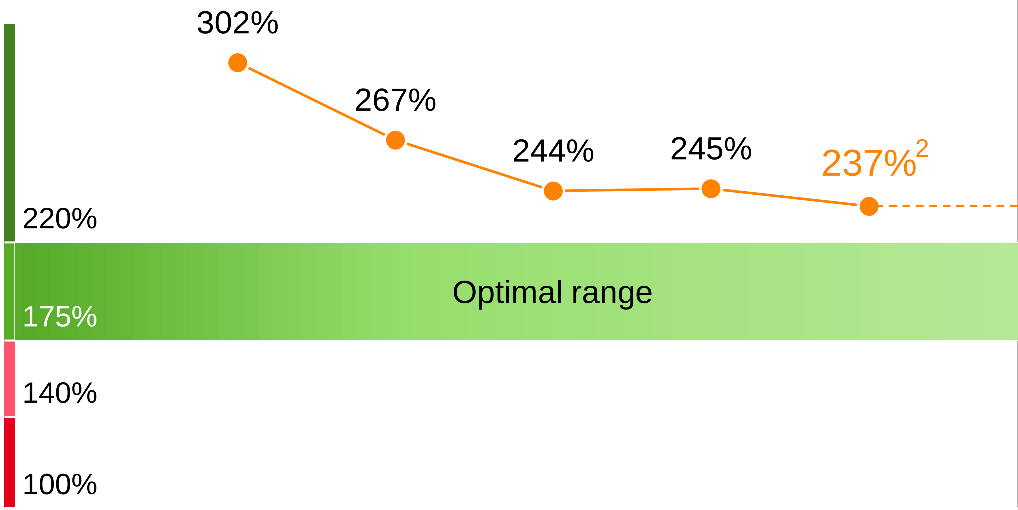
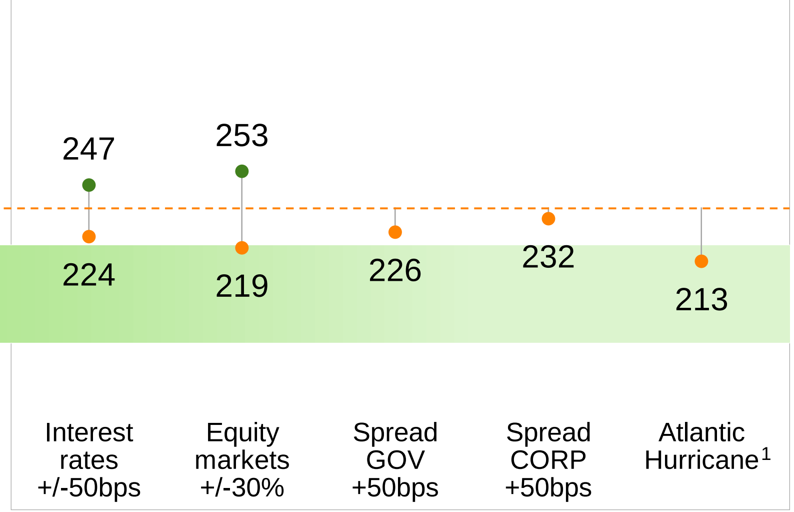
Development of Solvency II ratio



SII sensitivities



	2015	2016	2017	2018	2019
EOF	40.7	40.7	35.1	36.0	€41.5bn
SCR	13.5	15.3	14.4	14.7	€17.5bn

2015 – 2019: Economic earnings cover capital repatriation, while business growth and low interest rates have driven the increase of required capital

1 Based on 200-year event. 2 SII ratio includes volatility adjustment for ERGO Leben, Victoria Leben, ERGO Belgium and DKV Belgium. VA impact in 2019 ~6%-pts.

ERGO

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3

Image: dem10 / iStockphoto Getty Images

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

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

1 From Annual Report 2018. 2 ESP guidance (total premiums adjusted for Munich Health integration and portfolio streamlining).

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 – 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 completed[3]

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

1 Compared to previous year. 2 ERGO Beratung und Vertrieb only. 3 Thirteen transactions closed.

ERGO Group – Key financials 2019

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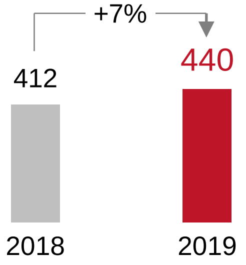
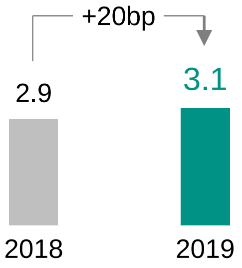
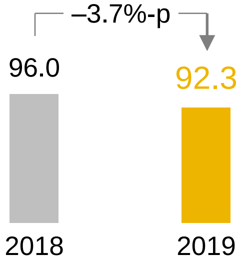
	Group	L&H Germany	P-C Germany	International
GWP	€17.5bn (€17.4bn)[1]	€9.2bn (€9.3bn) Growth in Life new book partially compensates for back-book attrition; positive development in Health	€3.5bn (€3.4bn) Strong growth – increase in commercial and retail business	€4.7bn (€4.6bn)[1] Premiums increased in core markets
Net result	€440m (€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



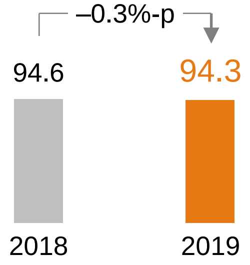
Return on investment
%



Combined ratio
%

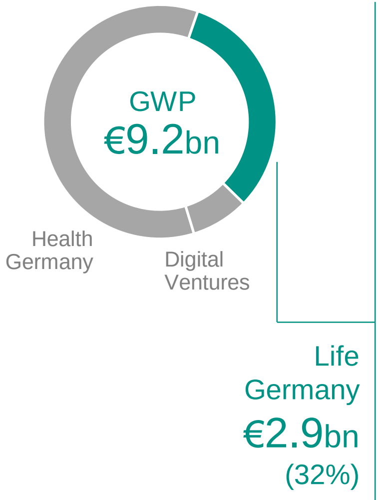


Combined ratio
%



Figures as at 31.12.2019 (31.12.2018). 1 Adjusted for portfolio streamlining: Group: €17.7bn (€17.8bn), International: €4.9bn (€5.1bn), without JV.

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



New book

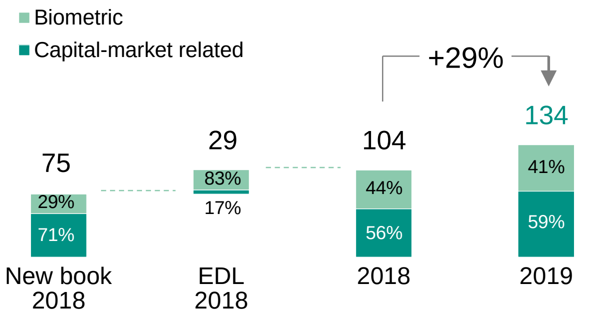
- ERGO Vorsorge as unified risk carrier for new product offering through merger[1]
- Profitable new business concentrating on biometric offers and products with significantly reduced market risk
- Double-digit APE growth, mainly driven by capital-market related[2] products
- Already substantial share of Life Germany premiums (~20%)

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

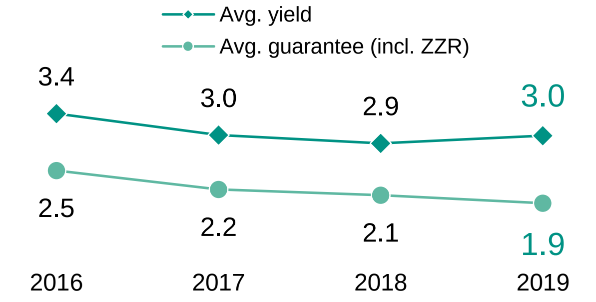
New business (APE)

€m



Investment margins

%



1 Merger of ERGO Vorsorge Lebensversicherung AG with ERGO Direkt Lebensversicherung AG (EDL) in 01 2019.
2 Index- and unit-linked products.

Life and Health Germany – Maintaining leading positions in Health

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(thereof Health €0.6bn)

Health Germany
€5.6bn[1]
(60%)

Business development on track

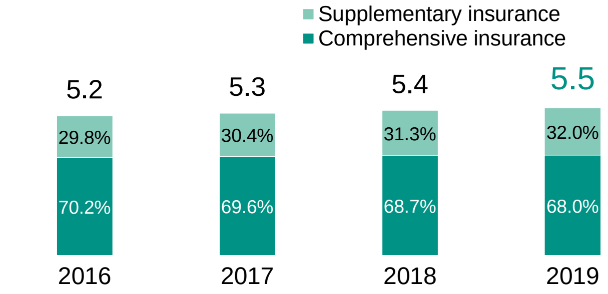
- Strong and sustainable earnings contribution
- Focus on profitable and low-risk supplementary insurance without ageing reserves
- Launch of integrated mobile application “Meine DKV”

Extension of market leading position in supplementary insurance

- Market leader with >20% market share[2]; 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

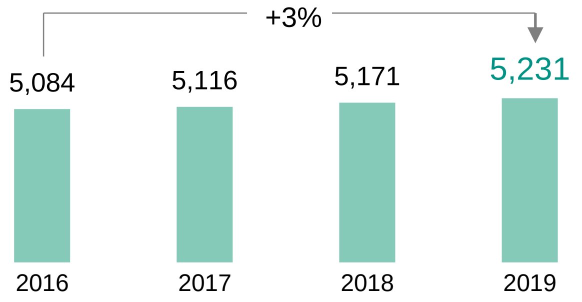
Business mix (GWP)

€bn[3]



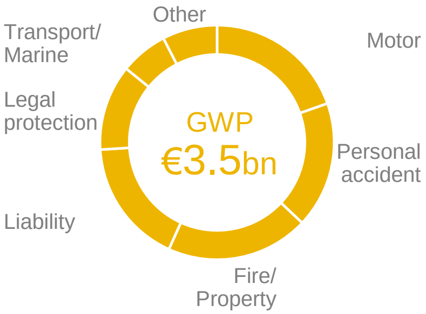
Insured persons (supplementary insurance)

1,000



1 Travel included. 2 GWP. 3 Local GAAP for DKV and ERGO Krankenversicherung AG.

Property-casualty Germany – Ongoing profitable premium growth



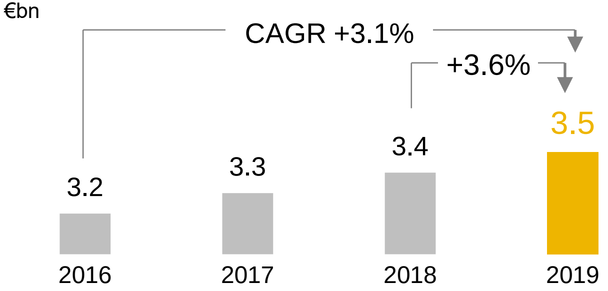
Business development on track

- 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

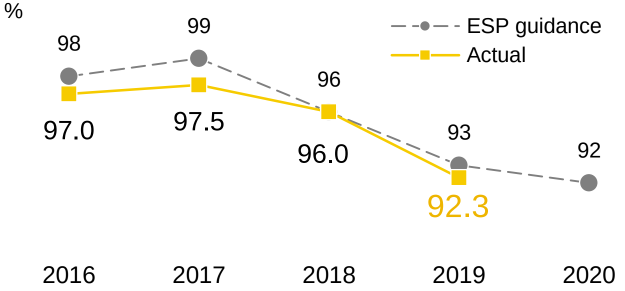
2020 level already almost achieved in 2019

- 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

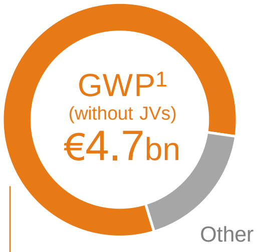
Gross premiums written



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

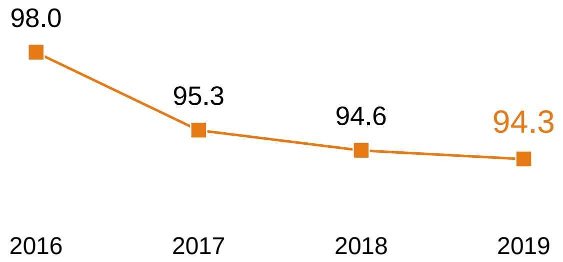
- Premium increase[1] in both core and growth markets
- Strong earnings level continued despite of disposal effects
- Continuous improvement of combined ratio supported by already achieved sustainable cost savings of €35m (net, accumulated)

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

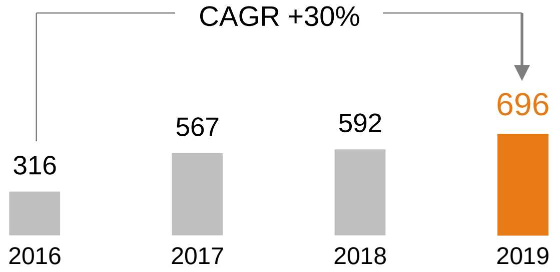
Combined ratio

%



Gross premiums written in growth markets[4]

€m



1 Adjusted for portfolio streamlining. 2 Non-adjusted International: €4.9bn. 3 2019 vs. 2018. 4 ERGO share in ERGO China Life, HDFC ERGO, ThaiSri ERGO.

Reinsurance

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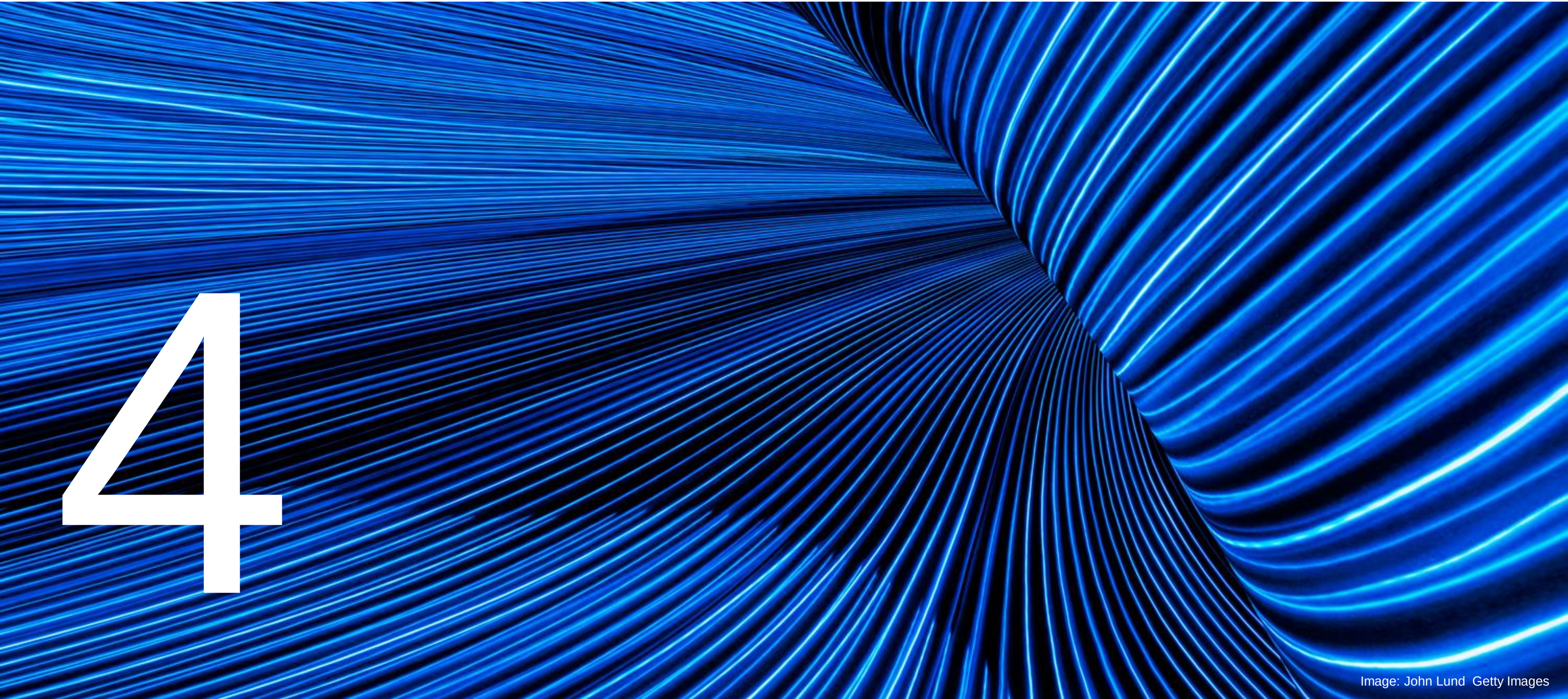

Image: John Lund Getty Images

Property-casualty – Earnings growth fully supports the 2020 ambition

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Net result €1,562m (€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 ratio 101.0% (99.4%)

- 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 releases[1] 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

Figures as at 31.12.2019 (31.12.2018). 1 Basic losses from prior years, already adjusted for directly corresponding sliding-scale and profit-commission effects.

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

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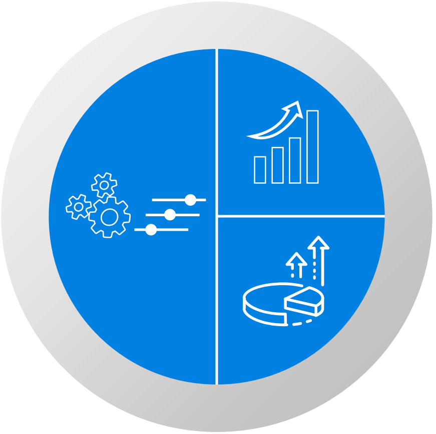
Technical result[1] €456m (€584m)

- 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

Figures as at 31.12.2019 (31.12.2018). 1 Incl. Fee income.

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

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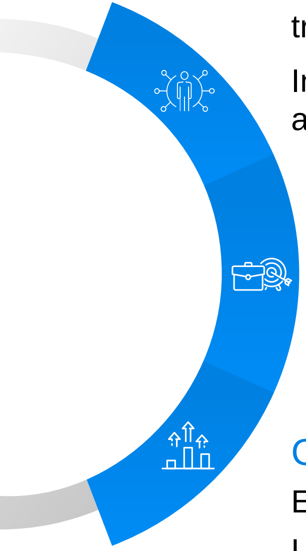


Core

Strong footprint in traditional reinsurance

In-depth expertise in risk assessment and management

Fundament of earnings generation

Portfolio management

Australian disability portfolio

US pre-2009 mortality block

Improves earnings stability

Growth

Established growth areas[1]

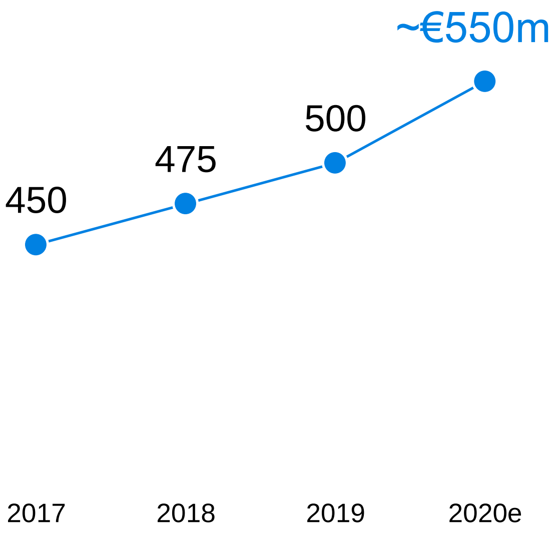
Leading digital services

Risk-related services

New (re-) insurance products

Safeguards earnings progress

Ambition[2]
Technical result, incl. fee income



1 FinMoRe, Asia, USA, longevity and financial markets. 2 Ambition assumes claims in the range of expectation and no major one-offs from inforce management.

Select growth in firming market environment

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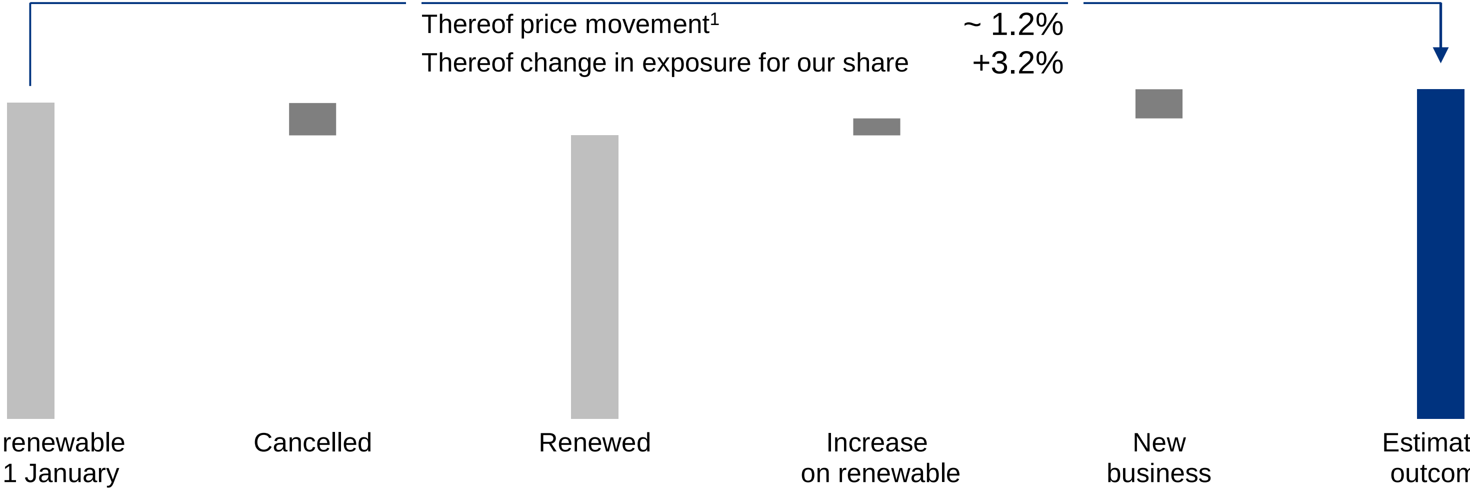
January renewals 2020

	Total renewable from 1 January	Cancelled	Renewed	Increase on renewable	New business	Estimated outcome
%	100	–10.3	89.7	+5.3	+9.3	104.4
€m	10,205	–1,046	9,159	+545	+950	10,655

Change in premium	+4.4%
Thereof price movement[1]	~ 1.2%
Thereof change in exposure for our share	+3.2%



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).

Growth initiatives gaining traction – Profitable business expansion

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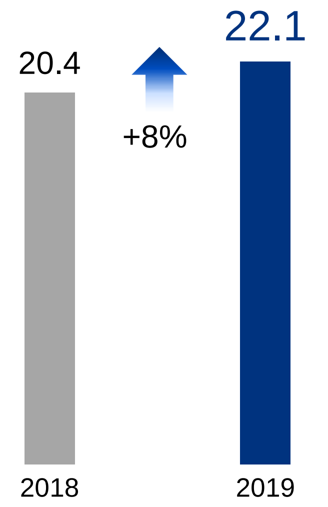
Gross premiums written[1]

€bn



Underlying combined ratio

~99% ~98–99%

Mature markets[2] +4%

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

Global Clients: Growth in long-standing 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 markets[2] +21%

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

Risk Solutions business[2] +14%

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

1 Compared to previous year. 2 Examples. F&C = Facultative & Corporate.

Risk Solutions – 2019 with another step back to target profitability

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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

1 Compared to previous year. Gross premiums written. Economic view – not fully comparable with IFRS figures.

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

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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)
- IoT[1] 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 next slides

- 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)

Levers

Investments in technology and people

Strategic investments in partnerships

1 Internet of Things.

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

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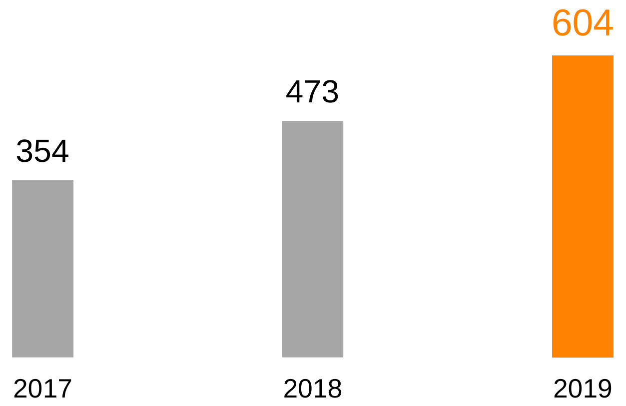
Gross premiums written cyber portfolio[1]

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 partner-ships 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

Disclaimer

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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.