



Half-year financial report as at 30 June 2020

6 August 2020

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Half-year financial report as at 30 June 2020



Munich Re



Group finance



ERGO



Reinsurance



Backup

Munich Re showing resilience against COVID-19 impact

Business activities running smoothly

Strong IT facilitating work from home for tens of thousands of employees without any friction

Solid investment result

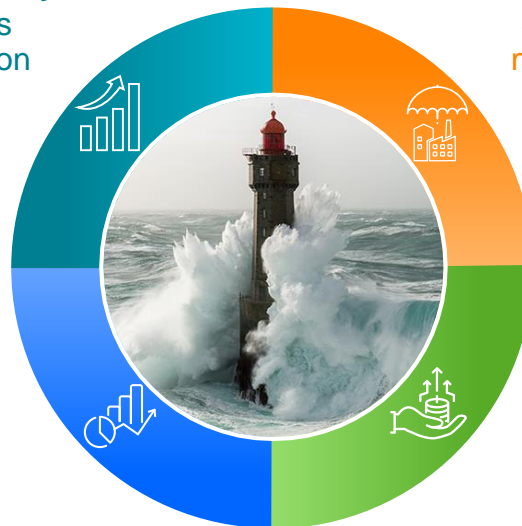
Navigating capital market volatility with well-diversified investment portfolio and effective hedging

Insurance risk well manageable

Significant short-term claims impact, but good medium- and long-term business opportunities

Reliable shareholder return

Proven stress resilience allows for dividend payment



» Financial impact of COVID-19 on Munich Re well bearable

In times of COVID-19, Munich Re fulfils the economic and social role of (re)insurance

Economy

- Gradual relaxation of lockdowns, partially reversed again
- Fiscal and monetary stimuli
- V-, U-, W- or L-shaped development?

Capital markets

- Quick and strong rebound of equity and credit markets after severe losses
- Increasing decoupling from economic fundamentals
- Risk of setbacks remains

Population

- Social and economic life strongly limited
- Still rising infections and fatalities
- Increasing unemployment
- Risk of a second wave

Munich Re

- Fulfilling our mission as an insurer by covering claims of €1.5bn in H1 2020 – immediately supporting our business partners
- Engaging in public-private-partnership discussions to tackle future pandemic challenge
- Protecting our employees as a socially responsible employer – strict measures ensuring infection risk is kept as low as possible
- Extending into voluntary activities – engaged in supporting communities in need

» Fully committed to protecting stakeholder value

Despite COVID-19, business operations well on track – Strong capitalisation safeguards financial flexibility ...

COVID-19 ...

... increases uncertainty,
driving reinsurance
demand

... accelerates
digitalisation

... requires risk-
bearing capacity and
high capital flexibility

Our strong capitalisation enables us to ...

... seize
profitable
business
opportunities

... substantially
invest in digital
transformation

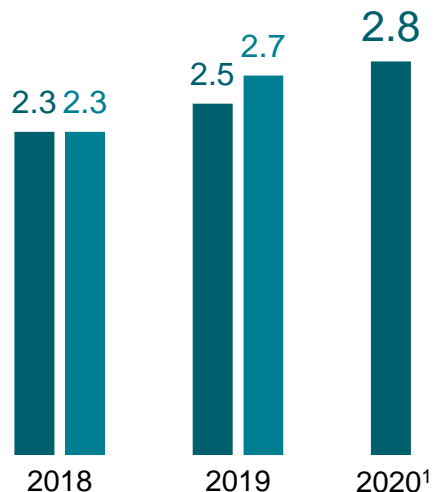
... grow GWP and
deliver on capital
repatriation

- Reinsurance market hardening – 7.6% premium growth (July: 8.3%) and 1.8% price increase (July: 2.8%) in 2020 renewals
- Flight to quality – we remain reliable and provide ample capacity
- COVID-19 crisis to further crystallise the value proposition of (re)insurance
- Employees: Digital infrastructure facilitated instant mobile working
- Customers: Digital sales channels safeguarded premium service levels during lockdown
- Operations: New business models gaining momentum
- Increase in dividend per share from 2017 to 2019: 14% – ambition for further growing dividends
- Total volume of share buy-back between 2017 and 2019: €3bn
- Expansion in attractive lines of business and geographies

... to pave the way for continued earnings growth – the basis for attractive total shareholder return

Ambition 2020 no longer achievable due to COVID-19 –
underlying performance remains strong

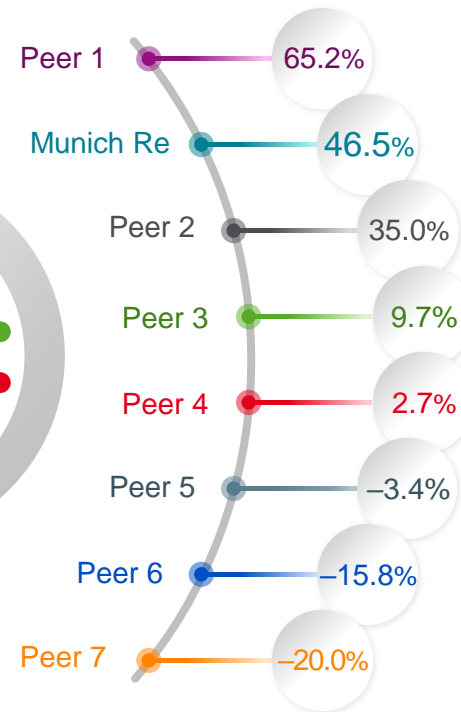
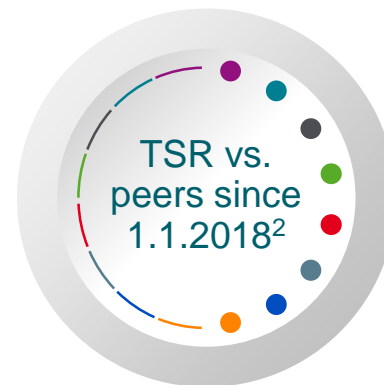
■ Guidance ■ Actual



H1 2020

Net income normalised for

- 12% large losses in P-C Reinsurance
- COVID-19 claims in L&H Reinsurance supporting former FY target



¹ Guidance withdrawn due to uncertain development of the COVID-19 pandemic.

² Source: Datastream. Period from 1.1.2018 to 30.6.2020. Peers: Allianz, Axa, Generali, Hannover Re, Scor, Swiss Re, Zurich.

Group

Gross premiums written
~€54bn
(before: ~€52bn)

Net result
withdrawn

Return on investment¹
~3%

ERGO

Gross premiums written¹
~17.5bn

Net result¹
~€530m

Combined ratio
P-C Germany¹
~92%

International¹
~94%

Reinsurance

Gross premiums written
~€36bn
(before: ~€34bn)

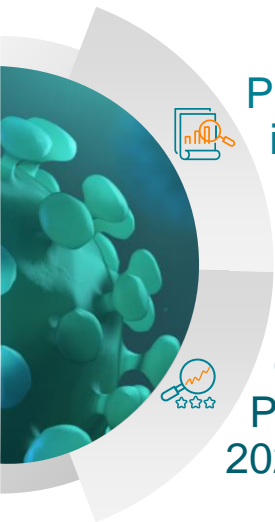
Net result
withdrawn

Combined ratio
Property-casualty
withdrawn

Technical result, incl. fee income
Life and Health
withdrawn
(before: ~€550m)

2

Financial impact of COVID-19 on Munich Re well manageable



P&L impact in H1 2020

Outlook/Projection 2020



Life and Health

- ~€100m in COVID-19-related losses, dominated by far by the US
- Claims reported in Q2 consistent with pandemic development

- Claims development depends on further mortality experience, esp. in North America
- Portfolio mortality expected to be below that of the general population
- 5% of extra mortality claims in our book would lead to excess annual claims cost of ~€200m²
- Still far away from 200-year event scenario³ of ~€1.4bn



Property-casualty

- ~€1.4bn in COVID-19- related losses across various lines of business, whereas contingency losses account for the largest share by far
- ~€80m paid claims and client reported case reserves in reinsurance, ~€1.3bn IBNR¹

- Contingency claims to remain the biggest risk
- Claims in other lines of business are expected to increase, while not reaching the level of contingency losses
 - BI: Most policies are not affected, having physical damage triggers – contract wording is crucial
 - Credit: Risk manageable given government interventions and exposure management of our cedants
 - Workers' comp./D&O: Risk limited as lines of business/exposures considered less exposed

¹ incl. ~€500m claims (direct business) for which we gave confirmation of coverage in H1 2020. ² Estimate based on a stress test with simplistic assumptions, e.g. no differentiation between markets, no specific age distributions of our exposure and lethality of the pandemic. Estimate does not consider any difference between population mortality and our portfolio; refers only refers to mortality business. ³ Scenario based on the assumption of 10m incremental global deaths. Image: CROCOTHERY / stock.adobe.com

Careful reserving for COVID-19 related claims



Life and Health

- H1 includes COVID-19 related claims expected to be incurred by 30 June, including
 - paid claims,
 - reported claims that are in course of settlement,
 - and a provision for incurred, but not reported claims – determined by looking at both general development of population and cedant data
- Early notification process with key cedants supporting timely identification of COVID-19 claims
- No specific provisions for COVID-19-related deaths after 30 June established – US GAAP principles that we apply for IFRS would only allow for that this projected additional claims cost exceeded the margins in existing reserves



Property-casualty

- H1 includes COVID-19-related claims incurred, reserved in a careful manner across affected lines of business. The loss amount consists of:
 - Paid and reported losses under reinsurance treaties
 - Additional reserves for claims incurred, but not yet reported by our clients to us, or not yet known on an individual basis (IBNR)
- Unlike nat cat events, COVID-19 ranges over a much longer time period and affects almost every line of business
- While classification as a COVID-19 loss is straightforward in some lines of business, in many others the range of assessments is wider when trying to separate COVID-19 losses from other loss activity

» No explicit provision for future COVID-19-related claims under Solvency II due to uncertainty of further loss development and existing aggregate on top provisions

Good Q2 result given the challenging environment – Sound business development and balance sheet resilience

Munich Re

Net result

€579m (€800m)

Good underlying performance:
Reinsurance result of €407m
impacted by COVID-19 – strong
ERGO result of €173m

Return on investment¹

2.7% (2.9%)

Solid return in volatile capital
markets – reinvestment yield: 1.6%

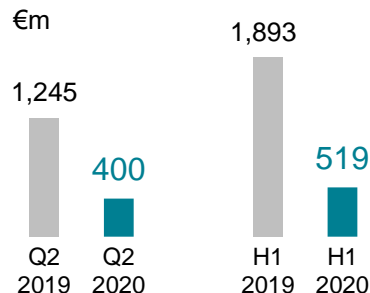
Shareholders' equity

€29.8bn (–2.6% vs. 31.12.)

Return on equity¹: 10.4% (7.1%)
Solvency II ratio²: 211%

Q2 2020 (H1 2020)

Technical result



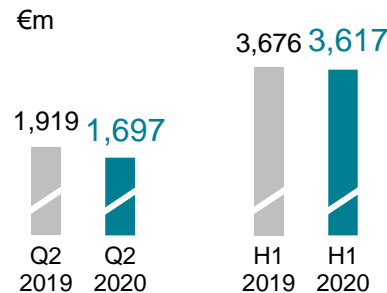
Reinsurance

Life and Health: Technical result, incl. fee income: €48m (€104m) – COVID-19 negative impact in Q2 mainly in the US – net result €59m (€67m)

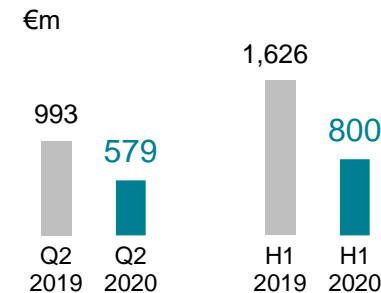
Property-casualty: 99.9% (103.0%) – Major-loss ratio: 14.8% (18.0%); reserve releases³: –4.0% (–4.0%) – net result €348m (€488m)

July renewals: Risk-adjusted price change: ~ +2.8%, premium change: +8.3%

Investment result



Net result



ERGO

L&H Germany: RoI: 2.9% (2.8%) – net result €63m (€69m)

Property-casualty Germany: C/R: 92.5% (92.9%) – net result €50m (€71m)

International: C/R: 90.1% (92.7%) – net result €59m (€105m)

Capital position

Equity

			€m
Equity 31.12.2019	30,576		
Consolidated result	800		579
Changes			
Dividend	–1,373		–1,373
Unrealised gains/losses	787		1,907
Exchange rates	–280		–175
Share buy-backs	–359		0
Other	–385		–289
Equity 30.6.2020	29,766		649

Unrealised gains/losses

Fixed-interest securities

H1: €1,579m Q2: €1,738m

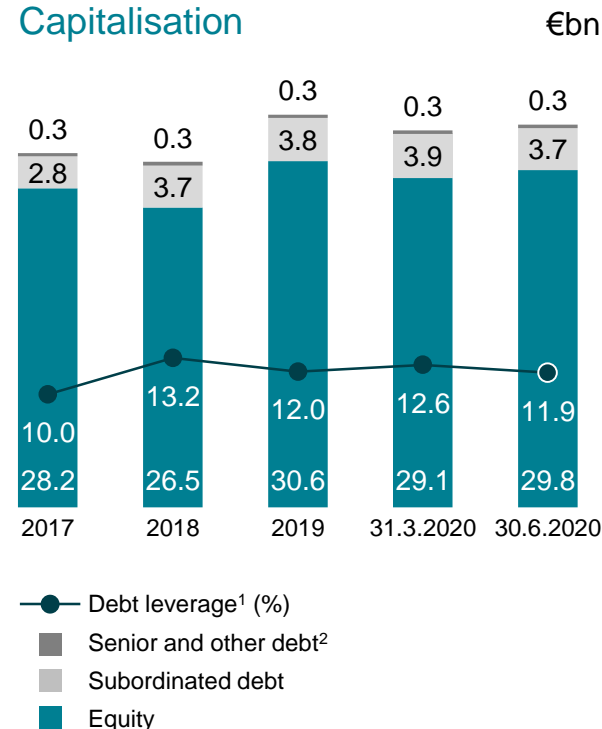
Non-fixed-interest securities

H1: –€805m Q2: €160m

Exchange rates

Devaluation of various currencies

Capitalisation



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.

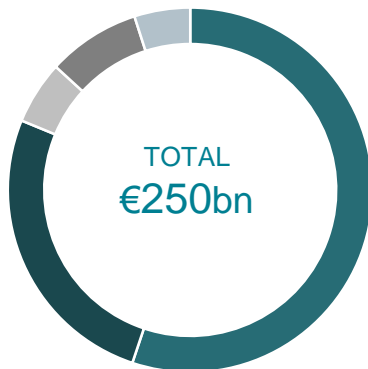
Investment portfolio

Investment portfolio¹

Land and buildings
4.9 (4.7)

Miscellaneous²
8.2 (8.1)

Shares, equity funds and
participating interests³
5.6 (7.1)






Fixed-interest securities
55.1 (53.9)

Loans
26.1 (26.1)




% Portfolio management in Q2

- Stable equity exposure – we remain cautious given ongoing disconnect with economic fundamentals
- Expansion of international investment-grade corporate bonds at the expense of covered bonds
- Reinvestment yield 1.6% in Q2 – higher corporate bond yields mitigate decline in interest rates, particularly in the US

Portfolio duration¹

		Assets	Liabilities
Reinsurance	7.1 (6.5)		7.6 (6.3)
ERGO	9.8 (9.4)		10.7 (10.1)
Munich Re	8.9 (8.4)		9.8 (9.0)

DV01^{1,4}

		Assets	Liabilities	€m Net
	52 (46)		44 (34)	8
	136 (126)		150 (139)	-14
	188 (172)		194 (173)	-6

¹ Fair values as at 30.6.2020 (31.12.2019). ² Deposits retained on assumed reinsurance, deposits with banks, investment funds (excl. equities), derivatives and investments in renewable energies and gold. ³ Net of hedges: 4.5% (6.4%). ⁴ Market value change due to a parallel downward shift in yield curve by one basis point, considering the portfolio size of assets and liabilities (pre-tax). Negative net DV01 means rising interest rates are beneficial.

Investment result

€m	Q2 2020	Return ¹	H1 2020	Return ¹	H1 2019	Return ¹
Regular income	1,721	2.8%	3,265	2.6%	3,459	2.9%
Write-ups/write-downs	–108	–0.2%	–1,567	–1.3%	–181	–0.2%
Disposal gains/losses	1,189	1.9%	1,566	1.3%	1,038	0.9%
Derivatives ²	–906	–1.5%	694	0.6%	–329	–0.3%
Other income/expenses	–200	–0.3%	–342	–0.3%	–311	–0.3%
Investment result	1,697	2.7%	3,617	2.9%	3,676	3.1%
Total return		9.5%		4.7%		12.1%

3-month reinvestment yield	Q2 2020	Write-ups/ write-downs	Disposal gains/losses	Derivatives	H1 2020	Write-ups/ write-downs	Disposal gains/losses	Derivatives
Q2 2020 1.6%	Fixed income	1	622	26	Fixed income	–14	1,038	578
	Equities	–117	555	–891	Equities	–1,464	233	182
Q1 2020 1.9%	Commodities/Inflation	12	0	67	Commodities/Inflation	40	0	16
Q4 2019 1.9%	Other	–3	12	–107	Other	–128	296	–82

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ERGO Life and Health Germany

Gross premiums written

H1 2019		€m 4,658
Foreign exchange		0
Divestments/investments		0
Organic change		–193
H1 2020		4,464

- **Life (+€62m)**: Increase driven by growth through new products and merger of EDL¹ into EVL² in 2019; ordinary attrition of back book
- **Health (–€93m)**: Growth in comprehensive and supplementary insurance over-compensated by COVID-19's effect in Travel
- **Digital Ventures (–€162m)**: Reduction related to merger of EDL¹ into EVL²

Major result drivers

	H1 2020	H1 2019	▲	Q2 2020	Q2 2019	▲
Technical result	25	153	–129	–59	75	–134
Non-technical result	110	99	11	205	68	137
thereof investment result	1,757	2,000	–243	917	1,008	–90
Other	–66	–118	52	–82	–71	–11
Net result	69	135	–66	63	72	–9

Technical result

- Q2: Interdependency between investment and technical result – COVID-19 leading to high intra-year volatility; no increased claims activity in Health
- Q2: Travel affected by COVID-19

Investment result

- H1: Effective hedging and disposal gains offset impairments on equities
- Q2: Disposal gains from fixed income (ZZR) and equities compensate for losses from equity derivatives in strongly rising stock markets
- Q2: Return on investment of 2.9%

Other

- FX result of –€26m (–€39m), thereof –€47m in Q2

ERGO Property-casualty Germany

Gross premiums written

H1 2019		€m	2,035
Foreign exchange			6
Divestments/investments			0
Organic change			94
H1 2020			2,135

- Organic growth in almost all lines of business; mainly driven by fire/property (+€36m), liability (+€21m), motor (+€20m) and other insurance (+€23m)

Major result drivers

	H1 2020	H1 2019	▲	Q2 2020	Q2 2019	▲
Technical result	145	150	-5	85	127	-42
Non-technical result	-20	-61	41	-16	-47	31
thereof investment result	93	71	22	42	27	15
Other	-54	-20	-34	-19	-25	6
Net result	71	69	2	50	55	-5

Technical result

Combined ratio of 92.9% in H1 at a good level, 92.5% in Q2 due to

- stable premium development,
- COVID-19: Negative effects (business closure and event cancellation) partly compensated for retail lines; favourable cost development, and
- major losses below expectations

Investment result

- H1: Write-downs and disposal gains on equities largely balance each other out
- Q2: Equity disposal gains offset losses from equity derivatives
- Q2: Return on investment of 2.2%

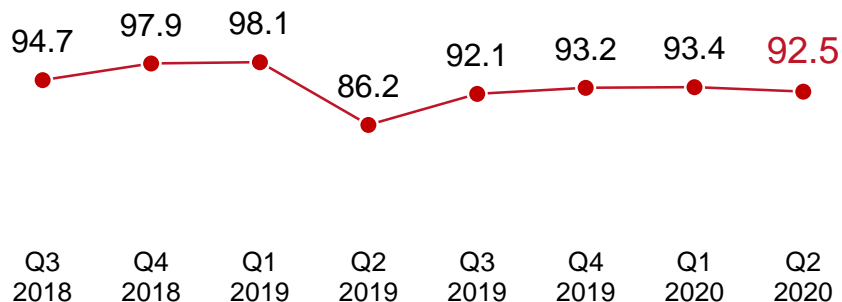
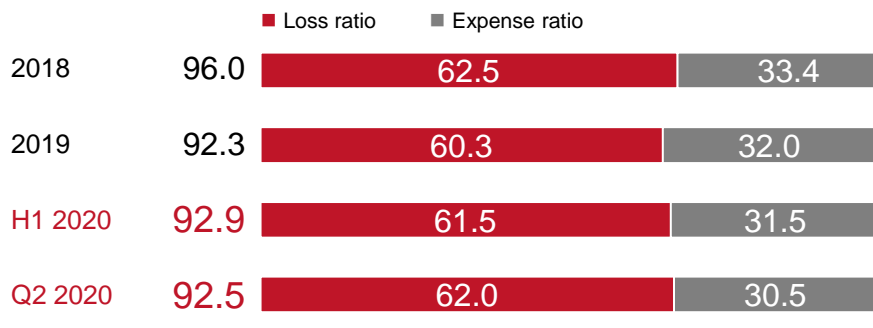
Other

- Taxes driven by positive pre-tax result

ERGO Property-casualty Germany

Combined ratio

%



Gross premiums written in H1 2020 (H1 2019)

€m

Other

186 (163)

Motor

470 (450)

Marine

108 (103)

Legal protection

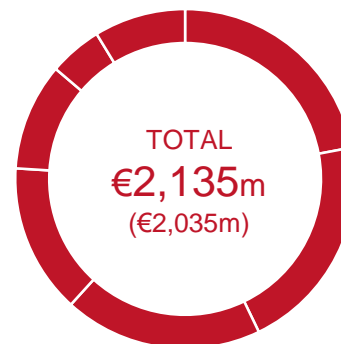
218 (219)

Personal accident

304 (309)

Liability

403 (382)



Fire/property

444 (409)

Gross premiums written €m

H1 2019		2,519
Foreign exchange		–21
Divestments/investments		–90
Organic change		14
H1 2020		2,422

- **Life** (–€30m): Lower level due to run-down in Belgium and reduced new business in Austria related to COVID-19
- **Health** (+€43m): Positive business development in Spain and Belgium
- **P-C** (–€111m): Decrease mainly driven by portfolio streamlining in 2019

Major result drivers

	H1 2020	H1 2019	▲	Q2 2020	Q2 2019	▲
Technical result	111	95	16	75	51	24
Non-technical result	19	–42	61	0	–18	18
thereof investment result	179	160	19	79	81	–2
Other	–25	–36	11	–16	–25	9
Net result	105	16	89	59	8	51

Technical result

Highlights in Q2:

- **Life**: Stable development
- **Health**: Improved portfolio mix (shift to personal lines) with no noticeable COVID-19 effects in Spain
- **P-C**: Ongoing good operational performance (esp. Poland, Baltics), reduced claims frequency (esp. motor), lower large losses

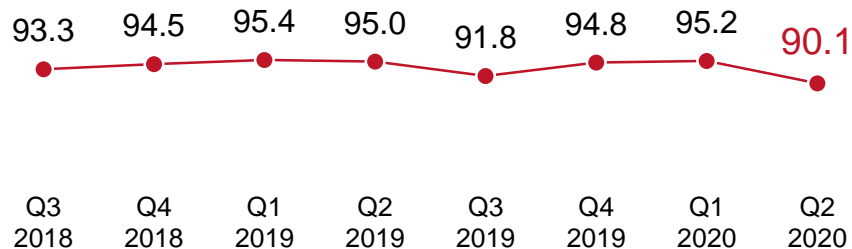
Investment result

- Prior year impacted by portfolio streamlining
- Q2: Return on investment of 1.7%

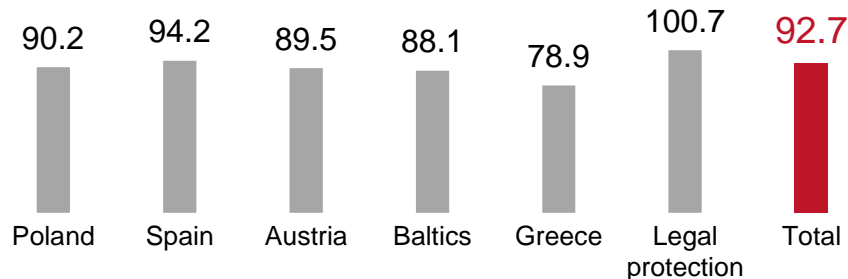
Other

- FX result of –€1m (–€19m), thereof –€5m in Q2

Combined ratio



H1 2020



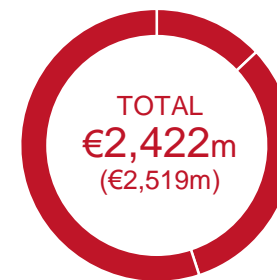
% Gross premiums written in H1 2020 (H1 2019)

Property-casualty
1,333 (1,444)

€m

Life

315 (345)



Health

774 (731)

P-C

Thereof:

	H1 2020	H1 2019
Poland	703	743
Legal protection	338	320
Greece	122	120
Baltics	96	96
Austria	52	51

Life

Thereof:

	H1 2020	H1 2019
Austria	164	181
Belgium	74	77

Health

Thereof:

	H1 2020	H1 2019
Spain	455	426
Belgium	319	305

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Reinsurance Life and Health

Gross premiums written

H1 2019		€m	5,636
Foreign exchange			60
Divestments/investments			0
Organic change			715
H1 2020			6,411

- Positive FX effects
- Premium growth mainly from Europe, Asia and North America

Major result drivers

	H1 2020	H1 2019	▲	Q2 2020	Q2 2019	▲
Technical result	21	129	–108	7	44	–37
Non-technical result	96	266	–170	44	161	–117
thereof investment result	400	587	–187	174	344	–169
Other	–51	–60	9	8	–51	59
Net result	67	335	–268	59	154	–96

Technical result, incl. fee income of €48m (€104m)

- COVID-19-related claims of ~€100m in Q2, particularly in the US
- Strong results in Asia and Europe largely compensate for ...
- ... higher than expected non-COVID-19-related claims in the US, attributable to a small number of clients and involving a few of larger claims, ...
- ... and higher-than-expected claims in Australia, reversing good Q1 results
- Pleasing fee income

Investment result

- H1/Q2: Disposal gains on fixed income investments from ordinary portfolio turnover more than compensate for write-downs of equities (H1) or derivative losses (Q2)
- Q2: Return on investment: 2.4%

Other

- H1: FX result of €14m vs €42m, thereof €20m in Q2

Reinsurance Property-casualty

Gross premiums written

H1 2019		€m	10,327
Foreign exchange			170
Divestments/investments			0
Organic change	■		1,183
H1 2020			11,680

- Positive FX effects mainly driven by US\$
- Organic growth esp. in fire and special lines

Major result drivers

	H1 2020	H1 2019	▲	Q2 2020	Q2 2019	▲
Technical result	217	1,366	–1,149	291	948	–657
Non-technical result	428	35	394	122	9	114
thereof investment result	1,188	858	330	485	460	25
Other	–157	–330	173	–66	–253	187
Net result	488	1,071	–582	348	704	–356

Technical result

- COVID-19-related claims of ~€1.4bn in H1 (thereof ~€0.6bn in Q2), contingency losses account for the largest share
- Expense ratio improved due to cost reductions and premium growth
- Underlying performance remains sound – normalised combined ratio at ~97% in Q2 and H1

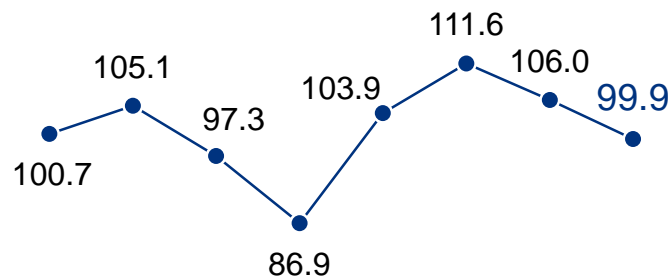
Investment result

- H1: Gains on fixed-income/real estate disposals and derivatives clearly exceed write-downs on equities
- Q2: Disposal gains on fixed income/equities more than offset losses on derivatives (equity hedges and CDS)
- Q2: Return on investment: 3.0%

Other

- H1: FX result of €191m (€114m), thereof €57m in Q2

Reinsurance Property-casualty – Combined ratio



Q3 2018 Q4 2018 Q1 2019 Q2 2019 Q3 2019 Q4 2019 Q1 2020 Q2 2020

		Basic losses	Major losses	Expense ratio
2018	99.4	53.6	11.6	34.2
2019	100.2	51.4	15.2	33.6
H1 2020	103.0	54.4	18.0	30.5
Q2 2020	99.9	54.1	14.8	31.0

	Major losses	Nat cat	Man-made	Reserve releases ¹	Normalised combined ratio ²
H1 2020	18.0	3.4	14.6	–4.0	97.0
Q2 2020	14.8	3.1	11.7	–4.0	97.1
Ø Annual expectation	~12.0	~8.0	~4.0	~–4.0	

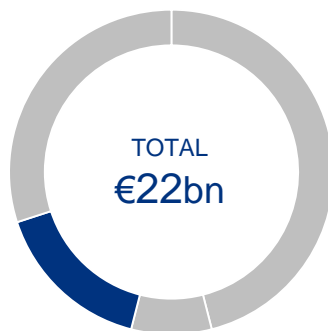
¹ Basic losses prior years, already adjusted for directly corresponding sliding-scale and profit-commission effects.
² Based on reserve releases of 4%-pts.

July renewals

Total property-casualty book¹

Remaining business
30

Business up for renewal in January
46



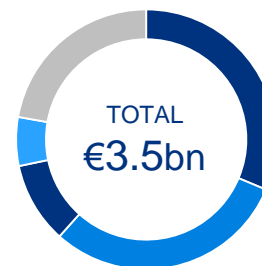
Business up for renewal in July
16

Business up for renewal in April
8

Regional allocation of July renewals

Worldwide
22

Europe
6



North America
31

Asia/Pacific/Africa
30

South America
10

Nat cat shares of renewable portfolio²

January 10

April 28

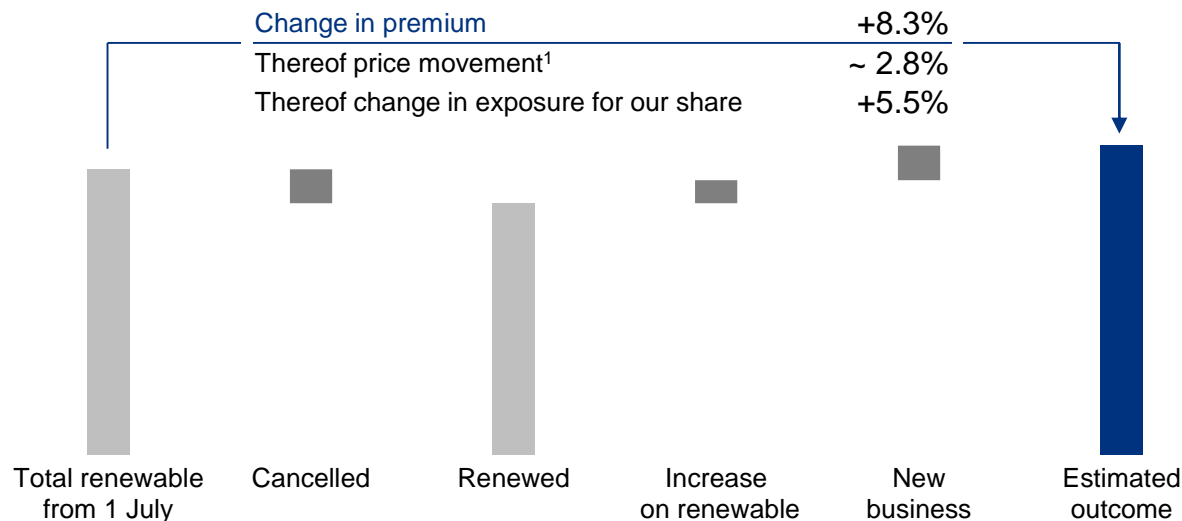
July 21

Total 14

Positive price dynamic continues and broadens

July renewals 2020

%	100	-11,9	88.1	+8.0	+12.2	108.3
€m	3,475	-412	3,063	+279	+423	3,765



- Positive pricing dynamics continue – particularly in regions and lines of business with high loss experience
- In addition, COVID-19 supports flight to quality and market hardening
- Premium growth driven by business opportunities, especially in North America and with global clients

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).

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Segment income statement Q2 2020

€m	Reinsurance L/H ¹	Reinsurance P-C	ERGO L/H Germany	ERGO P-C Germany	ERGO International	Total Q2 2020
Gross premiums written	3,332	5,524	2,149	696	1,126	12,827
Net earned premiums	2,955	5,401	2,214	852	1,093	12,515
Income from technical interest	160	289	1,016	17	245	1,727
Net expenses for claims and benefits	-2,590	-3,725	-2,953	-524	-957	-10,749
Net operating expenses	-518	-1,673	-335	-260	-307	-3,094
Technical result	7	291	-59	85	75	400
Investment result	174	485	917	42	79	1,697
Insurance-related investment result	23	9	358	0	206	596
Other operating result	7	-82	-55	-40	-39	-210
Deduction of income from technical interest	-160	-289	-1,016	-17	-245	-1,727
Non-technical result	44	122	205	-16	0	356
Operating result	51	414	146	70	75	755
Other non-operating result	0	-7	0	-2	3	-6
Currency result	20	57	-47	-2	-5	23
Net finance costs	-10	-31	-5	-2	-7	-55
Taxes on income	-3	-84	-30	-14	-8	-138
Net result	59	348	63	50	59	579
<i>Tax rate</i>	<i>4.2%</i>	<i>19.4%</i>	<i>32.3%</i>	<i>21.3%</i>	<i>11.6%</i>	<i>19.3%</i>

Segment income statement H1 2020

€m	Reinsurance L/H ¹	Reinsurance P-C	ERGO L/H Germany	ERGO P-C Germany	ERGO International	Total H1 2020
Gross premiums written	6,411	11,680	4,464	2,135	2,422	27,112
Net earned premiums	5,732	10,988	4,489	1,718	2,234	25,161
Income from technical interest	331	552	1,106	34	-38	1,985
Net expenses for claims and benefits	-4,987	-7,967	-4,897	-1,067	-1,462	-20,381
Net operating expenses	-1,055	-3,355	-674	-541	-622	-6,247
Technical result	21	217	25	145	111	519
Investment result	400	1,188	1,757	93	179	3,617
Insurance-related investment result	10	-32	-392	0	-134	-549
Other operating result	18	-176	-148	-79	-64	-449
Deduction of income from technical interest	-331	-552	-1,106	-34	38	-1,985
Non-technical result	96	428	110	-20	19	634
Operating result	118	645	135	125	130	1,153
Other non-operating result	0	-8	-3	-5	0	-17
Currency result	14	191	-26	-11	-1	167
Net finance costs	-20	-63	-11	-3	-13	-110
Taxes on income	-44	-277	-25	-35	-11	-393
Net result	67	488	69	71	105	800
<i>Tax rate</i>	<i>39.9%</i>	<i>36.2%</i>	<i>27.0%</i>	<i>33.2%</i>	<i>9.2%</i>	<i>32.9%</i>

1 Technical result, incl. fee income: €104m.

Actual vs. analysts' consensus

Operating result – Actual vs. analysts' consensus¹ €m

	Q2 2020	Consensus	Delta
Reinsurance Property-casualty	414	294	120
Reinsurance Life and Health	51	79	–28
ERGO Life and Health Germany	146	104	42
ERGO Property-casualty Germany	70	102	–32
ERGO International	75	69	6
Operating result	755	649	106

FX	23		
Other	–61		
Taxes	–138		
Net result	579	405	174

KPIs – Actual vs. analysts' consensus¹ €m

	Q2 2020	Consensus	Impact ²
Combined ratio	99.9%	101.2%	72
Tech. result, incl. fee income	€48m		
Combined ratio	92.5%	90.4%	–18
Combined ratio	90.1%	95.4%	41

Other comments

ERGO L/H Germany: Policyholder participation in –€47m FX loss increases operating result.

Premium development

Gross premiums written €m

H1 2019  25,175

Foreign exchange  215

Divestments/
investments  -90

Organic change  1,813

H1 2020  27,112

Segmental breakdown

Reinsurance
Property-casualty
11,680 (43%) (▲ 13.1%)

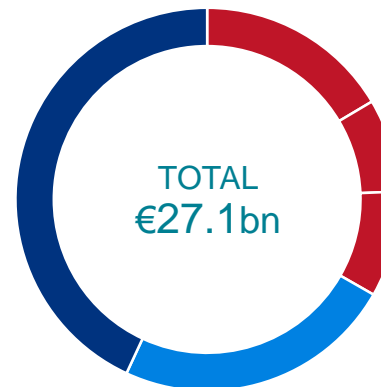
Reinsurance
Life and Health
6,411 (24%) (▲ 13.7%)

€m

ERGO
Life and Health Germany
4,464 (16%) (▲ -4.1%)

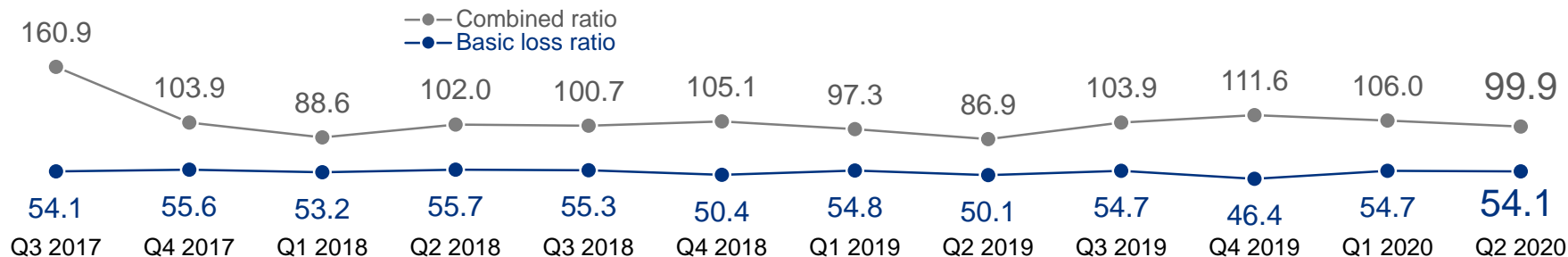
ERGO
Property-casualty Germany
2,135 (8%) (▲ 4.9%)

ERGO
International
2,422 (9%) (▲ -3.9%)

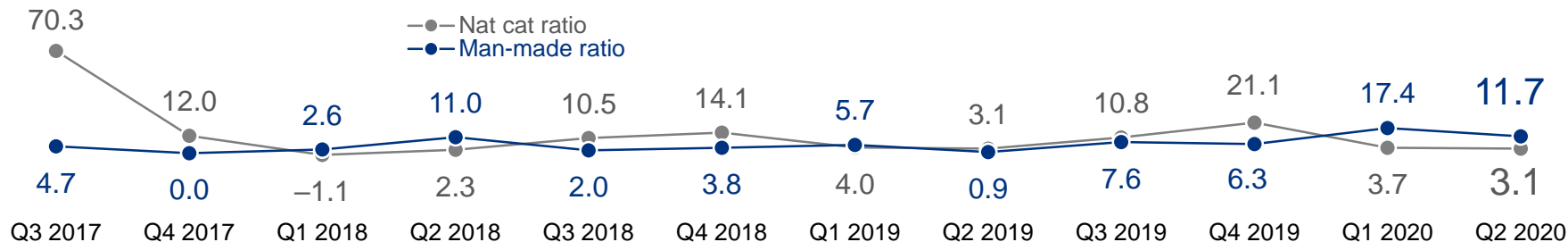


Development of combined ratio

Combined ratio vs. basic losses (%)



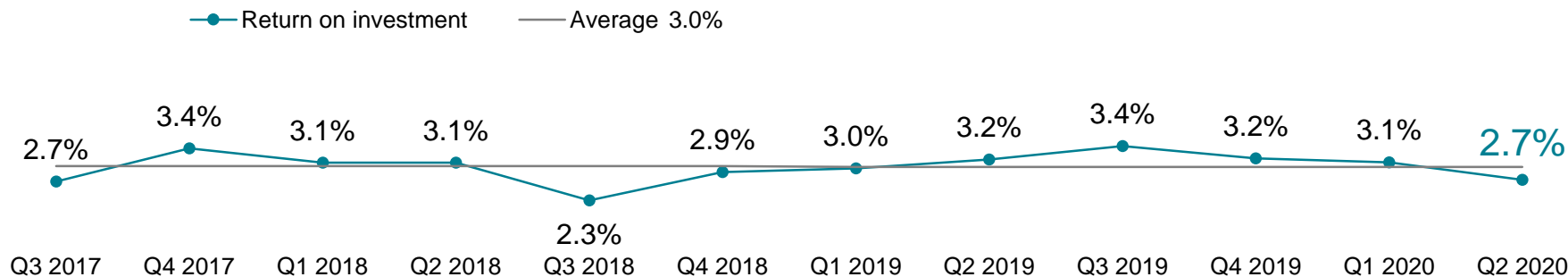
Nat cat vs. man-made (%)



Return on investment by asset class and segment

H1 2020

% ¹	Regular income	Write-ups/-downs	Disposal result	Extraord. derivatives result	Other inc./exp.	Rol	Market value (€m)
Afs fixed-income	2.1	−0.0	1.0	0.0	0.0	3.1	133,562
Afs non-fixed-income	5.1	−17.5	2.8	0.0	0.0	−9.6	16,776
Derivatives	3.9	0.0	0.0	43.8	−1.2	46.5	3,172
Loans	2.7	−0.0	1.1	0.0	0.0	3.8	64,927
Real estate	4.6	−1.1	4.7	0.0	0.0	8.2	12,118
Other ²	2.5	−0.2	0.1	0.0	−3.7	−1.3	17,566
Total	2.6	−1.3	1.3	0.6	−0.3	2.9	248,121
Reinsurance	2.6	−0.5	0.9	0.7	−0.3	3.3	95,131
ERGO	2.6	−1.7	1.5	0.5	−0.2	2.7	152,990



Investment result – Reinsurance

Reinsurance Life and Health (€m)

	Q2 2020	Return ¹	H1 2020	Return ¹	H1 2019	Return ¹
Regular income	190	2.6%	386	2.6%	385	2.8%
Write-ups/write-downs	4	0.1%	–14	–0.1%	0	0.0%
Disposal gains/losses	24	0.3%	50	0.3%	219	1.6%
Derivatives ²	–13	–0.2%	21	0.1%	–8	–0.1%
Other income/expenses	–32	–0.4%	–42	–0.3%	–9	–0.1%
Investment result	174	2.4%	400	2.7%	587	4.3%
Average market value		29,670		29,507		27,562

Reinsurance Property-casualty (€m)

	Q2 2020	Return ¹	H1 2020	Return ¹	H1 2019	Return ¹
Regular income	449	2.7%	854	2.6%	951	3.0%
Write-ups/write-downs	–34	–0.2%	–224	–0.7%	–90	–0.3%
Disposal gains/losses	210	1.3%	360	1.1%	184	0.6%
Derivatives ²	–81	–0.5%	320	1.0%	–64	–0.2%
Other income/expenses	–60	–0.4%	–122	–0.4%	–124	–0.4%
Investment result	485	3.0%	1,188	3.6%	858	2.7%
Average market value		65,591		65,624		62,493

Investment result – ERGO

Life and Health Germany (€m)	Q2 2020	Return ¹	H1 2020	Return ¹	H1 2019	Return ¹
Regular income	946	3.0%	1,768	2.8%	1,853	3.0%
Write-ups/write-downs	–94	–0.3%	–1,244	–2.0%	–109	–0.2%
Disposal gains/losses	883	2.8%	1,064	1.7%	589	1.0%
Derivatives ²	–723	–2.3%	322	0.5%	–180	–0.3%
Other income/expenses	–94	–0.3%	–153	–0.2%	–153	–0.2%
Investment result	917	2.9%	1,757	2.8%	2,000	3.2%
Average market value		126,806		126,657		123,876

Property-casualty Germany (€m)	Q2 2020	Return ¹	H1 2020	Return ¹	H1 2019	Return ¹
Regular income	45	2.4%	81	2.2%	81	2.2%
Write-ups/write-downs	–6	–0.3%	–62	–1.7%	–13	–0.3%
Disposal gains/losses	63	3.4%	74	2.0%	55	1.5%
Derivatives ²	–54	–2.9%	13	0.3%	–40	–1.1%
Other income/expenses	–7	–0.4%	–12	–0.3%	–12	–0.3%
Investment result	42	2.2%	93	2.5%	71	1.9%
Average market value		7,472		7,495		7,429

Investment result – ERGO

International (€m)	Q2 2020	Return ¹	H1 2020	Return ¹	H1 2019	Return ¹
Regular income	91	1.9%	176	1.9%	187	2.1%
Write-ups/write-downs	22	0.5%	–22	–0.2%	30	0.3%
Disposal gains/losses	8	0.2%	19	0.2%	–8	–0.1%
Derivatives ²	–35	–0.7%	19	0.2%	–37	–0.4%
Other income/expenses	–7	–0.1%	–13	–0.1%	–13	–0.1%
Investment result	79	1.7%	179	1.9%	160	1.8%
Average market value		18,987		18,839		17,802

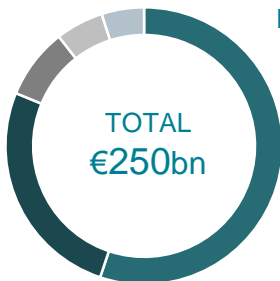
Investment portfolio

Investment portfolio

Land and buildings
4.9 (4.7)

Shares, equity funds
and participating
interests²
5.6 (7.1)

Miscellaneous³
8.2 (8.1)



Fixed-interest securities
55.1 (53.9)

Loans
26.1 (26.1)

Miscellaneous

Other
24 (25)

Derivatives⁴
8 (6)

Investment funds⁵
11 (11)

Bank deposits
18 (19)



Deposits on
reinsurance
39 (40)

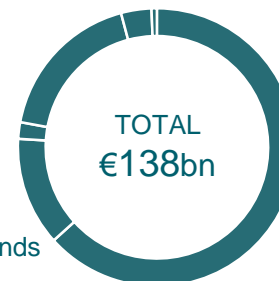
Fixed-interest securities¹

Structured products
3 (4)

Corporates
19 (18)

Banks
2 (2)

Pfandbriefe/Covered bonds
11 (13)



Governments/
Semi-government
63 (63)

Cash/Other
1 (1)

Loans¹

Loans to policyholders/
mortgage loans
13 (13)

Corporates
4 (4)

Banks
1 (1)



Governments/
Semi-governments
42 (41)

Pfandbriefe/
Covered bonds
40 (41)

¹ Approximation – not fully comparable with IFRS figures. Fair values as at 30.6.2020 (31.12.2019). ² Net of hedges: 4.5 (6.4%). 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

Fixed-income portfolio

Bank bonds

2 (1)

Structured products

2 (2)

Loans to policyholders/
mortgage loans

4 (4)

Cash/Other

6 (5)

Corporates

13 (13)

Pfandbriefe/
Covered bonds

19 (21)



%

Governments/
Semi-government
54 (53)

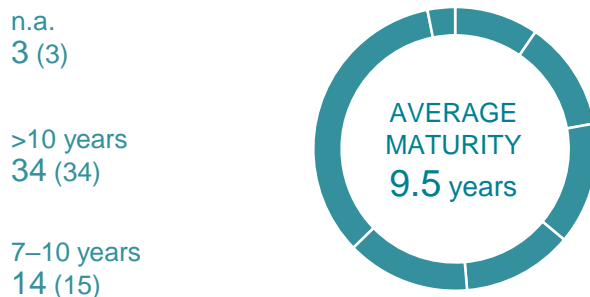
Fixed-income portfolio

Total

Rating structure



Maturity structure



%

AAA
42 (43)

AA
24 (24)

A
13 (13)

%

0–1 years
10 (9)

1–3 years
13 (13)

3–5 years
14 (13)

5–7 years
13 (13)

Regional breakdown

%

	Without policyholder participation	With participation	Total 30.6.2020	31.12.2019
Germany	4.8	21.9	26.7	26.8
US	14.4	1.7	16.2	15.6
France	2.2	5.0	7.2	7.3
UK	2.8	2.0	4.8	5.1
Canada	4.0	0.7	4.7	4.7
Netherlands	1.5	2.9	4.5	4.3
Supranationals	0.7	3.0	3.7	3.6
Spain	0.9	2.1	3.0	3.1
Australia	2.6	0.4	3.0	3.1
Austria	0.5	2.1	2.6	2.6
Belgium	0.7	1.6	2.3	2.4
Ireland	0.7	1.6	2.3	2.2
Poland	1.3	0.5	1.8	1.8
Italy	0.7	0.8	1.5	1.3
Sweden	0.2	1.2	1.3	1.4
Other	6.6	7.9	14.5	14.6
Total	44.7	55.3	100.0	100.0



Fixed-income portfolio

Governments/semi-governments

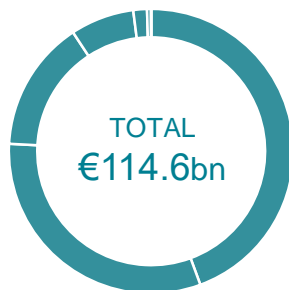
Rating structure

NR
0 (0)

<BB
0 (0)

BB
2 (2)

BBB
7 (7)



%

AAA
44 (43)

AA
31 (32)

A
15 (16)

Maturity structure

>10 years
45 (44)



7–10 years
14 (15)

%

0–1 years
8 (9)

1–3 years
11 (11)

3–5 years
11 (11)

5–7 years
10 (11)

Regional breakdown

	Without policyholder participation	With participation	Total 30.6.2020	31.12.2019
Germany	3.6	21.0	24.5	23.9
US	16.0	1.2	17.2	16.5
Supranationals	1.3	5.5	6.8	6.7
Canada	5.7	0.7	6.4	6.5
Australia	4.0	0.1	4.1	4.0
Spain	1.2	2.9	4.0	4.3
Belgium	1.1	2.9	4.0	4.1
France	1.7	2.0	3.7	3.8
Austria	0.6	2.7	3.3	3.2
Poland	2.3	0.8	3.1	3.2
Netherlands	0.7	1.3	2.0	1.9
UK	1.9	0.0	2.0	2.8
Finland	0.2	1.7	2.0	2.0
Ireland	0.4	1.1	1.6	1.6
Italy	0.7	0.9	1.5	1.4
Other	6.9	6.9	13.7	14.1
Total	48.4	51.6	100.0	100.0



Fixed-income portfolio

Pfandbriefe/covered bonds

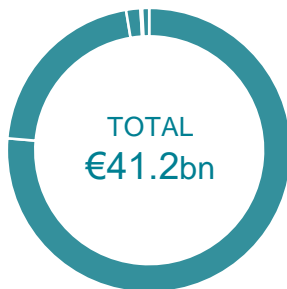
Rating structure

NR
1 (1)

BBB
0 (0)

A
2 (2)

AA
21 (20)



Maturity structure

>10 years
20 (21)



7–10 years
20 (21)

%
AAA
76 (77)

Regional breakdown

Germany
France
UK
Netherlands
Sweden
Norway
Spain
Italy
Ireland
Other

	30.6.2020	31.12.2019
Germany	33.1	35.4
France	19.7	19.5
UK	10.2	9.8
Netherlands	8.3	8.4
Sweden	6.1	5.9
Norway	5.4	5.4
Spain	1.9	1.8
Italy	1.3	1.1
Ireland	0.3	0.3
Other	13.8	12.5

%

0–1 years
7 (5)

1–3 years
14 (15)

3–5 years
18 (17)

5–7 years
21 (20)

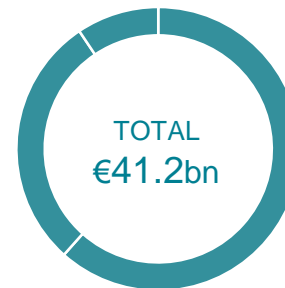
Cover pools

Mixed and other
9 (10)

Public
29 (29)

%

Mortgage
62 (61)



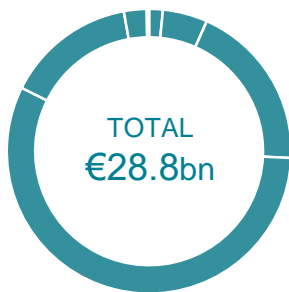


Fixed-income portfolio

Corporate bonds (excluding bank bonds)

Rating structure

NR
0 (0)
<BB
3 (2)
BB
15 (11)
BBB
57 (61)



Maturity structure

>10 years
25 (24)
7–10 years
12 (12)
5–7 years
15 (15)



%

AAA
2 (2)

AA
5 (5)

A
19 (19)

%

0–1 years
9 (10)

1–3 years
17 (19)

3–5 years
22 (20)

Regional breakdown

%

	30.6.2020	31.12.2019
Industrial goods and services	14.1	14.2
Utilities	13.2	13.6
Oil and gas	11.2	10.9
Financial services	10.2	9.6
Telecommunications	8.2	8.0
Healthcare	7.5	7.5
Technology	6.0	6.0
Automobiles	4.5	3.9
Food and beverages	4.0	4.0
Personal and household goods	3.2	3.1
Media	3.1	3.6
Basic resources	2.9	3.5
Retail	2.8	2.7
Other	9.2	9.3



Fixed-income portfolio

Structured products

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

€m

		Rating						Region		Total	Market-to-par
		AAA	AA	A	BBB	<BBB	NR	USA + RoW	Europe		
ABS	Consumer-related ABS ¹	157	92	80	0	0	0	208	122	330	100%
	Corporate-related ABS ²	5	16	368	40	0	0	48	381	429	100%
	Subprime HEL	0	1	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	755	1,454	32	8	0	0	677	1,572	2,249	98%
MBS	Agency	865	25	0	0	0	0	890	0	890	108%
	Non-agency prime	4	15	1	0	0	0	1	19	20	98%
	Non-agency other (not subprime)	256	23	0	0	0	0	14	265	279	98%
	Commercial MBS	564	27	18	0	0	1	540	70	610	106%
Total 30.6.2020		2,607	1,652	499	48	0	1	2,379	2,428	4,807	101%
In %		54%	34%	10%	1%	0%	0%	49%	51%	100%	
Total 31.12.2019		2,876	1,527	303	58	0	9	2,870	1,904	4,774	101%

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 30.6.2020 (31.12.2019).



Fixed-income portfolio

Bank bonds

Rating structure



Maturity structure



%

AAA
1 (1)

AA
19 (17)

A
40 (38)

Regional breakdown

	Senior bonds	Subordinated	Loss-bearing	Total	
				30.6.2020	31.12.2019
US	24.4	7.6	0.4	32.3	35.4
Canada	11.2	0.0	0.0	11.2	11.4
UK	7.7	1.3	0.2	9.1	7.2
Germany	6.5	0.2	1.8	8.6	10.2
Ireland	7.9	0.0	0.0	7.9	8.8
France	5.2	0.7	0.0	6.0	5.0
Netherlands	3.4	0.1	0.0	3.4	2.6
Guernsey island	2.5	0.0	0.0	2.5	2.3
Switzerland	1.9	0.0	0.0	1.9	1.3
Other	16.0	1.2	0.0	17.2	15.8

Cover pools



%

1 Classified as Tier 1 and upper Tier 2 capital for Solvency purposes. 2 Classified as lower Tier 2 and Tier 3 capital for Solvency purposes.
Approximation – not fully comparable with IFRS figures. Fair values as at 30.6.2020 (31.12.2019).

Sensitivities to interest rates, spreads and equities¹

Sensitivity to risk-free interest in €bn (change in basis points)

	–50bps	–25bps	+50bps	+100bps
Change in market value, gross	+9.9	+4.8	–8.9	–16.9
Change in on-balance-sheet reserves, net	+2.5	+1.2	–2.3	–4.4
Change in off-balance-sheet reserves, net	+0.5	+0.2	–0.4	–0.8
P&L (investment result), gross	+0.6	+0.3	–0.5	–1.1
P&L, net	+0.3	+0.2	–0.3	–0.6

Sensitivity to spreads² in €bn (change in basis points)

	+50bps	+100bps
Change in market value, gross	–6.3	–11.8
Change in on-balance-sheet reserves, net	–1.5	–2.8
Change in off-balance-sheet reserves, net	–0.3	–0.6
P&L (investment result), gross	–0.3	–0.6
P&L, net	–0.1	–0.3

Sensitivity to share prices³ in €bn (change in %)

	–30%	–10%	+10%	+30%
Change in market value, gross	–1.5	–0.7	+0.7	+2.0
Change in on-balance-sheet reserves, net	–0.6	–0.2	+0.3	+1.0
P&L (investment result), gross	–0.5	–0.2	–0.2	–0.7
P&L, net	–0.3	–0.1	–0.0	–0.1

¹ Rough calculation with limited reliability assuming unchanged portfolio as at 30.6.2020. 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 income portfolio, except government securities with AAA ratings. ³ Sensitivities to change in share prices are calculated for listed shares only; assumptions: equity impairments as soon as market value drops below acquisition cost and best-estimate calculation of hedging impact.

On- and off-balance-sheet reserves

€m	31.12. 2018	31.12. 2019	31.3. 2020	30.6. 2020	▲ in Q2
Market value of investments	231,876	247,310	247,196	249,858	2,662
Total reserves	22,002	33,120	31,117	35,321	4,205
On-balance-sheet reserves					
Fixed-interest securities	4,953	10,738	9,809	13,058	3,249
Non-fixed-interest securities	1,817	3,632	1,879	2,355	477
Other on-balance-sheet reserves ¹	207	203	182	130	–52
Subtotal	6,977	14,574	11,870	15,544	3,673
Off-balance-sheet reserves					
Real estate ²	4,769	5,600	5,626	5,631	5
Loans ³	9,453	12,147	12,782	13,292	509
Associates	803	799	839	855	17
Subtotal	15,024	18,546	19,246	19,778	531
Reserve ratio	9.5%	13.4%	12.6%	14.1%	1.5%-pts.

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

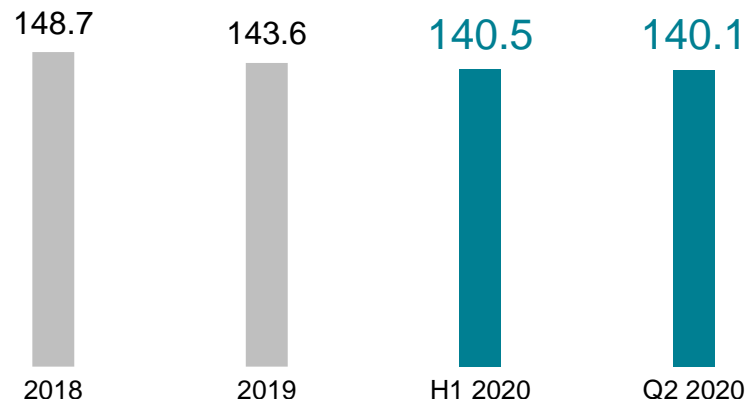
€m	On-balance-sheet reserves	Off-balance-sheet reserves ¹
Total reserves (gross)	15,544	19,778
Provision for deferred premium refunds	–6,079	–11,790
Deferred tax	–2,183	–2,420
Minority interests	–7	–
Consolidation and currency effects	–188	–
Shareholders' stake	7,086	5,567

¹ Excluding reserves for owner-occupied property and insurance-related loans.

Changes to shares in circulation

Shares (millions)	31.12. 2019	Acquisition of own shares in H1 2020	Retirement of own shares in H1 2020	30.6. 2020
Shares in circulation	141.5	−1.4	—	140.1
Treasury shares	2.9	1.4	−4.2	—
Total	144.3	—	−4.2	140.1

Weighted average number of shares in circulation (millions)



Financial calendar

2020

- 5** November Quarterly statement as at 30 September 2020
- 8** December Investor Day

2021

- 25** FEBRUARY Balance sheet media conference for 2020 financial statements
Analysts' and Investors' call
- 17** MARCH Annual report (Group), Annual report (Company)
- 28** APRIL Annual General Meeting 2021
- 6** MAY Quarterly statement as at 31 March 2021
- 10** AUGUST Half-year financial report as at 30 June 2021
- 9** NOVEMBER Quarterly statement as at 30 September 2021

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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. Obvious fluctuations in the incidence of major losses as well as pronounced volatility of the capital markets and exchange rates – as well as the special features of IFRS accounting make an accurate forecast of results impossible. Moreover, there is considerable uncertainty regarding the further development of the coronavirus pandemic.

The Company assumes no liability to update these forward-looking statements or to make them conform to future events or developments. **Figures from Q1 2019 onwards are restated reflecting the new cost-allocation method.**