



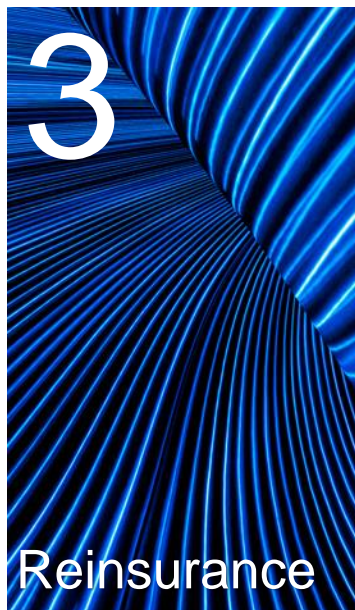
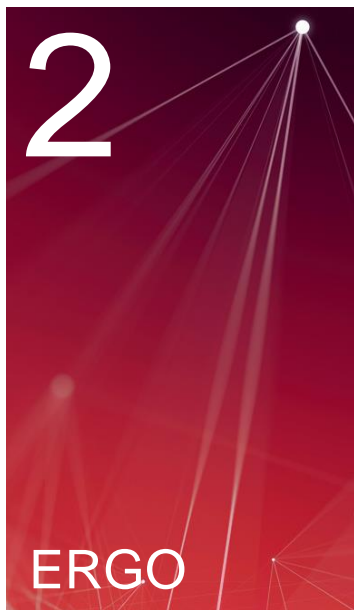
# Quarterly statement as at 30 September 2020

5 November 2020

Christoph Jurecka



# Quarterly statement as at 30 September 2020





# 1



# Munich Re posts a decent Q3 result considering high major losses

## Munich Re

### Net result

€199m (€999m)

Reinsurance result of €63m impacted by COVID-19 related claims and other major losses – strong ERGO result of €136m

### Return on investment<sup>1</sup>

2.7% (2.8%)

Reinsurance: 3.7% – benefited from disposal gains  
ERGO: 2.1% – impacted by equity impairments and derivative losses

### Shareholders' equity

€29.6bn (–3.1% vs. 31.12.)

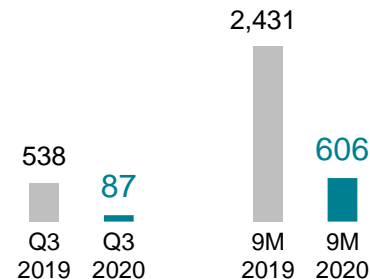
Return on equity<sup>1</sup>: 3.6% (5.9%)

Solvency II ratio: 216%

## Q3 2020 (9M 2020)

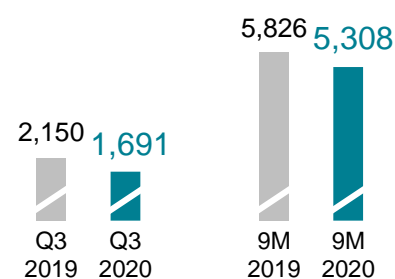
### Technical result

€m



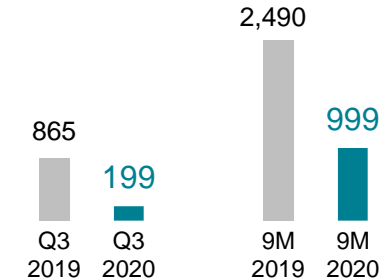
### Investment result

€m



### Net result

€m



### Reinsurance

**Life and Health:** Technical result incl. fee income: €56m (€160m) – Negative COVID-19 impact of ~€100m in Q3 – net result of €86m (€153m)

**Property-casualty:** 112.2% (106.1%) – Major-loss ratio: 26.7% (21.0%); Reserve releases<sup>2</sup>: –4.0% (–4.0%) – net result of –€23m (€446m)

### ERGO

**L&H Germany:** Rol: 2.2% (2.6%) – net result of €31m (€99m)

**Property-casualty Germany:** C/R: 90.9% (92.2%) – net result of €48m (€120m)

**International:** C/R: 92.5% (92.6%) – net result of €57m (€162m)

# L&H reinsurance – Increase in COVID-19-related claims consistent with pandemic development in different regions



## COVID-19 related losses in L&H reinsurance

- Losses dominated by far by the US
- Q3: ~€100m / 9M: ~€200m
- 9M includes COVID-19 related claims expected to be incurred by 30 September – no specific provisions for COVID-19-related deaths after 30 September established
- Limited loss activity on disability lines so far



## Outlook/ Projection 2020

- Claims development depends on further mortality experience, esp. in North America
- As expected, portfolio mortality rates are well below that of the general population
- Each 5% of extra mortality claims in our book leads to excess annual claims cost of ~€200m<sup>1</sup>
- Still far away from 200-year event scenario<sup>2</sup> of ~€1.4bn
- Risk of disability claims depends on economic development
- UK longevity is expected to offset UK mortality claims

# P-C reinsurance – Continuous worsening of the pandemic leaving its mark in Q3



## COVID-19 related losses in P-C Reinsurance

- Losses across various lines of business, contingency losses making up the largest share
- Q3: ~€700m / 9M: ~€2.1bn
- Material reserve increase in Q3 due to the continuous worsening of the pandemic and recent reintroduction of restrictions in many countries
- 9M figures include COVID-19-related claims incurred through 30 September, reserved cautiously across affected lines of business
- 9M: ~€300m in paid claims and client-reported case reserves in reinsurance, ~€1.8bn IBNR<sup>1</sup>



## Outlook/ Projection 2020

- Risk of further contingency claims continues, depending on development of the pandemic
- Claims in other lines of business are also expected to increase
  - BI: focus on non-damage BI policies – contract wording is crucial (e.g. FCA ruling provides a differentiated view)
  - Less exposure to further deterioration expected in credit given government interventions and exposure management of our cedants
  - Less exposed in workers' comp. and D&O

<sup>1</sup> Including €540m claims (direct business) for which we gave confirmation of coverage in 9M 2020.

# Capital position

## Equity

	€m	Change in Q3
Equity 31.12.2019	30,576	
Consolidated result	999	199
Changes		
Dividend	-1,373	0
Unrealised gains/losses	1,158	372
Exchange rates	-931	-651
Share buy-backs	-359	0
Other	-429	-45
<b>Equity 30.9.2020</b>	<b>29,641</b>	<b>-125</b>

## Unrealised gains/losses

Fixed-interest securities

9M: **€1,885m** Q3: **€306m**

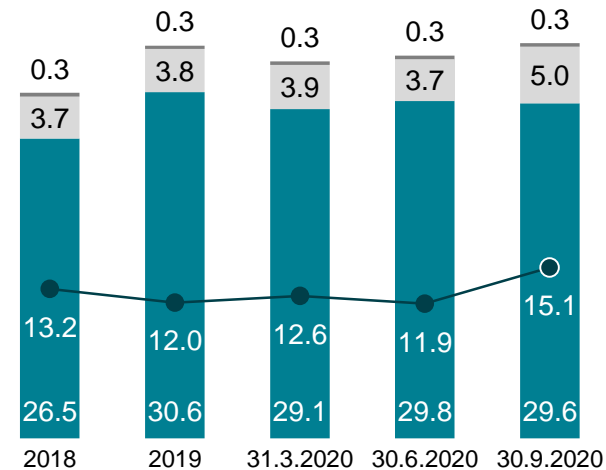
Non-fixed-interest securities

9M: **-€743m** Q3: **€62m**

## Exchange rates

Devaluation of various currencies,  
mainly USD

## Capitalisation



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

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

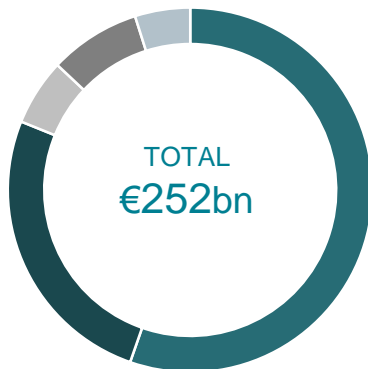
# Investment portfolio

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

Land and buildings  
4.9 (4.7)

Miscellaneous<sup>2</sup>  
8.1 (8.1)

Shares, equity funds and  
participating interests<sup>3</sup>  
5.9 (7.1)



Fixed-interest securities  
55.4 (53.9)

Loans  
25.8 (26.1)

%

## Portfolio management in Q3

- Investments in longer term US and Australian government bonds as well as short-term bank bonds and ABS at the expense of covered bonds
- Slight expansion of equity exposure despite disposal of strategic equity investments
- Ongoing increase of infrastructure and private equity investments
- Drop in reinvestment yield to 1.3%

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

Reinsurance

6.9 (6.5)   7.4 (6.3)

ERGO

9.9 (9.4)   10.6 (10.1)

Munich Re

8.9 (8.4)   9.7 (9.0)

Assets Liabilities

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

51 (46)   41 (34)

138 (126)   151 (139)

189 (172)   192 (173)

Assets Liabilities

€m  
Net

10

-13

-3

<sup>1</sup> Fair values as at 30.9.2020 (31.12.2019). <sup>2</sup> Deposits retained on assumed reinsurance, deposits with banks, investment funds (excl. equities), derivatives and investments in renewable energies and gold. <sup>3</sup> Net of hedges: 4.8% (6.4%). <sup>4</sup> Market value change due to a parallel downward shift in yield curve by one basis point, considering the portfolio size of assets and liabilities (pre-tax). Negative net DV01 means rising interest rates are beneficial.



# Investment result

€m	Q3 2020	Return <sup>1</sup>	9M 2020	Return <sup>1</sup>	9M 2019	Return <sup>1</sup>
Regular income	1,536	2.4%	4,801	2.6%	5,133	2.8%
Write-ups/write-downs	–265	–0.4%	–1,832	–1.0%	–285	–0.2%
Disposal gains/losses	644	1.0%	2,210	1.2%	1,671	0.9%
Derivatives <sup>2</sup>	–65	–0.1%	629	0.3%	–208	–0.1%
Other income/expenses	–159	–0.3%	–500	–0.3%	–485	–0.3%
<b>Investment result</b>	<b>1,691</b>	<b>2.7%</b>	<b>5,308</b>	<b>2.8%</b>	<b>5,826</b>	<b>3.2%</b>
<b>Total return</b>		<b>3.8%</b>		<b>4.4%</b>		<b>12.1%</b>

3-month reinvestment yield	Q3 2020	Write-ups/ write-downs	Disposal gains/losses	Derivatives	9M 2020	Write-ups/ write-downs	Disposal gains/losses	Derivatives
Q3 2020 1.3%	Fixed income	–7	321	26	Fixed income	–22	1,358	605
Q2 2020 1.6%	Equities	–207	318	–103	Equities	–1,671	551	78
Q1 2020 1.9%	Commodities/Inflation	–2	0	22	Commodities/Inflation	39	0	38
	Other	–50	5	–10	Other	–178	301	–91

# 2

# ERGO Life and Health Germany

Gross premiums written		€m
9M 2019		6,912
Foreign exchange		-1
Divestments/investments		0
Organic change		-193
<b>9M 2020</b>		<b>6,718</b>

- **Life** (–€80m): Growth through new products only partially compensating for ordinary attrition of back book
- **Health** (–€141m): Increase in comprehensive and supplementary insurance, negative COVID-19 effect in Travel
- **Digital Ventures** (+€27m): Growth in health insurance (esp. dental products)

## Major result drivers

	9M 2020	9M 2019	▲	Q3 2020	Q3 2019	▲
Technical result	331	234	96	306	81	225
Non-technical result	-56	-28	-28	-166	-128	-38
thereof investment result	2,454	2,985	-531	697	985	-288
Other	-175	-63	-112	-110	54	-164
<b>Net result</b>	<b>99</b>	<b>143</b>	<b>-43</b>	<b>31</b>	<b>8</b>	<b>23</b>

### Technical result

- Q3: Interdependency between investment and technical result – COVID-19 leading to high intra-year volatility with positive impact in Q3
- 9M: Decrease in Travel due to COVID-19; improved result in Health

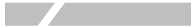




### Investment result

- 9M: Higher impairments of equities during volatile capital market environment due to COVID-19, partly offset by disposal gains and hedging
- Q3: Decrease driven by higher impairments and lower derivatives result; Return on investment of 2.2%

### Other

- FX result of –€91m in 9M (9M 2019: €54m), thereof –€65m in Q3 (Q3 2019: €94m)

# ERGO Property-casualty Germany

Gross premiums written		€m
9M 2019		2,804
Foreign exchange		5
Divestments/investments		0
Organic change		134
<b>9M 2020</b>		<b>2,943</b>

- Organic growth in almost all lines of business; mainly driven by fire/property (+€43m), liability (+€29m), motor (+€24m) and other insurance (+€35m)

## Major result drivers

	9M 2020	9M 2019	▲	Q3 2020	Q3 2019	▲
Technical result	237	231	6	92	81	11
Non-technical result	-34	-80	47	-14	-20	6
thereof investment result	122	105	17	29	34	-5
Other	-84	-46	-38	-30	-26	-4
<b>Net result</b>	<b>120</b>	<b>105</b>	<b>15</b>	<b>48</b>	<b>36</b>	<b>13</b>

### Technical result

Combined ratio of 92.2% in 9M at guidance level, 90.9% in Q3 due to

- Strong premium development
- Nat-cat losses significantly below expectations
- Minor COVID-19 effects from business closure and event cancellation; lower costs

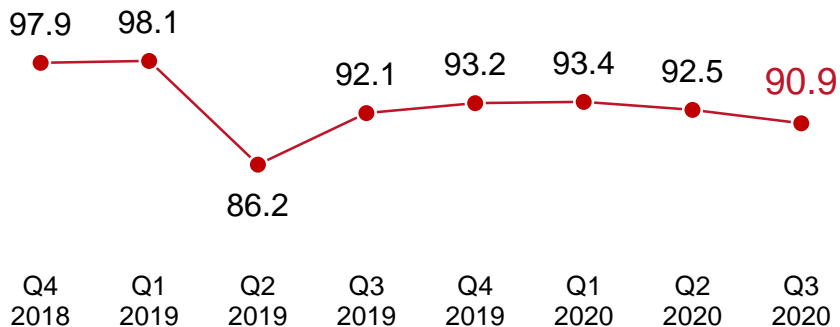
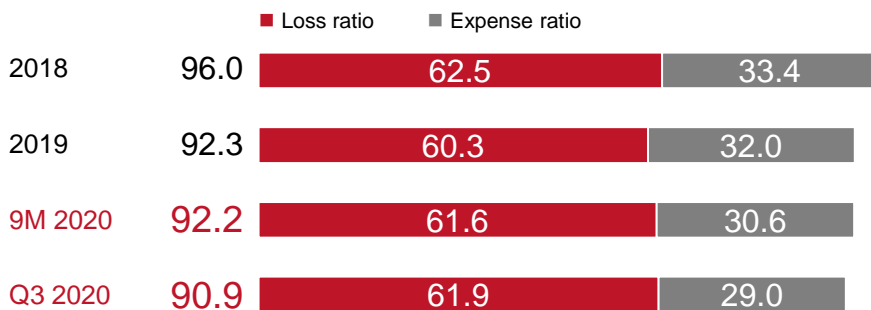
### Investment result

- 9M: Disposal gains and hedging more than offset impairments on equities
- Q3: Disposal gains partly offset impairments on equities and lower derivatives result
- Q3: Return on investment of 1.5%

# ERGO Property-casualty Germany

## Combined ratio

%



## Gross premiums written in 9M 2020 (9M 2019)

€m

Other  
259 (224)

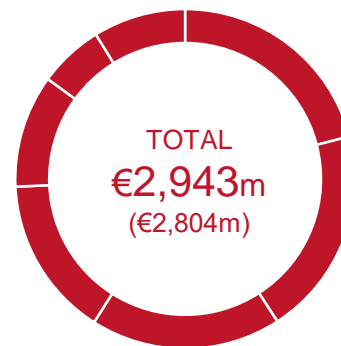
Motor

617 (593)

Marine  
182 (165)

Legal protection  
316 (318)

Personal accident  
449 (458)



Fire/property  
585 (542)

Liability  
534 (505)



# ERGO International

## Gross premiums written

	€m
9M 2019	3,657
Foreign exchange	-32
Divestments/investments	-103
Organic change	63
<b>9M 2020</b>	<b>3,584</b>

- **Life** (–€37m): Lower level due to run-down in Belgium and reduced new business in Austria related to COVID-19
- **Health** (+€66m): Positive business development in Spain and Belgium
- **P-C** (–€102m): Decrease mainly driven by portfolio streamlining in 2019, lower growth in Poland due to COVID-19

## Major result drivers

	9M 2020	9M 2019	▲	Q3 2020	Q3 2019	▲
Technical result	189	191	–2	78	96	–18
Non-technical result	20	1	19	1	44	–42
thereof investment result	260	298	–38	81	138	–57
Other	–47	–100	53	–22	–64	42
<b>Net result</b>	<b>162</b>	<b>92</b>	<b>70</b>	<b>57</b>	<b>76</b>	<b>–19</b>

### Technical result

Highlights in Q3:

- **Life**: Decrease driven by Belgium
- **Health**: Good quarter due to seasonal effects, tariff increases and favourable claims development
- **P-C**: Ongoing good operational performance (esp. Poland, Baltics), reduced attritional claims and lower large losses

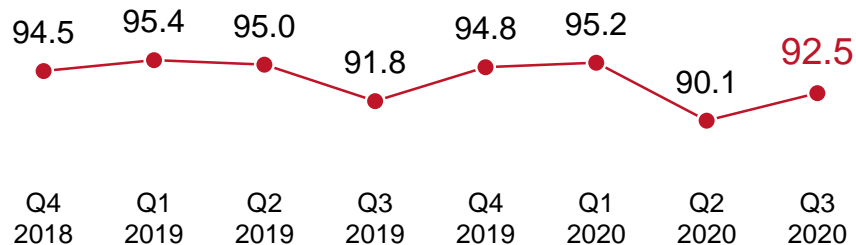
### Investment result

- 9M/Q3: Previous year impacted by disposal gains due to portfolio streamlining
- Q3: Return on investment of 1.6%

### Other

- FX result of €0m in 9M (9M 2019: –€57m), thereof €1m in Q3 (Q3 2019: –€38m)

## Combined ratio



## % Gross premiums written in 9M 2020 (9M 2019)

Property-casualty  
1,985 (2,087)

€m

Life

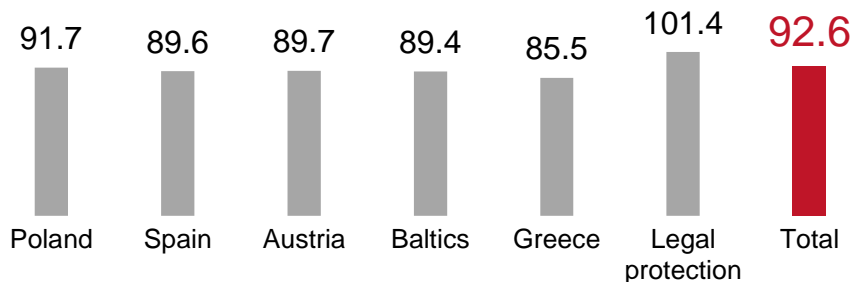
470 (507)



Health

1,129 (1,062)

## 9M 2020



## P-C

thereof:

9M 2020 9M 2019

Poland	1,056	1,080
Legal protection	497	476
Greece	180	173
Baltics	145	144
Austria	79	74

## Life

thereof:

9M 2020 9M 2019

Austria	247	266
Belgium	106	114

## Health






thereof:

9M 2020 9M 2019

Spain	660	615
Belgium	469	448

# 3

# Reinsurance – Life and Health

Gross premiums written		€m
9M 2019		8,625
Foreign exchange		-33
Divestments/investments		0
Organic change		946
<b>9M 2020</b>		<b>9,538</b>

- Organic growth mainly in Asia and Europe, but also some growth across North America
- Asia: Several new transactions and increases of shares/volumes under existing treaties
- Europe: Positive impact from longevity transactions concluded in Q2

## Major result drivers

	9M 2020	9M 2019	▲	Q3 2020	Q3 2019	▲
Technical result	31	322	-291	10	194	-184
Non-technical result	207	369	-162	110	103	7
thereof investment result	639	866	-227	239	279	-40
Other	-85	-75	-10	-34	-15	-19
<b>Net result</b>	<b>153</b>	<b>617</b>	<b>-464</b>	<b>86</b>	<b>282</b>	<b>-196</b>

### Technical result incl. fee income of €56m (€160m)

- COVID-19-related claims of ~€100m in Q2 and again in Q3, dominated by US mortality
- In North America: non-COVID-19-related claims higher than expected and some impact from lower interest rates on claims reserves ...
- ... largely offset by strong results in Europe and Asia as well as better-than-expected performance in Australia
- Ongoing pleasing fee income

### Investment result

- 9M/Q3: Disposal gains on fixed income investments from ordinary portfolio turnover clearly exceed write-downs on equities from H1
- Q3: Positive one-off effect from disposal of strategic equity investments
- Q3: Return on investment: 3.2%

### Other

- FX result of -€5m in 9M (9M 2019: €83m), thereof -€19m in Q3 (Q3 2019: €41m)

# Reinsurance – Property-casualty

Gross premiums written	€m
9M 2019	16,920
Foreign exchange	-17
Divestments/investments	0
Organic change	1,576
<b>9M 2020</b>	<b>18,479</b>

- Organic growth across almost all lines driven by business expansion and rate increases in traditional reinsurance ...
- ... as well as in our Risk Solutions portfolio

## Major result drivers

	9M 2020	9M 2019	▲	Q3 2020	Q3 2019	▲
Technical result	-182	1,453	-1,635	-399	87	-486
Non-technical result	762	341	421	334	306	28
thereof investment result	1,834	1,572	261	646	715	-69
Other	-115	-259	144	42	71	-29
<b>Net result</b>	<b>466</b>	<b>1,535</b>	<b>-1,069</b>	<b>-23</b>	<b>464</b>	<b>-486</b>

### Technical result

- COVID-19-related claims of ~€2.1bn in 9M (thereof ~€0.7bn in Q3), contingency business accounts for the largest share
- Expense ratio improved due to cost reductions and premium growth
- Underlying performance remains very strong – normalised combined ratio at ~97% in Q3 and 9M

### Investment result

- 9M: Gains on fixed-income/ real estate disposals and derivatives clearly exceed write-downs on equities
- Q3: Disposal gains on fixed income and strategic equity investments
- Q3: Return on investment: 3.9%

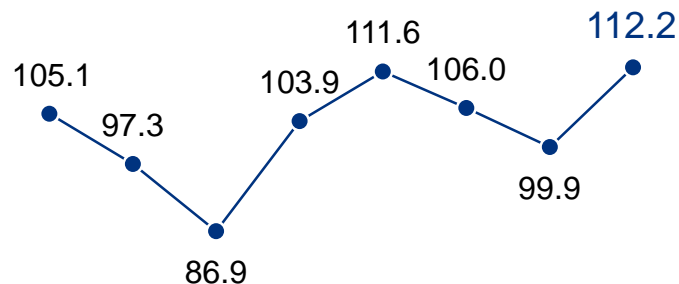
### Other

- FX result of €170m in 9M (9M 2019: €251m), thereof -€20m in Q3 (Q3 2019: €137m)



# Reinsurance – Property-casualty

## Combined ratio



Q4 2018   Q1 2019   Q2 2019   Q3 2019   Q4 2019   Q1 2020   Q2 2020   Q3 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
9M 2020	106.1	54.8	21.0	30.3
Q3 2020	112.2	55.6	26.7	29.9

	Major losses	Nat cat	Man-made	Reserve releases <sup>1</sup>	Normalised combined ratio <sup>2</sup>
9M 2020	21.0	5.1	15.9	-4.0	97.0
Q3 2020	26.7	8.3	18.4	-4.0	97.0
Ø Annual expectation	~12.0	~8.0	~4.0	~-4.0	

<sup>1</sup> Basic losses prior years, already adjusted for directly corresponding sliding-scale and profit-commission effects.

<sup>2</sup> Based on reserve releases of 4%-pts. Normalised combined ratio reflects a one-off shift between commissions and non-technical result of €29m in Q3 2020 (corresponding to -0.5%-pts. in Q3 and -0.2%-pts. in 9M).

# 4

## Group

Gross premiums written  
~€54bn

Net result  
withdrawn

Return on investment<sup>1</sup>  
~3%

## ERGO

Gross premiums written<sup>1</sup>  
~17.5bn

Net result<sup>1</sup>  
~€530m

Combined ratio  
P-C Germany<sup>1</sup>  
~92%

International<sup>1</sup>  
~94%

## Reinsurance

Gross premiums written  
~€36bn

Net result  
withdrawn

Combined ratio  
Property-casualty  
withdrawn

Technical result, incl. fee income  
Life and Health  
withdrawn

5



# Segment income statement Q3 2020

€m	Reinsurance L/H <sup>1</sup>	Reinsurance P-C	ERGO L/H Germany	ERGO P-C Germany	ERGO International	Total Q3 2020
<b>Gross premiums written</b>	<b>3,127</b>	<b>6,798</b>	<b>2,254</b>	<b>808</b>	<b>1,162</b>	<b>14,150</b>
Net earned premiums	2,844	5,680	2,254	917	1,133	12,827
Income from technical interest	169	286	904	17	94	1,470
Net expenses for claims and benefits	-2,504	-4,666	-2,482	-576	-844	-11,072
Net operating expenses	-499	-1,698	-369	-266	-305	-3,137
<b>Technical result</b>	<b>10</b>	<b>-399</b>	<b>306</b>	<b>92</b>	<b>78</b>	<b>87</b>
Investment result	239	646	697	29	81	1,691
Insurance-related investment result	24	-10	116	0	46	175
Other operating result	17	-16	-75	-26	-31	-131
Deduction of income from technical interest	-169	-286	-904	-17	-94	-1,470
<b>Non-technical result</b>	<b>110</b>	<b>334</b>	<b>-166</b>	<b>-14</b>	<b>1</b>	<b>265</b>
<b>Operating result</b>	<b>120</b>	<b>-65</b>	<b>140</b>	<b>78</b>	<b>79</b>	<b>353</b>
Other non-operating result	1	-2	-29	-7	5	-31
Currency result	-19	-20	-65	4	1	-100
Net finance costs	-10	-31	-6	-2	-7	-54
Taxes on income	-6	96	-10	-25	-22	32
<b>Net result</b>	<b>86</b>	<b>-23</b>	<b>31</b>	<b>48</b>	<b>57</b>	<b>199</b>
<i>Tax rate</i>	<i>7.0%</i>	<i>80.8%</i>	<i>24.8%</i>	<i>33.9%</i>	<i>27.7%</i>	<i>-19.4%</i>



# Segment income statement 9M 2020

€m	Reinsurance L/H <sup>1</sup>	Reinsurance P-C	ERGO L/H Germany	ERGO P-C Germany	ERGO International	Total 9M 2020
<b>Gross premiums written</b>	<b>9,538</b>	<b>18,479</b>	<b>6,718</b>	<b>2,943</b>	<b>3,584</b>	<b>41,261</b>
Net earned premiums	8,575	16,668	6,743	2,635	3,367	37,988
Income from technical interest	501	837	2,010	51	55	3,455
Net expenses for claims and benefits	-7,491	-12,634	-7,379	-1,642	-2,306	-31,453
Net operating expenses	-1,554	-5,053	-1,043	-806	-927	-9,383
<b>Technical result</b>	<b>31</b>	<b>-182</b>	<b>331</b>	<b>237</b>	<b>189</b>	<b>606</b>
Investment result	639	1,834	2,454	122	260	5,308
Insurance-related investment result	34	-43	-276	0	-89	-374
Other operating result	35	-192	-223	-105	-96	-580
Deduction of income from technical interest	-501	-837	-2,010	-51	-55	-3,455
<b>Non-technical result</b>	<b>207</b>	<b>762</b>	<b>-56</b>	<b>-34</b>	<b>20</b>	<b>899</b>
<b>Operating result</b>	<b>238</b>	<b>580</b>	<b>275</b>	<b>203</b>	<b>209</b>	<b>1,505</b>
Other non-operating result	1	-10	-32	-12	5	-48
Currency result	-5	170	-91	-7	0	67
Net finance costs	-29	-93	-16	-5	-20	-164
Taxes on income	-51	-181	-36	-60	-32	-360
<b>Net result</b>	<b>153</b>	<b>466</b>	<b>99</b>	<b>120</b>	<b>162</b>	<b>999</b>
<i>Tax rate</i>	<i>25.0%</i>	<i>28.0%</i>	<i>26.4%</i>	<i>33.5%</i>	<i>16.7%</i>	<i>26.5%</i>

# Actual vs. analysts' consensus

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

	Q3 2020	Consensus	Difference
Reinsurance Property-casualty	-65	-57	-8
Reinsurance Life and Health	120	98	22
ERGO Life and Health Germany	140	132	8
ERGO Property-casualty Germany	78	87	-9
ERGO International	79	82	-3
<b>Operating result</b>	<b>353</b>	<b>342</b>	<b>11</b>

FX	-100		
Other	-86		
Taxes	32		
<b>Net result</b>	<b>199</b>	<b>195</b>	<b>4</b>

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

	Q3 2020	Consensus	Impact <sup>2</sup>
Combined ratio	112.2%	109.2%	-172
<b>Tech. result incl. fee income</b>	<b>€56m</b>		
<b>Combined ratio</b>	<b>90.9%</b>	<b>91.8%</b>	<b>8</b>
<b>Combined ratio</b>	<b>92.5%</b>	<b>94.4%</b>	<b>16</b>

## RoI by segment – Actual vs. analysts' consensus

Reinsurance P-C	3.9%	Presumably above consensus
Reinsurance L&H	3.2%	
ERGO L&H Germany	2.2%	Presumably below consensus
ERGO P-C Germany	1.5%	
ERGO International	1.6%	

# Premium development

## Gross premiums written €m

9M 2019  38,917

Foreign exchange | -78

Divestments/  
investments | -103

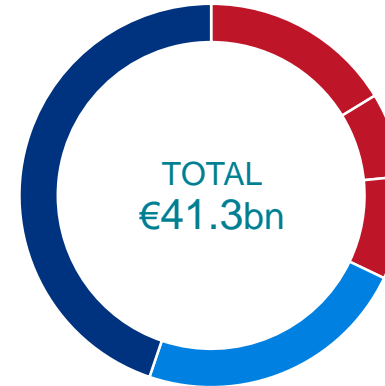
Organic change  2,526

9M 2020  41,261

## Segmental breakdown €m

Reinsurance  
Property-casualty  
18,479 (45%) (▲ 9.2%)

ERGO  
Life and Health Germany  
6,718 (16%) (▲ -2.8%)

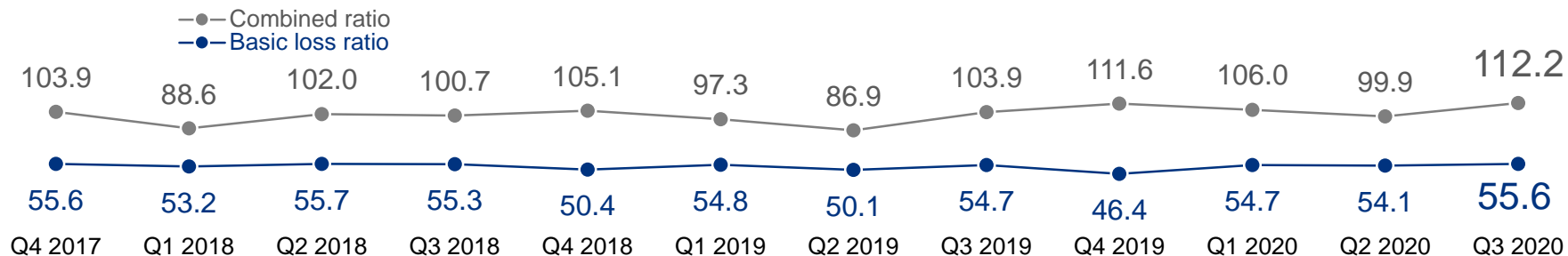


Reinsurance  
Life and Health  
9,538 (23%) (▲ 10.6%)

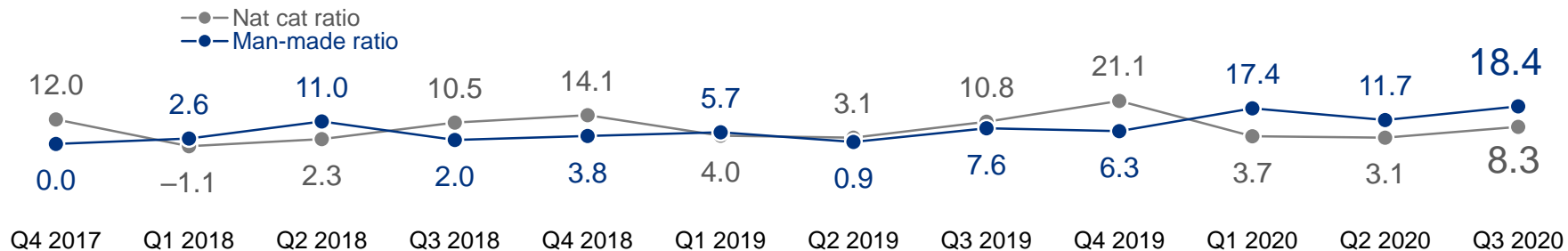
ERGO  
International  
3,584 (9%) (▲ -2.0%)

# Development of combined ratio

## Combined ratio vs. basic losses (%)



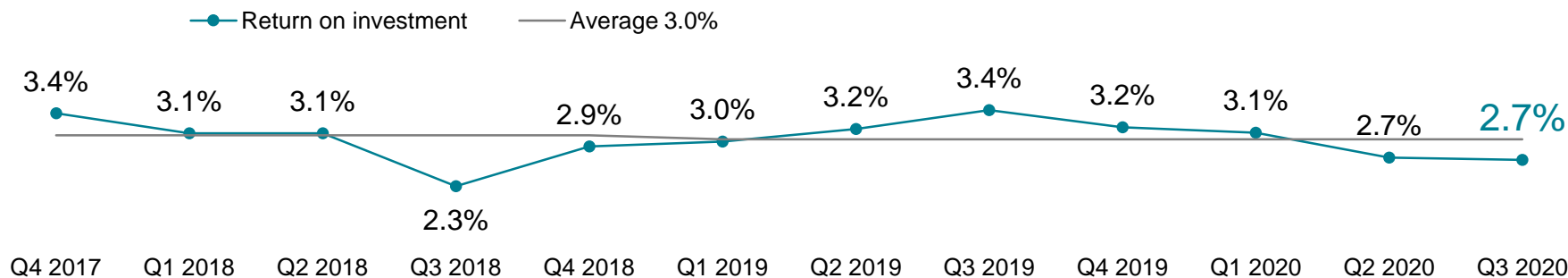
## Nat cat vs. man-made (%)



# Return on investment by asset class and segment

## 9M 2020

% <sup>1</sup>	Regular income	Write-ups/ -downs	Disposal result	Extraord. derivatives result	Other inc./exp.	Rol	Market value (€m)
Afs fixed-income	2.0	0.0	1.0	–	–	3.0	134,700
Afs non-fixed-income	4.8	–13.4	4.4	–	–	–4.2	16,599
Derivatives	4.0	–	–	27.5	–1.1	30.4	3,048
Loans	2.7	0.0	0.7	–	–	3.4	64,917
Real estate	4.6	–1.2	3.2	–	–	6.6	12,173
Other <sup>2</sup>	2.6	–0.3	0.1	–	–3.6	–1.1	17,637
<b>Total</b>	<b>2.6</b>	<b>–1.0</b>	<b>1.2</b>	<b>0.3</b>	<b>–0.3</b>	<b>2.8</b>	<b>249,073</b>
Reinsurance	2.6	–0.4	1.1	0.5	–0.3	3.5	95,282
<b>ERGO</b>	<b>2.6</b>	<b>–1.3</b>	<b>1.2</b>	<b>0.2</b>	<b>–0.2</b>	<b>2.5</b>	<b>153,791</b>





# Investment result – Reinsurance

## Reinsurance Life and Health (€m)

	Q3 2020	Return <sup>1</sup>	9M 2020	Return <sup>1</sup>	9M 2019	Return <sup>1</sup>
Regular income	186	2.5%	572	2.6%	600	2.9%
Write-ups/write-downs	-4	0.0%	-18	-0.1%	0	0.0%
Disposal gains/losses	80	1.1%	130	0.6%	274	1.3%
Derivatives <sup>2</sup>	-3	0.0%	17	0.1%	4	0.0%
Other income/expenses	-21	-0.3%	-63	-0.3%	-13	-0.1%
<b>Investment result</b>	<b>239</b>	<b>3.2%</b>	<b>639</b>	<b>2.9%</b>	<b>866</b>	<b>4.1%</b>
Average market value		29,675		29,499		27,961

## Reinsurance Property-casualty (€m)

	Q3 2020	Return <sup>1</sup>	9M 2020	Return <sup>1</sup>	9M 2019	Return <sup>1</sup>
Regular income	414	2.5%	1,268	2.6%	1,420	3.0%
Write-ups/write-downs	-57	-0.3%	-281	-0.6%	-114	-0.2%
Disposal gains/losses	322	2.0%	682	1.4%	444	0.9%
Derivatives <sup>2</sup>	25	0.2%	345	0.7%	10	0.0%
Other income/expenses	-58	-0.4%	-180	-0.4%	-187	-0.4%
<b>Investment result</b>	<b>646</b>	<b>3.9%</b>	<b>1,834</b>	<b>3.7%</b>	<b>1,572</b>	<b>3.3%</b>
Average market value		65,694		65,783		63,310

# Investment result – ERGO

## Life and Health Germany (€m)

	Q3 2020	Return <sup>1</sup>	9M 2020	Return <sup>1</sup>	9M 2019	Return <sup>1</sup>
Regular income	819	2.6%	2,587	2.7%	2,722	2.9%
Write-ups/write-downs	-182	-0.6%	-1,426	-1.5%	-180	-0.2%
Disposal gains/losses	217	0.7%	1,280	1.3%	827	0.9%
Derivatives <sup>2</sup>	-78	-0.2%	244	0.3%	-137	-0.1%
Other income/expenses	-78	-0.2%	-231	-0.2%	-248	-0.3%
<b>Investment result</b>	<b>697</b>	<b>2.2%</b>	<b>2,454</b>	<b>2.6%</b>	<b>2,985</b>	<b>3.2%</b>
Average market value		128,327		127,160		125,888

## Property-casualty Germany (€m)

	Q3 2020	Return <sup>1</sup>	9M 2020	Return <sup>1</sup>	9M 2019	Return <sup>1</sup>
Regular income	35	1.8%	115	2.0%	119	2.1%
Write-ups/write-downs	-19	-1.0%	-82	-1.5%	-23	-0.4%
Disposal gains/losses	17	0.9%	91	1.6%	73	1.3%
Derivatives <sup>2</sup>	-7	-0.4%	6	0.1%	-44	-0.8%
Other income/expenses	4	0.2%	-8	-0.1%	-19	-0.3%
<b>Investment result</b>	<b>29</b>	<b>1.5%</b>	<b>122</b>	<b>2.2%</b>	<b>105</b>	<b>1.9%</b>
Average market value		7,566		7,520		7,495

# Investment result – ERGO

<b>International</b> (€m)	<b>Q3 2020</b>	<b>Return<sup>1</sup></b>	<b>9M 2020</b>	<b>Return<sup>1</sup></b>	<b>9M 2019</b>	<b>Return<sup>1</sup></b>
Regular income	83	1.7%	259	1.8%	273	2.0%
Write-ups/write-downs	-4	-0.1%	-25	-0.2%	32	0.2%
Disposal gains/losses	9	0.2%	28	0.2%	53	0.4%
Derivatives <sup>2</sup>	-2	0.0%	17	0.1%	-41	-0.3%
Other income/expenses	-6	-0.1%	-18	-0.1%	-19	-0.1%
<b>Investment result</b>	<b>81</b>	<b>1.6%</b>	<b>260</b>	<b>1.8%</b>	<b>298</b>	<b>2.2%</b>
Average market value		19,630		19,110		18,097

# Sensitivities to interest rates, spreads and equities<sup>1</sup>

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

	-50bps	-25bps	+50bps	+100bps
Change in market value, gross	+10.2	+5.0	-9.2	-17.4
Change in on-balance-sheet reserves, net	+2.8	+1.4	-2.6	-4.9
Change in off-balance-sheet reserves, net	+0.4	+0.2	-0.4	-0.8
P&L (Investment result), gross	+0.4	+0.2	-0.4	-0.8
P&L, net	+0.2	+0.1	-0.2	-0.4

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

	+50bps	+100bps
Change in market value, gross	-6.2	-11.7
Change in on-balance-sheet reserves, net	-1.5	-2.8
Change in off-balance-sheet reserves, net	-0.3	-0.5
P&L (Investment result), gross	-0.3	-0.6
P&L, net	-0.1	-0.2

## Sensitivity to share prices<sup>3</sup> in €bn (change in %)

	-30%	-10%	+10%	+30%
Change in market value, gross	-1.7	-0.7	+0.6	+1.4
Change in on-balance-sheet reserves, net	-0.5	-0.2	+0.4	+1.1
P&L (Investment result), gross	-0.8	-0.4	-0.3	-1.4
P&L, net	-0.4	-0.2	-0.0	-0.2

<sup>1</sup> Rough calculation with limited reliability assuming unchanged portfolio as at 30.9.2020. After rough estimation of policyholder participation and deferred tax; linearity of relations cannot be assumed. Approximation – not fully comparable with IFRS figures. <sup>2</sup> Sensitivities to changes of spreads are calculated for every category of fixed income portfolio, except government securities with AAA ratings. <sup>3</sup> 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	30.6. 2020	30.9. 2020	▲ in Q3
Market value of investments	231,876	247,310	249,858	251,928	2,070
Total reserves	22,002	33,120	35,321	36,040	719
On-balance-sheet reserves					
Fixed-interest securities	4,953	10,738	13,058	13,867	809
Non-fixed-interest securities	1,817	3,632	2,355	2,366	11
Other on-balance-sheet reserves <sup>1</sup>	207	203	130	130	0
Subtotal	6,977	14,574	15,544	16,364	820
Off-balance-sheet reserves					
Real estate <sup>2</sup>	4,769	5,600	5,631	5,668	37
Loans <sup>3</sup>	9,453	12,147	13,292	13,079	-213
Associates	803	799	855	930	75
Subtotal	15,024	18,546	19,778	19,676	-101
Reserve ratio	9.5%	13.4%	14.1%	14.3%	0.2 pp

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

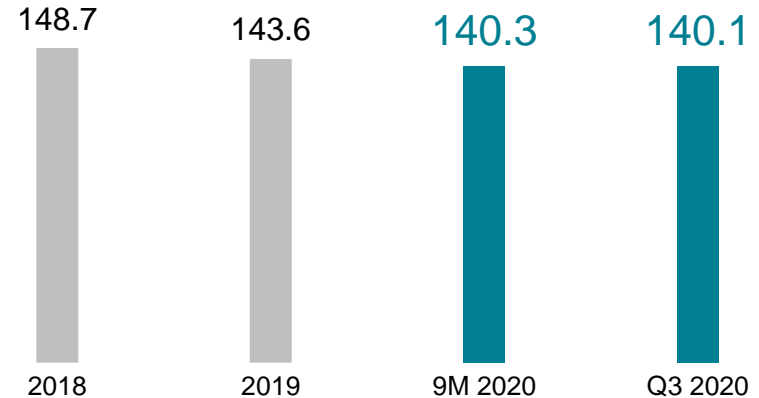
€m	On-balance-sheet reserves	Off-balance-sheet reserves <sup>1</sup>
<b>Total reserves (gross)</b>	<b>16,364</b>	<b>19,676</b>
Provision for deferred premium refunds	–6,501	–11,690
Deferred tax	–2,295	–2,439
Minority interests	–9	–
Consolidation and currency effects	–101	–
<b>Shareholders' stake</b>	<b>7,458</b>	<b>5,547</b>

<sup>1</sup> 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 9M 2020	Retirement of own shares in 9M 2020	30.9. 2020
Shares in circulation	141.5	-1.4	-	140.1
Treasury shares	2.9	1.4	-4.2	-
<b>Total</b>	<b>144.3</b>	<b>-</b>	<b>-4.2</b>	<b>140.1</b>

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





# Financial calendar

## 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.**