



Munich Re Group

Half-Year Financial Report as at 30 June 2022

9 August 2022

Joachim Wenning

Christoph Jurecka



Half-Year Financial Report as at 30 June 2022

Agenda

01 Munich Re

02 Group finance

03 ERGO

04 Reinsurance

05 Additional information

Munich Re

Results in H1 2022 pave the way to delivering on Ambition 2025



H1 2022

- Profit outlook for 2022 confirmed – despite challenging environment
- Strong underlying earnings in P-C reinsurance, with major losses below budget
- After significant result improvement in Q2, L/H reinsurance back on earnings path
- With a solid result, ERGO continues to prove a reliable earnings contributor
- Low investment result, but substantially higher reinvestment yield



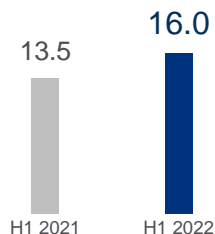
Ambition 2025

- Sound underlying profitability and healthy business expansion supporting earnings trajectory
- Pricing cycle in P-C reinsurance more prolonged than anticipated
- Strong underlying earnings trend in L/H reinsurance, Risk Solutions and at ERGO facilitates increasing stability of Munich Re Group's overall earnings profile going forward
- Higher interest rates provide tailwind to increase in running yield, supporting sustainable investment results

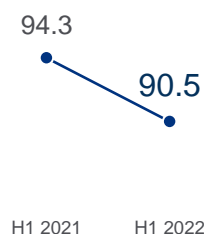


Strong business expansion and resilient result – despite headwinds from capital markets

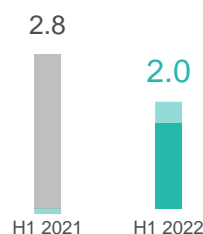
Gross written premium
€bn



Combined ratio
%



RoI, including FX
%



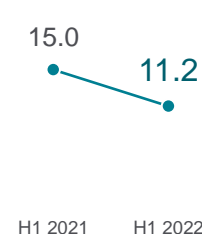
Reinvestment yield
%



Consolidated result
€bn



Return on equity
%



Profitable business growth
P-C reinsurance



Robust investment result, including FX
Munich Re Group



Promising returns
Munich Re Group

On track to achieve 2022 targets

Insurance industry facing macroeconomic challenges, Munich Re is well prepared



High diversification and strong balance sheet limit downside,
while providing ample business opportunities

1 Inflation surge manageable – Considering inflation is an integral part of Munich Re's ALM, underwriting and reserving process

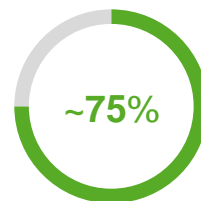


Reserving prudence

- Prudent setting of claims reserves within IFRS allows adverse development to be buffered to some extent
- Further increased prudence in reserves in 2021, in respond to higher inflation
- Inflation impact on reserve levels monitored by actual-versus-expected analysis and stress scenarios
- Claims inflation not primarily driven by CPI; other drivers more relevant: social, wage, construction and medical inflation

Claims reserves P-C reinsurance

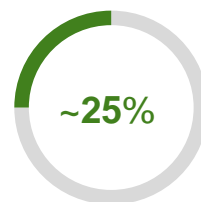
Maturity
≤ 4 years



Managing short-tail business

- Incorporating individual inflation factors into pricing
- High amount of short-tail business¹ allows for regular adaptation to higher inflation
- Applies especially to annually renewed treaty business as proven by the renewals outcome in 2022

Maturity
> 4 years



Managing long-tail business

- Incorporating individual inflation factors into pricing
- Substantial reduction in US commercial XL lines
- Index clauses common in non-US/Canadian long-tail bodily-injury-prone casualty XL business²

¹ More than 50% of reserves are shorter than two years (as at 31.12.2021).

² Motor third-party liability, general liability, medical malpractice, workers' compensation.

1 Higher claims inflation compensated for in July renewals

Risk- and inflation-adjusted price increase ~ 0.1%, volume change +6.4%



Bubble size reflects relative volume up for renewal.

Market drivers

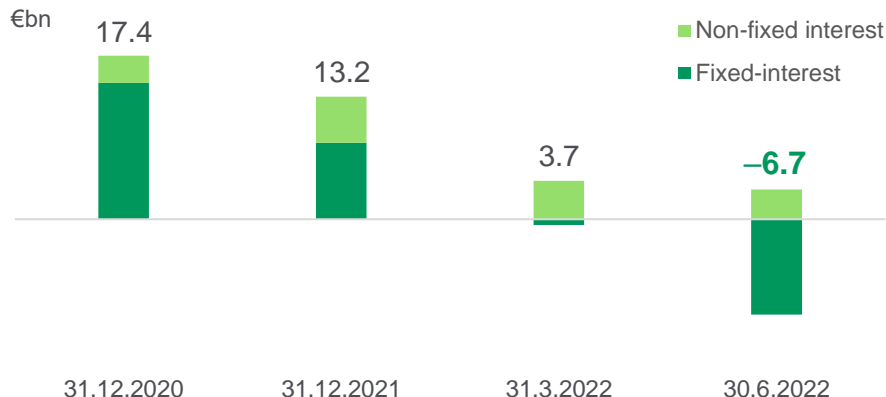
- Continued positive price momentum, supported by high loss experience, inflation and uncertainty, further fueling flight to quality
- Increased demand for protection outstrips further tightening in (alternative) capacity, particularly visible in the Florida cat market
- Supply shifted to higher layers to reduce claims frequency, while demand for cover in higher layers increased due to elevated exposure levels

Munich Re portfolio

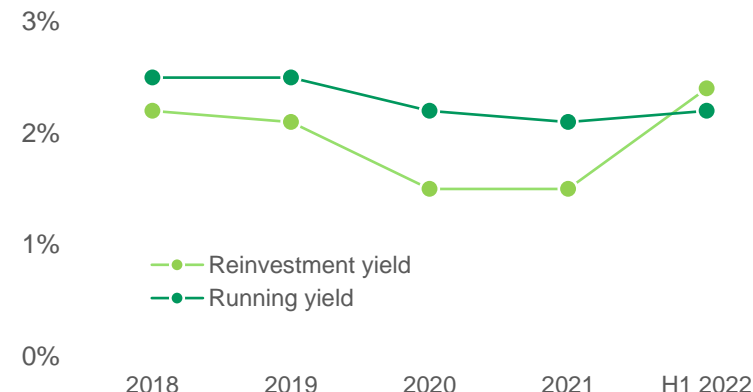
- Price change is fully risk- and business-mix-adjusted, considering diligent actual inflation and loss-trend assumptions
- Munich Re continues to have capacity that is within its overall appetite for nat cat business in a healthy pricing environment while remaining cautious on US casualty
- Reduction of proportional property business mainly in the US – selective growth in proportional casualty on original rate base but not with new business in reinsurance
- Implementing targeted exposure and risk-mitigating measures

2 Rising interest rates economically positive

Rising interest rates reduced on-balance-sheet reserves



Fixed income Reinvestment yield exceeds running yield



- Liabilities to a large extent discounted with invariant interest rates
- Immediate reflection of higher interest rates in the asset portfolio results in decline of unrealised gains and uneconomic reduction of IFRS equity
- Economically beneficial, Solvency II ratio improved from 227% to 252%

- Attrition of running yield stopped, gradual increase going forward ...
- ... to improve quality of investment result with higher contribution of sustainable income

3 Munich Re is experienced in swiftly managing business that is highly vulnerable to recession



... on insurance industry



... on Munich Re



Potential
impact of
recession
...

Economy

- Decreasing economic prosperity
- Less spending/investments
- Increasing unemployment

- Less demand from cyclical industries, higher lapse rates
- Higher claims in some liability lines, e.g. credit and D&O
- Some risks completely detached, e.g. frequency of nat cat events
- Lower claims frequency in some lines of business, e.g. motor

- Exposure and cycle management decisive for recession-prone lines of business
- Business interruption due to energy shortfalls or gas rationing only covered by physical damage trigger
- Property: Positive and negative effects largely balance each other out

Capital markets

- Growing credit concerns for corporates and states
- Decreasing interest rates
- Lower equity and commodity prices

- Pressure on investment returns
- Impairment risks
- Increasing capital requirements affect solvency positions

- Strong capitalisation buffers adverse development
- Relatively low exposure to corporate and sovereign credit risks
- Effective management of interest-rate and equity risks
- Short-term accounting mismatch

4 Managing nat-cat-driven short-term accounting volatility

Dampening IFRS P&L volatility through earnings diversification

Risk models



- >100 internal nat cat models capture peak and non-peak risk scenarios
- Permanently incorporating new data and forward-looking findings
- Prudent consideration of inflation changes, including post-loss amplification

State-of-the-art modelling

Portfolio measures



- Very low exposure to frequency and aggregate covers
- Reduced appetite for cat-prone proportional property business
- Smart growth in line with risk-bearing capacity

Exposure and cycle management decisive for profitability

Business opportunities



- Volatility is inherent to our business model – we get paid for taking volatility from our cedants' books
- Existing protection gaps and increasing uncertainty driving demand
- Munich Re well positioned as tier 1 reinsurer to benefit from hardening market environment

Nat cat one of the most profitable lines of business – average combined ratio¹ of 70–75%

ESG highlights

Insurance

Green tech solutions

Projects in the
“green tech” space
>850¹

Countries with
rated capacity
~80¹

Gigawatts
in total
>50¹

Net promoter score (NPS): 60 (2020/21: 56)

- Reinsurance client survey 2022 (as of June 2022, bi-annually)
- Scale from –100 to 100

Member of the
TNFD Forum

Founding member
of the Net-Zero
Insurance Alliance

Investments

Rating coverage of
liquid asset classes
>96%

ESG-focus
investments²
€7,301m
(2020: €6,278m)

Emissions 2021³
–31%
(compared to
base year 2019)⁴

Active member
of the Net-Zero
Asset Owner Alliance

Own operations

Decarbonisation
achievement per employee
~ –25%
(compared to base year 2019)⁴

Electricity purchased
from renewable sources
92%
(+2% compared to base year 2019)

Employees with
at least one training
>95% (2020: >85%)

Share of women
in management
38% (2020: 35%)

Number of nationalities
Munich Re Group
114

Outlook 2022

On the way to achieving our Group Ambition 2025

Group

Gross premiums written
~ **€64bn**

Net result
~ **€3.3bn**

Return on investment
>2.0%
(prev. >2.5%)

ERGO

Gross premiums written
~ **€18.5bn**

Net result
~ **€0.6bn¹**

Combined ratio
P-C Germany
~ **91%**

International
~ **92%**

Reinsurance

Gross premiums written
~ **€45bn**

Net result
~ **€2.7bn¹**

Combined ratio
P-C
~ **94%**

Technical result, incl. fee
income in life and health
~ **€400m¹**

¹ Including COVID-19 impact of ~€300m (before tax) in L/H reinsurance; insignificant COVID-19 impact at ERGO and P-C reinsurance.

Higher interest rates and hardening market support achievement of Ambition 2025 targets



Higher interest rates

Clearly positive for Solvency II ratio and sustainable investment result



Growth

Prolonged cycle supports profitable business expansion



Capital repatriation

Strong capitalisation funds dividend growth and share buy-back



Ambition 2025

ROE	12–14%
EPS growth	≥5%¹
DPS growth	≥5%¹
Solvency II ratio	175–220%

Group finance

Resilient result despite challenging macroeconomics – Strong technical performance offsets lower investment result

Munich Re

Q2 2022 (H1 2022)

Consolidated result

€768m (€1,376m)

Reinsurance (€608m): Below-average major losses in P-C, strong technical result in L/H; negative investment return (RoI: –0.5%) mitigated by high currency gains

ERGO (€160m): Healthy underlying performance across all segments

Return on investment¹

1.6% (1.6%)

Resilient investment result despite volatile capital markets – reinvestment yield up to 2.8%

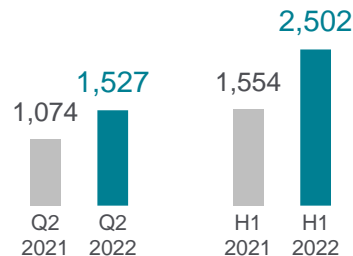
Return on equity¹

12.3% (11.2%)

Shareholders' equity: €23.5bn
Solvency II ratio: 252%

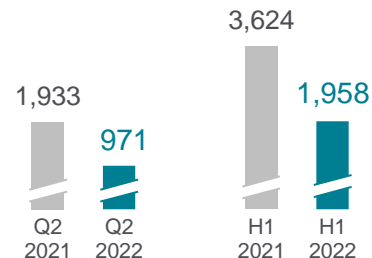
Technical result

€m



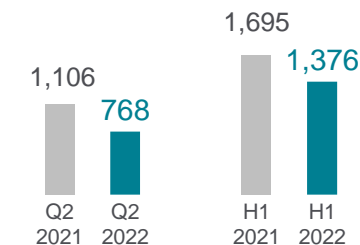
Investment result

€m



Consolidated result

€m



Reinsurance

Life and health: Technical result, incl. fee income: €240m (€259m), incl. COVID-19-related losses of €100m (€259m) – consolidated result €147m (€69m)

Property-casualty: Combined ratio: 89.7% (90.5%) – Major-loss ratio: 7.5% (8.3%), reserve releases²: –4.0% (–4.0%) – consolidated result €462m (€1,051m)

July renewals: Risk-adjusted price change: ~ 0.1%, premium change: +6.4%

ERGO

Life and Health Germany

RoI: 3.7% (2.9%) – consolidated result €59m (€103m)

Property-casualty Germany

C/R: 86.9% (91.9%) – consolidated result €45m (€57m)

International

C/R: 94.5% (93.5%) – consolidated result €56m (€96m)

Capital position

Equity

€m

Equity 31.12.2021	30,945		Change in Q2
Consolidated result	1,376		768
Changes			
Dividend	–1,541		–1,541
Unrealised gains/losses	–9,082		–4,657
Exchange rates	1,257		820
Share buy-backs	–68		–68
Other	598		380
Equity 30.6.2022	23,486		–4,297

Unrealised gains/losses

Fixed-interest securities

H1: –€8,276m Q2: –€4,260m

Non-fixed-interest securities

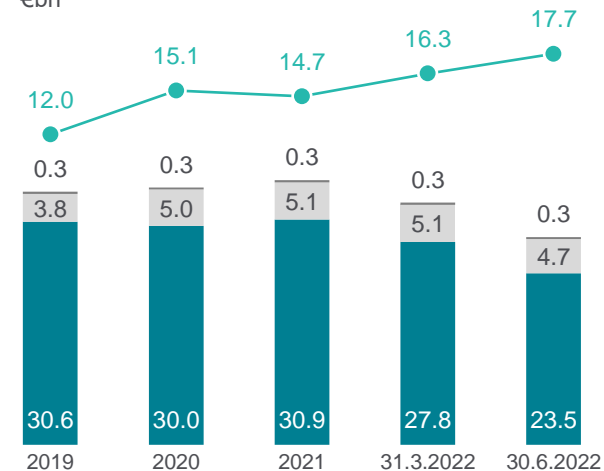
H1: –€801m Q2: –€387m

Exchange rates

Mainly driven by US\$

Capitalisation

€bn

—●— Debt leverage¹ (%)

■ Senior and other debt

■ Subordinated debt

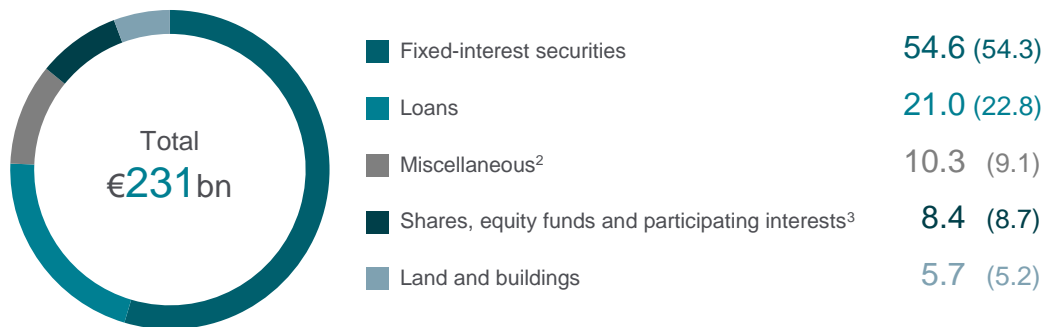
■ Equity

1 Strategic debt (bonds and notes issued, subordinated and other debt) divided by total capital (strategic debt + equity).

Investment portfolio

Investment portfolio¹

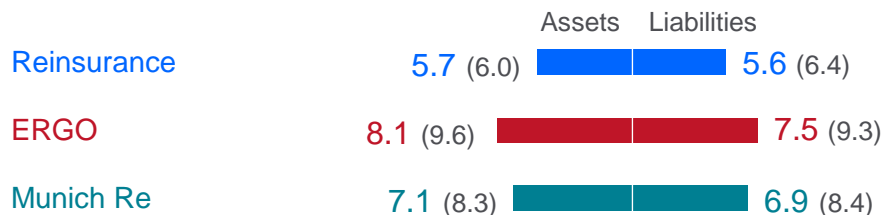
%



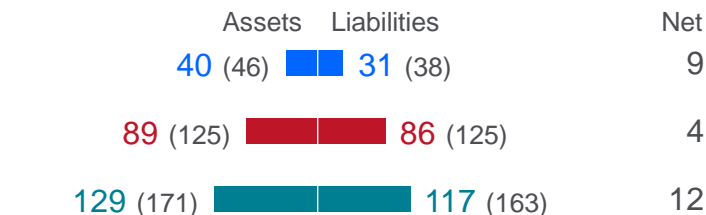
Portfolio management

- Further increase in infrastructure investments
- Reduction in equity ratio driven by market development and disposals
- Decrease in duration due to higher interest rates
- Reinvestment yield increased to ~2.8% benefiting from increased interest rates and higher credit spreads

Portfolio duration¹



DV01^{1,4}



¹ Fair values as at 30.6.2022 (31.12.2021). ² Deposits retained on assumed reinsurance, deposits with banks, investment funds (excl. equities), derivatives and investments in renewable energies and gold. ³ Incl. derivatives: 7.0% (7.7%). ⁴ Market-value change due to a parallel downward shift in the 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 2022	Return ¹	H1 2022	Return ¹	H1 2021	Return ¹
Regular income	1,800	3.0%	3,258	2.7%	3,073	2.5%
Write-ups/write-downs	–908	–1.5%	–2,030	–1.7%	–248	–0.2%
Disposal gains/losses	727	1.2%	1,686	1.4%	1,610	1.3%
Derivatives ²	–446	–0.7%	–562	–0.5%	–458	–0.4%
Other income/expenses	–202	–0.3%	–394	–0.3%	–353	–0.3%
Investment result	971	1.6%	1,958	1.6%	3,624	2.9%
Total return		–24.0%		–22.4%		–2.0%

Three-month reinvestment yield		Q2 2022	Write-ups/ write-downs	Disposal gains/losses	Derivatives	H1 2022	Write-ups/ write-downs	Disposal gains/losses	Derivatives
Q2 2022	2.8%	Fixed income	–28	150	–607	Fixed income	–723	558	–1,102
Q1 2022	2.1%	Equities	–726	521	105	Equities	–1,040	1,028	315
Q4 2021	1.4%	Commodities/Inflation	0	55	–68	Commodities/Inflation	0	55	28
		Other	–153	1	124	Other	–267	45	198

IFRS 17

Market-consistent valuation will increase transparency

Assumptions

- Set as closely as possible to Solvency II to safeguard high level of consistency
- Munich Re plans to apply the OCI option (interest-rate fluctuations outside P&L) for most of its portfolios



Reserving approach

- Will remain unchanged
- Cautious reserving assumptions may lead to a loss component at initial recognition, but will unwind over time and be P&L-neutral in a steady state on an annual basis

Valuation methods

Consider characteristics of underlying business

- **Premium Allocation Approach (PAA)**
Wherever possible in P-C reinsurance and ERGO
- **Variable Fee Approach (VFA)**
For life and health insurance business with policyholder participation
- **General Measurement Model (GMM)**
For L/H reinsurance, and all others where PAA and VFA are not possible to apply



Shareholders' equity

- Must be viewed jointly with CSM and risk adjustment (RA)
- Moderate reduction in equity at transition (e.g. as the shareholder share of unrealised gains will be part of insurance liabilities for VFA) will be by far more than compensated for by CSM and RA
- Sum of equity and CSM (after tax) will be in the order of magnitude eligible own funds¹ under Solvency II at transition

¹ Despite methodological differences.

ERGO

ERGO Life and Health Germany

Key messages

- Significant growth driven by new Life book and travel
- Improved technical result in Q2
- Higher investment result in Q2 due to disposal gains (especially Life); positive FX effects

Gross premiums written

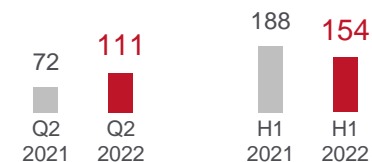
€m

H1 2021		4,569
Foreign exchange		5
Divestments/investments		0
Organic change		323
H1 2022		4,896

- **Life** (+€24m): Continued good growth in new Life book from biometric and capital-light products
- **Health** (+€280m): High growth mainly from further recovery of travel market; in addition, increase in health insurance
- **Digital Ventures** (+€23m): Growth due to health and property-casualty business

Technical result

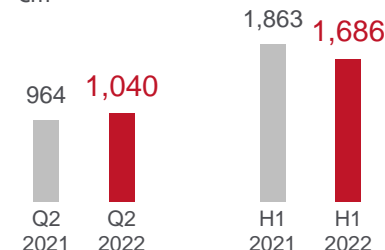
€m



- Q2: Intra-year volatility with positive effect in Health ...
- ... mitigated by normalisation of claims development in travel

Investment result

€m



- Q2: Disposal gains despite lower ZZR requirement and derivatives result more than compensate for impairments
- Q2: Return on investment of 3.7%

ERGO Property-casualty Germany

Key messages

- Growth above market estimate
- Significant improvement in technical result
- Low investment result

Gross premiums written

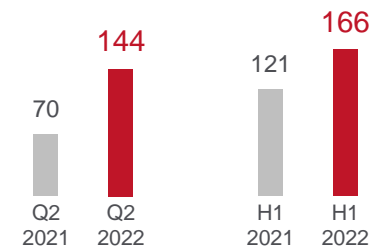
€m



- Strong organic growth mainly driven by fire/property (+€45m), marine (+€34m), liability (+€30m), motor (+€13m) and others (+€50m)

Technical result

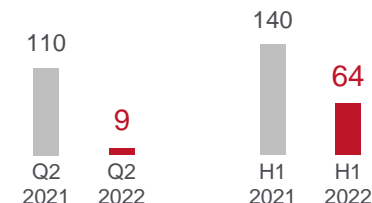
€m



- Combined ratio in H1 of 91.9% (93.4%)
- CR in Q2 of 86.9% (92.6%) with a significant improvement driven by:
 - Good operating performance – positive claims development and continued premium growth
 - Lower large losses

Investment result

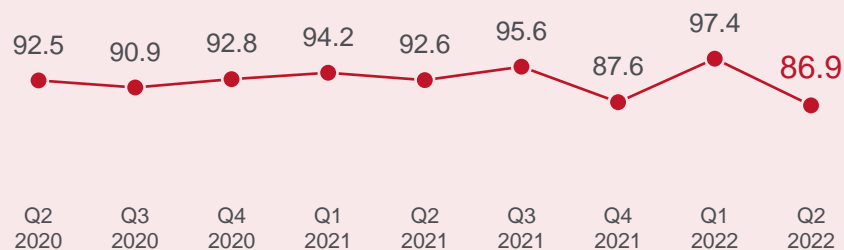
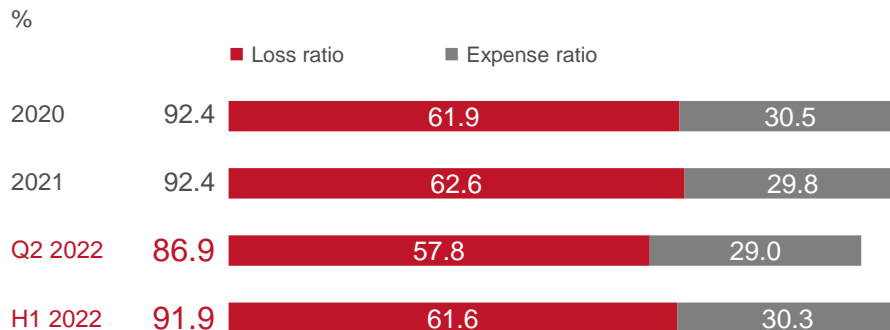
€m



- Q2: Higher impairments and lower disposal result; prior year with positive one-off
- Q2: Return on investment of 0.5%

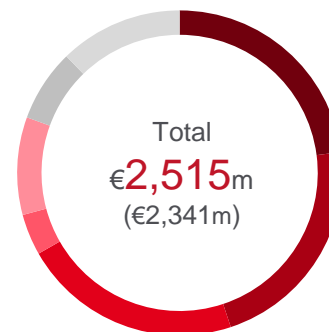
ERGO Property-casualty Germany

Combined ratio



Gross premiums written in H1 2022 (H1 2021)

€m



Fire/property	531 (486)	Legal protection	225 (221)
Liability	508 (478)	Marine	166 (132)
Motor	505 (492)	Other	284 (235)
Personal accident	295 (297)		

Key messages

- Continued portfolio growth despite divestments
- Slight decrease in technical result in Q2
- Lower investment result

Gross premiums written

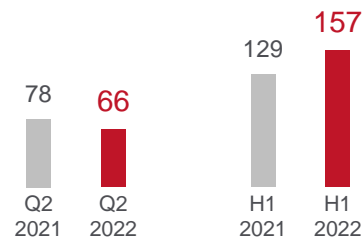
€m

H1 2021		2,596
Foreign exchange		-15
Divestments/investments		-84
Organic change		128
H1 2022		2,625

- **Life** (–€14m): Lower premiums due to decrease in Austria and run-down in Belgium
- **Health** (–€5m): Positive business development in Belgium and Spain almost compensated for one-off from the sale of a Spanish subsidiary
- **P-C** (+€48m): Increase driven by growth in Poland, Baltics and Greece

Technical result

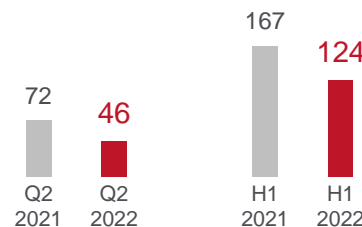
€m



- Combined ratio in H1 of 93.5% (93.0%)
- CR in Q2 of 94.5% (92.2%) due to:
 - higher claims in Poland and in health business in Spain ...
 - ... partially offset by good operating performance in Baltics and Austria
- Q2: Exceptionally high result in Belgian health business

Investment result

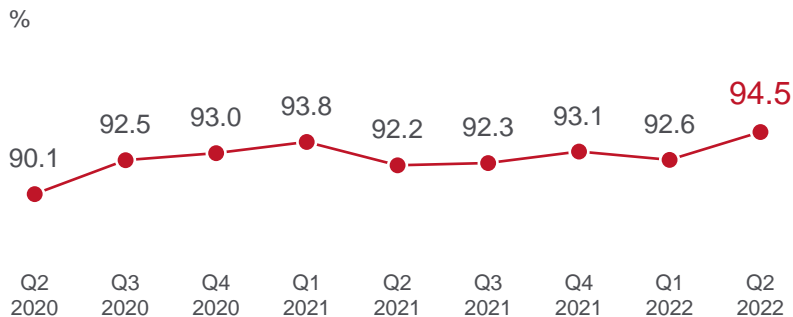
€m



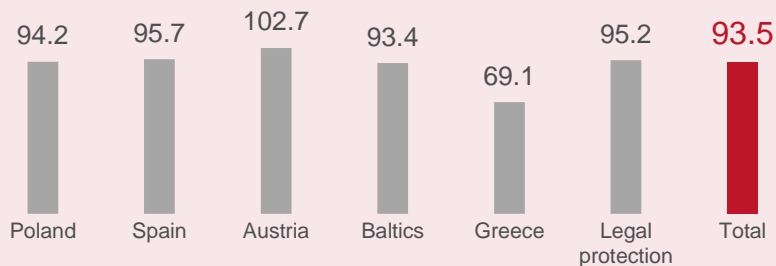
- Q2: Higher write-downs and lower result from participations
- Q2: Return on investment of 1.0%

ERGO International

Combined ratio



H1 2022



Gross written premiums in H1 2022 (H1 2021)

€m



P-C

Thereof:

	H1 2022	H1 2021
Poland	835	809
Legal protection	375	368
Greece	122	117
Baltics	107	100
Austria	66	60

Life

Thereof:

	H1 2022	H1 2021
Austria	148	158
Belgium	63	66

	H1 2022	H1 2021
Spain	470	486
Belgium	343	331

Reinsurance

Life and health reinsurance

Key messages

- Strong technical result including fee income of €240m in Q2 (H1: €259m)
- Favourable claims experience, positive effects from interest rates and continuing strong fee income mitigated by COVID-19 losses
- Lower return on investments

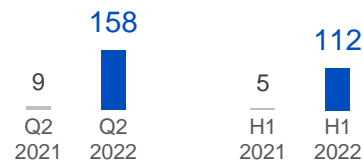
Gross premiums written

€m		
H1 2021		6,202
Foreign exchange		343
Divestments/investments		0
Organic change		111
H1 2022		6,656

- Positive FX effects mainly driven by US\$ and Can\$
- Organic growth particularly in Asia and the US, partially offset by termination and restructuring of treaties in Europe

Technical result

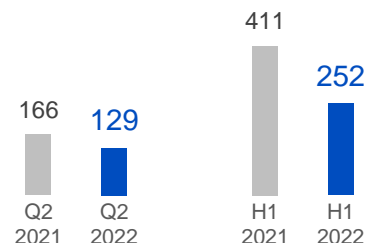
€m



- Q2: Positive impact from higher interest rates on claims reserves, mostly in the US and Australia (€65m)
- COVID-19-related losses of €100m in Q2 (H1: €259m)
- Q2/H1: Apart from COVID-19, favourable claims experience in the US, Europe and Asia
- Ongoing strong fee income of €81m in Q2 (H1: €148m)

Investment result

€m



- Q2/H1: Losses on fixed-interest derivatives and equity write-downs
- H1: Write-downs on Russian/Ukrainian bonds, disposal gains on equities
- RoI: Q2 1.8%, H1 1.7%

Property-casualty reinsurance

Key messages

- Strong premium growth of 18.6%
- Pleasing technical performance
- Expense ratio benefits from cost reductions and premium growth
- Negative investment return mitigated by high FX result

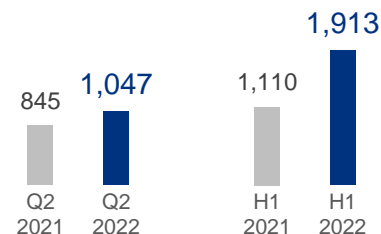
Gross premiums written



- Positive FX effects mainly driven by US\$
- Strong organic growth across nearly all lines of business
- Risk Solutions: Substantial growth across all units
- Core reinsurance: Increase from new business as well as benefits from primary rate increases in proportional business and improved pricing in non-proportional business

Technical result

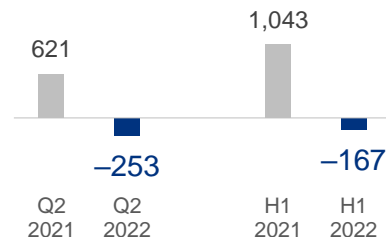
€m



- Q2/H1: Below-average major losses – remaining major-loss budget for H2 2022: ~€2.7bn
- Q2/H1: Expenditure of €90m related to war in Ukraine in Q2 (H1: ~€200m)
- Q2/H1: Underlying performance remains sound – normalised combined ratio of 94.9%

Investment result

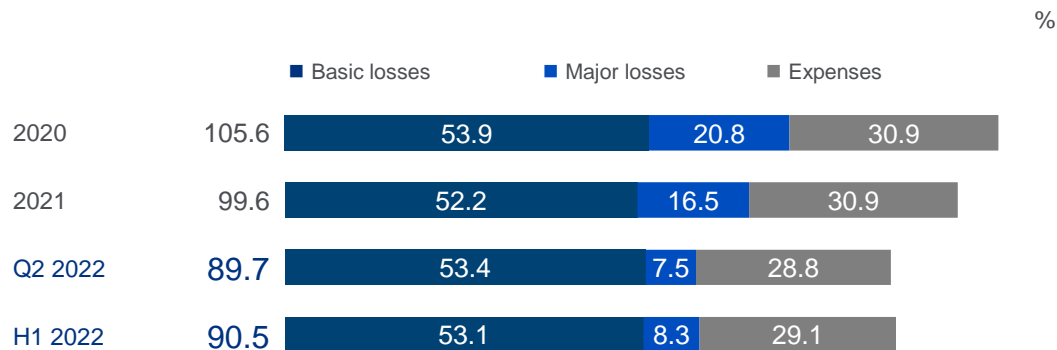
€m



- Q2/H1: Losses on fixed-interest derivatives and equity write-downs
- H1: Write-downs on Russian/Ukrainian bonds, disposal gains on equities and inflation-linked bonds
- RoI: Q2 -1.4%, H1 -0.5%

Property-casualty reinsurance

Combined ratio



	Major losses ¹	Nat cat ¹	Man-made ¹	Reserve releases ²	Normalised combined ratio ³
Q2 2022	7.5	3.3	4.2	−4.0	94.9
H1 2022	8.3	4.9	3.4	−4.0	94.9
Ø Annual expectation	~ 13.0	~ 8.5	~ 4.5	−4.0	

¹ Absolute figures Q2/H1: Major losses €575m/€1,242m, nat cat €253m/€734m, man-made €322m/€508.

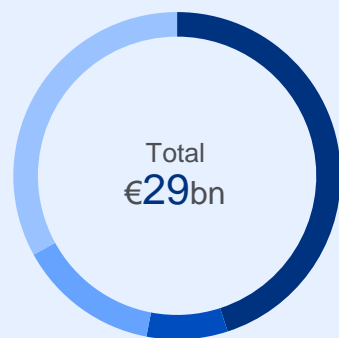
² Basic losses prior years, already adjusted for directly corresponding sliding-scale and profit-commission effects. Absolute figures Q2/H1: −€308m/−€599m.

³ Based on reserve releases of 4%-pts.; adjusted for an adverse one-off commission effect (corresponding to −0.3%-pts in Q2 and −0.2%-pts. in H1) and H1 also for additional expenditures including reinstatement premiums related to the Ukraine war from Q1 (corresponding to −0.2%-pts. in H1).

July renewals 2022

Total property-casualty book¹

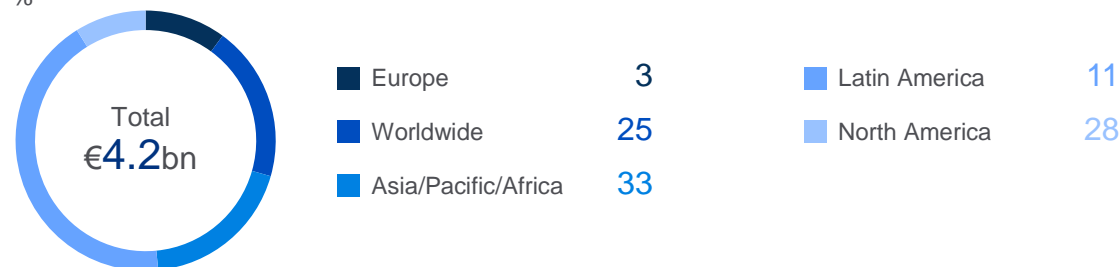
%



January renewals	45
April renewals	8
July renewals	14
Remaining business	33

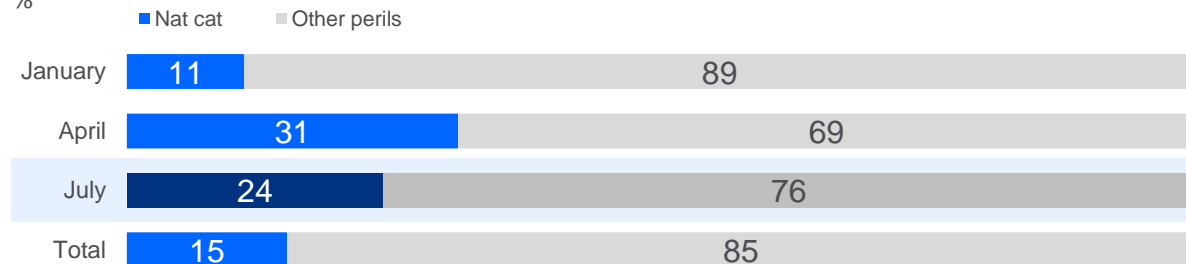
Regional allocation of July renewals

%



Nat cat shares of renewable portfolio²

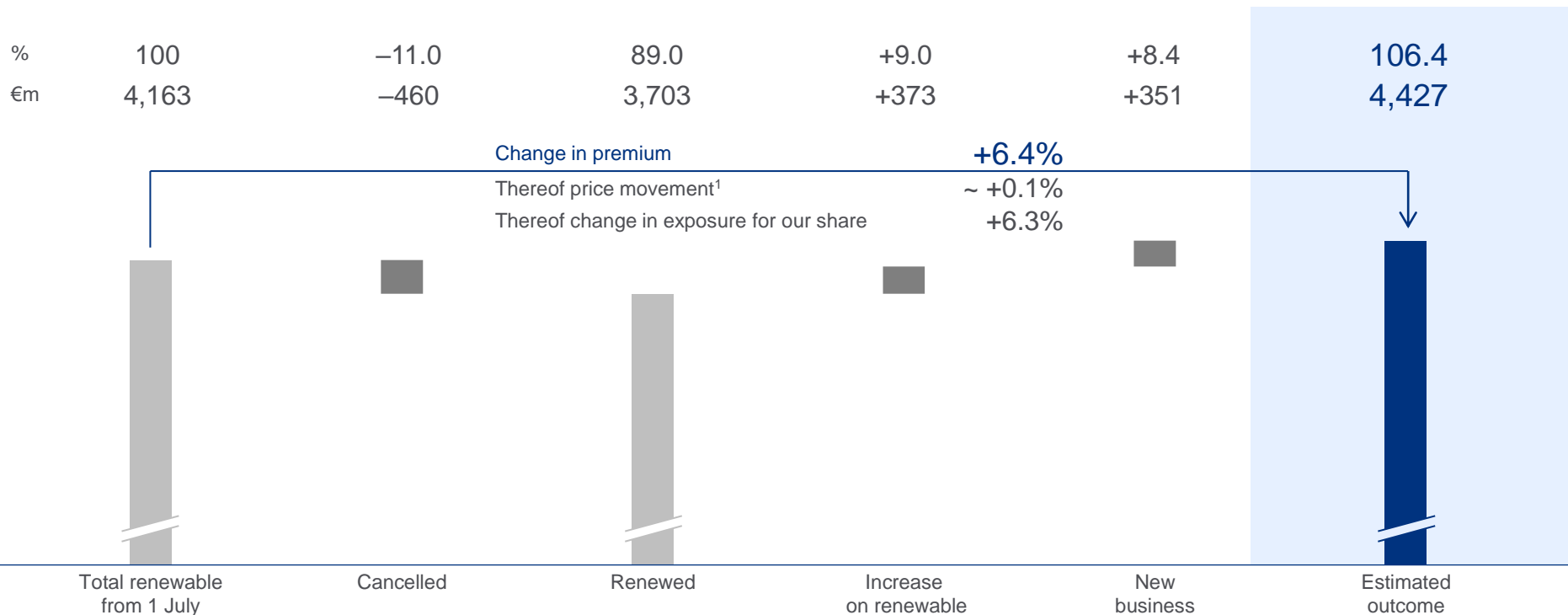
%



¹ Gross written premiums as at 31.12.2021. Economic view – not fully comparable with IFRS figures.

² Total refers to total P-C book, incl. remaining business.

July renewals 2022



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).

Additional information

Segment income statement Q2 2022

€m	L/H ¹ reinsurance	P-C reinsurance	ERGO L/H Germany	ERGO P-C Germany	ERGO International	Total Q2 2022
Gross premiums written	3,287	8,052	2,435	836	1,240	15,850
Net earned premiums	3,057	7,705	2,417	1,006	1,204	15,389
Income from technical interest	168	254	562	11	-178	817
Net expenses for claims and benefits	-2,575	-4,692	-2,416	-581	-613	-10,877
Net operating expenses	-492	-2,221	-452	-292	-346	-3,803
Technical result	158	1,047	111	144	66	1,527
Investment result	129	-253	1,040	9	46	971
Insurance-related investment result	30	14	-529	0	-218	-703
Other operating result	42	-110	-92	-53	-2	-215
Deduction of income from technical interest	-168	-254	-562	-11	178	-817
Non-technical result	34	-603	-143	-55	4	-764
Operating result	192	444	-32	89	70	763
Other non-operating result	-3	-5	-2	-3	2	-11
Currency result	74	268	146	-4	1	485
Net finance costs	-7	-32	2	-1	-9	-46
Taxes on income	-110	-213	-54	-37	-8	-422
Consolidated result	147	462	59	45	56	768
Tax rate	42.8%	31.6%	47.9%	45.0%	12.6%	35.5%

1 Technical result incl. fee income: €240m.

Segment income statement H1 2022

€m	L/H ¹ reinsurance	P-C reinsurance	ERGO L/H Germany	ERGO P-C Germany	ERGO International	Total H1 2022
Gross premiums written	6,656	15,990	4,896	2,515	2,625	32,683
Net earned premiums	6,058	14,984	4,802	1,936	2,396	30,176
Income from technical interest	336	492	832	21	-300	1,381
Net expenses for claims and benefits	-5,324	-9,201	-4,672	-1,205	-1,255	-21,656
Net operating expenses	-959	-4,362	-807	-586	-685	-7,399
Technical result	112	1,913	154	166	157	2,502
Investment result	252	-167	1,686	64	124	1,958
Insurance-related investment result	53	88	-867	0	-400	-1,126
Other operating result	66	-199	-159	-83	-34	-410
Deduction of income from technical interest	-336	-492	-832	-21	300	-1,381
Non-technical result	35	-770	-172	-40	-11	-959
Operating result	147	1,143	-18	126	146	1,543
Other non-operating result	-4	-9	-8	-5	2	-24
Currency result	67	241	202	-9	1	502
Net finance costs	-14	-68	6	-1	-16	-93
Taxes on income	-127	-256	-79	-54	-37	-552
Consolidated result	69	1,051	103	57	96	1,376
Tax rate	64.8%	19.6%	43.2%	48.6%	27.9%	28.6%

Actual vs. analysts' consensus

Operating result – Actual vs. analysts' consensus¹

€m

	Q2 2022	Consensus	Delta
Property-casualty reinsurance	444	623	–179
Life and health reinsurance	192	114	78
ERGO Life and Health Germany	–32	69	–101
ERGO Property-casualty Germany	89	87	2
ERGO International	70	69	1
Operating result	763	958	–195

FX	485		
Other	–57		
Taxes	–422		
Consolidated result	768	719	49

KPIs – Actual vs. analysts' consensus¹

€m

	Q2 2022	Consensus	Impact ²
Combined ratio	89.7	93.8	316
Tech. result, incl. fee income	240	115	125
Policyholder participation in FX gains			
Combined ratio	86.9	91.6	48
Combined ratio	94.5	91.7	–25

Segment RoI

%

Q2 2022

Property-casualty reinsurance	–1.4
Life and health reinsurance	1.8
ERGO Life and Health Germany	3.7
ERGO Property-casualty Germany	0.5
ERGO International	1.0

¹ Simple average of estimates the Munich Re Investor Relations team has gathered from analysts covering Munich Re, not taking into account any external data providers. ² For combined ratios: Delta between actual and consensus times net earned premiums.

Premium development

Gross premiums written

€m

H2 2021 29,193

Foreign exchange 1,305

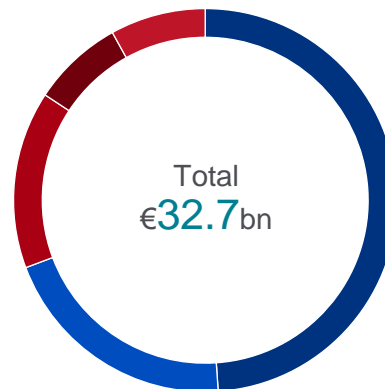
Divestments/
investments -84

Organic change 2,269

H2 2022 32,683

Segmental breakdown

€m

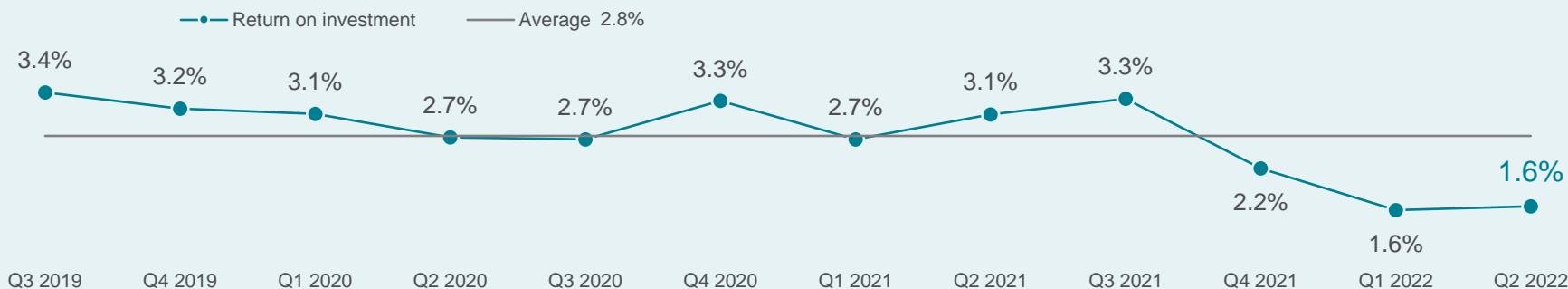


Property-casualty reinsurance	15,990	(49%) (▲ 18.6%)
Life reinsurance	6,656	(20%) (▲ 7.3%)
ERGO Life and Health Germany	4,896	(15%) (▲ 7.2%)
ERGO Property-casualty Germany	2,515	(8%) (▲ 7.5%)
ERGO International	2,625	(8%) (▲ 1.1%)

Return on investment by asset class and segment

H1 2022

% ¹	Regular income	Write-ups/-downs	Disposal result	Extraord. derivatives result	Other inc./exp.	Rol	Market value (€m)
Afs fixed-income	2.0	-1.1	0.3	0.0	0.0	1.2	131,008
Afs non-fixed-income	5.5	-9.0	8.9	0.0	0.0	5.4	23,165
Derivatives	4.7	0.0	0.0	-56.8	-2.6	-54.7	1,980
Loans	2.8	0.0	1.3	0.0	0.0	4.2	53,656
Real estate	4.4	-1.1	0.7	0.0	0.0	3.9	13,266
Other ²	2.1	-1.8	0.5	0.0	-3.4	-2.5	21,690
Total	2.7	-1.7	1.4	-0.5	-0.3	1.6	244,766
Reinsurance	2.5	-1.7	1.0	-1.3	-0.4	0.2	101,352
ERGO	2.8	-1.6	1.6	0.1	-0.3	2.6	143,413



Investment result – Reinsurance

Life and health reinsurance

€m	Q2 2022	Return ¹	H1 2022	Return ¹	H1 2021	Return ¹
Regular income	191	2.7%	372	2.6%	340	2.3%
Write-ups/write-downs	–17	–0.2%	–73	–0.5%	–5	0.0%
Disposal gains/losses	10	0.1%	38	0.3%	107	0.7%
Derivatives ²	–30	–0.4%	–41	–0.3%	7	0.0%
Other income/expenses	–26	–0.4%	–45	–0.3%	–39	–0.3%
Investment result	129	1.8%	252	1.7%	411	2.8%
Average market value		28,287		28,990		29,347

Property-casualty reinsurance

€m	Q2 2022	Return ¹	H1 2022	Return ¹	H1 2021	Return ¹
Regular income	485	2.7%	897	2.5%	734	2.2%
Write-ups/write-downs	–259	–1.4%	–786	–2.2%	–138	–0.4%
Disposal gains/losses	52	0.3%	486	1.3%	511	1.5%
Derivatives ²	–457	–2.5%	–627	–1.7%	60	0.2%
Other income/expenses	–74	–0.4%	–138	–0.4%	–123	–0.4%
Investment result	–253	–1.4%	–167	–0.5%	1,043	3.1%
Average market value		71,830		72,362		66,806

Investment result – ERGO

Life and Health Germany

€m	Q2 2022	Return ¹	H1 2022	Return ¹	H1 2021	Return ¹
Regular income	1,009	3.6%	1,780	3.1%	1,745	2.8%
Write-ups/write-downs	–583	–2.1%	–1,073	–1.8%	–112	–0.2%
Disposal gains/losses	666	2.4%	1,075	1.8%	881	1.4%
Derivatives ²	40	0.1%	94	0.2%	–476	–0.8%
Other income/expenses	–92	–0.3%	–190	–0.3%	–176	–0.3%
Investment result	1,040	3.7%	1,686	2.9%	1,863	2.9%
Average market value		112,138		116,420		126,550

Property-casualty Germany

€m	Q2 2022	Return ¹	H1 2022	Return ¹	H1 2021	Return ¹
Regular income	46	2.5%	81	2.1%	107	2.8%
Write-ups/write-downs	–32	–1.7%	–74	–2.0%	–11	–0.3%
Disposal gains/losses	–6	–0.3%	43	1.1%	59	1.6%
Derivatives ²	7	0.3%	28	0.7%	–10	–0.3%
Other income/expenses	–6	–0.3%	–13	–0.3%	–6	–0.1%
Investment result	9	0.5%	64	1.7%	140	3.6%
Average market value		7,485		7,611		7,671

Investment result – ERGO

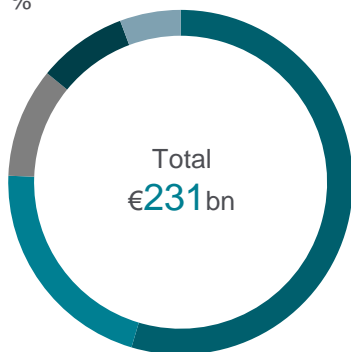
International

€m	Q2 2022	Return ¹	H1 2022	Return ¹	H1 2021	Return ¹
Regular income	68	1.5%	127	1.3%	147	1.4%
Write-ups/write-downs	–17	–0.4%	–23	–0.2%	17	0.2%
Disposal gains/losses	5	0.1%	44	0.5%	51	0.5%
Derivatives ²	–6	–0.1%	–16	–0.2%	–38	–0.4%
Other income/expenses	–4	–0.1%	–8	–0.1%	–10	–0.1%
Investment result	46	1.0%	124	1.3%	167	1.6%
Average market value		18,665		19,382		20,324

Investment portfolio

Investment portfolio

%



Fixed-interest securities	54.6 (54.3)
Loans	21.0 (22.8)
Miscellaneous ²	10.3 (9.1)
Shares, equity funds and participating interests ³	8.4 (8.7)
Land and buildings	5.7 (5.2)

Fixed-interest securities¹ %

	30.6.2022	31.12.2021
Governments/Semi-governments	64	65
Pfandbriefe/Covered bonds	9	9
Cash/Other	0	0
Corporates	18	19
Banks	4	3
Structured products	5	4

Loans¹

Governments/Semi-governments	37	41
Pfandbriefe/Covered bonds	38	37
Loans to policyholders/mortgage loans	16	15
Corporates	8	7
Banks	1	1

Miscellaneous

Deposits on reinsurance	40	39
Bank deposits	10	14
Investment funds ⁴	10	11
Derivatives	6	5
Other	34	31

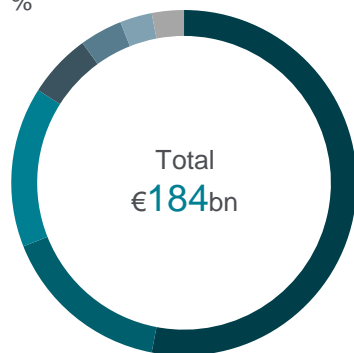
1 Approximation – not fully comparable with IFRS figures. Fair values as at 30.6.2022 (31.12.2021). 2 Deposits retained on assumed reinsurance, deposits with banks, investment funds (excl. equities), derivatives and investments in renewable energies and gold. 3 Incl. derivatives: 7.0% (7.7%). 4 Property funds and bond funds.

Fixed-income portfolio

Total

Fixed-income portfolio

%

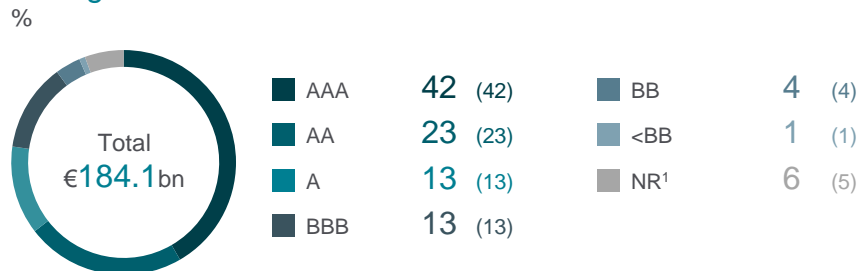


■ Governments/Semi-governments	53	(55)	■ Loans to policyholders/Mortgage loans	4	(4)
■ Pfandbriefe/Covered bonds	16	(16)	■ Structured products	3	(3)
■ Corporates	15	(14)	■ Bank bonds	3	(2)
■ Cash/Other	6	(6)			

Fixed-income portfolio

Total

Rating structure



Maturity structure



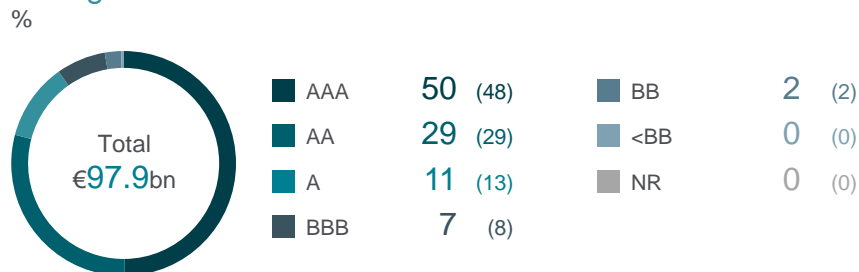
Regional breakdown

%	Without policyholder participation	With policyholder participation	Total 30.6.2022	31.12.2021
Germany	4.8	18.1	22.8	23.5
US	16.7	2.7	19.4	18.0
France	2.0	4.8	6.9	6.8
Canada	5.2	0.8	6.0	5.2
UK	2.5	1.9	4.4	4.6
Australia	3.6	0.6	4.3	4.0
Netherlands	1.3	2.9	4.2	4.1
Supranationals	0.7	2.3	3.0	3.4
Ireland	0.9	1.8	2.7	2.8
Spain	0.8	1.8	2.6	2.8
Austria	0.4	1.7	2.1	2.4
Belgium	0.6	1.5	2.1	2.4
Luxembourg	0.5	1.1	1.6	1.6
Poland	1.1	0.3	1.4	1.5
Italy	0.6	0.8	1.4	1.3
Other	7.9	7.2	15.1	15.5
Total	49.6	50.4	100.0	100.0

Fixed-income portfolio

Governments/Semi-governments

Rating structure



Maturity structure



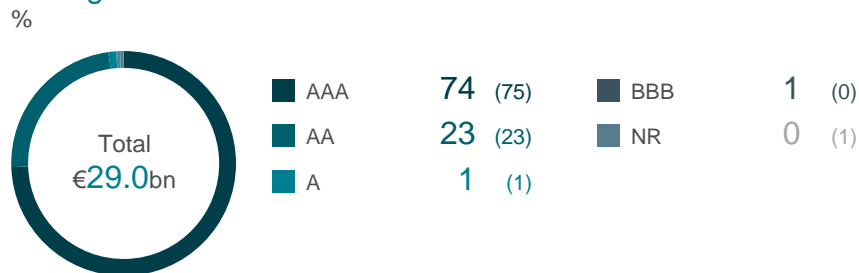
Regional breakdown

%	Without policyholder participation	With policyholder participation	Total 30.6.2022	31.12.2021
US	18.9	2.4	21.3	19.8
Germany	4.0	16.3	20.4	21.9
Canada	7.3	1.0	8.2	7.0
Australia	6.1	0.6	6.7	6.2
Supranationals	1.3	4.3	5.6	6.2
France	1.4	2.3	3.6	3.4
Belgium	0.9	2.6	3.4	3.9
Spain	0.8	2.2	3.0	3.3
Austria	0.6	2.1	2.7	3.0
Poland	1.9	0.6	2.6	2.7
UK	2.3	0.1	2.4	2.4
Netherlands	0.6	1.2	1.8	1.7
Finland	0.3	1.2	1.5	1.6
Ireland	0.4	0.9	1.3	1.5
Italy	0.7	0.6	1.3	1.2
Other	8.2	6.1	14.2	14.2
Total	55.4	44.6	100.0	100.0

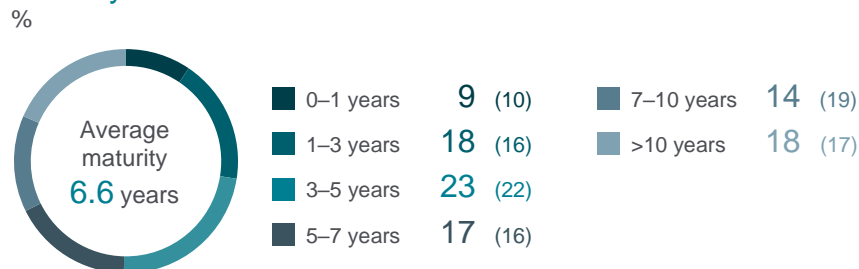
Fixed-income portfolio

Pfandbriefe/Covered bonds

Rating structure



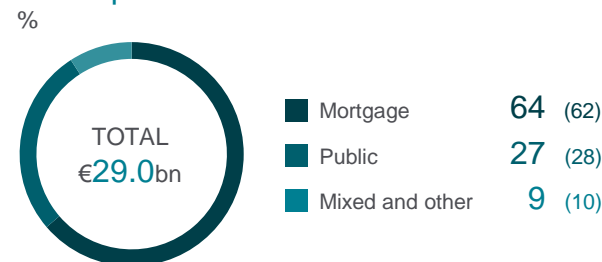
Maturity structure



Regional breakdown

%	30.6.2022	31.12.2021
Germany	28.5	30.0
France	22.3	22.4
UK	10.0	10.5
Netherlands	9.8	8.7
Sweden	5.0	5.3
Norway	4.9	5.5
Spain	2.2	1.9
Italy	1.3	1.2
Ireland	0.3	0.3
Other	15.8	14.2

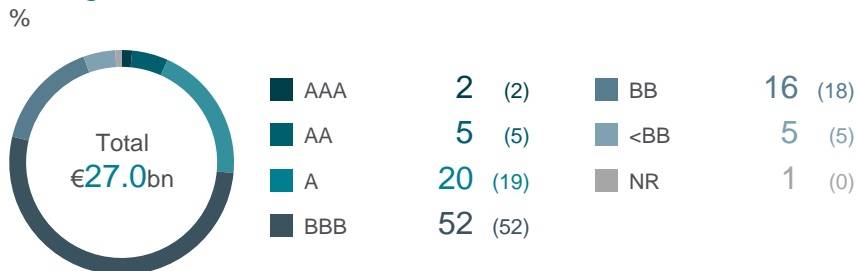
Cover pools



Fixed-income portfolio

Corporate bonds (excluding bank bonds)

Rating structure



Maturity structure



Sector breakdown

	30.6.2022	31.12.2021
Industrial goods and services	14.6	14.1
Utilities	13.8	13.9
Financial services	9.8	9.2
Oil and gas	9.5	9.9
Telecommunications	7.7	8.3
Healthcare	6.7	6.8
Technology	4.8	4.7
Automobiles	3.9	4.1
Travel and leisure	3.8	3.9
Food and beverages	3.7	3.7
Real estate	3.6	3.5
Construction	3.1	3.6
Personal and household goods	2.8	3.1
Other	12.3	11.3

Fixed-income portfolio

Structured products

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

€m

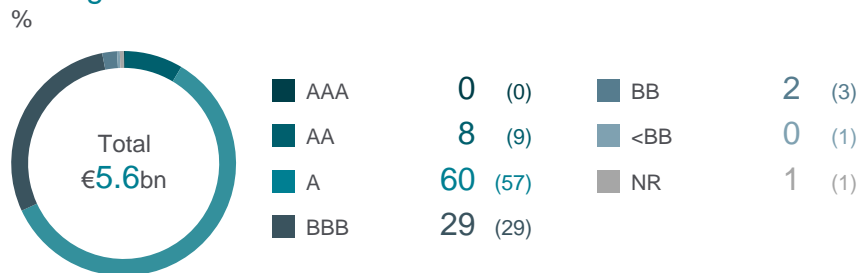
		Rating						Region		Total	Market-to-par
		AAA	AA	A	BBB	<BBB	NR	USA + RoW	Europe		
ABS	Consumer-related ABS ¹	429	239	19	0	0	0	557	130	686	96%
	Corporate-related ABS ²	108	18	433	42	0	0	194	407	600	99%
	Subprime HEL	0	0	0	0	0	0	0	0	0	0%
CDO/ CLN	Subprime-related	0	0	0	0	0	0	0	0	0	0%
	Non-subprime-related	1,227	1,801	13	1	0	0	805	2,237	3,042	95%
MBS	Agency	829	14	0	0	0	0	843	0	843	94%
	Non-agency prime	45	7	0	0	0	0	0	52	52	99%
	Non-agency other (not subprime)	38	9	0	0	0	0	2	45	47	99%
	Commercial MBS	530	87	72	0	0	0	567	122	689	95%
Total 30.6.2022		3,327	2,176	537	43	0	0	2,968	3,114	6,082	95%
In %		55%	36%	9%	1%	0%	0%	49%	51%	100%	
Total 31.12.2021		3,038	2,301	498	47	0	0	2,662	3,222	5,883	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 30.6.2022 (31.12.2021).

Fixed-income portfolio

Bank bonds

Rating structure



Maturity structure



Regional breakdown

%	Senior bonds	Sub-ordinated	Loss-bearing	30.6.2022	Total 31.12.2021
US	34.9	3.9	0.8	39.6	37.5
Canada	14.6	0.0	0.0	14.6	11.9
UK	8.1	0.6	0.1	8.8	8.0
France	6.7	0.4	0.0	7.1	7.9
Germany	4.2	0.2	0.2	4.6	6.9
Ireland	3.9	0.0	0.0	3.9	5.3
Netherlands	3.3	0.2	0.0	3.5	4.2
Switzerland	2.3	0.0	0.0	2.3	2.1
Japan	1.9	0.0	0.0	1.9	2.2
Other	10.5	2.6	0.6	13.7	14.1

Cover pools



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	+6.7	+3.3	–6.2	–11.8
Change in on-balance-sheet reserves, net	+2.0	+1.0	–1.9	–3.6
Change in off-balance-sheet reserves, net	+0.3	+0.1	–0.3	–0.5
P&L (investment result), gross	+0.2	+0.1	–0.2	–0.4
P&L, net	+0.1	+0.1	–0.1	–0.2

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

	+50bps	+100bps
Change in market value, gross	–4.1	–7.8
Change in on-balance-sheet reserves, net	–1.1	–2.0
Change in off-balance-sheet reserves, net	–0.2	–0.4
P&L (investment result), gross	–0.1	–0.2
P&L, net	–0.0	–0.1

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

	–30%	–10%	+10%	+30%
Change in market value, gross	–1.9	–0.8	+1.0	+3.2
Change in on-balance-sheet reserves, net	–0.2	+0.0	+0.4	+1.3
P&L (investment result), gross	–1.6	–0.8	–0.2	–0.3
P&L, net	–1.0	–0.4	–0.0	+0.0

¹ Rough calculation with limited reliability assuming unchanged portfolio as at 30.6.2022. 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. 2020	31.12. 2021	31.3. 2022	30.6. 2022	▲ in Q2
Market value of investments	252,789	257,485	245,860	230,951	−14,909
Total reserves	37,269	30,357	16,209	935	−15,274
On-balance-sheet reserves					
Fixed-interest securities	14,426	8,078	−604	−10,091	−9,486
Non-fixed-interest securities	2,866	4,888	4,059	3,158	−901
Other on-balance-sheet reserves ¹	137	205	202	191	−12
Subtotal	17,430	13,172	3,657	−6,742	−10,399
Off-balance-sheet reserves					
Real estate ²	5,592	6,291	6,309	6,204	−105
Loans ³	12,778	8,270	3,685	−1,115	−4,800
Associates	1,469	2,624	2,559	2,587	29
Subtotal	19,839	17,185	12,552	7,677	−4,876
Reserve ratio	14.7%	11.8%	6.6%	0.4%	−6.2 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

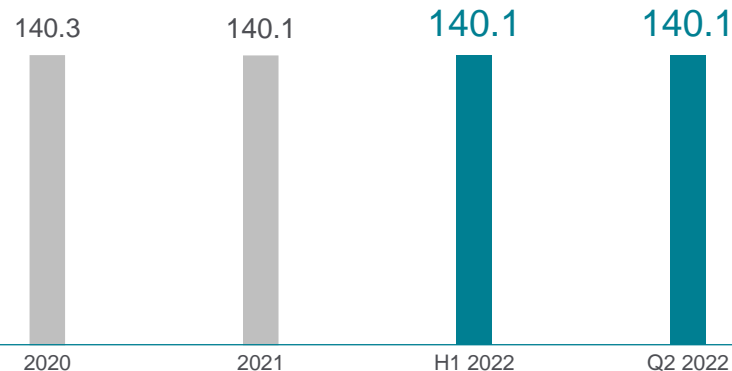
	On-balance-sheet reserves		Off-balance-sheet reserves ¹	
	30.6. 2022	31.12. 2021	30.6. 2022	31.12. 2021
Total reserves (gross)	−6,742	13,172	7,677	17,185
Provision for deferred premium refunds	2,626	−5,409	−1,042	−8,115
Deferred tax	1,012	−1,848	−1,746	−2,496
Minority interests	−1	−10		
Consolidation and currency effects	−211	−127		
Shareholders' stake	−3,316	5,778	4,889	6,574

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

Changes to shares in circulation

Shares (millions)	31.12. 2021	Acquisition of own shares in H1 2022	Retirement of own shares in H1 2022	30.6. 2022
Shares in circulation	140.1	-0.3	-	139.8
Treasury shares	-	0.3	-	0.3
Total	140.1	-	-	140.1

Weighted average number of shares in circulation (millions)



Financial calendar

2022/2023



For more information, please contact

Investor Relations team

Christian Becker-Hussong

Head of Investor & Rating Agency Relations

Tel.: +49 (89) 3891-3910

Email: cbecker-hussong@munichre.com

Thorsten Dzuba

Tel.: +49 (89) 3891-8030

Email: tdzuba@munichre.com

Christine Franziszi

Tel.: +49 (89) 3891-3875

Email: cfranziszi@munichre.com

Ralf Kleinschroth

Tel.: +49 (89) 3891-4559

Email: rkleinschroth@munichre.com

Andreas Silberhorn (rating agencies)

Tel.: +49 (89) 3891-3366

Email: asilberhorn@munichre.com

Ingrid Grunwald (ESG)

Tel.: +49 (89) 3891-3517

Email: igrunwald@munichre.com

Nadine Schog (ERGO)

Tel.: +49 (211) 477-7483

Email: nadine.schog@ergo.de

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 of the results, financial situation and performance of our Group. Obvious fluctuations in the incidence of major losses in addition to the 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 Group 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. Due to rounding, there may be minor deviations in summations and in the calculation of percentages in this presentation.