

Munich Re posts a quarterly result of approx. €600m – Share buy-back will not be implemented

In the second quarter of 2020, Munich Re registered COVID-19-related losses totalling about €700m in reinsurance. The largest share of these losses is attributable to cover for major events, with a lower impact reported in life and health business as well as other lines of property-casualty insurance, including business interruption.

Munich Re nevertheless posted a satisfactory net result of approx. €600m in the second quarter (consensus: €405m)*. This is due to lower-than-average major losses (excluding COVID-19) and good performance at ERGO. Munich Re will provide final Q2 results on 6 August, as scheduled.

On 26 February 2020, Munich Re announced that it would repurchase shares with a maximum total value of €1bn between the Annual General Meeting 2020 and the AGM 2021. Against the backdrop of COVID-19 developments, Munich Re announced on 31 March 2020 that it would discontinue implementation of the 2020/2021 share buy-back programme until further notice and until there was greater clarity both on the actual burdens arising from COVID-19 and on capital requirements for potential organic or inorganic business opportunities.

At this time, Munich Re perceives considerable ongoing uncertainty with respect to the macroeconomic development and the financial impact of COVID-19, and does not expect that uncertainty will subside between now and early 2021. In addition, Munich Re has recently identified truly favourable conditions for growing its reinsurance business and therefore the active use of its capital. For these reasons, Munich Re will definitely not implement its discontinued 2020/2021 share buy-back programme.

Based on its very good capitalisation, Munich Re continues to stand for active capital management. In early May of this year, Munich Re paid an increased dividend of €9.80 per share for the 2019 financial year – and will continue to pursue a shareholder-friendly dividend policy going forward. Munich Re will decide early next year as to a potential, new share buy-back programme for the time between the AGM 2021 and the AGM 2022.

* Average value of estimates from 20 financial analysts

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Munich Re

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