



Outlook for 2020 and 2021

1 December 2020

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Reinsurance

Strong reserves in place for all COVID-19 related exposures

Outlook for FY 2020 COVID-19 related claims¹

Life and Health €360m

- COVID-19 claims dominated by US mortality. US book comprises over 60% of Munich Re's global mortality exposure
- Provision established for Australian disability
- Claims reported from other regions and lines of business are low

Marine and aerospace €25m

- There has been very little development in marine business, and no significant further loss development is expected for this line of business

D&O and workers' comp. €200m

- So far limited activity in this area suggests that claims will remain at manageable levels

Credit €170m

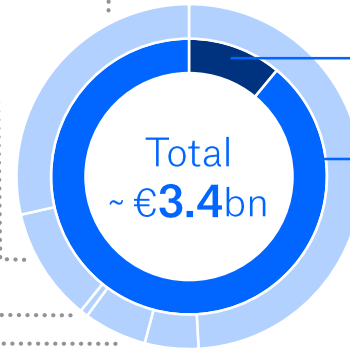
- Apparent deferral of losses, assisted or even absorbed by state support schemes, lead to a low level of reported losses, with further loss emergence expected for future quarters
- Where accounting rules allow it, Munich Re currently reserves only for losses that may have already been incurred

Property / BI €965m

- Our reserving follows our legal assessment on a case-by-case basis, meaning that if court decisions or arbitration outcomes differ from our legal opinion, we might have to adjust our loss estimate

Case reserve / paid P-C²
~ 11%

IBNR P-C²
~ 89%



Contingency €1,660m

- Munich Re's event cancellation portfolio is global, weighted towards the US (approx. 60%) and Europe, and towards larger events of global interest (e.g. the Olympics)
- All covered events that have already been cancelled or postponed at the reporting date are covered in our large loss reserves, even if the events were scheduled to take place in future quarters. Provisions were set for such events even when not yet officially notified by clients
- Events that have not been cancelled/postponed, and that are scheduled to take place in future quarters, are not reserved, in line with applicable accounting rules

¹ Total incurred losses, including paid claims and reserves; pre-tax; best estimates as at 1 December 2020.
² As at 30 September 2020.

Outlook for COVID-19 impact on net result 2020¹

Claims ~ €40m

Business closure

- Quick and non-bureaucratic support of clients in hotel and gastronomy industry, regulation of claims for (partial) closure of hospitals
- Business interruption and denial of access in UK and France
- Reserving follows our legal assessment of the cases
- Pandemics exposure excluded in every renewed contract

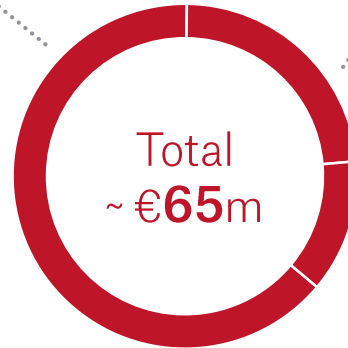
Event cancellation

- Policies typically do not cover cancellations due to pandemics – possible to include special cover for additional charge
- This option was abolished in the early days of the pandemic

Health

- No increased claims activity, lower claims for certain services (e.g. dental care)

Lower claims frequency in motor insurance partially compensates for increased claims overall



Result impact from lost premiums ~ €15m

Travel

- Lower premium volume in this small business line as a result of reduced travel activity has a mitigating impact on near-term growth

International

- Lower premium volume, esp. Austria, Baltics / Poland

Other ~ €10m

Investments

- Volatile development of the capital markets affecting investment result – not fully compensated by hedging measures and realisations

Cost

- Decrease in costs thanks to no business travel, for example

Group	Gross written premium ~ €54bn	Net result ~ €1.2bn	Return on investment ~ 3%	
ERGO	Gross written premium ~ €17.5bn	Net result ~ €0.5bn	Combined ratio P-C Germany ~ 92%	International ~ 94%
Reinsurance	Gross written premium ~ €36bn	Net result ~ €0.7bn	Combined ratio P-C ~ 106%	Technical result, incl. fee income Life and Health > €100m

Outlook 2021 includes further COVID-19 related expected impact¹

Reinsurance	Claims	Impact ²	Comment
Contingency	~ €200m	<ul style="list-style-type: none"> Contingency covers concluded prior to March 2020 extend into 2021 We therefore expect to incur further COVID-19 losses in 2021 	
Property BI	~ €50m	<ul style="list-style-type: none"> Some deterioration of or minor new losses on local lockdowns possible, as some policies without explicit exclusions extend into 2021 	
Life and Health	~ €200m	<ul style="list-style-type: none"> Current winter claims spike to continue into Q1 2021, driving mortality claims centred on US Effective vaccination programmes and better treatments steadily reduce the impact of COVID-19 over the remainder of 2021 to low levels by year end Economic/social disruption related to winter spike to result in increase in DI claims 	
Credit	~ €50m	<ul style="list-style-type: none"> Insolvency rates are expected to increase, especially once state regulations/support schemes return to normal Impact on loss ratio expected to be 10pp+ 	
Result impact from lost premiums	~ €50m	<ul style="list-style-type: none"> Reduced economic activity leads to reduced activity-based premium and margin In addition, new business growth is likely to be impacted by the economic downturn and lack of demand due to possible additional local lockdowns 	
ERGO	KPI	Impact	Comment
Reduced net result ³	~ €100m	<ul style="list-style-type: none"> Decrease in technical result due to lower premiums and higher claims Negative impact on investment result due to economic downturn (e.g. reduced rental income on real-estate investments) 	

<p>Group</p>	<p>Gross written premium ~ €55bn</p>	<p>Net result ~ €2.8bn</p>	<p>Return on investment > 2.5%</p>	
<p>ERGO</p>	<p>Gross written premium ~ €17.5bn</p>	<p>Net result ~ €0.5bn</p>	<p>Combined ratio P-C Germany ~ 92%²</p>	<p>International ~ 93%</p>
<p>Reinsurance</p>	<p>Gross written premium ~ €37bn</p>	<p>Net result ~ €2.3bn</p>	<p>Combined ratio P-C ~ 96%³</p>	<p>Technical result, incl. fee income Life and Health ~ €400m</p>

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.