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Quarterly report as at 30 September 2018

7 November 2018

Jörg Schneider

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9M result slightly above €2bn – Well on track to meet annual guidance

Munich Re (Group)

Net result

€483m (9M: €2,038m)

Strong ERGO result, also benefitting from one-offs – Robust reinsurance result despite accumulation of nat cat claims, higher taxes and FX losses

Return on investment¹

2.3% (9M: 2.8%)

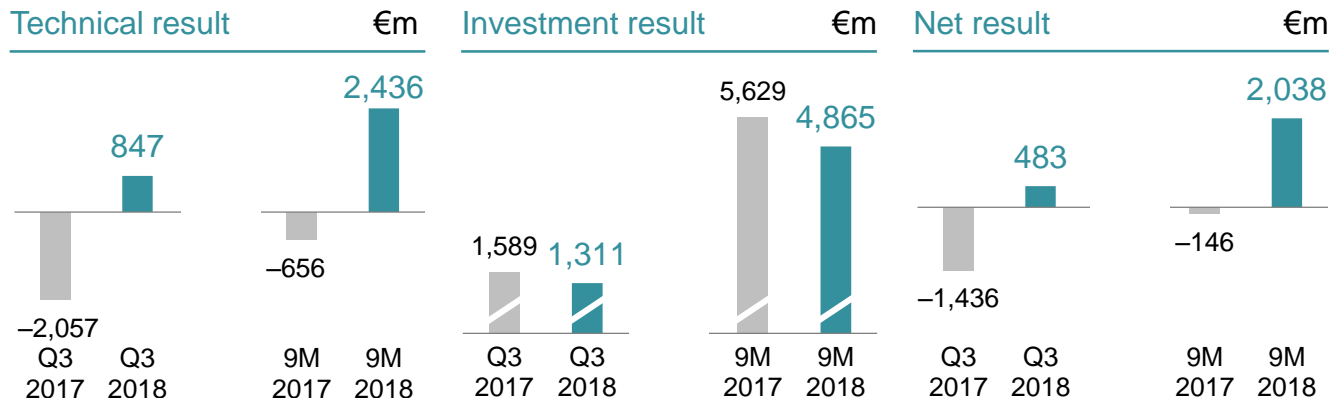
Reinsurance: 2.9%, ERGO: 1.9% – Low disposal gains: Less ZZR need and preservation of high valuation reserves

Shareholders' equity

€27.1bn (–3.8% vs. 31.12.)

Solvency II ratio increased to >260%

Q3 2018 (9M 2018)



Reinsurance

Life and Health: Technical result incl. fee income: €88m (incl. negative one-offs); (9M: €419m) – On course to achieve annual target of ≥€475m

Property-casualty: Combined ratio: 100.7% (9M: 97.3%) – Major-loss ratio: 12.5% (9M: 9.3%); Reserve release: ~4%

ERGO


Life and Health Germany: Positive contribution from changed profit-share assumptions

Property-casualty Germany: Combined ratio: 94.7% (9M: 95.3%)

International: Burden from portfolio optimisation; Combined ratio: 93.3% (9M: 94.7%)

IFRS capital position

Equity

		€m		€m
Equity 31.12.2017	28,198		Change Q3	
Consolidated result	2,038			483
Changes				
Dividend	-1,286			0
Unrealised gains/losses	-1,535			-168
Exchange rates	225			29
Share buy-backs	-617			-200
Other	93			75
Equity 30.9.2018	27,117			218

Unrealised gains/losses

Fixed-interest securities

9M: **-€1,350m** Q3: **-€387m**

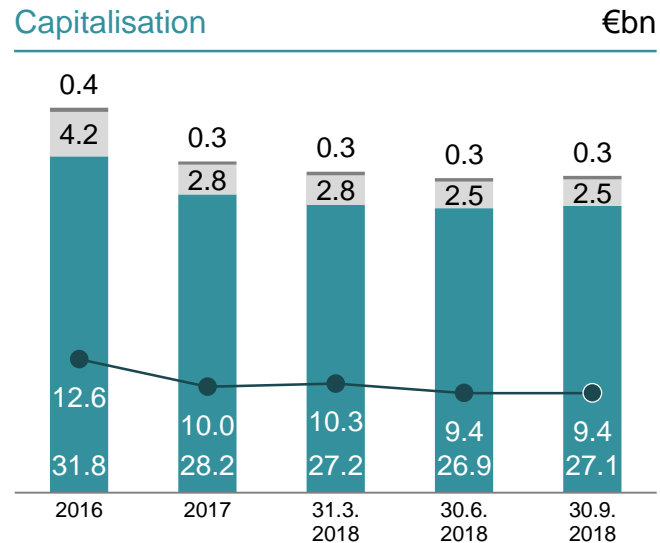
Non-fixed-interest securities

9M: **-€165m** Q3: **€232m**

Exchange rates

FX effect mainly driven by US\$

Capitalisation



● Debt leverage¹ (%)

■ Senior and other debt²

■ Subordinated debt

■ Equity

1%-point higher debt leverage corresponds to ~€0.3bn additional subordinated debt

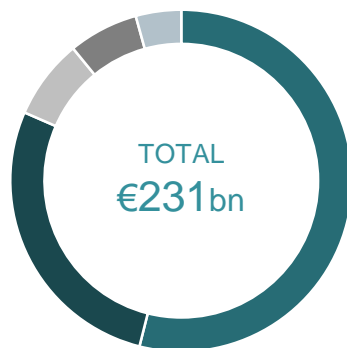
1 Strategic debt (senior, subordinated and other debt) divided by total capital (strategic debt + equity).

2 Other debt includes Munich Re bank borrowings and other strategic debt.

Investment portfolio

Investment portfolio¹

Land and buildings	4.3 (3.4)
Miscellaneous ²	6.6 (6.2)
Shares, equity funds and participating interests ³	7.6 (7.3)
Loans	27.6 (28.2)



Fixed-interest securities
53.9 (54.9)

%

Portfolio management in Q3

- Land and buildings: Increase due to updated market values
- Reallocations within government bond portfolio
- Further expansion of infrastructure investments
- Increase in equity quota at ERGO Life and Health Germany

Portfolio duration¹

	Assets		Liabilities		DV01 ^{1,4}		€m
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	
Reinsurance	5.2 (5.8)	4.1 (4.2)	34 (39)	34 (35)			–0
ERGO	8.8 (8.8)	9.5 (9.5)	112 (115)	122 (125)			–11
Munich Re (Group)	7.6 (7.8)	7.3 (7.5)	146 (153)	157 (160)			–11

¹ Fair values as at 30.9.2018 (31.12.2017). 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: 6.7 (6.7%). 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

Investment result (€m)	Q2 2018	Return ¹	Q3 2018	Return ¹	9M 2018	Return ¹	9M 2017	Return ¹
Regular income	1,836	3.2%	1,598	2.8%	4,927	2.8%	4,881	2.8%
Write-ups/write-downs	-140	-0.2%	-219	-0.4%	-475	-0.3%	-160	-0.1%
Disposal gains/losses	282	0.5%	46	0.1%	912	0.5%	1,739	1.0%
Derivatives ²	-53	-0.1%	56	0.1%	-15	0.0%	-412	-0.2%
Other income/expenses	-165	-0.3%	-171	-0.3%	-485	-0.3%	-421	-0.2%
Investment result	1,759	3.1%	1,311	2.3%	4,865	2.8%	5,629	3.2%
Total return		2.2%		2.3%		1.1%		1.0%

3-month reinvestment yield		Q3 2018	Write-ups/ write-downs	Disposal gains/losses	Derivatives	9M 2018	Write-ups/ write-downs	Disposal gains/losses	Derivatives
Q3 2018	2.5%	Fixed income ³	0	15	37	Fixed income ³	-5	453	-95
		Equities	-151	88	-35	Equities	-314	434	-6
Q2 2018	2.3%	Commodities/inflation	-18		41	Commodities/inflation	-30		100
Q1 2018	1.9%	Other	-50	-57	13	Other	-126	25	-13

1 Annualised return on quarterly weighted investments (market values) in %. Impact from dividends on regular income: Q3 2018 0.2%-pts; 9M 2018 0.3%-pts.

2 Result from derivatives without regular income and other income/expenses. 3 Thereof interest-rate hedging ERGO: Q3 -€20m/-€5m (gross/net); 9M -€20m/-€7m (gross/net).

ERGO

2

ERGO Life and Health Germany

Gross premiums written

	€m
9M 2017	6,865
Foreign exchange	-6
Divestments/investments	48
Organic change	5
9M 2018	6,911

- Health: +€88m
Travel growing, positive development in supplementary health insurance
- Direct: +€34m
Growth driven by dental tariffs
- Life: -€75m
Decline in regular premiums from ordinary attrition as well as decrease in single premiums

Major result drivers

	9M 2018	9M 2017	
Technical result	530	250	▲
Non-technical result	48	212	-164
thereof investment result	2,494	3,130	-636
Other	-380	-353	-27
Net result	198	109	88
	Q3 2018	Q3 2017	▲
Technical result	372	95	277
Non-technical result	-11	38	-50
thereof investment result	638	774	-136
Other	-184	-137	-47
Net result	176	-3	180

Technical result

- Q3: Improvement mainly driven by a one-off effect due to changed profit share assumptions (after-tax effect ~€170m)

Investment result

- 9M: Significantly lower disposal gains from fixed-income securities (lower ZZR requirements) and equities, partly offset by a higher derivatives result
- Q3: Return on investment: 2.1%

Other

- Q3: Tax-related positive one-off effect

ERGO Property-casualty Germany (1)

Gross premiums written

	€m
9M 2017	2,619
Foreign exchange	0
Divestments/investments	0
Organic change	81
9M 2018	2,699

- Positive premium development in almost all lines of business
- Organic growth mainly driven by marine (+€28m) and fire/property (+€22m)

Major result drivers

	9M 2018	9M 2017	
Technical result	129	122	▲ 7
Non-technical result	45	73	-29
thereof investment result	98	137	-39
Other	-134	-132	-2
Net result	40	63	-24
	Q3 2018	Q3 2017	
Technical result	37	32	▲ 5
Non-technical result	-3	20	-22
thereof investment result	21	38	-18
Other	-52	-49	-3
Net result	-18	3	-20

Technical result

- 9M: Combined ratio of 95.3% on track for annual guidance of ~96%
 - Benign claims development
 - Expense ratio improved due to cost degression
- Q3: Combined ratio of 94.7% mainly driven by low level of nat cat

Investment result

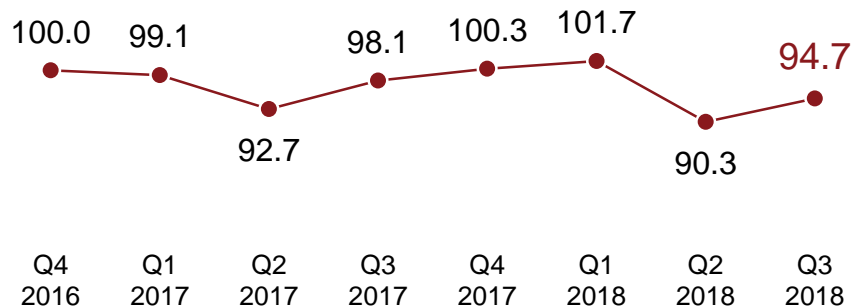
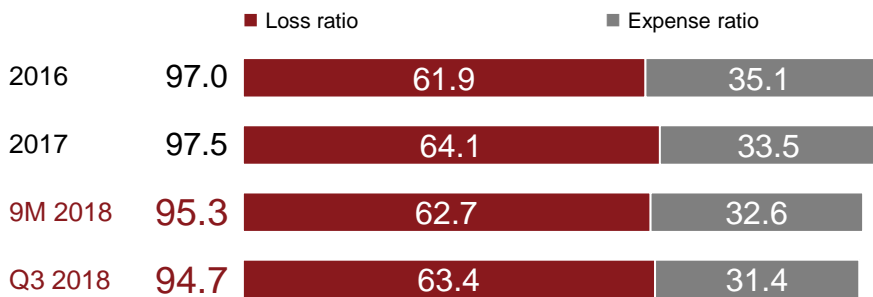
- 9M: Lower disposal result from equities
- Q3: Return on investment: 1.2%

Other

- 9M: Positive tax one-off and lower non-operating result

ERGO Property-casualty Germany (2)

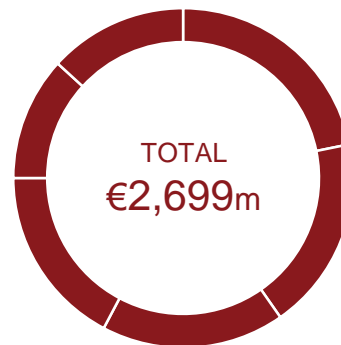
Combined ratio %



Gross premiums written 9M 2018 €m

Other 357 Motor 589

Legal protection 318




Fire/property 499

Personal accident 466

Liability 471

Gross premiums written €m

9M 2017		3,750
Foreign exchange		-49
Divestments/investments		-48
Organic change		159
9M 2018		3,813

- P-C: +€76m
Strong premium contribution from Poland and the Baltic states
- Life: +€13m
Overall moderate growth due to Belgium, since new business was discontinued as a result of the run-off
- Health: -€27m

Major result drivers €m

	9M 2018	9M 2017	
Technical result	221	121	▲ 100
Non-technical result	0	48	-48
thereof investment result	241	264	-24
Other	-99	-117	17
Net result	122	52	70
	Q3 2018	Q3 2017	
Technical result	110	97	▲ 13
Non-technical result	-54	14	-67
thereof investment result	30	89	-59
Other	-42	-81	39
Net result	15	30	-15

Technical result

- 9M: Positive development driven by Poland, Belgium (Life) and Health business
- 9M: Combined ratio of 94.7% improved y-o-y (-0.8%-pts.) and on track for FY guidance
- Q3: Strong underlying performance, despite non-recurring expenses in Greece

Investment result

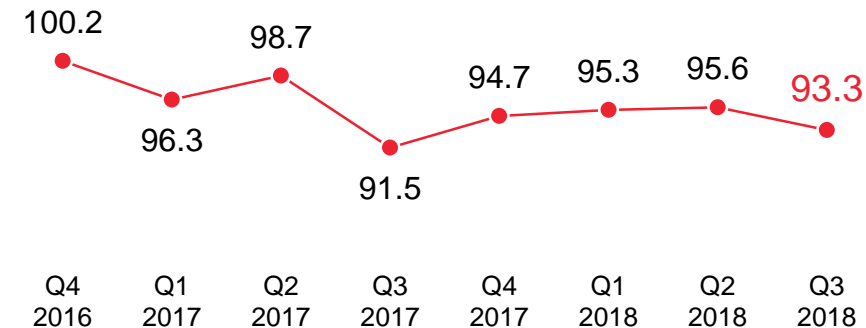
- Q3: Loss related to expected sale of smaller entities in the Netherlands
- Q3: Return on investment: 0.7%

Other

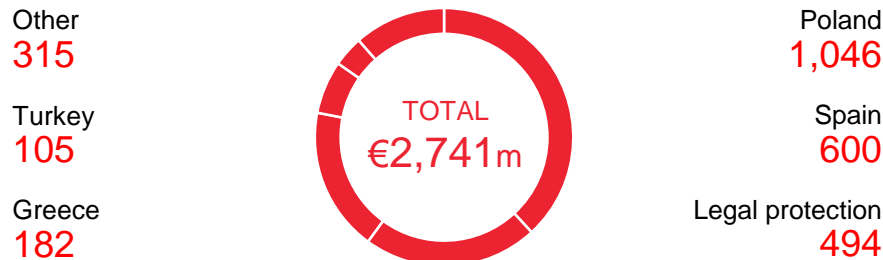
- Q3: High tax ratio driven by non-tax deductible loss in the Netherlands

ERGO International – Property-casualty, including Health¹

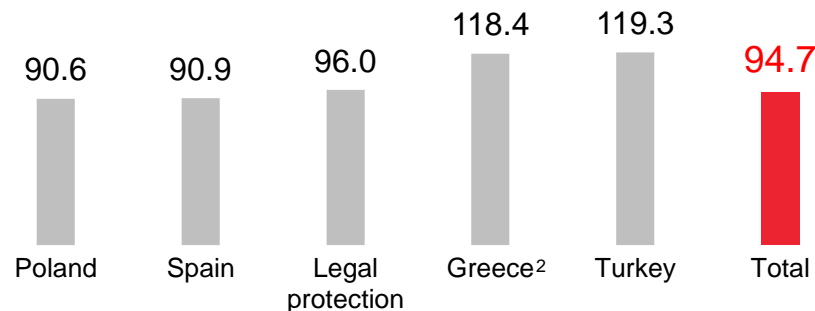
Combined ratio %



Gross premiums written 9M 2018 €m



Combined ratio 9M 2018 %



¹ Only short-term health business. ² Including non-recurring expenses.

Reinsurance

3

Gross premiums written

	€m
9M 2017	10,246
Foreign exchange	-412
Divestments/investments	0
Organic change	-1,855
9M 2018	7,980

- Negative FX effects mainly from US\$
- Termination/restructuring of two large capital relief transactions

Major result drivers

	9M 2018	9M 2017	
Technical result	363	232	▲ 131
Non-technical result	386	238	149
thereof investment result	727	661	66
Other	-146	-173	27
Net result	603	297	307
	Q3 2018	Q3 2017	
Technical result	67	23	▲ 44
Non-technical result	137	78	59
thereof investment result	217	208	9
Other	-46	-42	-3
Net result	159	59	100

Technical result incl. fee income of €419m

- 9M: In aggregate, favourable claims experience, especially in the US
- Q3: Negative impact related to sale of Ellipse and a large single claim in Canada
- Well on track to achieve annual target of ≥€475m

Investment result

- 9M: High regular income supported by deposits retained on assumed re-insurance; disposal gains on equities and fixed income
- Q3: Return on investment: 3.4%

Other

- 9M: FX result of -€4m vs. -€37m, thereof -€9m in Q3
- Q3: Low tax rate of 15.1%

Reinsurance Property-casualty

Gross premiums written

	€m
9M 2017	13,524
Foreign exchange	-825
Divestments/investments	-
Organic change	3,002
9M 2018	15,701

- Negative FX effects mainly from US\$
- Strong growth from new and existing treaties, mainly in motor and property lines

Major result drivers

	9M 2018	9M 2017	
Technical result	1,193	-1,381	▲ 2,574
Non-technical result	406	462	-56
thereof investment result	1,306	1,436	-130
Other	-523	252	-776
Net result	1,076	-667	1,743
	Q3 2018	Q3 2017	▲
Technical result	261	-2,306	2,566
Non-technical result	124	176	-52
thereof investment result	405	479	-74
Other	-234	605	-839
Net result	151	-1,525	1,675

Technical result

- 9M: Benefit from low major losses in Q1
- Q3: Significant nat cat losses (esp. Jebi, Florence) mitigated by positive run-off for prior-year major losses of 5.5%-pts.
- Q3: Elevated basic losses mainly due to larger losses below outlier threshold in North American Risk Solutions business

Investment result

- 9M: Increased regular income; disposal gains mainly from equities
- Q3: Return on investment: 2.7%

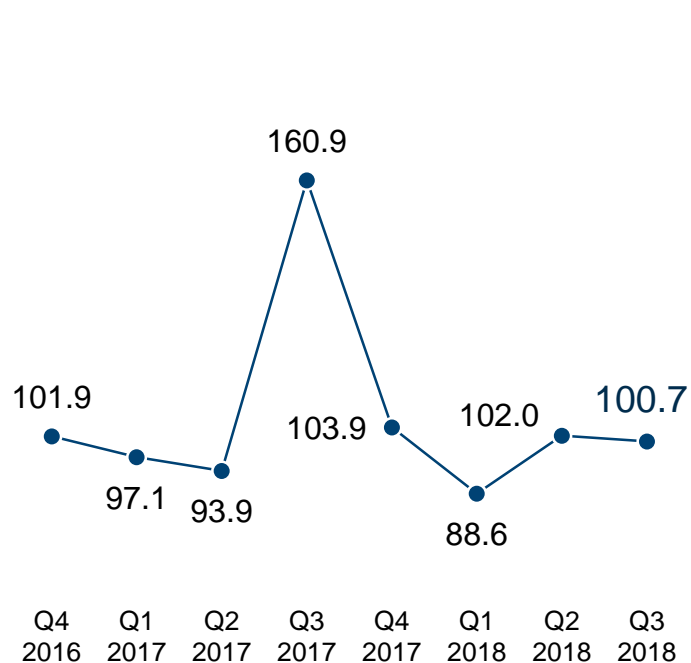
Other

- 9M: FX result of -€80m vs. -€168m, thereof -€81m in Q3
- Q3: Tax rate of 48.8%

Combined ratio

Combined ratio

%



		Basic losses	Major losses	Expenses
2016	95.7	54.2	9.1	32.4
2017	114.1	54.8	25.8	33.5
9M 2018	97.3	54.8	9.3	33.3
Q3 2018	100.7	55.3	12.5	33.0

	Major losses	Nat cat	Man-made	Reserve releases ¹	Normalised combined ratio ²
9M 2018	9.3	4.1	5.2	-4.2	100.1
Q3 2018	12.5	10.5	2.0	-4.0	99.9
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 4%-pts. reserve releases; adjusted for extraordinary commission effect (Q3: 0.4%-pts. / 9M: 0.1%-pts.).

Outlook

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GROUP

Gross premiums written
€48–49bn
 (prev. €46–49bn)

Net result
€2.1–2.5bn

Return on investment
~3%

REINSURANCE

Gross premiums written
~€31bn
 (prev. €29–31bn)

Net result
€1.8–2.2bn

P-C combined ratio¹
~97%

L/H technical result incl. fee income
≥€475m

ERGO

Gross premiums written
€17–18bn

Net result
>€350m
 (prev. €250–300m)

P-C combined ratio
 Germany **~96%** International **~96%**

¹ Expectation for reserve releases in 2018 at least 4%.

Backup

5

Premium development

Gross premiums written

€m

9M 2017  37,004

Foreign exchange  -1,293

Divestments/
investments 0

Organic change  1,393

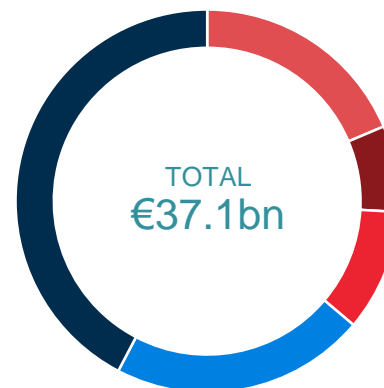
9M 2018  37,104

Segmental breakdown 9M 2018

€m

Reinsurance
Property-casualty
15,701 (42%) (▲ 16.1%)

ERGO
Life and Health Germany
6,911 (19%) (▲ 0.7%)



ERGO
Property-casualty Germany
2,699 (7%) (▲ 3.1%)

Reinsurance
Life and Health
7,980 (22%) (▲ -22.1%)

ERGO
International
3,813 (10%) (▲ 1.7%)

Reconciliation of operating result with net result

Reconciliation of operating result with net result

	9M 2018		Q3 2018
Operating result	3,321		1,040
Other non-operating result	-616		-272
Goodwill impairments	-6		-6
Net finance costs	-146		-45
Taxes	-514		-235
Net result	2,038		483

Other non-operating result (€m)

	9M 2018	Q3 2018	Tax rates (%)	9M 2018	Q3 2018
Foreign exchange	-154	-127	Group	20.2	32.7
Restructuring expenses	-61	-5	Reinsurance	20.6	35.7
Other	-401	-140	ERGO	17.8	26.7

Actual vs. analysts' consensus

Operating result – Actual vs. analysts' consensus¹

	Q3 2018	Consensus	Delta
Reinsurance Life and Health	204	173	31
Reinsurance Property-casualty	384	344	40
ERGO Life and Health Germany	360	96	264
ERGO Property-casualty Germany	34	72	-38
ERGO International	57	74	-17
Operating result	1,040	749	291
FX	-127		
Other	-196		
Taxes	-235		
Net result	483	435	48

Major developments in Q3 2018

Reinsurance Life and Health

Technical result, incl. fee income: €88m;
RoI: 3.4%

Reinsurance Property-casualty

Combined ratio: 100.7% (consensus: 101.2%) –
Major-loss ratio: 12.5%; reserve releases: -4.0%; RoI: 2.7%

ERGO Life and Health Germany

Changed profit-share assumptions: €254m
RoI: 2.1% (lower disposal gains)

ERGO Property-casualty Germany

Combined ratio: 94.7% (consensus: 95.5%)
RoI: 1.2% (lower regular income and disposal gains)

ERGO International

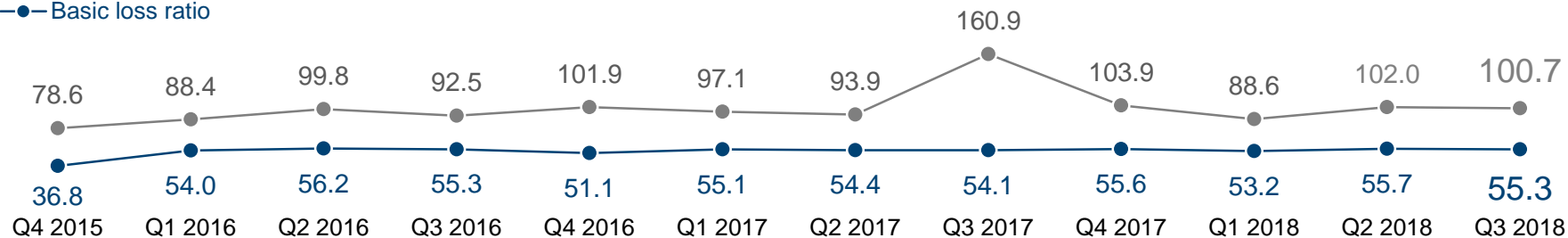
Negative effects from portfolio optimisation – Combined ratio: 93.3%
(consensus: 97.6%); RoI: 0.7% (net disposal loss)

Development of combined ratio

Combined ratio vs. basic losses

%

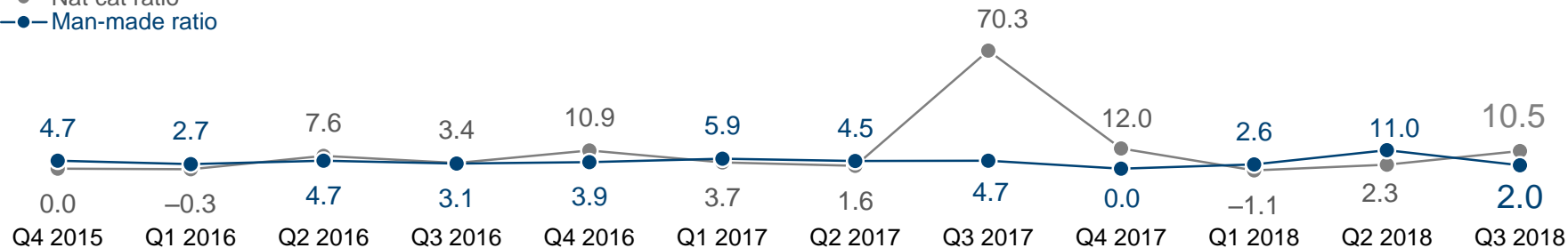
—●— Combined ratio
—●— Basic loss ratio



Nat cat vs. man-made

%

—●— Nat cat ratio
—●— Man-made ratio



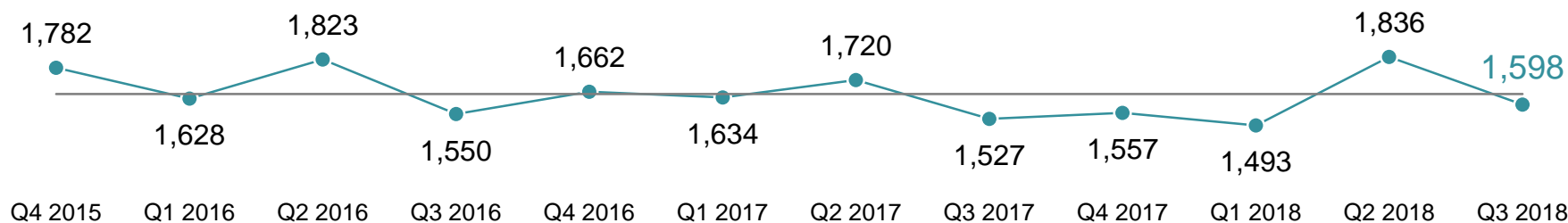
Breakdown of regular income

Investment result – Regular income (€m)

	Q3 2018	9M 2018	9M 2017	Change
Afs fixed-interest	727	2,139	2,224	–85
Afs non-fixed-interest	100	515	499	16
Derivatives	40	107	83	24
Loans	474	1,417	1,451	–33
Real estate	121	362	311	50
Deposits retained on assumed reinsurance and other investments	136	386	313	73
Total	1,598	4,927	4,881	46

€m

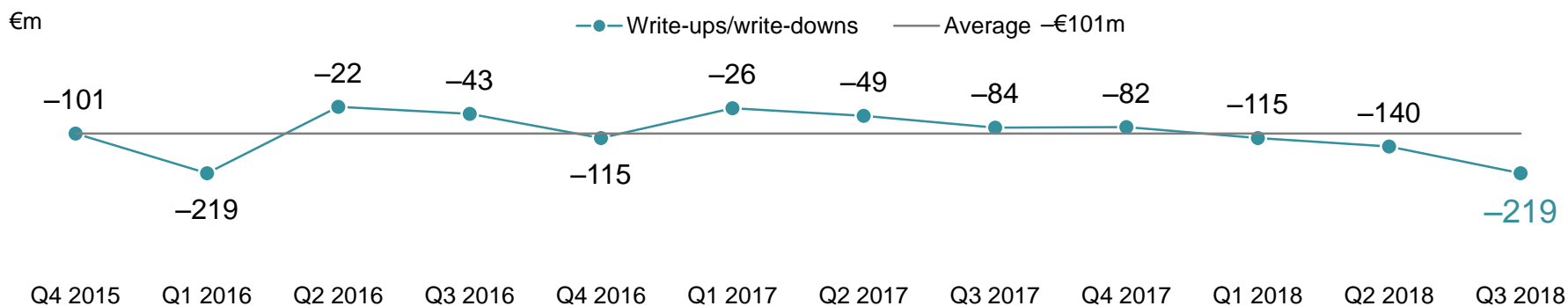
—●— Regular income — Average €1,651m



Breakdown of write-ups/write-downs

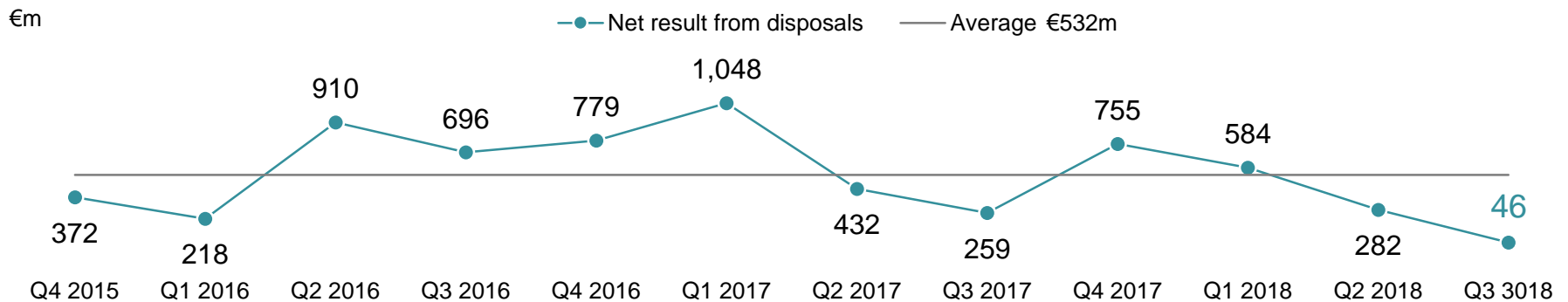
Investment result – Write-ups/write-downs (€m)

	Q3 2018	9M 2018	9M 2017	Change
Afs fixed-interest	0	-3	-5	2
Afs non-fixed-interest	-151	-314	-72	-241
Loans	0	-2	1	-3
Real estate	14	-30	-99	70
Deposits retained on assumed reinsurance and other investments	-82	-126	16	-142
Total	-219	-475	-160	-315



Breakdown of net result from disposals

Investment result – Net result from disposal of investments (€m)	Q3 2018	9M 2018	9M 2017	Change
Afs fixed-interest	15	261	307	-47
Afs non-fixed-interest	88	434	702	-268
Loans	0	192	720	-529
Real estate	0	43	6	37
Deposits retained on assumed reinsurance and other investments	-56	-17	4	-21
Total	46	912	1,739	-827

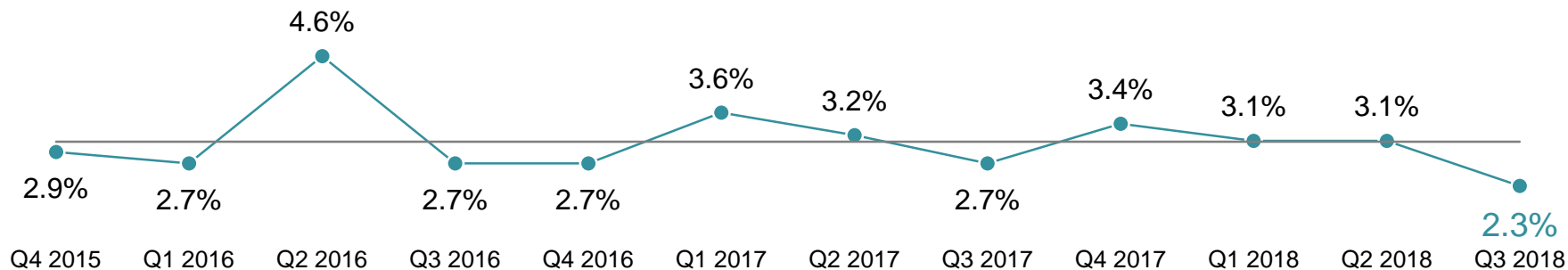


Return on investment by asset class and segment

9M 2018

% ¹	Regular income	Write-ups/-downs	Disposal result	Extraord. derivative result	Other inc./exp.	RoI	Market value (€m)
Afs fixed-income	2.3	0.0	0.3	0.0	0.0	2.6	124,872
Afs non-fixed-income	4.0	-2.4	3.3	0.0	0.0	4.9	17,304
Derivatives	8.0	0.0	0.0	-1.1	0.0	6.5	1,776
Loans	2.9	0.0	0.4	0.0	0.0	3.3	64,745
Real estate	5.6	-0.5	0.7	0.0	0.0	5.8	8,576
Other ²	3.7	-1.2	-0.2	0.0	0.0	-2.3	13,749
Total	2.8	-0.3	0.5	0.0	-0.3	2.8	231,022
Reinsurance	2.9	-0.4	0.8	0.2	-0.3	3.1	86,114
ERGO	2.8	-0.2	0.4	-0.1	-0.2	2.6	144,908

—●— Return on investment — Average 3.1%



Investment result by segment

Reinsurance Life and Health (€m)	Q3 2018	Return ¹	9M 2018	Return ¹	9M 2017	Return ¹
Regular income	184	2.9%	560	2.9%	579	2.9%
Write-ups/write-downs	-15	-0.2%	-41	-0.2%	-10	-0.1%
Disposal gains/losses	32	0.5%	230	1.2%	125	0.6%
Derivatives ²	33	0.5%	24	0.1%	12	0.1%
Other income/expenses	-16	-0.2%	-46	-0.2%	-44	-0.2%
Investment result	217	3.4%	727	3.8%	661	3.3%
Average market value		25,574		25,600		26,527

Reinsurance Property-casualty (€m)	Q3 2018	Return ¹	9M 2018	Return ¹	9M 2017	Return ¹
Regular income	426	2.8%	1,314	2.9%	1,239	2.6%
Write-ups/write-downs	-133	-0.9%	-233	-0.5%	-54	-0.1%
Disposal gains/losses	40	0.3%	294	0.6%	374	0.8%
Derivatives ²	128	0.8%	99	0.2%	32	0.1%
Other income/expenses	-56	-0.4%	-169	-0.4%	-154	-0.3%
Investment result	405	2.7%	1,306	2.9%	1,436	3.0%
Average market value		61,042		60,514		63,502

Investment result by segment

ERGO Life and Health Germany (€m)

	Q3 2018	Return ¹	9M 2018	Return ¹	9M 2017	Return ¹
Regular income	850	2.8%	2,649	2.9%	2,643	2.9%
Write-ups/write-downs	-64	-0.2%	-164	-0.2%	-85	-0.1%
Disposal gains/losses	28	0.1%	368	0.4%	1,147	1.3%
Derivatives ^{2,3}	-89	-0.3%	-123	-0.1%	-384	-0.4%
Other income/expenses	-87	-0.3%	-236	-0.3%	-191	-0.2%
Investment result	638	2.1%	2,494	2.8%	3,130	3.5%
Average market value		120,097		120,438		120,806

ERGO Property-casualty Germany (€m)

	Q3 2018	Return ¹	9M 2018	Return ¹	9M 2017	Return ¹
Regular income	37	2.1%	113	2.1%	121	2.4%
Write-ups/write-downs	-8	-0.5%	-19	-0.4%	-6	-0.1%
Disposal gains/losses	2	0.1%	24	0.5%	47	0.9%
Derivatives ²	-4	-0.2%	-6	-0.1%	-15	-0.3%
Other income/expenses	-6	-0.3%	-15	-0.3%	-11	-0.2%
Investment result	21	1.2%	98	1.8%	137	2.7%
Average market value		7,126		7,083		6,857

¹ Return on quarterly weighted investments (market values) in % p.a. ² Result from derivatives without regular income and other income/expenses.

³ Thereof interest-rate hedging ERGO: Q3 -€17m/-€2m (gross/net); 9M -€12m/-€2m (gross/net).

Investment result by segment

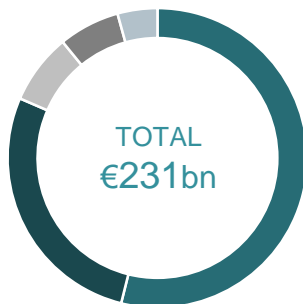
ERGO International (€m)	Q3 2018	Return¹	9M 2018	Return¹	9M 2017	Return¹
Regular income	102	2.4%	292	2.2%	300	2.3%
Write-ups/write-downs	2	0.0%	-17	-0.1%	-5	0.0%
Disposal gains/losses	-56	-1.3%	-4	0.0%	46	0.4%
Derivatives ²	-12	-0.3%	-10	-0.1%	-56	-0.4%
Other income/expenses	-7	-0.2%	-20	-0.2%	-21	-0.2%
Investment result	30	0.7%	241	1.8%	264	2.1%
Average market value		17,371		17,387		17,096

Investment portfolio

Fixed-interest securities and miscellaneous

Investment portfolio

Miscellaneous
6.6 (6.2)



Loans
27.6 (28.2)

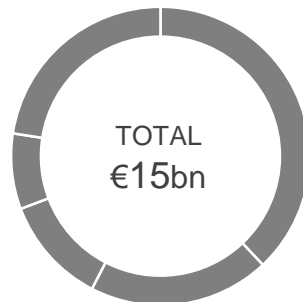
Miscellaneous

Other
23 (21)

Derivatives²
8 (7)

Investment funds³
12 (10)

Bank deposits
20 (22)



Fixed-interest securities
53.9 (54.9)

%

Fixed-interest securities¹

Structured products
3 (3)

Corporates
18 (17)

Banks
2 (2)

Pfandbriefe/Covered bonds
13 (14)



Governments/
Semi-government
63 (64)

Cash/Other
0 (0)

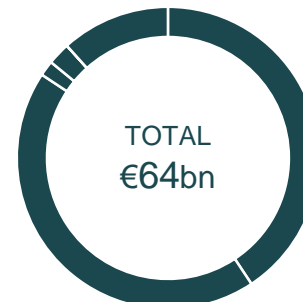
%

Loans¹

Loans to policyholders/
mortgage loans
12 (11)

Corporates
2 (2)

Banks
2 (3)



Governments/
Semi-government
41 (41)

Pfandbriefe/
Covered bonds
44 (44)

%

¹ Approximation – not fully comparable with IFRS figures. Fair values as at 30.9.2018 (31.12.2017).

² Non-fixed derivatives. ³ Non-fixed property funds and non-fixed bond funds

Fixed-income portfolio

Total

Fixed-income portfolio

%

Bank bonds
2 (2)

Structured products
2 (2)

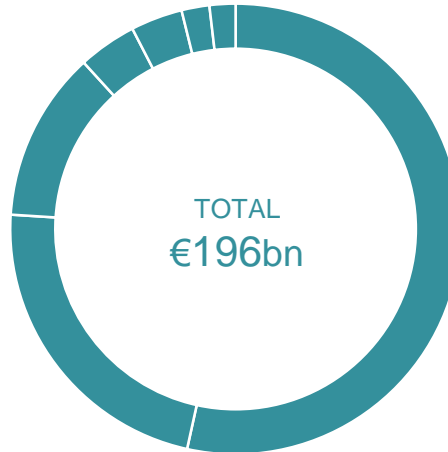
Loans to policyholders/
mortgage loans
4 (3)

Cash/other
4 (4)

Corporate bonds
12 (11)

Pfandbriefe/covered bonds
23 (23)

Governments/
Semi-government
53 (54)



Fixed-income portfolio

Total

Rating structure



Maturity structure



Regional breakdown

	Without policyholder participation	With	Total	%
			30.9.2018	31.12.2017
Germany	4.9	23.4	28.3	28.3
US	12.8	1.4	14.2	14.5
France	2.4	5.5	7.8	8.0
UK	2.6	2.1	4.8	5.1
Canada	4.0	0.5	4.5	4.4
Netherlands	1.4	3.1	4.5	4.3
Supranationals	0.7	3.2	4.0	3.9
Spain	1.0	1.9	2.9	3.0
Australia	2.2	0.5	2.7	2.7
Austria	0.4	2.0	2.4	2.3
Belgium	0.6	1.6	2.3	2.2
Ireland	0.8	1.4	2.1	2.1
Italy	0.7	1.2	1.9	2.3
Poland	1.1	0.5	1.6	1.5
Sweden	0.2	1.3	1.5	1.5
Other	7.1	7.4	14.5	13.8
Total	42.9	57.1	100.0	100.0

Fixed-income portfolio

Governments/semi-government

Rating structure



Maturity structure



Regional breakdown

	Without policyholder participation	With policyholder participation	Total 30.9.2018	Total 31.12.2017
Germany	3.8	21.9	25.6	25.6
US	14.6	1.0	15.6	16.1
Supranationals	1.3	6.0	7.4	7.3
Canada	5.7	0.5	6.2	6.0
France	1.7	2.2	3.9	4.1
Belgium	0.9	2.8	3.8	3.7
Spain	1.3	2.4	3.7	4.2
Australia	3.4	0.0	3.5	3.3
Austria	0.5	2.7	3.2	3.0
Poland	2.1	1.0	3.0	2.7
UK	2.4	0.0	2.5	3.0
Italy	0.9	1.5	2.4	3.0
Finland	0.3	1.8	2.1	2.1
Netherlands	0.7	1.3	2.0	2.0
Ireland	0.4	1.3	1.7	1.9
Other	7.8	5.6	13.4	12.0
Total	48.0	52.0	100.0	100.0

Fixed-income portfolio

Pfandbriefe/covered bonds

Rating structure



Maturity structure



Regional breakdown

	30.9.2018	31.12.2017
Germany	37.4	37.1
France	19.4	20.0
UK	8.4	8.6
Netherlands	8.0	8.0
Sweden	6.1	6.1
Norway	5.9	5.9
Spain	2.0	2.1
Italy	1.1	1.0
Ireland	0.3	0.3
Other	11.3	11.1

Cover pools

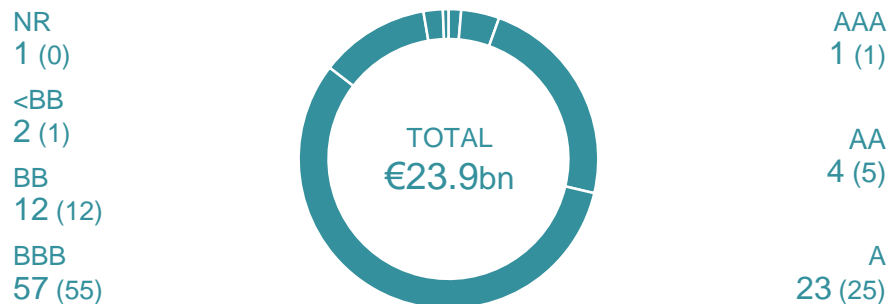




Fixed-income portfolio

Corporate bonds (excluding bank bonds)

Rating structure



Maturity structure



Regional breakdown

	30.9.2018	31.12.2017
Utilities	15.6	16.5
Industrial goods and services	14.1	13.6
Oil and gas	11.5	11.1
Financial services	8.5	8.0
Telecommunications	8.0	9.1
Healthcare	6.6	7.1
Technology	4.5	5.7
Food and beverages	4.1	4.1
Media	3.8	3.4
Personal and household goods	3.8	3.7
Construction	3.6	2.9
Retail	3.5	3.3
Chemicals	3.4	1.9
Other	9.1	9.7

Fixed-income portfolio

Bank bonds

Rating structure



Maturity structure



Regional breakdown

	Senior bonds	Subordinated	Loss-bearing	Total	
				30.9.2018	31.12.2017
US	35.9	6.9	0.7	43.5	39.2
Germany	5.5	1.2	4.5	11.2	20.7
UK	7.6	0.5	0.4	8.4	7.3
Ireland	8.1	0.2	0.0	8.3	7.7
Canada	4.9	0.4	0.0	5.3	3.3
France	2.4	0.8	1.4	4.6	4.7
Guernsey island	2.5	0.0	0.0	2.5	1.1
Belgium	2.0	0.0	0.0	2.0	1.5
Australia	1.6	0.0	0.0	1.6	1.1
Other	9.9	2.6	0.1	12.6	13.3

Investment category of bank bonds





Fixed-income portfolio

Structured products

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

%

		Rating					Region		Total Market-to-pair		
		AAA	AA	A	BBB	<BBB	NR	USA + RoW			Europe
ABS	Consumer-related ABS ¹	188	107	42	27	0	0	218	145	363	100%
	Corporate-related ABS ²	6	5	323	41	0	0	0	375	375	100%
	Subprime HEL	0	1	0	0	0	0	1	0	1	98%
CDO/ CLN	Subprime-related	0	0	0	0	0	0	0	0	0	0%
	Non-subprime-related	492	1,092	102	33	0	19	621	1,117	1,738	100%
MBS	Agency	759	31	0	0	0	0	789	0	789	101%
	Non-agency prime	13	60	19	0	0	0	1	90	91	101%
	Non-agency other (not subprime)	78	44	4	0	0	0	22	103	125	100%
	Commercial MBS	356	30	0	7	0	35	360	68	428	100%
Total 30.9.2018		1,891	1,369	489	107	0	54	2,013	1,897	3,911	100%
In %		48%	35%	13%	3%	0%	1%	51%	49%	100%	
Total 31.12.2017		1,915	1,218	422	138	0	15	1,936	1,771	3,708	101%

Sensitivities to interest rates, spreads and equity markets

Sensitivity to risk-free interest rates – basis points

	–50	–25	+50	+100
Change in gross market value (€bn)	+7.7	+3.8	–7.1	–13.5
Change in on-balance-sheet reserves, net (€bn) ¹	+1.7	+0.9	–1.6	–3.1
Change in off-balance-sheet reserves, net (€bn) ¹	+0.4	+0.2	–0.3	–0.6
P&L impact (€bn) ¹	–0.0	–0.0	+0.0	+0.0

Sensitivity to spreads² (change in basis points)

		+50	+100
Change in gross market value (€bn)		–5.2	–10.0
Change in on-balance-sheet reserves, net (€bn) ¹		–1.1	–2.1
Change in off-balance-sheet reserves, net (€bn) ¹		–0.2	–0.5
P&L impact (€bn) ¹		–0.1	–0.1

Sensitivity to equity and commodity markets³

	–30%	–10%	+10%	+30%
EURO STOXX 50 (3,399 as at 30.9.2018)	2,379	3,059	3,739	4,419
Change in gross market value (€bn)	–5.7	–1.9	+1.9	+6.0
Change in on-balance-sheet reserves, net (€bn) ¹	–1.3	–0.5	+1.0	+3.1
Change in off-balance-sheet reserves, net (€bn) ¹	–0.8	–0.3	+0.3	+0.8
P&L impact (€bn) ¹	–1.9	–0.6	+0.0	+0.2

¹ Rough calculation with limited reliability assuming unchanged portfolio as at 30.9.2018. 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-interest securities, except government securities with AAA ratings. ³ Worst-case scenario assumed including commodities: impairment as soon as market value is below acquisition cost. Approximation – not fully comparable with IFRS figures.

On- and off-balance-sheet reserves (gross)

€m	31.12.2016	31.12.2017	30.6.2018	30.9.2018	▲ in Q3
Market value of investments	238,490	231,885	231,150	231,271	121
Total reserves	28,496	25,395	22,382	22,389	7
On-balance-sheet reserves					
Fixed-interest securities	8,649	7,622	5,955	4,903	-1,052
Non-fixed-interest securities	2,924	3,261	2,632	2,991	359
Other on-balance-sheet reserves ¹	186	189	192	175	-17
Subtotal	11,759	11,072	8,778	8,068	-710
Off-balance-sheet reserves					
Real estate ²	2,413	2,744	2,809	4,276	1,467
Loans ³	13,591	10,788	10,011	9,138	-873
Associates	733	792	784	907	123
Subtotal	16,738	14,323	13,604	14,321	717
Reserve ratio %	11.9%	11.0%	9.7%	9.7%	

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

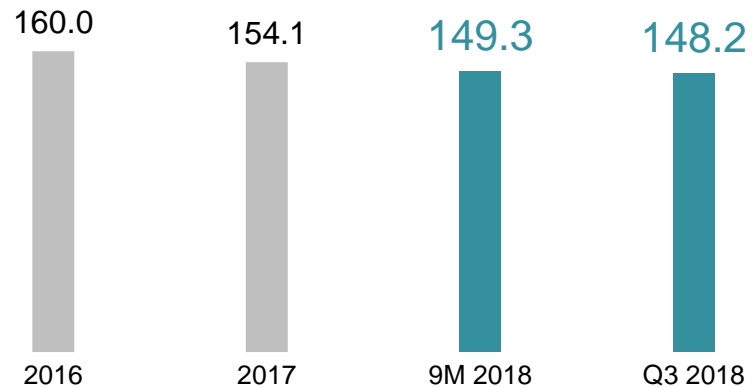
€m	On-balance-sheet reserves	Off-balance-sheet reserves ¹
Total reserves (gross)	8,068	14,321
Provision for deferred premium refunds	–3,801	–8,199
Deferred tax	–763	–1,849
Minority interests	–3	0
Consolidation and currency effects	–203	0
Shareholders' stake	3,299	4,274

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

Changes to shares in circulation

Shares (millions)	31.12. 2017	Acquisition of own shares in 9M 2018	Retirement of own shares in 9M 2018	30.9. 2018
Shares in circulation	151.3	-3.4	-	147.9
Own shares held	3.8	3.4	-5.5	1.6
Total	155.0	-	-5.5	149.5

Weighted average number of shares in circulation (millions)



Financial calendar

2019

- 6 FEBRUARY** Preliminary key figures 2018 and renewals
- 20 MARCH** Balance sheet press conference for 2018 financial statements
Analysts' call
- 30 APRIL** Annual General Meeting 2019
- 8 MAY** Quarterly statement as at 31 March 2019
- 7 AUGUST** Half-year financial report as at 30 June 2019
- 7 NOVEMBER** Quarterly statement as at 30 September 2019

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