

Image: Getty Images/Stop

Half-year financial report as at 30 June 2017

9 August 2017

Jörg Schneider

| | | | | | |
|---|-------------------|----|---|--------|----|
| 1 | Munich Re (Group) | 2 | 5 | Backup | 21 |
| 2 | ERGO | 7 | | | |
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Well on track to meet annual guidance

Munich Re (Group)

Net result

€733m (H1: €1,290m)

Benign major losses and low tax burden overcompensate for negative currency contribution

Return on investment¹

3.2% (H1: 3.5%)

Solid investment result – Regular income supported by dividend seasonality

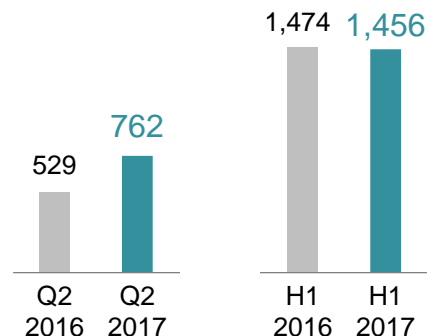
Shareholders' equity

€30.1bn (–6.3% vs. 31.3.)

Sound capitalisation – Solvency II ratio up to 261%

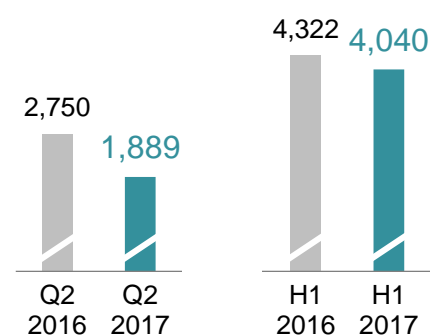
Technical result

€m



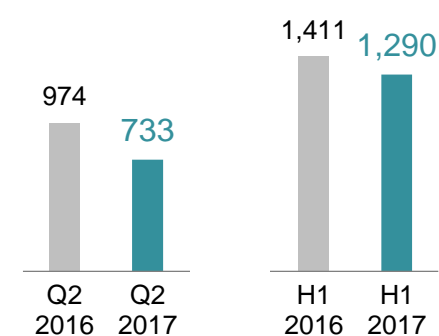
Investment result

€m



Net result

€m



Q2 2017 (H1 2017)

Reinsurance

Life and Health: Technical result incl. fee income: €77m (H1: €234m) – reduced annual guidance to ~€400m

Property-casualty: Combined ratio: 93.9% (H1: 95.5%) – Major-loss ratio: 6.0% (H1: 7.8%)

July renewals:
Price change: –0.4%, exposure change: +16.6%

ERGO

Life and Health Germany:
Return on investment: 3.4% (H1: 3.9%)

Property-casualty Germany:
Combined ratio: 92.7% (H1: 95.8%)

International:
Combined ratio: 98.7% (H1: 97.5%)

IFRS capital position

Equity

| | €m | | €m |
|-------------------------|--------|--|-----------|
| Equity 31.12.2016 | 31,785 | | Change Q2 |
| Consolidated result | 1,290 | | 733 |
| Changes | | | |
| Dividend | -1,333 | | -1,333 |
| Unrealised gains/losses | 3 | | -219 |
| Exchange rates | -1,069 | | -967 |
| Share buy-backs | -471 | | -145 |
| Other | -66 | | -89 |
| Equity 30.6.2017 | 30,139 | | -2,021 |

Unrealised gains/losses

Fixed-interest securities

H1: -€17m Q2: €32m

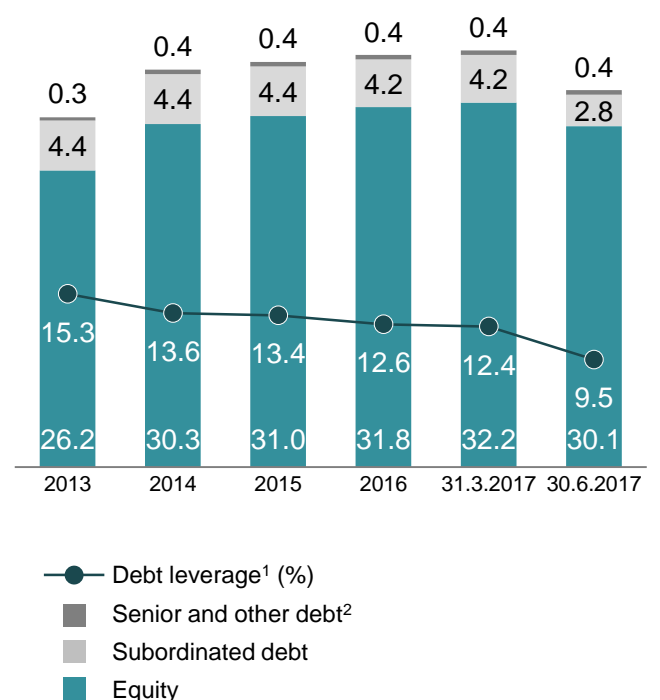
Non-fixed-interest securities

H1: €28m Q2: -€249m

Exchange rates

FX effect mainly driven by US\$

Capitalisation



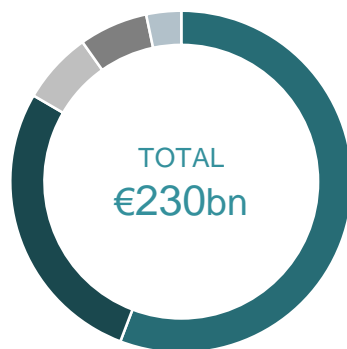
¹ Strategic debt (senior, subordinated and other debt) divided by total capital (strategic debt + equity).

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

Investment portfolio

Investment portfolio¹

| | |
|---|-------------|
| Land and buildings | 3.3 (2.9) |
| Miscellaneous ² | 6.5 (6.2) |
| Shares, equity funds and participating interests ³ | 6.8 (6.1) |
| Loans | 27.6 (28.5) |



Fixed-interest securities
55.8 (56.3)

%

Portfolio management in Q2

- Reduction of short-term fixed-income investments to finance capital repatriation and redemption of subordinated bond
- Reduction of covered bonds to finance ZZR in German primary life
- Further increase of equity exposure by lowering hedging position
- Investments in infrastructure (parking)

Portfolio duration¹

| | Assets | | Liabilities | | DV01 ^{1,4} | Assets | | Liabilities | | Net |
|-------------------|-----------|--|-------------|------------|---------------------|-----------|--|-------------|-----------|-----|
| | | | | | | | | | | |
| Reinsurance | 5.8 (5.9) | | | 5.0 (4.6) | | 41 (45) | | | 44 (43) | -3 |
| ERGO | 8.7 (9.3) | | | 9.8 (10.6) | | 111 (121) | | | 125 (143) | -14 |
| Munich Re (Group) | 7.6 (8.0) | | | 7.8 (8.1) | | 152 (166) | | | 169 (185) | -17 |

¹ Fair values as at 30.6.2017 (31.12.2016). 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: 6.0% (5.0%). 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) | Q1 2017 | Return ¹ | Q2 2017 | Return ¹ | H1 2017 | Return ¹ | H1 2016 | Return ¹ |
|--------------------------|--------------|---------------------|--------------|---------------------|--------------|---------------------|--------------|---------------------|
| Regular income | 1,634 | 2.8% | 1,720 | 3.0% | 3,354 | 2.9% | 3,451 | 3.0% |
| Write-ups/write-downs | -26 | -0.0% | -49 | -0.1% | -76 | -0.1% | -242 | -0.2% |
| Disposal gains/losses | 1,048 | 1.8% | 432 | 0.7% | 1,480 | 1.3% | 1,128 | 1.0% |
| Derivatives ² | -362 | -0.6% | -87 | -0.1% | -449 | -0.4% | 251 | 0.2% |
| Other income/expenses | -143 | -0.2% | -127 | -0.2% | -270 | -0.2% | -266 | -0.2% |
| Investment result | 2,151 | 3.6% | 1,889 | 3.2% | 4,040 | 3.5% | 4,322 | 3.7% |
| Total return | | -0.3% | | 0.8% | | 0.2% | | 11.0% |

| 3-month reinvestment yield | Q2 2017 | Write-ups/ write-downs | Disposal gains/losses | Derivatives | H1 2017 | Write-ups/ write-downs | Disposal gains/losses | Derivatives |
|-------------------------------|---------------------------|---------------------------|--------------------------|-------------|---------------------------|---------------------------|--------------------------|-------------|
| Q2 2017 1.8% | Fixed income ³ | -3 | 185 | -15 | Fixed income ³ | -2 | 913 | -133 |
| | Equities | -19 | 248 | -47 | Equities | -35 | 560 | -278 |
| Q1 2017 2.0% | Commodities/Inflation | -3 | | -6 | Commodities/Inflation | 28 | | -25 |
| Q4 2016 1.8% | Other | -25 | -1 | -18 | Other | -67 | 7 | -12 |

¹ Annualised return on quarterly weighted investments (market values) in %. Impact from dividends on regular income 0.5%-pts in Q2 and 0.2%-pts in Q1.

² Result from derivatives without regular income and other income/expenses. ³ Thereof interest-rate hedging ERGO: Q2 -€8m/-€3m (gross/net); H1 -€138m/-€17m (gross/net).

ERGO

2

ERGO Life and Health Germany

Gross premiums written

| | €m |
|-------------------------|--------------|
| H1 2016 | 4,520 |
| Foreign exchange | -7 |
| Divestments/investments | 0 |
| Organic change | 54 |
| H1 2017 | 4,568 |

- Life: -€31m
Decline in regular premiums from ordinary attrition, while single premiums mainly decreased due to lower product sales
- Health: +€75m
Positive development in supplementary and comprehensive insurance driven by premium adjustments

Major result drivers

| | H1 2017 | H1 2016 | |
|---------------------------|--------------------|--------------------|-----------|
| Technical result | 210 | 202 | ▲ 8 |
| Non-technical result | 119 | 322 | -203 |
| thereof investment result | 2,356 | 2,803 | -447 |
| Other | -216 | -455 | 239 |
| Net result | 113 | 69 | 44 |
| | Q2 2017 | Q2 2016 | ▲ |
| Technical result | 108 | 119 | -11 |
| Non-technical result | 48 | 227 | -179 |
| thereof investment result | 1,020 | 1,538 | -518 |
| Other | -106 | -291 | 185 |
| Net result | 50 | 55 | -5 |

Technical result

- H1: Increase driven by Health due to premium adjustments in Q2 and lower costs

Investment result

- H1: Result decreased due to significantly lower derivatives result (mainly interest-rate hedging)
- Q2: Lower disposal gains (financing of ZZR mainly in Q1 2017)
- Q2: Return on investment: 3.4%

Other

- Q2: Positive effect from tax refund
- Q2: Restructuring expenses in Q2 2016

ERGO Property-casualty Germany (1)

Gross premiums written

| | €m |
|-------------------------|--------------|
| H1 2016 | 1,865 |
| Foreign exchange | -4 |
| Divestments/investments | 0 |
| Organic change | 36 |
| H1 2017 | 1,897 |

- Positive premium development in almost all lines of business
- Organic growth mainly driven by marine and fire/property

Major result drivers

| | H1 2017 | H1 2016 | ▲ |
|----------------------|------------|------------|------------|
| Technical result | 90 | 84 | 6 |
| Non-technical result | 53 | -46 | 99 |
| thereof | | | |
| investment result | 98 | 8 | 90 |
| Other | -83 | -130 | 48 |
| Net result | 61 | -92 | 153 |
| | | | |
| | Q2 2017 | Q2 2016 | ▲ |
| Technical result | 74 | 69 | 5 |
| Non-technical result | 25 | 2 | 23 |
| thereof | | | |
| investment result | 50 | 23 | 26 |
| Other | -51 | -139 | 88 |
| Net result | 48 | -68 | 116 |

Technical result

- Q2: Combined ratio of 92.7% below annual guidance
- Loss ratio (60.2%) at low level due to favourable claims experience thus far
- Expense ratio (32.5%) driven by lower strategic investments and lower general expenses

Investment result

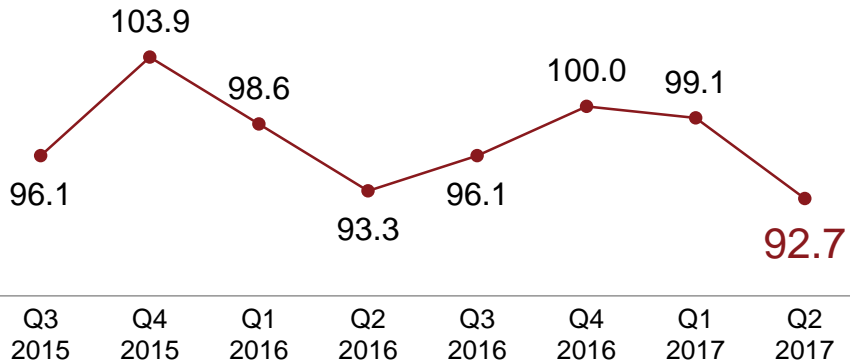
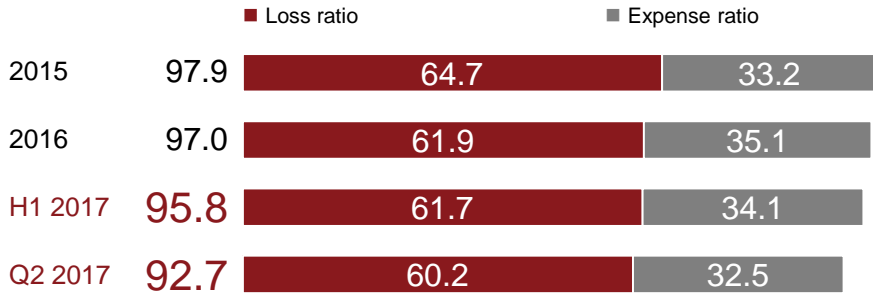
- H1: Disposal losses and equity impairments in H1 2016
- Q2: Return on investment: 2.9%

Other

- Q2: Positive effect from tax refund
- Q2: Restructuring expenses in Q2 2016

ERGO Property-casualty Germany (2)

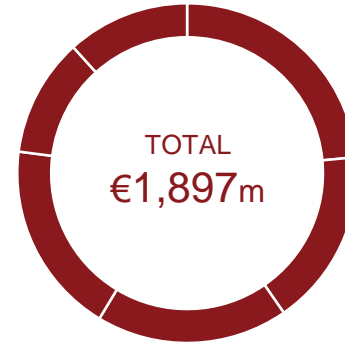
Combined ratio %



Gross premiums written €m

Other 222 Motor 446

Legal protection 214



Personal accident 320

Fire/property 349

Liability 349

Gross premiums written €m

| | | |
|-------------------------|---|--------------|
| H1 2016 |  | 2,607 |
| Foreign exchange | | 2 |
| Divestments/investments |  | -84 |
| Organic change |  | 30 |
| H1 2017 |  | 2,555 |

- Life: -€240m
Italy: Sale of entity in Q2 2016
Less new business in Poland and Austria
- P-C: +€162m
Increase mainly driven by motor business in Poland and ATE acquisition
- Health: +€27m
Growth across all countries, especially due to premium adjustments

Major result drivers

| | H1 2017 | H1 2016 | |
|------------------------------|------------|------------|-----------|
| Technical result | 23 | 1 | ▲ 22 |
| Non-technical result | 34 | 107 | -73 |
| thereof investment result | 176 | 321 | -145 |
| Other | -35 | -114 | 78 |
| Net result | 22 | -6 | 27 |
| | Q2 2017 | Q2 2016 | |
| Technical result | -22 | -28 | ▲ 6 |
| Non-technical result | 27 | 74 | -47 |
| thereof investment result | 102 | 180 | -78 |
| Other | 0 | -50 | 50 |
| Net result | 5 | -4 | 10 |

Technical result

- Q2: Good result in P-C and Health – Negative result in Life mainly from Belgium
- Q2: After strong Q1 2017 combined ratio on level of annual guidance of ~98% – Positive impact from tariff increases in Poland

Investment result

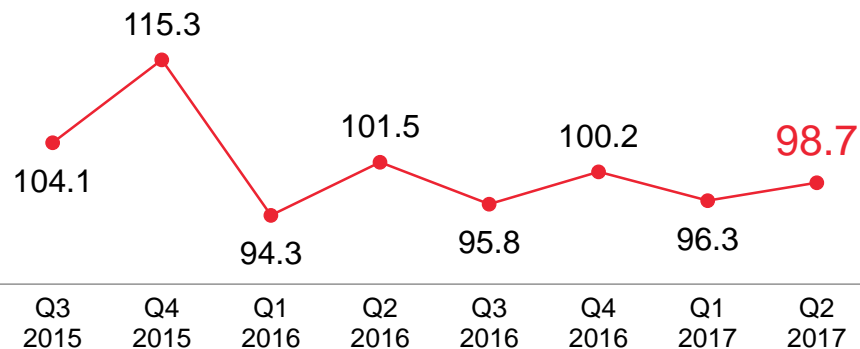
- H1: Lower derivative result and regular income (lower asset base due to disposal of Italian entity in 2016)
- Q2: Return on investment: 2.4%

Other

- Q2: Positive effect from tax refund
- H1: Several one-offs in 2016

ERGO International – Property-casualty, including Health

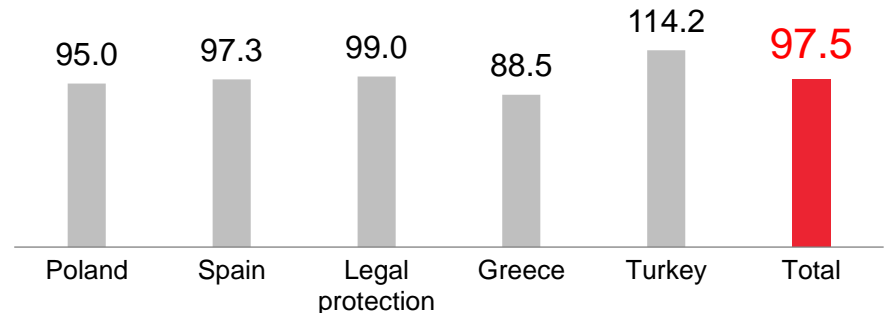
Combined ratio¹ %



Gross premiums written €m



Combined ratio H1 2017¹ %



Reinsurance

3

Reinsurance Life and Health

Gross premiums written

| | €m |
|-------------------------|--------------|
| H1 2016 | 6,329 |
| Foreign exchange | 128 |
| Divestments/investments | 0 |
| Organic change | 467 |
| H1 2017 | 6,924 |

- Positive FX effects driven by Can\$ and US\$
- Business growth in Australia, Asia and Canada, as well as from large capital-relief transactions

Major result drivers

| | H1 2017 | H1 2016 | ▲ |
|------------------------------|--------------------|--------------------|-------------|
| Technical result | 209 | 143 | 66 |
| Non-technical result | 159 | 71 | 88 |
| thereof investment result | 453 | 335 | 118 |
| Other | -131 | 23 | -154 |
| Net result | 237 | 237 | 0 |
| | Q2 2017 | Q2 2016 | ▲ |
| Technical result | 64 | 80 | -15 |
| Non-technical result | 112 | 132 | -20 |
| thereof investment result | 231 | 255 | -23 |
| Other | -64 | 2 | -66 |
| Net result | 112 | 213 | -102 |

Technical result, incl. fee income of €234m

- Q2 technical result below expectations due to
- Loss from recapture in the US
 - Several largely offsetting one-off effects within normal range of random fluctuations, e.g. increased mortality claims in a small part of the US life book and in Asia as well as reserve strengthening in US health
 - Annual guidance (incl. fee income) lowered to ~€400m

Investment result

- H1: High regular income supported by deposits retained on assumed reinsurance
- Disposal gains on equities and fixed income
- Q2: Return on investment: 3.4%

Other

- H1: FX result of -€26m vs. €77m, thereof -€20m in Q2

Reinsurance Property-casualty

| Gross premiums written | €m |
|-------------------------|-------|
| H1 2016 | 9,117 |
| Foreign exchange | 153 |
| Divestments/investments | 0 |
| Organic change | -489 |
| H1 2017 | 8,781 |

- Positive FX effects mainly driven by US\$
- Cancellation/modification of large treaties especially in agro, fire and liability

| Major result drivers | €m | | |
|------------------------------|------------|--------------|-------------|
| | H1 2017 | H1 2016 | ▲ |
| Technical result | 925 | 1,044 | -120 |
| Non-technical result | 286 | 260 | 26 |
| thereof investment result | 957 | 855 | 102 |
| Other | -353 | -101 | -252 |
| Net result | 858 | 1,203 | -345 |
| | Q2 2017 | Q2 2016 | ▲ |
| Technical result | 537 | 289 | 248 |
| Non-technical result | 182 | 498 | -316 |
| thereof investment result | 487 | 754 | -267 |
| Other | -202 | -10 | -193 |
| Net result | 517 | 778 | -261 |

Technical result

- Major loss ratio of 6.0% in Q2 (H1: 7.8%) significantly below expectations
- Elevated expense ratio of 33.5% in Q2 due to true-ups from prior years (1.6%-pts)

Investment result

- H1: Stable regular income, seasonal dividend payments in Q2
- H1: Less disposal gains, improved derivative result
- Q2: Return on investment: 3.1%

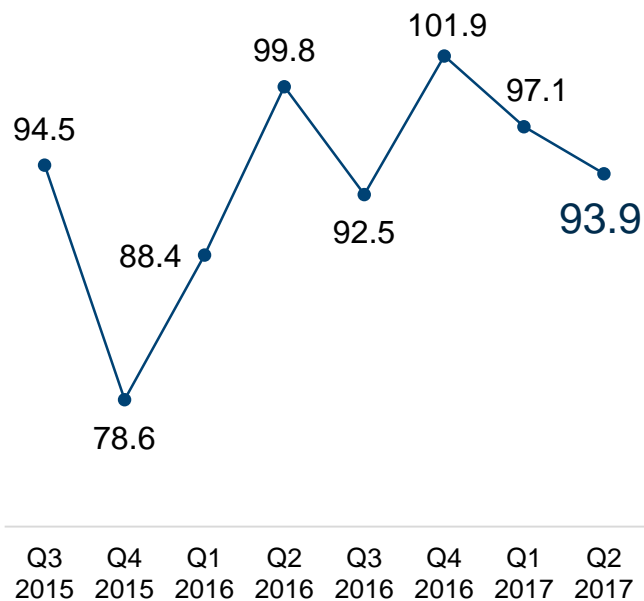
Other

- H1: FX result of -€129m vs. €268m, thereof -€127m in Q2

Combined ratio

Combined ratio

%



| | | Basic losses | Major losses | Expense ratio |
|---------|------|--------------|--------------|---------------|
| 2015 | 89.7 | 50.8 | 6.2 | 32.6 |
| 2016 | 95.7 | 54.2 | 9.1 | 32.4 |
| H1 2017 | 95.5 | 54.7 | 7.8 | 33.0 |
| Q2 2017 | 93.9 | 54.4 | 6.0 | 33.5 |

| | Major losses | Nat cat | Man-made | Reserve releases ¹ | Normalised combined ratio ² |
|----------------------|--------------|---------|----------|-------------------------------|--|
| H1 2017 | 7.8 | 2.6 | 5.2 | -5.9 | 100.6 |
| Q2 2017 | 6.0 | 1.6 | 4.5 | -5.7 | 100.0 |
| 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. Q2 2017 adjusted for several larger prior-year commission effects of 1.6%-pts.

July renewals – Main renewal date in Australia, North and Latin America

Total property-casualty book¹ %

| | | | |
|--------------------|----|---------------------------------|----|
| Remaining business | 28 | Business up for January renewal | 50 |
|--------------------|----|---------------------------------|----|



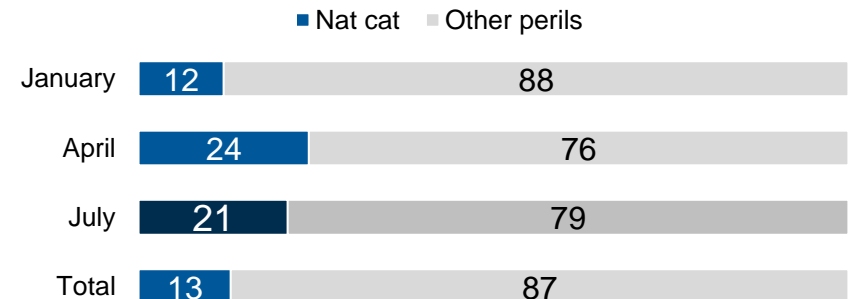
| | | | |
|------------------------------|----|-------------------------------|---|
| Business up for July renewal | 13 | Business up for April renewal | 9 |
|------------------------------|----|-------------------------------|---|

Regional allocation of July renewals %

| | | | |
|-----------|----|---------------|----|
| Rest | 12 | North America | 23 |
| Worldwide | 27 | Australia | 17 |
| Europe | 6 | Latin America | 15 |



Nat cat shares of renewable portfolio² %

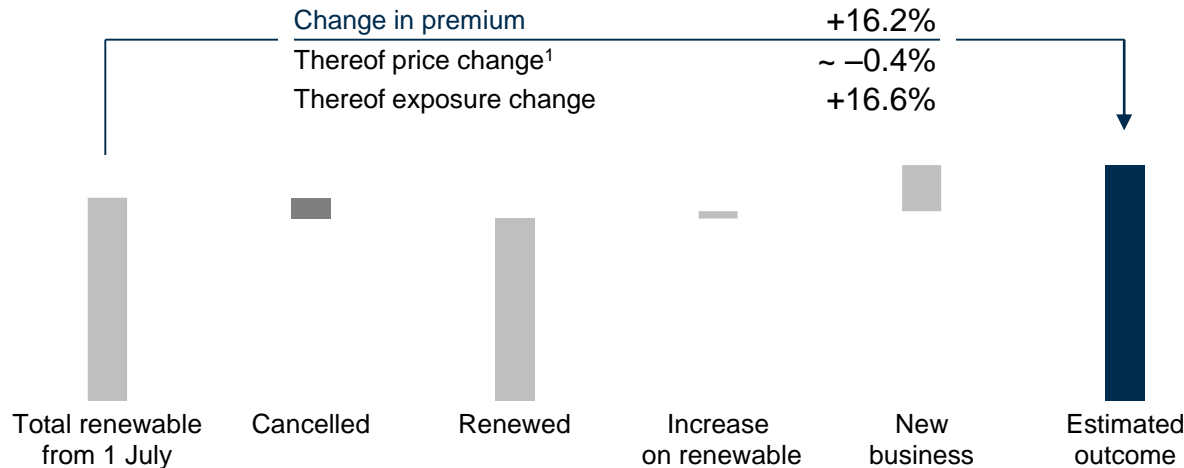


¹ Gross premiums written. Approximation – not fully comparable with IFRS figures. ² Total refers to total P-C book, incl. remaining business.

Attractive business opportunities lead to top-line increase, while the trend towards price stabilisation is confirmed

July renewals 2017

| | | | | | | |
|----|-------|-------|-------|------|-------|-------|
| % | 100 | -10.2 | 89.8 | +3.6 | +22.7 | 116.2 |
| €m | 2,234 | -227 | 2,007 | +80 | +508 | 2,595 |



- Top line increases due to opportunities in proportional casualty and property business – with both new and existing clients
- Price change (-0.4%) is in line with last year
- Continued, but moderating, pressure on nat cat XL business
- Proportional business remains resilient

Portfolio profitability safeguarded by disciplined underwriting

¹ Price change 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).

Outlook

4

GROUP

Gross premiums written
€48–50bn

Net result
€2.0–2.4bn

Return on investment
~3%

REINSURANCE

Gross premiums written
€31–33bn

Net result
€1.8–2.2bn

L&H: Technical result
 incl. fee income
~€400m
 (prev. €450m)

P-C
 Combined ratio¹
~97%

ERGO

Gross premiums written
€17–17.5bn

Net result
€200–250m
 (prev. €150–200m)

P-C Combined ratio
 Germany International
~98% **~98%**
 (prev. ~99%)

¹ ~100% on a normalised basis (12%-pts. major losses, 4%-pts. reserve releases). Expectation for reserve releases in 2017 ~6%.

Backup

5

Premium development

Gross premiums written

€m

| | | |
|---------|---|--------|
| H1 2016 |  | 24,438 |
|---------|---|--------|

| | | |
|------------------|---|-----|
| Foreign exchange |  | 273 |
|------------------|---|-----|

| | | |
|-----------------------------|---|-----|
| Divestments/ investments |  | -84 |
|-----------------------------|---|-----|

| | | |
|----------------|---|----|
| Organic change |  | 98 |
|----------------|---|----|

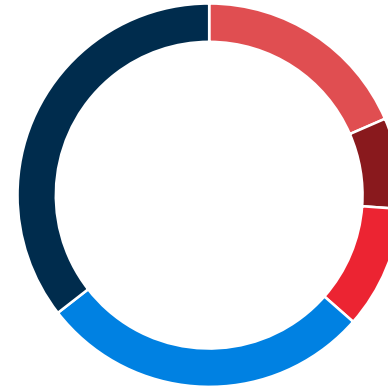
| | | |
|---------|---|--------|
| H1 2017 |  | 24,725 |
|---------|---|--------|

Segmental breakdown

€m

| | |
|------------------------------|--|
| Reinsurance | |
| Property-casualty | |
| 8,781 (36%) (▲ -3.7%) | |

| | |
|-----------------------------|--|
| ERGO | |
| Life and Health Germany | |
| 4,568 (18%) (▲ 1.1%) | |



| | |
|-----------------------------|--|
| Reinsurance | |
| Life and Health | |
| 6,924 (28%) (▲ 9.4%) | |

| | |
|------------------------------|--|
| ERGO | |
| International | |
| 2,555 (10%) (▲ -2.0%) | |

Reconciliation of operating result with net result

Reconciliation of operating result with net result

| | H1 2017 | Q2 2017 |
|----------------------------|--------------|------------|
| Operating result | 2,108 | 1,156 |
| Other non-operating result | -417 | -264 |
| Goodwill impairments | 0 | 0 |
| Net finance costs | -106 | -52 |
| Taxes | -295 | -108 |
| Net result | 1,290 | 733 |

| Other non-operating result (€m) | H1 2017 | Q2 2017 | Tax rates (%) | H1 2017 | Q2 2017 |
|---------------------------------|---------|---------|---------------|-------------|-------------|
| Foreign exchange | -219 | -162 | Group | 18.6 | 12.8 |
| Restructuring expenses | -10 | -1 | Reinsurance | 19.5 | 12.9 |
| Other | -188 | -101 | ERGO | 13.2 | 12.3 |

Actual vs. analysts' consensus

Operating result – Actual vs. analysts' consensus¹

| | Q2 2017 | Consensus | Delta |
|--------------------------------|--------------|--------------|------------|
| Reinsurance Life and Health | 176 | 162 | 14 |
| Reinsurance Property-casualty | 720 | 668 | 52 |
| ERGO Life and Health Germany | 156 | 93 | 63 |
| ERGO Property-casualty Germany | 99 | 45 | 54 |
| ERGO International | 5 | 54 | -49 |
| Operating result | 1,156 | 1,027 | 129 |
| FX | -162 | | |
| Other | -154 | | |
| Taxes | -108 | | |
| Net result | 733 | 672 | 61 |

Major developments in Q2 2017

Reinsurance Life and Health

Technical result, incl. fee income: €77m (incl. recapture);
return on investment: 3.4%

Reinsurance Property-casualty

Combined ratio: 93.9% (consensus: 95.8%) – major-loss ratio: 6.0%;
reserve releases: ~5.7%; return on investment: 3.1%

ERGO Life and Health Germany

Technical result supported by premium adjustments in health;
return on investment: 3.4%

ERGO Property-casualty Germany

Combined ratio: 92.7% (consensus: 98.6%): favourable claims
experience and rather small amount of ESP investments; RoI: 2.9%

ERGO International

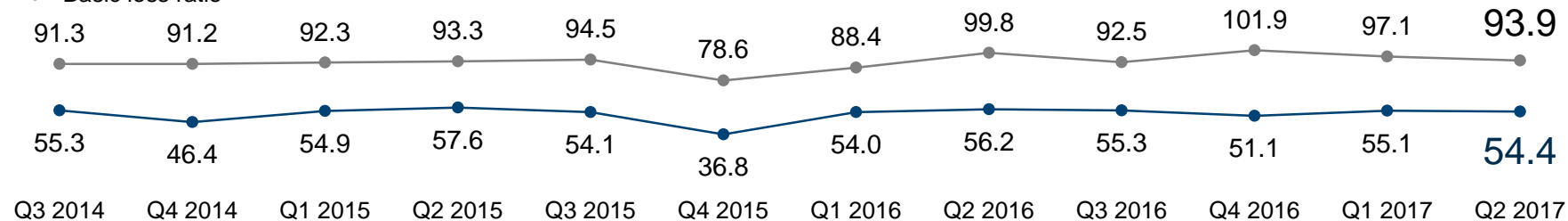
Combined ratio: 98.7% (consensus: 99.6%); negative contribution
from life business in Belgium; return on investment: 2.4%

Development of combined ratio

Combined ratio vs. basic losses

%

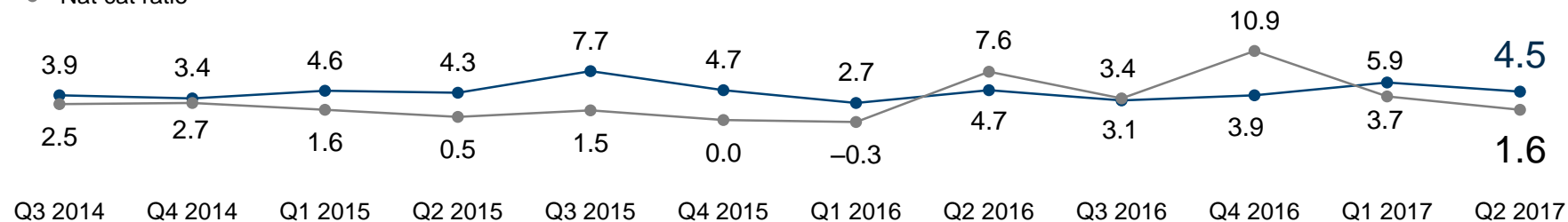
—●— Combined ratio
—●— Basic loss ratio



Nat cat vs. man-made

%

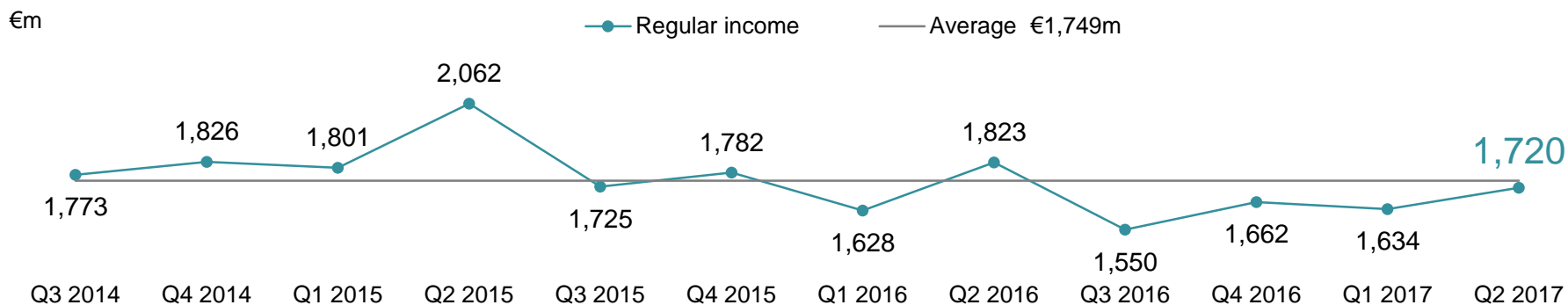
—●— Man-made ratio
—●— Nat cat ratio



Breakdown of regular income

Investment result – Regular income (€m)

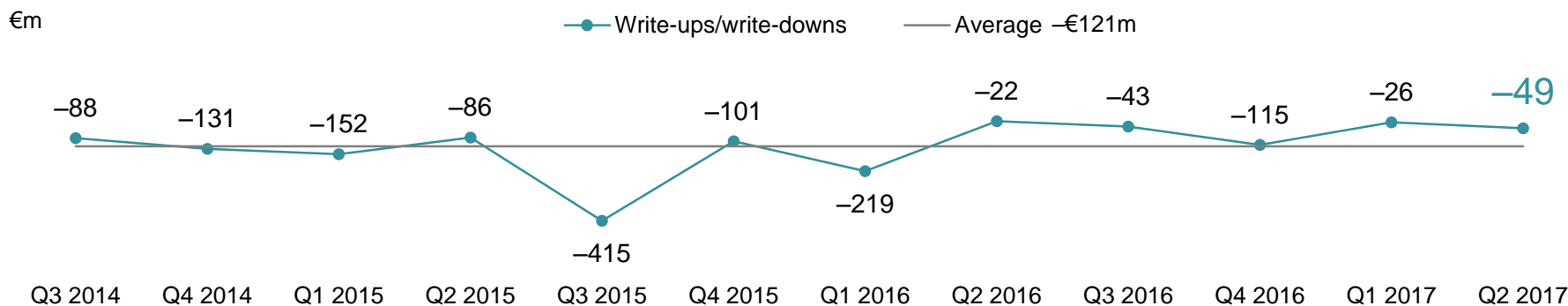
| | Q2 2017 | H1 2017 | H1 2016 | Change |
|--|--------------|--------------|--------------|------------|
| Afs fixed-interest | 747 | 1,499 | 1,662 | -164 |
| Afs non-fixed-interest | 268 | 408 | 362 | 46 |
| Derivatives | 27 | 59 | 62 | -2 |
| Loans | 478 | 966 | 1,016 | -51 |
| Real estate | 101 | 199 | 202 | -2 |
| Deposits retained on assumed reinsurance and other investments | 100 | 224 | 148 | 76 |
| Total | 1,720 | 3,354 | 3,451 | -97 |



Breakdown of write-ups/write-downs

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

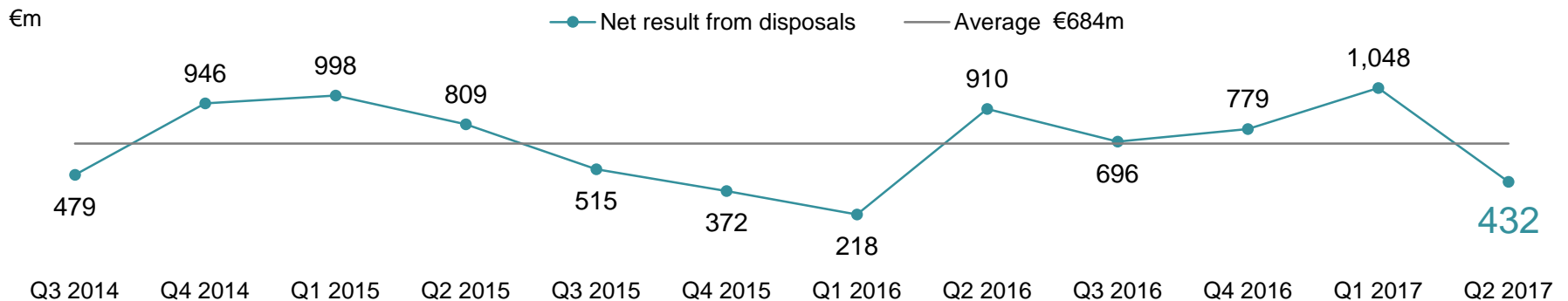
| | Q2 2017 | H1 2017 | H1 2016 | Change |
|--|------------|------------|-------------|------------|
| Afs fixed-interest | -3 | -4 | -12 | 9 |
| Afs non-fixed-interest | -19 | -35 | -255 | 220 |
| Loans | 0 | 2 | -28 | 29 |
| Real estate | -20 | -51 | -35 | -16 |
| Deposits retained on assumed reinsurance and other investments | -8 | 12 | 88 | -76 |
| Total | -49 | -76 | -242 | 166 |



Breakdown of net result from disposals

Investment result – Net result from disposal of investments (€m)

| | Q2 2017 | H1 2017 | H1 2016 | Change |
|--|------------|--------------|--------------|------------|
| Afs fixed-interest | 143 | 192 | 633 | -442 |
| Afs non-fixed-interest | 248 | 560 | 144 | 416 |
| Loans | 42 | 721 | 480 | 241 |
| Real estate | 0 | 6 | 11 | -6 |
| Deposits retained on assumed reinsurance and other investments | -1 | 1 | -141 | 143 |
| Total | 432 | 1,480 | 1,128 | 352 |

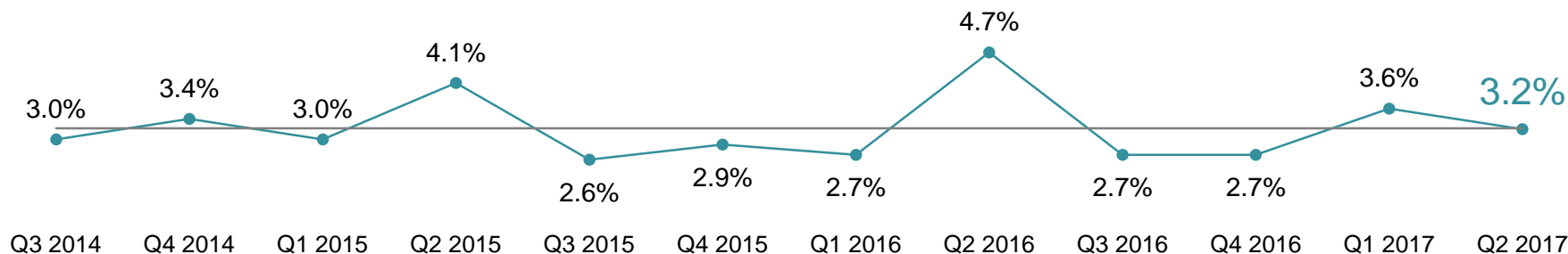


Return on investment by asset class and segment

H1 2017

| % ¹ | Regular income | Write-ups/downs | Disposal result | Extraord. derivative result | Other inc./exp. | Rol | Market value (€m) |
|----------------------|----------------|-----------------|-----------------|-----------------------------|-----------------|------------|-------------------|
| Afs fixed-income | 2.3 | 0.0 | 0.3 | 0.0 | 0.0 | 2.6 | 130,088 |
| Afs non-fixed-income | 5.0 | -0.4 | 6.9 | 0.0 | 0.0 | 11.4 | 16,310 |
| Derivatives | 6.5 | 0.0 | 0.0 | -49.5 | -0.4 | -43.4 | 1,813 |
| Loans | 3.0 | 0.0 | 2.2 | 0.0 | 0.0 | 5.2 | 65,383 |
| Real estate | 5.6 | -1.4 | 0.2 | 0.0 | 0.0 | 4.4 | 7,090 |
| Other ² | 3.4 | 0.2 | 0.0 | 0.0 | -4.1 | -0.5 | 13,079 |
| Total | 2.9 | -0.1 | 1.3 | -0.4 | -0.2 | 3.5 | 233,763 |
| Reinsurance | 2.8 | -0.1 | 0.8 | -0.1 | -0.3 | 3.1 | 90,502 |
| ERGO | 2.9 | -0.1 | 1.6 | -0.6 | -0.2 | 3.7 | 143,262 |

—●— Return on investment — Average 3.2%



Investment result by segment

| Reinsurance Life and Health (€m) | Q2 2017 | Return ¹ | H1 2017 | Return ¹ | H1 2016 | Return ¹ |
|----------------------------------|------------|---------------------|------------|---------------------|------------|---------------------|
| Regular income | 199 | 3.0% | 400 | 3.0% | 357 | 2.7% |
| Write-ups/write-downs | -6 | -0.1% | -6 | -0.0% | -11 | -0.1% |
| Disposal gains/losses | 53 | 0.8% | 94 | 0.7% | 75 | 0.6% |
| Derivatives ² | 0 | 0.0% | -7 | -0.1% | -60 | -0.5% |
| Other income/expenses | -15 | -0.2% | -29 | -0.2% | -26 | -0.2% |
| Investment result | 231 | 3.4% | 453 | 3.4% | 335 | 2.6% |
| Average market value | | 26,833 | | 26,563 | | 26,248 |

| Reinsurance Property-casualty (€m) | Q2 2017 | Return ¹ | H1 2017 | Return ¹ | H1 2016 | Return ¹ |
|------------------------------------|------------|---------------------|------------|---------------------|------------|---------------------|
| Regular income | 435 | 2.8% | 863 | 2.7% | 870 | 2.7% |
| Write-ups/write-downs | -25 | -0.2% | -26 | -0.1% | -12 | -0.0% |
| Disposal gains/losses | 133 | 0.8% | 256 | 0.8% | 365 | 1.1% |
| Derivatives ² | -5 | -0.0% | -37 | -0.1% | -271 | -0.8% |
| Other income/expenses | -52 | -0.3% | -99 | -0.3% | -98 | -0.3% |
| Investment result | 487 | 3.1% | 957 | 3.0% | 855 | 2.7% |
| Average market value | | 63,040 | | 63,939 | | 64,122 |

Investment result by segment

ERGO Life and Health Germany (€m)

| | Q2 2017 | Return ¹ | H1 2017 | Return ¹ | H1 2016 | Return ¹ |
|----------------------------|--------------|---------------------|--------------|---------------------|--------------|---------------------|
| Regular income | 945 | 3.2% | 1,805 | 3.0% | 1,865 | 3.1% |
| Write-ups/write-downs | -17 | -0.1% | -34 | -0.1% | -147 | -0.2% |
| Disposal gains/losses | 213 | 0.7% | 1,051 | 1.8% | 658 | 1.1% |
| Derivatives ^{2,3} | -69 | -0.2% | -346 | -0.6% | 547 | 0.9% |
| Other income/expenses | -53 | -0.2% | -120 | -0.2% | -119 | -0.2% |
| Investment result | 1,020 | 3.4% | 2,356 | 3.9% | 2,803 | 4.6% |
| Average market value | | | 118,878 | | 119,585 | 121,048 |

ERGO Property-casualty Germany (€m)

| | Q2 2017 | Return ¹ | H1 2017 | Return ¹ | H1 2016 | Return ¹ |
|--------------------------|-----------|---------------------|-----------|---------------------|----------|---------------------|
| Regular income | 44 | 2.6% | 83 | 2.4% | 88 | 2.6% |
| Write-ups/write-downs | -2 | -0.1% | -3 | -0.1% | -50 | -1.5% |
| Disposal gains/losses | 12 | 0.7% | 38 | 1.1% | -8 | -0.2% |
| Derivatives ² | -3 | -0.2% | -12 | -0.3% | -13 | -0.4% |
| Other income/expenses | -2 | -0.1% | -7 | -0.2% | -8 | -0.2% |
| Investment result | 50 | 2.9% | 98 | 2.9% | 8 | 0.2% |
| Average market value | | | 6,811 | | 6,784 | 6,797 |

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: Q2 -€4m/€0m (gross/net); H1 -€131m/-€13m (gross/net).

Investment result by segment

| ERGO International (€m) | Q2 2017 | Return¹ | H1 2017 | Return¹ | H1 2016 | Return¹ |
|--------------------------------|----------------|---------------------------|----------------|---------------------------|----------------|---------------------------|
| Regular income | 96 | 2.3% | 203 | 2.4% | 271 | 3.5% |
| Write-ups/write-downs | 0 | -0.0% | -7 | -0.1% | -21 | -0.3% |
| Disposal gains/losses | 20 | 0.5% | 41 | 0.5% | 37 | 0.5% |
| Derivatives ² | -10 | -0.2% | -48 | -0.6% | 48 | 0.6% |
| Other income/expenses | -4 | -0.1% | -14 | -0.2% | -14 | -0.2% |
| Investment result | 102 | 2.4% | 176 | 2.1% | 321 | 4.2% |
| Average market value | | 17,007 | | 16,892 | | 15,448 |

Investment portfolio

Fixed-interest securities and miscellaneous

Investment portfolio

Miscellaneous
6.5 (6.2)



Loans
27.6 (28.5)

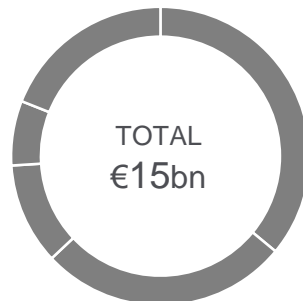
Miscellaneous

Other
19 (19)

Derivatives²
7 (11)

Investment funds³
11 (15)

Bank deposits
27 (20)



%

Fixed-interest securities¹

Cash/Other
1 (0)

Structured products
3 (4)

Corporates
16 (16)

Banks
2 (3)



Governments/
Semi-government
63 (62)

Pfandbriefe/
Covered bonds
14 (15)

%

Miscellaneous

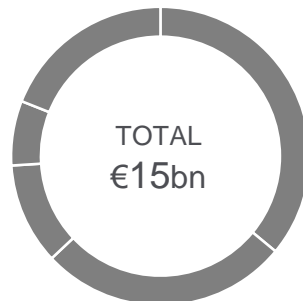
Other
19 (19)

Derivatives²
7 (11)

Investment funds³
11 (15)

Bank deposits
27 (20)

Deposits on
reinsurance
36 (36)



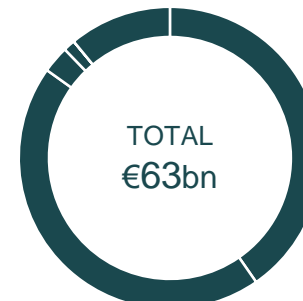
%

Loans¹

Loans to policyholders/
mortgage loans
11 (10)

Corporates
1 (1)

Banks
3 (4)



Governments/
Semi-government
40 (41)

Pfandbriefe/
Covered bonds
45 (44)

%

Fixed-income portfolio

Total

Fixed-income portfolio

Loans to policyholders/
mortgage loans

3 (3)

Structured products

2 (2)

Bank bonds

2 (3)

Cash/other

4 (4)

Corporate bonds

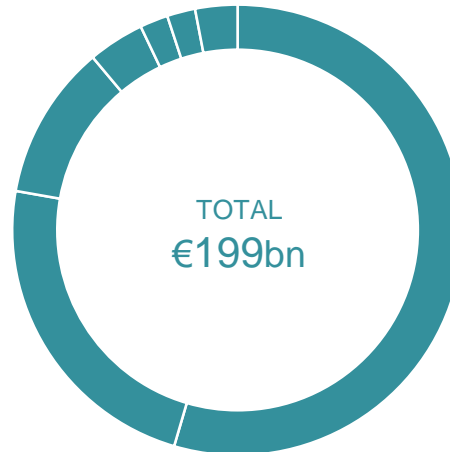
11 (11)

Pfandbriefe/covered bonds

23 (24)

%

Governments/
Semi-government
54 (53)



Fixed-income portfolio

Total

Rating structure

| | % |
|---------|---------|
| NR | AAA |
| 5 (5) | 46 (44) |
| BB | |
| 2 (2) | |
| BBB | |
| 12 (12) | |
| A | AA |
| 12 (10) | 23 (27) |



Maturity structure

| | % |
|------------|-----------|
| n.a. | 0–1 years |
| 2 (2) | 9 (9) |
| >10 years | 1–3 years |
| 35 (35) | 13 (13) |
| 7–10 years | 3–5 years |
| 16 (17) | 12 (12) |
| | 5–7 years |
| | 12 (12) |



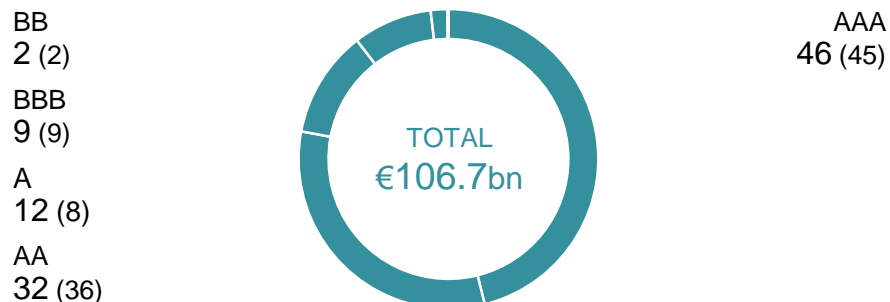
Regional breakdown

| | Without policyholder participation | With participation | Total 30.6.2017 | 31.12.2016 |
|----------------|---------------------------------------|-----------------------|--------------------|--------------|
| Germany | 4.7 | 24.0 | 28.8 | 28.2 |
| US | 14.0 | 1.3 | 15.3 | 16.0 |
| France | 2.3 | 5.7 | 8.0 | 8.0 |
| UK | 2.9 | 2.3 | 5.2 | 5.3 |
| Canada | 4.0 | 0.4 | 4.4 | 4.5 |
| Netherlands | 1.3 | 3.1 | 4.4 | 4.3 |
| Supranationals | 0.7 | 3.3 | 4.0 | 4.0 |
| Spain | 1.0 | 1.5 | 2.5 | 2.8 |
| Australia | 2.0 | 0.5 | 2.5 | 2.4 |
| Italy | 0.8 | 1.5 | 2.3 | 2.4 |
| Belgium | 0.7 | 1.7 | 2.3 | 2.3 |
| Austria | 0.4 | 1.8 | 2.1 | 2.0 |
| Ireland | 0.6 | 1.4 | 1.9 | 2.0 |
| Norway | 0.3 | 1.3 | 1.6 | 1.5 |
| Sweden | 0.2 | 1.3 | 1.5 | 1.6 |
| Other | 7.7 | 5.3 | 13.1 | 12.6 |
| Total | 43.5 | 56.5 | 100.0 | 100.0 |

Fixed-income portfolio

Governments/semi-government

Rating structure



Maturity structure



Regional breakdown

| | Without policyholder participation | With participation | Total 30.6.2017 | 31.12.2016 |
|----------------|------------------------------------|--------------------|-----------------|--------------|
| Germany | 4.0 | 22.1 | 26.1 | 26.7 |
| US | 16.6 | 0.9 | 17.4 | 18.0 |
| Supranationals | 1.3 | 6.1 | 7.4 | 7.4 |
| Canada | 5.6 | 0.3 | 5.9 | 6.1 |
| France | 1.5 | 2.5 | 4.0 | 4.2 |
| Belgium | 1.0 | 2.9 | 3.9 | 3.8 |
| Italy | 1.0 | 2.2 | 3.1 | 3.1 |
| UK | 3.0 | 0.1 | 3.0 | 3.4 |
| Australia | 3.0 | 0.0 | 3.0 | 2.8 |
| Spain | 1.1 | 1.8 | 3.0 | 3.1 |
| Austria | 0.5 | 2.3 | 2.8 | 2.7 |
| Poland | 1.8 | 0.8 | 2.6 | 2.3 |
| Netherlands | 0.7 | 1.5 | 2.2 | 2.2 |
| Finland | 0.3 | 1.5 | 1.9 | 1.7 |
| Ireland | 0.3 | 1.5 | 1.8 | 1.6 |
| Other | 7.8 | 4.1 | 11.9 | 10.8 |
| Total | 49.5 | 50.5 | 100.0 | 100.0 |

Fixed-income portfolio

Pfandbriefe/covered bonds

Rating structure



Maturity structure



Regional breakdown

| | 30.6.2017 | 31.12.2016 |
|-------------|-----------|------------|
| Germany | 36.4 | 35.2 |
| France | 20.1 | 19.9 |
| UK | 8.8 | 8.6 |
| Netherlands | 7.7 | 7.4 |
| Sweden | 6.0 | 6.0 |
| Norway | 6.0 | 5.9 |
| Spain | 2.5 | 3.4 |
| Italy | 1.0 | 1.0 |
| Ireland | 0.3 | 1.0 |
| Other | 11.2 | 11.6 |

Cover pools



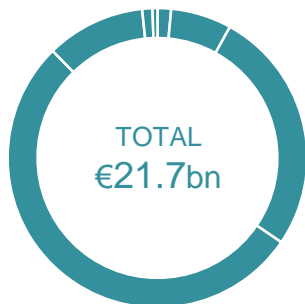


Fixed-income portfolio

Corporate bonds (excluding bank bonds)

Rating structure

| | % |
|---------|---------|
| NR | AAA |
| 1 (0) | 1 (1) |
| <BB | AA |
| 1 (1) | 7 (7) |
| BB | A |
| 11 (10) | 26 (31) |
| BBB | |
| 53 (50) | |



Maturity structure

| | % |
|------------|-----------|
| >10 years | 0–1 years |
| 20 (19) | 9 (9) |
| 7–10 years | 1–3 years |
| 14 (14) | 20 (21) |
| 5–7 years | 3–5 years |
| 15 (15) | 23 (22) |



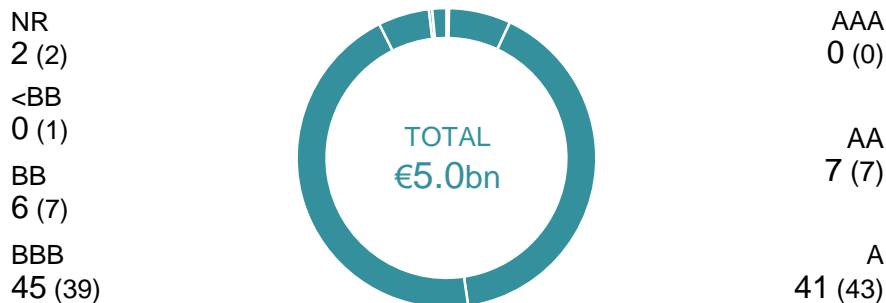
Regional breakdown

| | 30.6.2017 | 31.12.2016 |
|-------------------------------|-----------|------------|
| Utilities | 17.6 | 18.5 |
| Industrial goods and services | 12.8 | 12.5 |
| Oil and gas | 11.7 | 11.8 |
| Telecommunications | 8.6 | 8.8 |
| Financial services | 7.4 | 7.1 |
| Healthcare | 6.7 | 6.4 |
| Technology | 5.8 | 5.0 |
| Food and beverages | 4.5 | 4.9 |
| Basic resources | 3.8 | 3.9 |
| Automobiles | 3.8 | 3.8 |
| Media | 3.6 | 3.8 |
| Retail | 3.4 | 3.9 |
| Personal and household goods | 3.2 | 2.9 |
| Other | 7.1 | 6.7 |

Fixed-income portfolio

Bank bonds

Rating structure



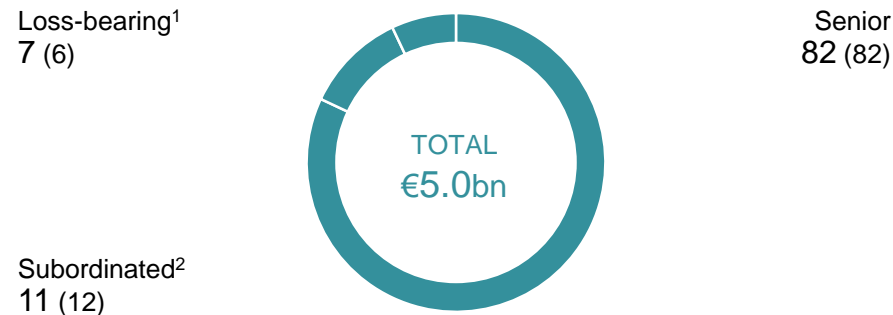
Maturity structure



Regional breakdown

| | Senior bonds | Subordinated | Loss-bearing | Total | |
|---------|--------------|--------------|--------------|-----------|------------|
| | | | | 30.6.2017 | 31.12.2016 |
| US | 32.6 | 5.1 | 0.6 | 38.3 | 38.6 |
| Germany | 15.0 | 1.6 | 4.3 | 20.9 | 23.3 |
| UK | 7.8 | 0.6 | 0.3 | 8.7 | 7.6 |
| Ireland | 7.2 | 0.1 | 0.0 | 7.3 | 6.8 |
| France | 2.6 | 0.9 | 1.8 | 5.3 | 4.3 |
| Canada | 2.1 | 0.6 | 0.0 | 2.7 | 2.8 |
| Jersey | 2.3 | 0.0 | 0.0 | 2.3 | 2.4 |
| Austria | 0.8 | 0.5 | 0.0 | 1.3 | 1.2 |
| Belgium | 1.3 | 0.0 | 0.0 | 1.3 | 1.1 |
| Other | 10.4 | 1.3 | 0.1 | 11.8 | 11.8 |

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 | 265 | 245 | 80 | 10 | 0 | 2 | 253 | 349 | 602 | 101% |
| | Corporate-related ABS ² | 13 | 65 | 115 | 38 | 0 | 30 | 0 | 262 | 262 | 100% |
| | Subprime HEL | 0 | 0 | 1 | 0 | 0 | 0 | 1 | 0 | 1 | 98% |
| CDO/ CLN | Subprime-related | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| | Non-subprime-related | 682 | 626 | 89 | 0 | 0 | 92 | 555 | 934 | 1,489 | 100% |
| MBS | Agency | 905 | 44 | 0 | 0 | 0 | 0 | 950 | 0 | 950 | 104% |
| | Non-agency prime | 128 | 158 | 29 | 3 | 0 | 0 | 2 | 316 | 318 | 100% |
| | Non-agency other (not subprime) | 105 | 73 | 7 | 0 | 0 | 0 | 0 | 186 | 186 | 100% |
| | Commercial MBS | 266 | 38 | 15 | 17 | 0 | 0 | 263 | 74 | 336 | 102% |
| Total 30.6.2017 | | 2,364 | 1,249 | 338 | 68 | 0 | 125 | 2,024 | 2,119 | 4,143 | 101% |
| In % | | 57% | 30% | 8% | 2% | 0% | 3% | 49% | 51% | 100% | |
| Total 31.12.2016 | | 2,823 | 1,622 | 261 | 95 | 8 | 31 | 2,303 | 2,537 | 4,839 | 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) | +8.0 | +3.9 | –7.5 | –14.4 |
| Change in on-balance-sheet reserves, net (€bn) ¹ | +1.9 | +0.9 | –1.8 | –3.5 |
| Change in off-balance-sheet reserves, net (€bn) ¹ | +0.4 | +0.2 | –0.3 | –0.7 |
| P&L impact (€bn) ¹ | –0.0 | –0.0 | +0.0 | +0.1 |

Sensitivity to spreads² (change in basis points)

| | | +50 | +100 |
|--|--|------|-------|
| Change in gross market value (€bn) | | –5.2 | –10.1 |
| Change in on-balance-sheet reserves, net (€bn) ¹ | | –1.1 | –2.1 |
| Change in off-balance-sheet reserves, net (€bn) ¹ | | –0.3 | –0.5 |
| P&L impact (€bn) ¹ | | –0.0 | –0.0 |

Sensitivity to equity and commodity markets³

| | –30% | –10% | +10% | +30% |
|--|--------------|--------------|--------------|--------------|
| EURO STOXX 50 (3,442 as at 30.6.2017) | 2,409 | 3,098 | 3,786 | 4,475 |
| Change in gross market value (€bn) | –5.0 | –1.7 | +1.7 | +5.2 |
| Change in on-balance-sheet reserves, net (€bn) ¹ | –1.3 | –0.6 | +1.0 | +2.9 |
| Change in off-balance-sheet reserves, net (€bn) ¹ | –0.9 | –0.3 | +0.3 | +0.9 |
| P&L impact (€bn) ¹ | –1.6 | –0.4 | +0.0 | +0.1 |

¹ Rough calculation with limited reliability assuming unchanged portfolio as at 30.6.2017. 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 | 31.12.2014 | 31.12.2015 | 31.12.2016 | 31.3.2017 | 30.6.2017 |
|--|------------|------------|------------|-----------|-----------|
| Market value of investments | 235,849 | 230,529 | 236,153 | 235,399 | 229,737 |
| Total reserves | 31,470 | 25,969 | 28,496 | 26,180 | 24,743 |
| On-balance-sheet reserves | | | | | |
| Fixed-interest securities | 11,967 | 7,886 | 8,649 | 7,815 | 7,658 |
| Non-fixed-interest securities | 2,270 | 2,446 | 2,924 | 3,311 | 2,917 |
| Other on-balance-sheet reserves ¹ | 311 | 201 | 186 | 201 | 191 |
| Subtotal | 14,548 | 10,533 | 11,759 | 11,327 | 10,766 |
| Off-balance-sheet reserves | | | | | |
| Real estate ² | 2,006 | 2,273 | 2,413 | 2,450 | 2,450 |
| Loans and investments (held to maturity) | 14,400 | 12,610 | 13,591 | 11,692 | 10,761 |
| Associates | 516 | 553 | 733 | 711 | 767 |
| Subtotal | 16,922 | 15,436 | 16,738 | 14,853 | 13,977 |
| Reserve ratio | 13.3% | 11.3% | 12.1% | 11.1% | 10.8% |

On-balance-sheet reserves

On-balance-sheet reserves

€m

| | 30.6.2017 | Change Q2 |
|---|-----------|-----------|
| Investments afs | 10,575 | -551 |
| Valuation at equity | 111 | -7 |
| Unconsolidated affiliated enterprises | 60 | -3 |
| Cash-flow hedging | 20 | -1 |
| Total on-balance-sheet reserves (gross) | 10,766 | -561 |
| Provision for deferred premium refunds | -4,703 | 287 |
| Deferred tax | -1,345 | 5 |
| Minority interests | -15 | 1 |
| Consolidation and currency effects | -230 | 59 |
| Shareholders' stake | 4,473 | -210 |

Off-balance-sheet reserves

Off-balance-sheet reserves

| | 30.6.2017 | Change Q2 |
|---|---------------|-------------|
| Real estate ¹ | 2,450 | 0 |
| Loans | 10,761 | -932 |
| Associates | 767 | 56 |
| Total off-balance-sheet reserves (gross) | 13,977 | -876 |
| Provision for deferred premium refunds | -9,745 | 753 |
| Deferred tax | -1,272 | 53 |
| Minority interests | 0 | 0 |
| Shareholders' stake | 2,960 | -70 |

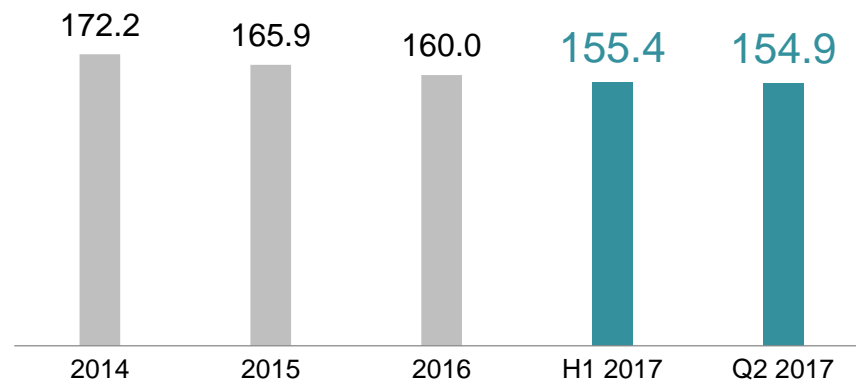
¹ Excluding reserves for owner-occupied property.

Changes to shares in circulation

| Shares (millions) | 31.12. 2016 | Acquisition of own shares in H1 2017 | Retirement of own shares in H1 2017 | 30.6. 2017 |
|-----------------------|--------------|--------------------------------------|-------------------------------------|--------------|
| Shares in circulation | 156.9 | -2.7 | - | 154.2 |
| Own shares held | 4.2 | 2.7 | -6.0 | 0.8 |
| Total | 161.1 | - | -6.0 | 155.1 |

Weighted average number of shares in circulation

(millions)



Financial calendar

2017

| | |
|-------------|--|
| 9 November | Quarterly statement as at 30 September 2017 |
| 21 November | Investor Day “Munich Re driving digital transformation” |

2018

| | |
|------------|---|
| 6 February | Preliminary key figures 2017 and renewals |
| 15 March | Balance sheet press conference for 2017 financial statements Analysts' conference in Munich with videocast |
| 25 April | Annual General Meeting 2018, ICM – International Congress Centre Munich |
| 8 May | Quarterly statement as at 31 March 2018 |
| 8 August | Half-year financial report as at 30 June 2018 |
| 7 November | Quarterly statement as at 30 September 2018 |

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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. The Company assumes no liability to update these forward-looking statements or to make them conform to future events or developments.

The primary insurance units of the disbanded Munich Health field of business are now recognised in the ERGO International segment, units with reinsurance business in the Reinsurance Life and Health segment. Previous year's figures were adjusted to ensure comparability.