Shaping change in insurance
Balance sheet press conference 2017

Munich, 15 March 2017
Strategic keystones laying foundation for Munich Re’s good positioning

- Integrated Risk Management
- PI and RI under one roof
- Emphasis on profitable Underwriting
- Conservative Asset Management
- Innovative Solutions
- Shareholder friendly dividend policy
- Corporate Responsibility
Munich Re delivers financial stability

IFRS net income
€2.6bn
Meeting guidance

HGB result
€3.4bn
Safeguards capital repatriation

Solvency II ratio
267%
Well above target capitalisation

Dividend per share¹
€8.60
▲+4.2%

1 Subject to approval of AGM.

Seizing long-term opportunities while managing short-term pressure

Changing competitive landscape
- Emergence of new players and business models
- Proliferation of "alternative" capital
- Transformation of traditional value chain

Digitalisation
- New technologies and partnerships
- Dramatically enhanced availability of data and analysis tools
- Changing customer expectations

Macroeconomic/political risks
- Persistently low interest rates
- Reflation
- Global political uncertainty

GOAL
Agile business model

GOAL
Fostering innovation

GOAL
Dampening volatility

Source: Shutterstock
Strong balance sheet supports sound profitability

Strong capitalisation according to all metrics

Rock-solid reserving position

€28bn unrealised investment gains¹

RoE exceeds cost of capital

1 As at 31.12.2016.

Shaping change in insurance

Attractive shareholder returns
Further dividend increase, continuation of share buy-back

Continuous growth of dividend per share
CAGR: 9.7%

3.10  €8.60
2005  2016¹

≥€23bn Total pay-out since 2005 (dividend and share buy-back)

74 million > 50.9 million
Shares repurchased since 2006
Shares issued in 2003 (capital increase)

Outperforming major peers and insurance index²

1 Subject to approval of AGM.
2 Annualised total shareholder return defined as price performance plus dividend yield over the period from 1.1.2005 until 28.2.2017; based on Datastream total return index in local currency, volatility calculation with 250 trading days per year. Peers: Allianz, Axa, Generali, Hannover Re, Swiss Re, Stoxx Europe 600 Insurance (“Index”).
Reinsurance – Well positioned to manage the current market environment and drive innovative solutions

Traditional reinsurance
Successfully managing the soft cycle

Risk Solutions
Continuous growth in specialty and niche business

Innovation
Steady expansion of innovative products/solutions

ERGO – Turnaround initiated, well on track to become a significant earnings contributor

ERGO Strategy Programme/International Strategy

<table>
<thead>
<tr>
<th>Fit</th>
<th>Digital</th>
<th>Successful!</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leaner and more efficient structures</td>
<td>Transforming the business model</td>
<td>Convincing solutions, committed to profitable growth</td>
</tr>
</tbody>
</table>

Increasing IFRS net profit

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 From 2017, figures include primary insurance business of Munich Health.</td>
<td>150–200</td>
<td>530</td>
<td>~600+</td>
<td></td>
</tr>
</tbody>
</table>
Innovation – Munich Re establishing a strong position to tap opportunities – Focus on tangible business impact

Munich Re has successfully laid the groundwork …

<table>
<thead>
<tr>
<th>Innovation strategy</th>
<th>Group-wide approach</th>
<th>Leveraging core competencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defined innovation areas</td>
<td>Intensive know-how and resource sharing</td>
<td>Data analysis</td>
</tr>
<tr>
<td>Corporate venturing and partnering</td>
<td>Joint business development</td>
<td>Agile IT</td>
</tr>
<tr>
<td>Innovation infrastructure</td>
<td></td>
<td>Cooperation models</td>
</tr>
</tbody>
</table>

… to seize opportunities from digitalisation

Business model
- Provide digital infrastructure
- Digitalise insurance offerings
- Improve process efficiency

Products/services
- Improve customer experience
- Expand offering for online customers (e.g. "flexible")
- Customised products and tailor-made solutions
- Foster customer-centric support
2016 net result meets annual guidance

Munich Re (Group)

Net result

€2,581m (Q4: €486m)

Sound underlying performance without dilution of strong balance sheet – investments in ERGO strategy programme and FX gains

Return on investment¹

3.2% (Q4: 2.7%)

Solid return given low interest rates – prudent asset liability management once again proved beneficial

Shareholders’ equity

€31.8bn (−1.8% vs. 30.9)

Strong capitalisation according to all metrics

¹ Annualised

Technical result

Investment result

Net result 2016 (Q4 2016)

ERM: Technical result €487m (Q4: €169m)

P-C: Combined ratio 95.7% (Q4: 101.9%)

Major loss ratio 9.1% (Q4: 14.8%)

ERGO

Life: Technical result €487m (Q4: €169m)

P-C: Combined ratio 97.0% (Q4: 100.0%)

International: Combined ratio 99.9% (Q4: 100.4%)

Munich Health

P-C: Combined ratio 97.0% (Q4: 100.0%)

International: Combined ratio 99.9% (Q4: 100.4%)

Sound underlying performance without dilution of strong balance sheet – investments in ERGO strategy programme and FX gains

Return on investment¹

13.3% (Q4: 2.7%)

Solid return given low interest rates – prudent asset liability management once again proved beneficial

Shareholders’equity

€31.8bn (−1.8% vs. 30.9)

Strong capitalisation according to all metrics

¹ Annualised

Equity

€m

Equity 31.12.2015 30,966
Consolidated result 2,581
Change Q4 486
Dividend −1,329
Unrealised gains/losses 265
Exchange rates 345
Share buy-backs −971
Other −71
Equity 31.12.2016 31,785

Unrealised gains/losses

Fixed-interest securities 2016: −€37m  Q4: −€2,390m
Non-fixed-interest securities 2016: +€304m  Q4: +€335m

Capitalisation

€bn

Debt leverage¹ (%)

Senior and other debt²
Subordinated debt
Equity

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.
**High Solvency II ratio**

**Munich Re actions**

>220%: Above target capitalisation
- Capital repatriation
- Increased risk-taking
- Holding excess capital to meet external constraints

175% – 220%: Target capitalisation
- Optimum level of capitalisation

140% – 175%: Below target capitalisation
- Tolerate (management decision) or
- If necessary, take management action (e.g. risk transfer, scaling-down of activities; raising of hybrid capital)

<140%: Sub-optimal capitalisation
- Take risk-management action (e.g. risk transfer, scaling-down of activities; raising of hybrid capital) or
- In exceptional cases, tolerate situation (management decision)

**SII ratio**

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>140%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>175%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>220%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>267%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 Transition into SII metric.

**Well diversified investment portfolio**

### Investment portfolio

1 Fair values as at 31.12.2016 (31.12.2015). | 2 Net of hedges: 5.0% (4.9%). | 3 Deposits retained on assumed reinsurance, deposits with banks, investment funds (excl. equities), derivatives and investments in renewable energies and gold.

<table>
<thead>
<tr>
<th>Category</th>
<th>%</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land and buildings</td>
<td>2.9 (2.9)</td>
<td></td>
</tr>
<tr>
<td>Shares, equity funds and participating interests</td>
<td>6.1 (5.2)</td>
<td>56.3 (55.7)</td>
</tr>
<tr>
<td>Loans</td>
<td>28.5 (28.7)</td>
<td></td>
</tr>
</tbody>
</table>

**Portfolio management in Q4**

- Ongoing geographic diversification
- Slight decrease in corporate bonds
- Reduction of cash and bank bonds
- Increase of net equity exposure to 5.0%
- Increase of asset duration in reinsurance
## Investment result

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>Return(^1)</th>
<th>2015</th>
<th>Return(^1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular income</td>
<td>6,663</td>
<td>2.8%</td>
<td>7,370</td>
<td>3.1%</td>
</tr>
<tr>
<td>Write-ups/write-downs</td>
<td>-400</td>
<td>-0.2%</td>
<td>-754</td>
<td>-0.3%</td>
</tr>
<tr>
<td>Disposal gains/losses</td>
<td>2,603</td>
<td>1.1%</td>
<td>2,693</td>
<td>1.1%</td>
</tr>
<tr>
<td>Derivatives(^2)</td>
<td>-713</td>
<td>-0.3%</td>
<td>-1,226</td>
<td>-0.5%</td>
</tr>
<tr>
<td>Other income/expenses</td>
<td>-586</td>
<td>-0.2%</td>
<td>-548</td>
<td>-0.2%</td>
</tr>
<tr>
<td>Investment result</td>
<td>7,567</td>
<td>3.2%</td>
<td>7,536</td>
<td>3.2%</td>
</tr>
<tr>
<td>Total return</td>
<td></td>
<td>4.3%</td>
<td></td>
<td>0.9%</td>
</tr>
</tbody>
</table>

### 2016

<table>
<thead>
<tr>
<th></th>
<th>Write-ups/write-downs</th>
<th>Disposal gains/losses</th>
<th>Derivatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed income(^3)</td>
<td>-23</td>
<td>2,263</td>
<td>70</td>
</tr>
<tr>
<td>Equities</td>
<td>-323</td>
<td>440</td>
<td>-777</td>
</tr>
<tr>
<td>Commodities/Inflation</td>
<td>27</td>
<td>-99</td>
<td>-2</td>
</tr>
<tr>
<td>Other</td>
<td>-69</td>
<td></td>
<td>4</td>
</tr>
</tbody>
</table>

1. Annualised return on quarterly weighted investments (market values) in %.
2. Result from derivatives without regular income and other income/expenses.
3. Themed interest rate hedging ERGO: Q4 2016 (-429m gross/423m net) and 2016 (-633m gross/423m net).
ERGO Strategy Programme (ESP) fully on track seven months after announcement

<table>
<thead>
<tr>
<th>ESP guidance as at 1 June 2016</th>
<th>Actual 2016</th>
<th>2016</th>
<th>2017</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total premiums&lt;sup&gt;1&lt;/sup&gt;</td>
<td>13,202</td>
<td>13,180</td>
<td>–</td>
<td>13,460</td>
</tr>
<tr>
<td>Net profit</td>
<td>–40</td>
<td>Slightly negative</td>
<td>130</td>
<td>~450</td>
</tr>
<tr>
<td>Investments&lt;sup&gt;2&lt;/sup&gt; (net)</td>
<td>–247</td>
<td>–302</td>
<td>–259</td>
<td>–1,008&lt;sup&gt;3&lt;/sup&gt;</td>
</tr>
<tr>
<td>Total cost savings (net)</td>
<td>30</td>
<td>30</td>
<td>96&lt;sup&gt;3&lt;/sup&gt;</td>
<td>279&lt;sup&gt;3&lt;/sup&gt;</td>
</tr>
<tr>
<td>Combined ratio P-C Germany</td>
<td>97.0</td>
<td>98</td>
<td>99</td>
<td>92</td>
</tr>
</tbody>
</table>

<sup>1</sup> L/H Germany, P-C Germany.  
<sup>2</sup> Including restructuring expenses.  
<sup>3</sup> Accumulated.

ESP – Timeline

**Fit**

- Workers’ council has agreed on major topics
- Sales: New organisational setup implemented
- Implementation of new structures in admin and central functions
- Go-live of separate organisational entity “Traditional Life”

**Digital**

- 30 June: More than 90% of restructuring expenses booked
- IT workers’ council has agreed on major topics
- New IT organisational structure implemented
- Digital IT fully established
- New Sourcing organisation implemented

**Successful**

- ERGO Mobility Solutions GmbH started
- Launch of new MEAG funds
- Products innovation: Residential building
- Products innovation: Legal protection
- Products innovation: Commercial liability online
- Life Germany: Launch of new pension products
- End of Q4: New term life and new annuity product life

**Timeline**

- Q2 2016
- Q3 2016
- Q4 2016
- H1 2017
- H2 2017
- H1 2018
### Life and Health Germany – Status 2016

<table>
<thead>
<tr>
<th>Gross premiums written</th>
<th>Net result</th>
<th>ROI</th>
</tr>
</thead>
<tbody>
<tr>
<td>€9.2bn</td>
<td>€114m</td>
<td>3.6%</td>
</tr>
</tbody>
</table>

- Successful launch of new risk-type product ("Solo-BU") – 24,000 policies sold
- Discontinuation of traditional life
- Positive development in supplementary health
- Above expectation, given restructuring expenses
- Exceptionally high technical result in Q4
- High investment result – Positive contribution from derivatives and disposal gains offset lower regular income

### Property-casualty Germany – Status 2016

<table>
<thead>
<tr>
<th>Gross premiums written</th>
<th>Net result</th>
<th>Combined ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>€3.2bn</td>
<td>–€72m</td>
<td>97.0%</td>
</tr>
</tbody>
</table>

- Profitable growth in almost all lines of business
- Product innovations – Launch of cyber protection
- Impacted by strategic investments and restructuring charges – In line with expectations
- Better than ESP\(^1\) guidance (–1\%-pt.)
- Strategic investments impacted combined ratio –1\%-pt.
- Confidence level of reserves increased
Property-casualty Germany – Attractive portfolio for customers, consistent cost reduction

- P-C Germany to maintain and strengthen balanced portfolio
- Significant cost reduction in the medium term – improvement of expense ratio as main driver of higher profitability

Product innovations

- Launch of new cyber product in 2016
- Start of new modular product concept in H2 2016 (motor and private liability)
- Further products consistent in look and feel (e.g. personal accident, household contents, homeowners' insurance) will follow in 2017

International – Status 2016

P-C – Gross premiums written

€2.5bn
Strong new business growth, driven by Poland

P-C – Combined ratio

99.0%
Improvement in Poland – Recovering results and reduction of losses in UK and Turkey

Life – Gross premiums written

€1.2bn
De-risking classical life business – Italy, Belgium

Net result

–€82m
Restructuring of Belgian life entity planned
Several one-offs, e.g. goodwill impairment, strategic investments
International strategy embedded in ERGO Strategy Programme (ESP) to achieve ambitious goals

**Fit**

- **Governance**
  - Central steering with dedicated responsibilities

- **Portfolio**
  - Foster strong market positions
  - Establish efficient global business models
  - Exploit growth market exposure

**Digital**

- Best practice exchange
  - Interregional transfer of capabilities, e.g. implementation of adapted iMonitor from Poland in Turkey

- Regional cooperation
  - Integration of back offices, e.g. in Baltics and Poland

- Accelerated innovation
  - Digital delivery, e.g. via omni-channel communication to customers in India

**Successful!**

- Interlocked business model reinsurance/primary insurance
  - Identify value drivers in an interlocked business model between ERGO entities and MR

- Commercial business
  - Strengthen commercial business internationally

- Pure digital player
  - Roll-out of nxible in attractive markets

Laying the foundations for transforming the business model

Munich Health primary insurance business to be managed by ERGO in 2017

ERGO International portfolio focuses on three pillars

**Strong presence in selected developed markets**

<table>
<thead>
<tr>
<th>Country</th>
<th>GWP 2016 €m</th>
<th>Focus segment</th>
<th>Market position</th>
<th>GWP 2016 €m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poland</td>
<td>1,178</td>
<td>Non-life</td>
<td>14%</td>
<td></td>
</tr>
<tr>
<td>Austria</td>
<td>627</td>
<td>Life</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td>Baltics</td>
<td>206</td>
<td>Non-life</td>
<td>6%</td>
<td></td>
</tr>
<tr>
<td>Greece1</td>
<td>194</td>
<td>Non-life</td>
<td>8%</td>
<td></td>
</tr>
</tbody>
</table>

**Specialised global business expertise**

- **Existing global businesses**
  - Legal protection Market presence in 18 countries
  - Travel Market presence in 24 countries

- **Launch new global businesses**
  - Pure Digital Player
  - Mobility Solutions

**Promising exposure in prioritised growth markets**

<table>
<thead>
<tr>
<th>JVs</th>
<th>GWP2 2016 €m</th>
<th>Segment</th>
<th>Expected CAGR 2016-20, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>25</td>
<td>Life</td>
<td>70</td>
</tr>
<tr>
<td>India1</td>
<td>270</td>
<td>Non-life</td>
<td>21</td>
</tr>
<tr>
<td>Vietnam</td>
<td>11</td>
<td>Non-life</td>
<td>16</td>
</tr>
<tr>
<td>Thailand</td>
<td>21</td>
<td>Non-life</td>
<td>8</td>
</tr>
</tbody>
</table>

**Efficient management and expansion of global businesses**

- Capture opportunities in growth markets

---

1. ATE acquisition effective 1 June 2016; hence, only half year of ATE premium included.
2. Respective German and international business; D.A.S. including Italian JV.
3. ERGO share.
4. Step-up during 2016; premiums based on average shares during the year.
5. In focus segment.
6. Thereof German LPI business: €401m.
7. Thereof German travel business: €182m.
ESP facilitates an interlocked business model between primary insurance and reinsurance

### Strategy development
- Leverage Munich Re’s presence for market entries
- Regional market committees to coordinate strategic initiatives

### Innovation
- Joint approach to FinTech and InsurTech start-ups, combining RI and PI capabilities
- Common data analytics methodologies
- PI sales skills to support RI services

### Product development
- Link innovation labs and development processes
- Bundled product solutions

### Sales and distribution
- International broker management
- Cooperation in commercial lines
- Facilitation of cross-selling (white labelling)

### Risk analysis/underwriting
- Automated underwriting
- Leverage technical skills from RI and PI – establish business lines expert groups

### Policy administration
- Group-wide churn rate analysis
- Joint policy administration

### Claims management
- Group-wide fraud analytics tool
- Data analytics to identify claims prevention and risk mitigation

### Asset management
- Leverage MEAG’s investment expertise
- Monitor investment risks centrally
- MEAG to support financial product initiatives

### HR
- Employee rotation to exchange RI and PI skills
- Joint approach to FinTech and InsurTech startups, combining RI and PI capabilities
- Common data analytics methodologies
- PI sales skills to support RI services

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**ERGO**

### International business to contribute substantially to ERGO’s results by 2020

<table>
<thead>
<tr>
<th></th>
<th>Germany</th>
<th>International</th>
<th>Munich Health PI</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net profit, €m</td>
<td>~39</td>
<td>~530</td>
<td>~190</td>
<td>~560</td>
</tr>
<tr>
<td>Total premium, €m</td>
<td>18,589</td>
<td>1,354</td>
<td>~13,203</td>
<td>~13,600</td>
</tr>
<tr>
<td>Total premium incl. JVs, €m</td>
<td>19,500</td>
<td>5,900</td>
<td>13,600</td>
<td>20,900</td>
</tr>
</tbody>
</table>

- Reduction of traditional back book in international Life business between 2016 and 2020 of more than €300m GWP (Italy, Belgium)
- Required capital will be financed within ERGO Group, i.e. there will be no capital injection from Munich Re

International and MH PI premiums amount to ~€1,800m in 2020

Net profit, €m: ~€190m to overall profit in 2020

Premiums generated by JVs amount to ~€1,400m in 2020

1 Includes segments “Life and Health Germany” as well as “Property-Casualty Germany” (cass and motor insurance), LPI business as well as German and international travel business.

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Balance sheet press conference 2017
Reinsurance

Strong 2016 result at the upper end of guidance –
Reinsurance P-C remains profitable core of our business

P-C – Gross premiums written
€17.8bn
Active cycle and portfolio management

P-C – Net result
€2.0bn
Strong technical result

Life – Gross premiums written
€10.0bn
Reduction of one large deal, increasing contribution from initiatives

P-C – Combined ratio
95.7%
Below average major loss activity

P-C – Reserve releases
5.5%
At least preserved confidence level

Life – Net result
€459m
Sound result contribution
Traditional book and Risk Solutions complement each other and provide diversification

Well balanced portfolio from a regional and line of business perspective

- Demand for tailor-made solutions compensates for the reduction in other traditional business
- Risk Solutions an important pillar for top-line contribution

Resilient January renewals – Client-centric approach pays off

Market developments
- Abundant reinsurance capital, but signs of price stabilisation
- Flattening alternative capital growth
- Continued tiering – increasing discipline for Tier 1 reinsurers
- Hardly any pressure on wordings

January renewals
- Price change: 
  \[-0.5\%\]
  Decline slowed down further
- Exposure change: 
  \[-4.4\%\]
  Cycle management reduction mitigated by new business opportunities

Munich Re
- Well positioned to counter-balance regional rate differences and flexibly shape the portfolio
- Scale and financial strength provide competitive advantage
- Value proposition as strategic partner strongly valued
- Tailor-made solutions meet client demand
Best-in-class solutions in mature markets – Dynamic growth and opportunities in emerging markets

Structured, holistic 3-year programme for regional US client

Flood Re: One of Europe’s largest natural hazard RI programmes

National Flood Insurance Program (NFIP) in the US

Northern Marmara Motorway – world’s longest suspension bridge

First foreign reinsurer to establish branch in India – Highly dynamic insurance market

Nat cat schemes to mitigate extreme weather events

Rating solution South Africa

Sovereign rating-triggered transaction for regional player

Product development for digital business models in Asia together with insurers and internet giants

Munich Re fosters innovation throughout the global organisation – Strong focus on tangible business impact

Significant focus on innovation …

… with significant impact on business already today

Innovation infrastructure

Innovation scouting

Innovation labs

Ideation

Corporate partnering

Innovation areas

1. New (re)insurance products
2. New business models
3. New clients and demands
4. New risk-related services

Innovation enabler

Data analytics

Agile IT

Collaboration

Today

2020 target vision

- Innovation-related business already generating premium volume of €650m

1 Munich Re (Group): Indirect effects on traditional businesses not included.

- Risk carrier for established and new (digital) insurance and non-insurance companies
- Provider of integrated risk services (e.g. sensor-based)
- Tailored risk solutions and white-label products
- Data analytics-based services
Strong long-term growth in cyber (re)insurance expected – Munich Re with leading-edge expertise and market presence

1 New (re)insurance products

GWP global cyber insurance market 1

<table>
<thead>
<tr>
<th>Year</th>
<th>US$ bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>10</td>
</tr>
<tr>
<td>2019</td>
<td>5</td>
</tr>
<tr>
<td>2016</td>
<td>0</td>
</tr>
<tr>
<td>2015</td>
<td>0</td>
</tr>
</tbody>
</table>

GWP Munich Re cyber portfolio

<table>
<thead>
<tr>
<th>Year</th>
<th>US$ m</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>263</td>
</tr>
<tr>
<td>2015</td>
<td>191</td>
</tr>
<tr>
<td>2014</td>
<td>135</td>
</tr>
<tr>
<td>2013</td>
<td>126</td>
</tr>
</tbody>
</table>

Reinsurance: First mover and global market leader
- Dynamic growth through joint projects with cedents
- Steady growth in the US
- Strong accumulation models

Primary insurance: Specialised single-risk taker
- Hartford Steam Boiler: Established player in US for SMEs and individuals
- Corporate Insurance Partner: Focus on larger corporate clients – Cooperation with IT providers and Beazley

1 Estimates based on different external sources (Marsh & McLennan, Barbican Insurance, Allianz).

Focus areas: Internet of Things (IoT), corporate partnering and data analytics

2 New business models

IoT is expected to disrupt the (re)insurance industry – Munich Re well positioned

Data volume in exabytes

<table>
<thead>
<tr>
<th>Year</th>
<th>Data volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>9000</td>
</tr>
<tr>
<td>2019</td>
<td>8000</td>
</tr>
<tr>
<td>2018</td>
<td>7000</td>
</tr>
<tr>
<td>2017</td>
<td>6000</td>
</tr>
<tr>
<td>2016</td>
<td>5000</td>
</tr>
<tr>
<td>2015</td>
<td>4000</td>
</tr>
<tr>
<td>2014</td>
<td>3000</td>
</tr>
<tr>
<td>2013</td>
<td>2000</td>
</tr>
<tr>
<td>2012</td>
<td>1000</td>
</tr>
</tbody>
</table>

3 New clients and demands

Digital Partners – Partnering with start-ups to digitalise insurance

Digital distribution
Making insurance like the rest of the internet

For example:

Digital economy
Insuring the sharing and gig economies

For example:

Digital data
Using new sources of data to price risk better

For example:

4 New risk-related services

Most advanced data analytics platform

Early Loss Detection System

Digital Risk Management Platform

Sales analytics

<table>
<thead>
<tr>
<th></th>
<th>Group</th>
<th>Reinsurance</th>
<th>ERGO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross premiums written</td>
<td>€48–50bn</td>
<td>€31–33bn</td>
<td>€17–17.5bn</td>
</tr>
<tr>
<td>Net result</td>
<td>€2.0–2.4bn</td>
<td>€1.8–2.2bn</td>
<td>€150–200m</td>
</tr>
<tr>
<td>Return on investment</td>
<td>~3%</td>
<td>~97%</td>
<td>~99%</td>
</tr>
<tr>
<td>Combined ratio¹</td>
<td></td>
<td></td>
<td>~98% Germany</td>
</tr>
</tbody>
</table>

¹ ~100% on a normalised basis (12% pts. major losses, 4% pts. reserve releases). Expectation for reserve releases in 2017 ~0%.
Disclaimer

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.