



Munich Re Group

Analysts' and Investors' Call 2021

25 February 2021

Please note: Presentation based on 2020 preliminary figures



Analysts' and Investors' Call 2021

Agenda

- | | | |
|----|------------------------|-------------------|
| 01 | Munich Re | Joachim Wenning |
| 02 | Group finance and risk | Christoph Jurecka |
| 03 | Additional information | |

Munich Re provides resilience in a challenging year

Financial highlights 2020

IFRS net income

€1.2bn (€2.7bn)

Adjusted for COVID-19 claims, meeting guidance of €2.8bn



Solvency II ratio

208% (237%)

Strong capitalisation close to the upper end of our target range



Return on Equity

5.3% (11.7%)

Exceeding cost of equity when adjusted for COVID-19 claims



Dividend per share

€9.80¹ (€9.80)

Maintaining a high pay-out to our shareholders



Delivering on our Ambition 2020¹

Based on good underlying performance

Net income targets achieved¹ ...

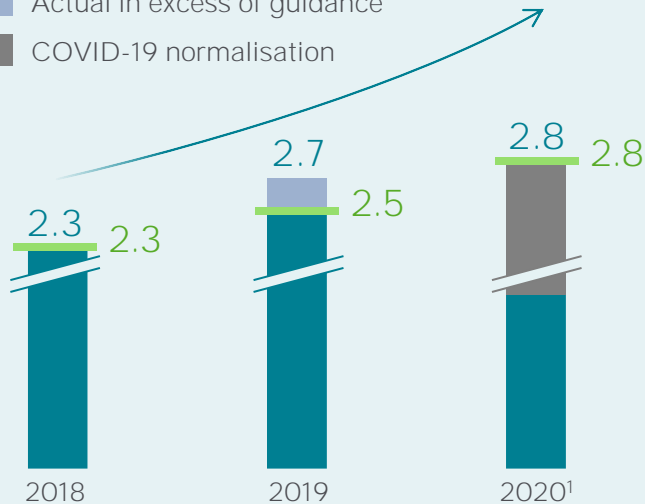
€bn

— Guidance

■ Actual

■ Actual in excess of guidance

■ COVID-19 normalisation



... despite challenging developments

High large losses in 2020

1

P-C RI markets only started selectively firming from 2018 onwards

2

Volatile capital markets in 2020 and declining interest rates since 2018

3

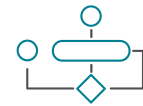
... by reigniting profitable growth



Growing Re-insurance and turning around ERGO



Improved organisational effectiveness and business impact



Leveraging data and technology to drive automation and disruption

High large losses in 2020

Losses from natural catastrophes on the rise

Nat cats in 2020 once again highlight the need to tackle climate change ...



US\$ 210bn economic losses from nat cats



Record hurricane season brought 30 storms, more than ever before



Drought fueled record-breaking wildfires in the US



... accordingly, Munich Re will be contributing to the success of the Paris Climate Agreement, ...

- New climate ambition with science-based, logical, concrete, binding and measurable targets, compatible with Paris Agreement
- Scientifically proven path to net-zero carbon emissions until 2050, with clearly defined, traceable interim goals along the way, facilitating the transition from fossil fuels to renewable energy
- Net-zero target not abstract promise for distant future, but logical consequence of today's course-setting

... while safeguarding protection to our clients

- Risk management, underwriting excellence and strong capitalisation remain key to providing nat cat coverage

High large losses in 2020

COVID-19 pandemic causes severe economic and industry losses

COVID-19 – A systemic risk ...



- COVID-19 pandemic causes severe impact on society, economy and capital markets
- Enormous costs arising – Munich Re fulfils its mission by covering claims and supporting business partners
- Strong IT facilitates protection of employees – around 90% work from home within a week's time without any friction

... with manageable financial impact on Munich Re

- Provisions for COVID-19-related claims in 2020 cautiously assessed and confirmed – projection of claims costs for 2021 still holds true¹, while high uncertainty remains
- ERGO proves particularly resilient, with stable sales production and manageable amount of COVID-19-related claims and business impact
- Strong capital position maintained, facilitating dividend continuity and further business growth in a hardening market
- Prudent risk management helps us to protect our investment result in a challenging capital market environment

Continuation of market hardening in P-C reinsurance

Outcome of January renewals fully supports our combined ratio ambition in 2021

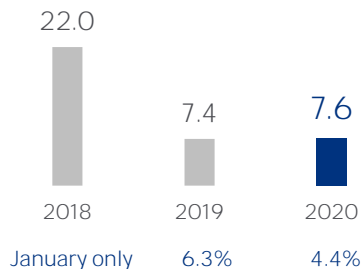
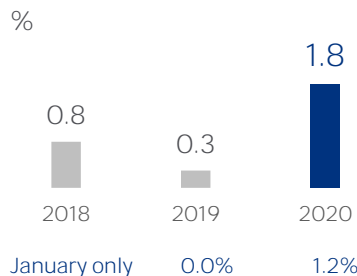


Price change



Volume change

Renewals 2018-2020



January renewals 2021

+2.4%

Optimistic for
April and July renewals

+10.9%

Well-positioned for
further business growth

Market drivers



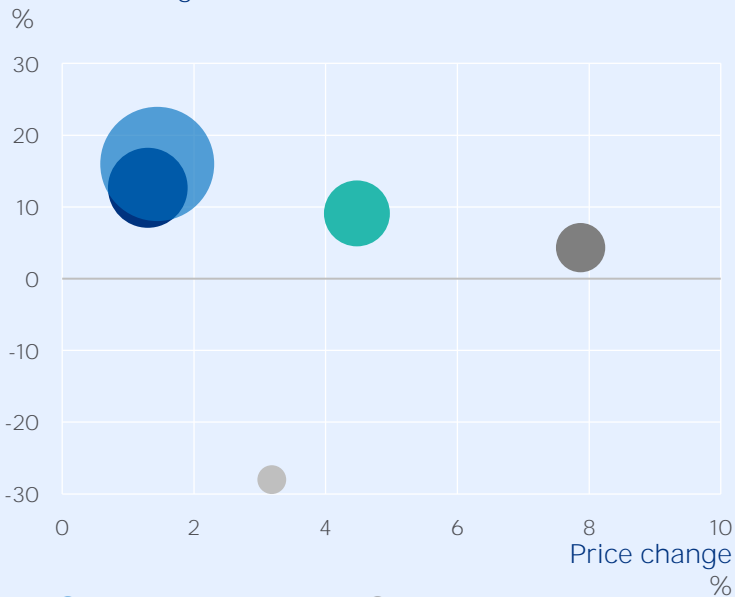
- High loss experience especially in nat cat, including secondary perils
- Low interest rates/insufficient industry RoE
- Claims/social inflation impact long-tail business
- (Alternative) capacity currently rather stable, disciplined competition
- COVID-19 triggers flight to quality
- Introduction of contagious disease exclusions where necessary

January renewals 2021

Profitable growth across all regions and perils



Volume change



- Property proportional
- Casualty proportional
- Specialty
- Property XL
- Casualty XL

Bubble size reflects relative volume up for renewal.

Europe

Lower pressure compared with the US. Main drivers: Low interest rates, general market sentiment and uncertainty around COVID-19

North America

Strong rate increases in all lines of business due to social inflation (casualty) and cat losses (property)

APAC/Africa

Hardened prices especially in loss-affected segments and regions (e.g. South Africa)

Latin America

Rate increases driven by loss experience

Worldwide/Specialty

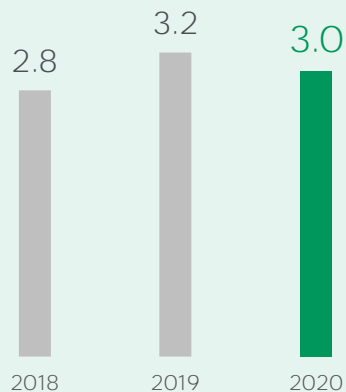
Pricing clearly reacted to loss trends as well as specific occurrences (Aviation), lack of interest income and capacity reductions

Challenging capital market environment

Successfully managed increased volatility and persistently low interest rates

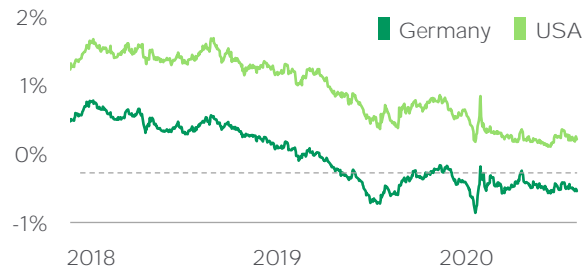
Return on investment

%



Low interest rates

10-year governments



Mitigating yield attrition without increasing risk



Capital market volatility
VDAX



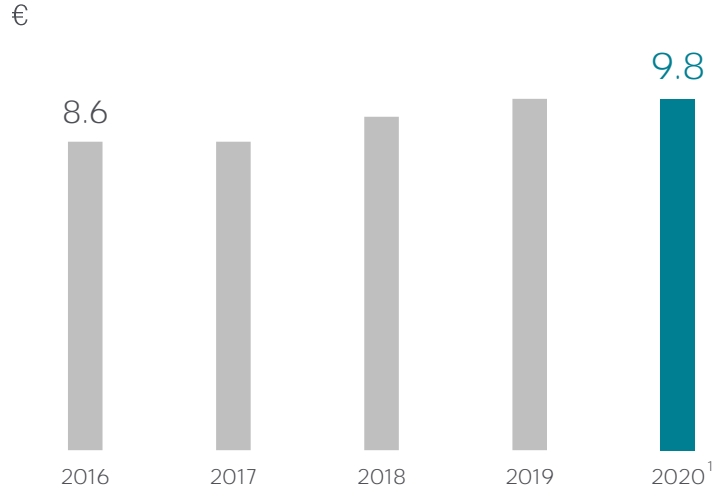
Portfolio resilience and market opportunities

Investment strategy partially counterbalances yield erosion

Superior total shareholder return (TSR)

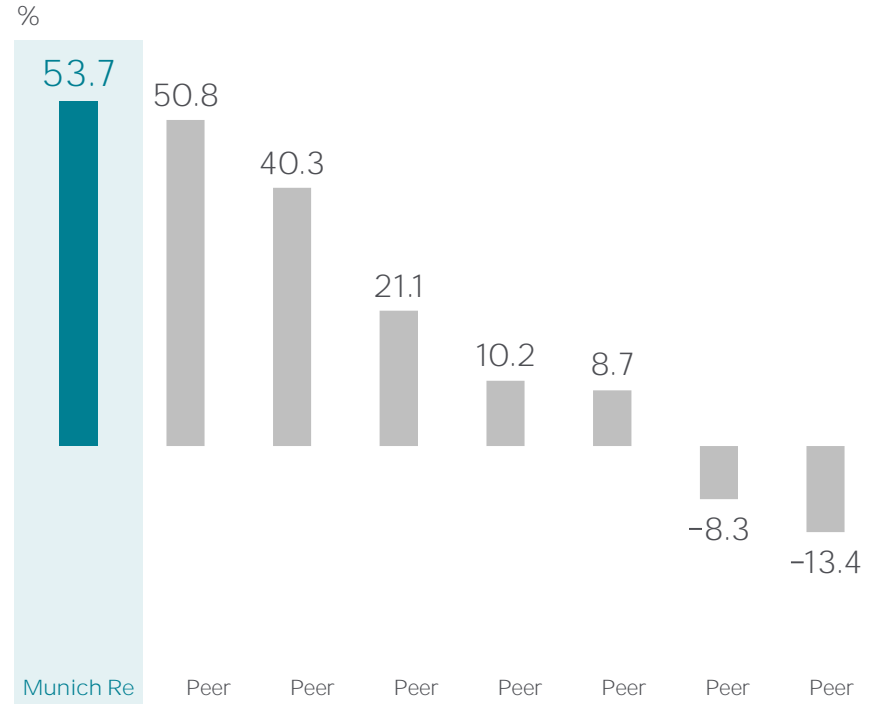
Accelerated earnings/dividend growth to further drive attractive performance

Dividend-per-share (DPS)



- Dividend floor of at least previous year's DPS ...
- ... strong commitment in a year with unusually high large losses and volatile capital markets
- Share buy-backs remain a flexible instrument to manage excess capital

TSR 1.1.2018–31.12.2020²



¹ Subject to the approval of the Supervisory Board and the Annual General Meeting.
² Source: Datastream. Peers: Allianz, Axa, Generali, Hannover Re, Scor, Swiss Re, Zurich.

Outlook 2021 unchanged to 1 December communication

On the way to achieving our Group Ambition 2025

Group	Gross written premiums ~ €55bn	Net result ~ €2.8bn	Return on investment >2.5%
ERGO	Gross written premiums ~ €17.5bn	Net result ~ €0.5bn	Combined ratio P-C Germany ~ 92% ¹ International ~ 93%
Reinsurance	Gross written premiums ~ €37bn	Net result ~ €2.3bn	Combined ratio P-C ~ 96% ² Technical result, incl. fee income Life and Health ~ €400m

Munich Re Group Ambition 2025

Levers to excel

Scale



Expansion of core

Preference for organic growth

Leverage superior underwriting

Uplift asset performance



Shape

Create additional business

Monetise digital business investments

Create new strategic options



Succeed

Shareholders
Growing earnings and RoE

Clients
Long-term partner - superior products, experience and capacity

Employees
Employer of choice: skill-driven, fostering digital culture, risk entrepreneurs

Communities
Comprehensive climate strategy matching Paris Agreement

Munich Re Group Ambition 2025

Financial targets

We will deliver



Succeed

Improved RoE, 2025

12-14%

EPS growth¹

≥5%

DPS growth^{1,2}

≥5%

Solvency II ratio
in optimal range

175-220%

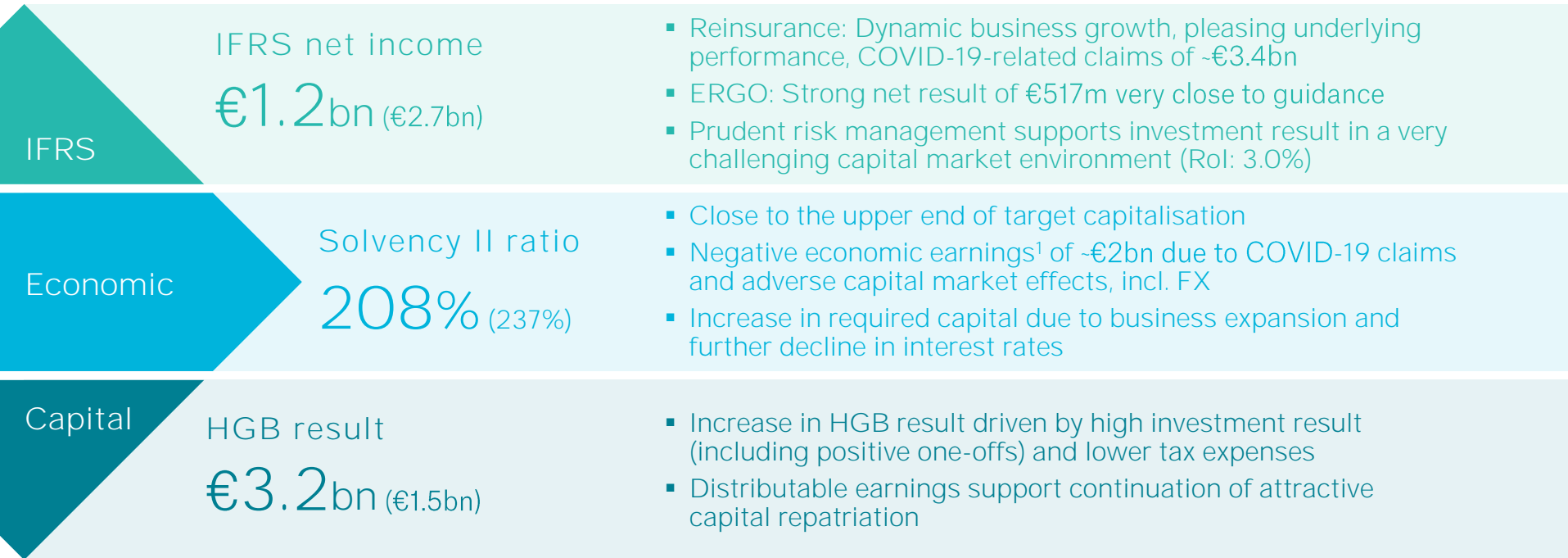
Decarbonisation targets in coal, oil and gas

Group finance and risk

Christoph Jurecka

Financial results 2020

Pleasing earnings considering heavy large losses and volatile capital markets

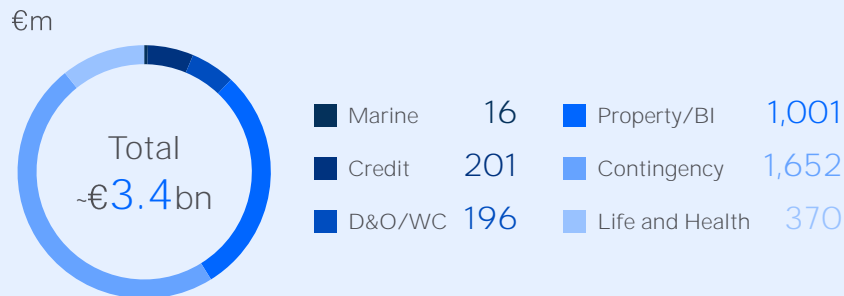


FY 2020 COVID-19-related financial impact

2020 provisions marginally increased, largely unchanged expectation for 2021

IFRS 

Re- insurance (pre-tax)¹



Reinsurance

- FY 2020 COVID-19-related claims increased marginally² by €45m (P-C) and €10m (L&H)
- P-C: 78% of the COVID-19 loss estimates are IBNR

ERGO

- Increase in claims (+€17m, e.g. business closure)²
- Decrease in other areas (-€18m, cost savings overcompensate for lower investment result)²

ERGO (after tax)



Expected COVID-19-related claims in 2021

- P-C RI: -€300m (pre-tax)
- L&H RI: -€200m (pre-tax)
- ERGO: -€90-100m (after tax) – slightly down²

Result Q4 2020

Major drivers



Net income

€212m
(€217m)

Reinsurance: €75m

P-C: Apart from COVID-19 related claims of €936m, benign major loss experience

L&H: Driven by COVID-19 (€175m, mainly in US and IBNR for disability), negative US experience beyond COVID-19, single large claim in Asia

ERGO: €136m

Very pleasing result above run-rate of FY guidance despite COVID-19 impact

FX losses: -€266m

Tax income: €91m



Technical result

-€1m
(-€160m)

P-C RI C/R: 104.2%

Major-loss ratio: 20.2% -

Reserve releases¹: 4.6%

Normalised C/R: 96.6%

L&H RI

Technical result including fee income: -€63m

ERGO P-C

Germany C/R: 92.8%

ERGO International C/R: 93.0%



Investment result

€2,090m
(€1,996m)

Return on investment 3.3%

Derivative losses from hedging overcompensated for by disposal gains (incl. ZZR funding)

Reinvestment yield largely stable vs. Q3 at 1.3%

RoE in 2020

	Net result		Equity ^{1,2}	=	RoE
Group	€1.2bn	/	€22.7bn	=	5.3%
ERGO	€0.5bn	/	€5.9bn	=	8.8%
Reinsurance	€0.7bn	/	€16.8bn	=	4.1%

€23.1bn	Equity 31.12.2019 ¹
+€1.2bn	Net result 2020
-€1.7bn	Dividend/share buy-back in 2020
-€0.3bn	Other
€22.3bn	Equity 31.12.2020 ¹

Group RoE of ~12% adjusted for COVID-19

Group investment result

Resilient performance given volatile capital markets

IFRS 

- Attrition of running yield following sharp decline in interest rates and portfolio derisking – slowdown to -10 bps expected from 2021 onwards
- Successfully managed capital market volatility with well-diversified investment portfolio and effective hedging
- Disposal gains mainly driven by tactical asset allocation and ZZR financing

ERGO – IFRS key financials 2020

ERGO Strategy Programme successfully concluded

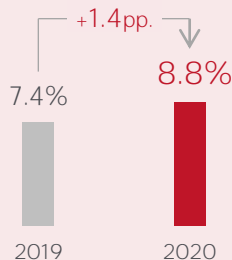
IFRS

ERGO

GWP **€17.6bn** (€17.7bn)

Net result **€517m** (€440m)

Return on equity



L&H Germany

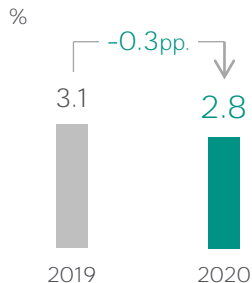
€9.0bn (€9.2bn)

COVID-19 driven decrease in Travel, growth in Life and Health new book compensates for ordinary back-book attrition

€130m (€187m)

Decrease driven by Health and Travel due to COVID-19, good result in Life

Return on investment



P-C Germany

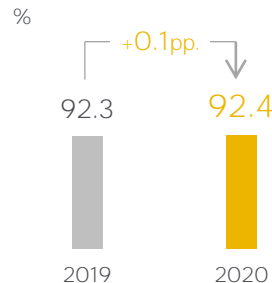
€3.7bn (€3.5bn)

Strong growth driven by increase in commercial and retail lines

€157m (€148m)

Strong operating performance, COVID-19 impact mitigated by lower amount of large losses

Combined ratio



International

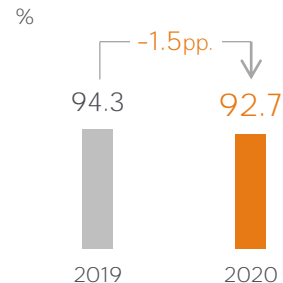
€4.9bn (€4.9bn)

Stable premium development despite portfolio streamlining, run-down in Belgium and COVID-19

€230m (€105m)

Improved operating performance and positive accounting effect from merger in India¹ - prior year impacted by portfolio streamlining

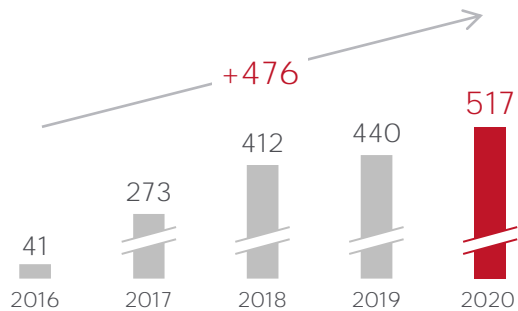
Combined ratio



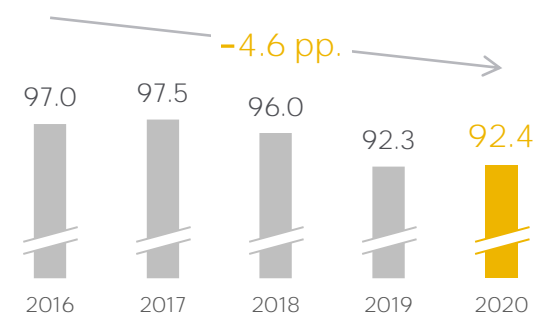
ERGO Strategy Programme (ESP) 2016-2020

Main KPIs show success of ESP

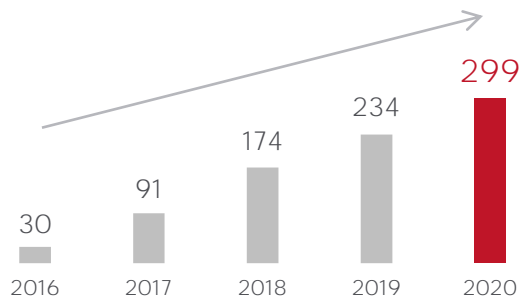
Net profit
ERGO Group
€m



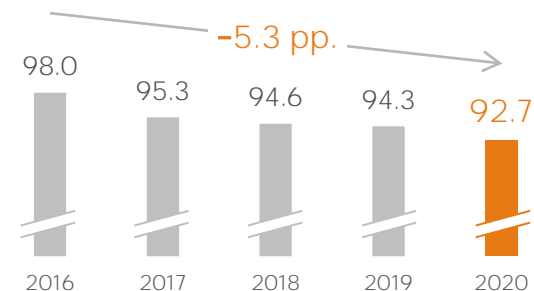
Combined ratio
P-C Germany
%



Cost savings¹
cumulative, €m



Combined ratio
International
%



¹ After policyholder participation and tax.

Reinsurance – IFRS key financials 2020

Strong organic growth, high COVID-19-related losses

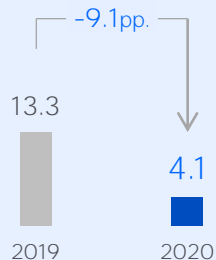

 IFRS

Reinsurance

GWP **€37.3bn** (€33.8bn)

Net result **€694m** (€2,268m)

Return on equity



P-C Reinsurance

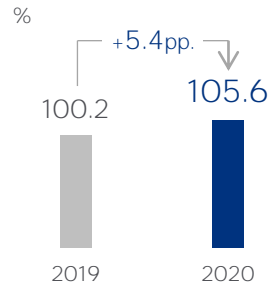
€24.6bn (€22.1bn)

Strong organic growth in almost all lines of business, taking advantage of hardening markets and new business opportunities

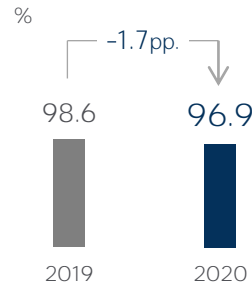
€571m (€1,562m)

COVID-19 losses of -€3.1bn accounting for 13.6pp. in the combined ratio, below-average nat cat losses – normalised combined ratio improved

Combined ratio



Normalised C/R



L&H Reinsurance

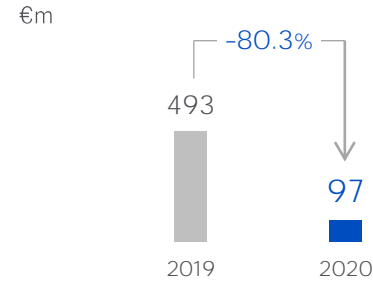
€12.7bn (€11.7bn)

Growth across all core markets, in particular Continental Europe and Asia

€123m (€706m)

Dominated by COVID-19 mortality claims (incl. IBNR for disability) and excess mortality beyond COVID-19 in the US – pleasing new business and fee income

Technical result incl. fee income

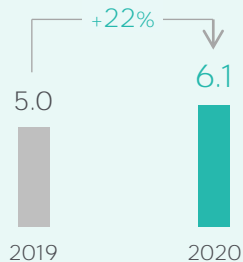


Risk Solutions

Strong organic growth, increased profitability


 IFRS

Gross written premiums



- Strong organic growth across all units, taking advantage of profitable business opportunities in a hardening market
- MR Specialty Insurance: Succeeding growth strategy with excellent opportunities
- Facultative & Corporate Direct: Strong growth particularly in property/engineering and energy
- Munich Re Syndicate: Better market conditions and diversification in new specialty lines supporting sustainable growth path

Combined ratio



- Improved profitability despite elevated nat cat experience for US Risk Solutions carriers (very active hurricane, tornado and wildfire season)
- Normalised for large losses, combined ratio in line with mid-nineties ambition
- Hartford Steam Boiler: Commercial book continues to drive pleasing performance
- Facultative & Corporate Direct: Benign man-made losses and favourable market conditions
- Aerospace: Low outlier events

Unchanged reserve prudence

Protect balance sheet against negative surprises

IFRS

Managing industry hot spots



COVID-19

Loss complex affects multiple lines with challenging loss assessment in a situation where pandemic is still evolving

Munich Re impact

Thorough claims assessment; solid reserve position with 78% IBNR; uncertainties remain to be high



Asbestos

Complex litigation, changes in legal and regulatory environment

Derisking with large claims settlements in the past and further increased survival ratio in 2020 at a very strong level

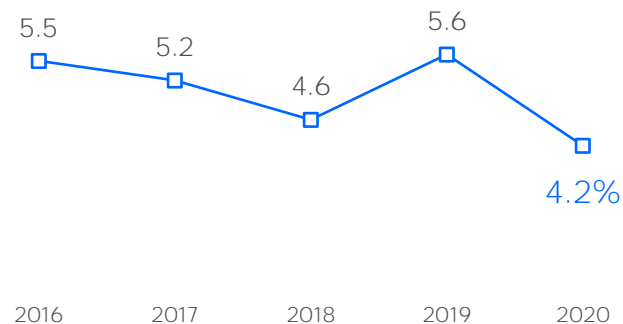


US liability

High litigation risk and increasing social-inflation trends

Continuation of adverse loss trends in selected portfolios; pro-active strengthening of reserves to ensure unchanged high prudence level

Ongoing reserve releases¹



Again, significant reserve releases, which more than offset adverse development in selected hot spot areas

¹ Property-casualty reinsurance, in % of net earned premiums, basic losses after sliding scale commissions.

Solvency II ratio

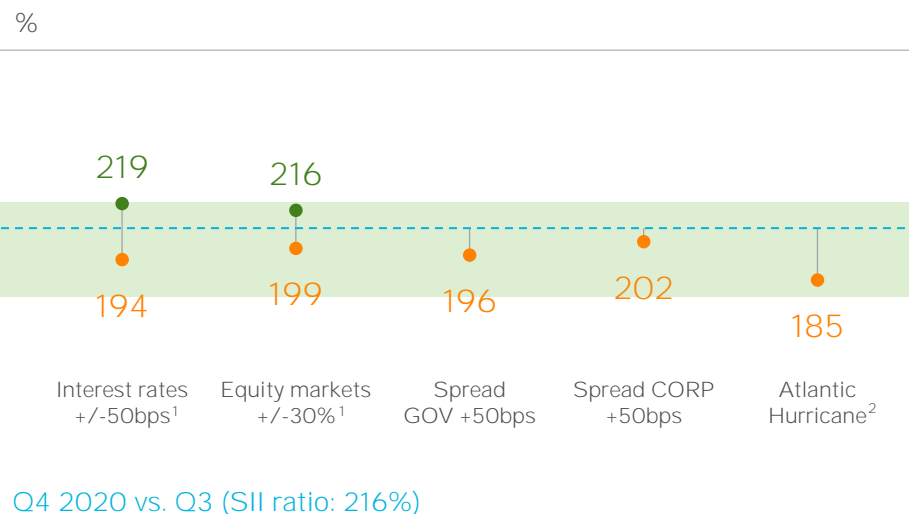
Sound capitalisation continues to support our capital management strategy

Economic

Development of Solvency II ratio



SII sensitivities



	2016	2017	2018	2019	2020
EOF	40.7	35.1	36.0	41.5	€39.9bn
SCR	15.3	14.4	14.7	17.5	€19.2bn

Q4 2020 vs. Q3 (SII ratio: 216%)

- Positive operating economic earnings despite COVID-19 offset by SCR increase, including January renewals
- Impact from market variances largely neutral – muted participation in rising equity markets (derisking in early 2020) and reduced VA
- Proposed dividend of -€1.4bn already deducted (-7%-pp.)

SCR development

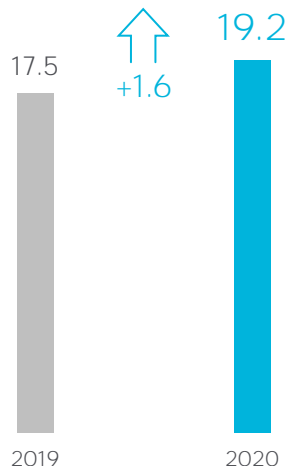
Balanced risk profile between insurance and investment risks maintained

Economic

SCR increase largely driven by business growth, low interest rates and volatile capital markets

€bn

Total SCR
(incl. diversification)



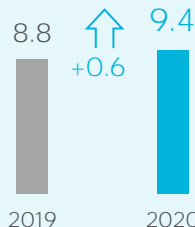
Insurance risks



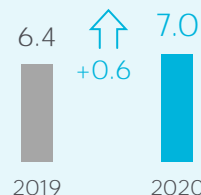
Investment risks



Property-casualty

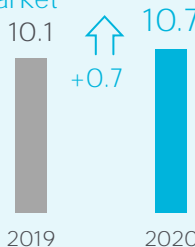


Life and Health

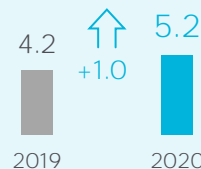


- P-C: Substantial growth in Reinsurance (esp. nat cat)
- L&H: Growth in Reinsurance and effect of lower interest rates, slightly offset by depreciation of US\$

Market



Credit



- Global decline in interest rates and volatile capital markets drive increase in market and credit risk

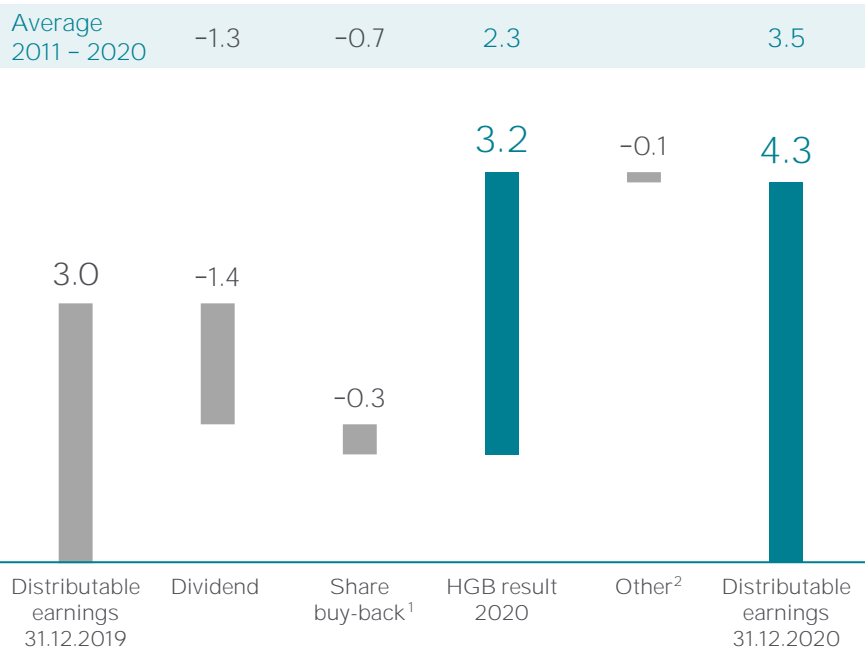
German GAAP (HGB) result 2020 supported by one-offs

Capital repatriation well-funded

Capital

€bn

Average
2011 – 2020



HGB result 2019
€bn **1.5**

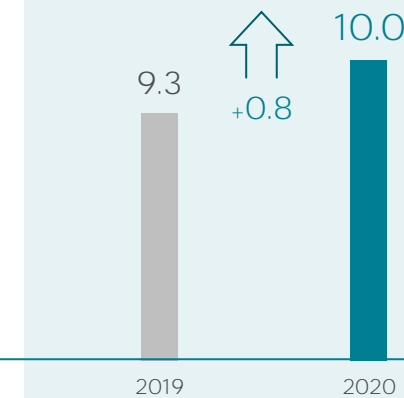
Underwriting result -0.6

Investment result +1.8

Other +0.5

HGB result 2020 **3.2**

Equalisation provision
€bn



¹ Buy-back programme 2019/20. ² Changes in restrictions on distribution.

Additional information

Segment income statement Q4 2020

€m	Reinsurance L/H ¹	Reinsurance P-C	ERGO L/H Germany	ERGO P-C Germany	ERGO International	Total Q4 2020
Gross written premiums	3,169	6,136	2,312	735	1,278	13,629
Net earned premiums	2,886	5,898	2,323	935	1,193	13,235
Income from technical interest	165	270	1,174	17	194	1,819
Net expenses for claims and benefits	-2,637	-4,233	-3,132	-612	-1,011	-11,625
Net operating expenses	-523	-1,925	-338	-282	-363	-3,431
Technical result	-109	10	26	57	13	-1
Investment result	207	513	1,152	53	165	2,090
Insurance-related investment result	36	-3	300	0	146	479
Other operating result	19	-72	-131	-42	-41	-267
Deduction of income from technical interest	-165	-270	-1,174	-17	-194	-1,819
Non-technical result	96	169	147	-6	76	482
Operating result	-13	179	173	52	89	481
Other non-operating result	0	-1	-16	-16	-1	-34
Currency result	-41	-164	-70	7	1	-266
Net finance costs	-11	-34	-6	-1	-7	-59
Taxes on income	34	126	-50	-4	-15	91
Net result	-30	105	31	38	68	212
<i>Tax rate</i>	<i>53.4%</i>	<i>607.7%</i>	<i>61.9%</i>	<i>9.6%</i>	<i>18.3%</i>	<i>-75.2%</i>

1 Technical result, incl. fee income: -€63m.

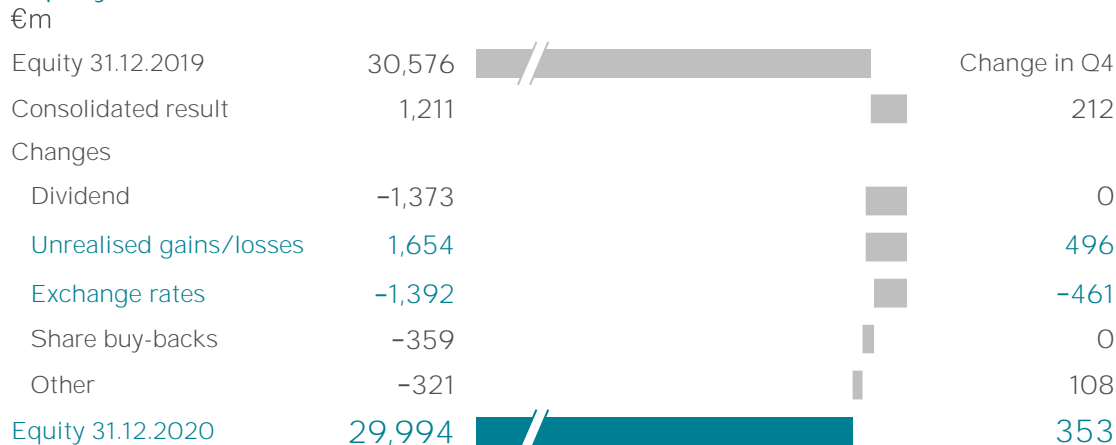
Segment income statement 2020

€m	Reinsurance L/H ¹	Reinsurance P-C	ERGO L/H Germany	ERGO P-C Germany	ERGO International	Total 2020
Gross written premiums	12,707	24,615	9,030	3,677	4,861	54,890
Net earned premiums	11,461	22,566	9,066	3,570	4,560	51,223
Income from technical interest	666	1,107	3,180	68	249	5,270
Net expenses for claims and benefits	-10,128	-16,866	-10,511	-2,254	-3,318	-43,077
Net operating expenses	-2,077	-6,978	-1,382	-1,089	-1,289	-12,815
Technical result	-78	-171	353	294	202	600
Investment result	846	2,347	3,605	175	425	7,398
Insurance-related investment result	69	-45	24	0	57	105
Other operating result	53	-263	-354	-147	-137	-848
Deduction of income from technical interest	-666	-1,107	-3,180	-68	-249	-5,270
Non-technical result	303	931	95	-39	96	1,386
Operating result	225	759	448	255	298	1,986
Other non-operating result	1	-11	-48	-28	4	-83
Currency result	-46	6	-161	1	2	-200
Net finance costs	-40	-128	-22	-6	-27	-223
Taxes on income	-16	-55	-86	-64	-48	-269
Net result	123	571	130	157	230	1,211
<i>Tax rate</i>	<i>11.8%</i>	<i>8.8%</i>	<i>39.7%</i>	<i>29.0%</i>	<i>17.2%</i>	<i>18.2%</i>

¹ Technical result, incl. fee income: €97m.

Capital position

Equity



Unrealised gains/losses

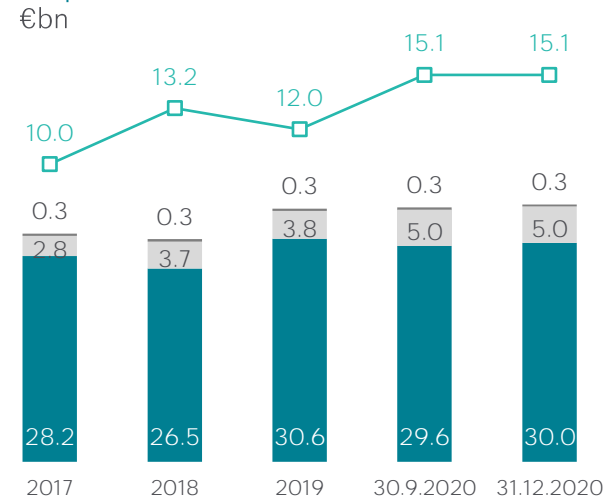
Fixed-interest securities
2020: €2,121m Q4: €235m

Non-fixed-interest securities
2020: -€495m Q4: €248m

Exchange rates

Devaluation of various currencies,
mainly USD

Capitalisation



- Debt leverage¹ (%)
- Senior and other debt
- Subordinated debt
- Equity


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


Premium development


Gross written premiums

€m

2019  51,457

Foreign exchange  -620

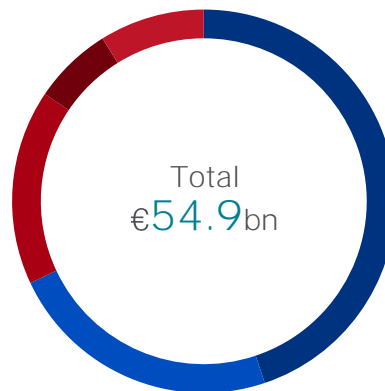
Divestments/
investments  -103






Organic change  4,157

2020  54,890

Segmental breakdown

€m



 Reinsurance Property-casualty	24,615	(45%)	(▲ 11.4%)
 Reinsurance Life and Health	12,707	(23%)	(▲ 8.5%)
 ERGO Life and Health Germany	9,030	(16%)	(▲ -2.3%)
 ERGO Property-casualty Germany	3,677	(7%)	(▲ 5.1%)
 ERGO International	4,861	(9%)	(▲ -1.0%)

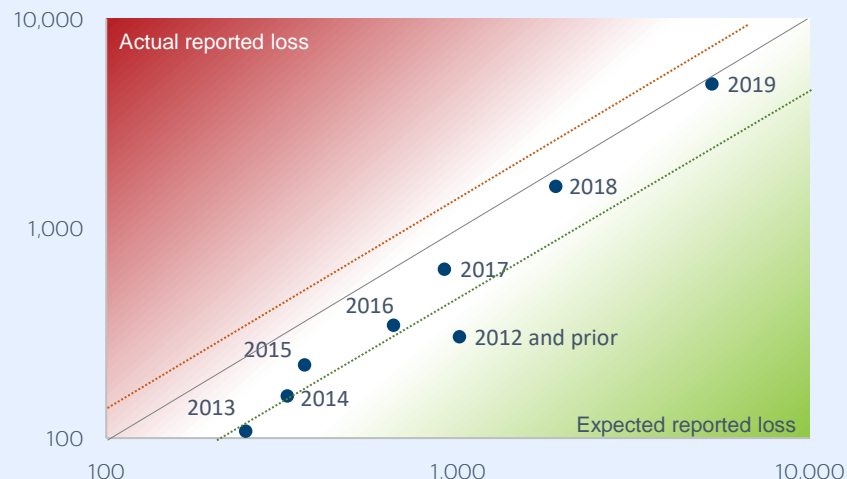
Very strong reserve position

Actual basic losses continue to be consistently below actuarial expectations

Reinsurance group – Comparison of incremental expected losses with actual reported losses¹

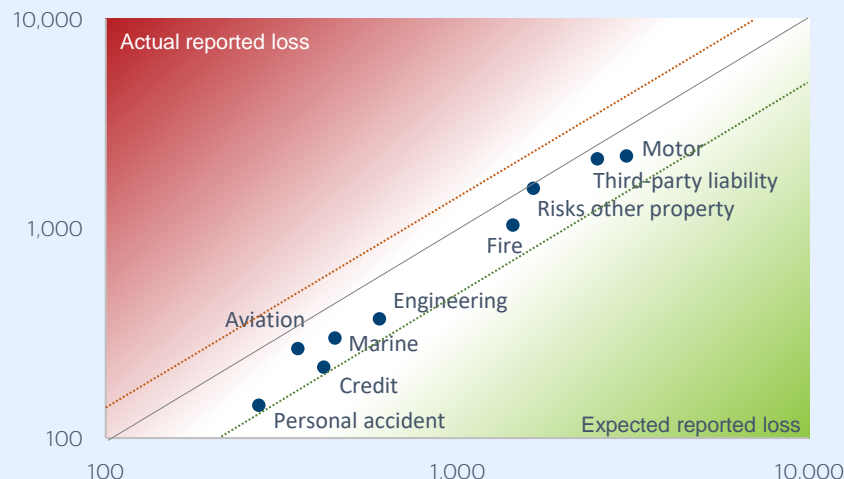
€m

By exposure year



Actuals below expectation for all exposure years – overall picture consistent with previous years

By line of business



Also on a line-of-business view all actuals are below expectations

Legend: **Green** actuals below expectation **Red** actuals above expectation **Solid line** actuals equal expectation **Dotted line** actuals 50% above/below expectations

Positive run-off result despite reserve strengthening in selected portfolios without weakening resilience against future volatility

Ultimate losses¹ – Favourable actual vs. expected comparison facilitates ultimate reductions for prior years

€m

	Accident year (AY)												Total	
	≤2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020			
31.12.2010	52,015													
31.12.2011	51,373	16,847												
31.12.2012	50,174	16,950	13,845											
31.12.2013	49,777	16,688	13,604	13,739										
31.12.2014	48,890	16,305	13,423	13,935	13,646									
31.12.2015	47,804	16,176	13,228	13,905	13,673	12,927								
31.12.2016	47,257	15,725	13,194	13,629	13,667	12,977	13,791							
31.12.2017	46,964	15,703	13,094	13,560	13,462	12,780	13,642	16,696						
31.12.2018	46,130	15,427	12,847	13,277	13,211	12,572	13,689	16,710	16,979					
31.12.2019	44,974	15,169	12,627	13,129	13,029	12,429	13,515	16,598	17,800	17,936				
31.12.2020	44,265	15,019	12,440	12,773	12,821	12,318	13,174	16,523	18,155	18,421	21,022			
CY 2020 run-off change	708	150	187	356	208	111	341	74	-355	-484	-	1,295		
CY 2020 run-off change (%)	1.6	1.0	1.5	2.7	1.6	0.9	2.6	0.4	-2.0	-2.6	-	0.7		

- Again very favourable overall run-off, in particular for basic losses
- Negative run-off in AYs 2018 and 2019 impacted by cautious positioning in US liability as a reaction to ongoing social inflation trends
- 2019 run-off includes COVID-19 related losses for ERGO where a strict AY separation is not feasible; without COVID-19 impact ERGO run-off positive
- Reserve position remains strong

Reinsurance² €1,338m
ERGO -€43m

1 Basic and major losses: accident-year split partly based on approximations. Adjusted to exchange rates as at 31.12.2020.
2 Basic losses: €1,078m, major losses: €260m.

Response to benign emergence of basic losses in line with considered judgement

Actual vs. expected

Changes in projection

Business rationale

Property



Favourable loss development leads to releases

- Favourable indications across all lines
- Short-tail lines develop relatively quickly
- Releases spread across various property lines of business

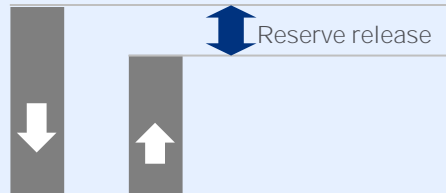
Specialty¹



Releases follow favourable indications

- Positive actual-versus-expected indications across all lines
- Reserve release primarily in marine
- Cautious reaction to favourable indications in aviation and credit

Casualty

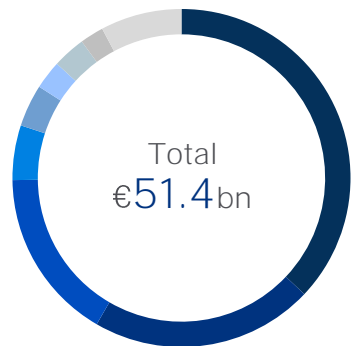


Small overall release despite favourable indications

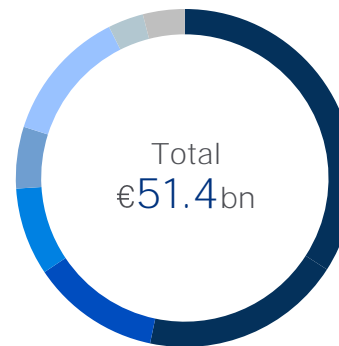
- Deliberately small reserve release, despite favourable overall actual-versus-expected development
- Releases in motor and third-party liability
- Cautious reaction to ongoing social inflation trends in selected casualty portfolios

Property-casualty provision for outstanding claims

By line of business
%



By maturity
%



■ Third-party liability	37	(37)
■ Motor	21	(22)
■ Fire	16	(17)
■ Engineering	5	(6)
■ Personal accident	4	(4)

■ Marine	3	(3)
■ Credit	3	(3)
■ Aviation	2	(3)
■ Other	8	(6)

■ 0-1 years	34	(35)
■ 1-2 years	19	(20)
■ 2-3 years	12	(12)
■ 3-4 years	8	(8)
■ 4-5 years	6	(5)

■ 5-10 years	13	(12)
■ 10-15 years	3	(3)
■ >15 years	4	(4)

Asbestos and environmental survival ratio

Munich Re

Net definitive as at 31 December 2020¹

€m

	Asbestos	Environmental	A&E total
Paid	3,093	929	4,022
Case reserves	407	127	534
IBNR	534	187	721
Total reserves	941	314	1,255
3-year average annual paid losses	45	13	59
Survival ratio 3-year average	20.8	23.8	21.4

Investment result

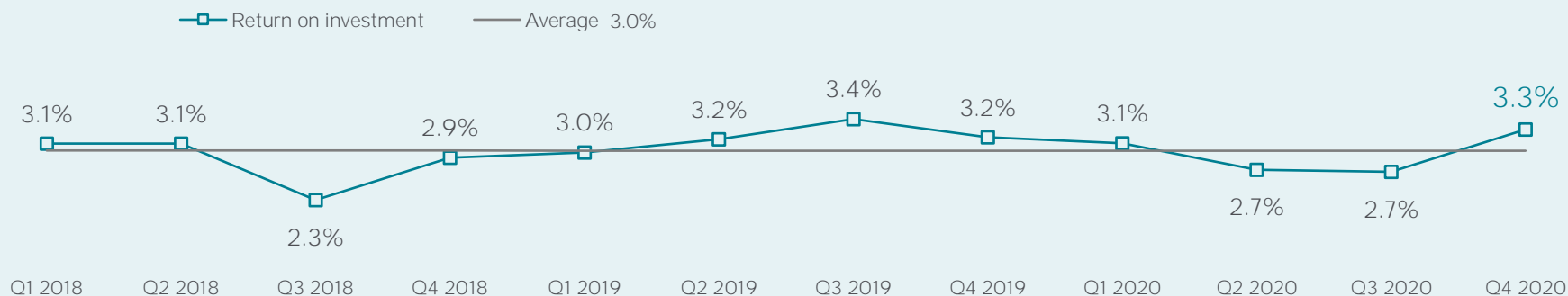
€m	Q4 2020	Return ¹	2020	Return ¹	2019	Return ¹
Regular income	1,472	2.3%	6,273	2.5%	6,751	2.8%
Write-ups/write-downs	-125	-0.2%	-1,957	-0.8%	-309	-0.1%
Disposal gains/losses	1,488	2.4%	3,698	1.5%	2,779	1.1%
Derivatives ²	-555	-0.9%	74	0.0%	-717	-0.3%
Other income/expenses	-190	-0.3%	-690	-0.3%	-681	-0.3%
Investment result	2,090	3.3%	7,398	3.0%	7,822	3.2%
Total return		5.3%		4.6%		7.8%

3-month reinvestment yield	Q4 2020	Write-ups/ write-downs	Disposal gains/losses	Derivatives	2020	Write-ups/ write-downs	Disposal gains/losses	Derivatives	
Q4 2020	1.3%	Fixed income	2	802	-46	Fixed income	-20	2,160	559
Q3 2020	1.3%	Equities	-79	526	-503	Equities	-1,750	1,077	-425
Q2 2020	1.6%	Commodities/Inflation	-2	0	15	Commodities/Inflation	37	0	53
		Other	-46	161	-22	Other	-224	462	-113

Return on investment by asset class and segment

2020

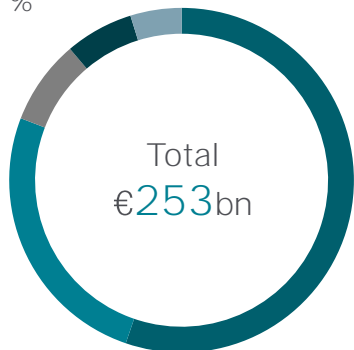
% ¹	Regular income	Write-ups/ -downs	Disposal result	Extraord. derivatives result	Other inc./exp.	Rol	Market value (€m)
Afs fixed-income	2.0	-0.0	1.2	0.0	0.0	3.2	135,441
Afs non-fixed-income	4.4	-10.5	6.5	0.0	0.0	0.4	16,676
Derivatives	4.4	0.0	0.0	2.6	-1.0	5.9	2,906
Loans	2.6	-0.0	0.8	0.0	0.0	3.5	64,878
Real estate	4.6	-1.3	3.3	0.0	0.0	6.6	12,164
Other ²	2.6	-0.2	0.3	0.0	-3.7	-0.9	17,751
Total	2.5	-0.8	1.5	0.0	-0.3	3.0	249,816
Reinsurance	2.5	-0.4	1.2	0.4	-0.3	3.4	95,230
ERGO	2.5	-1.0	1.6	-0.2	-0.2	2.7	154,586



Investment portfolio

Investment portfolio

%



■ Fixed-interest securities	55.3	(53.9)
■ Loans	25.6	(26.1)
■ Miscellaneous ³	7.9	(8.1)
■ Shares, equity funds and participating interests ²	6.4	(7.1)
■ Land and buildings	4.8	(4.7)

Fixed-interest securities¹ (%)

	31.12.2020	31.12.2019
Governments/semi-governments	64	63
Pfandbriefe/covered bonds	10	13
Cash/other	1	1
Corporates	19	18
Banks	3	2
Structured products	4	4

Loans¹

Governments/semi-governments	43	41
Pfandbriefe/covered bonds	38	41
Loans to policyholders/mortgage loans	13	13
Corporates	5	4
Banks	1	1

Miscellaneous

Deposits on reinsurance	40	40
Bank deposits	17	19
Investment funds ⁵	10	11
Derivatives ⁴	7	6
Other	26	25

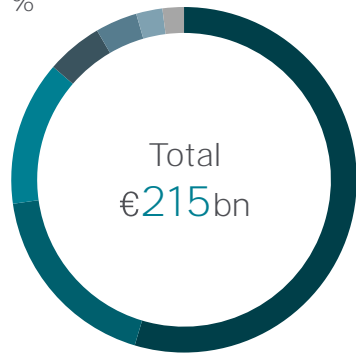
¹ Approximation – not fully comparable with IFRS figures. Fair values as at 31.12.2020 (31.12.2019). ² Incl. derivatives: 6.0 (6.4%). ³ Deposits retained on assumed reinsurance, deposits with banks, investment funds (excl. equities), derivatives and investments in renewable energies and gold. ⁴ Non-fixed derivatives. ⁵ Non-fixed property funds and non-fixed bond funds

Fixed-income portfolio

Total

Fixed-income portfolio

%

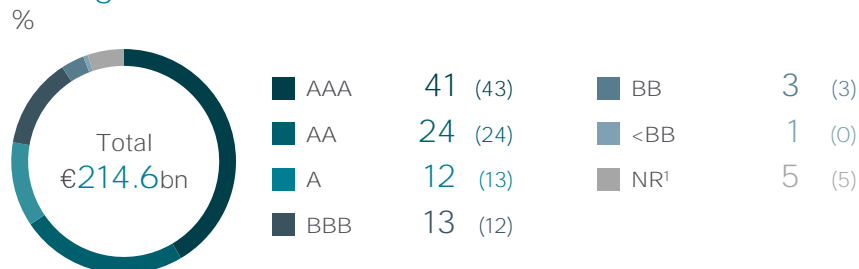


■ Governments/semi-governments	55	(53)	■ Loans to policyholders/mortgage loans	4	(4)
■ Pfandbriefe/covered bonds	18	(21)	■ Structured products	2	(2)
■ Corporates	14	(13)	■ Bank bonds	2	(1)
■ Cash/other	5	(5)			

Fixed-income portfolio

Total

Rating structure



Maturity structure



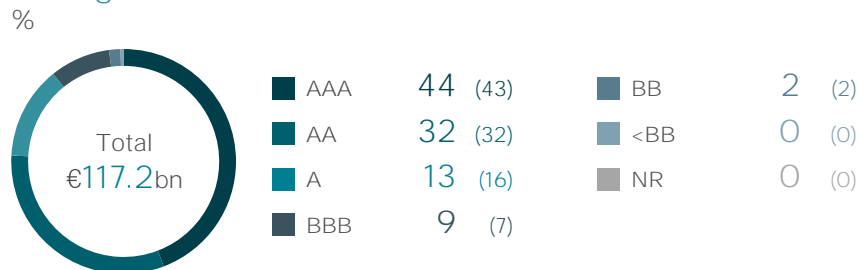
Regional breakdown

Region	Without policyholder participation		With policyholder participation	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Germany	4.5	21.4	25.9	26.8
US	14.0	1.7	15.7	15.6
France	2.1	5.1	7.2	7.3
Canada	4.2	0.7	4.9	4.7
UK	2.6	2.0	4.6	5.1
Netherlands	1.5	3.0	4.5	4.3
Supranationals	0.7	2.9	3.7	3.6
Australia	3.1	0.4	3.5	3.1
Spain	0.8	2.1	2.8	3.1
Austria	0.5	2.1	2.6	2.6
Belgium	0.7	1.8	2.5	2.4
Ireland	0.8	1.6	2.4	2.2
Poland	1.3	0.4	1.8	1.8
Luxembourg	0.4	1.0	1.5	1.3
Italy	0.6	0.7	1.3	1.3
Other	6.9	8.3	15.2	14.7
Total	44.6	55.4	100.0	100.0

Fixed-income portfolio

Governments/semi-governments

Rating structure



Maturity structure



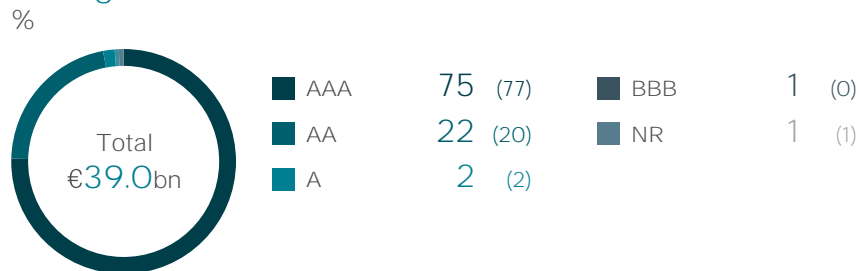
Regional breakdown

Region	%		Total	
	Without policyholder participation	With policyholder participation	31.12.2020	31.12.2019
Germany	3.7	20.3	24.0	23.9
US	15.8	1.0	16.9	16.5
Supranationals	1.3	5.4	6.7	6.7
Canada	6.0	0.7	6.7	6.5
Australia	5.1	0.1	5.2	4.0
Belgium	1.1	3.1	4.2	4.1
France	1.5	2.2	3.7	3.8
Spain	0.8	2.7	3.4	4.3
Austria	0.6	2.6	3.3	3.2
Poland	2.3	0.8	3.1	3.2
Finland	0.2	1.7	2.0	2.0
UK	1.9	0.0	1.9	2.8
Netherlands	0.6	1.3	1.9	1.9
Ireland	0.5	1.2	1.6	1.6
Italy	0.7	0.7	1.4	1.4
Other	7.0	7.1	14.0	14.1
Total	49.0	51.0	100.0	100.0

Fixed-income portfolio

Pfandbriefe/covered bonds

Rating structure



Maturity structure

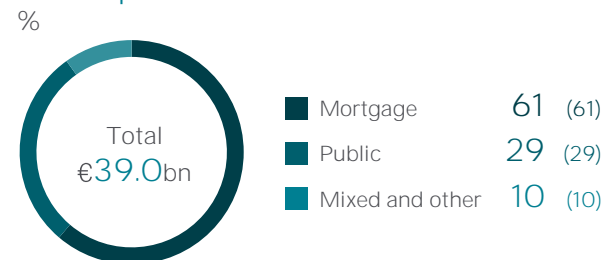


Regional breakdown

%

	31.12.2020	31.12.2019
Germany	32.2	35.4
France	20.9	19.5
UK	10.2	9.8
Netherlands	8.3	8.4
Sweden	5.8	5.9
Norway	5.7	5.4
Spain	1.9	1.8
Italy	1.1	1.1
Ireland	0.3	0.3
Other	13.5	12.5

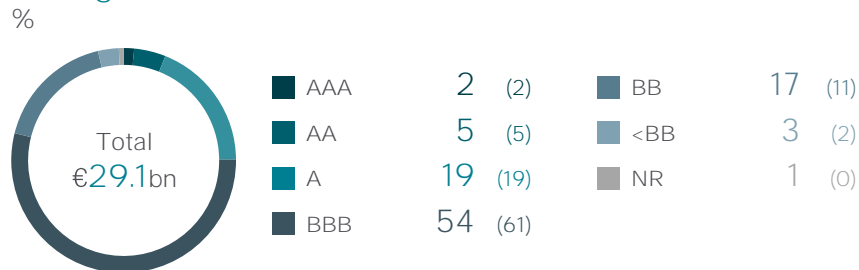
Cover pools



Fixed-income portfolio

Corporate bonds (excluding bank bonds)

Rating structure



Maturity structure



Sector breakdown

	31.12.2020	31.12.2019
Utilities	13.9	13.6
Industrial goods and services	12.9	14.2
Financial services	11.8	9.6
Oil and gas	11.2	10.9
Telecommunications	8.5	8.0
Healthcare	6.9	7.5
Technology	5.8	6.0
Automobiles	5.3	3.9
Food and beverages	4.0	4.0
Personal and household goods	3.0	3.1
Media	3.0	3.6
Construction	2.9	2.8
Basic resources	2.5	3.5
Other	8.3	9.2

Fixed-income portfolio

Structured products

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

€m

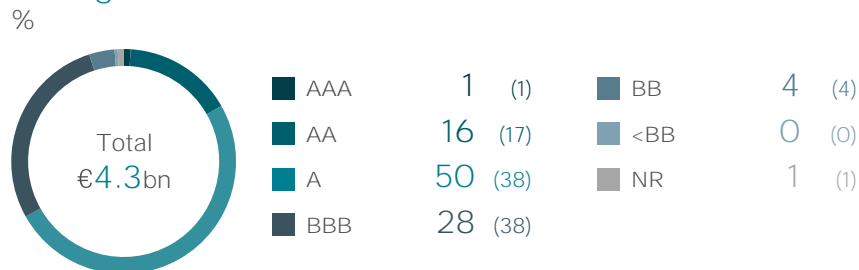
		Rating						Region		Total	Market-to-par
		AAA	AA	A	BBB	<BBB	NR	USA + RoW	Europe		
ABS	Consumer-related ABS ¹	207	152	65	0	0	0	314	110	424	101%
	Corporate-related ABS ²	63	25	414	61	0	0	100	463	563	100%
	Subprime HEL	0	1	0	0	0	0	1	0	1	100%
CDO/ CLN	Subprime-related	0	0	0	0	0	0	0	0	0	0%
	Non-subprime-related	870	1,628	31	1	0	0	634	1,895	2,530	100%
MBS	Agency	846	20	0	0	0	0	866	0	866	108%
	Non-agency prime	14	13	0	0	0	0	1	26	27	100%
	Non-agency other (not subprime)	230	20	0	0	0	0	11	239	251	100%
	Commercial MBS	528	51	44	0	0	5	536	93	628	107%
Total 31.12.2020		2,759	1,909	554	63	0	5	2,463	2,826	5,289	102%
In %		52%	36%	10%	1%	0%	0%	47%	53%	100%	
Total 31.12.2019		2,876	1,527	303	58	0	9	2,870	1,904	4,774	101%

¹ Consumer loans, auto, credit cards, student loans. ² Asset-backed CPs, business and corporate loans, commercial equipment.
Approximation - not fully comparable with IFRS figures. Fair values as at 31.12.2020 (31.12.2019).

Fixed-income portfolio

Bank bonds

Rating structure



Maturity structure



Regional breakdown

%	Senior bonds	Sub-ordinated	Loss-bearing	Total	
				31.12.2020	31.12.2019
US	26.6	4.7	0.3	31.6	35.4
UK	10.4	0.7	0.3	11.4	7.2
Canada	8.9	0.0	0.0	8.9	11.4
Germany	6.8	0.1	1.5	8.4	10.2
Ireland	6.4	0.0	0.0	6.4	8.8
France	5.5	0.7	0.0	6.2	5.0
Netherlands	4.7	0.1	0.0	4.7	2.6
Japan	2.1	0.0	0.0	2.1	0.2
Switzerland	2.0	0.0	0.0	2.0	1.3
Other	17.5	0.8	0.0	18.3	17.9

Cover pools



1 Classified as Tier 1 and upper Tier 2 capital for Solvency purposes. 2 Classified as lower Tier 2 and Tier 3 capital for Solvency purposes. Approximation - not fully comparable with IFRS figures. Fair values as at 31.12.2020 (31.12.2019).

Sensitivities to interest rates, spreads and equities¹

Sensitivity to risk-free interest in €bn (change in basis points)

	-50bps	-25bps	+50bps	+100bps
Change in market value, gross	+9.9	+4.8	-8.9	-16.8
Change in on-balance-sheet reserves, net	+2.6	+1.3	-2.4	-4.6
Change in off-balance-sheet reserves, net	+0.5	+0.2	-0.4	-0.8
P&L (investment result), gross	+0.3	+0.2	-0.3	-0.6
P&L, net	+0.1	+0.1	-0.1	-0.3

Sensitivity to spreads² in €bn (change in basis points)

	+50bps	+100bps
Change in market value, gross	-6.2	-11.7
Change in on-balance-sheet reserves, net	-1.5	-2.8
Change in off-balance-sheet reserves, net	-0.3	-0.6
P&L (investment result), gross	-0.2	-0.4
P&L, net	-0.1	-0.2

Sensitivity to share prices³ in €bn (change in %)

	-30%	-10%	+10%	+30%
Change in market value, gross	-2.3	-0.9	+1.0	+3.0
Change in on-balance-sheet reserves, net	-0.7	-0.3	+0.4	+1.2
P&L (investment result), gross	-1.0	-0.4	-0.0	+0.0
P&L, net	-0.5	-0.1	+0.0	+0.1

¹ Rough calculation with limited reliability assuming unchanged portfolio as at 31.12.2020. 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 income portfolio, except government securities with AAA ratings. ³ Sensitivities to change in share prices are calculated for listed shares only; assumptions: equity impairments as soon as market value drops below acquisition cost and best-estimate calculation of hedging impact.

On- and off-balance-sheet reserves

€m	31.12. 2018	31.12. 2019	30.9. 2020	31.12. 2020	▲ in Q4
Market value of investments	231,876	247,310	251,928	252,789	861
Total reserves	22,002	33,120	36,040	37,269	1,229
On-balance-sheet reserves					
Fixed-interest securities	4,953	10,738	13,867	14,426	559
Non-fixed-interest securities	1,817	3,632	2,366	2,866	500
Other on-balance-sheet reserves ¹	207	203	130	137	7
Subtotal	6,977	14,574	16,364	17,430	1,066
Off-balance-sheet reserves					
Real estate ²	4,769	5,600	5,668	5,592	-76
Loans ³	9,453	12,147	13,079	12,778	-301
Associates	803	799	930	1,469	539
Subtotal	15,024	18,546	19,676	19,839	163
Reserve ratio	9.5%	13.4%	14.3%	14.7%	0.4pp.

On- and off-balance-sheet reserves

€m	On-balance-sheet reserves	Off-balance-sheet reserves ¹
Total reserves (gross)	17,430	19,839
Provision for deferred premium refunds	-7,047	-11,401
Deferred tax	-2,382	-2,505
Minority interests	-11	-
Consolidation and currency effects	-15	-
Shareholders' stake	7,975	5,932

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

Breakdown of SCR

Increase driven by business growth, lower interest rates and volatile capital markets

SCR by risk category

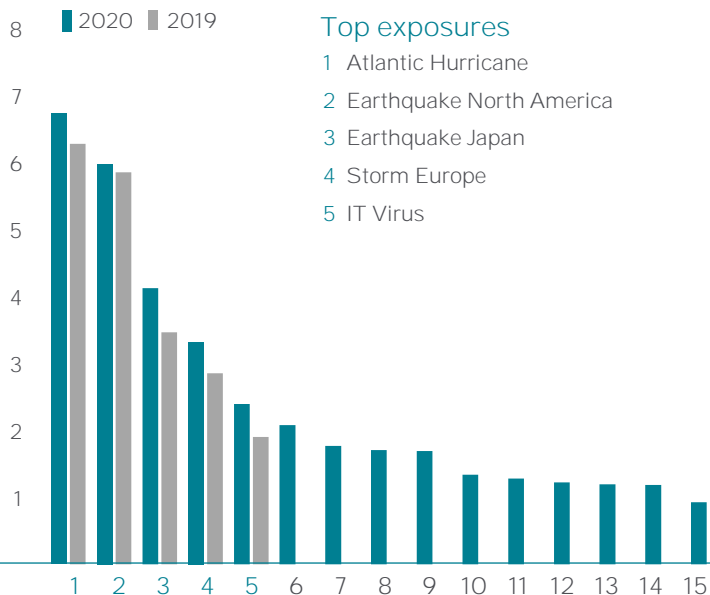
€bn

	Group		Delta	RI	ERGO	Div.	
	2019	2020		2020	2020	2020	
Property-casualty	8.8	9.4	+0.6	9.3	0.6	-0.5	Increase due to substantial growth in nat cat, partly offset by depreciation of US\$
Life and Health	6.4	7.0	+0.6	6.1	1.3	-0.4	Lower interest rates in all main currencies
Market	10.1	10.7	+0.7	5.6	6.6	-1.5	Reduced equity exposure mitigates impact from lower interest rates, and volatile capital markets
Credit	4.2	5.2	+1.0	2.8	2.6	-0.2	Lower interest rates drive market values and increase shareholder participation at ERGO
Operational risk	1.1	1.2	+0.1	0.8	0.6	-0.3	
Other ¹	0.7	0.8	+0.1	0.5	0.3	-	
Simple sum	31.2	34.3	+3.1	25.0	12.1	-2.8	
Diversification	-10.7	-11.7	-1.1	-9.3	-1.2	-	
Tax	-3.0	-3.4	-0.4	-3.0	-0.9	-	
Total SCR	17.5	19.2	+1.6	12.7	10.0	-3.5	

Property-casualty risk

Top scenario exposures (net of retrocession) – AggVaR¹

€bn

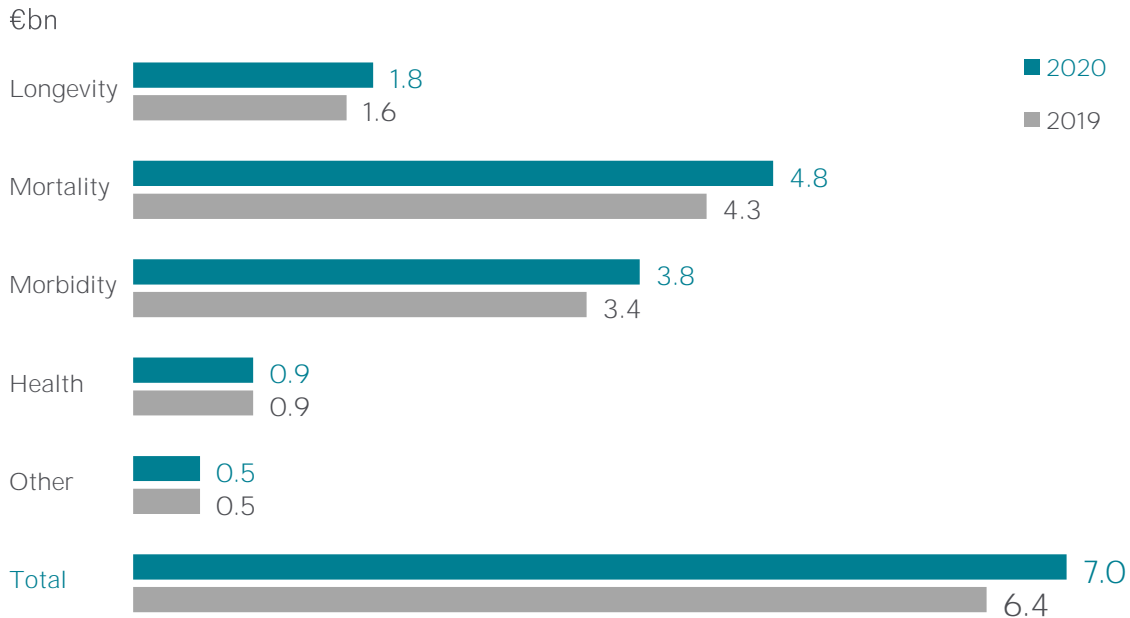


€bn	2020	2019
Basic losses	4.1	4.0
Major losses ²	8.9	8.3
Diversification	-3.7	-3.5
Total	9.4	8.8

- Exploiting opportunities in an improving market environment – exposure growth in all major scenarios in accordance with higher risk-bearing capacity
- Superior diversification of cat portfolio across perils and regions even strengthened via stronger growth in mid-sized scenarios

Life and Health risk

Life and Health – VaR¹



Overall increase driven by Reinsurance

- Business growth, esp. US mortality and UK longevity business
- Lower interest rates of main currencies

ERGO

- Lower € interest rates

Market risk

SCR by risk category

€bn

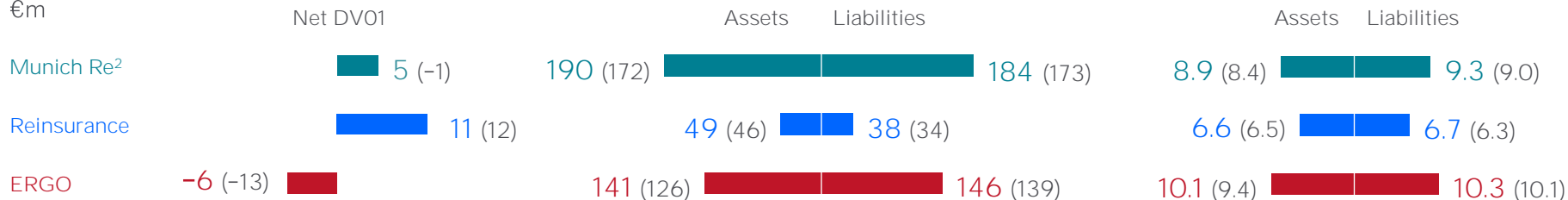
	Group		RI	ERGO	Div.	
	2019	2020	2020	2020	2020	
Equity	4.2	4.1	2.4	1.7	-0.1	Exposure decrease in the context of the COVID-19 crisis
General interest rate	3.0	3.1	1.5	2.5	-0.9	
Credit spread	4.1	5.0	1.8	3.8	-0.6	Increase driven by higher capital market volatility and reduced interest rates, driving market values and increase shareholder participation at ERGO
Real estate	2.2	2.3	1.6	0.8	-0.1	
Currency	4.6	3.4	3.4	0.2	-0.1	Decrease of FX mismatch position
Simple sum	18.1	18.0	10.7	9.0	-1.8	
Diversification	-8.0	-7.3	-5.1	-2.4	-	
Total market risk SCR	10.1	10.7	5.6	6.6	-1.5	

Market risk

Asset-liability mismatch

DV01¹

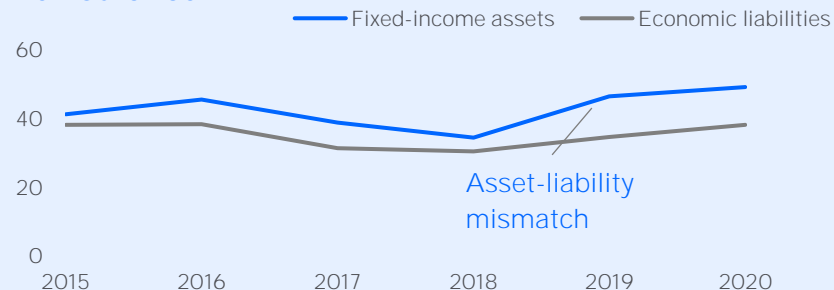
€m



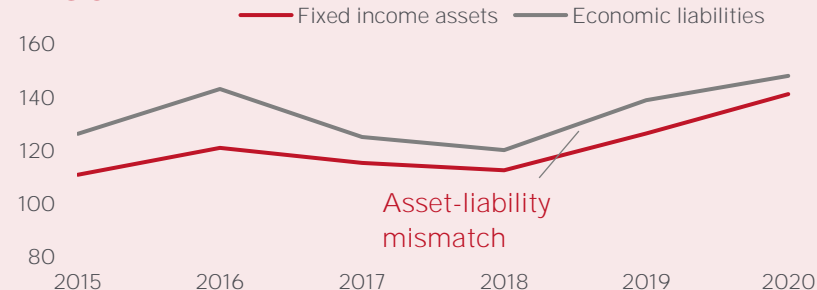
DV01 development

€m

Reinsurance

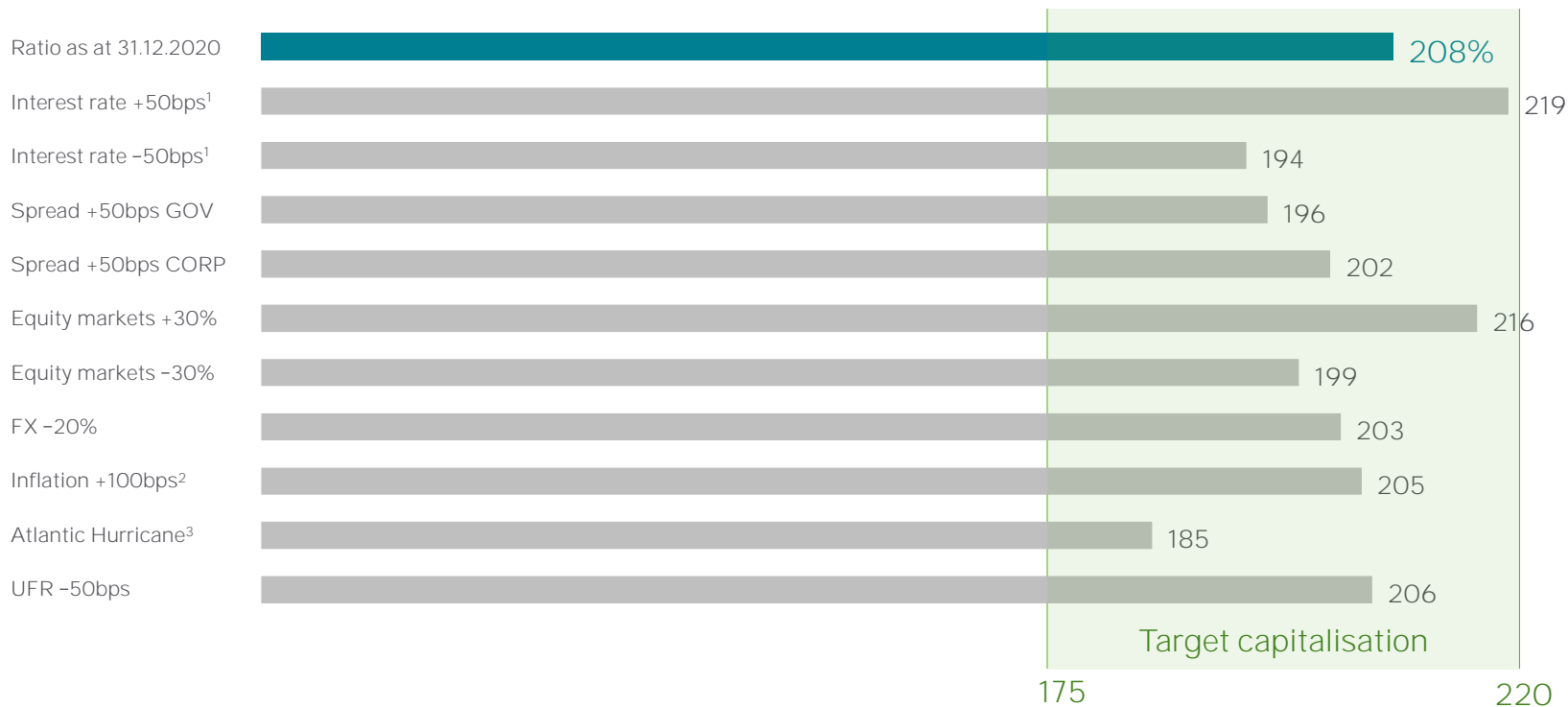


ERGO



¹ Fair values as at 31.12.2020 (31.12.2019): 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. ² Liabilities comprise technical provisions according to Solvency II. ³ Figures for ERGO and consequently Munich Re Group include VA.

Sensitivities of SII ratio



1 Parallel shift until last liquid point, extrapolation to unchanged UFR. 2 Based on CPI inflation. 3 Based on 200-year event.

Preliminary SII ratios

Munich Re and solo entities¹

Internal model

€bn

	EOF (without TM ²)	SCR (without TM ²)	S-II Ratio (without TM ²)	S-II Ratio (incl. TM ²)
Munich Re	39.9	19.2	208%	240%
Munich Reinsurance Company	40.3	19.2	210%	242%
Munich Re of Malta	3.0	0.8	359%	–
GLISE	0.5	0.3	177%	–
ERGO Versicherung AG	2.7	0.7	382%	–
DKV	3.9	1.5	256%	–

Standard Formula

ERGO Leben	1.7 ³	2.8	62%	309%
Victoria Leben	1.3 ⁴	0.5	257%	728%
ERGO Vorsorge Leben	0.9	0.1	621%	–
ERGO Austria	0.5 ⁵	0.3	141%	275%
ERGO Belgium Life	0.8	0.3	238%	–
ERGO Poland P-C (PLN bn)	2.8	1.8	152%	–




¹ Entities with internal model and selected companies with standard formula application. ² Transitional measures. ³ EOF including transitional measures: €5.8bn.

⁴ EOF including transitional measures: €3.1bn. ⁵ EOF including transitional measures: €0.9bn.

ERGO Life and Health Germany

Gross written premiums

€m

2019		9,238
Foreign exchange		-1
Divestments/investments		0
Organic change		-207
2020		9,030

Major result drivers

€m

	Q4 2020	Q4 2019	▲	2020	2019	▲
Technical result	26	40	-14	353	287	66
Non-technical result	147	143	4	95	102	-7
thereof investment result	1,152	932	220	3,605	3,916	-311
Other	-142	-139	-4	-318	-202	-116
Net result	31	44	-13	130	187	-56

Investment result

€m

	Q4 2020	Return ¹	2020	Return ¹	2019	Return ¹
Regular income	807	2.5%	3,394	2.7%	3,571	2.8%
Write-ups/write-downs	-38	-0.1%	-1,464	-1.1%	-249	-0.2%
Disposal gains/losses	983	3.0%	2,263	1.8%	1,439	1.1%
Derivatives ²	-502	-1.6%	-257	-0.2%	-499	-0.4%
Other income/expenses	-98	-0.3%	-330	-0.3%	-345	-0.3%
Investment result	1,152	3.6%	3,605	2.8%	3,916	3.1%
Average market value			129,005		127,596	125,982

ERGO Life and Health Germany

Key figures

Life Germany

%

Key figures¹

	2018	2019	2020
Reinvestment yield	1.6	1.8	1.9
Average yield	2.9	2.9	2.7
Average guarantee ²	2.1	1.9	1.7

€bn

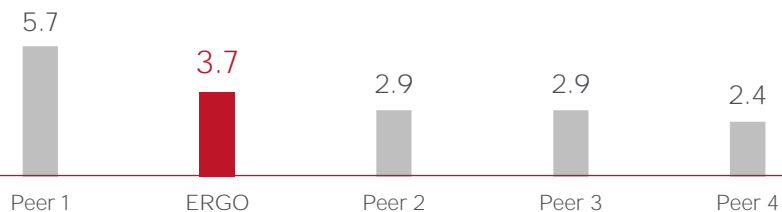
Key financials¹

	2018	2019	2020
Free RfB	1.3	1.6	1.6
Terminal bonus fund	0.9	0.8	0.8
Unrealised gains	9.4	13.3	14.8
Accumulated ZZR	5.4	6.2	7.0

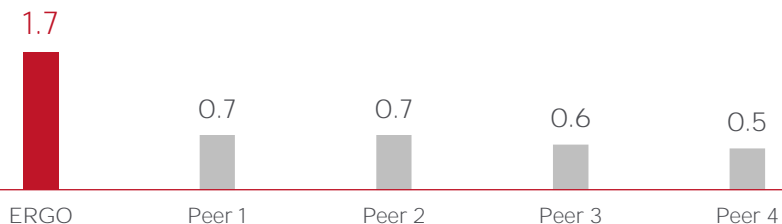
Health Germany GWP – Market view³

€bn

Comprehensive insurance – ERGO number 2 in German market





Supplementary insurance – ERGO clear market leader



ERGO Property-casualty Germany

Gross written premiums

€m

2019		3,500
Foreign exchange		2
Divestments/investments		0
Organic change		176
2020		3,677

Major result drivers

€m

	Q4 2020	Q4 2019	▲	2020	2019	▲
Technical result	57	72	-15	294	303	-9
Non-technical result	-6	-11	5	-39	-91	52
thereof investment result	53	52	1	175	157	18
Other	-14	-18	4	-98	-64	-34
Net result	38	43	-5	157	148	10

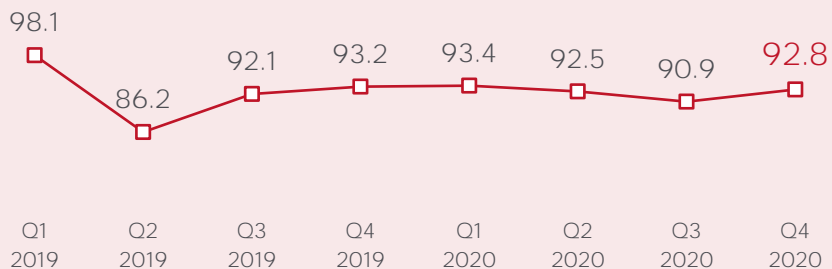
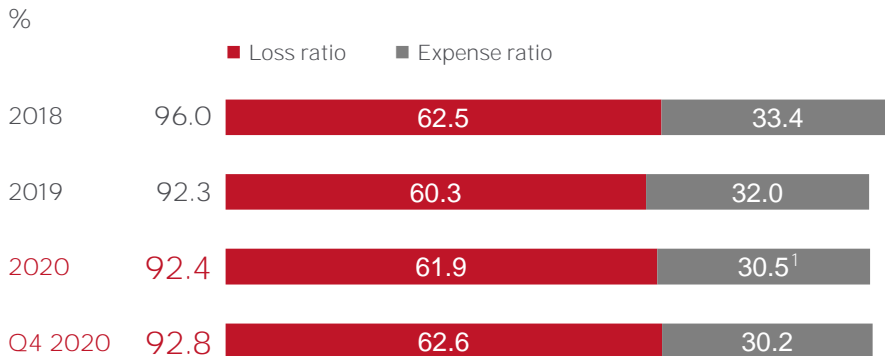
Investment result

€m

	Q4 2020	Return ¹	2020	Return ¹	2019	Return ¹
Regular income	48	2.6%	163	2.2%	159	2.1%
Write-ups/write-downs	-7	-0.4%	-89	-1.2%	-27	-0.4%
Disposal gains/losses	30	1.6%	121	1.6%	100	1.3%
Derivatives ²	-11	-0.6%	-6	-0.1%	-51	-0.7%
Other income/expenses	-7	-0.4%	-14	-0.2%	-23	-0.3%
Investment result	53	2.8%	175	2.3%	157	2.1%
Average market value		7,546		7,515		7,504

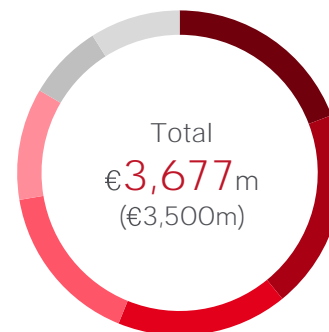
ERGO Property-casualty Germany

Combined ratio



Gross written premiums in 2020 (2019)

€m



Motor	707 (680)	Legal protection	409 (410)
Fire/property	731 (684)	Marine	277 (243)
Liability	626 (599)	Other	331 (278)
Personal accident	596 (605)		

¹ ESP operating cost ratio target for 2020 (German GAAP, excluding investments): 29.8%, Actual 2020: 28.7%

ERGO International

Gross written premiums

€m



Major result drivers

€m

	Q4 2020	Q4 2019	▲	2020	2019	▲
Technical result	13	-20	33	202	171	31
Non-technical result	76	44	32	96	45	51
thereof investment result	165	132	33	425	430	-5
Other	-22	-11	-10	-69	-111	42
Net result	68	13	54	230	105	124

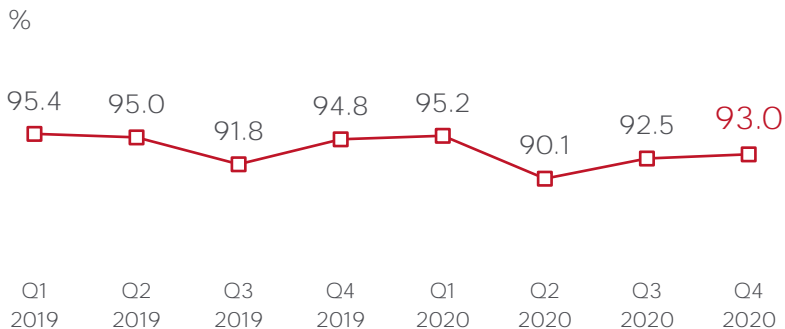
Investment result

€m

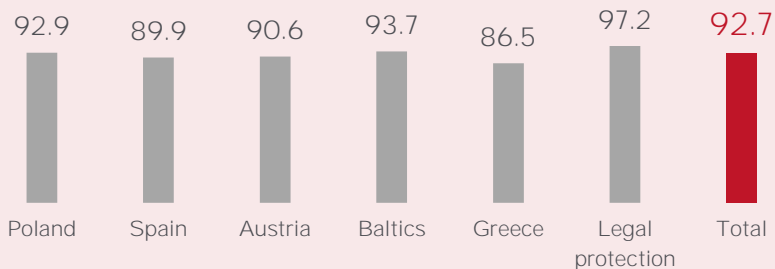
	Q4 2020	Return ¹	2020	Return ¹	2019	Return ¹
Regular income	76	1.5%	335	1.7%	368	2.0%
Write-ups/write-downs	15	0.3%	-10	-0.1%	40	0.2%
Disposal gains/losses	104	2.0%	132	0.7%	112	0.6%
Derivatives ²	-24	-0.5%	-7	0.0%	-65	-0.4%
Other income/expenses	-7	-0.1%	-25	-0.1%	-25	-0.1%
Investment result	165	3.2%	425	2.2%	430	2.4%
Average market value		20,429		19,475		18,186

ERGO International

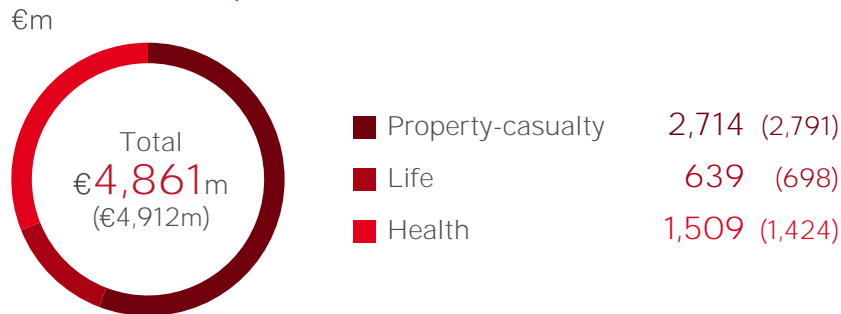
Combined ratio



2020



Gross written premiums in 2020 (2019)



P-C	2020	2019	Life	2020	2019
Thereof:			Thereof:		
Poland	1,442	1,463	Austria	336	367
Legal protection	690	647	Belgium	146	161
Greece	246	240	Health		
Baltics	194	193	Thereof:	2020	2019
Austria	103	96	Spain	877	820
			Belgium	632	604

Strong footprint in traditional business supplemented by established initiatives and data-driven services

Canada (€1.8bn / 14%)

- Leading position in traditional business
- Attractive margins despite competitive environment
- Major contributor to global IFRS result
- Develop footprint in group business

Continental Europe (€1.8bn / 14%)

- Sound but stagnating traditional business overall
- Demand for tailor-made FinMoRe solutions
- Grow financial markets business
- Promote digital services

Asia / MENA (€3.4bn / 27%)

- Growing book of business building on growth of underlying markets and strong foundation
- Market- and client-specific strategies
- Strong demand for FinMoRe solutions
- Largest health reinsurance book of all regions
- Expansion of financial markets business
- Development of data-driven services

USA (€2.9bn / 23%)

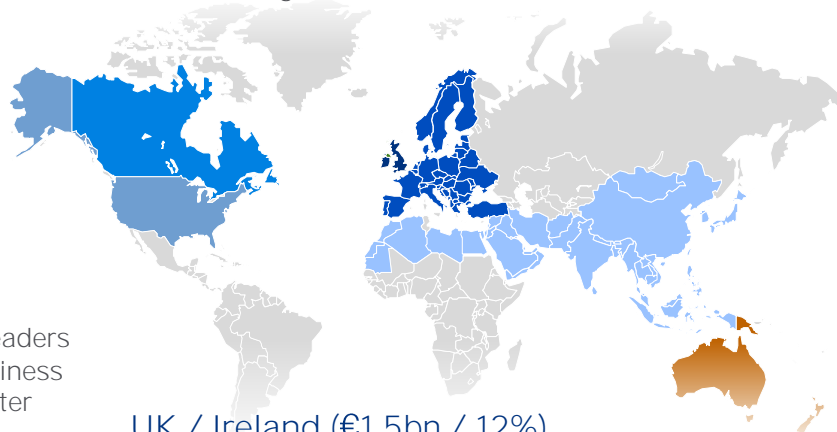
- Positioned amongst market leaders
- Further develop FinMoRe business and predictive analytics to foster growth
- Attractive risk-return profile of new business
- Develop financial markets business
- Successful in-force management

UK / Ireland (€1.5bn / 12%)

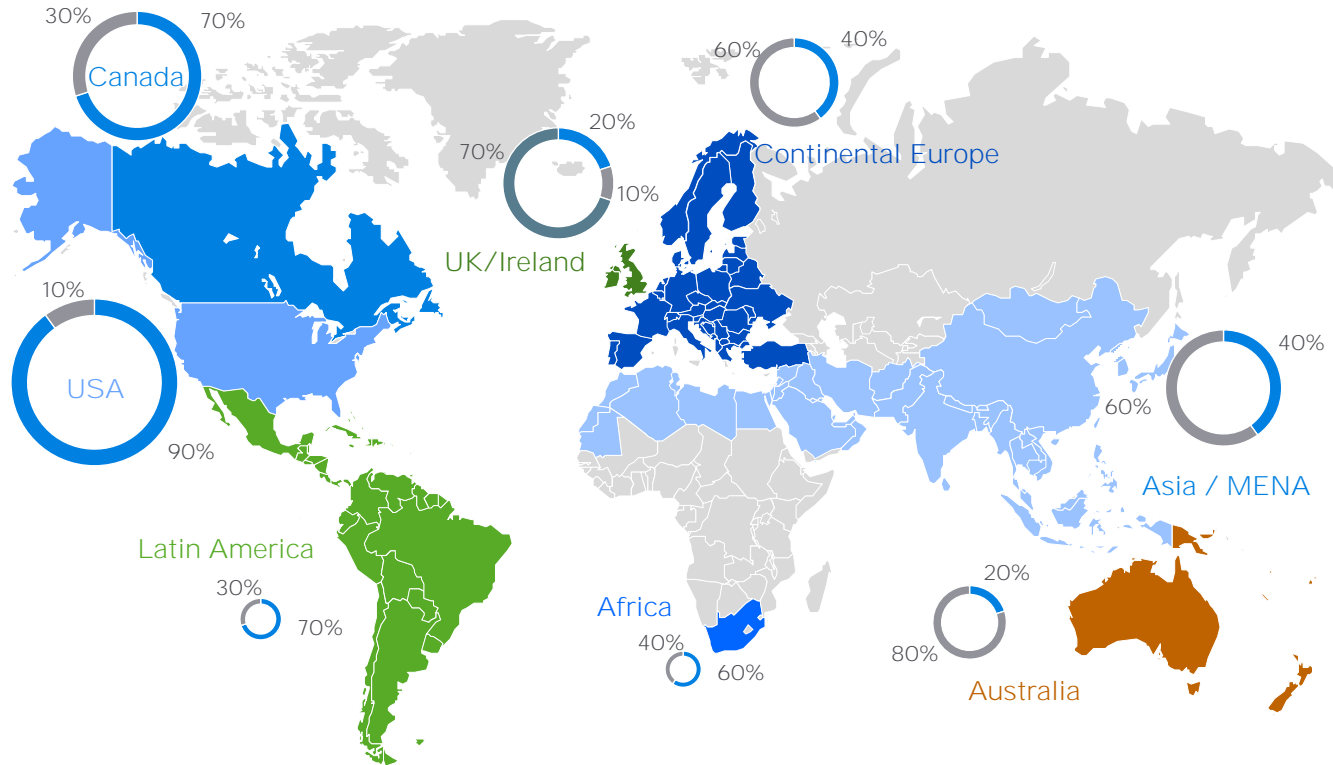
- Successful FinMoRe proposition
- Longevity book continues to grow, top line > €1bn
- Margins in protection business remain unattractive
- Organisational set-up not affected by Brexit

Australia (€0.8bn / 6%)

- Rehabilitation of in-force top priority, good progress being made
- However, state of disability market remains an area of concern
- Highly selective new business proposition



Overweight in North America and traditional mortality risk





■ Mortality	~60%
■ Morbidity	~30%
■ Longevity	~10%
USA	~35%
Canada	~15%
Cont. Europe	~15%
UK/Ireland	~15%
Asia/MENA	~15%
Australia	<5%
Africa/LA	<5%

Reinsurance Life and Health

Gross written premiums

€m

2019		11,716
Foreign exchange		-187
Divestments/investments		0
Organic change	■	1,178
2020		12,707

Major result drivers

€m

	Q4 2020	Q4 2019	▲	2020	2019	▲
Technical result	-109	43	-152	-78	365	-443
Non-technical result	96	115	-19	303	484	-182
thereof investment result	207	232	-25	846	1,097	-252
Other	-17	-69	52	-102	-144	42
Net result	-30	89	-119	123	706	-583

Investment result

€m

	Q4 2020	Return ¹	2020	Return ¹	2019	Return ¹
Regular income	171	2.3%	743	2.5%	791	2.8%
Write-ups/write-downs	-6	-0.1%	-23	-0.1%	14	0.0%
Disposal gains/losses	48	0.7%	178	0.6%	322	1.1%
Derivatives ²	1	0.0%	18	0.1%	-9	0.0%
Other income/expenses	-8	-0.1%	-71	-0.2%	-21	-0.1%
Investment result	207	2.8%	846	2.9%	1,097	3.9%
Average market value		29,309		29,428		28,205

IFRS result below expectations

Driven by COVID-19 – strong development of fee income

€m

	2020	2019
Gross written premiums	12,707	11,716
Mortality	6,293	5,975
Morbidity	5,206	4,935
Other	1,208	806
Technical result	-78	365
Mortality	-113	429
Morbidity	-38	-114
Other	73	50
Fee income	175	128

Gross written premiums

- Growth driven by Europe and Asia, and to a lesser extent by North America

Technical result

- COVID-19 claims amount to -€370m, driven by US mortality and IBNR to address reporting lags particularly in disability business
- Negative effects beyond direct COVID-19 claims in North America, particularly excess US mortality caused indirectly by COVID-19
- Australia – adjusted for COVID-19 – slightly better than expected, but concerns about disability block prevail
- Good result overall from Europe
- Asia in line with expectations, large life claim offset by pleasing health result
- Strong contribution from new business

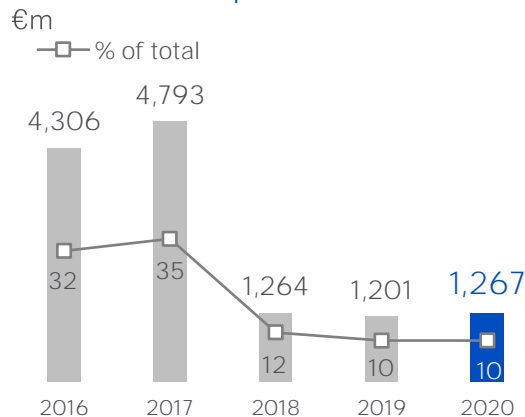
Fee income

- Strong growth particularly in Asia and the US
- Portfolio is performing as expected, unaffected by COVID-19

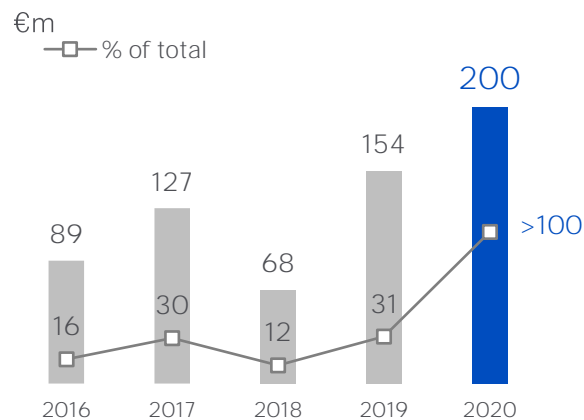
Financially motivated reinsurance

Strong demand prevails

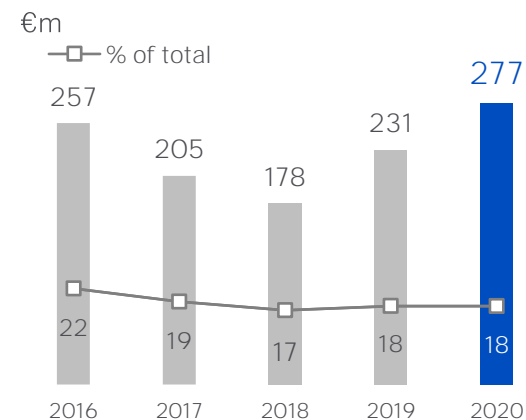
Gross written premiums¹



Technical result¹



New business contribution^{1,2}



Portfolio development

- New business opportunities arising mainly from Asia and the US
- 2018 drop in top line due to scheduled termination/restructuring
- 2018 result negatively impacted by one large financing transaction
- Top line stagnating since 2018 as majority of new business recognised as fee income

Expectations going forward

- Demand expected to remain high
- Opportunities mainly in Asia and US
- Execution power supported by strong balance sheet and tailor-made structuring ability
- Number and size of transactions will vary on an annual basis

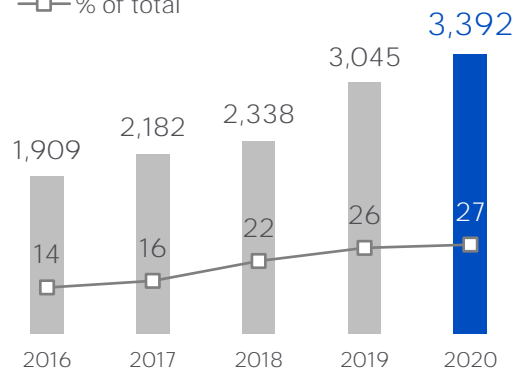
Asia

Success through tailor-made market and client strategies

Gross written premiums¹

€m

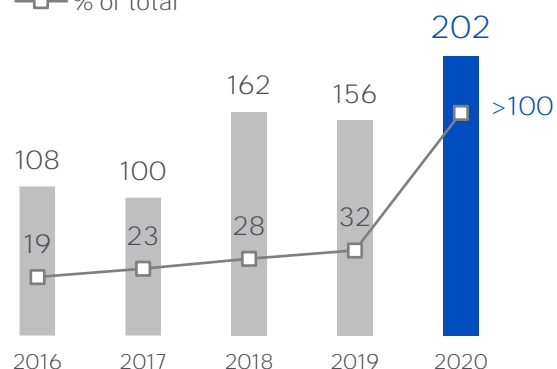
—□— % of total



Technical result¹

€m

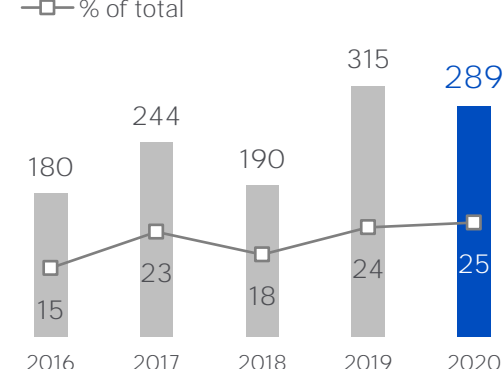
—□— % of total



New business contribution^{1,2}

€m

—□— % of total



Portfolio development

- Strong organisational set-up throughout the region
- Sustained growth path
- Particularly strong development of fee income
- New business contribution volatile on amount of FinMoRe written in a particular year

Expectations going forward

- Growth path in the region prevails
- High demand for solvency relief and financing solutions
- Competition increasing
- Product trends and emerging experience to be monitored closely, particularly in critical illness and dismemberment business

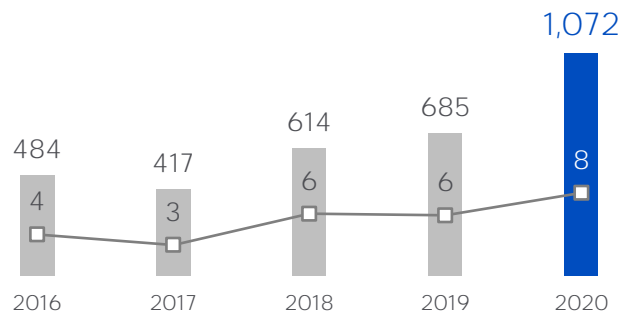
Longevity

Strong growth path – execution of first transaction outside the UK

Gross written premiums

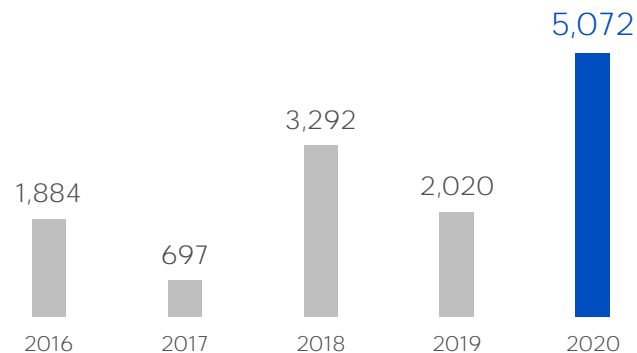
€m

—□— % of total



Liability p.a.¹

€m



Portfolio development

- Market entry in 2011 after in-depth research, focus on UK market
- Growing contribution to top line, also in relative terms
- Accretive to earnings, claims prove better than assumed in pricing
- Positive hedge against adverse mortality proven in case of COVID-19
- 2020: two transactions executed, including first outside the UK

Expectations going forward

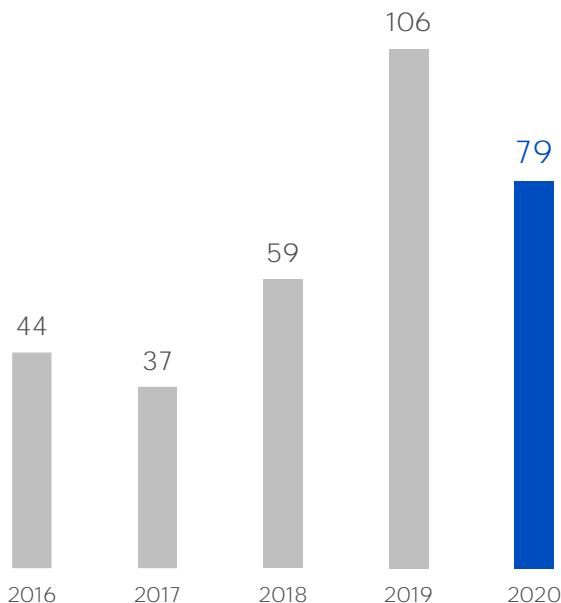
- No change to risk appetite and prudent underwriting and valuation approach
- Prepared to write higher volumes of new business if opportunities are attractive and meet our risk appetite
- Carefully consider expansion beyond UK (initial step taken in 2020) and extension of product offering

Financial markets

Comprehensive market risk solutions for the financial services industry

IFRS earnings contribution¹

€m



Strategic proposition

- Offer comprehensive solutions to globally manage market risks and returns
- Innovate new business, optimise in-force business, and boost asset returns of insurers, pension providers and other investors
- Capitalise on growth and consolidation opportunities in the global savings, retirement and investment industry
- Support the digitalisation of the end customer offering of clients
- Transfer and transform financial risks to markets via state-of-the-art platform

Portfolio development

- Initial focus on Europe and Asia (mainly Japan); now expansion across Europe, Asia, and North America as well as market exploration in Latin America and Australia
- Portfolio has gained stand-alone significance
- Asset-liability hedging has successfully irrigated the volatile capital market environment of 2020

Expectations going forward



- Intensify coverage of existing markets and expand into further markets
- Support growth by further scaling up the organisation
- Broaden product, service and regulatory scope
- Grow contribution to IFRS earnings and new business contribution

¹ Excluding management expenses, recognised in non-technical result, 2019 figure restated by +€3m.

Reinsurance Property-casualty

Gross written premiums

€m

2019		22,091
Foreign exchange		-378
Divestments/investments		0
Organic change	■	2,901
2020		24,615

Major result drivers

€m

	Q4 2020	Q4 2019	▲	2020	2019	▲
Technical result	10	-296	306	-171	1,157	-1,328
Non-technical result	169	266	-97	931	607	324
thereof investment result	513	648	-135	2,347	2,220	126
Other	-74	57	-131	-188	-202	13
Net result	105	27	78	571	1,562	-991

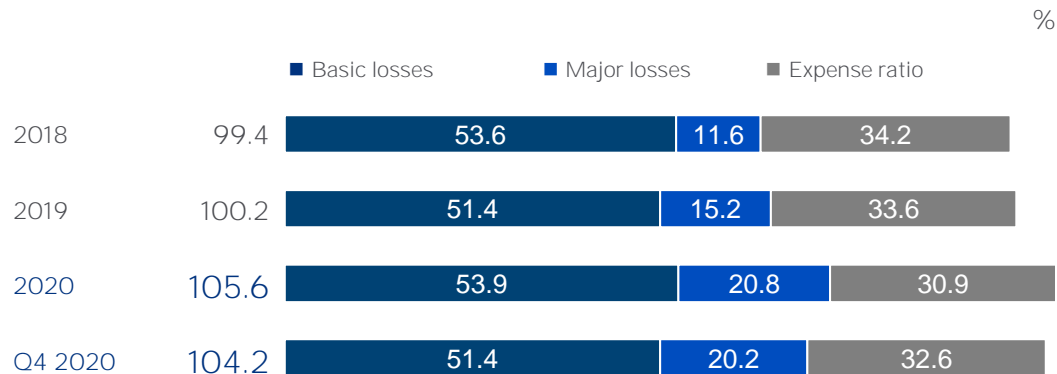
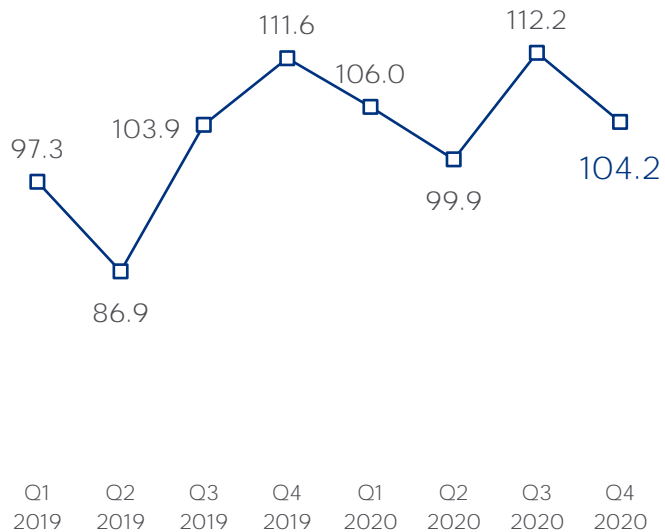
Investment result

€m

	Q4 2020	Return ¹	2020	Return ¹	2019	Return ¹
Regular income	369	2.2%	1,637	2.5%	1,862	2.9%
Write-ups/write-downs	-89	-0.5%	-371	-0.6%	-87	-0.1%
Disposal gains/losses	323	2.0%	1,005	1.5%	807	1.3%
Derivatives ²	-19	-0.1%	327	0.5%	-94	-0.1%
Other income/expenses	-70	-0.4%	-251	-0.4%	-268	-0.4%
Investment result	513	3.1%	2,347	3.6%	2,220	3.5%
Average market value		66,070		65,803		63,786

Reinsurance Property-casualty

Combined ratio



	Major losses	Nat cat	Man-made	Reserve releases ¹	Normalised combined ratio ²
2020	20.8	4.0	16.8	-4.2	96.9
Q4 2020	20.2	1.0	19.2	-4.6	96.6
Ø Annual expectation	~12.0	~8.0	~4.0	~-4.0	

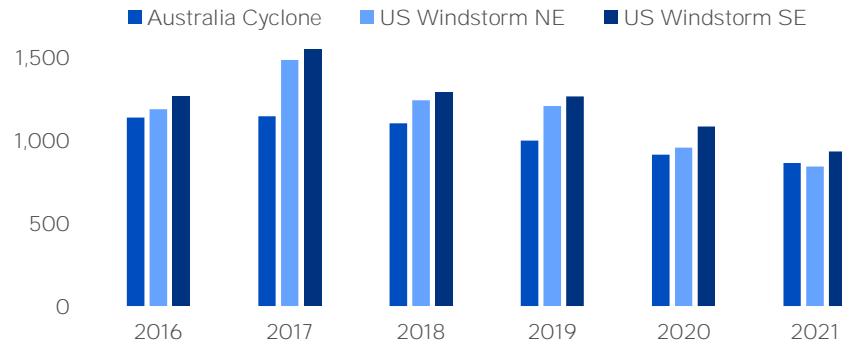
¹ Basic losses prior years, already adjusted for directly corresponding sliding-scale and profit-commission effects.
² Based on reserve releases of 4pp.

Core P-C reinsurance

Retrocession – Continuity despite a difficult market

Retrocession – Maximum in-force protection per nat cat scenario¹

€m



- Protection against peak risks mainly via traditional retrocession (CXL) and sidecars
- Well-balanced buying strategy reflects
 - strong Munich Re capital base and risk-bearing capacity,
 - expected IFRS result stabilisation and market terms
- Multi format programme providing material scalability and access to rated-paper capacity as well as multiple, diverse investment buckets

Munich Re key channels

Traditional retrocession

- Munich Re still has one of the largest retrocession programmes worldwide
- Munich Re placement well received – despite some capacity constraints in the broader market

Sidecar program

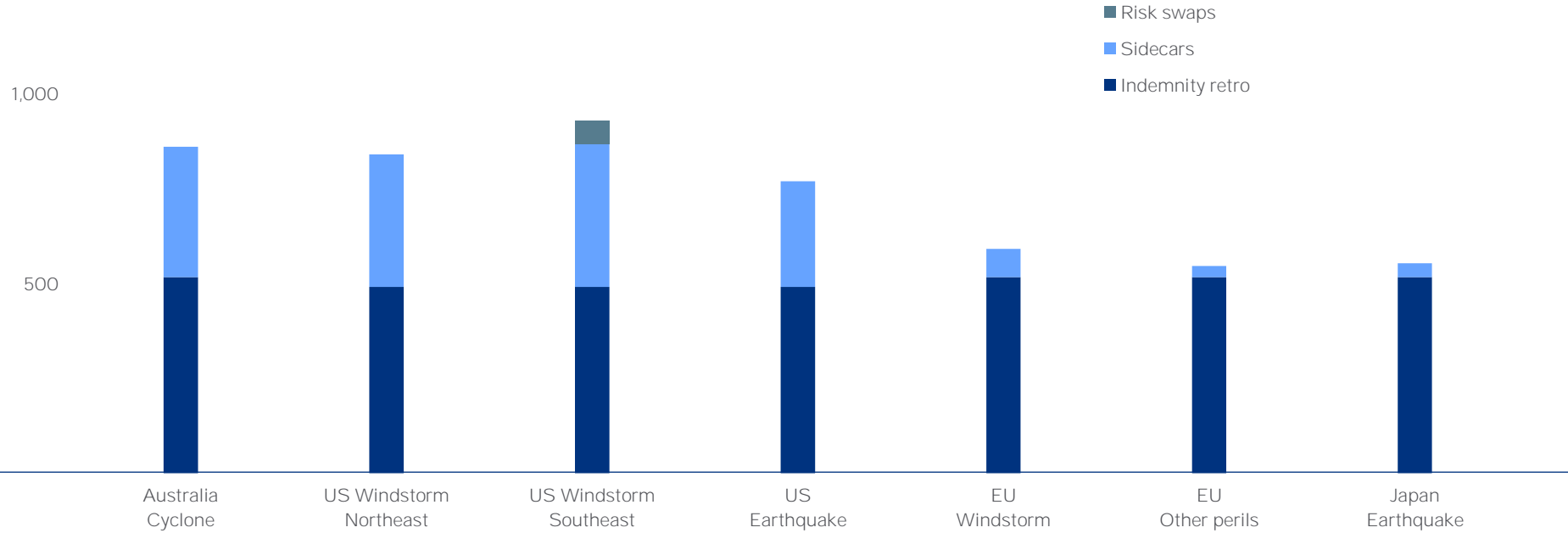
- QS cessions of certain lines of business, in 2021 collateralised by US\$ 635m
- Targeting long-term partnerships with institutional investors, predominantly pension funds

Core P-C reinsurance

Munich Re's maximum in-force nat cat protection

Nat cat protection before reinstatement premiums, as at January 2021

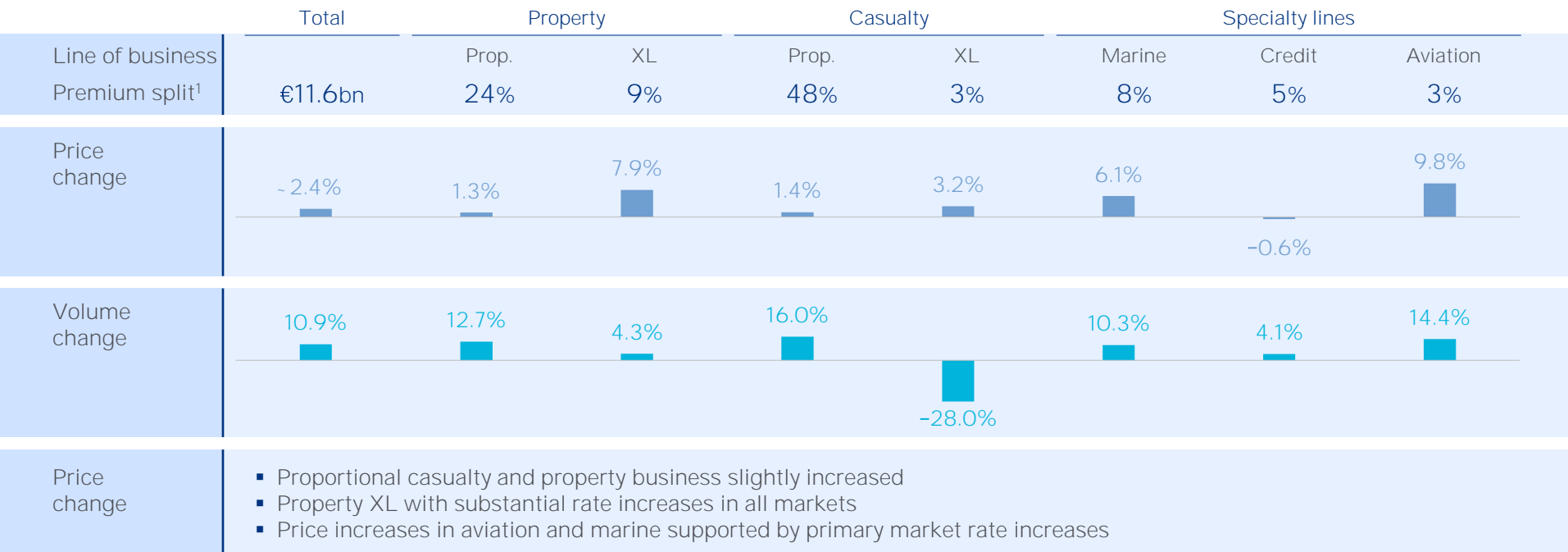
€m



Overall portfolio profitability increased

January renewals 2021

Munich Re portfolio – Price and volume change in major lines of business

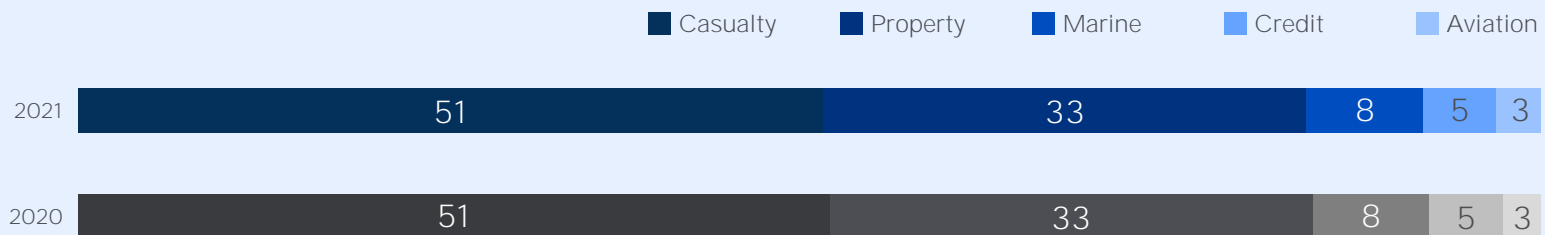


¹ Relative premium share in relation to total renewable business in January.

Split by line of business and region

January renewals 2021

Split by line of business %

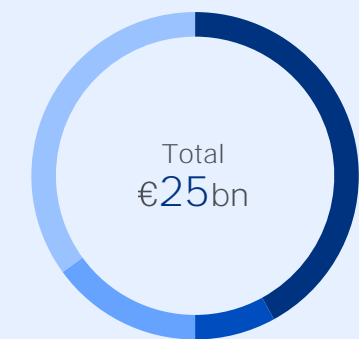


Split by region %



January renewals 2021

Total property-casualty book¹



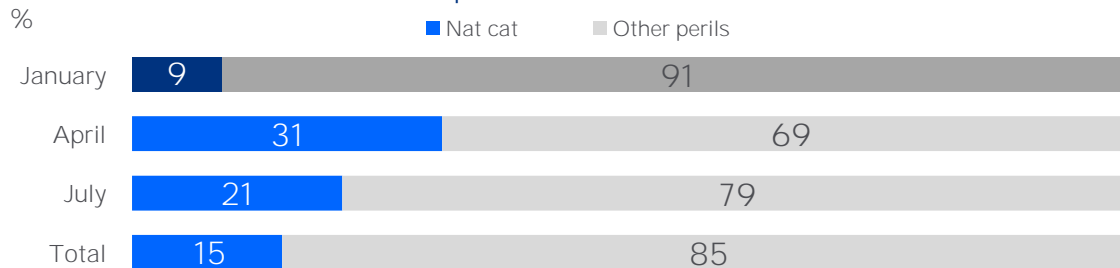
■ January renewals	42
■ April renewals	8
■ July renewals	15
■ Remaining business	35

Regional allocation of January renewals



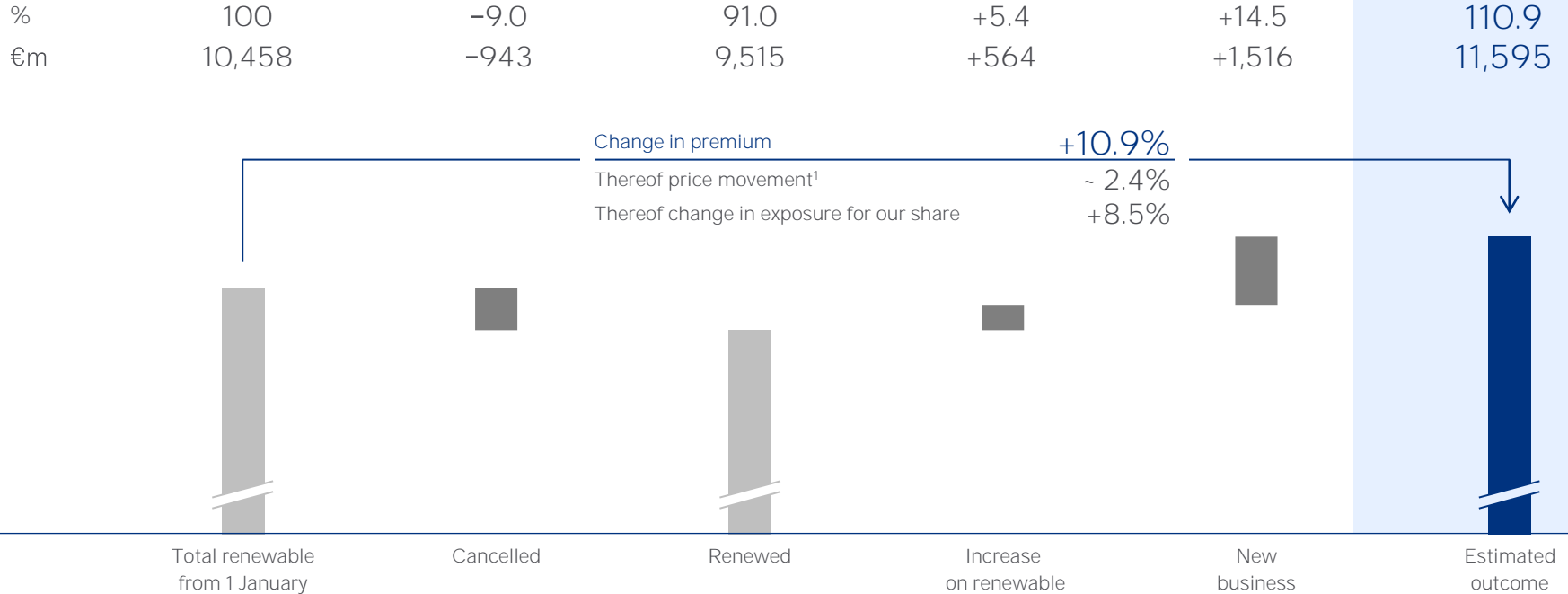
■ Europe	33	■ Latin America	3
■ Worldwide	27	■ North America	26
■ Asia/Pacific/Africa	12		

Nat cat shares of renewable portfolio²



Selective growth in firming market environment

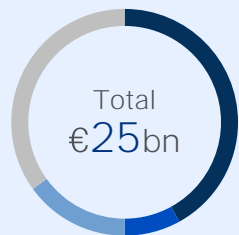
January renewals 2021



¹ Price movement 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).

Optimistic outlook for upcoming renewals

Total P-C book¹
%



■ January	42
■ April	8
■ July	15
■ Remaining	35

Nat cat share: 15%

Treaty business
January

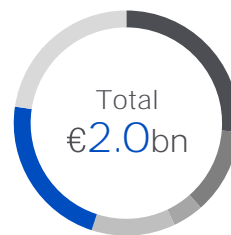


■ Asia/Pacific/Africa	■ North America
■ Europe	■ Worldwide
■ Latin America	

Focus: USA, Europe
Nat cat share: 11%

Price increase of -2.4%

April

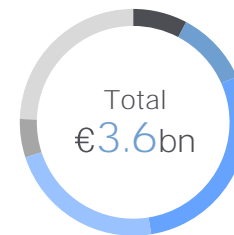


■ Rest of Asia/Pacific/Africa	■ North America
■ Europe	■ Japan
■ Latin America	■ Worldwide

Focus: Japan
Nat cat share: 32%

Claims experience in individual market segments will play a major role

July



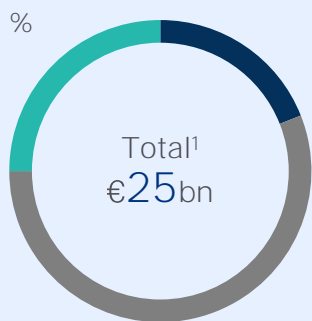
■ Rest of Asia/Pacific/Africa	■ Australia/New Zealand
■ Latin America	■ Europe
■ North America	■ Worldwide

Focus: USA, LA, Australia
Nat cat share: 20%

Increased top line

Well-balanced diversified portfolio

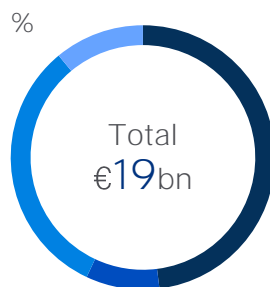
Total P-C book



■ Tailor-made solutions	19 (25)
■ Other traditional business	56 (52)
■ Risk Solutions	25 (23)

Stable portfolio composition

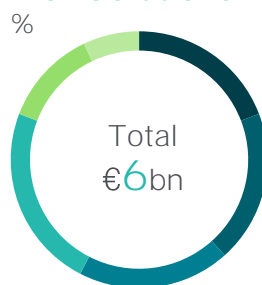
Core P-C Reinsurance



■ Casualty	48	(49)
■ Specialty ²	9	(8)
■ Other property	32	(34)
■ Nat cat XL	11	(9)

- Well-balanced traditional portfolio
- Slight move towards nat cat XL and specialty

Risk Solutions



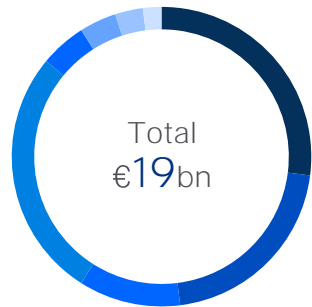
■ American Modern	19	(21)
■ Hartford Steam Boiler	19	(22)
■ Facultative & Corporate Direct	19	(15)
■ MR Specialty Insurance	23	(22)
■ Munich Re Syndicate	12	(12)
■ Aerospace	7	(8)

- Strong proportion of US business, spread across all lines of business

Core P-C Reinsurance

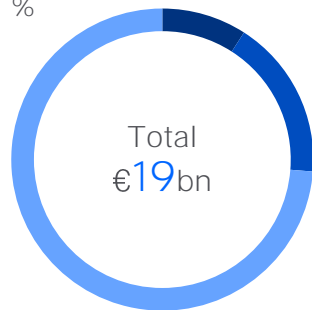
Portfolio management and high share of proportional business support earnings resilience

%



■ Casualty motor	27	(30)	■ Agro	5	(5)
■ Casualty ex motor	21	(20)	■ Credit	4	(4)
■ Property nat cat XL	11	(9)	■ Marine	3	(2)
■ Property ex nat cat XL	27	(29)	■ Aviation	2	(1)

%



■ Facultative	9	(9)
■ XL	17	(16)
■ Proportional	73	(75)

Share increases

- Nat cat XL – accordingly, ongoing slight shift towards non-proportional business
- Marine and aviation business

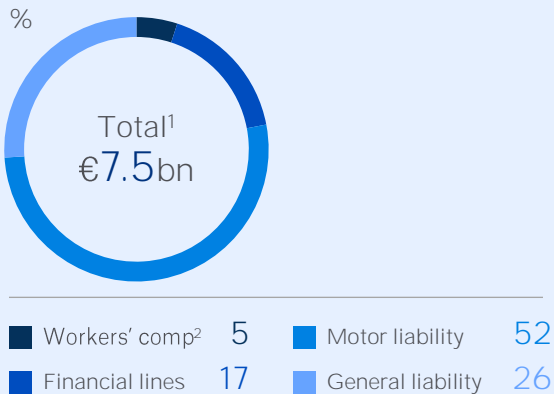
Share decreases

- Proportional property and casualty

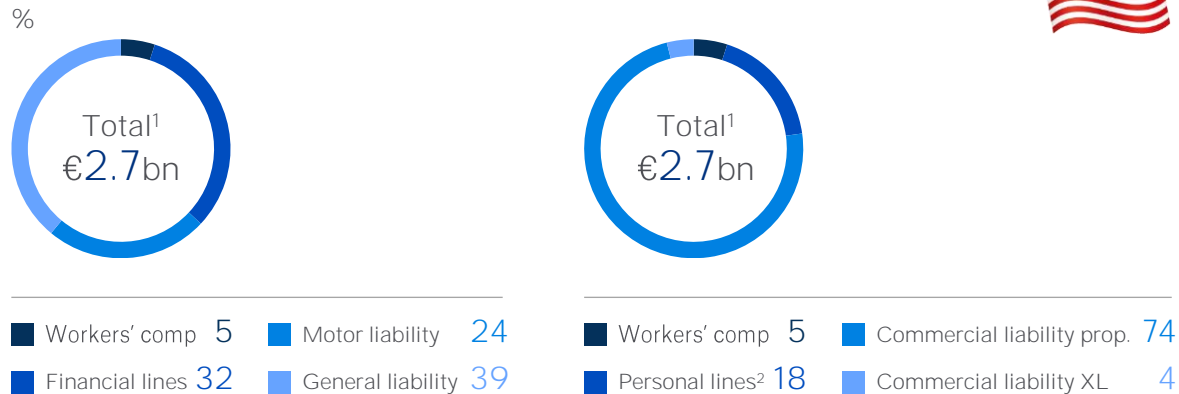
US casualty

Portfolio quality further improved, while benefiting from favourable market conditions

Global traditional casualty book



US traditional casualty book



Risk Solutions

- Additional casualty premium of -€1bn (thereof -€700m US casualty)
- Taking advantage of market momentum and selectively growing the book at attractive margins, ...
- ... while continuing to focus on smaller commercial and personal lines

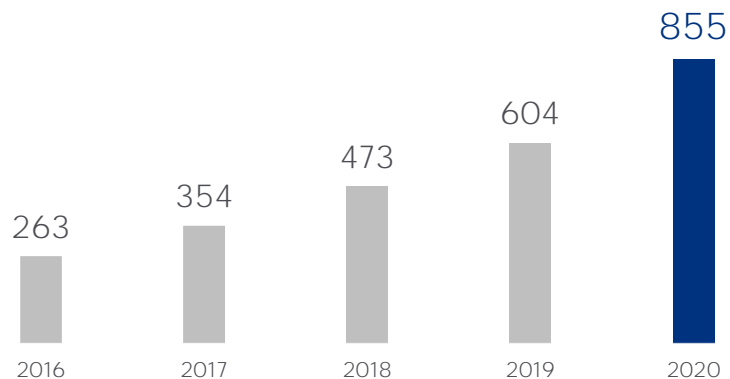
- US traditional casualty book less than 40% of global traditional casualty book
- Enhanced portfolio quality through continued structural refinements (e.g. reduction of XL and motor business) and improved technical margins
- Social inflation risk mitigated through well-defined risk appetite, coverage restrictions and pricing adjustments
- Ability to benefit from improved primary market conditions through high share of proportional reinsurance (>90% of portfolio)
- Personal lines business provides stability due to limited social inflation exposure and an attractive rate environment

Further long-term growth in cyber (re)insurance targeted

Munich Re with cutting-edge expertise and leading market presence

Gross written premiums in P-C reinsurance cyber portfolio

US\$ m



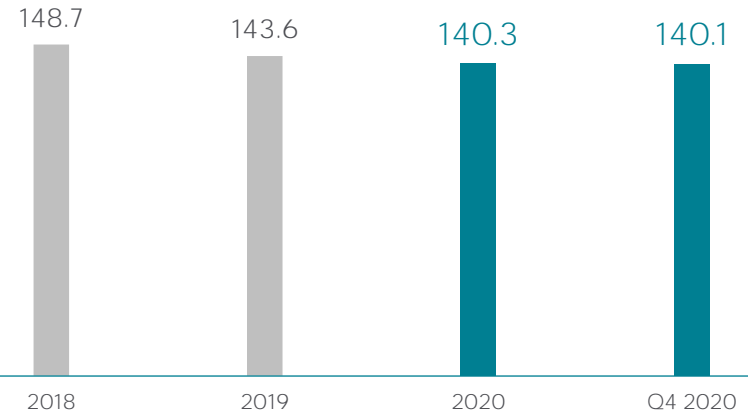
- Cyber a strategic pillar of Munich Re – continued profitable growth in line with strategy and ambition
- With approx. 10% market share further participation in a growing market, while actively balancing growth and effective risk management

- Early and full commitment to cyber allows us to shape the market, resulting in a leading position
- Increasing demand for cyber solutions driven by regulatory changes in more than 125 countries and constantly growing awareness
- Growth of digital business models and technology developments (e.g. Cloud, 5G) will further leverage demand for cyber insurance, security measures and services
- Accelerated digitalisation due to COVID-19 confirms our approach and strategy – also emphasising the complexity of adequate cyber insurability
- Continuously changing risks and loss scenarios require a clearly defined risk appetite and top-class cyber teams cooperating across industries and markets
- Investments in partnerships and leading cyber expertise further enhanced (~130 FTEs)

Changes to shares in circulation

Shares (millions)	31.12. 2019	Acquisition of own shares in 2020	Retirement of own shares in 2020	31.12. 2020
Shares in circulation	141.5	-1.4	-	140.1
Treasury shares	2.9	1.4	-4.2	-
Total	144.3	-	-4.2	140.1

Weighted average number of shares in circulation (millions)



Financial calendar 2021



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