

Munich Re Group

# Analysts' and Investors' Call 2024

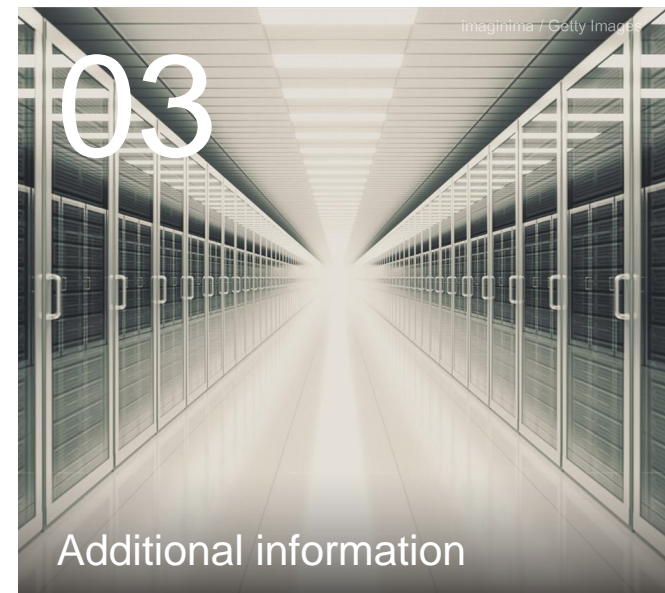
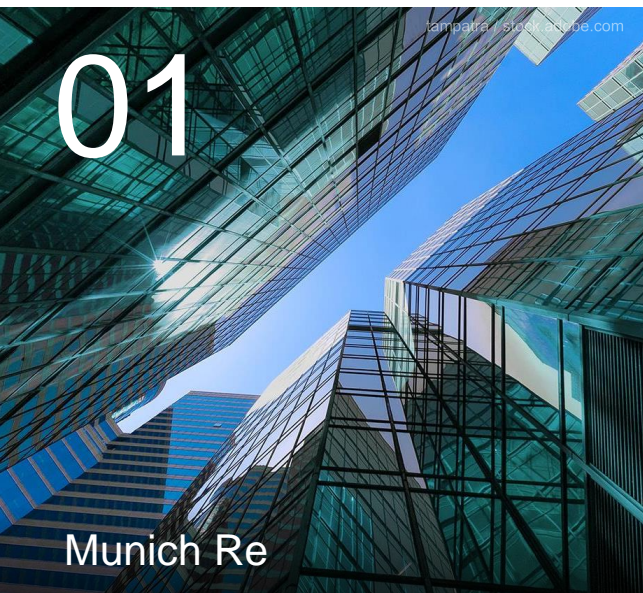
27 February 2024

Please note: Presentation based on 2023 preliminary figures



# Analysts' and Investors' Call 2023

## Agenda





tampatra / stock.adobe.com

01

Munich Re

# Munich Re achieved a strong result in 2023

Underwriting excellence and diversification at work

## Financial performance

Exceeding guidance with a net result of **€4.6bn** – strong underlying performance across all segments, while strengthening balance sheet and future RoI



## Capital repatriation

Rebasing payout to higher earnings level: DPS lifted to **€15<sup>1</sup>**, **€1.5bn** share buy-back<sup>2</sup>



## Macroeconomic and geopolitical environment

High resilience based on diversification and prudent reserving, protecting capital and earnings



## Market cycle

Macroeconomic and geopolitical uncertainties, elevated nat cat losses and limited inflow of new capacity support prolonged hard market







<sup>1</sup> Subject to the approval of the Annual General Meeting.

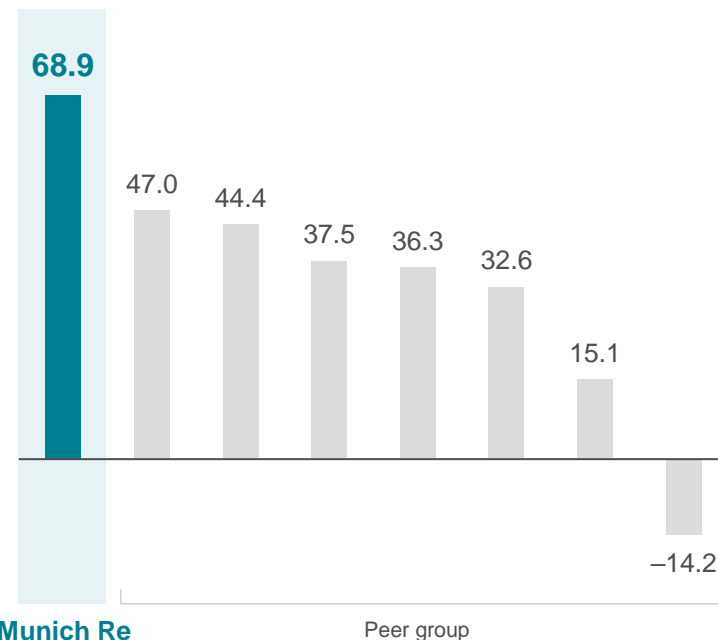
<sup>2</sup> Subject to the approval of the Supervisory Board's Praesidium and Sustainability Committee.

# Delivery on our Ambition

Strong business performance reflected in superior total shareholder return

		Ambition 2025	Achievements in 2023
RoE		14–16%	15.7% ✓
EPS growth <sup>1</sup>		≥5%	+37.8% <sup>2</sup> ✓
DPS growth <sup>1</sup>		≥5%	+29.3% <sup>3</sup> ✓
Solvency II ratio		175–220%	267% <sup>4</sup> ✓

**Total shareholder return (TSR)<sup>5</sup>**  
01.01.2020 – 31.12.2023 (%)



1 CAGR – compound annual growth rate 2020–25 (EPS 2020 normalised, based on IFRS 4). 2 Compared to published EPS figure based on IFRS 4.  
3 Subject to the approval of the Annual General Meeting. 4 Proposed dividend already deducted. Considering share buy-back the Solvency II ratio stands at ~259%. 5 Source: Bloomberg. Peers: Allianz, Axa, Generali, Hannover Re, Scor, Swiss Re, Zurich.

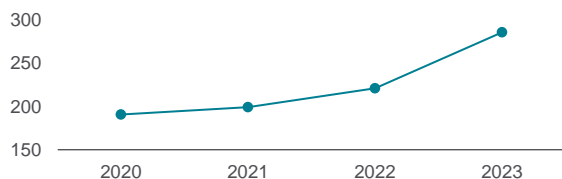
# Changes in the general environment

So far provided a net tailwind for achieving our Ambition 2025 targets

## Tailwind benefitted earnings

### Prolonged hard market

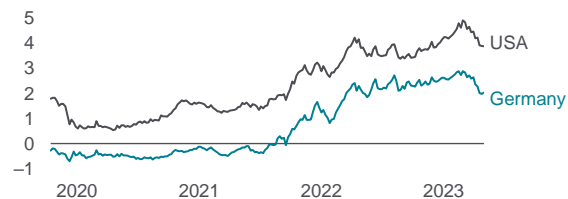
Global Property Catastrophe Rate-On-Line Index<sup>1</sup>



Competitive landscape, nat cat losses and inflation have pushed rates

### Increased interest rates

10-year government bond yields (%)<sup>2</sup>



Bond yields sharply increased in response to higher inflation, while reverting recently

1 Source: Guy Carpenter. 2 Source: Bloomberg.

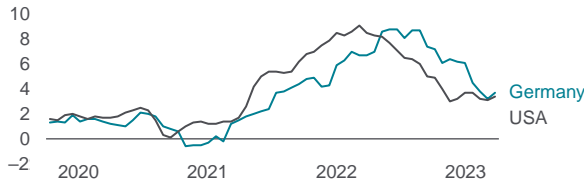
## Munich Re

Expanded business in an attractive market with improving profitability

## Headwind well manageable

### Inflationary environment

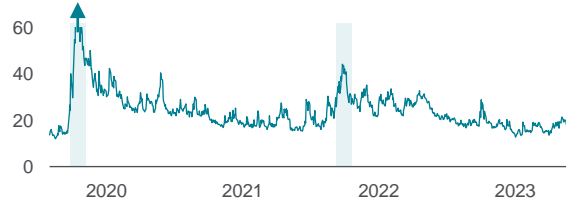
Consumer price inflation (%)<sup>2</sup>



Sharp rise in CPI, expected to remain at an elevated level

### Geopolitical uncertainties

VDAX (volatility index)<sup>2</sup>



COVID 19 and war in Ukraine increased volatility in capital markets and induced insurance losses

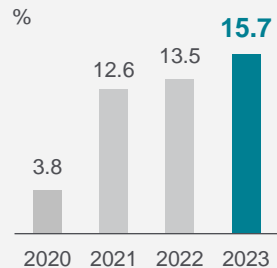
## Munich Re

Reflected higher claims costs in pricing and reserved prudently for inflation risks

Protected through broad diversification in investments and insurance business

# Ambition 2025

On our way to even beat targets

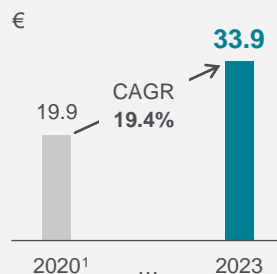


## RoE improvement

Profitability well above cost of capital

**14–16%**

Ambition 2025

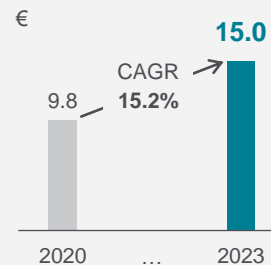


## EPS growth

Profitable expansion across all lines of business

**≥5%**

Ambition 2025



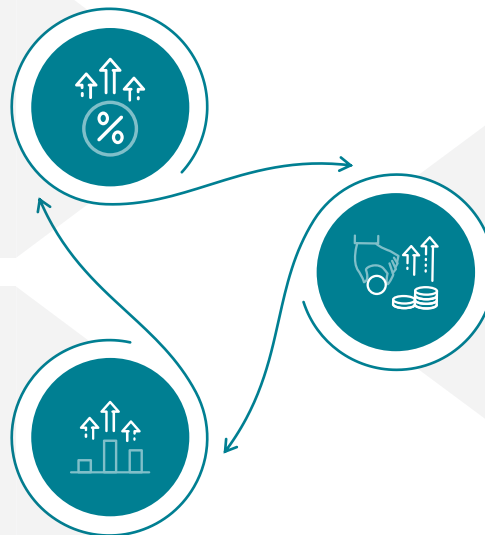
## Capital repatriation

Shareholders participate well above plan in strong earnings growth

DPS growth

**≥5%**

Ambition 2025



# Return on Equity improvement

Seizing growth options with a strong balance sheet

## Efficient capital management

### Leveraging strong market position

Attractive insurance market environment makes it possible to earn returns above cost of equity



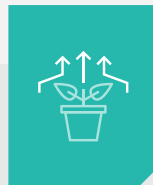
### Flexibility to allocate capital

Strong balance sheet according to all metrics not imposing any restrictions in terms of business expansion



### Aligning growth and capital repatriation

Managing capital efficiency by returning excess capital via growing dividends and share buy-backs

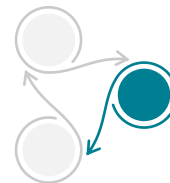


Munich Re successfully expands business, increases RoE and repatriates capital all at once



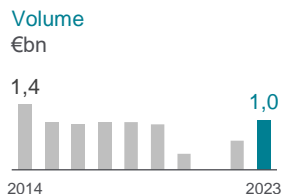
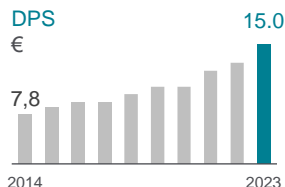
# Capital repatriation

Shareholders participate in Munich Re's earnings growth



## Dividends

Profit participation



## Share buy-backs

Reducing excess capital

### Total payout<sup>1</sup>

2014–2023

€14.5bn

€8.4bn

## Dividends vs. share buy-backs

- Capital repatriation well-funded by high amount of German GAAP distributable earnings and sound solvency position
- More than **85%** of IFRS net earnings paid out to shareholders over the last 10 years
- Strong dividend commitment – rebasing dividend for FY 2023 to new earnings level
- Flexible capital management with focus on shareholder value creation impacting size and frequency of share buy-backs

<sup>1</sup> Dividend payout relates to the proposed dividend of the financial year, e.g., for 2023 dividend paid in 2024. Share buy-back is the actual amount purchased in a single year.

# EPS growth

Diversification of earnings profile supports Ambition 2025 targets

## Core P-C reinsurance

Prolonged cycle supports profitable business growth

01

## Global Specialty Insurance (GSI)

Powerful player in less cyclical specialty insurance

02

## Life & health reinsurance

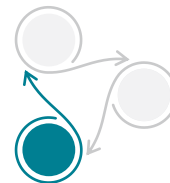
Strong earnings trajectory beyond expectations

03

## ERGO

Achieving targets with impressive consistency

04



Less cyclical and less volatile business segments are expected to deliver higher earnings contribution to Munich Re Group's result by 2025

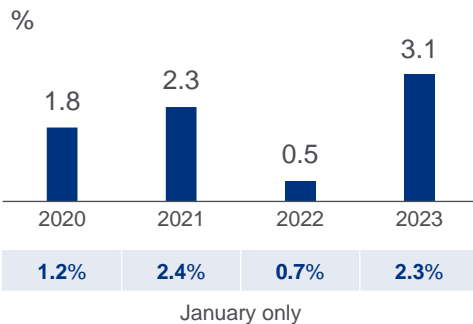
# January renewals

Prolonged cycle allows for profitable business growth

## Price change<sup>1</sup>



### Renewals 2020–2023



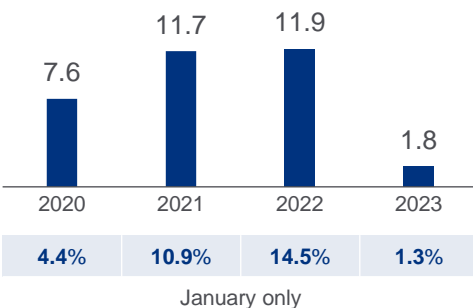
## January renewals 2024<sup>2</sup>

**+0.3%**  
Optimistic about  
April and July renewals

## Portfolio profitability remains at the same high level

- Another good renewal in an ongoing attractive market environment – strong pricing improvements achieved in past years fully preserved
- Business growth benefits from original rate increases
- Portfolio mix effects had no material impact on price change

## Volume change



**+3.5%**  
Well positioned for  
further business growth

## Calculation methodology of price change translates to IFRS 17

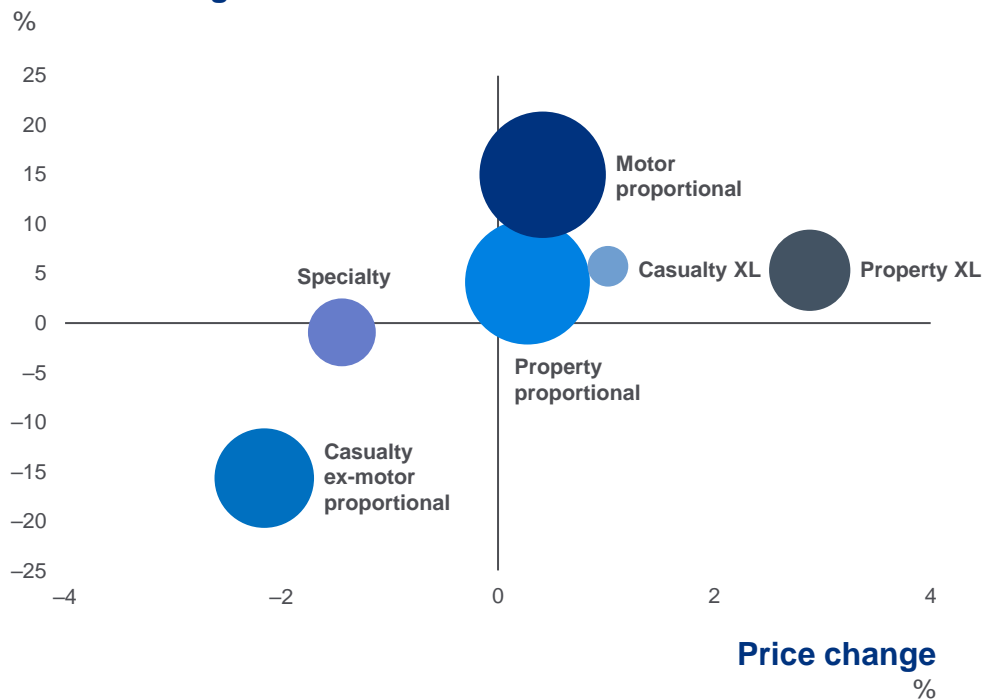
- Price change based on insurance revenue, while volume change still based on GWP
- Conservative inflation and other loss-trend assumptions (e.g., nat cat modelling) continue to be fully reflected in risk-adjusted price change
- According to IFRS 4 methodology (based on GWP) price change was flat (0.0%)

<sup>1</sup> Calculation until 2023 based on gross written premium (IFRS 4). <sup>2</sup> From 2024 calculation of price change based on insurance revenue (IFRS 17), i.e. premiums are adjusted for ceding commissions which leads to shifts in portfolio weights (stronger weighting of non-proportional business) and a smaller denominator.

# January renewals

Strong capacity supports risk-return optimisation

## Volume change



Bubble size reflects relative volume up for renewal. Price and volume changes based on IFRS 4 GWP.

## Property XL

Nat cat continues to provide very attractive margins

- Munich Re continues to have capacity within its overall risk appetite for cat business in a healthy market environment
- Leveraging our strong balance sheet while benefiting from strong partnerships
- Overall price improvements achieved, more pronounced in loss-affected areas, e.g., Turkey

## Other lines of business

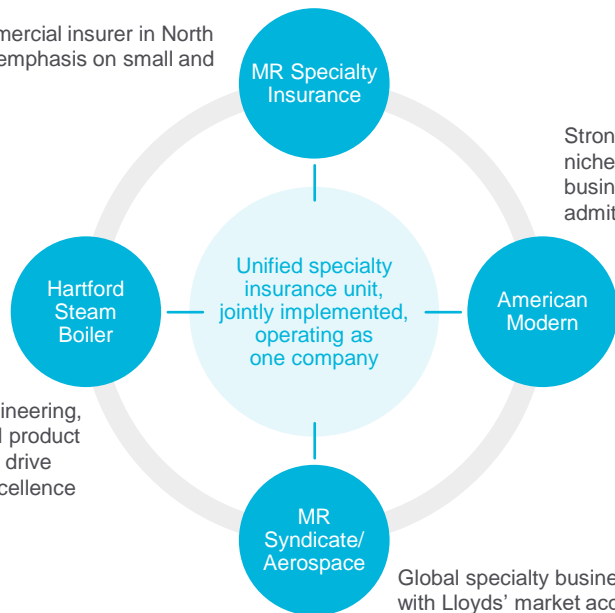
Sound portfolio quality

- Quality of the portfolio maintained by defending achieved improvements of terms & conditions (including higher attachment points) and implementing further risk-mitigating measures
- Motor proportional business growing due to original rate increases, while we actively reduced exposure in casualty ex-motor proportional – slightly negative price change reflects cautious loss cost assumptions
- Reduction of property proportional business which fails to meet our requirements with respect to prices/terms & conditions, while growing with good prospects
- Specialty lines still highly profitable despite slight decrease

# Growing Global Specialty Insurance

To become a more powerful player in specialty insurance worldwide

Growing commercial insurer in North America with emphasis on small and mid-market



Leveraging engineering, loss control and product development to drive underwriting excellence

Strong footprint in niche personal lines business in the admitted market

Global specialty business with Lloyds' market access

## Achievements in 2023

- C-suite positions for underwriting, claims and IT were established
- Bolstering collective steering of the unit as one unified specialty company under a single Board member, to deliver on Ambition 2025 and beyond

## Ambition 2025 Based on IFRS 4



Premium growth to ~€10bn



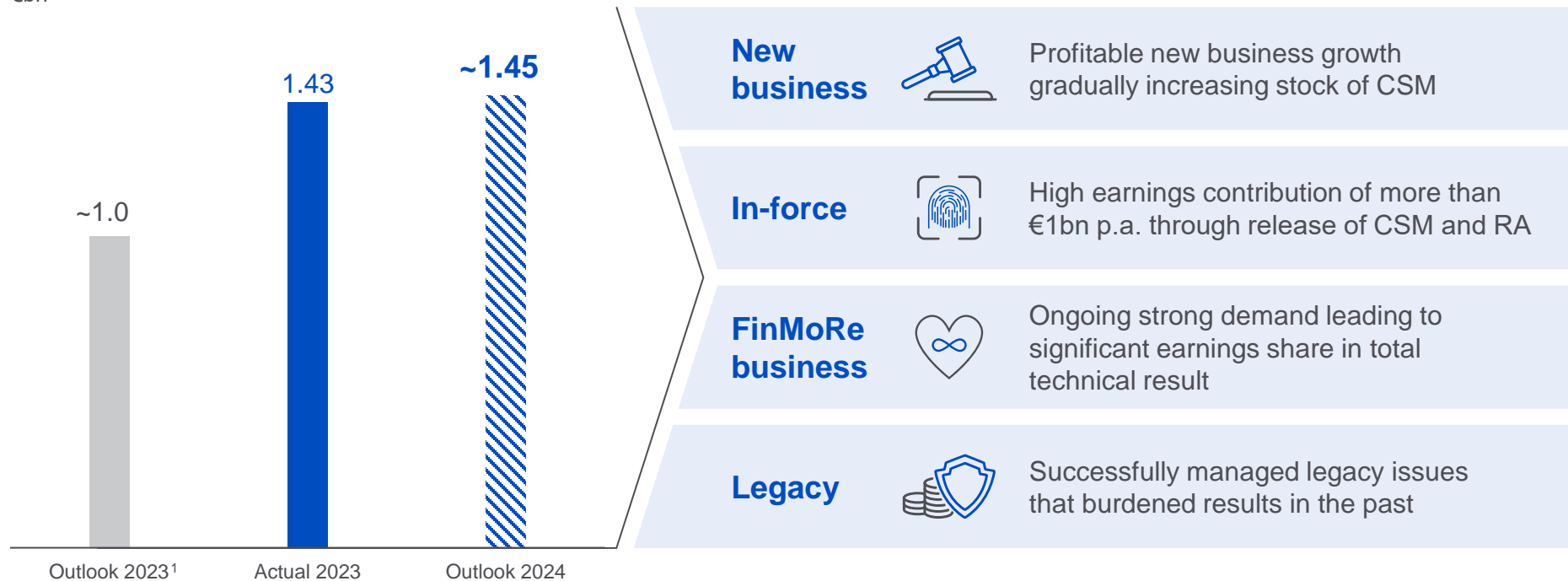
Combined ratio in the **low 90s**

# Life and health reinsurance

Very positive development beyond Ambition 2025 expectations

## Total technical result

€bn



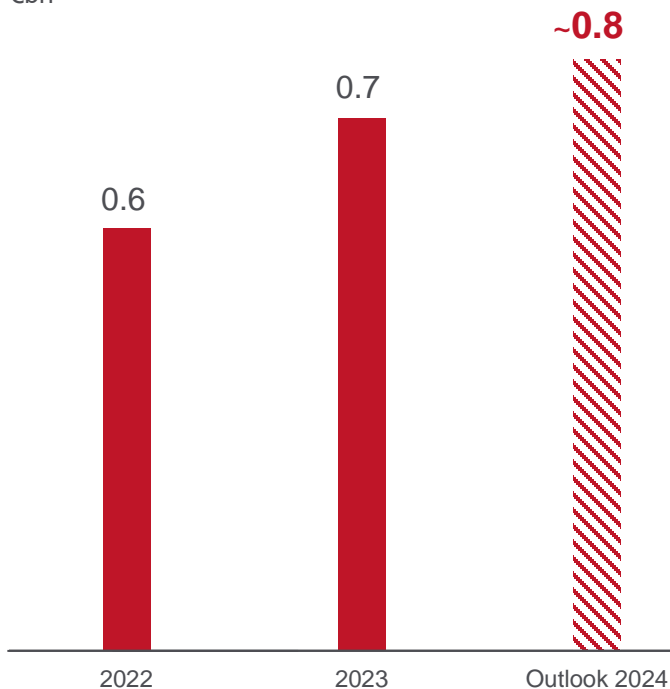
<sup>1</sup> Provided at the analysts' conference on 23 February 2023.

# ERGO

Steadily increasing earnings based on healthy underlying performance

## Net result

€bn



Continuous top-line growth  
in core markets



Underwriting excellence and  
superior customer experience



Pursuing digital leadership through  
application of new technologies

# ERGO

Continuing to deliver on Ambition 2025



## Continuous top line growth in core markets

- Organic growth in Germany, based on comprehensive omni-channel approach
- Determined tariff adjustments accompanied by growth initiatives, e.g., in Polish and Baltics p-c business as well as Belgian and Spanish health insurance
- Non-organic growth through step-ups in Thailand, the Nordics and China



## Underwriting excellence and superior customer experience

- Active cost management and enhanced risk selection to ensure competitive loss and expense ratios despite inflation
- Favourable business mix in Germany mitigates impact of claims inflation in motor on segment combined ratio; price increases in International largely compensate for higher claims expenses
- Improvement of claims handling efficiency (e.g., by further expansion of fully digital processes)



## Pursuing digital leadership through application of new technologies

- Stringent roll-out of digital technologies across all ERGO entities
- Approx. 610 active digital applications<sup>1</sup> mainly supporting customer service, pricing, underwriting and claims

<sup>1</sup> Active bots, voice use case and AI.



# ERGO International

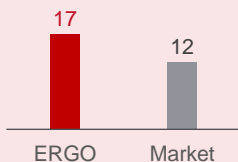
Further expansion in Asian growth markets

## GWP growth<sup>1</sup>

CAGR 2020–2023, %



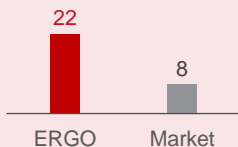
India non-life



- Profitable growth above market – top 3 market position among private p-c insurers
- Powerful and broad distribution platform including strong bank sales partnership



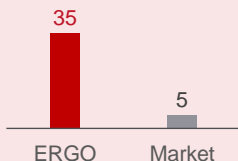
China life



- Continued strong organic growth and step-up to majority in life in 2023
- Business model extension in China, e.g., regulatory approval for health broker license received end of 2023



Thailand non-life



- Substantial organic growth combined with M&A boosted market position from #17 in 2020 to #8 in 2023
- Strategic ambition: Further improvement of market position

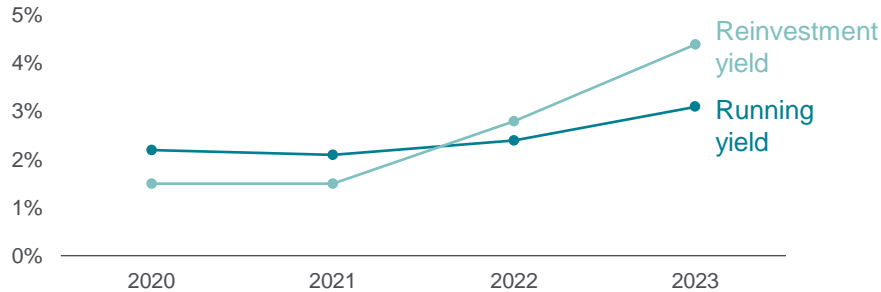
Expansion in Asia is major driver for future growth and profitability of the international segment

# Increasing sustainable investment result

Based on higher interest rates and active investment management

## Beneficial market environment

Yield of fixed-income portfolio benefits from higher interest rates

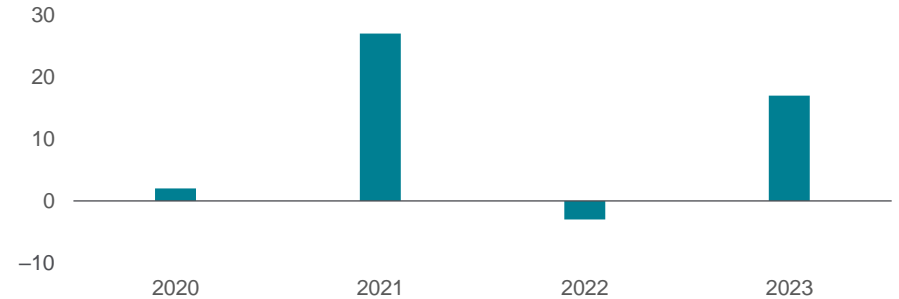


Reinvestments in fixed-income portfolios benefit from higher yields without changing the risk profile

Running yield expected to further increase

## Active investment management

Indicative return contribution to Group RoI (bps)



Well-constructed portfolio of alternative assets proves to be very resilient, even in an environment of rising interest rates



Tactical allocations make use of opportunities across different markets and currencies



Best-in-class global asset managers bring in in-depth expertise and diversification for asset selection

Ambition to noticeably increase return contribution

# Munich Re leverages the potential of artificial intelligence

Munich Re already creates significant value by utilising

“traditional”/ predictive AI ...

Tangible earnings impact

More than **280** use cases  
– Examples

## Reinsurance

- Improved decision making in the core
- Retention of existing business
- Generation of new business

- Augmented underwriting solution for US life insurers
- Risk score for industrial equipment breakdown insurance at Hartford Steam Boiler
- Automation of submission data intake

## ERGO

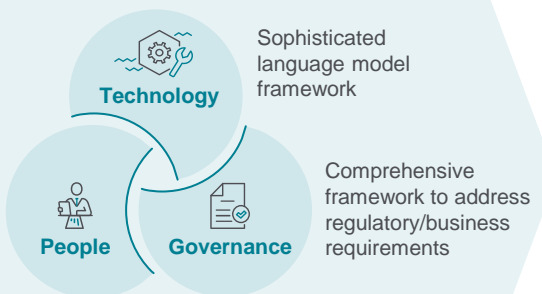
- Improved operational efficiency
- Claims savings
- Generation of new business

- Classify and extract data from documents to increase automated processing
- Next best offer (NBO) algorithms generating product recommendations for each individual customer
- Eligibility checks in health insurance

... ready to harvest the potential of

“new”/ generative AI

Dedicated training programmes in GenAI



More than **100** use cases already identified



Potential for automation of more complex processes, too  
e.g., wording checks in reinsurance











Improved decision quality through AI augmentation,  
e.g., underwriting co-pilots



Increase customer satisfaction in primary insurance across multiple communication channels,  
e.g., with new era of chatbots

# Delivery on climate ambition through emission reductions

Decarbonisation achievements in 2023 vs. 2019

GHG emission reduction <sup>1</sup>		Ambition 2025	Achievements in 2023	
<b>Assets<sup>2</sup></b> Financed GHG emissions <sup>3</sup>		Total	-25 to -29%	
		Thermal coal	-35%	-47% 
		Oil and gas	-25%	-54% 
<b>Liabilities<sup>4</sup></b> Financed GHG emissions <sup>5</sup>		Thermal coal	-35%	
		Oil and gas	-5%	-41% 
		Coal-fired power plants	-35%	-41% 
Thermal coal mining	-80%	-80%		
<b>Own emissions</b> GHG emissions from operational processes <sup>6</sup>		Total per employee	-12%	-34% 

1 Reduction compared to base year 2019, measured in CO<sub>2</sub>e. 2 Listed equities, corporate bonds and - for total - direct real estate. For total, if we were to use the nominal value instead of the market value for debt instruments, this would result in a reduction of 43% (instead of 47%). 3 Scope 1 and 2.

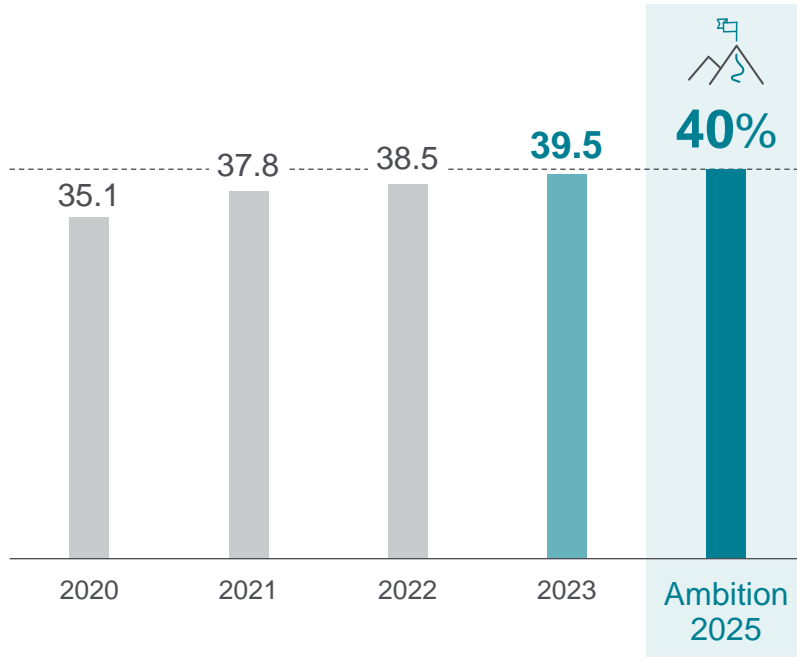
4 Applies to primary insurance, direct and facultative (re)insurance. 5 "Tonnes of thermal coal" and "installed operational capacity in MW" of insureds used as proxy for coal emissions. Oil and gas comprises operational property business for exploration and production with self-calculated scope 1-3 GHG life-cycle emissions, utilising the expertise of HSB Solomon, linked to the insurance policy. 6 Scope 1, 2 and 3 (business travel, paper, water, waste).

# Gender ambition 2025

Approaching the targeted 40% women in leadership roles

## Share of women at management level

Achievements in 2023



### Growth



Munich Re Group increased representation from **38.5%** in 2022 to **39.5%** in 2023

### Talent



Representation of women in talent programmes has increased from **46.1%** in 2022 to **48.4%** in 2023

### Diversity, Equity & Inclusion



Introduction of group-wide DEI Governance, DEI vision statement and additional focus dimension of generations

# Outlook 2024

Group	Insurance revenue (gross)	Net result	Return on investment	
	~€59bn	~€5.0bn	>2.8%	
ERGO	Insurance revenue (gross)	Net result	Combined ratio P-C Germany	Combined ratio International
	~€20bn	~€0.8bn	~87%	~90%
Reinsurance	Insurance revenue (gross)	Net result	Combined ratio Property-casualty	Total technical result Life and health
	~€39bn	~€4.2bn	~82%	~€1.45bn



# 02

## Group finance and risk

# Financial results 2023

Strong earnings and capitalisation, while future earnings power further strengthened

## IFRS net result

**€4.6bn**

(€5.3bn)



- Very pleasing performance across all segments contributes to net result above guidance despite significant strengthening of balance sheet
- Better-than-expected investment result (RoI: 2.5%) includes deliberate fixed-income disposal losses in favour of future investment income

## Solvency II ratio<sup>1</sup>

**267%**

(260%)



- Well above the upper end of target capitalisation
- Economic earnings<sup>2</sup> of ~€5.6bn driven by strong operating performance and profitable new business growth
- Largely stable required capital reflects well-balanced risk profile

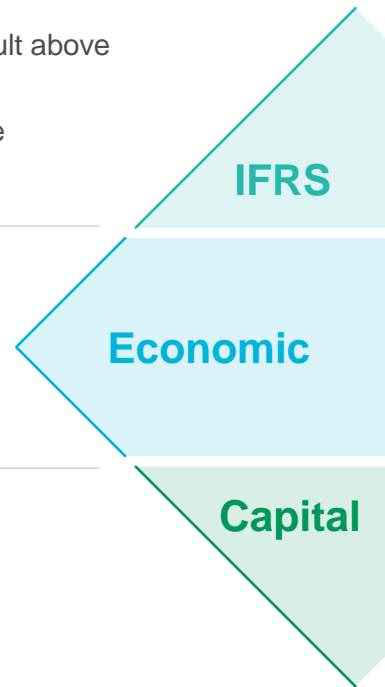
## HGB result

**€3.9bn**

(€1.1bn)



- Significantly higher investment result
- Distributable earnings remain high, supporting Ambition 2025 capital management strategy



Figures as at 31.12.2023 (31.12.2022).

<sup>1</sup> Proposed dividend already deducted. Considering the share buy-back, the Solvency II ratio stands at ~ 259%.

<sup>2</sup> Comprehensive disclosure on economic earnings will be available on 14 March 2024.



# Value- and risk-based steering approach

Munich Re balances volatility through diversification of earnings and financial steering



## Diversification of earnings

- Earnings contribution from less volatile business segments (ERGO, GSI, L&H reinsurance) ...
- ... cushions impact of severe outlier losses in single years in P&C RI



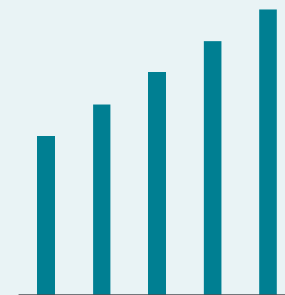
## Financial steering

- Strengthening of reserves in years with particularly strong earnings provides buffers for adverse scenarios
- Accepting disposal losses in favour of future investment income



## Target

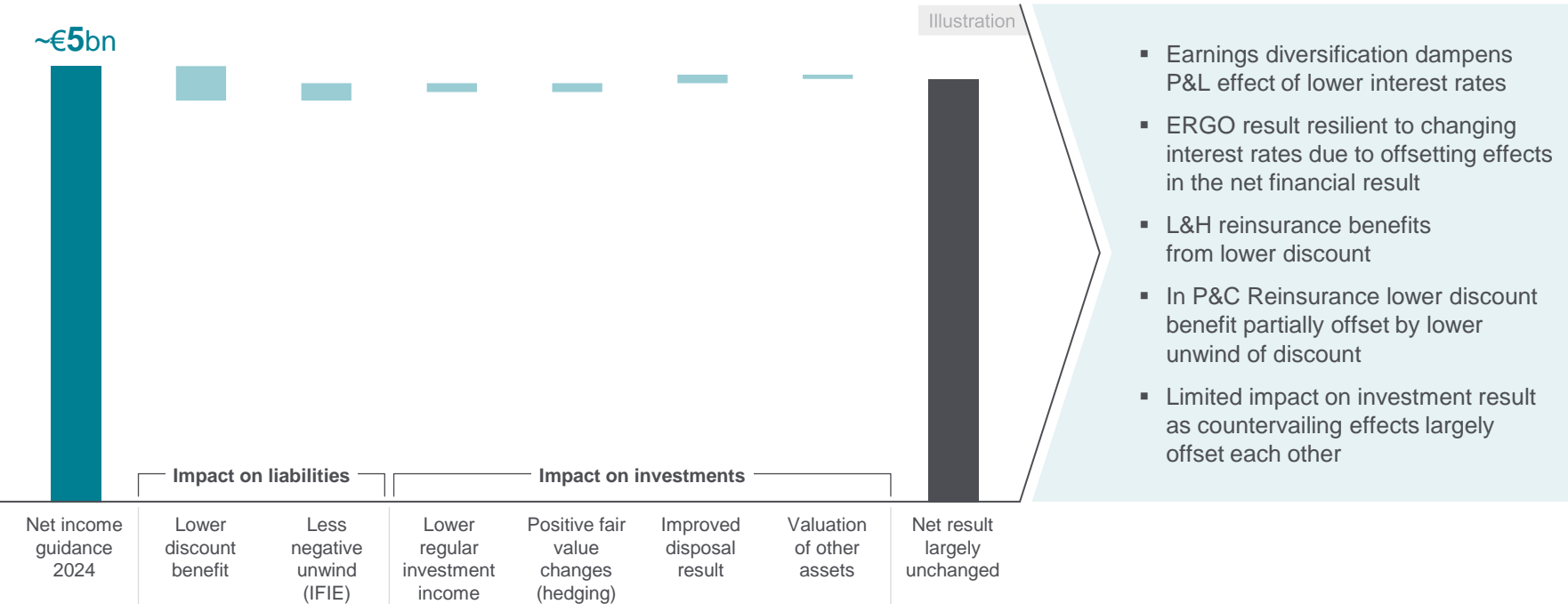
- Steadily increasing earnings trajectory
- Higher earnings contribution from less cyclical/volatile business segments
- Positive impact on cost of equity



# Macroeconomic sensitivity of P&L – Example: interest rates

Net result guidance to some extent resilient to changing market parameters

## Sensitivity of net result from 100bps parallel downward shift in interest rates



# Financial results Q4 2023

Good underlying performance, high investment result partly offset by FX losses

Net result

**€1,004m**

(€1,141m)



Reinsurance: **€926m**

## Property-casualty

Combined ratio: **91.6%**

Major-loss ratio: **13.0%**

Reserve releases<sup>1</sup>: **5.1%**

Normalised CR: **89.0%**

Elevated CR reflects seasonally high negative change in loss component and expenses as well as ongoing additional prudence<sup>2</sup>; discount benefit ~5%

## Life & health

Total technical result:

**€349m**

Release of CSM and risk adjustment in line with expectations

ERGO:

**€78m**

## L&H Germany

Total technical result:

**€205m**

## P-C Germany

Combined ratio:

**97.5%**

## International

Combined ratio:

**89.5%**

Net result below quarterly run rate

- Lower CSM release in L&H Germany
- Seasonally high acquisition costs in P-C Germany
- International business posted strong performance

Total technical result

**€1,356m**

(€904m)



Net financial result

**€67m**

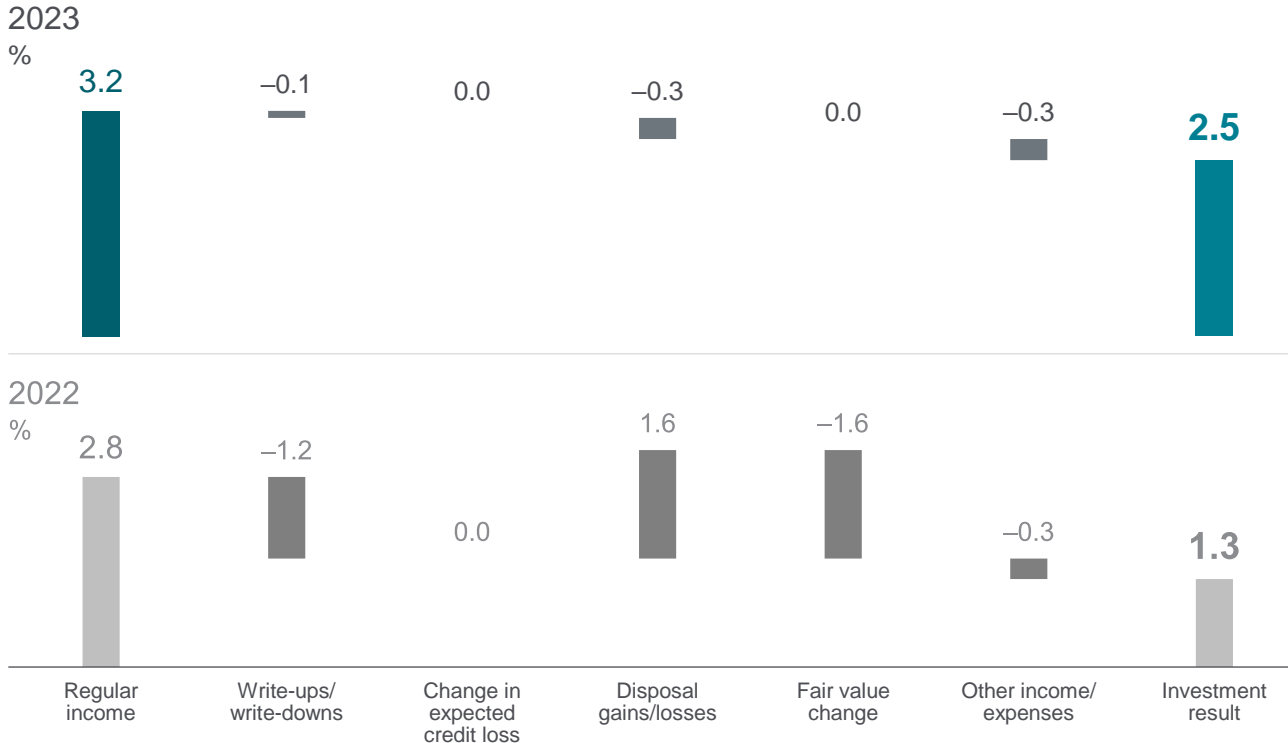
(€1,067m)



- Investment result benefited from positive fair value changes – Group ROI at **4.4%**
  - Reinsurance: **3.6%**
  - ERGO: **4.9%**
- Reinvestment yield at **4.5%**
- Negative FX result of **almost €500m**
- Seasonally high negative other operating result of **–€838m**
- Tax income of **€461m**

# Investment result

Higher interest rate levels benefit regular income



## Regular income

Increase driven by higher interest rates

## Write-downs

Benign capital market environment

## Disposal gains/losses

Accepting losses on fixed-income investments (Reinsurance ~€600m, ERGO ~€400m) to accelerate trajectory of increasing regular income

## Fair value change

Intra-year volatility offset on an annual basis

# ERGO – IFRS key financials 2023

Significant insurance revenue growth across all segments and strong net result

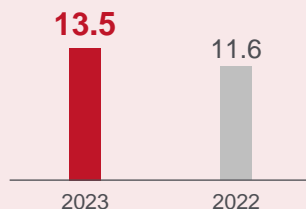
## ERGO

Insurance revenue  
**€20.1bn**  
(€18.9bn)

Net result  
**€721m**  
(€572m)

### Return on equity

%



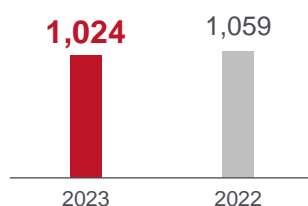
## L&H Germany

**€9.9bn** (€9.8bn)  
Continued growth in long- and short-term health (e.g., dental cover) as well as travel

**€183m** (€307m)  
Decline mainly driven by reduced CSM release due to lower interest rates; high contribution from short-term health and travel business

### Total technical result

€m



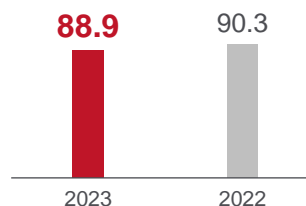
## P-C Germany

**€4.5bn** (€4.2bn)  
Strong business growth in almost all lines of business

**€252m** (€173m)  
Strong technical result due to good operating performance and increased investment result

### Combined ratio

%



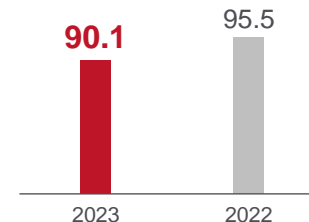
## International

**€5.6bn** (€4.9bn)  
Increase mainly driven by Poland p-c, Spain and Belgium health as well as full consolidation of ERGO Thailand

**€286m** (€92m)  
Very good result based on profitable growth and significantly improved technical performance; negative one-offs in prior year

### Combined ratio

%

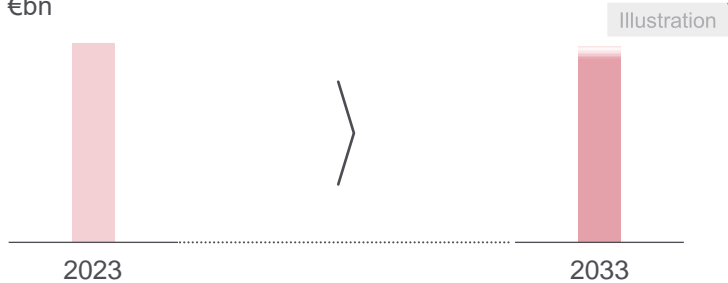


# ERGO Life and Health Germany

Successful strategic shift diversifies earnings drivers

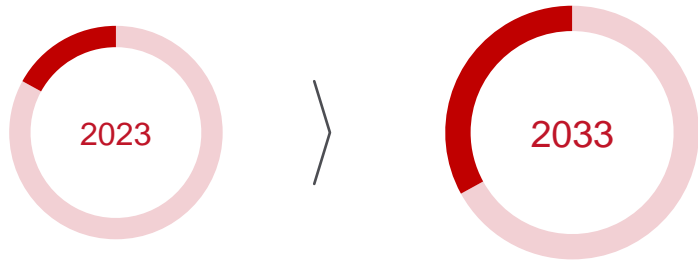
## Contractual service margin (CSM)<sup>1, 2</sup>

€bn



## Contribution to total technical result<sup>2</sup>

%



■ VFA business<sup>3</sup> ■ PAA business



### Strategy

- Life: Run-off of back-book and growth of new business with capital-light and biometric products
- Health: Strategic shift to short-term business



### Long-term financial impact

#### CSM

Almost stable CSM as new business in long-term health and growth in life new business offsets the run-off in life back-book

#### Total technical result

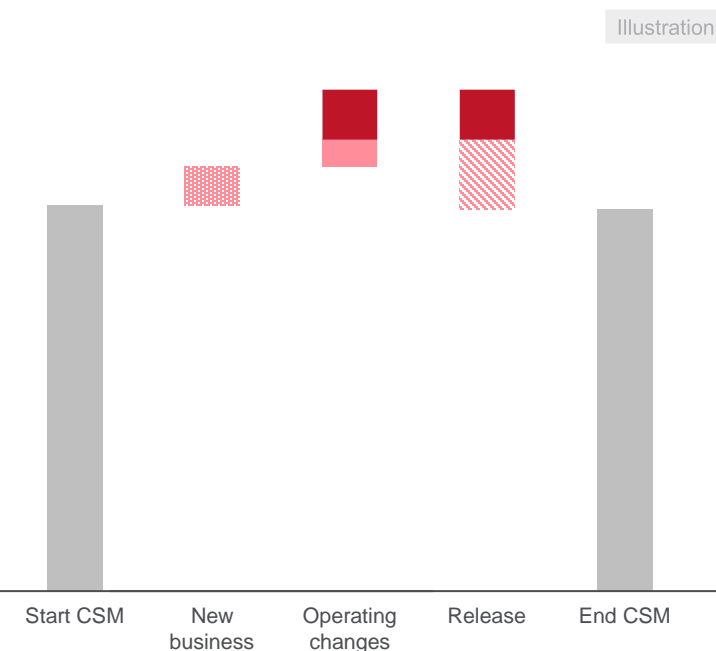
Strategic shift leads to build-up of PAA business and will continuously contribute to higher technical result

1 Net of reinsurance. 2 Main assumptions: unchanged interest rates and steady increase of equity markets, excluding model changes.  
3 Share of GMM business negligible.

# ERGO Life and Health Germany

## Effects of IFRS 17/Solvency II yield curve alignment on CSM

### CSM value drivers<sup>1</sup>



### Impact of Solvency II yield curves

Application of relatively low risk-free rates<sup>3</sup> for IFRS 17 leads to

- Prudent level of CSM and lower new business value
- High over-return – reflecting large difference between risk-free and expected investment return – recognised in operating changes and release

Due to the choice of lower interest rates, the new business value is relatively small compared to the CSM release

 New business  Accretion of interest<sup>2</sup>  Over-return  CSM amortisation

<sup>1</sup> For participating life business. Main assumptions: Capital market development as expected, excluding model changes. <sup>2</sup> In VFA business part of operating changes. <sup>3</sup> EIOPA interest yield curves, additionally volatility adjustment for selected entities.

# Reinsurance – IFRS key financials 2023

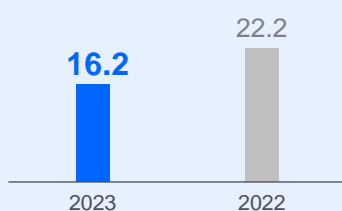
Ongoing profitable growth in P-C, exceptionally good result in L&H

## Reinsurance

Insurance revenue  
**€37.8bn**  
(€36.5bn)

Net result  
**€3,876m**  
(€4,737m)

## Return on equity



## P-C reinsurance

**€27.1bn** (€25.3bn)

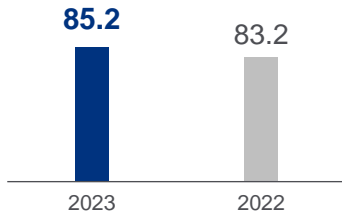
Significant growth in nat cat and Global Specialty Insurance, taking advantage of attractive market conditions

**€2,448m** (€3,423m)

Major losses slightly better than expected, discounting effects of ~8pp – unlike previous year, higher-than-expected discount benefit more than offset by prudent reflection of claims uncertainty in basic losses of ~€0.9bn, normalised CR of 86.5%

## Combined ratio

%



## L&H reinsurance

**€10.7bn** (€11.2bn)

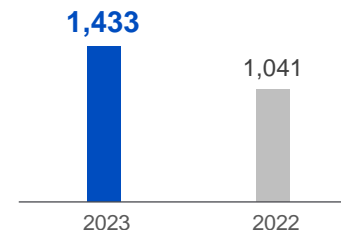
Decline driven by currency – organic growth in North America and UK offset by decline in Continental Europe and Asia

**€1,428m** (€1,314m)

Very strong performance – release of CSM and RA in line with expectation, strong new business and in-force management, very good development of FinMoRe business

## Total technical result

€m



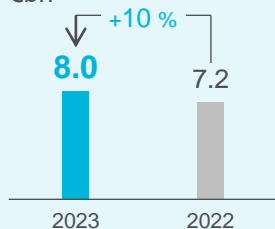


# Global Specialty Insurance – IFRS key financials 2023

Ongoing growth under attractive market conditions, benefit from benign major losses

## Insurance revenue

€bn



Strong organic growth across all units, taking advantage of profitable business opportunities and rate increases for existing business

## MR Specialty Insurance

On track with growth strategy in all segments

## Hartford Steam Boiler

Very profitable growth across multiple lines of business

## American Modern

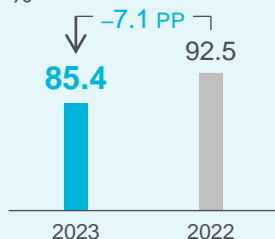
Substantial top-line growth driven mainly by rate increases

## Munich Re Syndicate

Favourable market conditions and ongoing diversification in specialty lines supporting sustainably strong growth path

## Combined ratio

%



Significant increase in profitability driven by benign major cat losses and profitable growth

On track and much improved over 2022, benign cat losses and leveraging of favourable market conditions drive improvement

Commercial book and cyber continue to drive very pleasing performance

Frequency of cat events affected residential insurance lines, while further rate increases and non-renewals will improve future profitability

Another excellent year supported by growth and diversification of the book

# Overall strengthened reserve prudence protects balance sheet against unexpected developments

## Managing industry hot spots

### US liability

High litigation and ongoing social inflation trends driving up loss emergence; first signs of catch-up effects as court activity is picking up after pandemic slow-down

### Economic inflation

Inflation has come down in 2023 but remains elevated, with continued uncertainty about future inflation developments and its impact on reserve position

### Major latent loss

Emerging litigation risks characterised by complex litigation, changes in legal and regulatory environment increase major latent loss risk

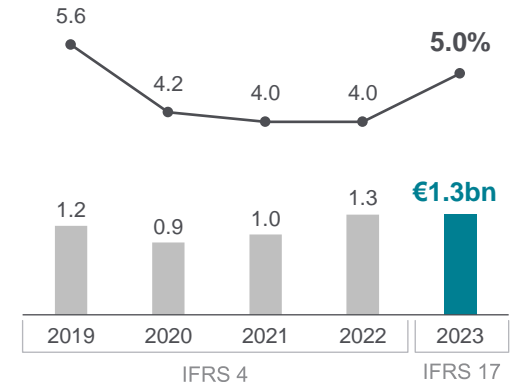
## Munich Re measures

Reserve position further strengthened as prudent reaction to mixed experience regarding elevated loss emergence for soft market years; losses in less mature years still below expectation but due to immaturity of the loss development, very cautious reaction to provide additional resilience

Impact of inflation mainly in line with expectation; thorough assessment of inflation impact and maintaining conservative prudence level

Prudent reserving approach using our in-depth expertise across underwriting, claims and reserving to assess various exposure scenarios

## Ongoing reserve releases<sup>1</sup>



Significant reserve releases despite cautious reaction to loss trends like US liability and inflation – reserve position (including additional €0.9bn prudence for basic losses) considered to be even stronger compared to 2022

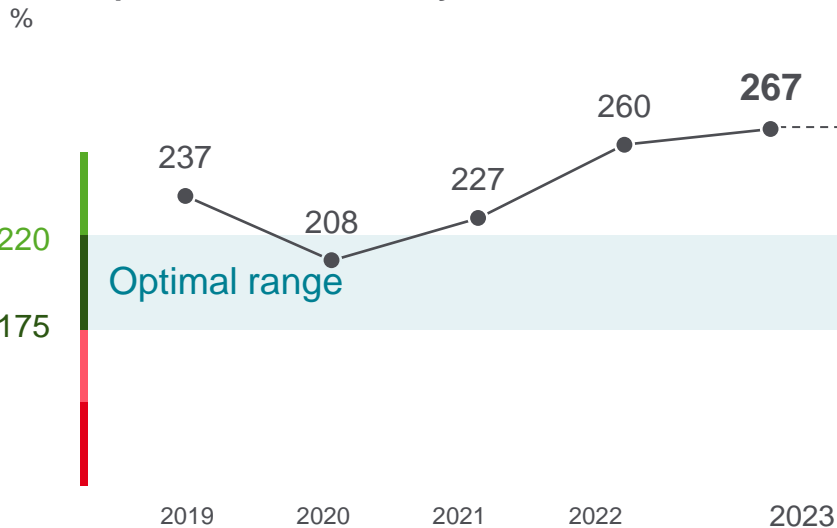
<sup>1</sup> Property-casualty reinsurance. Until 2022: in % of net earned premiums, basic losses after offsetting result-dependent conditions. From 2023: in % of net insurance revenue, discounted basic losses after offsetting result-dependent conditions.

# Solvency II ratio

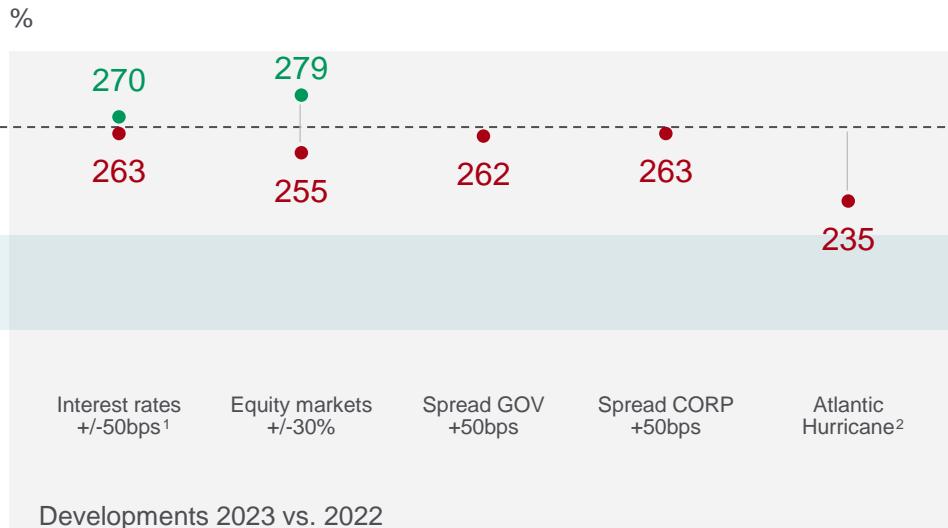
Strong capitalisation supports growth and attractive capital repatriation

Economic

## Development of the Solvency II ratio



## SII sensitivities



	2019	2020	2021	2022	2023
EOF	41.5	39.9	46.6	46.0	€48.0bn
SCR	17.5	19.2	20.5	17.7	€18.0bn

- Developments 2023 vs. 2022
- EOF growth mainly due to strong operating earnings, partially offset by the deduction of foreseeable dividends. Adjusted for share buy-back to be deducted in Q1 2024, the SII ratio stands at ~259%
  - SCR increase driven by strong new business growth in life & health reinsurance and lower interest rates, partially compensated for by FX

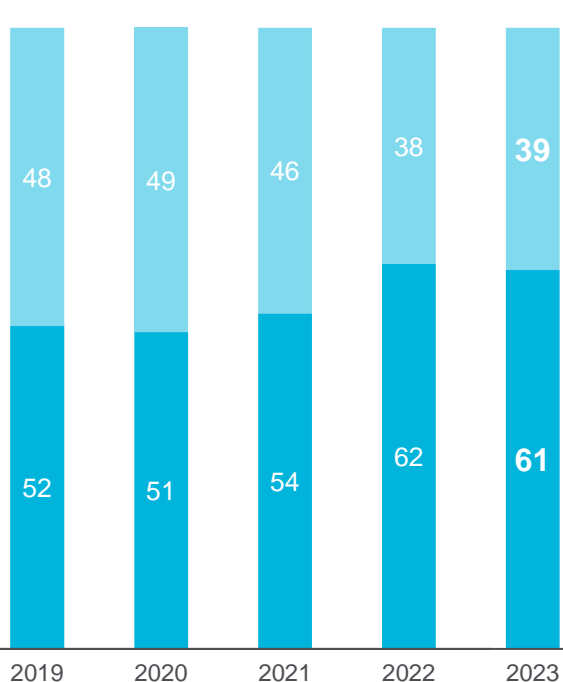
1 Parallel shift until last liquid point, extrapolation to unchanged UFR. 2 Based on EOF stress in 200-year event.

# Maintaining an overall well-balanced risk profile

Moderate increase of risk on both sides of the balance sheet

## SCR composition of investment and insurance risks

%



### Investment risks

Increase driven by lower interest rates and a modest increase in credit risk exposure



### Insurance risks

Overall balanced business growth in line with risk-bearing capacity

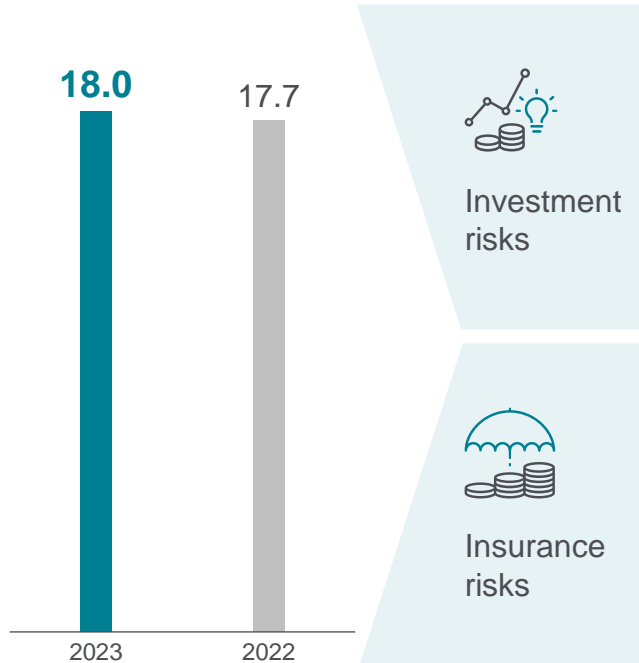
Diversification benefit between risk categories of **>30%**

# Largely stable SCR development

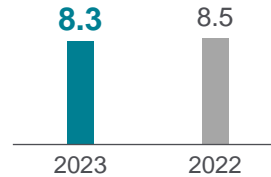
Diversification largely absorbs impact from business growth and lower interest rates

## Total SCR (incl. diversification)

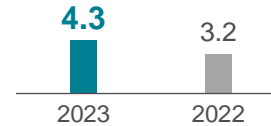
€bn



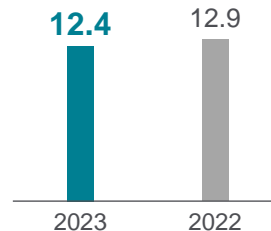
### Market



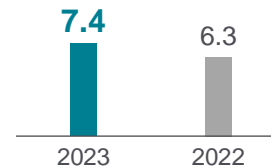
### Credit



### Property-casualty



### Life and health



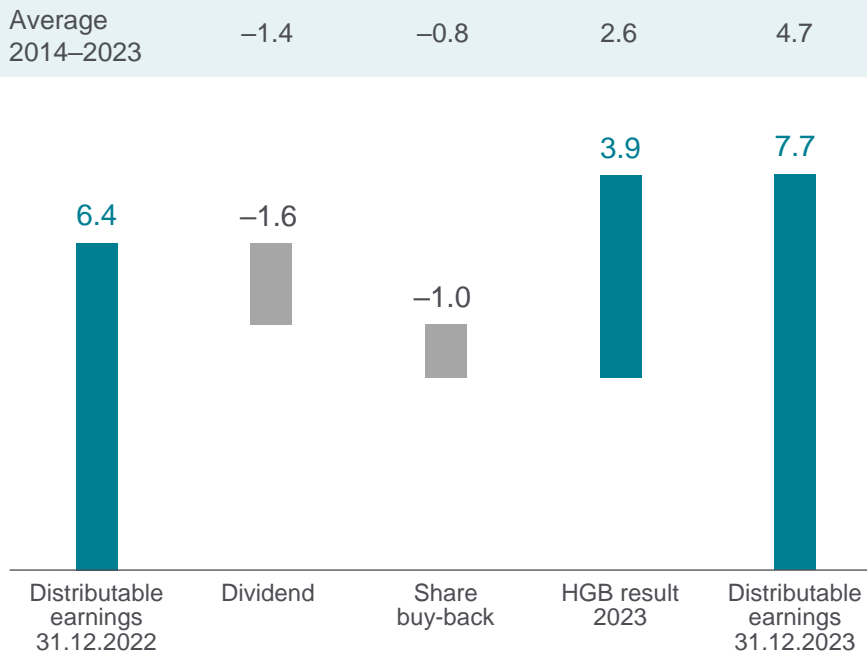
- **Market risk:** Minor effects in an overall robust capital market environment
- **Credit risk:** Increase driven by lower interest rates and a modest exposure expansion

- **P-C:** Slight decrease due to extension of retrocession instruments and a more balanced portfolio composition
- **L&H:** Increase due to strong business growth in reinsurance

# German GAAP (HGB) result 2023

High distributable earnings support Ambition 2025 capital management strategy

€bn



HGB result 2022 **€1.1bn**

Underwriting result -0.1

Investment result +2.9

Other +0.0

HGB result 2023 **€3.9bn**

- Continuously strong underwriting result
- Significantly higher investment result due to mostly stable interest-rate environment



imaginima / Getty Images

# 03

## Additional information

# Segment income statement

## Q4 2023

€m	Life and health reinsurance	Property-casualty reinsurance	ERGO L&H Germany	ERGO P-C Germany	ERGO International	Total Q4 2023
Gross premiums written <sup>1</sup>	3,408	8,423	2,515	825	1,546	16,717
Insurance revenue from insurance contracts issued	2,775	7,024	2,538	1,193	1,447	14,977
Insurance service result	338	562	170	29	155	1,255
Result from insurance-related financial instruments	11	56	35	0	-1	101
<b>Total technical result</b>	<b>349</b>	<b>619</b>	<b>205</b>	<b>29</b>	<b>154</b>	<b>1,356</b>
Investment result	184	651	1,329	82	159	2,405
Currency result	-46	-352	-89	1	-13	-499
Investment result for unit-linked life insurance	0	0	259	0	145	405
Insurance finance income or expenses	-33	-349	-1,558	-27	-276	-2,243
<b>Net financial result</b>	<b>105</b>	<b>-50</b>	<b>-59</b>	<b>56</b>	<b>15</b>	<b>67</b>
Other operating result	-69	-399	-199	-74	-97	-838
<b>Operating result</b>	<b>385</b>	<b>169</b>	<b>-53</b>	<b>11</b>	<b>73</b>	<b>585</b>
Net finance costs	4	-38	16	-14	-10	-42
Taxes on income	72	334	54	-4	5	461
<b>Net result</b>	<b>461</b>	<b>465</b>	<b>18</b>	<b>-7</b>	<b>67</b>	<b>1,004</b>
Tax rate	-18.4%	-253.9%	148.2%	-149.8%	-8.4%	-84.8%



# Segment income statement

## 2023

€m	Life and health reinsurance	Property-casualty reinsurance	ERGO L&H Germany	ERGO P-C Germany	ERGO International	<b>Total 2023</b>
Gross premiums written <sup>1</sup>	13,249	35,872	10,349	4,383	5,960	69,814
Insurance revenue from insurance contracts issued	10,725	27,061	9,942	4,539	5,618	57,884
Insurance service result	1,073	3,849	1,001	495	627	7,045
Result from insurance-related financial instruments	360	119	23	0	-2	501
<b>Total technical result</b>	<b>1,433</b>	<b>3,968</b>	<b>1,024</b>	<b>495</b>	<b>625</b>	<b>7,545</b>
Investment result	608	1,824	2,323	209	410	5,374
Currency result	-53	-142	-71	-11	-15	-292
Investment result for unit-linked life insurance	0	0	565	0	250	816
Insurance finance income or expenses	-131	-1,594	-2,984	-64	-618	-5,391
<b>Net financial result</b>	<b>424</b>	<b>88</b>	<b>-167</b>	<b>134</b>	<b>28</b>	<b>507</b>
Other operating result	-171	-1,004	-660	-232	-283	-2,351
<b>Operating result</b>	<b>1,686</b>	<b>3,052</b>	<b>197</b>	<b>397</b>	<b>370</b>	<b>5,702</b>
Net finance costs	3	-139	53	-49	-36	-168
Taxes on income	-261	-465	-67	-96	-48	-936
<b>Net result</b>	<b>1,428</b>	<b>2,448</b>	<b>183</b>	<b>252</b>	<b>286</b>	<b>4,597</b>
Tax rate	15.4%	16.0%	26.7%	27.5%	14.5%	16.9%

# Actual vs. analysts' consensus

## Operating result – Actual vs. analysts' consensus<sup>1</sup>

€m	Q4 2023	Consensus	Delta
Life and health reinsurance	385	446	-61
Property-casualty reinsurance	169	687	-518
ERGO Life and Health Germany	-53	84	-137
ERGO Property-casualty Germany	11	32	-21
ERGO International	73	74	-1
<b>Operating result</b>	<b>585</b>	<b>1,323</b>	<b>-738</b>

Net finance costs	-42		
Taxes	461		
<b>Net result</b>	<b>1,004</b>	<b>980</b>	<b>24</b>

## KPIs – Actual vs. analysts' consensus<sup>1</sup>

€m	Q4 2023	Consensus	Impact <sup>2</sup>
Total technical result	349	353	-4
Combined ratio	91.6%	87.5%	-276
Total technical result	205	270	-65
Combined ratio	97.5%	97.1%	-5
Combined ratio	89.5%	89.6%	1

## Segment RoI<sup>3</sup>

%	Q4 2023
Life and health reinsurance	3.5
Property-casualty reinsurance	3.6
ERGO Life and Health Germany	5.2
ERGO Property-casualty Germany	4.0
ERGO International	3.5

<sup>1</sup> Simple average of estimates the Munich Re Investor Relations team has gathered from analysts covering Munich Re, not considering any external data providers. <sup>2</sup> For combined ratios: delta between actual and consensus times insurance revenue (net). <sup>3</sup> Annualised.

# Capital position

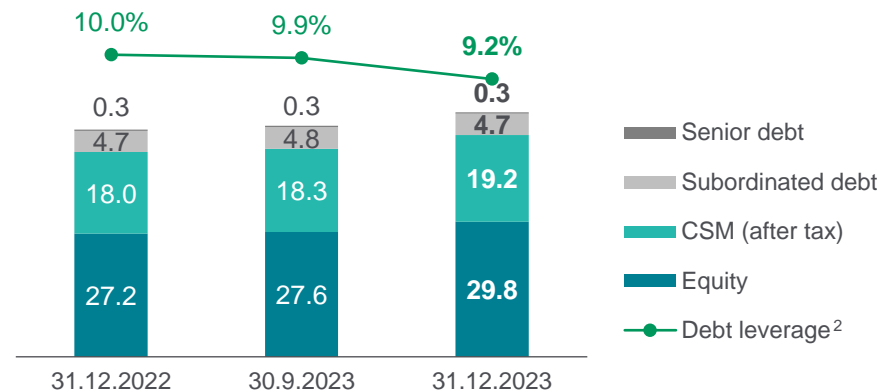
## Equity

€m

Equity 31.12.2022	27,245		Change in Q4
Net result	4,597		1,004
Changes			
Dividend	-1,583		0
Share buy-backs	-1,041		-87
Unrealised gains/losses	1,491		1,933
Exchange rates	-431		-586
Other <sup>1</sup>	-505		-139
<b>Equity 31.12.2023</b>	<b>29,772</b>		<b>2,126</b>

## Capitalisation

€bn



## Change in unrealised gains/losses

	Q4	2023
Investments	€6,302m	€4,896m
Insurance contracts	-€4,369m	-€3,405m

## Return on equity

	Q4	2023
Reinsurance	15.0%	16.2%
ERGO	6.0%	13.5%

## Solvency II ratio

**267%**

<sup>1</sup> Including IFRS 9 transition effect. <sup>2</sup> Strategic debt (bonds and notes issued, and subordinated debt) divided by total capital (strategic debt + equity + CSM after deferred tax).

## Return on equity

€m	Reinsurance			ERGO			Munich Re Group		
	31.12. 2023	30.9. 2023	31.12. 2022	31.12. 2023	30.9. 2023	31.12. 2022	31.12. 2023	30.9. 2023	31.12. 2022
<b>Adjusted equity</b>	<b>25,231</b>	24,284	22,743	<b>5,138</b>	5,306	5,524	<b>30,369</b>	29,590	28,267
Q4 2023 average adjusted equity	24,758			5,222			29,980		
Q4 2023 net result	926			78			1,004		
<b>Q4 2023 RoE</b>	<b>15.0%</b>			<b>6.0%</b>			<b>13.4%</b>		
2023 average adjusted equity	23,987			5,331			29,318		
2023 net result	3,876			721			4,597		
<b>2023 RoE</b>	<b>16.2%</b>			<b>13.5%</b>			<b>15.7%</b>		

# Revenue development 2023

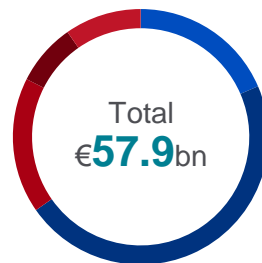
## Insurance revenue (gross)

€m

2022		55,385
Foreign exchange		-1,240
Divestments/ investments		141
Organic change		3,599
<b>2023</b>		<b>57,884</b>

## Segmental breakdown

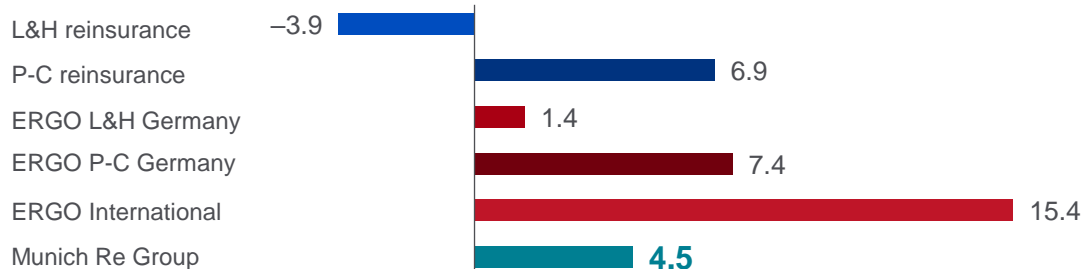
€bn



	Revenue	Share
Life and health reinsurance	<b>10.7</b>	19%
Property-casualty reinsurance	<b>27.1</b>	47%
ERGO Life and Health Germany	<b>9.9</b>	17%
ERGO Property-casualty Germany	<b>4.5</b>	8%
ERGO International	<b>5.6</b>	10%

## Change vs. 2022

%



# Total comprehensive income

Q4 2023

€m	Reinsurance Total	ERGO L&H Germany	ERGO P-C Germany	ERGO International	Munich Re Q4 2023
Total comprehensive income	<b>1,798</b>	<b>206</b>	<b>-42</b>	<b>388</b>	<b>2,351</b>
Thereof net result	926	18	-7	67	1,004
Thereof change in OCI (after tax)	872	189	-34	320	1,347
Thereof from investments	2,028	3,469	147	658	6,302
Thereof from insurance contracts	-588	-3,271	-182	-328	-4,369
Thereof currency translation differences	-568	-9	0	-10	-586

# CSM and risk adjustment by segment

## 2023

€m	CSM	▲ vs. 31.12.2022 (%)	Risk adjustment	▲ vs. 31.12.2022 (%)
Life and health reinsurance	12,275	11.8%	3,480	19.7%
Property-casualty reinsurance	88	–	398	17.3%
ERGO L&H Germany	9,568	–8.4%	539	–7.1%
ERGO P-C Germany	385	3.5%	82	23.6%
ERGO International	2,831	–12.2%	188	–10.2%
<b>Total</b>	<b>25,146</b>	<b>0.5%</b>	<b>4,687</b>	<b>14.3%</b>

# Loss component by segment

## 2023

€m	Loss component	▲ vs. 31.12.2022 (%)
Life and health reinsurance	222	17.2%
Property-casualty reinsurance	574	5.9%
ERGO L&H Germany	19	–25.8%
ERGO P-C Germany	192	–35.8%
ERGO International	279	–12.9%
<b>Total</b>	<b>1,286</b>	<b>–6.6%</b>



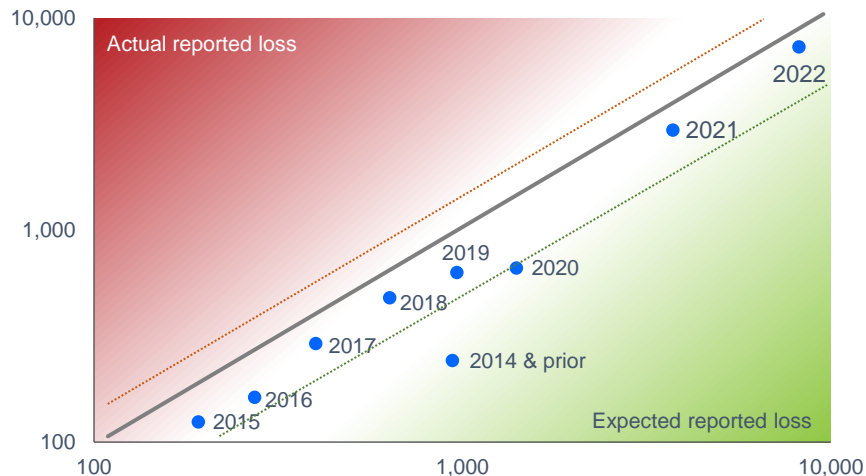
# Very strong reserve position

Actual basic losses continue to be consistently below actuarial expectations

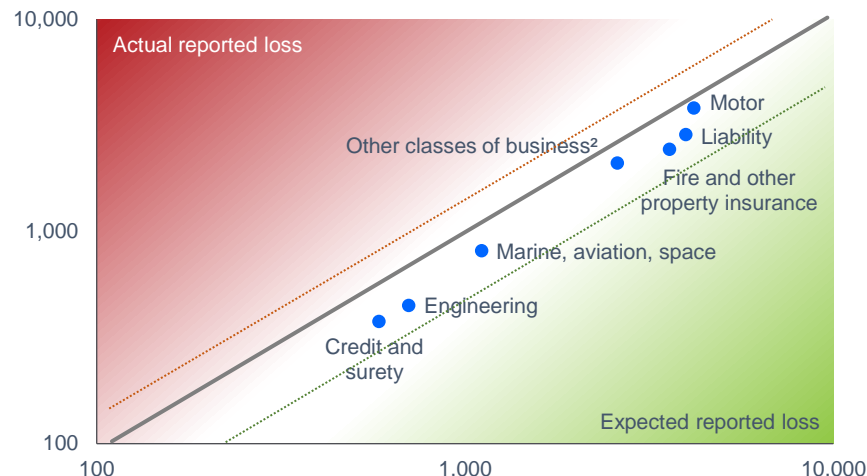
## Reinsurance group – Comparison of incremental expected losses with actual reported losses<sup>1</sup>

€m

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



On a line-of-business view, too, all actuals are below expectations



■ Actuals below expectation 
 ■ Actuals above expectation 
 — Actuals equal expectation 
 ⋯ Actuals 50% above/below expectations

<sup>1</sup> Reinsurance group losses as at Q4 2023, not including special liabilities and major losses (i.e., events of over €30m for Munich Re's share),  
<sup>2</sup> Other includes the lines of business workers' compensation, income protection, legal expenses, assistance reinsurance, medical expenses, agriculture reinsurance and miscellaneous.

# Another high positive run-off result, despite cautious reaction to loss trends like US liability and inflation

## Ultimate losses<sup>1</sup> – Favourable actual vs. expected comparison facilitates ultimate reductions for prior years

€m

	Accident year (AY)											Total					
	≤2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023						
31.12.2013	57,258																
31.12.2014	56,005	14,119															
31.12.2015	54,526	14,192	13,418														
31.12.2016	53,162	14,179	13,488	14,371													
31.12.2017	52,675	13,969	13,293	14,207	17,624												
31.12.2018	50,904	13,704	13,089	14,253	17,645	17,714											
31.12.2019	49,128	13,518	12,937	14,074	17,549	18,480	18,630										
31.12.2020	47,689	13,299	12,826	13,729	17,472	18,856	19,156	22,006									
31.12.2021	46,862	13,010	12,671	13,618	17,179	18,763	19,295	22,313	23,947								
31.12.2022	46,762	12,902	12,569	13,600	16,837	18,417	19,115	21,798	24,199	27,447							
31.12.2023	46,323	12,749	12,461	13,535	16,766	18,250	18,640	21,171	23,858	28,248	28,628						
CY 2023 run-off change	439	153	108	65	71	167	475	627	341	-801	-	1,644	€1,738m	-€94m			
CY 2023 run-off change (%)	0.9	1.2	0.9	0.5	0.4	0.9	2.5	3.0	1.4	-2.8	-	0.7	Reinsurance <sup>2</sup>	ERGO <sup>3</sup>			

- Again, very favourable overall run-off for basic and major losses
- Positive run-off for major losses driven by reserve releases for almost fully developed major nat cat losses
- Release of a small part of COVID-19 reserves
- Remaining negative run-off for AY 2022 due to established prudent reserving approach (responding to individual adverse developments in recent years but not yet incorporating favourable performance to a large extent) as well as additional anticipated inflation impact

1 Basic and major losses; accident-year split partly based on approximations. Adjusted to exchange rates as at 31.12.2023.

2 Basic losses: €1,411m, major losses: €327m. 3 Negative run-off driven by adverse development for major losses as well as model improvements in accident.

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

## Property

Favourable loss development leads to releases

- Clearly favourable indications across all lines
- Short-tail lines develop relatively quickly
- Releases spread across various property lines of business despite cautious approach regarding potential impact of inflation
- Rate increases show positive impact and support releases

## Specialty<sup>1</sup>

Releases follow favourable indications

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

## Casualty

Small overall release despite favourable indications

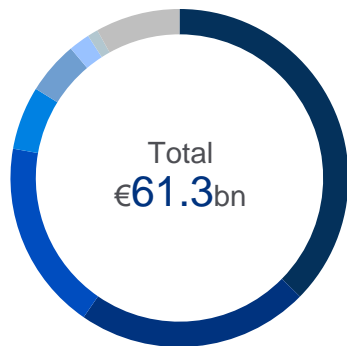
- Deliberately small reserve release despite overall favourable actual-versus-expected development
- Releases in motor for contract years 2020 and prior; loss development in contract years 2021 and 2022 show impact of economic inflation
- Further resilience built up in liability reserves due to ongoing social inflation trends and anticipated impact of inflation in selected portfolios

<sup>1</sup> Marine, aviation, cyber, credit and surety.

# Non-life reinsurance liability for incurred claims

## By line of business

%



■ Liability	<b>37</b> (37)	■ Engineering	<b>5</b> (5)
■ Fire and other property	<b>22</b> (23)	■ Credit and surety	<b>2</b> (3)
■ Motor	<b>18</b> (18)	■ Accident	<b>1</b> (1)
■ Marine, aviation, space	<b>6</b> (6)	■ Other classes of business <sup>1</sup>	<b>8</b> (8)

# Asbestos and environmental survival ratio

## Net definitive as at 31 December 2023<sup>1</sup>

€m	Asbestos	Environmental	A&E total
Paid	3,580	1,129	4,708
Case reserves	443	173	615
IBNR	520	203	723
<b>Total reserves</b>	<b>962</b>	<b>376</b>	<b>1,338</b>
3-year average annual paid losses	51	33	85
Survival ratio 3-year average	18.8	11.3	15.8

# Net financial result

€m	Q4 2023	Q4 2022	2023	2022
Investment result	2,405	1,717	5,374	2,983
Currency result	-499	-356	-292	1,067
Investment result for unit-linked life insurance	405	241	816	-1,140
Insurance finance income or expenses (IFIE)	-2,243	-534	-5,391	-1,060
<b>Net financial result</b>	<b>67</b>	<b>1,067</b>	<b>507</b>	<b>1,850</b>
Life and health reinsurance	105	-312	424	955
Property-casualty reinsurance	-50	1,445	88	736
ERGO Life and Health Germany	-59	-64	-167	66
ERGO Property-casualty Germany	56	7	134	118
ERGO International	15	-8	28	-25

- Investment result in Q4 2023 benefited from positive fair value changes in equities and fixed-income investments (the latter mainly at ERGO L&H Germany)
- Negative currency result in Q4 driven by USD and CAD
- At ERGO, the net financial result for VFA business is usually close to 0, as IFIE largely offsets the sum of the other three components
- In reinsurance, IFIE largely reflects the unwind of discount, which is still impacted by low interest-rate levels at transition – albeit with significantly less impact than in 2022

# Investment result

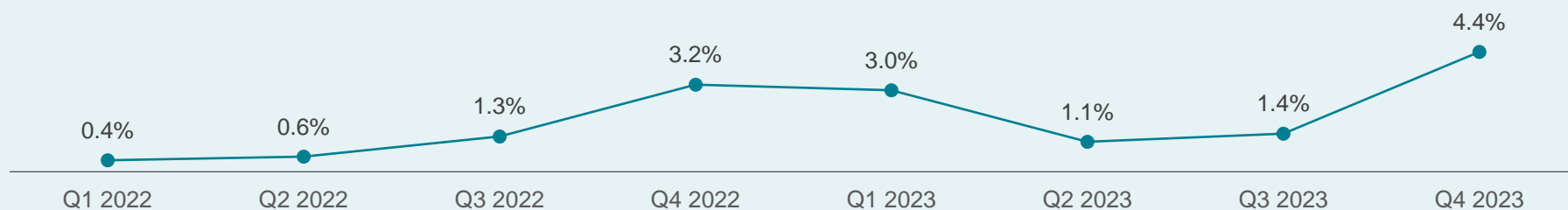
€m	Q4 2023	Return <sup>1</sup>	2023	Return <sup>1</sup>	2022	Return <sup>1</sup>
Regular income	1,788	3.2%	6,950	3.2%	6,358	2.8%
Write-ups/write-downs	-129	-0.2%	-194	-0.1%	-2,811	-1.2%
Change in expected credit loss (ECL)	49	0.1%	-47	0.0%	0	0.0%
Disposal gains/losses	-163	-0.3%	-588	-0.3%	3,755	1.6%
Fair value change	1,049	1.9%	-65	0.0%	-3,649	-1.6%
Other income/expenses	-188	-0.3%	-682	-0.3%	-670	-0.3%
<b>Investment result</b>	<b>2,405</b>	<b>4.4%</b>	<b>5,374</b>	<b>2.5%</b>	<b>2,983</b>	<b>1.3%</b>
Q4 2023	2023			2023		
	Fixed income	Equities	Other	Fixed income	Equities	Other
Write-ups/write-downs	0	0	-129	0	0	-194
Disposal gains/losses	-195	0	32	-980	0	392
Fair value change	718	431	-100	-36	480	-509

Figures for 2022 based on IAS 39 including overlay, not fully comparable with IFRS 9.  
<sup>1</sup> Annualised return on quarterly weighted investments (market values) in %.

# Return on investment by asset class and segment

## 2023

% <sup>1</sup>	Regular income	Write-ups/-downs, change in ECL	Disposal result	Fair value change	Other inc./exp.	RoI	Market value (€m)
Fixed income	3.1	0.0	-0.6	0.0	0.0	2.5	174,368
Equities	3.3	0.0	0.0	9.4	0.0	12.7	11,341
Affiliated/associated companies	1.1	-0.6	3.5	-0.7	0.0	3.4	9,288
Real estate	4.8	-1.0	0.5	-2.4	-0.7	1.2	13,116
Derivatives	-0.7	0.0	0.0	-41.5	-1.8	-43.9	1,501
Other <sup>2</sup>	-9.1	1.5	-3.7	-1.5	0.4	-2.8	8,001
<b>Total</b>	<b>3.2</b>	<b>-0.1</b>	<b>-0.3</b>	<b>-0.0</b>	<b>-0.3</b>	<b>2.5</b>	<b>217,615</b>
Reinsurance	3.4	-0.2	-0.3	0.4	-0.5	2.7	90,511
ERGO	3.1	0.0	-0.2	-0.3	-0.2	2.3	127,105



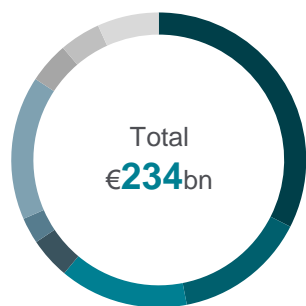
Figures for 2022 based on IAS 39 including overlay, not fully comparable with IFRS 9.  
1 Annualised. 2 Including management expenses.



# Investment portfolio

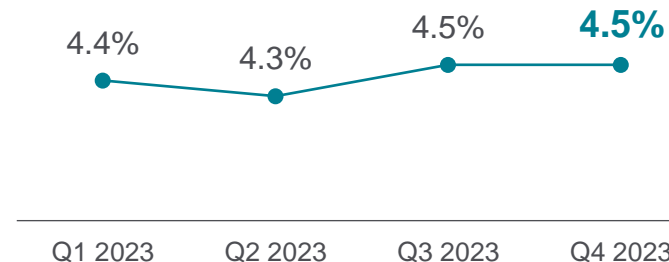
## Investment portfolio<sup>1</sup>

%



■ Government/Semi-government bonds <sup>2</sup>	<b>33</b> (34)
■ Covered bonds/mortgage loans	<b>15</b> (15)
■ Corporate bonds	<b>14</b> (14)
■ Emerging-market government bonds	<b>5</b> (4)
■ ABS/MBS	<b>3</b> (3)
■ Alternative investments	<b>16</b> (15)
■ Equities <sup>3</sup>	<b>5</b> (4)
■ Business-related participations	<b>3</b> (4)
■ Cash	<b>7</b> (8)

## 3-month reinvestment yield

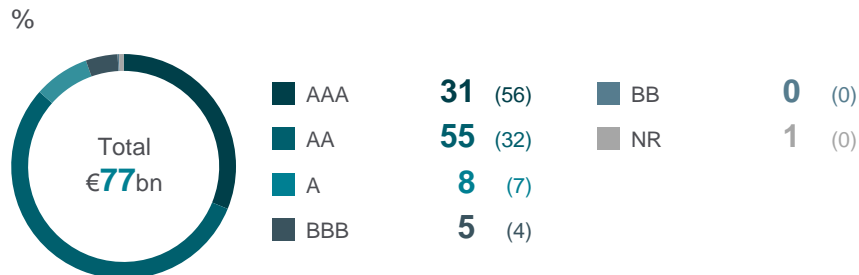


<sup>1</sup> Management view – not fully comparable with IFRS figures, e.g., including real-estate in own use and cash. Fair values as at 31.12.2023 (31.12.2022).  
<sup>2</sup> Developed markets. <sup>3</sup> Incl. derivatives: 3.7% (2.0%).

# Investment portfolio (economic view)

## Government/Semi-government bonds

### Rating structure



### Maturity structure



### Regional breakdown

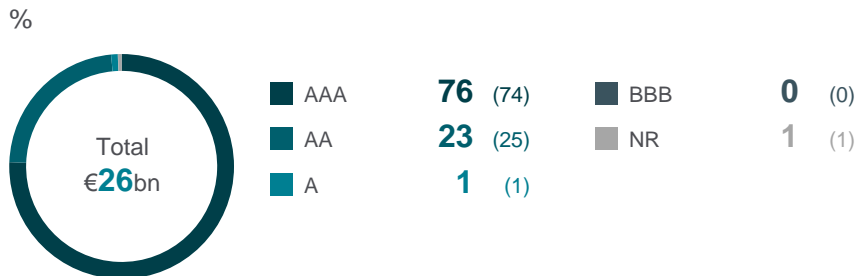
%

	Policyholder participation		Total	
	Without	With	31.12.2023	31.12.2022
US	22	2	<b>25</b>	25
Germany	3	17	<b>20</b>	21
Canada	7	2	<b>9</b>	10
Australia	6	1	<b>7</b>	8
Supranationals	1	5	<b>6</b>	6
France	2	4	<b>5</b>	4
Spain	1	3	<b>4</b>	4
Belgium	0	3	<b>4</b>	3
Austria	0	2	<b>3</b>	3
UK	2	0	<b>2</b>	3
Netherlands	1	2	<b>2</b>	2
Italy	1	1	<b>2</b>	1
Ireland	0	1	<b>1</b>	1
Finland	0	1	<b>1</b>	1
Israel	1	1	<b>1</b>	1
Other	2	4	<b>7</b>	7
<b>Total</b>	<b>50</b>	<b>50</b>	<b>100</b>	<b>100</b>

# Investment portfolio (economic view)

## Covered bonds/Mortgage loans

### Rating structure covered bonds



### Maturity structure

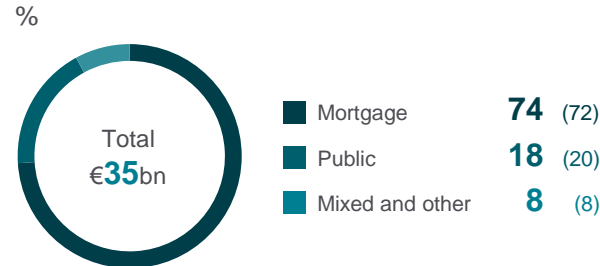


### Regional breakdown

%

	31.12.2023	31.12.2022
Germany	48	45
France	14	16
UK	7	8
Netherlands	6	7
Norway	3	4
Sweden	3	3
Canada	3	2
Luxembourg	2	2
Australia	2	2
Other	11	11

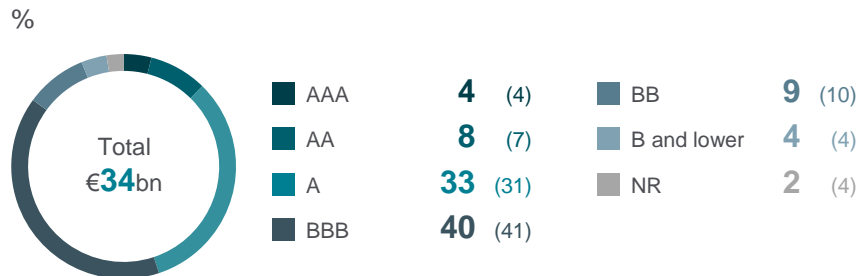
### Cover pools



# Investment portfolio (economic view)

Corporate bonds (including bank bonds)

## Rating structure



## Maturity structure



## Sector breakdown

%	31.12.2023	31.12.2022
Banks	25	23
Utilities	12	10
Financial services	9	8
Industrial goods & services	8	7
Healthcare	6	6
Telecommunications	6	6
Oil & gas	5	7
Technology	4	4
Automobiles	3	3
Other	22	25

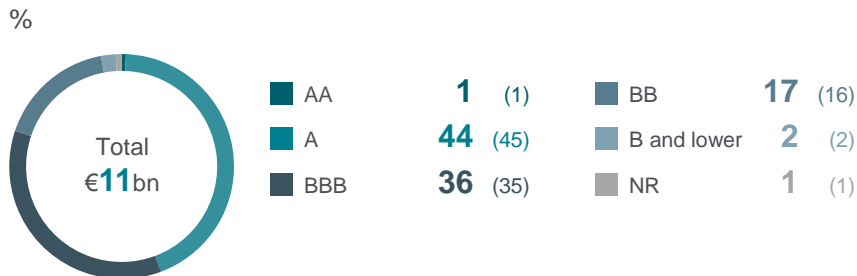
## Regional breakdown

%	31.12.2023	31.12.2022
US	35	35
France	10	8
Netherlands	8	9
UK	8	8
Canada	7	7
Germany	5	8
Luxembourg	3	3
Ireland	2	3
Australia	2	1
Other	19	19

# Investment portfolio (economic view)

## Emerging markets government bonds

### Rating structure



### Maturity structure



### Regional breakdown

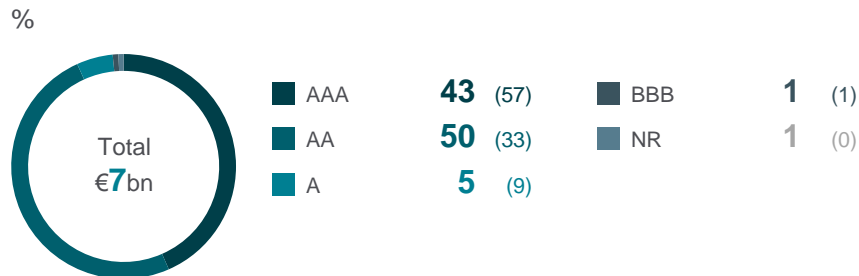
%

	Policyholder participation		Total	
	Without	With	31.12.2023	31.12.2022
Poland	19	9	<b>27</b>	27
China	10	2	<b>12</b>	12
India	7	0	<b>7</b>	7
Mexico	3	3	<b>5</b>	5
Hungary	1	3	<b>4</b>	4
South Africa	3	1	<b>4</b>	5
Brazil	4	0	<b>4</b>	2
Romania	2	2	<b>4</b>	3
Peru	1	2	<b>3</b>	3
Other	13	17	<b>30</b>	32
<b>Total</b>	<b>61</b>	<b>39</b>	<b>100</b>	<b>100</b>

# Investment portfolio (economic view)

ABS/MBS

## Rating structure



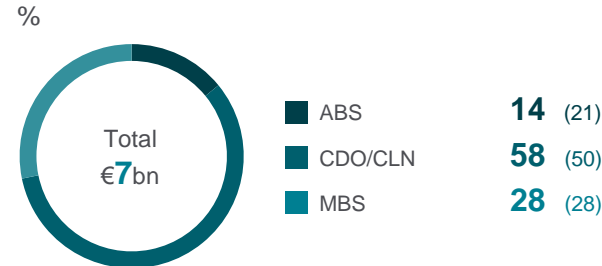
## Maturity structure



## Regional breakdown

%	31.12.2023	31.12.2022
Europe	54	50
US	33	36
Rest of world	12	15

## Portfolio composition

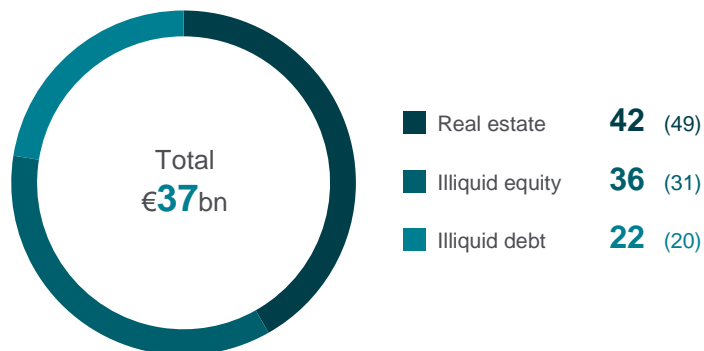


# Investment portfolio (economic view)

## Alternative investments

### Alternative investments<sup>1</sup>

%



Real estate	<b>42</b>	(49)
Illiquid equity	<b>36</b>	(31)
Illiquid debt	<b>22</b>	(20)

	31.12.2023	31.12.2022
--	------------	------------

### Real estate<sup>2</sup> – Regional breakdown (%)

Germany	<b>69</b>	70
US	<b>11</b>	12
Netherlands	<b>5</b>	3
France	<b>3</b>	3
UK	<b>2</b>	2
Other	<b>10</b>	10

### Illiquid equity (%)

Infrastructure and renewable	<b>44</b>	42
Private equity	<b>36</b>	44
Agricultural and forestry	<b>18</b>	13
Commodities	<b>1</b>	1
Hedge funds	<b>0</b>	0

### Illiquid debt (%)

Infrastructure debt	<b>74</b>	73
Private credit	<b>23</b>	22
Other	<b>3</b>	5

<sup>1</sup> Management view – not fully comparable with IFRS figures. Fair values as at 31.12.2023 (31.12.2022).

<sup>2</sup> Including real estate for own use.

# Investment portfolio (economic view)

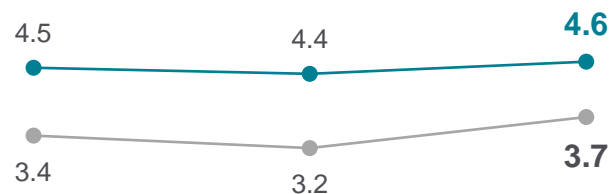
## Equities

Total equities

€11bn

31.12.2023

31.12.2022



—●— Equity quota —●— Equity quota including derivatives

### Regional breakdown (%)

Germany	<b>23</b>	24
US	<b>15</b>	14
UK	<b>14</b>	15
Switzerland	<b>11</b>	11
France	<b>7</b>	8
Other	<b>30</b>	28

### Sector breakdown (%)

Industrial goods & services	<b>13</b>	11
Technology	<b>13</b>	10
Insurance	<b>11</b>	13
Financial services	<b>10</b>	8
Healthcare	<b>10</b>	11
Automobiles	<b>5</b>	4
Personal & household goods	<b>5</b>	5
Utilities	<b>4</b>	5
Banks	<b>4</b>	3
Other	<b>25</b>	30



# Breakdown of SCR

Increase driven by business growth and lower interest rates

## SCR by risk category

€bn

	2022	Group 2023	Delta	RI 2023	ERGO 2023	Div. 2023	
Property-casualty	12.9	12.4	-0.5	12.2	0.8	-0.5	Slight decrease in risk due to extended retrocession instruments and balanced portfolio composition reinforced by weaker USD
Life and health	6.3	7.4	1.1	6.8	1.0	-0.4	Increase due to strong business growth in reinsurance
Market	8.5	8.3	-0.2	6.1	3.2	-1.0	Mainly unchanged in an overall robust capital market environment
Credit	3.2	4.3	1.1	3.3	1.1	-0.1	Modest exposure increase and lower interest rates
Operational risk	1.6	1.6	0.1	1.1	0.8	-0.2	
Other <sup>1</sup>	0.8	0.9	0.1	0.5	0.4	-	
Simple sum	33.4	35.0	1.6	30.0	7.2	-2.2	
Diversification	-11.8	-12.9	-1.1	-10.7	-1.8	-	Improved diversification effect from a more balanced risk profile
Tax	-3.9	-4.2	-0.2	-3.7	-0.9	-	
<b>Total SCR</b>	17.7	18.0	0.3	15.5	4.5	-2.0	

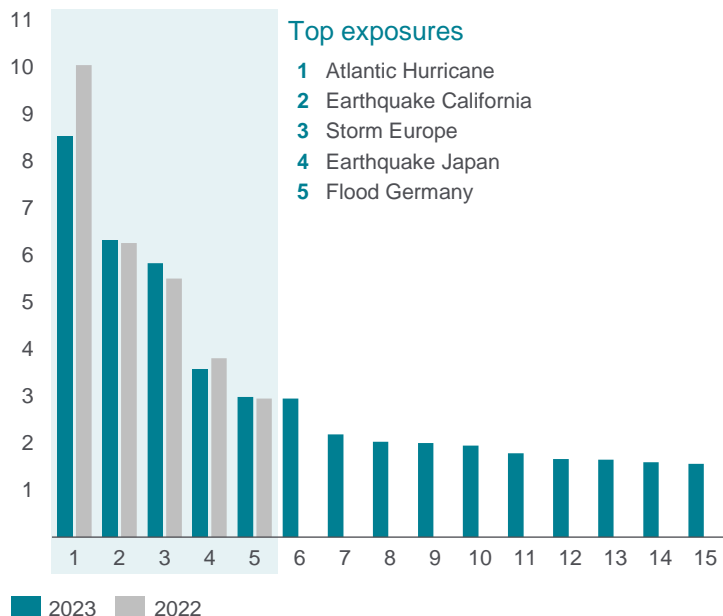
<sup>1</sup> Capital requirements for associated insurance undertakings and other financial sectors, e.g., institutions for occupational retirement provisions.

# Property-casualty risk

Very well-diversified portfolio maintains excellent risk-bearing capacity

## Top scenario exposures of the Group (net of retrocession) – AggVaR<sup>1</sup>

€bn



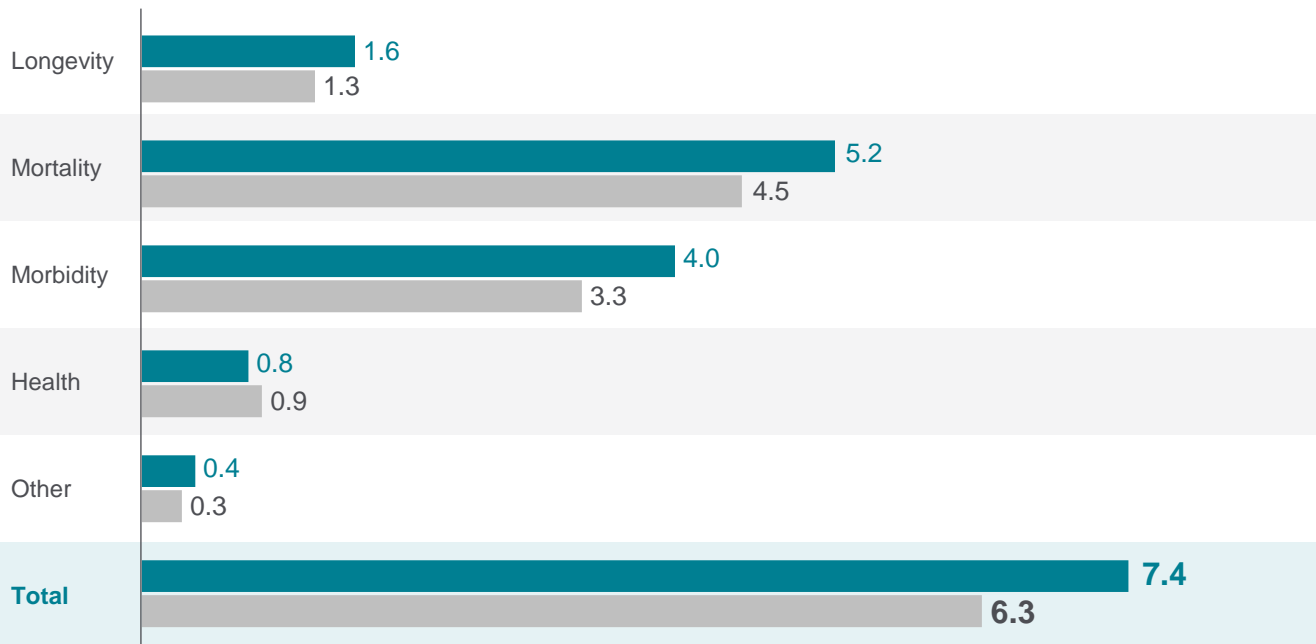
€bn	2023	2022
Basic losses	5.9	5.0
Major losses <sup>2</sup>	11.5	12.4
Diversification	-5.0	-4.4
<b>Total</b>	<b>12.4</b>	<b>12.9</b>

- Risk reduction in Atlantic Hurricane results from extended retrocession instruments and a more balanced portfolio
- Basic losses increased due to reflection of increased outlier threshold from €10m to €30m
- US exposures decreased due to depreciation of USD

# Life and health risk

## Life and health – VaR<sup>1</sup>

€bn



■ 2023 ■ 2022

- Significant increase in SCR due to strong business growth in reinsurance
- Capital market effects, i.e., lower interest rates and FX changes, almost offset each other

# Market risk

## SCR by risk category

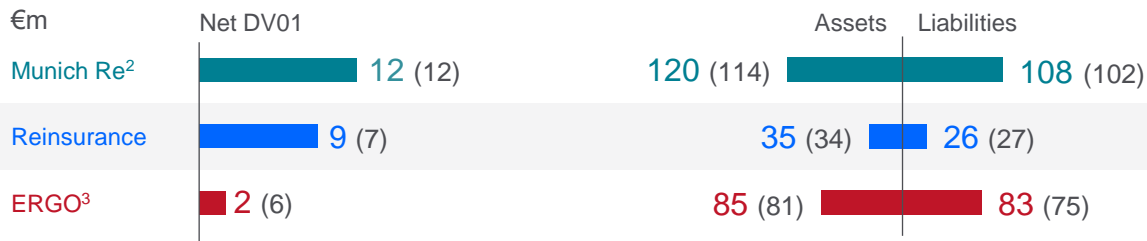
€bn

	2022	Group 2023	RI 2023	ERGO 2023	Div. 2023	
Equity	4.5	4.6	3.4	1.3	−0.1	Increase driven by slightly higher exposures due to rising equity prices and active portfolio changes
Interest rate	3.7	3.7	2.8	1.8	−0.9	Increasing effect from lower interest rates offset by active changes in the portfolio and first-time use of the dynamic volatility adjustment
General interest rate	2.8	2.7	2.2	1.2	−0.6	
Credit spread	2.2	2.3	1.4	1.2	−0.3	
Diversification	−1.4	−1.3	−0.7	−0.7		
Real estate	2.4	2.2	1.6	0.6	−0.1	Risk reduction mainly due to lower prices
Currency	4.4	4.4	4.2	0.2	−0.1	
Simple sum	14.9	14.9	12.1	4.0	−1.2	
Diversification	−6.4	−6.6	−6.0	−0.8		
<b>Total market risk SCR</b>	<b>8.5</b>	<b>8.3</b>	<b>6.1</b>	<b>3.2</b>	<b>−1.0</b>	

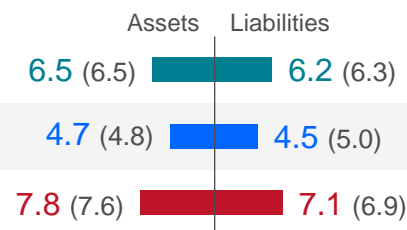
# Market risk

## Asset-liability mismatch

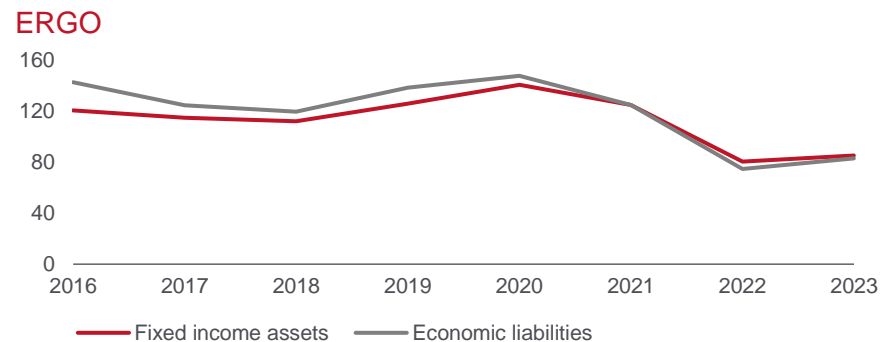
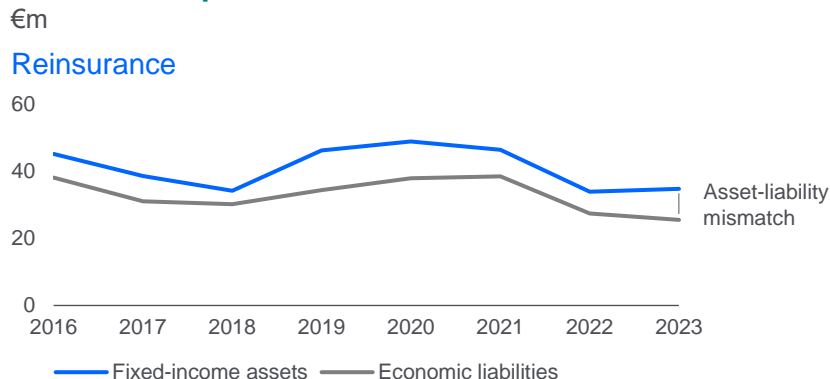
### DV01<sup>1</sup>



### Portfolio duration

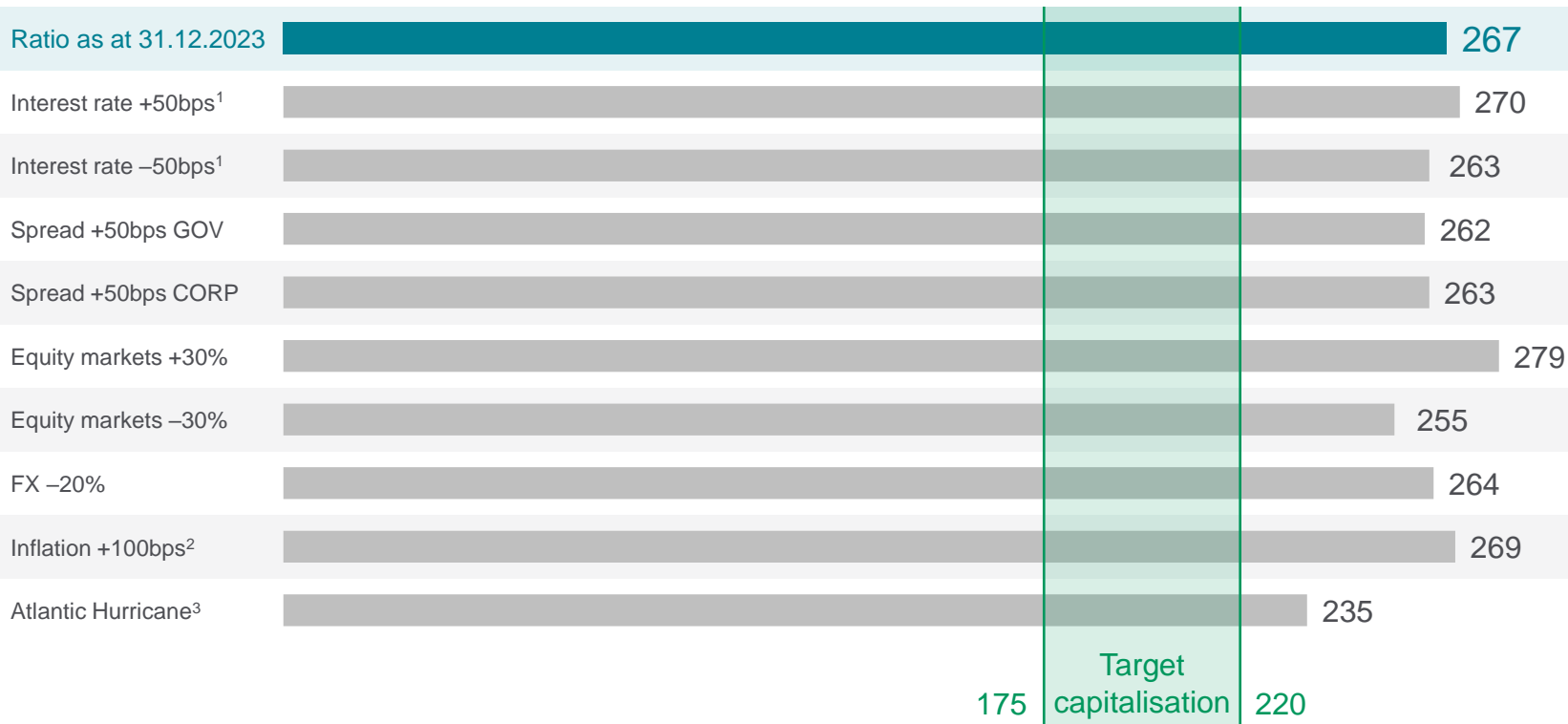


### DV01 development



1 Fair values as at 31.12.2023 (31.12.2022): 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 Solvency II ratio



<sup>1</sup> Parallel shift until last liquid point, extrapolation to unchanged UFR. <sup>2</sup> Sensitivity to changes of the CPI only, which can be hedged by the asset side. <sup>3</sup> Based on EOF stress in 200-year event.

# Preliminary Solvency II ratios

Munich Re and solo entities<sup>1</sup>

## Internal model

€bn

	EOF (without TM <sup>3</sup> )	SCR (without TM <sup>3</sup> )	S-II Ratio (without TM <sup>3</sup> )	S-II Ratio (incl. TM <sup>3</sup> )
Munich Re	48.0	18.0	267%	292%
Munich Reinsurance Company	49.3	18.0	274%	299%
Munich Re of Malta	2.7	0.9	293%	–
GLISE	0.9	0.5	169%	–
ERGO Versicherung AG	3.3	0.8	440%	–
ERGO Leben <sup>2</sup>	2.7 <sup>4</sup>	1.0	274%	573%
Victoria Leben <sup>2</sup>	1.3 <sup>5</sup>	0.4	296%	637%
DKV	4.0	1.1	379%	–
ERGO Poland P-C (PLN bn)	2.6	1.2	221%	–

## Standard formula

ERGO Vorsorge Leben	1.1	0.2	613%	–
ERGO Austria	0.6 <sup>6</sup>	0.3	205%	308%
ERGO Belgium Life	0.7	0.3	253%	–

<sup>1</sup> Entities with internal model and selected companies with standard formula application. <sup>2</sup> Internal models for ERGO Leben and Victoria Leben were granted regulatory approval in 2023. <sup>3</sup> Transitional measures. <sup>4</sup> EOF including transitional measures: €5.6bn. <sup>5</sup> EOF including transitional measures: €2.7bn. <sup>6</sup> EOF including transitional measures: €0.9bn.

# ERGO Life and Health Germany

## Insurance revenue

€m

2022	9,802
Foreign exchange	0
Divestments/investments	-16
Organic change	156
<b>2023</b>	<b>9,942</b>

## Investment result

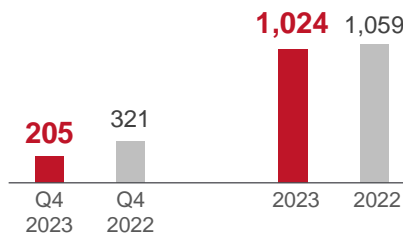
€m

	Q4 2023	Return <sup>1</sup>	2023	Return <sup>1</sup>	2022	Return <sup>1</sup>
Regular income	824	3.2%	3,316	3.3%	3,399	3.1%
Write-ups/write-downs	18	0.1%	19	0.0%	-1,567	-1.4%
Change in ECL	17	0.1%	-37	0.0%	0	0.0%
Disposal gains/losses	-90	-0.4%	-294	-0.3%	2,260	2.0%
Fair value change	611	2.4%	-472	-0.5%	-2,480	-2.2%
Other income/expenses	-50	-0.2%	-208	-0.2%	-234	-0.2%
<b>Investment result</b>	<b>1,329</b>	<b>5.2%</b>	<b>2,323</b>	<b>2.3%</b>	<b>1,379</b>	<b>1.2%</b>

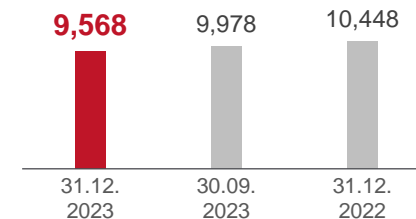
<sup>1</sup> Return on quarterly weighted investments (market values) in % p.a. <sup>2</sup> Net of reinsurance.

## Total technical result

€m



## Contractual service margin<sup>2</sup>




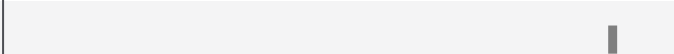


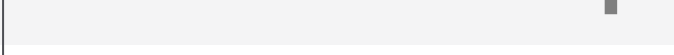

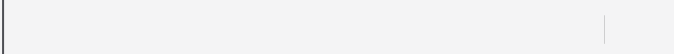



# ERGO Life and Health Germany

<b>Total technical result</b>	<b>Q4</b>	<b>2023</b>
€m	2023	
Release of CSM	144	819
Release of risk adjustment (non-PAA)	9	35
Experience adjustments not adjusted against CSM (non-PAA)	-4	-9
Onerous contracts and changes not affecting CSM (non-PAA)	-11	-33
Insurance service result from PAA business	31	188
<b>Insurance service result</b>	<b>170</b>	<b>1,001</b>
Result from insurance-related financial instruments	35	23
<b>Total technical result</b>	<b>205</b>	<b>1,024</b>

- Lower CSM and CSM release due to lower interest rate level in Q4 applied for the full year
- Q4 release equals difference between FY and 9M release, amounting to ~1.5% of CSM
- Full-year CSM release of 7.9% fully in line with expectations
- Insurance service result from PAA business driven by good operating performance in short-term health insurance
- Result from insurance-related financial instruments reflecting market value change of interest rate reinsurance

# ERGO Life and Health Germany – CSM/RA

€m		CSM <sup>1</sup>	RA <sup>1</sup>
<b>CSM/RA</b>		<b>10,448</b>	<b>580</b>
<b>31.12.2022</b>			
New contracts added		154	8
Accretion of interest		0	0
Operating changes		-213	-14
Change in financial effects		0	0
Other		-1	0
<b>Release</b> (through P&L)		-819	-35
<b>CSM/RA</b>		<b>9,568</b>	<b>539</b>
<b>31.12.2023</b>			

## CSM

- Relatively low amount of new contracts added due to strategic shift in health to short-term business and lower single-premium business in life new book
- Negative operating changes mainly driven by lower interest rates, dampened by hedging measures in life back book
- Release driven by life back book and long-term health business

## Risk adjustment

- Decrease mainly due to lower risk capital

# ERGO Property-casualty Germany

## Insurance revenue

€m

2022	4,227
Foreign exchange	-9
Divestments/investments	0
Organic change	321
<b>2023</b>	<b>4,539</b>

## Investment result

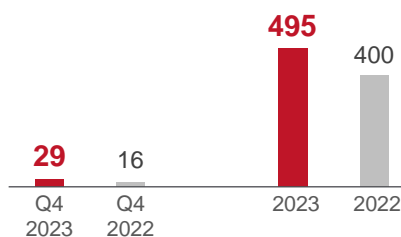
€m

	Q4 2023	Return <sup>1</sup>	2023	Return <sup>1</sup>	2022	Return <sup>1</sup>
Regular income	73	3.6%	257	3.3%	183	2.4%
Write-ups/write-downs	3	0.2%	4	0.1%	-110	-1.5%
Change in ECL	2	0.1%	2	0.0%	0	0.0%
Disposal gains/losses	5	0.2%	-37	-0.5%	52	0.7%
Fair value change	8	0.4%	9	0.1%	15	0.2%
Other income/expenses	-9	-0.4%	-26	-0.3%	-28	-0.4%
<b>Investment result</b>	<b>82</b>	<b>4.0%</b>	<b>209</b>	<b>2.7%</b>	<b>113</b>	<b>1.5%</b>

<sup>1</sup> Return on quarterly weighted investments (market values) in % p.a.

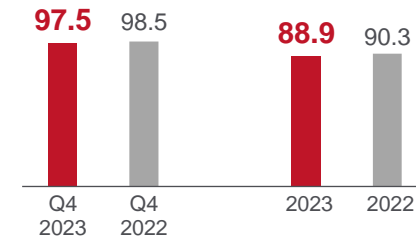
## Total technical result

€m



## Combined ratio

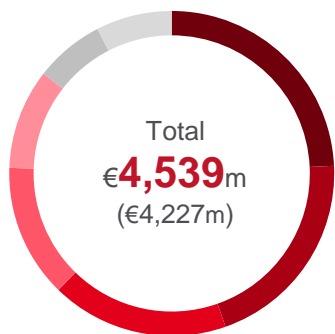
%



# ERGO Property-casualty Germany

## Insurance revenue (gross) in 2023 (2022)

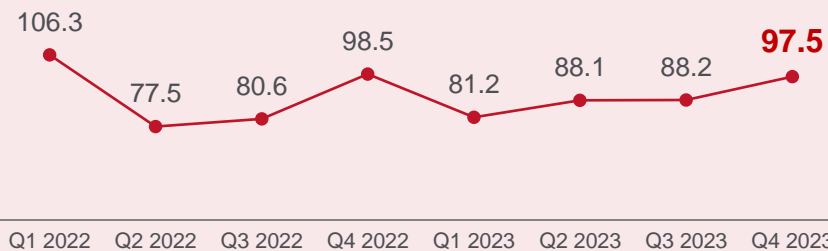
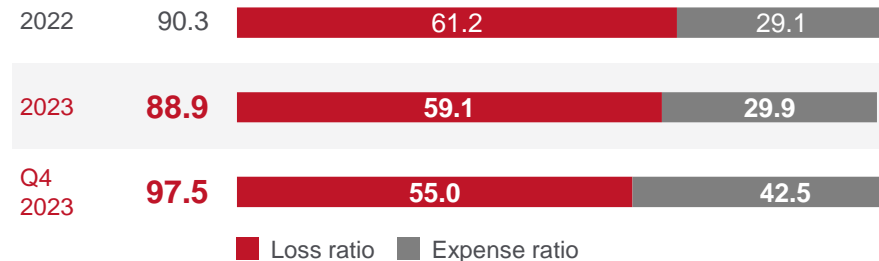
€m



■ Fire/property	1,101	■ Legal protection	453
■ Liability	925	■ Marine	314
■ Motor	801	■ Other	343
■ Personal accident	603		

## Combined ratio

%



# ERGO International

## Insurance revenue

€m

2022	4,867
Foreign exchange	57
Divestments/investments	157
Organic change	536
<b>2023</b>	<b>5,618</b>

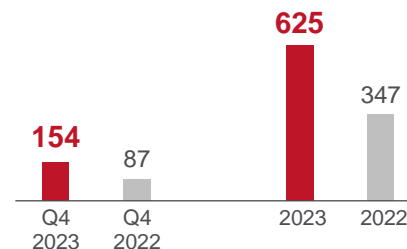
## Investment result

€m

	Q4 2023	Return <sup>1</sup>	2023	Return <sup>1</sup>	2022	Return <sup>1</sup>
Regular income	99	2.2%	337	1.9%	260	1.4%
Write-ups/write-downs	0	0.0%	0	0.0%	-46	-0.2%
Change in ECL	-1	0.0%	-2	0.0%	0	0.0%
Disposal gains/losses	25	0.6%	46	0.3%	40	0.2%
Fair value change	37	0.8%	34	0.2%	-70	-0.4%
Other income/expenses	-1	0.0%	-4	0.0%	-2	0.0%
<b>Investment result</b>	<b>159</b>	<b>3.5%</b>	<b>410</b>	<b>2.3%</b>	<b>182</b>	<b>1.0%</b>

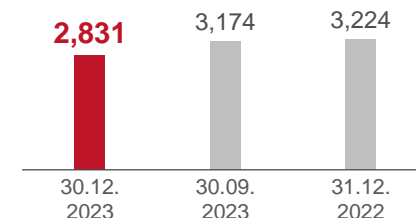
## Total technical result

€m



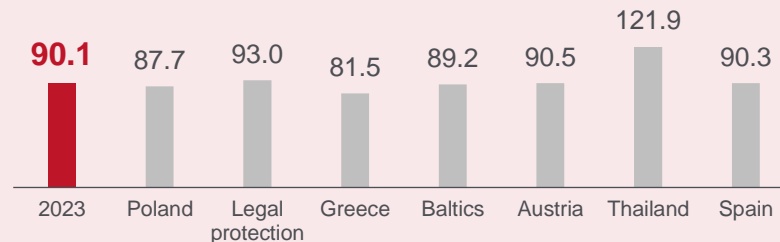
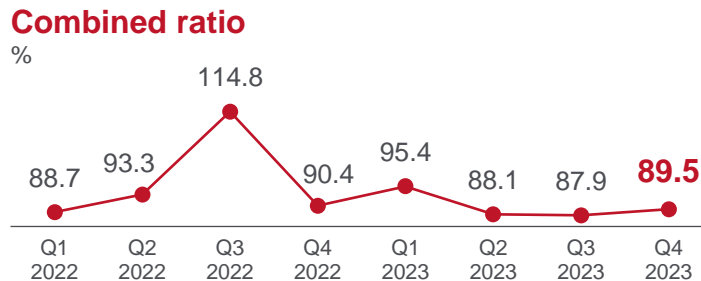
## Contractual service margin<sup>2</sup>

€m



# ERGO International

## Property-casualty<sup>1</sup>



## Life and Health

### Total technical result

€m	Q4	2023
Release of CSM	25	156
Release of risk adjustment (non-PAA)	3	11
Experience adjustments not adjusted against CSM (non-PAA)	11	75
Onerous contracts and changes not affecting CSM (non-PAA)	-1	-1
Insurance service result from PAA business	15	59
<b>Insurance service result</b>	<b>53</b>	<b>299</b>
Result from insurance-related financial instruments	0	0
<b>Total technical result</b>	<b>53</b>	<b>299</b>

### CSM/RA development

€m	CSM <sup>2</sup>	RA <sup>2</sup>
<b>31.12.2022</b>	<b>3,057</b>	<b>180</b>
New contracts added	157	6
Accretion of interest	22	2
Operating changes	-462	-32
Change in financial effects	8	10
Other	0	0
Release (through P&L)	-156	-11
<b>31.12.2023</b>	<b>2,627</b>	<b>156</b>

<sup>1</sup> Includes short-term health business. <sup>2</sup> Net of reinsurance.

# ERGO International – Insurance revenue (gross)

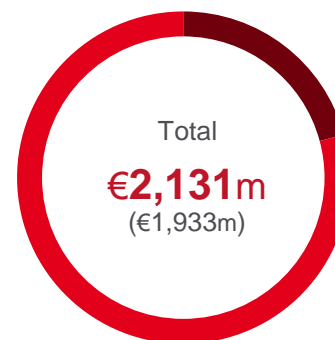
2023

## Property-casualty

	2023
Poland	1,892
Legal protection	627
Greece	261
Baltic states	258
Austria	234
Thailand	186
Singapore	29
<b>Total</b>	<b>3,487</b>



## Life and health



Life	2023
Austria	146
Belgium	126
Poland	100
Baltic states	72
<b>Total</b>	<b>444</b>

Health	2023
Spain <sup>1</sup>	957
Belgium	730
<b>Total</b>	<b>1,687</b>

<sup>1</sup> Incl. short-term health business.

# Strong position in biometric risk solutions supplemented by financially-motivated reinsurance and data-driven services

## Insurance revenue



### 37% USA

- Expand biometric risk business
- Grow FinMoRe business
- Predictive analytics
- Promote financial markets business
- Active management of in-force business

### 21% UK/Ireland

- Established FinMoRe proposition
- Grow longevity book along defined risk appetite
- Selective new business in protection lines

### 19% Asia/MENA

- Strong local presence across the region
- Grow biometric risk business
- Data-driven and digital services
- Strong footprint in FinMoRe
- Expand financial markets business

### 12% Canada

- Leading position in biometric risk business
- Predictive analytics
- Grow Group business
- Promote FinMoRe

### 5% Australia

- Top priority: rehabilitation of disability book
- Highly selective new business proposition

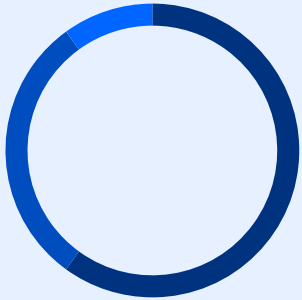
### 3% Continental Europe

- Sound but stagnating biometric risk business
- Promote digital services
- Tailor-made FinMoRe solutions
- Expand financial markets business

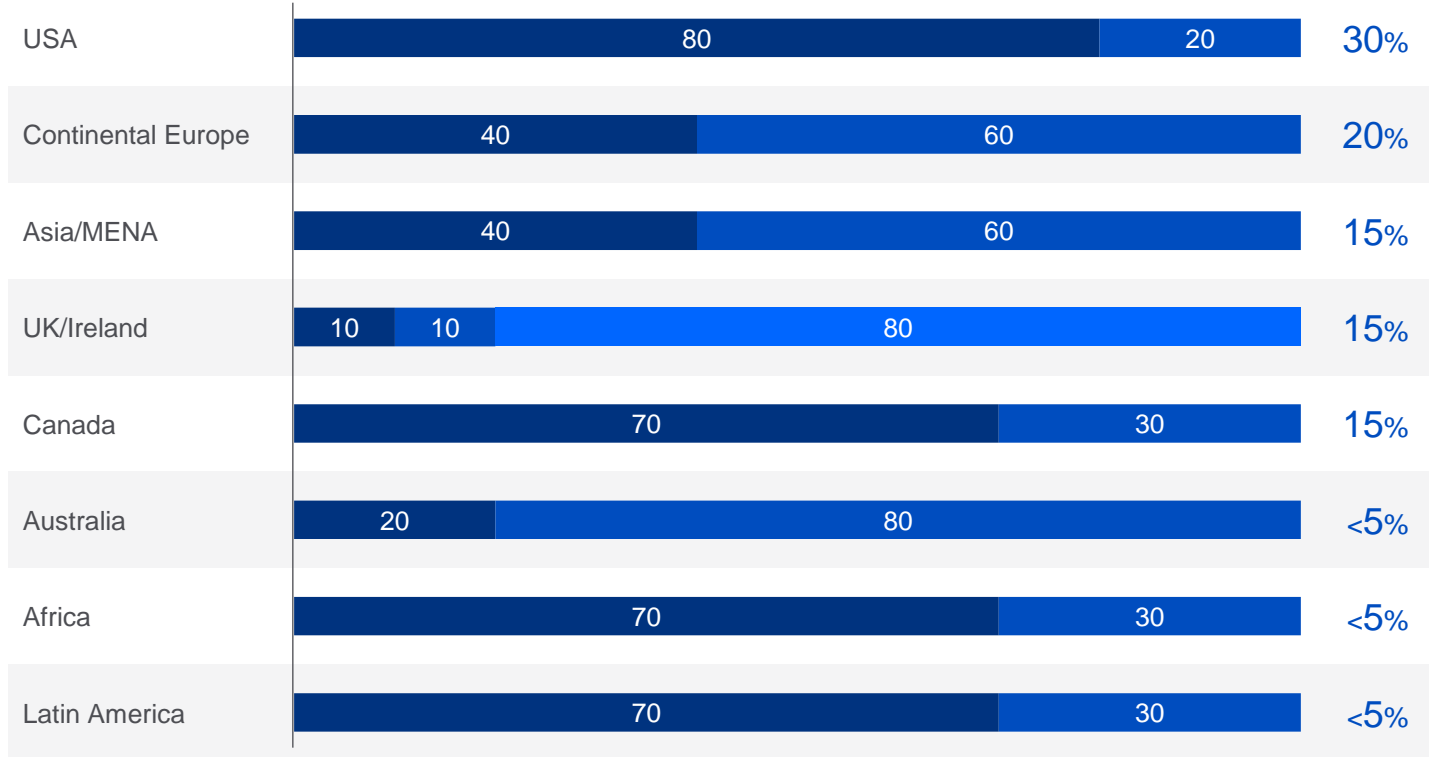


# Overweight in North America and traditional mortality risk

## Present value of future claims



- Mortality ~60%
- Morbidity ~30%
- Longevity ~10%



# Life and health reinsurance

## Insurance revenue

€m

2022	11,164
Foreign exchange	-413
Divestments/investments	0
Organic change	-26
<b>2023</b>	<b>10,725</b>

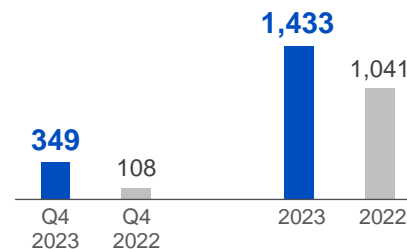
## Investment result

€m

	Q4 2023	Return <sup>1</sup>	2023	Return <sup>1</sup>	2022	Return <sup>1</sup>
Regular income	194	3.7%	724	3.4%	658	2.8%
Write-ups/write-downs	-10	-0.2%	-2	0.0%	-83	-0.4%
Change in ECL	3	0.1%	3	0.0%	0	0.0%
Disposal gains/losses	-21	-0.4%	-77	-0.4%	179	0.8%
Fair value change	39	0.8%	37	0.2%	-88	-0.4%
Other income/expenses	-21	-0.4%	-78	-0.4%	-84	-0.4%
<b>Investment result</b>	<b>184</b>	<b>3.5%</b>	<b>608</b>	<b>2.9%</b>	<b>582</b>	<b>2.5%</b>

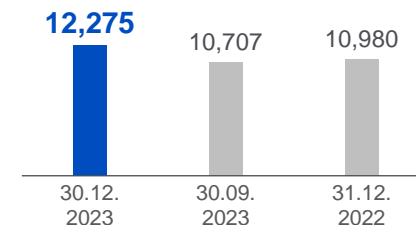
## Total technical result

€m



## Contractual service margin<sup>2</sup>

€m











# Life and health reinsurance

<b>Total technical result</b>	Q4	2023
€m	2023	
Release of CSM	260	898
Release of risk adjustment (non-PAA)	61	247
Experience adjustments not adjusted against CSM (non-PAA)	79	18
Onerous contracts and changes not affecting CSM (non-PAA)	-63	-93
Insurance service result from PAA business	1	2
<b>Insurance service result</b>	<b>338</b>	<b>1,073</b>
Result from insurance-related financial instruments	11	360
<b>Total technical result</b>	<b>349</b>	<b>1,433</b>

- Release of CSM and RA in line with expectation
- Insurance service result supported by strong new business and in-force management
- Experience adjustments: negative US mortality more than offset by positive experience in the remainder of the portfolio
- Onerous contracts driven by certain short-term business in Asia and Canada, including accounting mismatch with some offsetting gains shown elsewhere in the accounts
- Very good development of FinMoRe and financial markets business, however, negatively affected by FX (Q4: -€131m, 2023: -€124m), partly offset by interest rate movements and other fair value changes (Q4: +€47m, 2023: +€71m)

# Life and health reinsurance – CSM/RA

€m		CSM <sup>1</sup>	RA <sup>1</sup>
<b>CSM/RA</b>		<b>10,980</b>	<b>2,907</b>
<b>31.12.2022</b>			
New contracts added		2,103	381
Accretion of interest		192	55
Operating changes		187	382
Change in financial effects		-289	3
Other		0	0
<b>Release</b> (through P&L)		-898	-247
<b>CSM/RA</b>		<b>12,275</b>	<b>3,480</b>
<b>31.12.2023</b>			

1 Net of reinsurance.

## CSM

- Very pleasing new business contribution, considerably exceeding release through P&L – especially in North America, including large transactions
- Operating changes include positive impact from in-force management, partly offset by shift from CSM to RA (parameter update in Q1)
- Negative FX impact

## Risk adjustment

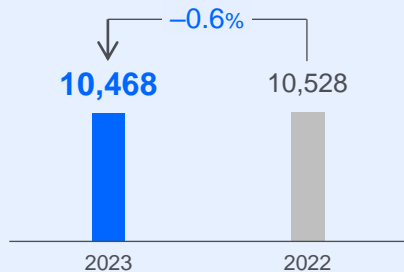
- Impact from new business exceeding release into earnings
- Operating changes: shift from CSM creating positive impact
- Negative FX impact largely offset by updated yield curves

# Biometric risk solutions

Strong foundation supplemented by promising business opportunities

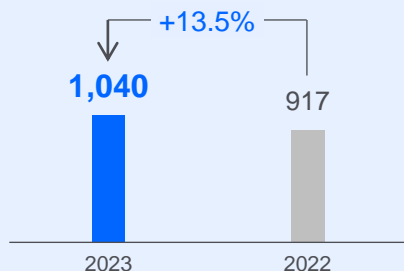
## Insurance revenue

€m



## Total technical result

€m



## Portfolio

- Leading footprint in all major markets
- Strong new business proposition building on excellence in assessment of biometric risks
- Established expertise in digital solutions, data-driven services and application of predictive analytics
- Growth across many regional markets, particularly in North America, Asia and UK
- Expansion of longevity business



## Outlook

- Maintain our underwriting and pricing discipline
- Watch product trends and experience closely
- Foster growth by further developing predictive analytics
- Augment core expertise with digital and data initiatives
- Continue in-force management where needed

# Biometric risk solutions

Selective growth in longevity business – new products in financial markets

## Portfolio development



### Longevity

Successful growth path –  
maintaining prudent underwriting approach

- Market entry in 2011 after in-depth research
- Focus on UK market
- First transaction written outside the UK in 2020
- Seven new transactions added in 2023
- Insurance revenue grown to €1.6bn
- Claims evolve better than assumed in pricing

- Maintain prudent underwriting and valuation approach
- Prepared to write higher volumes of new business if opportunities are attractive and meet our risk appetite
- Carefully expand beyond UK and extend product offering

## Expectations going forward



### Financial markets

Comprehensive market risk solutions  
for the financial services industry

- Expansion across Europe, Asia, and North America
- New business development recovering post COVID-19
- Asset-liability hedging successfully managed the volatile capital market environment

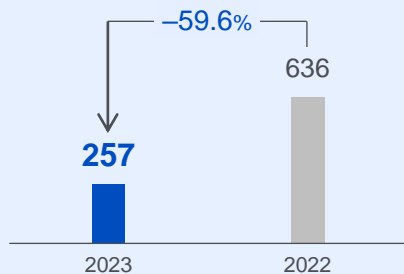
- Intensify coverage of existing markets and expand into further markets
- Prepared to grow the portfolio after successfully scaling up the organisation
- Broaden product, service and regulatory scope
- Grow contribution to IFRS earnings

# Financially motivated reinsurance

Strong demand prevails

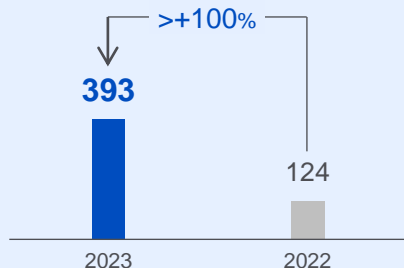
## Insurance revenue

€m



## Total technical result

€m



## Portfolio

- Portfolio comprises ~290 transactions worldwide
- 41 treaties executed during 2023
- Largest part of new business generated in Asia and the US
- Top line declining as majority of new business recognised as part of result from insurance-related financial instruments
- Bottom line dominated by result from insurance-related financial instruments
- 2022 insurance service result burdened by negative impact seen in one treaty



## Outlook

- Demand expected to remain high
- Success depends on ability to structure tailor-made client solutions
- Execution power supported by strong balance sheet
- Further strengthened track record of transaction certainty and solution delivery

# Property-casualty reinsurance

## Insurance revenue

€m

2022	25,325
Foreign exchange	-876
Divestments/investments	0
Organic change	2,612
<b>2023</b>	<b>27,061</b>

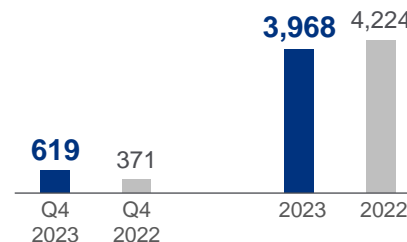
## Investment result

€m

	Q4 2023	Return <sup>1</sup>	2023	Return <sup>1</sup>	2022	Return <sup>1</sup>
Regular income	598	3.3%	2,316	3.3%	1,856	2.7%
Write-ups/write-downs	-141	-0.8%	-215	-0.3%	-1,005	-1.5%
Change in ECL	28	0.2%	-12	0.0%	0	0.0%
Disposal gains/losses	-81	-0.5%	-225	-0.3%	1,224	1.8%
Fair value change	354	2.0%	326	0.5%	-1,027	-1.5%
Other income/expenses	-107	-0.6%	-366	-0.5%	-321	-0.5%
<b>Investment result</b>	<b>651</b>	<b>3.6%</b>	<b>1,824</b>	<b>2.6%</b>	<b>727</b>	<b>1.1%</b>

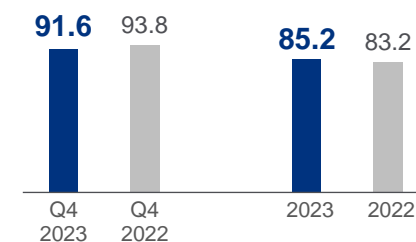
## Total technical result

€m



## Combined ratio

%

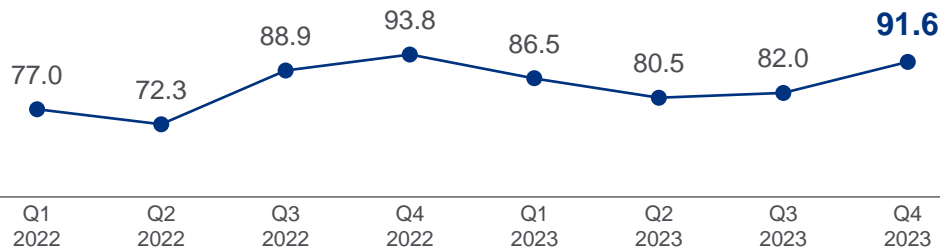
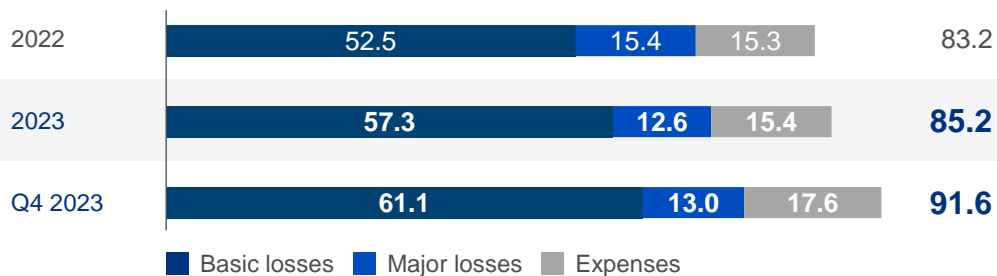




# Property-casualty reinsurance

## Combined ratio

%



	Q4 2023	2023	Ø Annual expectation
Change in loss component	<b>3.7</b>	<b>0.2</b>	~0.0
Major losses <sup>1</sup>	<b>13.0</b>	<b>12.6</b>	~14.0
Nat cat <sup>1</sup>	<b>7.2</b>	<b>9.0</b>	~10.0
Man-made <sup>1</sup>	<b>5.8</b>	<b>3.6</b>	~4.0
Reserve releases <sup>2</sup>	<b>-5.1</b>	<b>-5.0</b>	-5.0
<b>Normalised combined ratio</b>	<b>89.0</b>	<b>86.5</b>	~86.0

<sup>1</sup> Absolute figures Q4/2023: Major losses €873m/€3,278m, nat cat €485m/€2,335m, man-made €387m/€943m.

<sup>2</sup> Absolute figures Q4/2023: -€340m/-€1,308m; basic losses in prior years, adjusted for result-dependent conditions; before adjustment -7.7%/ -5.7%.

# January renewals

## Total property-casualty book<sup>1</sup>

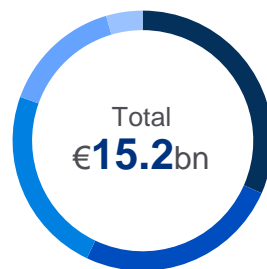
%



■ January renewals	45
■ April renewals	9
■ July renewals	11
■ Remaining business	36

## Regional allocation of January renewals

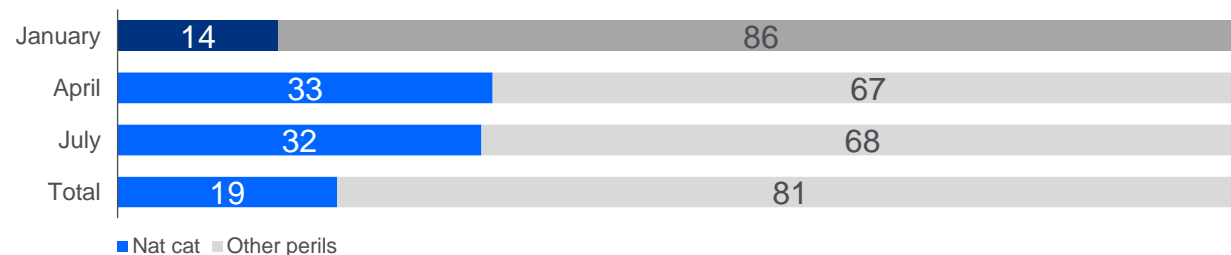
%



■ Europe	32	■ Latin America	5
■ Worldwide	23	■ North America	25
■ Asia/Pacific/Africa	15		

## Nat cat shares of renewable portfolio<sup>2</sup>

%

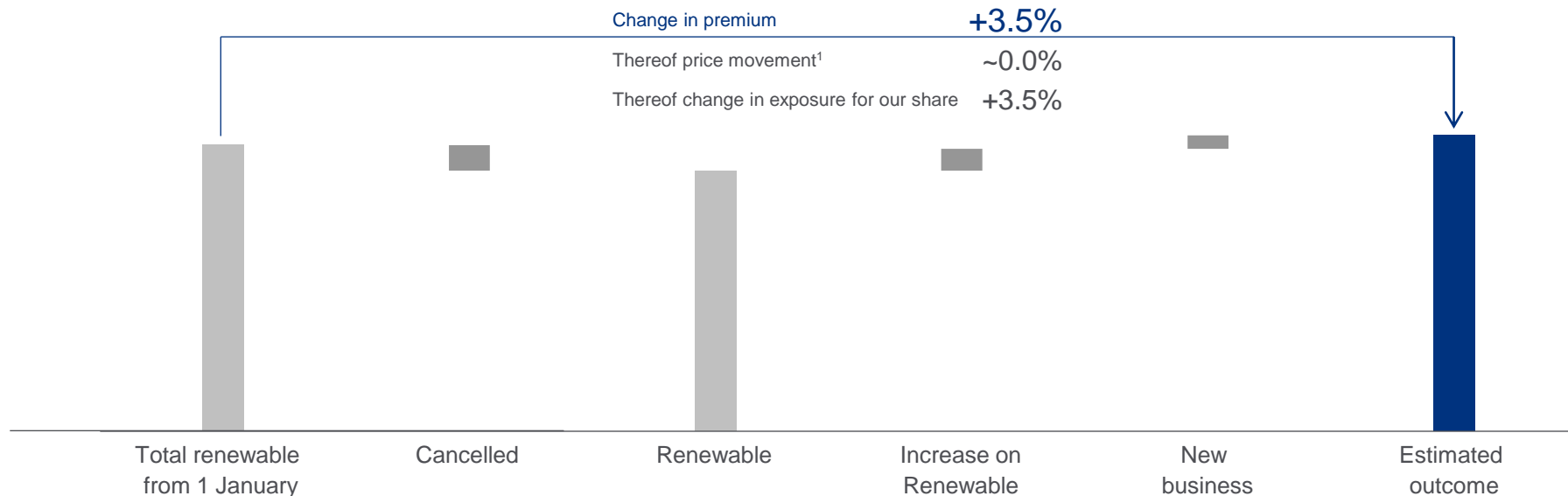


<sup>1</sup> Ultimate premium – economic view – not comparable with IFRS figures. <sup>2</sup> Total refers to total P-C book, incl. remaining business.

# January renewals

Selective growth and portfolio optimisation

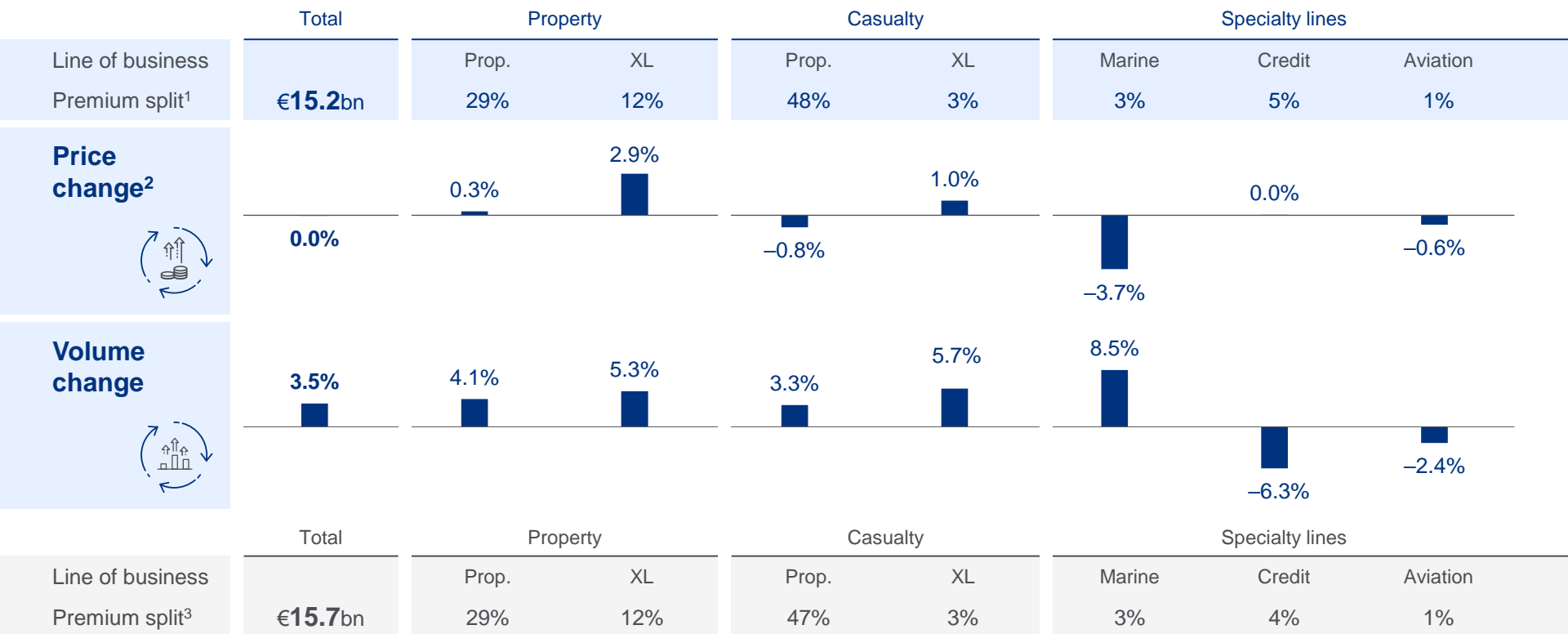
%	100.0	-8.9	91.1	+7.6	+4.7	<b>103.5</b>
€m	15,159	-1,346	13,812	+1,156	+713	<b>15,682</b>



<sup>1</sup> Price movement is risk-adjusted, i.e., includes claims inflation and loss trends. Furthermore, price movement is calculated on a wing-to-wing basis (including cancelled and new business). Based on IFRS 4.

# January renewals

## Price and volume change in major lines of business



1 Relative premium share in relation to total renewable business in January. 2 Price change includes business mix effects; based on GWP. 3 Relative premium share in relation to post-renewal portfolio.

# January renewals

Split by line of business and region

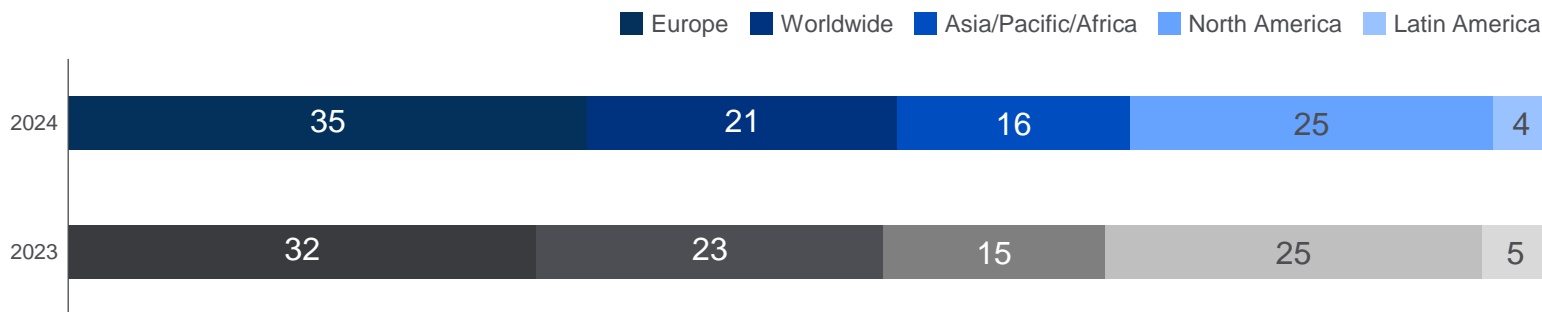
## Split by line of business

%



## Split by region

%



# Positive outlook for upcoming renewals

## Total P-C book<sup>1</sup>

%



■ January	45
■ April	9
■ July	11
■ Remaining	36

Nat cat share: **19%**

## Treaty business

January



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

Focus: USA, Europe  
Nat cat share: **15%**

Price increase<sup>2</sup>: ~+0.0%

April



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

Focus: Japan  
Nat cat share: **33%**

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: **32%**

<sup>1</sup> Ultimate premium – economic view – not comparable with IFRS figures. <sup>2</sup> Based on gross written premium.

# P-C reinsurance portfolio

## Total P-C book<sup>2</sup>

%



■ Core P-C reinsurance	76
■ Global Specialty Ins.	24

## Core P-C reinsurance<sup>2</sup>

%



■ Casualty	41
■ Specialty <sup>3</sup>	9
■ Other property	38
■ Nat cat XL	12

## Global Specialty Insurance

%



■ American Modern	21
■ Hartford Steam Boiler	24
■ MR Specialty Insurance	31
■ Munich Re Syndicate	17
■ Aerospace	7

# Core P-C reinsurance portfolio

%

## Casualty

Casualty motor	22
Casualty ex motor	19

## Property

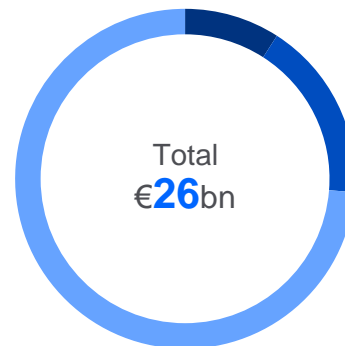
Nat cat XL	12
Property ex nat cat XL	31

## Specialty

Agro	7
Credit	5
Marine	3
Aviation	1



%



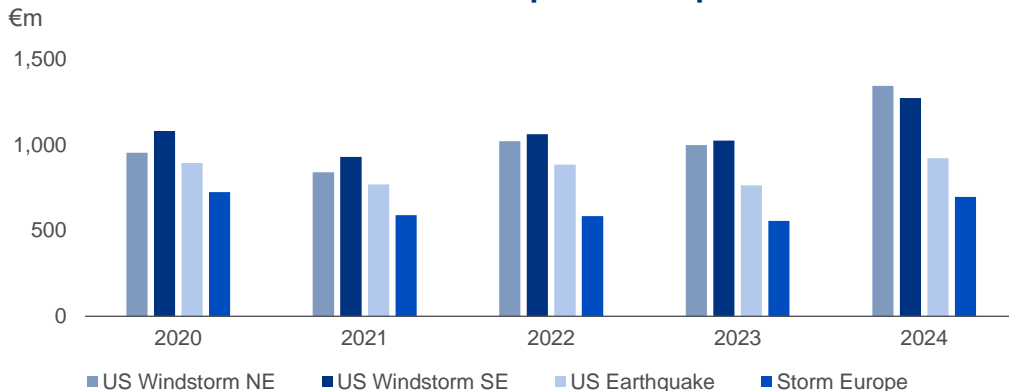
Facultative	15
XL	19
Proportional	66



# Retrocession

Successful placements in a challenging, but orderly market

## Retrocession – Maximum in-force protection per nat cat scenario<sup>1</sup>



- 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 and diverse investment buckets
- Increased in-force protection for US Wind exposure

## Munich Re key channels

### Traditional retrocession

- Munich Re placement benefited from a more favourable marketplace (~US\$ 600m)
- Overall, Munich Re diligently balancing price and placement volume

### Sidecar programme

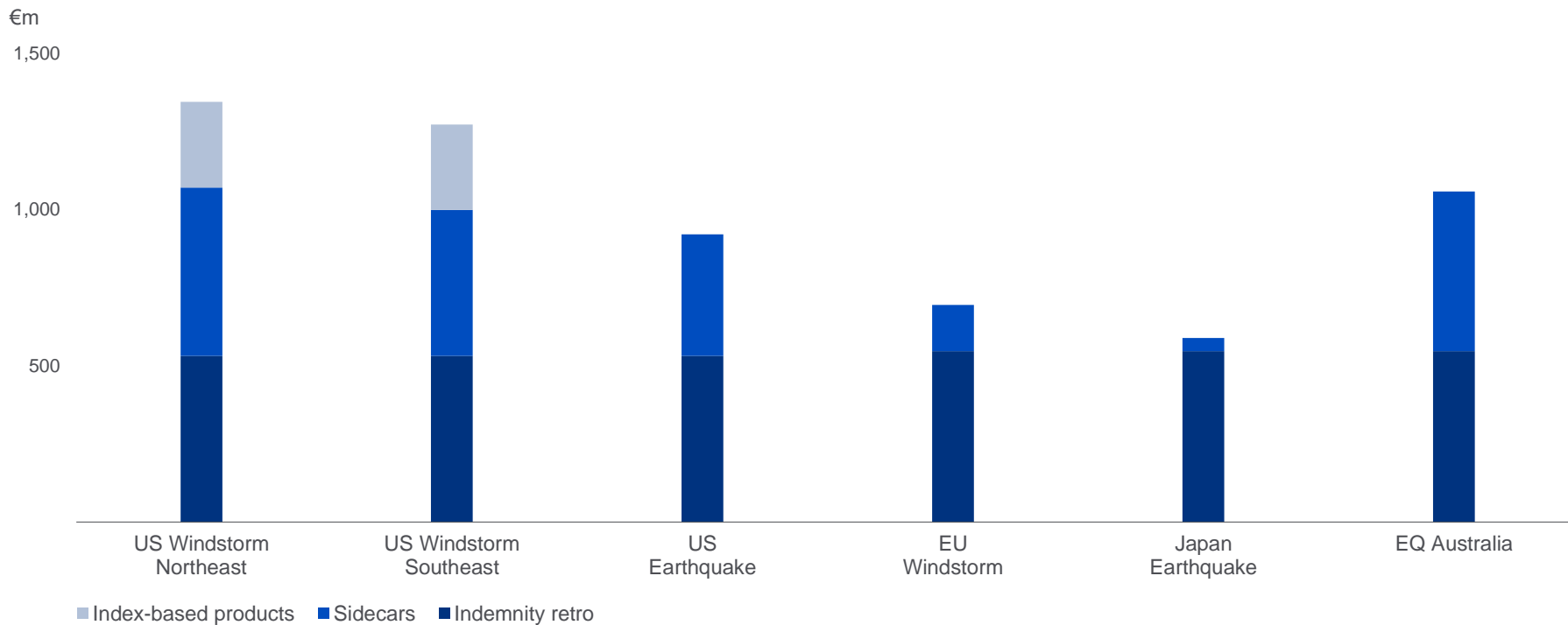
- Quota share cessions of certain lines of business with almost US\$ 650m in 2024
- Targeting long-term partnerships with institutional investors, predominantly pension funds

### Cat bond

Munich Re re-entered in 2023 the cat bond market with a volume of US\$ 300m for US Hurricane

# Retrocession

## Nat cat protection before reinstatement premiums

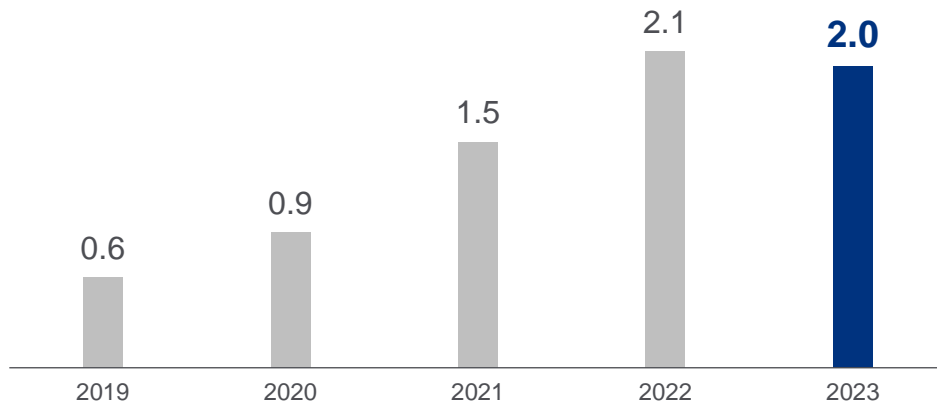


# Cyber business: Focus on further improving portfolio quality

Actively addressing challenges of accumulation exposure to drive sustainability

## Gross premiums written

US\$ bn



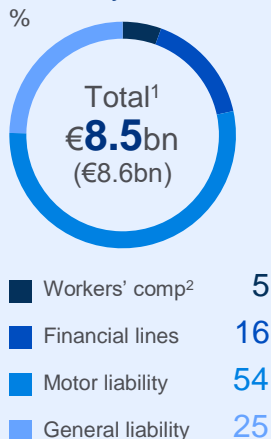
- Largely stable premium compared to 2022 in line with strategy – after strong rate increases in the past, consolidation in some parts of the market
- Cycle management with focus on terms and conditions – stringent adherence to risk appetite ensures profitability and sustainability of the market
- Cyber remains a profitable line of business – robustness of portfolio and diversification, geographically and across insureds' size and industry segment

- Reliable offering of sustainable capacity, demonstrating Munich Re's leadership in an attractive cyber market with long-term growth prospects
- Steadfast and successful implementation of cyber war exclusions to control accumulation exposure
- Extended investments to further deepen risk and accumulation expertise; close collaboration with third-party model vendors and industry stakeholders to promote state-of-the-art modelling
- Stringent execution of cyber data strategy to leverage threat intelligence and effective risk management
- Promotion of a security-focused mindset helps organisations improve their online security, mitigate potential cyber losses and increase resilience
- Active lobbying for pool solutions (governmental backstops) for catastrophic cyber events to tackle systemic tail risks

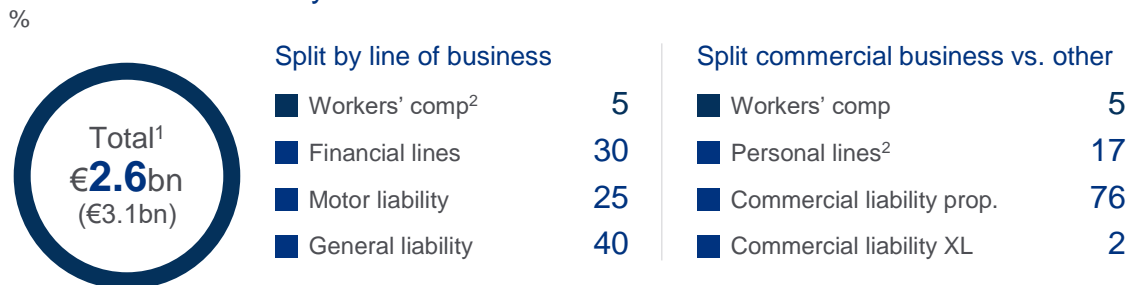
# US casualty shows first signs of rate deceleration

Past years with significantly reduced exposure and broadly increased rate levels

## Global traditional casualty book



## US traditional casualty book – share reduced from ~36% to ~30%



Risk appetite remains conservative, reflecting continued vigilance around social and economic inflation – new business opportunities are highly scrutinised

- Portfolio quality and underwriting discipline remain strong
- Share of proportional reinsurance remains high at ~90%
- Profitability metrics still favourable given higher interest rates, better original rates (for all lines but D&O), and reinsurance terms
- Continuous focus and monitoring of limit deployment, both at primary insurance and reinsurance level, and alignment of interest with our cedants
- Decreased primary rates in D&O/E&O have put pressure on renewal portfolios – cycle management remains key

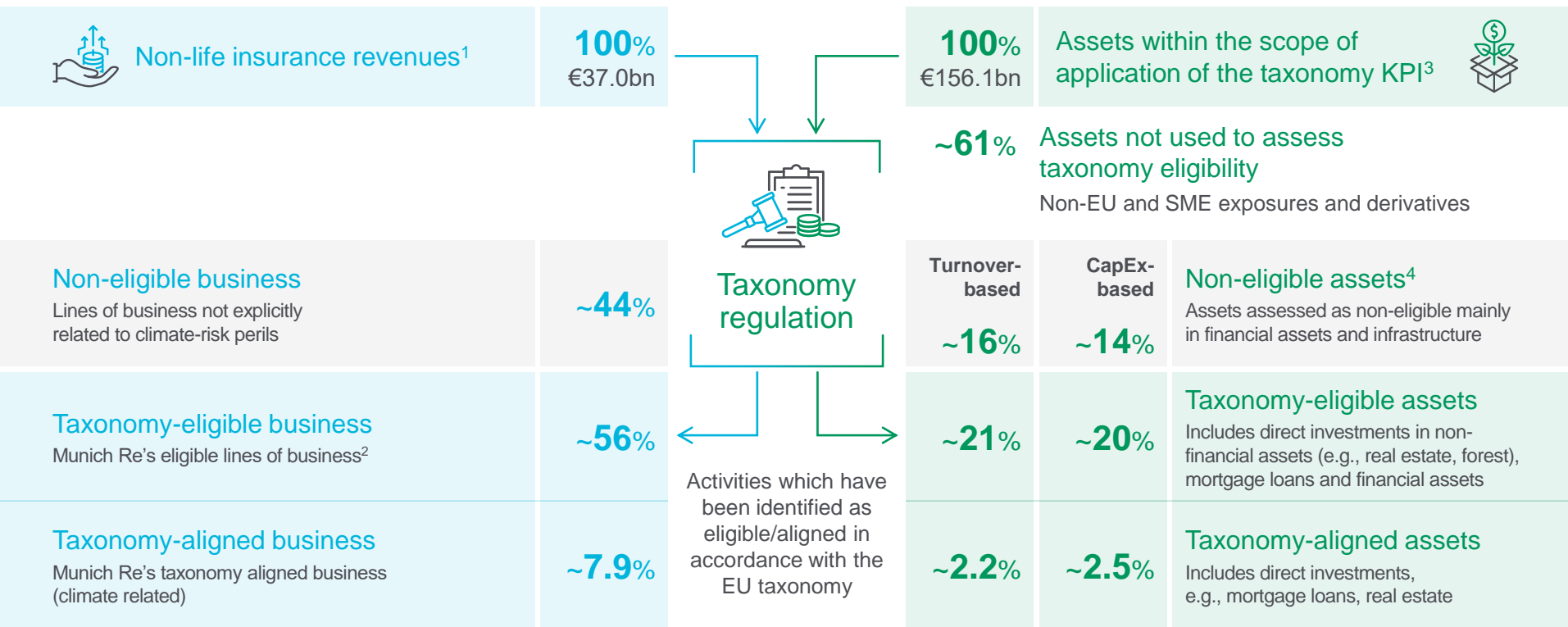
## Global Specialty Insurance

Taking advantage of still strong market momentum and selectively growing the book at attractive margins, while continuing to focus on smaller commercial and personal lines

- Casualty premium of ~€1.5bn (€1.1bn) ...
- ... thereof ~1.3bn (€1.0bn) US casualty in addition to the traditional book

<sup>1</sup> Expected yearly premiums without motor own damage and cyber; business incepting 2.1.2023 – 1.1.2024, i.e. incl. 2024 January renewals. Figures in ( ): Feb. 2023.  
<sup>2</sup> Includes personal accident.

# Disclosure of taxonomy eligibility and alignment



1 Only non-life insurance revenues are relevant for taxonomy reporting. 2 LoBs: marine, aviation and transport; other than MTPL motor; fire and other damage to property.

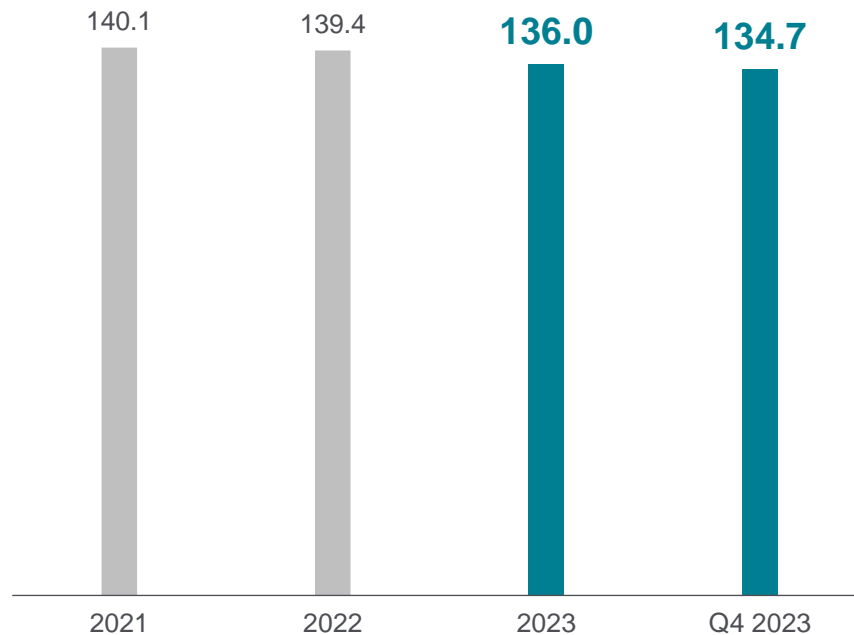
3 Taxonomy regulation excludes government exposure, as well as other assets (e.g., receivables on reinsurance business, DTAs and cash) from numerator and denominator.

4 Assets from financial investee undertakings not used to assess taxonomy-eligibility are excluded from the eligibility assessment (~ 3% for turnover- and 5% for CapEx-based).

# Changes to shares in circulation

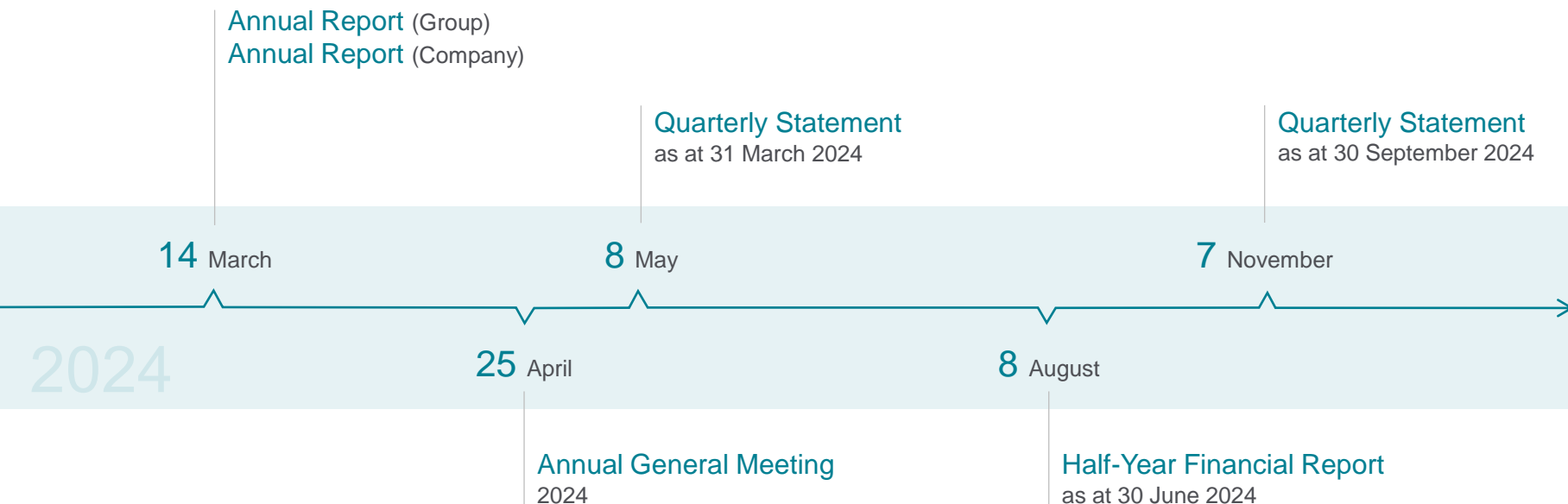
Shares (millions)	31.12. 2022	Acquisition of own shares in 2023	Retirement of own shares in 2023	<b>31.12. 2023</b>
Shares in circulation	137.6	-3.0	-	<b>134.6</b>
Treasury shares	2.5	3.0	-3.6	<b>1.9</b>
<b>Total</b>	<b>140.1</b>	<b>-</b>	<b>-3.6</b>	<b>136.5</b>

## Weighted average number of shares in circulation (millions)



# Financial calendar

2024



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