

Muenchener Rueckversicherungs Gesellschaft AG in Muenchen Annual Shareholders Meeting

Company Participants

- Bernd Pischetsrieder, Gesellschaft Aktiengesellschaft
- Joachim Wenning, Gesellschaft Aktiengesellschaft

Presentation

Bernd Pischetsrieder {BIO 1393573 <GO>}

And with that, welcome to all of you, shareholders. It's my pleasure to open here with our Annual General Meeting 2019. A little late. But I'm sure you will all have used the opportunity and have been able to join us here in the hall. So welcome. So the shareholders, shareholder representatives, our guests, the media representatives and also those who are following this AGM today via the internet. The AGM will be broadcast in full length, via the internet, to our shareholders. And till the start of the debate, the transmission of the AGM is also accessible to the general public. I may note that all the members of the Executive Board and the Supervisory Board are present. As in the years before, the notary public, (Dr. Timin Gutter), will compile the minutes and protocol of this AGM. If you want to speak to the notary public, please go up to the speaker's desk over there.

Today's AGM has been called and convened in due form and time in -- through publication in the Federal Gazette on 21st of March 2019. All important statements on the organizational procedure of the AGM can be received from the brochure received when you came in to the AGM. Alongside the agenda, you will also have extensive explanations on voting procedure, possibility to cast yourself or mandate a proxy, or if you want to leave early, to appoint other representatives. You will also find a layout plan that tells you where exactly you can see the electronic participant register and the likes.

As I do not want to delay the AGM with any, well, undue organizational details, just the following: should you wish to speak on any of the agenda items, please make sure to let us know early on at the speaker's desk and register for the possibility to speak. The voting will be done in a so called addition method. I will go into detail, what and how that works. But I would like to ask you now to read up on the comments in the brochure on the inside of your voting slip.

Shareholders participating via the internet will find the relevant prompts and notifications on our website. Finally, allow me to conclude that the use of recordings in video or audio format is not permitted here, inside the hall, this also of course holds true for the corresponding functions via smartphone and our shareholders following via the internet are not allowed to make any recordings of the AGM. Dear shareholders, allow me first of all, therefore, to move onto agenda item #5, that is the election of our new Supervisory

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Board members. With today's AGM, the term of all supervisory board members are terminated. As in the past, however, the Supervisory Board will be made up of representatives of the shareholders' side and the employees' side.

I would like to use this opportunity to express our gratitude to those shareholder and employee representatives who will leave the Supervisory Board by the end of this AGM today. Like all the other representatives of the employees' side, they have -- sometimes came up with critical but always constructive comments and addressed the terms and tasks and duties of the corporation and thus made a vital contribution towards the success of the Munich Re Insurance company. For this we owe them your and our gratitude. This holds true, in particular, for my deputy, Mr. NÄ¶renberg. The new Supervisory Board members of the employees' side, are part -- and on the basis of the Codetermination Act, have already been duly elected by the corresponding committees. Mr Kagermann and myself will no longer be available for reelection, we thus will leave this Supervisory Board with the end of the AGM here today. Mr. Kagermann has been a member of the Supervisory Board since July 1999 and thus is with almost 20 years on a board, the oldest serving member of the Supervisory Board. He was also member of nearly all the committees of the Supervisory Board, amongst others. He was a member of that audit committee, whose chairman he also had been for the last 10 years. During his many years of working effectively in our Supervisory Board, he has made a vital contribution towards the sustainable and long term development of our company. We have come to appreciate his independent advice, his extensive digitalization expertise and support, especially in his function as a many year chairman of the audit committee and have come to appreciate extraordinarily. We thank him, at this point, for his decade long collaboration and assistance here in our Supervisory Board.

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I would like to add here, at this point, that such a long tenure in the Supervisory Board would no longer be possible today. But all the same, I think anybody here can and will agree with me that his independence was never in danger in these 20 years that he served on the Supervisory Board. Of course, we are grateful to all the other representatives of the shareholder side, whose expertise has made a vital contribution towards the success of our corporation. Thank God, we have found that in the course of the last term, a number of colleagues of the shareholder side have declared themselves willing to terminate their post in order to make sure that we have a continuing change in the recruitment and starting of the shareholder side. My gratitude goes therefore to Mr. Van Rossum, Professor (Gruz), Mr. (Soma) and Mr. (Meyerhuber). We know that Mr. Meyerhuber left effective as of the 31st of December 2016. As you probably know, he has regrettably passed away at the end of 2018. All shareholder members of the -- all Supervisory Board members of the shareholder side will be newly elected today in individual votes. The selection of the candidates who you can vote into the Supervisory Board today have been determined by objective criteria. We have looked in particular at the expertise and experience that is necessary and important for supervising and monitoring the business activities of our group. The Supervisory Board proposes, as you will have seen, from the invitation to the AGM, to have 8 previous member of the Supervisory Board and 2 new candidates to be elected to sit on a new Supervisory Board. All the candidates have confirmed that they have the necessary time available for the activity on the Board and also can find the time to work on the various Supervisory Board committees. For reelection, we therefore recommend, following the proposal of the nomination committee, Miss Ann-Kristin Achleitner, Mr. Kurt Wilhelm Bock, Clement B.

Booth, Mrs. Benita Ferrero-Waldner, Mrs. Ursula Gather, Mr. Gerd Häusler, Mrs. Renata Jungo Brägger and Mr. Maximilian Zimmerer.

These ladies and gentleman, proposed for reelection, have given their previous work on the Supervisory Board, become profound experts of our group and company and have proven the last few years to be committed and competent Supervisory Board members. Given their previous work, I'm sure you're all familiar with them and therefore I will not introduce them to you individually. The new candidates are Mr. Nikolaus von Bomhard and Mr. Karl-Heinz Streibich. Now, Mr. von Bomhard will, following the recommendation of the nomination committee of the Supervisory Board will follow and will be for election to the Supervisory Board. Furthermore, Mr. von Bomhard, in the case of his election, will also succeed me as Chairman of the Supervisory Board, as I said, in case he will be reelected. The significance of this function of the Supervisory Board Chairman is something I don't think I have to go into detail here. I believe that in the close collaboration with that CEO and monitoring and rising the managing board require deeper, profound knowledge of the core business as well as executive capacities. I'm in full agreement with nomination committee of the Supervisory -- and the Supervisory Board, that Mr. Nikolaus von Bomhard, given his extensive expertise in all parts of the (value chain) of our complex business model from both primary and reinsurance, knows what he's doing and his all-around recognized and highly appreciated personality and his many years of experience as CEO of the Munich Re meets the requirements placed in this position and he would be the best candidate to meet these requirements. I'm equally convinced that he will manage to realize his role, also when it comes to collaborating with the CEO in the sense of good corporate governance.

Mr. von Bomhard had been member of the Management Board from January 2000 until April of 2017 and he chaired that board since January 2004. As an all known expert of the industry, our (conserved) industry, I believe that his expertise and his knowledge will be of vital importance and significance for his work on the Supervisory Board.

Furthermore, the nomination committee is also appointing Mr. Karl-Heinz Streibich, for the first time, to sit as member of the Supervisory Board. From October 2003 until August 2018, Mr. Streibich was CEO of Software AG and amongst the many other functions he's holding, he's also President of acatech, the German Academy of Engineering Science. He is a proven expert in digitalization. And the significance of digitalization for the insurance business is something I don't think we have to go through any detail here. Mr. Streibich is thus a perfect addition for the work and for the Board of the Supervisory Board of Munich Re. We are delighted to present in Dr. von Bomhard and Mr. Streibich, leading representatives from the industry and field them for voting. And whose experience and expertise will be of particular value for our group. In this context, allow me to also refer you to the brochure you received when coming into this AGM. As you will find in the invitation, it contains further information on those candidates up for election today as well as the newly elected representatives from the employers' side. That much on agenda item #5. Dear shareholders, the Management Board has also seen changes. Dr. Jörg Schneider, following 18 years as member and working on the Management Board has, following his completion of the 60th birthday, retired effective as of 31st of December 2018. Mr. Schneider was the longest-serving, responsible CFO. Yes, CFO, that means, yes well, Chief Financial Officer, both in the German blue-chip companies, the DAX 30, as well

as among the German -- among the big European insurance companies. Allow me to use this opportunity, dear Mr. Schneider, to thank you in person and also on behalf of the Munich Re group and also, I believe, on behalf of our shareholders, for the work and service you have provided to the group and our company.

I believe we all wish you all the best for your professional and private future. As successor of Mr. Schneider as CFO, the Supervisory Board has appointed Dr. Christoph Jurecka. Christoph Jurecka, following his degree in technical physics and his diploma at the Technical University in Graz, started his career as scientist at the Technical University in Braunschweig, where he also wrote his PhD, following these stations in finance and risk management amongst others as CFO and CRO, the Chief Risk Officer with various insurance companies in Germany and in Switzerland, he joined the management board of the ERGO Group in 2011 and thus became a member of the Munich Re group. Since January 2019, he signs responsible as CFO, following in the footsteps of Mr. Schneider, with a brief for the group by controlling risk management, financial reporting, as well as Investor Relations. Furthermore, a new Board of Management brief has been created in order to centralize responsibility for our investment portfolio. To this end, the Supervisory Board appointed Dr. Nicholas Gartside. And made him member of the management board. Since the 18th of March of this year, he has been appointed as Chief Investment Officer and thus is responsible for the asset management of the Munich Re Group. Nicholas Gartside signs responsible or has signed responsible so far as International Chief Investment Officer with an international bank in London where he held the global fixed income and currency commodities position. So as it says, global fixed income, currency and commodities, his professional career was started as fund manager for Fixed Income in London, where he assumed afterwards the position of head of Global Fixed Income with a big major British bank in London. Mr. Gartside, as you will hear from his name and his, well, CV of British birth, he has a Bachelor of Arts from Durham University in History and Politics and had a Master degree in International Relations from Cambridge University. Allow me to move on to the further agenda items here of this AGM, first of all, agenda item 1A. That is a submission of the report of the Supervisory Board, the corporate governance report and the remuneration report for the financial year 2018. The group financial report and the report of the Munich Re AG has been available since the convocation of the AGM on the websites of the company. They contain all the relevant information as required by the German Stock Corporation Act. During today's AGM, the annual reports can be received in printed version from the information booths, the online participating shareholders have these documents available on the web. The report for the Supervisory Board can be found with all new detail in the group report 2018 on the Pages 9 to 15. The corporate governance report on the following Pages 16 to 21 and the remuneration report on Pages 29 to 46.

In his report, the Supervisory Board has outlined the result of his annual financial statement review and outlined it in due detail looking at the assignments and issues that he had addressed in fiscal year 2019. Center of our consultation were amongst others, the strategic focus of the company under various business divisions of the Munich Re and the development of the operative business. On the basis of this report of reports also submitted by the Executive Board, the Supervisory Board addressed and consulted key issues in due detail, monitored the board, the executive board and supported him. In addition, the extensive explanation in the group and report, allow me to just make a brief comment on the remuneration report of the Executive Board. This remuneration report is

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based on the new remuneration system that was approved on the AGM last year and which found the approval of the large majority. This remuneration system is in line with the social and Supervisory Board, stipulations including the German Corporate Governance code. That's the remunerations made up a bubble of fixed success, independent as well as performance dependent components as well as a corporate pension commitment. The Supervisory Board has looked at its meeting of 19th March 2019, at the appraisal of the annual bonus of 2019, as you may recall. What is important here is the IFRS group result and we have an IFRS group result of EUR 2,275 million for fiscal year 2018, thus (inaudible) on the basis of the stipulated linear scale thus stands at 96%. Regarding the appraisal of the overall performance, thus the Supervisory Board on the basis of the previously defined criteria has come to the result that neither any rebates or surcharges on that target should be made. The multi-year bonus, that is, a bonus that's paid out over multiple years, falling from the new remuneration system will be for the first time up for appraisal in the year 2022 and it is based on the development of our total shareholder return which is measured relative to our peer group. I can thus therefore tell you that this year and well, my successor will have to save you and us from listing our percentage points and percentage points for calculating how this multi-year bonus is calculated and then also distributed.

Which brings me to agenda item 1B of today's AGM, that is the submission of the adopted company financial statement, the approved consolidated financial statements, the combined management report for Munich Re and the group for the fiscal year 2018, the explanatory report on the information pursuant to Sections 289a, Clause 1 and 315a, Clause 1 of the German commercial code. Aforementioned statements and reports as well as the proposal of the Executive Board for the appropriation of retained earnings can both be found in the annual report 2018 of the Munich Re AG for fiscal year 2018. These annual reports are, as you know, available from the website of the company and also if you wish, we'll send out to you in paper if you so asked. And as I said, are also available here for perusal. Which brings me to agenda item #2 of today's agenda, that's the resolution on the provision of the net retained profits for fiscal year 2018. Now, I propose that we use the proposal submitted by the Executive Board and the Supervisory Board, namely, to take the balance sheet profit of the previous fiscal year 2018 of EUR 1,383,230,912.25 and to use it as follows: to pay a dividend of EUR 9.25 per share on each no-par value share, that is, EUR 1,334,940,214.25 and to carry forward to new account EUR 48,290,698. On the agenda item #3, that's the resolution to approve the actions of the Board of Management. Both Executive Board and the Supervisory Board propose to approve the actions of the Executive Board for said term of fiscal year 2018. Agenda item #4, that's the resolution to approve the actions of the Supervisory Board, we also propose to approve said actions for the same period. Looking at agenda item #6, that is, of course, something that had to do with the invitation of the AGM, that's the resolution to amend Article 1, Clause 13 (sic) (Article 1, Clause 3) of the Articles of Association to render the object of the company more modern and flexible, as it gives us more lever in our business operations, which now means I can hand over and ask you, Mr. Wenning, to submit your report on fiscal year 2018 together with an outlook on fiscal year 2019. Thank you for your attention so far.

Joachim Wenning {BIO 16273429 <GO>}

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Shareholders, present and former colleagues, welcome to Munich Re's annual general meeting, that I can say that it is a great pleasure that I report to you about the 2018 fiscal year and Munich Re's strategic priorities for the coming years. But before I do, allow me to say a few words, like Mr. Pischetsrieder announced the mandate of the supervisory position is expiring, there are some members to the Supervisory Board who will no longer be a candidate. As you know, in terms of the company law, that Pischetsrieder is not supposed to assess the work of the respective Supervisory Board. But nevertheless the Board of Management is supposed to give an opinion about the acts and the supervisor -- the Management Board -- and on behalf of the Management Board, I would like to say all members of the Supervisory Board that you have worked for the benefit of Munich Re, you've assumed a lot of responsibilities and everyone assuming responsibilities always knows that sometimes this is an encumbrance, is a burden. But I can say that you really have done an excellent job with a lot of expertise and knowledge and with your hearts and having said that, I'd like to thank you, on behalf of the Board of Management and on behalf of all our shareholders, thank you.

In addition, I would also like to address you directly, Mr. Pischetsrieder. Since 2002, you've been a member of this Supervisory Board and since 2013, you've been the Chairman of the Supervisory Board. You have been leading this company in a very circumspect way and in all these years, I can say that you really went all out for doing the best for this company in good times and less good times and we know that there were ups and downs in the history of this company. You always had the entire business and operations of this company in your side and I personally too can say that you really helped this company. And in February this year, the fund company, Union Investment, gave Munich Re top ranking for corporate governance among the DAX 30 companies. Good corporate governance will strengthen the investor confidence in our shares and I can say that you really have had a very important and personal part in this. I can say that for me and for others, it was always possible to reach you no matter which day it was, no matter which hour it was, day or night. I don't think -- well, at night, I don't remember. But no matter what we wanted to know from you, it was always possible to access you, to reach you on the phone and in person, for me this is really remarkable. And during the ordinary meetings, we can say that it was always possible to talk to you. You've always been very serene but at the same time, you also have been a critical, a well meaning person, a chairman with a lot of humor and you've always been an adviser. And you've always been straightforward, always been frank and open in what you said and I know that there were many situations in our talks that we always have seen parallels or analogies and you compared the development with the experience you made in other companies of other interested -- industries. I can say, Mr. Pischetsrieder, it really was a lot of fun to share your experience. And in particular, I would like to say that there has always been a close cooperation and trustworthy confidential cooperation over the last two years between you and me. You gave me your trust and I would like to thank you personally, in particular, in this respect. And this, on behalf of all our shareholders, of our employees as well as the members of the Board of Management and Supervisory Board, I would like to thank you for 17 years of being a role model for this company and having worked for the benefit of this company. Thank you.

Ladies and gentleman, the year 2018 has been a good year for Munich Re. We have generated a profit of EUR 2.3 billion, we have increased our profit, we reached our result target and I can say that all parts of the group contributed to this outcome. ERGO is

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picking up pace and ERGO has fulfilled the objective or the target for 2018, this refers product sales, it is increased by 20% year-on-year and the new business has grown by around 10% and in life, we can say that we now have a new attractive business -- businesses or products and therefore the increase was 25% and the profitability, ERGO's profitability has been increased in core countries; in Poland, the Baltic States, in Spain and in Austria. And we can also say that ERGO also generated much higher premium income in the growth markets of India and China and all of this together will sharpen ERGO's competitive edge.

Talking about reinsurance, we can say that we really have written profitable new business and we really have seen growth, considerable growth. In the life and health segments, we posted a result that was considerably above expectations and this, in particular, due to the very favorable claims development in the United States. We also posted good earnings in property-casualty reinsurance and I think this is remarkable given that natural catastrophe losses were high, particularly in the Fourth Quarter and not least -- just think about it, not least because of the wildfires in California. But nevertheless, this segment accounted for around half of our consolidated profit.

And you know there's something else we should not neglect, we weathered the effects of volatile capital markets in 2018 and we emerged strong. I can say that 90% of these classes have lost in value but nevertheless, we were able to weather all this and in other words, this means we delivered on our promises.

We can say that more than 41,000 employees were instrumental in making this happen. Thanks to your great personal commitment and thanks to your outstanding work and I would like to express my gratitude to you for this.

Shareholders, your company earned good money and so should you. We are going to increase the dividend from EUR 8.60 to EUR 9.25 per share, provided you agree. Add to that, that we are going to launch a new share buyback program with a volume of EUR 1 billion.

Under the share buyback program in 2006, which means in 14 business years up until today, buyback and dividends, we returned to you more than EUR 27 billion (sic) (EUR 27 billion). So just calculate it. This means EUR 2 billion every financial year. And I can say the share in this company offers you good return and in comparison with the 8 reinsurance and European primary insurance companies, we can say that in 2018 too, our earnings per share means that we are really among the top companies. But not only that, you can also be sure that in addition to the mere or pure financial aspects, you have invested in a company that is Munich Re, which in the overall economic and social circumstances, makes an important contribution. I can say, because in addition to the financial aspect, you can really feel very comfortable having invested in such a company. Only by making risks insurable, people will be ready and prepared to take on new challenges which are always connected to special risks. This is our business. This will provide progress. And this will create the wealth and well-being of which we all will benefit and of which we live or survive. And of course, there are disasters and there are catastrophes which happen sometimes. And I think all they show that -- or what the meaning and significance of our company is, we mitigate the suffering and alleviate suffering. We show people what it

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means to be insured. Catastrophes and disasters for our industry are the moment of truth. You may put it like this. And just put yourself in the shoes of a householder whose home has been destroyed by a hurricane, who has been evacuated and still does not know how bad or how high the loss will be. Now, for this person, the help of an insurance company becomes an inestimable good, if you like. And this is exactly what provide -- deliver to our customers, primary and reinsurance, because at this point, we are going and are using artificial intelligence. Immediately after a hurricane, aircraft are flying over the affected area and region, algorithms are used to automatically calculate the damage of buildings or 2 buildings, rather. And the results will then be made available to our customers, the primary insurance companies. And they will be able to handle all these claims properly. And this, often enough, before the affected owners have returned to the damaged homes and get to know the damage. In this moment of truth, the insurers are there to help their customers, either by making payments, providing services or repairing damage. And this is where we are using artificial intelligence for the benefit of the insured person.

Now, this is an offer which we make. And this is something which we are going to market in the United States and selected countries in the Caribbean. Now, the potential you can find in it. Well this is something which we heard from the -- from a pilot project which we carried out when Hurricane Michael made landfall in Northwestern Florida last October.

I can say that within nine days after the disaster, 85,000 square kilometers of the affected area had been photographed, scanned and analyzed. 85,000 square kilometers, this is larger than Bavaria and it is almost the size of Austria. In respect -- with respect to over 40% of the building damage, we were able to contact the insurers before the policyholders were even able to notify them. And in dozens of cases, the insurers were able to rapidly compensate their customers for the insured damage to their buildings. But this example shows and demonstrates the opportunities that digitalization offers. But it is just one example among many.

In addition, I would like to address sustainability aspects as well. We include them in our value creation in a very systematic way. Our commitment has been rewarded with top ranking in the key external ratings. And there's a central mainstay or pillar here, this is our climate strategy. We believe that greater leverage can be gained by driving forward new technologies to achieve a low carbon economy in power generation, in transportation, in energy storage, in industrial production. We offer insurance solutions for which we partially bear the burden of these often unusual risks. We shoulder these risks. Two examples, performance guarantees for photovoltaic systems and just recently, performance guarantees for battery storage. And this means we once again extended the boundaries of insurabilities and we are the trailblazers, the pioneers in this field. But that alone is not enough to handle climate change. We are convinced that we need a monetary approach in order to avoid the emission of greenhouse gases. In all sectors of the economy, there should be a clear price to pay for emitting carbon dioxide and is across the board. We hope that a suitable market mechanism is launched soon and that this market mechanism can become a powerful driver for change and it doesn't matter whether this is a tax or any other incentive. At the end of the day, they will have the same effect. But this means that we have to maintain and preserve our competitiveness and also any other effects across the society, particularly when you change or convert from fossil fuels to alternative

fuels. This is something which has to be taken into account but all this will make it possible to gradually have a successful switch to nonfossil fuels. The message in this room as an insurance company and a reinsurance company, we are ready.

Ladies and gentleman, 2018 was not only a good year in terms of our result, it has also been a year of reaching out for new horizons, setting off to new horizons. But it is all about our development in the various segments and also in the group. I can say we have focused on the markets and the performance there and implementing everything, this is no (inaudible), it's really hard focused, disciplined work which we do. And the guidelines which guide us are 3 strategic priorities: 1, we are going to drive digital transformation; we are going to reduce complexity; and we are going to drive ambitious growth initiatives in reinsurance and primary insurance. And by doing so, we will be able to increase Munich Re's profits and in all these 3 strategic approaches, I can say that we really have made progress in 2018 and surely, I would like to give you some more details: first, Munich Re is becoming more digital; quicker, more flexible, more agile, if you like. When you have the term, digitalization, this is a kind of a weasel word. And therefore, I want to be a bit more specific. Focus on digital transformation. Here, I can say that we want to offer an answer to specific needs, specific needs of our customers or sales partners are to be solved by us and let me give you 3 specific examples: the first example refers to private customers like you or me. Today, we expect offerings of services from insurance companies and we expect them to be delivered to us personally but we also expect them to be offered and delivered in digital form. I want to have some personal advice or maybe on the phone or per video but I also want to get it online directly without any personal, say, interference, intervention. Now, ERGO now has got -- has made good progress in this respect by offering a personal database and this means they can now seamlessly connect all these factors with its integrated customer database and at the same time, they are able to handle losses and claims very quickly. Then, industrial customers. For industrial clients, we offer solutions referring or in the context of the Internet of Things. Industrial clients, for instance, want to increase the availability of their industrial facilities, increasing the number of units they produce and improve the quality of their products and we want to support these customers and do so bringing about their goals by offering connected manufacturing. They want to launch products faster and together with (Qualcomm) and the consulting company NHP, we would and will relieve them of the burden of having their own manufacturing facilities and the catchword here is smart factory as a service. And they can then focus on developing and producing new products and this means we can reduce the production times by about a third. Small and medium businesses, they also want to sell products and they can do so when they use the services of our company relayr. They will help and it will help them to increase the machining times or the production times and lower production down times. Then cyber. Companies and private customers, please accept this, increasingly become victims of cybercrime, of data theft, sabotage in the digital world. And even today, these losses occurring worldwide are estimated to be around USD 600 billion and the trend is a rising one and therefore it is even more important that we offer insurance coverage in this respect. But in addition, services which range from preventive measures to the recovery of lost data after a cyber attack up until restoring data lost or damaged. We offer all this and more. When it comes to insurance cover and when it comes to related services, we are a leading supplier in this field, having a 10% market share.

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Well this is just one -- please be careful, just one person applauded. Thank you. Now, digital transformation, which I've outlined with a few words and what it means to us is tangible for us in many aspects. Let me single out a few exits. Here, we've got ERGO and flexible there. I would like to mention the travel insurance possibilities using Alexa, I would like to mention algorithms and their function-ability in relation to what they've been conceived for. If you leave this room, then you will find a few booths or other stands where you can get more information about this, I can only ask you, get a better picture of what is possible in terms of digitalization.

There are many digital efforts and they promise a lot. We use digital revolution in order to strengthen our competitiveness to maintain our position in the marketplace, extend it and also generate new sources for revenue and income. We want to use the opportunities and chances in the future, which occur due to the changes in the markets and in the minds of people. Therefore, we had to look at the Articles of Association and want to adjust the subject matter or the business model of our company to today's circumstances. Shareholders, we have proposed a resolution and you are going to take a vote over this.

Now, 3 more priorities. Munich Re will become leaner. Over the last few years in reinsurance and in the group, we reduced our efforts, the group is more focused now, it is more efficient now. ERGO in Germany has saved over EUR 170 million in costs in Germany and this means we or the company will be fully on track to cut our costs in Germany by around EUR 280 million by 2020. And in addition, we are going to decrease our spending by EUR 200 million by 2020. But we also streamlined our programs, our portfolios, we had 17 international companies which we divested. And in reinsurance, we can say that we sold 2 specialist companies in the United Kingdom and this allows us to focus on what is strategically relevant. Now you may ask, what is the impact, the effect of all these measures. To sum up, their impact is that we can do and generate more business with less effort and these savings offer us latitude, offer us leeway to invest more in digitalization and we can say that both these factors and aspects make us more competitive; 3, Munich Re is to generate more money. Our revenue ambitions by 2020, we want to increase our consolidated results compared with 2018 by another EUR 500 million to EUR 2.8 billion. Along the way, that is, to achieve this goal, we in -- visit a profit of around \$2.5 billion for 2019 of those \$2.1 billion in reinsurance and EUR 400 million from ERGO. Now, what is it we have to do in this respect. Well ERGO will continue to pursue the successful path it has taken so far. The focus will continue to be on enforcing cost discipline and sustainable profitable growth. We will have new products which will be available online and offline and this means we will take into account the so called hybrid customer. In addition, in the European core markets, ERGO will extend and expand its already leading market position. ERGO will also make sure that it will grow in the emerging markets in India and China. Reinsurance. Here, too, we want to make progress, we want to increase profit. And of course, this is a matter of cost. In highly developed markets, particularly in the United States, we would like to grow where our market share, over there that is, cannot really be compared with the competitive position which we have in the world. And of course, there's always presupposes that the possibilities to earn money comply with our requirements or expectations and this also means and this is certainly not anything that's new and this will happen during the forthcoming year. In these markets, we are going to use and harness growth potentials in Asia and Latin America. It is our objective too, to grow in the cyber market as well and this means in 2020, i.e. next year, the entire cyber market will account for EUR 8 billion to EUR 9 billion, that is the premiums

that will be generated. Just recall our 10% market share or slightly more than 10%, this is a market share which we are going to have. This means that we will have doubled our underwritten business. But it is important for us and for you, it is important that you remember we are going to grow but not at the expense of the profit. But no, we will not - as a consequence, we will not decrease our business opportunities in the respected markets.

In addition. And that's new, our profitability in our investments will also be strengthened, it is our goal. And to sum it up, to say, to generate high returns from our investments without taking on more risks. Now to do so, MEAG must focus more strongly on managing and specializing in the most important asset classes in our portfolio and using specialized external providers for managing all other assets. Now, both areas require expertise and these asset management responsibilities need to be overseen by one member of the Board of Management and we therefore have our new Chief Investment Officer, Nicholas Gartside, on our side -- on board, that is.

Shareholders, to sum up, Munich Re will become more digital, quicker and more flexible. Munich Re is driving digital transformation, it will be getting leaner and it will earn more money. And in view of the many challenges that lie ahead, we do not want to be a scaremonger or scaremongering people and we also do not want to play things down, you see, nor do we want to make any promises we cannot keep. We want to use today's situation, we want to use this opportunity to explain why we are looking forward with optimism and I hope this is something which we've shown you today. On behalf of my colleagues on the Board of Management, I would like to thank you for your trust and I hope that you will stay with us for the near future. Having said that, I'd like to thank you for your attention. Thank you.

Bernd Pischetsrieder {BIO 1393573 <GO>}

Well thank you very much, Mr. Wenning, first of all for your very friendly words you've found for me. Thank you very much for that. I believe, shareholders, that Mr. Wenning was quite elucidated in the way he managed to show the word innovation, which maybe to an outsider, is something you would not initially, well, associate with reinsurance companies. But for us it is a key element, it's a vital element for our current business and also for the business of the future. So Mr. Wenning, to you. And also to the colleagues on the Board of Management, I would like to express my gratitude and thanks for the many efforts and, of course, I mean the Supervisory Board is fully aware of this, that you have put great effort and I put great effect in this question of innovation and as you have pointed out, this really, well, also means that it indicates what for years you have been looking at that you want to go well beyond the pure insurance business and want to also use the expertise out there for various aspects. So all the best to you, good luck to you, the board members and the many associates and colleagues in the house and in the group that have also helped to make the -- what's probably not an easy year, 2018, to turn it into the success that it has become for all of us.

Those of you, the viewers who have been following the AGM on their, well, webcast, I'd like to tell them that now the public part of the AGM and the public transmission will end now. The further sequence of the AGM can only be followed by those who are

shareholders of the company and who have registered for the internet broadcast with their corresponding shareholder number and password.

(Statements in English on this transcript were spoken by an interpreter present on the live call.)

FINAL

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