



**Münchener Rückversicherungs-Gesellschaft  
Aktiengesellschaft in München**

*(incorporated as a stock corporation (Aktiengesellschaft) in the Federal Republic of Germany)*

**€ 1,250,000,000 Subordinated Fixed to Floating Rate Bonds  
with scheduled maturity in 2041**

**ISIN XS2221845683, Common Code 222184568, WKN A289EQ**

**Issue price: 98.847 per cent**

Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München ("**Munich Reinsurance Company**" or the "**Issuer**") will issue on or about 23 September 2020 (the "**Issue Date**") € 1,250,000,000 subordinated fixed to floating rate bonds with a scheduled maturity in 2041 in the denomination of € 100,000 each (the "**Bonds**").

The Bonds will be governed by the laws of the Federal Republic of Germany ("**Germany**").

The Bonds will bear interest from and including the Issue Date to but excluding 26 May 2031 (the "**First Reset Date**") at a rate of 1.250 per cent. per annum, scheduled to be paid annually in arrear on 26 May in each year, commencing on 26 May 2021 (short first coupon). Thereafter, unless previously redeemed, the Bonds will bear interest at a rate of 2.550 per cent. per annum above 3-month EURIBOR, being the Euro-zone inter-bank offered rate for three-month Euro deposits, scheduled to be paid quarterly in arrear on 26 February, 26 May, 26 August and 26 November in each year (each a "**Floating Interest Payment Date**"), commencing on 26 August 2031.

Under certain circumstances described in § 4 of the Terms and Conditions of the Bonds (the "**Terms and Conditions**"), interest payments on the Bonds may be deferred at the option of the Issuer or will be required to be deferred.

The Bonds are scheduled to be redeemed at the Redemption Amount (as defined in the Terms and Conditions) on 26 May 2041 (the "**Scheduled Maturity Date**"), provided that on the Scheduled Maturity Date the Conditions to Redemption and Repurchase (as defined in the Terms and Conditions) are fulfilled. If this is not the case, the Bonds will only be redeemed on the first Floating Interest Payment Date following the Scheduled Maturity Date on which the Conditions to Redemption and Repurchase are fulfilled. Under certain circumstances described in § 5 of the Terms and Conditions, the Bonds may be subject to early redemption, always subject to the Conditions to Redemption and Repurchase being fulfilled.

The Bonds will initially be represented by a temporary global bond in bearer form (the "**Temporary Global Bond**"). Interests in a Temporary Global Bond will be exchangeable, in whole or in part, for interest in a permanent global bond (the "**Permanent Global Bond**" and together with the Temporary Global Bond, the "**Global Bonds**") not earlier than 40 days after the Issue Date (the "**Exchange Date**"), upon certification as to non-U.S. beneficial ownership. The Global Bonds will be deposited with a common depository for Clearstream Banking S.A. and Euroclear Bank SA/NV (together, the "**Clearing System**").

This prospectus (the "**Prospectus**") constitutes a prospectus within the meaning of Article 6.3 of Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 (as amended, the "**Prospectus Regulation**"). This Prospectus will be published in electronic form together with all documents incorporated by reference on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and on the website of the Issuer ([www.munichre.com](http://www.munichre.com)).

This Prospectus has been approved by the *Commission de Surveillance du Secteur Financier, Luxembourg* ("**CSSF**") in its capacity as competent authority under the Prospectus Regulation. The CSSF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation.

By approving this Prospectus, the CSSF gives no undertaking as to the economic and financial soundness of the transaction or the quality or solvency of the Issuer. Such approval should neither be considered as an endorsement of the Issuer that is subject of this Prospectus nor of the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Bonds.

This Prospectus will be valid until 21 September 2021 and may in this period be used for admission of the Bonds to trading on a regulated market. In case of a significant new factor, material mistake or material inaccuracy relating to the information included in this Prospectus which may affect the assessment of the Bonds, the Issuer will prepare and publish a supplement to this Prospectus without undue delay in accordance with Article 23 of the Prospectus Regulation. The obligation of the Issuer to supplement this Prospectus will cease to apply once the Bonds have been admitted to trading on the regulated market of the Luxembourg Stock Exchange and at the latest upon expiry of the validity period of this Prospectus.

Application has been made to the Luxembourg Stock Exchange for the Bonds to be listed on the official list of the Luxembourg Stock Exchange (the "**Official List**") and to be admitted to trading on the Luxembourg Stock Exchange's regulated market. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (as amended, "**MiFID II**").

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, the Bonds in any jurisdiction where such offer or solicitation is unlawful.

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and subject to certain exceptions, the Bonds may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons.

The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**") or the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Bonds or otherwise making them available to retail investors in the EEA or the United Kingdom has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA or the United Kingdom may be unlawful under the PRIIPs Regulation.

Following the First Reset Date, interest amounts payable under the Bonds are calculated by reference to 3-month EURIBOR ("**EURIBOR**"), which is provided by the European Money Market Institute ("**EMMI**"). As at the date of this Prospectus, EMMI appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the "**Benchmark Regulation**").

Prospective purchasers of the Bonds should ensure that they understand the nature of the Bonds and the extent of their exposure to risks and that they consider the suitability of the Bonds as an investment in the light of their own circumstances and financial condition. Investing in the Bonds involves certain risks. Please review the section entitled "*Risk Factors*" beginning on page 6 of this Prospectus.

*Sole Structuring Agent to the Issuer*

**Citigroup**

*Joint Lead Managers*

**Citigroup**

**Crédit Agricole CIB**

**Deutsche Bank**

**Goldman Sachs International**

**HSBC**

*Co-Managers*

**NATIXIS**

**Société Générale Corporate &  
Investment Banking**

**UniCredit Bank**

## RESPONSIBILITY STATEMENT

The Issuer with its registered office in Germany accepts responsibility for the information contained in this Prospectus and hereby declares that the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

The Issuer further confirms that (i) this Prospectus contains all relevant information with respect to the Issuer and its consolidated subsidiaries taken as a whole ("**Munich Re**" or the "**Group**") and to the Bonds which is material in the context of the issue and the offering of the Bonds, including all relevant information which, according to the particular nature of the Issuer and of the Bonds is necessary to enable investors and their investment advisers to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer, Munich Re and of the rights attached to the Bonds; (ii) the statements contained in this Prospectus relating to the Issuer, Munich Re and the Bonds are in every material respect true and accurate and not misleading; (iii) there are no other facts in relation to the Issuer, Munich Re or the Bonds the omission of which would, in the context of the issue and offering of the Bonds, make any statement in the Prospectus misleading in any material respect; and (iv) reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements.

## NOTICE

No person is authorised to give any information or to make any representation other than those contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer or Citigroup Global Markets Limited, Crédit Agricole Corporate and Investment Bank, Deutsche Bank Aktiengesellschaft, Goldman Sachs International, HSBC Bank plc, NATIXIS, Société Générale or UniCredit Bank AG (together, the "**Managers**").

This Prospectus should be read and understood in conjunction with any supplement hereto and with all documents incorporated herein or therein by reference.

The legally binding language of this Prospectus is English. Any part of this Prospectus in German language constitutes a translation, except for the Terms and Conditions in respect of which German is the legally binding language.

In this Prospectus, all references to "€", "EUR" or "Euro" are to the currency introduced at the start of the third stage of the European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the Euro, as amended. References to "billions" are to thousands of millions.

Each investor contemplating purchasing any Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. This Prospectus does not constitute an offer of Bonds or an invitation by or on behalf of the Issuer or the Managers to purchase any Bonds. Neither this Prospectus nor any other information supplied in connection with the Bonds should be considered as a recommendation by the Issuer or the Managers to a recipient hereof and thereof that such recipient should purchase any Bonds.

This Prospectus reflects the status as at its date. The offering, sale and delivery of the Bonds and the distribution of this Prospectus may not be taken as an implication that the information contained herein is accurate and complete subsequent to the date hereof or that there has been no adverse change in the financial condition of the Issuer since the date hereof.

To the extent permitted by the laws of any relevant jurisdiction, none of the Manager, any of its affiliates or any other person mentioned in this Prospectus, except for the Issuer, accepts responsibility for the accuracy and completeness of the information contained in this Prospectus or any other documents incorporated by reference and accordingly, and to the extent permitted by the laws of any relevant jurisdiction, none of these persons accept any responsibility for the accuracy and completeness of the information contained in any of these documents. The Managers have not independently verified any such information and accept no responsibility for the accuracy thereof.

This Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

The distribution of this Prospectus and the offering, sale and delivery of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required to inform themselves about and to observe any such restrictions. For a description of the restrictions see the section "*Subscription and Sale of the Bonds – Selling Restrictions*" below. In particular, the Bonds have not been and will not be registered under the Securities Act and are subject to United States tax law requirements. Subject to certain exceptions, the Bonds may not be offered, sold or delivered within the United States of America or to U.S. persons as defined in Regulation S under the Securities Act ("**Regulation S**").

The Bonds issued pursuant to this Prospectus are complex financial instruments and are not a suitable or appropriate investment for all investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Bonds to retail investors.

For the avoidance of doubt the content of any website referred to in this Prospectus does not form part of this Prospectus and the information on such websites has not been scrutinized or approved by the CSSF as competent authority under the Prospectus Regulation.

#### **MIFID II PRODUCT GOVERNANCE / TARGET MARKET: PROFESSIONAL INVESTORS AND ECPS ONLY**

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

#### **PRIIPS REGULATION / PROSPECTUS REGULATION / PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS**

The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA or the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by the PRIIPs Regulation for offering or selling the Bonds or otherwise making them available to retail investors in the EEA or the United Kingdom has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA or the United Kingdom may be unlawful under the PRIIPs Regulation.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Bonds (or any beneficial interests therein) from the Issuer and/or the Managers the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

#### **SINGAPORE SECURITIES AND FUTURES ACT PRODUCT CLASSIFICATION**

In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Bonds are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

## **BENCHMARK REGULATION: STATEMENT ON REGISTRATION OF BENCHMARK ADMINISTRATOR**

Following the First Reset Date, interest amounts payable under the Bonds are calculated by reference to the EURIBOR, which is provided by the EMMI. As at the date of this Prospectus, EMMI appears on the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmark Regulation.

## **STABILISATION**

IN CONNECTION WITH THE ISSUE OF THE BONDS, CITIGROUP GLOBAL MARKETS LIMITED (THE "**STABILISING MANAGER**") (OR ANY PERSON ACTING ON BEHALF OF ANY STABILISING MANAGER) MAY OVER-ALLOT BONDS OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE BONDS AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILISATION MAY NOT NECESSARILY OCCUR. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE BONDS IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE BONDS AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE BONDS. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILISING MANAGER (OR ANY PERSON ACTING ON BEHALF OF THE STABILISING MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

## **FORWARD-LOOKING STATEMENTS**

This Prospectus contains certain forward-looking statements, including statements using the words "believes", "anticipates", "intends", "expects" or other similar terms. This applies in particular to statements under the caption "*Description of the Issuer and Munich Re*" and statements elsewhere in this Prospectus relating to, among other things, the future financial performance, plans and expectations regarding developments in the business of the Issuer and Munich Re. These forward-looking statements are subject to a number of risks, uncertainties, assumptions and other factors that may cause the actual results, including the financial position and profitability of the Issuer or Munich Re, to be materially different from or worse than those expressed or implied by these forward-looking statements. Neither the Issuer nor the Managers assume any obligation to update such forward-looking statements and to adapt them to future events or developments.

## **ALTERNATIVE PERFORMANCE MEASURES**

Certain terms used in this Prospectus and financial measures presented in the documents incorporated by reference are not recognised financial measures under International Financial Reporting Standards as adopted by the European Union ("**IFRS**") ("**Alternative Performance Measures**") and may therefore not be considered as an alternative to the financial measures defined in the accounting standards in accordance with generally accepted accounting principles. The Issuer has provided these Alternative Performance Measures because it believes they provide investors with additional information to assess the operating performance and financial standing of Munich Re's business activities. The definition of the Alternative Performance Measures may vary from the definition of identically named alternative performance measures used by other companies. The Alternative Performance Measures for Munich Re, presented by the Issuer should not be considered as an alternative to measures of operating performance or financial standing derived in accordance with IFRS. These Alternative Performance Measures have limitations as analytical tools and should not be considered in isolation or as substitutes for the analysis of the consolidated results or liabilities as reported under IFRS.

For further information, please see "*Description of the Issuer and Munich Re – Alternative Performance Measures*".

## TABLE OF CONTENTS

RISK FACTORS.....	6
TERMS AND CONDITIONS OF THE BONDS .....	24
USE OF PROCEEDS .....	76
DESCRIPTION OF THE ISSUER AND MUNICH RE .....	78
TAXATION .....	107
SUBSCRIPTION AND SALE OF THE BONDS .....	111
GENERAL INFORMATION .....	114
DOCUMENTS INCORPORATED BY REFERENCE .....	116

## **RISK FACTORS**

*Before deciding to purchase the Bonds, potential investors should carefully review and consider the following risk factors and the other information contained in this Prospectus. Should one or more of the risks described below materialise, this may have a material adverse effect on the business, prospects, shareholders' equity, assets, financial position and results of operations (Vermögens-, Finanz- und Ertragslage) or general affairs of the Issuer or the Group. Moreover, if any of these risks occur, the market value of the Bonds and the likelihood that the Issuer will be in a position to fulfil its payment obligations under the Bonds may decrease, in which case the holders of the Bonds could lose all or part of their investments. Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Bonds are also described below.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in the Bonds, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with the Bonds for other unknown reasons than those described below. Additional risks of which the Issuer is not presently aware could also affect the business operations of Munich Re and have a material adverse effect on Munich Re's business activities and financial condition and results of operations. Prospective investors should read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.*

*Words and expressions defined in the Terms and Conditions shall have the same meanings in this section.*

*The following risk factors are organized in categories depending on their respective nature. In each category the most material risk factors, based on the probability of their occurrence and the expected magnitude of their negative impact, are mentioned first.*

*Potential investors should, among other things, consider the following:*

### **Risks relating to the Issuer and Munich Re**

#### ***Underwriting Risks***

The prospects and the profitability of Munich Re are, among other things, subject to underwriting risks. Underwriting risks at Munich Re consist essentially of premium and reserve risks in the Property-Casualty business segment as well as biometric risks and policyholder behaviour (e.g. lapses) risks in the Life/Health business segment.

#### ***Property and Casualty***

The property-casualty risk category encompasses the underwriting risks in the property, motor, third-party liability, personal accident, marine, aviation and space business segment as well as credit classes of insurance, together with special lines also allocated to property-casualty, e.g. contingency business or non-damage business interruption. Underwriting risk is defined as the risk of insured losses being higher than expected. Premium and reserve risks are significant components of the underwriting risk.

Premium risk is the risk of future claims payments relating to insured losses that have not yet occurred being higher than expected. Reserve risk is the risk of technical provisions established being insufficient to cover losses that have already been incurred. An adverse development of claims from new, newly renewed or in-force business could thus adversely impact Munich Re's financial result.

Munich Re calculates its reserves and prices its (re-)insurance contracts using actuarial methods and loss estimates. For the decision to enter a specific reinsurance or retrocession agreement and for the assessment of the adequate technical provisions Munich Re relies, among others, on the provision of correct and sufficient risk information by the relevant ceding company. A provision of incorrect or incomplete information may result in the underwriting of unprofitable business.

Risk-adequate pricing and reserving is particularly difficult in property and casualty business because claims are often settled significantly after the exposure period has ended. Examples of past estimates that turned out to be inaccurate in the market and to a certain extent also within Munich Re are claims in connection with unprecedented large catastrophes (e.g. hurricane Katrina), asbestos, environmental liability claims, as well as bodily injury driven claims (e.g. in workers' compensation insurance or motor insurance). In case of these and other claims, changes in legislation or regulations, trends to more plaintiff-friendly legal decisions and larger compensatory jury awards ("social inflation"), changes in policyholder behaviour, changes in healthcare expenses and repair costs, along with other inflationary variables may make higher claims reserves necessary. Given the dynamically developing practice of court rulings and the unpredictability of future court practice in some of the environments in which Munich Re operates, the accuracy of the level of reserves can be particularly difficult to assess.

Munich Re endeavours to restrict the writing of individual risks by means of underwriting constraints which set out uniform maximum limits on a group-wide basis. Nevertheless there is a risk that the claims burden of any one risk may exceed the underwriting limit for Munich Re. Reasons for this could be, among others, wrong assumptions being made for the calculation of Probable Maximum Loss (PML) for individual risks. There also remains the possibility of an unknown loss accumulation in one and the same risk by way of treaty acceptances from different cedants.

Part of Munich Re's property and casualty business covers potentially large losses from unforeseeable natural catastrophes such as hurricanes, windstorms and hailstorms, earthquakes, tsunamis, wildfires, freezes and floods. The frequency and extent of these catastrophes over a certain period of time can only be estimated using scientific methods based on experience values and prognoses of future changes. However, the frequency of such events can change e.g. due to natural climate cycles.

Large losses to Munich Re's property and casualty (re)insurance book can also arise due to man-made catastrophes such as terrorist attacks, international war and cyber-attacks. Munich Re is exposed to terrorist attacks which are only partially excluded from insurance coverage. Further there is a risk that terrorist attacks cannot be clearly identified, classified or evidenced as terrorist attacks. In this context cyber-attacks present a special challenge in terms of identification of the source of an incident and the potential background. In a similar manner Munich Re could be negatively affected by an international military confrontation given that it is not possible to implement war exclusions in all lines of business and for all regions. It is also likely that cyber warfare will play an increasing role in the future.

Claims arising from natural or man-made catastrophes may result in unexpectedly high losses if catastrophes affecting assets insured by Munich Re occur with higher frequency or have an even greater impact than estimated by Munich Re on the basis of statistical data and scientific models. These unexpectedly high losses may adversely affect the financial condition and consolidated results of Munich Re. In addition to impacting its traditional reinsurance business, natural and man-made catastrophes may, among others, have an impact on Munich Re's economic situation due to its participation in insurance pools and public-private partnerships.

Significant deviations from the expectations and assumptions applied in pricing and reserving compared to the actual claims in the various business segments may negatively affect Munich Re's earnings and could have a material adverse effect on Munich Re's business and financial condition.

### *Life and Health*

Underwriting risk in life and health insurance business is defined as the risk of insured payable benefits being higher than expected. Biometric risks and policyholder-behaviour risks such as lapses and lump-sum options are of particular relevance.

In addition to the risk of random fluctuations of basic parameters such as morbidity and mortality rates, resulting in higher claims expenditure in a particular year, the adverse developments with a short-term impact include rare events such as pandemics. A global pandemic is the largest short-term accumulation risk in the life and health risk category. It could cause an unexpected mortality shock to the portfolio of Munich Re and have a severe cross-balance sheet impact on Munich Re. Munich Re aims to limit this risk by examining its overall exposure in detail using scenario analysis and by defining appropriate measures and limits to manage the risks. Nonetheless, if pandemic events occur more frequently and



result in higher losses than previously expected, these losses may materially adversely affect the financial conditions and consolidated results of Munich Re. An assessment of the potential impact of the current COVID-19 crisis on Munich Re is included in the category "*Other risks*" below.

Life primary insurance products in particular but also a large part of Munich Re's health primary insurance business are by nature long-term commitments and the results they produce are distributed over the entire duration of the policies. This means that negative developments in risk drivers with long-term effects may sustainably reduce the value of the insurance portfolio (trend risks). Trends that may lead to shorter life expectancies than currently assumed, constitute a significant risk for life insurance products with fixed premiums. On the contrary, lower than expected mortality rates constitute the longevity risks for annuity insurance contracts. If longevity trends intensify, additional amounts may have to be allocated to the provision for future policy benefits.

The lower life expectancy risk and the longevity risk arise out of trends moving in opposite directions. However, these risks may not compensate each other due to the different underlying portfolios with regard to, e.g., age and region. Significant deviations from the expectations applied in pricing and reserving compared to the actual claims for the long-term business in the Life (re-)insurance business may negatively affect Munich Re's earnings and could have a material adverse effect on Munich Re's business and financial condition.

In its health insurance business, Munich Re generally works on the assumption that there will be further advances in medical treatment potentially giving rise to higher medical costs. If it is foreseeable that the assumptions behind these calculations are permanently inadequate it is possible to adjust premiums for long-term contracts, thus limiting the financial and balance sheet effects of permanent changes in morbidity. However, such biometric risks may accumulate or be aggravated. This could happen due to the interventions of courts or legislators which may decide to redistribute the risks and rewards of the underlying contracts concluded between the parties or to strengthen policyholders' rights. For example, under the regulations applicable for policyholders in Germany it is no longer possible for an insurer to terminate insurance contracts on the grounds of non-payment of premiums by the policyholder.

In addition policyholder behaviour risks may adversely affect Munich Re. Given that assumptions with respect to the future policyholder behaviour are required to derive adequate life/health insurance reserves, unfavourable and unexpected developments may negatively affect Munich Re's earnings and could have a material adverse effect on Munich Re's business and financial condition.

#### *Policyholder protection schemes*

Munich Re may also be affected by increased obligations under the policyholder protection schemes of which some of Munich Re's legal entities are members. For example, the German life and health insurers are members of the policyholder protection schemes "Protektor" and "Medicator".

If a crisis adversely affects the financial situation of members of the protection scheme, Munich Re entities may be required to make substantial contributions to settle guaranteed policyholder claims against insolvent members. If Munich Re's contributions to policyholder protection schemes are considerably higher than currently anticipated, this may negatively affect Munich Re's earnings and could have an adverse effect on Munich Re's business and financial condition.

#### **Market Risks**

The prospects and the profitability of Munich Re are, among other things, subject to market risk. Market risk is the risk of economic losses resulting from price changes in the capital markets. Market risk is a very material risk for Munich Re due to its large investment portfolio. The most relevant market risk categories for Munich Re include interest rate and credit spread risk, equity risk, currency risk and real estate risk.

#### *Interest rate and credit spread risk*

Interest rate risk relates to changes in the basic yield curves, whereas credit spread risk refers to changes of the difference in the rate of interest between a risk-bearing security and a risk-free security of the same tenor and currency. Examples

include Euro government bonds from various issuers and corporate bonds. Changes in basic interest rates or credit spreads lead to changes in the market value of the corresponding securities.

A sharp increase of the basic interest rate or an increase of credit spreads, e.g., due to higher risk aversion in the financial markets, may have a significant negative impact on Munich Re because the majority of the Group's holdings are invested in fixed-income securities. This could have a negative impact on Munich Re's assets, financial results and financial position.

Fluctuations in interest rate levels not only affect the market value of Munich Re's investments but also the market value of its liabilities from an economic view. Since Munich Re's asset and liability positions do not necessarily match in terms of interest rate sensitivity, any material changes in interest rates may have a negative impact on the economic capitalization of Munich Re. This particularly applies to Munich Re's life and health (re-)insurance business due to the long-term nature of the liabilities and the interest-rate guarantees given to the policyholders in some product families. For example, the primary life insurers and pension scheme providers of Munich Re have a substantial portfolio of policies with guaranteed interest and other policyholder options, including annuity and endowment policies. The benefits paid under life insurance policies in Germany and in other countries are based on guaranteed interest rates equivalent to market standards used to calculate provisions for future policy benefits at the time of issuance of the respective policies.

With interest rates at a very low level for the past years and a potential continuation of this low-interest rate environment, Munich Re's life insurer may be obliged to set up further provisions for products with high guaranteed interest rates. Thus, interest rate risk could materially impact the economic capitalization in a low interest rate environment as long term guarantees in life and health business increase in value. Additionally, the longer the very low interest rate levels continue the more Munich Re's results will be negatively affected by lower reinvestment yields.

Hence, interest rate and credit spread risks may negatively affect Munich Re's earnings and could have a material adverse effect on Munich Re's business and financial condition.

#### *Equity risk*

Equity risk is caused by changes in the value of listed and unlisted equities, equity derivatives or equity index derivatives. Additionally, Munich Re considers alternative investments (e.g. renewable energy and infrastructure investments) in the context of equity risk. The overall equity exposure of Munich Re varies over time due to strategic and tactical decisions around the asset allocation.

Munich Re's investments are subject to market volatility affecting their value and liquidity. In prior years Munich Re has incurred significant impairments on the value of its equities and the risk remains that Munich Re will have to make significant impairments in the future as well. Unfavourable changes in the value of investments in equities may negatively affect Munich Re's earnings and could have a material adverse effect on Munich Re's business and financial condition.

#### *Currency risk*

Munich Re prepares and consolidates its financial statements and solvency position in Euro. However, a significant portion of the revenues and expenses of Munich Re originates from companies outside the Euro zone, including the United States, Canada, Australia, Switzerland and the United Kingdom. As a result, given that Munich Re's non-Euro zone subsidiaries generally record their revenues and expenses in local currency, changes in the exchange rates used to translate foreign currencies into Euro may adversely affect the financial result and shareholder equity of Munich Re on a Group level.

Additionally, negative effects from exchange rate fluctuations may also be caused by a currency mismatch between liabilities and investments on a legal entity level including the Issuer. In general, the management of Munich Re's investment risks is fundamentally based on the maturity and currency structure of the economic liabilities. However, due to various restrictions and differences in accounting standards and regulatory requirements in and between various countries Munich Re operates in, a perfect matching of the liabilities is not feasible. Therefore, a limit for a tolerated mismatch between assets and liabilities is defined in Munich Re's risk strategy. As a consequence, currency risks remain

and unfavourable exchange rate developments may negatively affect Munich Re's earnings and could have a material adverse effect on Munich Re's business and financial condition.

#### *Real estate risk*

Munich Re holds a significant real estate portfolio. These investments are subject to the volatility in the real estate market affecting market value and liquidity of the holdings and are reviewed regularly for impairment. Potential write-downs of the fair value are considered in the income statement if there is objective evidence that the cost may not be recovered.

In prior years Munich Re has incurred impairments on real estate investments that it holds and there is the risk that Munich Re will recognize significant impairments again in the future. Unfavourable changes in the value of investments in real estate may negatively affect Munich Re's earnings and could have a material adverse effect on Munich Re's business and financial condition.

#### **Credit Risk**

The prospects and the profitability of Munich Re are, among other things, subject to credit risk. Credit risk is defined as the financial loss that Munich Re could incur as a result of a change in the financial situation of a counterparty, i.e. either changes in the credit quality of counterparties ("migration risk") or the inability or unwillingness of a counterparty to fulfil contractual obligations ("default risk").

The credit risk of Munich Re is mainly driven by the default and migration risk in Munich Re's investment portfolio. Credit risk also arises from counterparty default risks in its credit reinsurance business or in the course of specific business transactions.

#### *Default and migration risk from investments*

Munich Re is exposed to credit risk with regard to its investment portfolio. The market value of various investments, such as bonds or loans, depends on the credit quality of the obligor. If the credit rating of a counterparty, such as an issuer of securities, declines this could lead to a decrease of the market value of the corresponding securities. In the case the obligor defaults as a result of bankruptcy, lack of liquidity, downturns in asset values, operational failure or other reasons, this could lead to financial losses for Munich Re.

Munich Re is engaged in different types of fixed-interest investments, for instance in government bonds, corporate bonds and mortgage-backed securities. Risk concentrations are in particular present with respect to government bonds from inside and outside the EU. Even though government bond investments were deemed to be of very high credit quality, the European sovereign debt crisis showed that a significant counterparty risk is also attached to this asset class resulting in risk concentrations. However, although Munich Re's investment strategy is in principle geared to products with high credit quality, Munich Re also takes on substantial credit risks to increase the return on its investments on a selective basis.

Furthermore, interest and redemption payments, in particular in case of asset-backed securities, mortgage-backed securities and other covered bonds (including German Pfandbriefe), also depend on the underlying collateral. If bonds cannot be redeemed or if the underlying collateral turns out not to be sufficient, adjustments in value may become necessary or financial losses may occur.

An unexpected, material rise of counterparty defaults and deterioration of credit quality, e.g. in the course of a severe economic recession or debt crisis, may negatively affect Munich Re's earnings and could have a material adverse effect on Munich Re's business and financial condition.

#### *Default risk from credit reinsurance*

Munich Re actively assumes credit risk by writing credit reinsurance business. In this business, trade credit and surety business represents the largest part of the portfolio. Credit risk arises for Munich Re from potential claim payments on limits granted by the primary insurer to its policyholders. The primary carrier insures its policyholders from credit risk associated with short-term trade credits to their clients. If these clients are unable to meet their payment obligations, the

primary insurer indemnifies the loss to the policyholder. Munich Re reinsures the primary insurer and thereby assumes these credit risks.

An unexpected, material rise of defaults of clients of the policyholders may negatively affect Munich Re's earnings and could have an adverse effect on Munich Re's business and financial condition.

#### *Default risk from business transactions*

In the course of its business transactions, Munich Re acquires a large number of receivables and recoverables against counterparties such as cedants, retrocessionaires, insurance brokers, financial institutions and intermediaries. If one or more of these parties default on their obligations to Munich Re due to bankruptcy, lack of liquidity, downturns in the economy asset values, operational failure or other reasons, Munich Re would be exposed to financial losses.

#### ***Operational Risks***

Munich Re is exposed to operational risk. Operational risk is defined as the risk of losses resulting from inadequate or failed internal processes, and incidents caused by the actions of personnel or system malfunctions, or external events. This includes among others IT-related risks, criminal acts committed by employees or third parties, insider trading, infringements of antitrust law, business interruptions, inaccurate processing of transactions, non-compliance with legal or regulatory obligations, and disagreements with business partners.

Risks in relation to IT systems and information assets are of particular importance to Munich Re because the ongoing digital transformation of its business operations entails a growing dependence on a stable and secure IT environment. This also applies with regard to the security of external IT service providers. In case of software and hardware errors, inadequate access controls (especially for privileged accounts), power blackouts, incurred damages, computer viruses, ransomware, terrorist or other acts of sabotage as well as other internal or external threats Munich Re could suffer financial losses, a disruption of its businesses, regulatory interventions or reputational damage.

Further, operational risks stemming from compliance breaches may adversely affect Munich Re's reputation and business. Munich Re and its legal entities must comply with a large number of regulations, provisions and standards in various countries. For example, Munich Re is subject to strict data privacy rules and information security laws and regulations. A breach of these laws and regulations could result in very high fines which could materially impact Munich Re's financial results, reputation and operations. Furthermore, Munich Re is subject to financial sanctions and embargoes against certain governments, entities or individuals as an internationally active reinsurance company. In the event of violations of embargoes or financial sanctions Munich Re could face legal consequences (for example withdrawal of licenses or payment of fines), suffer reputational damage from actual or alleged violations of its various legal duties or face substantial financial fines.

Operational risk may negatively affect Munich Re's earnings and could have a material adverse effect on Munich Re's business and financial condition.

#### ***Legal, Tax and Regulatory Risks***

Munich Re is exposed to legal, tax and regulatory risks. These risks are mainly driven by changes of laws, regulations, taxation and accounting standards, the failure of Munich Re to meet regulatory standards and unfavourable decisions in court actions against Munich Re.

#### *Risk of changes in laws and regulations*

Regulatory and legal changes as well as other government and judicial actions or trends may have an adverse effect on the business or otherwise materially impact Munich Re.

Munich Re's reinsurance, insurance and asset management business is subject to detailed, comprehensive legal requirements as well as supervision by regulators and administrative authorities in all the countries in which Munich Re companies are domiciled and/or do business. Regulatory or administrative authorities have far-reaching powers addressing many aspects of the insurance and financial services business. These aspects may in particular include, but are

not limited to, requirements under insurance (supervisory) law (including requirements regarding customer protection and product distribution), financial crime and sanction requirements, consumer protection rights, anti-trust requirements, anti-money-laundering requirements, legal requirements regarding Munich Re's investments and the management of its assets, and data privacy rules, including information security.

Changes in existing laws and regulations, in their interpretation by courts or the authorities, or the introduction of new legal requirements may affect the markets and jurisdictions in which Munich Re companies do business, the products they may offer to different client groups and the calculation of premiums or benefits as well as the way in which Munich Re companies conduct their business. The EU-exit of the United Kingdom is a current example of a significant change of the legal environment impacting Munich Re's business.

Especially during severe crises, the risk of regulatory or legal changes amplifies and governments or courts may try to alter the interpretation of insurance policy wording. Since the policy wording and the entailed policy exclusions constitute the basis for underwriting risks and calculating premiums, such alterations could pose a significant threat to the insurance industry as a whole and Munich Re in particular. An accumulation of such actions by courts or governments may negatively affect Munich Re's earnings and could have a material adverse effect on Munich Re's business and financial condition.

Governments, regulatory authorities and other bodies have made and continue to make proposals to reform the legal framework for the (re-)insurance and the financial services industry. These include, but are not limited to, the development of a new risk-based, global insurance capital standard (ICS), initiatives for adjustments around the regulatory regime established by Directive 2009/138/EC (commonly referred to as "**Solvency II**"), considerations around the mechanisms applicable to social security systems and corresponding insurance products, and initiatives with regard to sustainable finance. Changes to data privacy rules including information security in various jurisdictions are currently under way or have been adapted in the past years. These legal developments influence the way in which Munich Re operates its business. It is possible that the future regulatory framework for the financial industry or its application changes. One implication could be that in the future Munich Re will be designated as a "Global Systemically Important Insurer" by the Financial Stability Board and would then be subject to the respective policy measures which apply to such groups.

In extreme situations, changes in the regulatory and legal environment could increase the risk that approvals, licenses and permits on which Munich Re's business depends upon in various countries are not extended or are cancelled. Thus, any significant, unfavourable developments in the underlying laws and regulations for the financial industry and the (re-)insurance industry may negatively affect Munich Re's earnings and could have a material adverse effect on Munich Re's business and financial condition.

#### *Changes in accounting standards*

Changes to EU endorsed International Financial Reporting Standards ("**IFRS**") for (re)insurance companies have been proposed in recent years and further changes may be proposed in the future. The International Accounting Standard Board ("**IASB**") has issued in 2017 a new accounting standard for insurance contracts, IFRS 17. In view of ongoing discussions, the IASB published a draft amendment to IFRS 17 Insurance Contracts in June 2019, followed by a finalized amendment in June 2020. In addition to a number of substantive amendments to IFRS 17, there is a provision to delay mandatory first-time application of this standard until 1 January 2023. At the same time, the exception for insurance companies regarding first-time application of IFRS 9 has been extended until 1 January 2023. IFRS17 and all related amendments have not yet been adopted into European law.

This standard is applicable to all primary insurance contracts, to reinsurance assumed and ceded and to investment contracts with discretionary participation features. The measurement requirements are mainly based on a "building block approach", which is made up of a present value of fulfilment cash flows and a contractual service margin. IFRS 17 is likely to be applied by the Issuer starting on 1 January 2023. Early application would be possible if endorsed by the EU and IASB's application rules are adopted by the EU. Implementation of IFRS 9, the new IFRS standard for financial instruments, is mandatorily required for insurance companies at the latest when IFRS 17 is implemented but may be implemented before. IFRS 9 for financial instruments has already been endorsed by the EU in contrast to IFRS 17 for

insurance contracts. IFRS 9 envisages an expected credit loss model for recognizing impairments, by which – unlike under the current incurred loss model of IAS 39 – expected credit losses are anticipated before they arise and must be accounted for as an expense.

IFRS 17 and IFRS 9 will involve fundamental changes to the accounting for insurance companies and related processes. As the required changes will involve a considerable amount of effort in adapting IT systems and changing the underlying work processes, the Issuer has started Group wide implementation projects to meet the requirements of these standards. The measurement in accordance with IFRS 17 is complex and requires all systems and processes in place to forecast the outcome of the one-time transition to IFRS 17 and the timing of profits arising from multiyear-contracts.

The impact of the transition to IFRS 17 on the overall shareholder's equity cannot be reliably estimated at the date of this Prospectus. In the current implementation timeframe without any field-testing it might be challenging for investors to understand the complex measurement mechanics and its presentation and results in the financial statements of insurers. Volatility and uncertainty of future IFRS results could increase the frequency and the extent of changes in investors' estimates on sources of earnings and sustainability of the Issuer's IFRS results and might have an impact on stability of rating models.

Risks with regard to changes in accounting standards may negatively affect Munich Re's earnings and could have an adverse effect on Munich Re's business and financial condition.

#### *Changes in tax legislation and tax risks*

Changes in tax legislation could adversely affect Munich Re's business, e.g. by negatively affecting Munich Re's attractiveness as a business partner and/or the attractiveness of some of its products. Reinsurance as well as primary insurance products may be affected.

The most important factor for the tax burden of Munich Re is the applicable tax rate in the various jurisdictions the Group operates in. A possible minimum tax rate in OECD countries – as proposed by the OECD last year – could increase Munich Re's overall tax burden. As a reinsurance company, the taxable income of the Group is exposed to high fluctuation. As a consequence, loss-carryback and loss carry-forward rules (in particular in Germany, the United States and in Australia) are crucial for Munich Re. Currently capital gains with respect to shares are 95% tax free in Germany. This tax exemption might be abolished or further limited in the future. In addition, the introduction of a financial transaction tax in Europe or other new taxes could adversely affect Munich Re's income.

Munich Re is further exposed to operational risks from inaccurate tax provisions. Significant additional tax liabilities may arise from estimates that turn out to be inaccurate when accounting for tax provisions, tax refund claims or tax reserves, and when adjusting the value of deferred tax items. The posting of taxation expenses, the establishment of provisions for contingent tax payments and the accounting for tax refund claims are, as a rule, based on assumptions and on the interpretation of laws and regulations as well as on court rulings, which are often not entirely clear. The expenses assumed and provisions established may be too low and/or the refund claims may be too high. Munich Re is also exposed to the risk of international double taxation or additional tax burden in the context of local governments and tax inspectors not accepting that business is written and administered by entities in countries with low tax rates.

Any of the developments described above or further adverse changes in the tax legislation of relevant jurisdictions may negatively affect Munich Re's earnings and could have a material adverse effect on Munich Re's business and financial condition.

#### *Failure to meet Solvency II requirements or a negative performance in regulatory stress test*

The Solvency II framework determines, among others, regulatory requirements for the calculation of solvency capital, own funds and technical provisions and prescribes investment restrictions, market consistent valuation of assets and liabilities, regulatory reporting, disclosure as well as governance of insurance companies.

Should Munich Re fail to meet Solvency II requirements, regulators would have broad authority to take various regulatory actions. These measures include limiting or prohibiting the writing of new business, prohibiting payment of dividends or

coupon payments or even putting Munich Re into insolvency. A breach of regulatory capital requirements or a reduction of solvency ratios in one or more of Munich Re's entities may result in the Issuer injecting new capital into its subsidiaries which could in turn adversely affect the Issuer's liquidity and financial position. Regulatory restrictions can reduce Munich Re's ability to move capital within the Group which in turn can adversely affect its liquidity and financial position.

Munich Re uses an internal model to assess its solvency capital requirements under the Solvency II regime. For reinsurance companies the use of an internal model is essential because the standard formula does not capture various important characteristics of a reinsurance business model. The internal model is under continuous review and validation. However, changes and amendments to the model may adversely affect Munich Re's solvency ratios. Furthermore, the volatility of the solvency ratio may be negatively impacted by adverse capital market conditions that are reflected in a market consistent approach in Solvency II. Additionally, there is a risk that the regulatory authorities may (partially) withdraw the approval of the model or impose capital Add-Ons if significant deficiencies were identified in the course of model reviews. Such a withdrawal or capital Add-On could have a material negative impact on Munich Re's solvency ratio.

Furthermore, in order to assess the level of capital in the insurance sector, the national and supra-national regulatory authorities require solvency calculations and conduct stress tests to examine the solvency position of the financial institutions. In particular, should Munich Re perform considerably worse than its peers in such a stress test, this could negatively affect the Munich Re's reputation, business and financial condition.

#### *Litigation risks*

Within their regular business operations – i.e. in their capacity as insurers, asset managers, employers, investors and taxpayers – the Munich Re companies are involved as claimants or defendants in a number of court, administrative, arbitration and regulatory proceedings, in Germany and other countries, including the United States. For a description of material proceedings as of the date of this Prospectus please see "*Description of the Issuer and Munich Re - Governmental, Legal and Arbitration Proceedings*" below.

If the outcome of pending court cases, arbitration proceedings or regulatory procedures is less favourable for Munich Re than expected or if further procedures are instituted, this may negatively affect Munich Re's earnings and could have a material adverse effect on Munich Re's business and financial condition.

#### **Other Risks**

Other risks that may adversely impact Munich Re include liquidity risk, rating risk, strategic risk, reputational risk, emerging risks and risks related to the current COVID-19 pandemic.

#### *Risks related to the COVID-19 pandemic*

The first half of 2020 was marked by the global spread of COVID-19 and far-reaching restrictions on public, private and economic life. The losses caused by the coronavirus and the economic downturn caused by the pandemic will have a significant impact on Munich Re. On 31 March 2020, Munich Re announced that, given the losses already incurred in connection with the cancellation or postponement of major events and the high level of uncertainty regarding the further economic and financial consequences of COVID-19, its previously communicated profit target for the whole year 2020 will not be achieved, assuming that the claims burden from man-made major losses and natural catastrophes remains within the expectations of Munich Re. Since then, Munich Re also retracted other profit targets and combined ratio forecast for this year.

The risk of a second wave of infections is still present. It is difficult to forecast how significant the burden will actually be for Munich Re. In the light of the very considerable uncertainty concerning the further development of the coronavirus pandemic, particular emphasis is placed on monitoring the risk situation. In addition to the risks on the insurance side, Munich Re's pandemic scenario also considers capital market risk and a rise in credit risk which can occur as a result of the pandemic's impact on the global economy.

Munich Re's COVID-19-related, expected losses are dominated by the business segment reinsurance. Munich Re's claims burden in life and health reinsurance depends heavily on how the fatality figures develop, particularly in North America. It is also possible that Munich Re will see an increase in policy benefits arising from disability business. In the property and casualty reinsurance segment, COVID-19-related losses are currently dominated by the insurance of major events. However, there may also be indirect downstream losses, such as in credit reinsurance. In the business segment primary insurance Munich Re expects losses from business interruption, event and travel insurance.

The international financial markets were characterized by significant volatility in the first half of 2020 which also had an impact on available own funds under Solvency II. Despite a considerable recovery in the financial markets in the second quarter of 2020, there is still a high level of uncertainty as regards the length and severity of the recessions in many countries and their impact on the international financial markets. For Munich Re, this entails risks related to a possible extension of credit risk spreads for bonds. Further loss potential for Munich Re may derive from reductions in the market values of shares and property, and from a further decline in interest rates.

The further development of the COVID-19 pandemic and the resulting impact on Munich Re's business varies greatly from one region to the next and cannot be forecasted with any certainty. If the crisis worsens, e.g. caused by the inability to provide a vaccine, various risks described in this Prospectus could have a further negative impact on Munich Re. These risks include, among others, underwriting risks, market risks, credit risk, legal risks and operational risks. Therefore, the global COVID-19 pandemic may continue to negatively affect Munich Re's earnings and could have a material adverse effect on Munich Re's business and its financial condition.

#### *Liquidity risk*

Munich Re is exposed to liquidity risk, i.e. the risk that short-term financial obligations cannot be met without additional costs or loss of capital. Munich Re's objective in managing liquidity risk is to ensure that Munich Re is in a position to meet its payment obligations at all times. To guarantee this, the liquidity position at the units of Munich Re is continuously monitored and subject to stringent requirements for the availability of liquidity. Nonetheless, adverse developments in the capital and credit markets may affect Munich Re's liquidity, cost of capital and access to capital.

To satisfy its liquidity needs, Munich Re needs to rely on functioning capital markets. Extreme and remote volatility or a breakdown of the capital markets may lead to a situation with constraints on Munich Re's ability to convert investments and other assets into cash in a timely manner. This could adversely affect the costs of funding and may impact the refinancing structure of Munich Re, the liquidity and credit capacity to operate its business and the availability of capital across the Group's subsidiaries. Such adverse market conditions may particularly harm Munich Re's access to capital required to operate its insurance operations, such as to satisfy claims, meet regulatory capital requirements and generate fee income and market-related revenue to meet liquidity needs.

Thus, any adverse developments that increase Munich Re's liquidity risk may negatively affect Munich Re's earnings and could have a material adverse effect on Munich Re's business and financial condition.

#### *Rating downgrade risk*

Munich Re's ratings are of central importance for its competitive position. It cannot be ruled out that there will be downgrades in the future as a result of changes in the development of Munich Re's financial conditions and consolidated results or because of changes in the assessment of the industry by the rating agencies and in rating methods, or a combination of these factors.

Future downgrades may have a negative impact on, among other things, Munich Re's reinsurance and primary insurance business. Lower ratings than those of competitors may impair the acquisition of new business and reduce the competitive edge. Moreover, downgrades may have an adverse impact on the cost and implementation of capital measures and may lead to the emergence of new obligations or the early maturity of, or requirement to collateralize, existing obligations that depend on the maintenance of a specific rating.

In addition, Munich Re's rating may affect the ratings of individual Group entities as those ratings are often derived from the Group rating. Rating downgrades may give rise to new obligations or could lead to the acceleration of existing ones



that are dependent on a specific rating of the subsidiary concerned. Conversely, a downgrade of a subsidiary could also negatively affect the result of the Issuer.

A downgrade of Munich Re's rating or of the rating of one of its legal entities may thus adversely affect Munich Re's competitive position and financing costs and as a consequence may negatively affect Munich Re's earnings and could have a material adverse effect on Munich Re's business and financial condition.

#### *Strategic risks*

Munich Re defines strategic risk as the risk of making wrong business decisions, implementing decisions poorly, or being unable to adapt to changes in the operating environment.

In the context of strategic risk, new business models and the low-interest rate environment have further increased the competitive pressure. If Munich Re fails to offer attractive products and services suitable to customers' needs, revenues could be materially adversely affected and Munich Re may lose market shares in important areas which might have a materially adverse impact on Munich Re.

Strategic risk also includes the risk that acquisitions by Munich Re can have adverse effects on its financial position and results of operations. A variety of factors that are partially or entirely beyond Munich Re's control could cause business results of the acquired undertakings to be materially different from what was initially expected. Furthermore, any expected synergies from acquisitions could be materially smaller or materialize only at a later stage than initially expected.

If such strategic risks materialize, this may negatively affect Munich Re's earnings and could have a material adverse effect on Munich Re's business and financial condition.

#### *Reputational risks*

Reputational risk is the risk of damage to Munich Re's reputation as a consequence of a negative public image. Munich Re's reputation as a well-respected, highly trustworthy and socially aware (re-)insurance group represents an important basis for its business model. Munich Re's reputation is influenced by its behaviour in a variety of areas such as client relations, product quality, corporate governance, financial performance, employee relations, and corporate responsibility.

Any misbehaviour of Munich Re or its staff members may lead to adverse publicity and damage to Munich Re's reputation or could trigger increased regulatory supervision, which would affect Munich Re's ability to attract and retain customers, impair access to the capital markets or have other adverse effects on Munich Re.

#### *Emerging risks*

At Munich Re, the term "emerging risks" is used to refer to new or changing risks that could cause substantial future losses and, therefore, are of major concern to insurance and reinsurance companies. By nature, emerging risks are difficult to identify and analyse given that historical evidence is only of limited use to predict the potential consequences of these risks or estimate quantitative probabilities and loss amounts. Emerging risks can occur as a result of legislative, socio-political, scientific, environmental or technological changes and advances. As a consequence of increasing global dependencies, the rapid spread of technological innovations and the changes of the environment due to climate change, the potential impact of emerging risks and their direct and indirect consequences becomes more relevant and immediate for Munich Re.

An emerging risk, the impact of which cannot yet be accurately estimated, is climate change. Climate change represents one of the biggest long-term risks for the insurance industry. It is likely that climate change will lead to an increase in extreme weather events in the long term. Scientific research into climate change is complex and it is possible that impact and materialized losses may differ considerably from Munich Re's expectations. Therefore, the occurrence of natural catastrophes with unexpected characteristics in regard to frequency or severity may have a material negative impact on Munich Re's earnings and financial condition.

Another significant emerging risk for Munich Re's international business model could emerge if a global trend towards political disintegration, nationalism and a breakdown of multilateralism should prevail or even escalate further. As a

global (re-)insurance company, Munich Re is dependent on reliable market access, stable regulatory frameworks and prevalence of the rule of law. Potential withdrawals from international agreements, trade unions and frameworks by more and more governments may result in a fragmentation of the global market and an increase of uncertainty about the future business environment in the respective countries. For Munich Re, this may increase operational complexity, regulatory and capital requirements for local legal entities as well as for the Group as a whole, administrative costs to comply with changing legal requirements, and potentially demand a revision of the business strategy.

Any emerging risks are by nature highly uncertain and their impact on the insurance industry as a whole and Munich Re in particular cannot be credibly assessed as of today. However, any adverse development in the trends mentioned above or the appearance of yet unknown risks may negatively affect Munich Re's earnings and could have a material adverse effect on Munich Re's business and financial condition.

## **Risks relating to the Bonds**

### ***Risks associated with the characteristics of the Bonds***

The risks associated with the characteristics of the Bonds include risks resulting from the subordination of the Bonds, risks related to the fixed rate interest rate applicable until the First Reset Date, risks related to the floating rate interest applicable from the First Reset Date, risks related to interest rate benchmarks, risks related to the nature of the Bonds as long-term securities, risks related to a possible early redemption of the Bonds and risks in connection with the application of the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen*, "SchVG").

#### ***Risks resulting from the subordination of the Bonds***

The obligations under the Bonds constitute unsecured obligations of the Issuer ranking *pari passu* among themselves.

The terms of the Bonds provide that the obligations of the Issuer under the Bonds rank subordinated to all of the Issuer's (i) unsubordinated obligations, (ii) obligations subordinated pursuant to § 39(1) of the German Insolvency Code (*Insolvenzordnung*), (iii) subordinated obligations ranking at least *pari passu* with the Issuer's obligations subordinated by operation of law pursuant to § 39(1) of the German Insolvency Code and (iv) subordinated obligations required to be preferred by mandatory provisions of law.

In the event of the dissolution, liquidation, insolvency or any proceeding to avoid insolvency of the Issuer, the obligations of the Issuer under the Bonds will be fully subordinated to all claims against the Issuer which pursuant to the Terms and Conditions are expressed to, or by operation of law, rank senior to the obligations of the Issuer under the Bonds. In any such event, payments will not be made under the Bonds until all claims ranking senior to the obligations of the Issuer under the Bonds have been satisfied in full.

The holders of the Bonds (the "**Bondholders**" and each a "**Bondholder**") must be aware that, in the circumstances described above, (i) the Issuer will make payments in respect of the Bonds only in accordance with the subordination described above, and (ii) the rights of the Bondholders under the Bonds will be subject to the provisions of insolvency laws applicable to the Issuer from time to time. In a liquidation, dissolution, insolvency, composition or other proceeding for the avoidance of insolvency of, or against, the Issuer, it is very likely that the Bondholders may recover proportionately less than the holders of unsubordinated obligations of the Issuer or may recover nothing at all.

In addition to other limitations on the payment of interest, Arrears of Interest and principal (also see "*Risks related to the nature of the Bonds as long-term securities*" and "*Risks related to deferral of interest payments and restrictions on payment of Arrears of Interest*" below), the Terms and Conditions provide for a pre-insolvency payment prohibition. This means that prior to the commencement of any insolvency or liquidation proceedings over the assets of the Issuer, the Bondholders will only have a due (*fällig*) claim for the relevant scheduled payment of interest, payment of Arrears of Interest or for redemption if no reason for the opening of insolvency proceedings in respect of the Issuer in accordance with the applicable insolvency regulations exists and if the payment of the relevant amount would not itself cause the insolvency of the Issuer or accelerate the process of the Issuer becoming insolvent. These payment conditions constitute a payment prohibition meaning that any payments on the Bonds may only be made by the Issuer if it is made in accordance

with the aforementioned conditions. Any payment made in breach of this prohibition must be repaid to the Issuer irrespective of any agreement to the contrary.

*Risks related to the fixed rate interest applicable until the First Reset Date*

The Bonds bear interest at a fixed rate from and including the Issue Date to but excluding the First Reset Date.

During that time, Bondholders are exposed to the risk that the price of such Bonds may fall because of changes in the market yield. While the nominal interest rate (i.e. the coupon) of the Bonds is fixed until, but excluding, the First Reset Date, the market yield typically changes on a daily basis. As the market yield changes, the price of the Bonds typically changes in the opposite direction. If the market yield increases, the price of the Bonds typically falls. If the market yield falls, the price of the Bonds typically increases. Bondholders should be aware that movements of the market yield can adversely affect the price of the Bonds and can lead to losses for the Bondholders.

Bondholders should also be aware that the market yield has two components, namely the risk-free rate and the credit spread. The credit spread is reflective of the yield that investors require in addition to the yield on a risk-free investment of equal tenor as a compensation for the risks inherent in the Bonds. The credit spread changes over time and can decrease as well as increase for a large number of different reasons. The market yield of the Bonds can change due to changes of the credit spread, the risk-free rate, or both.

*Risks related to the floating rate interest applicable from the First Reset Date*

If the Bonds are not called during the period from and including 26 November 2030 to and including the First Reset Date, the Bonds will bear interest at a floating rate from (and including) the First Reset Date to (but excluding) the Final Maturity Date (excluding).

The floating rate applicable to the Bonds from (and including) the First Reset Date is based on two components, namely the Euro-zone inter-bank offered rate for three-month Euro deposits ("**EURIBOR**") and a margin (the "**Margin**"). The floating rate interest is payable quarterly, and the applicable rate will be determined immediately prior to any Floating Interest Period based on the then prevailing 3-month EURIBOR rate. The Margin was fixed prior to the issue date of the Bonds and will apply to any Floating Interest Period.

Bondholders should be aware that the floating rate interest income is subject to changes to 3-month EURIBOR and therefore cannot be anticipated. Hence, Bondholders are not able to determine a definite yield to maturity of the Bonds following the First Reset Date at the time they purchase them, so that their return on investment cannot be compared with that of investments in fixed rate instruments (i.e. instruments with a coupon that is fixed until maturity).

Because the Margin is fixed prior to the issuance of the Bonds, Bondholders are moreover subject to the risk that the Margin does not reflect the market spread that investors require in addition to 3-month EURIBOR as a compensation for the risks inherent in the Bonds.

Furthermore, during each Floating Interest Period, it cannot be ruled out that the price of the Bonds may fall as a result of changes in the current interest rate on the capital market (market interest rate), as the market interest rate fluctuates. During each of these periods, the investor is exposed to the same risk as described under "*Risks related to the fixed rate interest applicable until the First Reset Date*" above.

*Interest rate benchmark risks*

Reference rates and indices, including interest rate benchmarks, such as EURIBOR, which are used to determine the interest amounts payable under financial instruments or the value of such financial instruments ("**Benchmarks**"), have in recent years been the subject of political and regulatory scrutiny as to how they are created and operated. This has resulted in regulatory reform and changes to existing Benchmarks, with further changes anticipated. International proposals for reform of Benchmarks include in particular the European Council's regulation (EU) 2016/1011 of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the "**Benchmark Regulation**").

These reforms and changes may cause a Benchmark to perform differently than it has done in the past or to be discontinued. Any change in the performance of a Benchmark or its discontinuation, could have a material adverse effect on financial instruments referencing or linked to such Benchmark such as the Bonds following the First Reset Date.

Following the First Reset Date, interest amounts payable under the Bonds are calculated by reference to the EURIBOR, which is provided by the EMMI. The rate of interest for each Floating Interest Period will be determined on the corresponding Interest Determination Date by reference to Reuters Page EURIBOR01 (or such other screen page of Reuters or such other information service, which is the successor to Reuters Page EURIBOR01 for purposes of displaying such rates) (the "**Screen Page**"). In circumstances where EURIBOR is discontinued, neither the Screen Page, nor any successor or replacement may be available.

Under the Terms and Conditions, certain benchmark replacement provisions will apply if a Benchmark used as a reference for the calculation of interest amounts payable under the Bonds were to be discontinued or if one of the other Benchmark Events defined in the Terms and Conditions were to occur in respect of the relevant Benchmark.

If a Benchmark Event has occurred, the Issuer shall endeavour to appoint an independent adviser, which must be an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets. Such independent adviser will be tasked with determining whether an officially recognised successor rate to the discontinued Benchmark exists. If that is not the case, the independent adviser will attempt to find an alternative rate which, possibly after application of adjustments or spreads, can replace the discontinued Benchmark. Such adjustments or spreads are intended to be applied in order to produce an industry-accepted replacement benchmark rate. However, the relevant adjustments or spreads may not be successful in doing so and the Bonds may still perform differently than if the original Benchmark had continued to be used.

If the independent adviser determines a successor rate or alternative rate (the "**New Benchmark Rate**"), such rate will replace the previous Benchmark for purposes of determining the relevant rate of interest. Such determination will be binding for the Issuer, the Calculation Agent, the Paying Agents and the Bondholders. Any amendments pursuant to these fall-back provisions will apply with effect from the effective date specified in the Terms and Conditions.

If the Issuer fails to appoint an independent adviser or if the adviser fails to determine a New Benchmark Rate following a discontinuation of a relevant Benchmark, the reference rate applicable to the immediately following reset period shall be the original benchmark rate determined on the last preceding Interest Determination Date. If this ultimate fallback is to be applied on the first Interest Determination Date prior to the commencement of the first Floating Interest Period, the relevant Benchmark rate applicable to the first Floating Interest Period shall be negative 0.204 per cent. per annum.

The replacement of a Benchmark could have adverse effects on the economic return of the Bondholder compared to the applicable original benchmark rate.

#### *Risks related to the nature of the Bonds as long-term securities including the risk of a delay of redemption*

The Bonds are scheduled to be redeemed at par on 26 May 2041 (the "**Scheduled Maturity Date**"), provided that on such date the Conditions to Redemption and Repurchase (as defined and described in Terms and Conditions) are fulfilled. Before that date, the Issuer has, under certain conditions, the right to redeem or repurchase the Bonds, but is under no obligation to do so. If on the Scheduled Maturity Date the Conditions to Redemption and Repurchase are not met, redemption may be delayed beyond the Scheduled Maturity Date for an indefinite period of time. Therefore, Bondholders may receive the amounts due upon redemption at a much later point in time than initially expected.

Under the Terms and Conditions, the Bondholders have no right to require the redemption of the Bonds prior to the Scheduled Maturity Date, and on or following the Scheduled Maturity Date only if the Conditions to Redemption and Repurchase are fulfilled.

Bondholders should be aware that the Terms and Conditions do not contain any event of default provisions that would allow Bondholders to accelerate the Bonds on the occurrence of an event of default.

There is also no guarantee that an active public market in the Bonds will develop.

Prospective investors should be aware that they may be required to bear the financial risk of an investment in the Bonds for a long period and may not recover their investment before the end of this period.

*Risks related to a possible early redemption of the Bonds*

The Issuer may redeem the Bonds at its option, subject to the Conditions to Redemption and Repurchase being fulfilled, at par plus accrued interest on any day during the period from and including 26 November 2030 to and including the First Reset Date and on any Floating Interest Payment Date thereafter.

The right of redemption at the option of the Issuer may affect the market value of the Bonds. During any period when the Issuer may, or may be perceived to be able to, elect to redeem the Bonds, the market value of the Bonds generally will not rise substantially above the price at which they can be redeemed. Certain market expectations may exist among investors in the Bonds with regard to the Issuer making use of its option to call the Bonds for redemption prior to their scheduled maturity. Should the Issuer's actions diverge from such expectations, or should the Issuer be prevented from meeting these expectations, the market value of the Bonds may be adversely affected.

In addition, the Issuer may also redeem the Bonds prior to 26 November 2030 at its option, subject to the Conditions to Redemption and Repurchase being fulfilled, at any time at par plus accrued interest:

- (i) if as a result of any change in, or amendment or clarification to, the laws, regulations or other rules of the Issuer's country of domicile for tax purposes, any of its political subdivisions or any authority or any other agency of or in such country having power to tax (including in case any such change, amendment or clarification has retroactive effect), or as a result of any change in, or amendment or clarification to, the interpretation or application, or as a result of any interpretation or application made for the first time, of any such laws, regulations or other rules by any legislative body, court or authority (including the enactment of any legislation and the publication of any decision of any court or authority), which change, amendment or clarification becomes effective on or after the date of issue of the Bonds, interest payable by the Issuer in respect of the Bonds is no longer, or will no longer be, fully deductible by the Issuer for income tax purposes in the Issuer's country of domicile for tax purposes, and that risk cannot be avoided by the Issuer taking such measures it (acting in good faith) deems reasonable and appropriate; or
- (ii) if as a result of any change in or amendment to any of the Applicable Accounting Standards, which change or amendment becomes effective on or after the date of issue of the Bonds, the Issuer must not or must no longer (including in case any such change or amendment to the Applicable Accounting Standards or their interpretation has a retroactive effect) record the obligations under the Bonds as liabilities on the balance sheet in the Issuer's annual solo and/or consolidated financial statements prepared in accordance with the relevant Applicable Accounting Standards and this cannot be avoided by the Issuer taking such measures it (acting in good faith) deems appropriate;
- (iii) if the Competent Supervisory Authority states in writing to the Issuer that under the Applicable Supervisory Regulations the Bonds would not be eligible (in whole or in part) to qualify for the inclusion of the Bonds in the calculation of the own funds as Tier 2 Capital for purposes of the determination of the solvency of the Issuer and/or the group solvency of the Munich Re-Group (including the capital adequacy of internationally active insurance groups (IAIG)), and/or that the Bonds no longer fulfil such requirements (in whole or in part), except where this is merely the result of exceeding any applicable limits on the inclusion of the Bonds in the determination of the own funds as Tier 2 Capital of the Issuer and/or of the Munich Re-Group pursuant to the Applicable Supervisory Regulations; or
- (iv) if, as a consequence of a change in, or clarification to, the rating methodology (or the interpretation thereof) of A.M. Best (EU) Rating Services B.V., Fitch Ratings Ltd., Moody's Deutschland GmbH or S&P Global Ratings Europe Ltd., or any respective successor, which change or clarification becomes effective on or after the date of issue of the Bonds, the capital treatment (including the assigned equity content) of the Bonds for the Issuer or the Munich Re-Group worsens in the reasonable opinion of the Issuer, as compared to the capital treatment (including

the assigned equity content) of the Bonds for the Issuer or the Munich Re-Group assigned at or around the date of issue of the Bonds; or

- (v) if the Issuer or its subsidiaries have repurchased or redeemed Bonds equal to or in excess of 80 per cent. of the aggregate principal amount of the Bonds initially issued.

If the Bonds are redeemed prior to 26 November 2030, a Bondholder is exposed to the risk that due to the early redemption his investment will have a lower than expected yield and to the risks connected with any reinvestment of the cash proceeds received as a result of the early redemption. Such cash proceeds may be lower than the then prevailing market price of the Bonds.

#### *Risks in connection with the application of the German Act on Issues of Debt Securities*

Because the Terms and Conditions provide for meetings of Bondholders or the taking of votes without a meeting, the Terms and Conditions may be amended by majority resolution of the Bondholders and a Bondholder is subject to the risk of being outvoted by a majority resolution of the Bondholders. The rules pertaining to resolutions of Bondholders are set out in the SchVG and are largely mandatory. Pursuant to the SchVG the relevant majority for Bondholders' resolutions is generally based on votes cast, rather than on the aggregate principal amount of the Bonds outstanding, therefore, any such resolution may effectively be passed with the consent of less than a majority of the aggregate principal amount of the Bonds outstanding. As such a majority resolution is binding on all Bondholders, certain rights of a Bondholder against the Issuer under the Terms and Conditions may be amended or reduced or even cancelled, which could have significant negative effects on the value of the Bonds and the return from the Bonds.

Because the Terms and Conditions provide that the Bondholders are entitled to appoint a Bondholders' Representative by a majority resolution of the Bondholders, it is possible that a Bondholder may be deprived of its individual right to pursue and enforce its rights under the Terms and Conditions against the Issuer, as such right will pass to the Bondholders' Representative who is then exclusively responsible to claim and enforce the rights of all the Bondholders.

#### *Risks associated with "Green Bonds"*

Due to the envisaged use of the net proceeds from the issuance of the Bonds in accordance with the green bond framework of Munich Re (the "**Green Bond Framework**"), the Issuer refers to the Bonds as "green bonds". The definition (legal, regulatory or otherwise) of, and market consensus as to what constitutes or may be classified as, a "sustainable", "green" or equivalently-labelled project or a loan that may finance such project, is currently under development.

On 18 December 2019, the Council and the European Parliament reached a political agreement on a regulation to establish a framework to facilitate sustainable development (the "**Taxonomy Regulation**"). On 9 March 2020, the Technical Expert Group on Sustainable Finance published its final report on the EU taxonomy containing recommendations relating to the overarching design of the EU Taxonomy, as well as extensive implementation guidance on how companies and financial institutions can use and disclose against the taxonomy, including in relation to a future European standard for green bonds proposed by the Technical Expert Group on Sustainable Finance in 2019 (the "**EU Green Bond Standard**"). On 15 April 2020, the Council adopted by written procedure its position at first reading with respect to the Taxonomy Regulation. The European Parliament will have to vote on the text pursuant to the "early second reading agreement" procedure. On 12 June 2020, the European Commission launched a public consultation on the creation of the EU Green Bond Standard.

There can be no assurance by the Issuer or the Managers that the Green Bond Framework and the use of proceeds of the Bonds will satisfy, whether in whole or in part, any future legislative or regulatory requirements, or any present or future investor expectations or requirements with respect to investment criteria or guidelines with which any investor or its investments are required to comply under its own by-laws or other governing rules or investment portfolio mandates.

In the event that the Bonds are listed or admitted to trading on the Luxembourg Green Exchange or any other dedicated "green", "environmental", "sustainable" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer, the Managers or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements with respect to investment criteria or guidelines with which any investor or its investments are required to comply under

its own by-laws or other governing rules or investment portfolio mandates. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. No representation or assurance is given or made by the Issuer, the Managers or any other person that any such listing or admission to trading will be obtained in respect of the Bonds or, if obtained, that any such listing or admission to trading will be maintained during the life of the Bonds.

The Issuer has appointed Sustainalytics to provide a second party opinion (a "**Second Party Opinion**") on the Issuer's Green Bond Framework. Such Second Party Opinion provides an opinion regarding the alignment of the Green Bond Framework with relevant market standards and its robustness and credibility in the meaning of such market standards. The Second Party Opinion does not form part of this Prospectus and is only an opinion and not a statement of fact. Holders of Bonds will have no recourse against the provider of any Second Party Opinion.

Investors should note that it will not constitute an event of default under the terms of the Bonds or trigger any kind of call right if the Issuer fails to observe the provisions in the Prospectus and the Green Bond Framework relating to the envisaged use of proceeds of the Bonds or the Issuer's intentions as regards allocation and impact reporting.

Materialization of any of the risks described above and in particular a negative change to, or a withdrawal of, any Second Party Opinion, may affect the value of the Bonds and may have consequences for certain investors with portfolio mandates to invest in green assets.

#### ***Risks resulting from the Bonds representing regulatory capital***

The risks resulting from the Bonds representing regulatory capital include risks resulting from the Bonds being structured to meet the criteria to qualify as regulatory capital (own funds), risks related to deferral of interest payments and restrictions on payments of Arrears of Interest and risk related to a deferral of redemption (see also "*Risks related to the nature of the Bonds as long-term securities including the risk of a delay of redemption*" above).

#### ***Risks resulting from the Bonds being structured to meet the criteria to qualify as regulatory capital (own funds)***

The Bonds are structured to meet the criteria to qualify as regulatory capital under Solvency II. The Terms and Conditions are drafted accordingly, implying various risks for investors. In particular, there is the risk that the Issuer may be obliged to defer redemption of the Bonds beyond the Scheduled Maturity Date, or to defer payment of interest beyond any Interest Payment Date, whenever the Issuer or Munich Re does not meet certain regulatory capital requirements in accordance with the Applicable Supervisory Regulations. Moreover, due to the deep subordination of the Bonds there is a higher risk for investors to lose all or part of their investments. Should the Bonds fail to or cease to qualify as regulatory capital, there is a risk that the Bonds may be redeemed prior to the First Reset Date.

#### ***Risks related to deferral of interest payments and restrictions on payment of Arrears of Interest***

If a Compulsory Deferral Event (as defined in the Terms and Conditions) has occurred and is continuing on the relevant Interest Payment Date, interest which accrued during the period ending on but excluding such Interest Payment Date will not be due and payable (*fällig*) on that Interest Payment Date. Any such failure to pay will not constitute a default of the Issuer or any other breach of its obligations under the Bonds or for any other purpose. Interest deferred will constitute Arrears of Interest, with no certainty for Bondholders as to when these Arrears of Interest will be paid. The Issuer will only be entitled to pay Arrears of Interest at any time if the Conditions to Settlement, as further described in the Terms and Conditions, are fulfilled with respect to such payment. These restrictions also apply in the case of a mandatory settlement of Arrears of Interest, as further described in the Terms and Conditions. In particular, the resulting Arrears of Interest will not bear interest.

The same applies if no Compulsory Deferral Event has occurred, and the Issuer elects in its discretion to defer the payment of accrued interest by giving not less than 10 and not more than 15 Business Days' prior notice to the Bondholders provided that, during the six months before the relevant Interest Payment Date, no Compulsory Interest Payment Event has occurred.

Bondholders will not receive any additional interest or compensation for the deferral of interest payments.

***Risks associated with the ability of the Issuer to make payments when due***

The risks associated with the ability of the Issuer to make payments when due include the risk that an investor in the Bonds will lose all or some of its investment should the Issuer become insolvent and the risk that the market value of the Bonds could decrease if the creditworthiness of Munich Re worsens.

*Risk that an investor in the Bonds will lose all or some of its investment should the Issuer become insolvent.*

Any person who purchases the Bonds is relying on the creditworthiness of the Issuer and has no rights against any other person.

Bondholders are subject to the risk of a partial or total failure of the Issuer to make interest and/or redemption payments that the Issuer is obliged to make under the Bonds. A materialisation of the credit risk (for example, due to the materialisation of any of the "*Risks relating to the Issuer and Munich Re*" as described above) may result in partial or total failure of the Issuer to make interest and/or redemption payments under the Bonds. This risk is aggravated by the fact that the Bonds are unsecured and subordinated (see above, "*Risks associated with the characteristics of the Bonds - Risk related to subordination*") and could result in a partial or total loss of the investor's investment in the Bonds.

*Risk that the market value of the Bonds could decrease if the creditworthiness of the Munich Re worsens*

If the likelihood decreases that the Issuer will be in a position to fully perform all obligations under the Bonds when they fall due, for example, because of the materialisation of any of the risks regarding Munich Re or the Issuer, the market value of the Bonds will fall. The market price of the Bonds may also be negatively impacted if the Issuer is perceived to be likely to defer, or has to defer, payments of interest. In addition, even if the likelihood that the Issuer will be in position to fully perform all obligations under the Bonds when they fall due actually has not decreased, market participants could nevertheless have a different perception.

Furthermore, the market participants' assessment of the creditworthiness of corporate debtors in general or debtors operating in the same business as Munich Re could adversely change.

If any of these risks materialises, third parties would only be willing to purchase Bonds for a lower price than the price which prevailed before such risk materialised. Under these circumstances, the market value of the Bonds is likely to decrease.



## TERMS AND CONDITIONS OF THE BONDS

### Anleihebedingungen

*Diese Anleihebedingungen sind in deutscher Sprache abgefasst und mit einer Übersetzung in die englische Sprache versehen. Der deutsche Wortlaut ist allein rechtsverbindlich. Die englische Übersetzung dient nur zur Information.*

#### § 1

##### Definitionen

"**Alternativ-Benchmarksatz**" hat die in § 4(2)(e)(vi) festgelegte Bedeutung.

"**Anleihegläubiger**" hat die in § 2(3) festgelegte Bedeutung.

"**Anpassungsspanne**" hat die in § 4(2)(e)(vi) festgelegte Bedeutung.

"**Anwendbare Aufsichtsrechtliche Vorschriften**" bezeichnet die jeweils geltenden Vorschriften des Versicherungsaufsichtsrechts (einschließlich Solvency II oder anderer, etwaiger künftiger Richtlinien sowie sämtliche unmittelbar anwendbaren Vorschriften des Europäischen Unionsrechts) und darauf bezogene Verordnungen und Regelungen (einschließlich der Leitlinien und Empfehlungen der Europäischen Aufsichtsbehörde für das Versicherungswesen und die betriebliche Altersversorgung, der Verwaltungspraxis der Zuständigen Aufsichtsbehörde und einschlägiger Gerichtsentscheidungen einschließlich etwaiger zukünftiger Übergangsregelungen), die hinsichtlich der Solvabilität der Emittentin und der Gruppensolvabilität der Münchener Rück-Gruppe jeweils anwendbar sind. Dies erfasst auch die Regelungen und Verordnungen hinsichtlich der Gruppensolvabilität sowie der Kapitaladäquanz von international aktiven Versicherungsgruppen (IAIG).

"**Anwendbare Insolvenzrechtliche Vorschriften**" bezeichnet die Vorschriften des maßgeblichen Insolvenzrechts und darauf bezogene Regelungen und Verordnungen (einschließlich der Gerichtspraxis und einschlägiger Gerichtsentscheidungen), die jeweils in Bezug auf die Emittentin anwendbar sind.

"**Anwendbare Rechnungslegungsvorschriften**" bezeichnet

- (i) die Rechnungslegungsgrundsätze nach dem Handelsgesetzbuch in seiner jeweils geltenden Fassung ("**HGB**") oder andere allgemein anerkannte Rechnungslegungsgrundsätze, die diese in Zukunft ersetzen, wie sie von der Emittentin zu den

### Terms and Conditions

*These Terms and Conditions are written in the German language and provided with an English language translation. The German text will be the only legally binding version. The English language translation is provided for convenience only.*

#### § 1

##### Definitions

"**Alternative Benchmark Rate**" has the meaning set out in § 4(2)(e)(vi).

"**Bondholder**" has the meaning set out in § 2(3).

"**Adjustment Spread**" has the meaning set out in § 4(2)(e)(vi).

"**Applicable Supervisory Regulations**" means the provisions of insurance supervisory laws (including Solvency II or any other future directive(s), as well as any directly applicable provisions of European Union law) and any regulations and rules thereunder (including the guidelines and recommendations of the European Insurance and Occupational Pensions Authority, the administrative practice of the Competent Supervisory Authority and any applicable decision of a court including any future grandfathering provisions) for solvency purposes of the Issuer and for group solvency of the Munich Re-Group as applicable from time to time. These include the rules and regulations with respect to the group solvency and capital adequacy of internationally active insurance groups (IAIG).

"**Applicable Insolvency Regulations**" means the provisions of the relevant insolvency laws and any rules and regulations thereunder (including court case law and any applicable court decisions) applicable to the Issuer from time to time.

"**Applicable Accounting Standards**" means, as applicable,

- (i) the accounting principles under the German Commercial Code, as amended (*Handelsgesetzbuch* – "**HGB**") or any other accounting principles generally accepted which subsequently supersede them as applied by the Issuer at the relevant dates and

jeweiligen Stichtagen und für die jeweiligen Rechnungslegungsperioden jeweils für die Erstellung ihres Einzelabschlusses angewendet werden; bzw.

- (ii) die International Financial Reporting Standards (IFRS) oder andere allgemein anerkannte Rechnungslegungsgrundsätze, die diese in Zukunft ersetzen, wie sie von der Emittentin zu den jeweiligen Stichtagen und für die jeweiligen Rechnungslegungsperioden jeweils für die Erstellung ihres Konzernabschlusses angewendet werden.

Ein "**Aufsichtsrechtliches Ereignis**" tritt ein, wenn die Zuständige Aufsichtsbehörde schriftlich gegenüber der Emittentin feststellt, dass nach den Anwendbaren Aufsichtsrechtlichen Vorschriften die Schuldverschreibungen die Anforderungen für die Einbeziehung der Schuldverschreibungen in die Berechnung der Eigenmittel als Tier-2-Kapital für Zwecke der Ermittlung der Solvabilität der Emittentin und/oder der Gruppensolvabilität der Münchener Rück-Gruppe (einschließlich der Kapitaladäquanz von international aktiven Versicherungsgruppen (IAIG)) ganz oder teilweise nicht erfüllen, und/oder die Schuldverschreibungen derartige Anforderungen ganz oder teilweise nicht länger erfüllen, es sei denn, dies beruht allein auf der Überschreitung der anwendbaren Anrechnungsobergrenzen für die Einbeziehung der Schuldverschreibungen in das Tier-2-Kapital der Emittentin und/oder der Münchener Rück-Gruppe aufgrund der Anwendbaren Aufsichtsrechtlichen Vorschriften.

"**Ausstehende Hybridanleihen der Emittentin**" hat die in § 3(1) festgelegte Bedeutung.

"**Benchmark-Änderungen**" hat die in § 4(2)(e)(iv) festgelegte Bedeutung.

"**Benchmark-Ereignis**" hat die in § 4(2)(e)(vi) festgelegte Bedeutung.

"**Berechnungsstelle**" hat die in § 9(1) festgelegte Bedeutung.

"**Bildschirmseite**" hat die in § 4(2)(c) festgelegte Bedeutung.

"**Clearingsystem**" bezeichnet gemeinsam Clearstream Banking S.A., Luxemburg und Euroclear Bank SA/NV, Brüssel.

"**Dauer-Globalurkunde**" hat die in § 2(2) festgelegte Bedeutung.

"**Depotbank**" bezeichnet ein Bank- oder sonstiges Finanzinstitut, bei dem der Anleihegläubiger Schuldver-

for the relevant periods for purposes of drawing up its solo financial statements; or

- (ii) the International Financial Reporting Standards (IFRS) or any other accounting principles generally accepted which subsequently supersede them as applied by the Issuer at the relevant dates and for the relevant periods for purposes of drawing up its consolidated financial statements.

A "**Regulatory Event**" will occur if the Competent Supervisory Authority states in writing to the Issuer that under the Applicable Supervisory Regulations the Bonds would not be eligible (in whole or in part) to qualify for the inclusion of the Bonds in the calculation of the own funds as Tier 2 Capital for purposes of the determination of the solvency of the Issuer and/or the group solvency of the Munich Re-Group (including the capital adequacy of internationally active insurance groups (IAIG)), and/or that the Bonds no longer fulfil such requirements (in whole or in part), except where this is merely the result of exceeding any applicable limits on the inclusion of the Bonds in the determination of the own funds as Tier 2 Capital of the Issuer and/or of the Munich Re-Group pursuant to the Applicable Supervisory Regulations.

"**Issuer's Existing Hybrid Bonds**" has the meaning set out in § 3(1).

"**Benchmark Amendments**" has the meaning set out in § 4(2)(e)(iv).

"**Benchmark Event**" has the meaning set out in § 4(2)(e)(vi).

"**Calculation Agent**" has the meaning set out in § 9(1).

"**Screen Page**" has the meaning set out in § 4(2)(c).

"**Clearing System**" means together Clearstream Banking, S.A., Luxembourg and Euroclear Bank SA/NV, Brussels.

"**Permanent Global Bond**" has the meaning set out in § 2(2).

"**Custodian**" means any bank or other financial institution with which the Bondholder maintains a securities account in

schreibungen im Depot verwahren lässt und das ein Konto bei dem Clearingsystem hat, einschließlich des Clearingsystems.

**"Emittentin"** ist die Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München (**"Münchener Rück"**).

**"Endfälligkeitstag"** hat die in § 5(1) festgelegte Bedeutung.

**"Euro-Zone"** hat die in § 4(2)(c) festgelegte Bedeutung.

**"Erster Resettermin"** ist der 26. Mai 2031.

**"Fakultativer Zinszahlungstag"** bezeichnet jeden Zinszahlungstag, in Bezug auf den während der letzten sechs Monate vor dem betreffenden Zinszahlungstag kein Obligatorisches Zinszahlungsereignis eingetreten ist, und in Bezug auf den kein Pflichtaussetzungsereignis eingetreten ist und fortbesteht.

**"Festgelegter Nennbetrag"** hat die in § 2(1) festgelegte Bedeutung.

**"Festzinsperiode"** hat die in § 4(1)(b) festgelegte Bedeutung.

**"Festzinszahlungstag"** ist der 26. Mai eines jeden Jahres, erstmals am 26. Mai 2021 (erste kurze Zinsperiode).

**"Freiwilliger Nachzahlungstag"** hat die in § 4(5)(a) festgelegte Bedeutung.

**"Geschäftstag"** bezeichnet einen Tag (außer einem Samstag oder Sonntag), (i) an dem das Clearingsystem geöffnet ist, um Zahlungen abzuwickeln, und (ii) der ein TARGET-Geschäftstag ist.

**"Globalurkunde"** hat die in § 2(2) festgelegte Bedeutung.

Ein **"Gross-Up-Ereignis"** tritt ein, wenn der Emittentin ein Gutachten einer anerkannten Anwaltskanzlei vorliegt (und die Emittentin der Hauptzahlstelle eine Kopie davon überlässt), aus dem hervorgeht, dass die Emittentin aufgrund einer an oder nach dem Tag der Begebung der Schuldverschreibungen in Kraft tretenden Änderung oder Klarstellung der Gesetze, Verordnungen oder sonstigen Vorschriften des Staates, in dem die Emittentin steuerlich ansässig ist, einer seiner Gebietskörperschaften oder einer seiner zur Erhebung von Steuern berechtigten Behörden oder sonstigen Stellen (einschließlich des Falles, dass die betreffende Änderung oder Klarstellung rückwirkend Anwendung findet), oder aufgrund einer Änderung der Auslegung oder Anwendung, oder aufgrund einer erstmaligen Auslegung oder Anwendung dieser Gesetze, Verordnungen oder sonstigen Vorschriften durch eine gesetzgebende Körperschaft, ein Gericht oder eine

respect of any Bonds and having an account maintained with the Clearing System, including the Clearing System.

**"Issuer"** means Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München (**"Munich Re"**).

**"Final Maturity Date"** has the meaning set out in § 5(1).

**"Euro-Zone"** has the meaning set out in § 4(2)(c).

**"First Reset Date"** means 26 May 2031.

**"Optional Interest Payment Date"** means each Interest Payment Date in respect of which no Compulsory Interest Payment Event occurred during the six months before the relevant Interest Payment Date, and in respect of which no Compulsory Deferral Event has occurred and is continuing.

**"Principal Amount"** has the meaning set out in § 2(1).

**"Fixed Interest Period"** has the meaning set out in § 4(1)(b).

**"Fixed Interest Payment Date"** means 26 May of each year commencing on 26 May 2021 (short first coupon).

**"Optional Settlement Date"** has the meaning set out in § 4(5)(a).

**"Business Day"** means a day which is a day (other than a Saturday or a Sunday) on which (i) the Clearing System is open to settle payments and (ii) which is a TARGET Business Day.

**"Global Bond"** has the meaning set out in § 2(2).

A **"Gross-Up Event"** will occur if an opinion of a recognised law firm has been delivered to the Issuer (and the Issuer has provided the Principal Paying Agent with a copy thereof) stating that, as a result of any change in, or amendment or clarification to, the laws, regulations or other rules of the Issuer's country of domicile for tax purposes, any of its political subdivisions or any authority or any other agency of or in such country having power to tax (including in case any such change, amendment or clarification has retroactive effect), or as a result of any change in, or amendment or clarification to, the interpretation or application, or as a result of any interpretation or application made for the first time, of any such laws, regulations or other rules by any legislative body, court or authority (including the enactment of any legislation and the publication of any decision of any court or authority), which change or amendment becomes effective

Behörde (einschließlich des Erlasses von Gesetzen sowie der Bekanntmachung von Entscheidungen eines Gerichts oder einer Behörde) verpflichtet ist oder verpflichtet sein wird, Zusätzliche Beträge gemäß § 7 auf die Schuldverschreibungen zu zahlen, und die Emittentin diese Verpflichtung nicht abwenden kann, indem sie Maßnahmen ergreift, die sie nach Treu und Glauben für zumutbar und angemessen hält.

"**Hauptzahlstelle**" hat die in § 9(1) festgelegte Bedeutung.

Ein "**Insolvenzereignis**" ist eingetreten, wenn bezüglich der Emittentin ein Eröffnungsgrund im Sinne der §§ 16 ff. Insolvenzordnung ("**InsO**") oder nach Maßgabe sonstiger Anwendbarer Insolvenzrechtlicher Vorschriften vorliegt.

"**Marge**" ist gleich 2,550 %.

"**Münchener Rück-Gruppe**" bezeichnet die Emittentin und ihre Tochterunternehmen gemäß den Anwendbaren Aufsichtsrechtlichen Vorschriften zur Überwachung der Gruppensolvabilität.

"**Nachfolge-Benchmarksatz**" hat die in § 4(2)(e)(vi) festgelegte Bedeutung.

Die "**Nachzahlungsvoraussetzungen**" sind an einem Tag in Bezug auf eine Zahlung von Zinsrückständen erfüllt, wenn an diesem Tag kein Pflichtaussetzungsereignis eingetreten ist und fortbesteht oder als Folge einer solchen Zahlung eintreten würde.

"**Neue Emittentin**" hat die in § 13(1) festgelegte Bedeutung.

"**Neuer Benchmarksatz**" hat die in § 4(2)(e)(vi) festgelegte Bedeutung.

"**Nominierungsgremium**" hat die in § 4(2)(e)(vi) festgelegte Bedeutung.

"**Obligatorischer Zinszahlungstag**" bezeichnet jeden Zinszahlungstag, in Bezug auf den während der letzten sechs Monate vor dem betreffenden Zinszahlungstag ein Obligatorisches Zinszahlungsereignis eingetreten ist, und in Bezug auf den kein Pflichtaussetzungsereignis eingetreten ist und fortbesteht.

"**Obligatorisches Zinszahlungsereignis**" bezeichnet jedes der folgenden Ereignisse:

- (i) auf der Hauptversammlung der Emittentin wird eine Dividende, sonstige Ausschüttung oder Zahlung auf eine beliebige Gattung von Aktien der Emittentin wirksam beschlossen; oder

on or after the date of issue of the Bonds, the Issuer has or will become obliged to pay Additional Amounts pursuant to § 7 on the Bonds, and that obligation cannot be avoided by the Issuer taking such measures it (acting in good faith) deems reasonable and appropriate.

"**Principal Paying Agent**" has the meaning set out in § 9(1).

An "**Insolvency Event**" will have occurred if a reason for the opening of insolvency proceedings in respect of the Issuer within the meaning of § 16 et seq. of the German Insolvency Code (*Insolvenzordnung*) ("**InsO**") or in accordance with any other Applicable Insolvency Regulations exists.

"**Margin**" means 2.550 per cent.

"**Munich Re-Group**" means the Issuer and its subsidiaries pursuant to the Applicable Supervisory Regulations regarding the supervision of the group solvency.

"**Successor Benchmark Rate**" has the meaning set out in § 4(2)(e)(vi).

The "**Conditions to Settlement**" are fulfilled on a day with respect to any payment of Arrears of Interest if on such day no Compulsory Deferral Event has occurred and is continuing or would occur as a result of such payment.

"**New Issuer**" has the meaning set out in § 13(1).

"**New Benchmark Rate**" means has the meaning set out in § 4(2)(e)(vi)

"**Relevant Nominating Body**" has the meaning set out in § 4(2)(e)(vi).

"**Compulsory Interest Payment Date**" means any Interest Payment Date in respect of which a Compulsory Interest Payment Event occurred during the six months before the relevant Interest Payment Date, and in respect of which no Compulsory Deferral Event has occurred and is continuing.

"**Compulsory Interest Payment Event**" means any of the following events:

- (i) the general meeting of shareholders of the Issuer has validly resolved on any dividend, other distribution or payment on any shares of any class of the Issuer; or

- (ii) die Emittentin leistet eine Abschlagszahlung auf den Bilanzgewinn.

Ein "**Pflichtaussetzungsereignis**" ist in Bezug auf einen Tag, an dem eine Zahlung von Zinsen und/oder Zinsrückständen auf die Schuldverschreibungen gemäß diesen Anleihebedingungen vorgesehen sind, eingetreten, wenn

- (i) entweder an oder vor diesem Tag ein Insolvenzereignis eingetreten ist und an diesem Tag fortbesteht oder die Zahlung zu einem Insolvenzereignis führen oder dessen Eintritt beschleunigen würde; oder
- (ii) an dem betreffenden Tag eine Anordnung der Zuständigen Aufsichtsbehörde in Kraft ist, die der Emittentin untersagt, Zahlungen auf die Schuldverschreibungen zu leisten, oder ein anderes gesetzliches oder behördliches Zahlungsverbot besteht; oder
- (iii) entweder an oder vor diesem Tag ein Solvenzkapitalereignis eingetreten ist und an dem betreffenden Tag fortbesteht oder die betreffende Zahlung zu einem Solvenzkapitalereignis führen würde, es sei denn,
  - (A) die Zuständige Aufsichtsbehörde hat an oder vor diesem Tag ausnahmsweise ihre vorherige Zustimmung zu der Zahlung der betreffenden Zinsen und/oder Zinsrückstände auf die Schuldverschreibungen trotz Solvenzkapitalereignis erteilt und ihre vorherige Zustimmung bis zu diesem Tag nicht widerrufen; und
  - (B) die Zahlung der betreffenden Zinsen und/oder Zinsrückstände auf die Schuldverschreibungen führt nicht zu einer weiteren Schwächung der Solvabilität der Emittentin oder der Münchener Rück-Gruppe; und
  - (C) die geltende Mindestkapitalanforderung der Emittentin und das Minimum der konsolidierten Gruppensolvvenzkapitalanforderung für die Münchener Rück-Gruppe gemäß den Anwendbaren Aufsichtsrechtlichen Vorschriften sind auch nach der Zahlung der betreffenden Zinsen und/oder Zinsrückstände auf die Schuldverschreibungen erfüllt.

- (ii) any payment on account of the balance sheet profit has been made by the Issuer.

A "**Compulsory Deferral Event**" will have occurred with respect to the date on which any payment of interest and/or Arrears of Interest on the Bonds is scheduled to be paid under these Terms and Conditions if

- (i) either an Insolvency Event has occurred on or prior to such date and is continuing on such date or such payment would result in, or accelerate, the occurrence of an Insolvency Event; or
- (ii) there is in effect on such date an order of the Competent Supervisory Authority prohibiting the Issuer from making payments under the Bonds, or there is in effect on such date any other payment prohibition, whether by statute or by order of any authority; or
- (iii) either a Solvency Capital Event has occurred on or prior to such date and is continuing on such date or the relevant payment would result in the occurrence of a Solvency Capital Event, unless
  - (A) on or prior to such date the Competent Supervisory Authority has exceptionally given, and not withdrawn by such date, its prior consent to the payment of the relevant interest and/or Arrears of Interest despite the Solvency Capital Event; and
  - (B) the payment of such interest and/or Arrears of Interest on the Bonds does not lead to a further weakening of the solvency position of the Issuer or the Munich Re-Group; and
  - (C) the applicable minimum capital requirement of the Issuer and the minimum consolidated group solvency capital requirement for the Munich Re-Group pursuant to the Applicable Supervisory Regulations are fulfilled also after the payment of such interest and/or Arrears of Interest on the Bonds.

**"Pflichtnachzahlungstag"** bezeichnet den früheren der folgenden Tage:

- (i) für Zinsrückstände, die vor dem Eintritt eines Obligatorischen Zinszahlungsereignisses entstanden sind, den nächsten Zinszahlungstag, der auf den Tag folgt, an dem ein Obligatorisches Zinszahlungsereignis eingetreten ist, und in Bezug auf den die Nachzahlungsvoraussetzungen erfüllt sind;
- (ii) den Tag, an dem die Schuldverschreibungen gemäß § 5 zur Rückzahlung fällig werden; und
- (iii) den Tag, an dem eine Verfügung zur Abwicklung, Liquidation oder Auflösung der Emittentin ergeht (sofern dies nicht für die Zwecke oder als Folge eines Zusammenschlusses, einer Umstrukturierung oder Sanierung geschieht, bei dem bzw. bei der die Emittentin noch zahlungsfähig ist und bei dem bzw. bei der die fortführende Gesellschaft im Wesentlichen alle Vermögenswerte und Verpflichtungen der Emittentin übernimmt).

**"Qualifizierte Mehrheit"** hat die in § 12(2) festgelegte Bedeutung.

Ein **"Ratingereignis"** tritt ein, wenn sich aufgrund einer an oder nach dem Tag der Begebung der Schuldverschreibungen eingetretenen Änderung oder Klarstellung der Rating-Methodologie (oder deren Auslegung) die Behandlung der Schuldverschreibungen (einschließlich des diesen zugewiesenen Eigenkapitalgehalts) für die Bemessung der Kapitalisierung der Emittentin oder der Münchener Rück-Gruppe durch A.M. Best (EU) Rating Services B.V., Fitch Ratings Ltd., Moody's Deutschland GmbH oder S&P Global Ratings Europe Ltd. (oder eine jeweilige Nachfolgerin), nach begründeter Auffassung der Emittentin im Vergleich zu der Behandlung der Schuldverschreibungen (einschließlich des diesen zugewiesenen Eigenkapitalgehalts) für die Bemessung der Kapitalisierung der Emittentin oder der Münchener Rück-Gruppe an dem oder um den Tag der Begebung der Schuldverschreibungen verschlechtert.

Ein **"Rechnungslegungseignis"** tritt ein, wenn der Emittentin eine Bestätigung einer anerkannten Wirtschaftsprüfungsgesellschaft vorliegt (und die Emittentin der Hauptzahlstelle eine Kopie davon überlässt), aus der hervorgeht, dass die Emittentin aufgrund einer an oder nach dem Tag der Begebung der Schuldverschreibungen eingetretenen Änderung der Anwendbaren Rechnungslegungsvorschriften die Schuldverschreibungen in dem nach Maßgabe der jeweiligen Anwendbaren

**"Mandatory Settlement Date"** means the earlier of the following days:

- (i) in respect of any Arrears of Interest that existed prior to the occurrence of a Compulsory Interest Payment Event, the next Interest Payment Date following the date on which a Compulsory Interest Payment Event occurred and in respect of which the Conditions to Settlement are fulfilled;
- (ii) the date on which the Bonds fall due for redemption in accordance with § 5; and
- (iii) the date on which an order is made for the winding up, liquidation or dissolution of the Issuer (other than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer).

**"Qualified Majority"** has the meaning set out in § 12(2).

A **"Rating Event"** will occur if, as a consequence of a change in, or clarification to, the rating methodology (or the interpretation thereof) of A.M. Best (EU) Rating Services B.V., Fitch Ratings Ltd., Moody's Deutschland GmbH or S&P Global Ratings Europe Ltd., or any respective successor, which change or clarification becomes effective on or after the date of issue of the Bonds, the capital treatment (including the assigned equity content) of the Bonds for the Issuer or the Munich Re-Group worsens in the reasonable opinion of the Issuer, as compared to the capital treatment (including the assigned equity content) of the Bonds for the Issuer or the Munich Re-Group assigned at or around the date of issue of the Bonds.

An **"Accounting Event"** will occur if a confirmation of a recognised auditing firm has been delivered to the Issuer (and the Issuer has provided the Principal Paying Agent with a copy thereof) stating that, as a result of any change in or amendment to any of the Applicable Accounting Standards, which change or amendment becomes effective on or after the date of issue of the Bonds, the Issuer must not or must no longer (including in case any such change or amendment to the Applicable Accounting Standards or their interpretation

Rechnungslegungsvorschriften aufgestellten Einzel- und/oder Konzernjahresabschluss der Emittentin nicht oder nicht mehr (einschließlich des Falles einer rückwirkenden Änderung der Anwendbaren Rechnungslegungsvorschriften) als Verbindlichkeiten in der Bilanz ausweisen kann und die Emittentin dies nicht abwenden kann, indem sie Maßnahmen ergreift, die sie nach Treu und Glauben für angemessen hält.

"**Referenzbanken**" hat die in § 4(2)(c) festgelegte Bedeutung.

"**Referenzbankensatz**" hat die in § 4(2)(c) festgelegte Bedeutung.

"**Referenzsatz**" hat die in § 4(2)(c) festgelegte Bedeutung.

"**Rückzahlungs- und Rückkaufbedingungen**" hat die in § 5(6) festgelegte Bedeutung.

"**Rückzahlungsbetrag**" ist ein Betrag je Schuldverschreibung in Höhe des Festgelegten Nennbetrages zuzüglich der bis zum Tag der Rückzahlung (ausschließlich) in Bezug auf diese Schuldverschreibung aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, sämtlicher fälligen Zinsrückstände in Bezug auf diese Schuldverschreibung.

"**Schuldverschreibungen**" hat die in § 2(1) festgelegte Bedeutung.

"**Solvency II**" bezeichnet die Richtlinie 2009/138/EG des Europäischen Parlaments und des Rates vom 25. November 2009 in der jeweils geltenden Fassung, die dazu erlassenen weiteren Rechtsakte der Europäischen Union, einschließlich der Delegierten Verordnung (EU) 2015/35 der Kommission vom 10. Oktober 2014, und die darauf bezogenen einschlägigen Umsetzungsgesetze und -maßnahmen, in der jeweils gültigen Fassung.

Ein "**Solvenzkapitalereignis**" ist eingetreten, falls eines der folgenden Ereignisse eingetreten ist:

- (i) auf nicht-konsolidierter Ebene der Emittentin reichen die Eigenmittel nicht aus, um die Solvenzkapitalanforderung der Emittentin gemäß den Anwendbaren Aufsichtsrechtlichen Vorschriften oder die Mindestkapitalanforderung der Emittentin gemäß den Anwendbaren Aufsichtsrechtlichen Vorschriften zu erfüllen;
- (ii) auf konsolidierter Ebene der Münchener Rück-Gruppe reichen die Eigenmittel nicht aus, um die anwendbare Solvenzkapitalanforderung oder das Minimum der konsolidierten Gruppensolvvenzkapitalanforderung für die

has retroactive effect) record the obligations under the Bonds as liabilities on the balance sheet in the Issuer's annual solo and/or consolidated financial statements prepared in accordance with the relevant Applicable Accounting Standards and this cannot be avoided by the Issuer taking such measures it (acting in good faith) deems appropriate.

"**Reference Banks**" has the meaning set out in § 4(2)(c).

"**Reference Bank Rate**" has the meaning set out in § 4(2)(c).

"**Reference Rate**" has the meaning set out in § 4(2)(c).

"**Conditions to Redemption and Repurchase**" has the meaning set out in § 5(6).

"**Redemption Amount**" means an amount per Bond equal to the Principal Amount plus any interest accrued on such Bond to but excluding the date of redemption but unpaid and, for the avoidance of doubt, any Arrears of Interest due on such Bond.

"**Bonds**" has the meaning set out in § 2(1).

"**Solvency II**" means Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 as amended from time to time, the further legislative acts of the European Union enacted in relation thereto including Commission Delegated Regulation (EU) 2015/35 of 10 October 2014, and the applicable legislation and measures implementing the same, in each case as amended from time to time.

A "**Solvency Capital Event**" will have occurred if any of the following events has occurred:

- (i) on an unconsolidated basis of the Issuer the own funds (*Eigenmittel*) are not sufficient to cover the solvency capital requirement of the Issuer in accordance with the Applicable Supervisory Regulations or the minimum capital requirement of the Issuer in accordance with the Applicable Supervisory Regulations;
- (ii) on a consolidated basis of the Munich Re-Group the own funds (*Eigenmittel*) are not sufficient to cover the applicable solvency capital requirement of, or the minimum consolidated group solvency capital

Münchener Rück-Gruppe gemäß den Anwendbaren Aufsichtsrechtlichen Vorschriften zu erfüllen.

Ein "**Steuerereignis**" tritt ein, wenn der Emittentin ein Gutachten einer anerkannten Anwaltskanzlei vorliegt (und die Emittentin der Hauptzahlstelle eine Kopie davon überlässt), aus dem hervorgeht, dass aufgrund einer an oder nach dem Tag der Begebung der Schuldverschreibungen in Kraft tretenden Änderung oder Klarstellung der Gesetze, Verordnungen oder sonstigen Vorschriften des Staates, in dem die Emittentin steuerlich ansässig ist, einer seiner Gebietskörperschaften oder einer seiner zur Erhebung von Steuern berechtigten Behörden oder sonstigen Stellen (einschließlich des Falles, dass die betreffende Änderung oder Klarstellung rückwirkend Anwendung findet), oder aufgrund einer Änderung oder Klarstellung der Auslegung oder Anwendung, oder aufgrund einer erstmaligen Auslegung oder Anwendung dieser Gesetze, Verordnungen oder sonstigen Vorschriften durch eine gesetzgebende Körperschaft, ein Gericht oder eine Behörde (einschließlich des Erlasses von Gesetzen sowie der Bekanntmachung von Entscheidungen eines Gerichts oder einer Behörde), Zinsen, die von der Emittentin auf die Schuldverschreibungen zu zahlen sind, von der Emittentin nicht mehr für die Zwecke der Ertragsteuer in dem Staat, in dem die Emittentin steuerlich ansässig ist, voll abzugsfähig sind, bzw. nicht mehr voll abzugsfähig sein werden, und die Emittentin dieses Risiko nicht abwenden kann, indem sie Maßnahmen ergreift, die sie nach Treu und Glauben für zumutbar und angemessen hält.

"**Steuern**" hat die in § 7 festgelegte Bedeutung.

"**Stichtag**" hat die in § 4(2)(e)(vii) festgelegte Bedeutung.

"**TARGET-Geschäftstag**" bezeichnet einen Tag, an dem alle maßgeblichen Stellen des Trans-European Automated Real-time Gross settlement Express Transfer system 2 (TARGET) offen sind, um Zahlungen abzuwickeln.

"**Tier-2-Kapital**" bezeichnet für Zwecke dieser Anleihebedingungen die Tier-2-Basiseigenmittel der Emittentin bzw., soweit anwendbar, die Tier-2-Kapitalressourcen der Emittentin (wie in den Anwendbaren Aufsichtsrechtlichen Vorschriften definiert).

"**Unabhängiger Berater**" hat die in § 4(2)(e)(vi) festgelegte Bedeutung.

"**Ursprünglicher Benchmarksatz**" hat die in § 4(2)(c) festgelegte Bedeutung.

"**Variable Zinsperiode**" bezeichnet jeden Zeitraum ab dem Ersten Resettermin (einschließlich) bis zum ersten Variablen

requirement for, the Munich Re-Group in accordance with the Applicable Supervisory Regulations.

A "**Tax Event**" will occur if an opinion of a recognised law firm has been delivered to the Issuer (and the Issuer has provided the Principal Paying Agent with a copy thereof) stating that, as a result of any change in, or amendment or clarification to, the laws, regulations or other rules of the Issuer's country of domicile for tax purposes, any of its political subdivisions or any authority or any other agency of or in such country having power to tax (including in case any such change, amendment or clarification has retroactive effect), or as a result of any change in, or amendment or clarification to, the interpretation or application, or as a result of any interpretation or application made for the first time, of any such laws, regulations or other rules by any legislative body, court or authority (including the enactment of any legislation and the publication of any decision of any court or authority), which change, amendment or clarification becomes effective on or after the date of issue of the Bonds, interest payable by the Issuer in respect of the Bonds is no longer, or will no longer be, fully deductible by the Issuer for income tax purposes in the Issuer's country of domicile for tax purposes, and that risk cannot be avoided by the Issuer taking such measures it (acting in good faith) deems reasonable and appropriate.

"**Taxes**" has the meaning set out in § 7.

"**Effective Date**" has the meaning set out in § 4(2)(e)(vii).

"**TARGET Business Day**" means a day on which all relevant parts of the Trans-European Automated Real-time Gross settlement Express Transfer system 2 (TARGET) are open to effect payments.

"**Tier 2 Capital**" for purposes of these Terms and Conditions means the Tier 2 basic own funds of the Issuer or, if applicable, the Tier 2 capital resources of the Issuer (as stipulated in the Applicable Supervisory Regulations).

"**Independent Adviser**" has the meaning set out in § 4(2)(e)(vi).

"**Original Benchmark Rate**" has the meaning set out in § 4(2)(c).

"**Floating Interest Period**" means each period from and including the First Reset Date to but excluding the first



Zinszahlungstag (ausschließlich) und nachfolgend ab jedem Variablen Zinszahlungstag (einschließlich) bis zu dem jeweils nächstfolgenden Variablen Zinszahlungstag (ausschließlich).

**"Variabler Zinsbetrag"** hat die in § 4(2)(d) festgelegte Bedeutung.

**"Variabler Zinssatz"** hat die in § 4(2)(b) festgelegte Bedeutung.

**"Variabler Zinstagequotient"** bezeichnet im Hinblick auf die Berechnung des Variablen Zinsbetrages auf die Schuldverschreibungen für einen beliebigen Zeitraum (ab dem ersten Tag dieses Zeitraums (einschließlich) bis zum letzten Tag dieses Zeitraums (ausschließlich)) (unabhängig davon, ob es sich dabei um eine Variable Zinsperiode handelt, der **"Variable Zinsberechnungszeitraum"**) die tatsächliche Anzahl der Tage im Variablen Zinsberechnungszeitraum dividiert durch 360 (Actual/360).

**"Variabler Zinszahlungstag"** bezeichnet den 26. Februar, 26. Mai, 26. August und 26. November eines jeden Jahres, beginnend mit dem 26. August 2031. Falls ein Variabler Zinszahlungstag auf einen Tag fällt, der kein Geschäftstag ist, wird dieser Variable Zinszahlungstag auf den nächstfolgenden Geschäftstag verschoben, sofern er dadurch nicht in den nächsten Kalendermonat fallen würde; in diesem Fall wird der betreffende Variable Zinszahlungstag auf den unmittelbar vorausgehenden Geschäftstag vorgezogen.

**"Vorgesehener Endfälligkeitstag"** hat die in § 5(1) festgelegte Bedeutung.

**"Vorläufige Globalurkunde"** hat die in § 2(2) festgelegte Bedeutung.

**"Vorrangige Verbindlichkeiten der Emittentin"** hat die in § 3(1) festgelegte Bedeutung.

**"Zahlstellen"** hat die in § 9(1) festgelegte Bedeutung.

**"Zinsfestsetzungstag"** hat die in § 4(2)(c) festgelegte Bedeutung.

**"Zinslaufbeginn"** ist 23. September 2020.

**"Zinsperiode"** bezeichnet jede Festzinsperiode und jede Variable Zinsperiode.

**"Zinsrückstände"** hat die in § 4(4)(d) festgelegte Bedeutung.

**"Zinszahlungstag"** bezeichnet jeden Festzinszahlungstag und jeden Variablen Zinszahlungstag.

Floating Interest Payment Date and thereafter from and including each Floating Interest Payment Date to but excluding the next following Floating Interest Payment Date.

**"Floating Interest Amount"** has the meaning set out in § 4(2)(d).

**"Floating Interest Rate"** has the meaning set out in § 4(2)(b).

**"Floating Day Count Fraction"** means in respect of the calculation of the Floating Interest Amount on the Bonds for any period of time (from and including the first day of such period to but excluding the last day of such period) (whether or not constituting a Floating Interest Period, the **"Floating Calculation Period"**) the actual number of days in the Floating Calculation Period divided by 360 (actual/360).

**"Floating Interest Payment Date"** means 26 February, 26 May, 26 August and 26 November in each year, commencing on 26 August 2031. If any Floating Interest Payment Date would otherwise fall on a day which is not a Business Day, it will be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event the Floating Interest Payment Date will be the immediately preceding Business Day.

**"Scheduled Maturity Date"** has the meaning set out in § 5(1).

**"Temporary Global Bond"** has the meaning set out in § 2(2).

**"Issuer's Senior Ranking Obligations"** has the meaning set out in § 3(1).

**"Paying Agents"** has the meaning set out in § 9(1).

**"Interest Determination Date"** has the meaning set out in § 4(2)(c).

**"Interest Commencement Date"** means 23 September 2020.

**"Interest Period"** means each Fixed Interest Period and each Floating Interest Period.

**"Arrears of Interest"** has the meaning set out in § 4(4)(d).

**"Interest Payment Date"** means each Fixed Interest Payment Date and each Floating Interest Payment Date.

"**Zusätzliche Beträge**" hat die in § 7 festgelegte Bedeutung.

"**Zuständige Aufsichtsbehörde**" ist die Bundesanstalt für Finanzdienstleistungsaufsicht bzw. jede Behörde, die ihr Funktionsnachfolger als Versicherungsaufsichtsbehörde für die Emittentin bzw. die Münchener Rück-Gruppe wird.

## § 2

### Verbriefung und Nennbetrag

- (1) Währung, Nennbetrag und Form.

Die Emittentin begibt auf den Inhaber lautende, nachrangige, fest- bis variabel verzinsliche Schuldverschreibungen (die "**Schuldverschreibungen**") im festgelegten Nennbetrag von je € 100.000 (der "**Festgelegte Nennbetrag**") und im Gesamtnennbetrag von € 1.250.000.000.

- (2) Globalurkunden und Austausch.

Die Schuldverschreibungen werden zunächst in einer vorläufigen Globalinhaberschuldverschreibung (die "**Vorläufige Globalurkunde**") ohne Zinsscheine verbrieft und am oder um den Tag der Begebung der Schuldverschreibungen bei einer gemeinsamen Verwahrstelle für das Clearingsystem hinterlegt. Die Vorläufige Globalurkunde wird insgesamt oder teilweise nicht vor Ablauf von 40 Tagen nach dem Tag der Begebung der Schuldverschreibungen, gegen Vorlage einer Bestätigung über das Nichtbestehen U.S.-amerikanischen wirtschaftlichen Eigentums (*beneficial ownership*) an den Schuldverschreibungen nach U.S.-amerikanischen Steuerrecht und gemäß den Regeln und Betriebsabläufen des Clearingsystems gegen eine dauerhafte Globalinhaberschuldverschreibung (die "**Dauer-Globalurkunde**") und, gemeinsam mit der Vorläufigen Globalurkunde, jeweils eine "**Globalurkunde**") ohne Zinsscheine unentgeltlich ausgetauscht. Zahlungen auf eine Vorläufige Globalurkunde erfolgen nur nach Vorlage einer solchen Bestätigung. Einzelurkunden oder Zinsscheine werden nicht ausgegeben.

Die Vorläufige Globalurkunde und die Dauer-Globalurkunde werden solange von dem Clearingsystem oder im Auftrag des Clearingsystems verwahrt, bis sämtliche Verpflichtungen der Emittentin aus den Schuldverschreibungen erfüllt sind.

"**Additional Amounts**" has the meaning set out in § 7.

"**Competent Supervisory Authority**" means the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) or any authority which becomes its successor in such capacity as insurance regulator competent for the Issuer or the Munich Re-Group.

## § 2

### Form and Denomination

- (1) Currency, Denomination and Form.

The Issuer issues subordinated fixed to floating rate bearer bonds (the "**Bonds**") in a denomination of € 100,000 each (the "**Principal Amount**") in the aggregate principal amount of € 1,250,000,000.

- (2) Global Bonds and Exchange.

The Bonds will initially be represented by a temporary global bearer bond (the "**Temporary Global Bond**") without coupons which will be deposited with a common depository for the Clearing System on or around the date of issue of the Bonds. The Temporary Global Bond will be exchangeable, in whole or in part and free of charge, for a permanent global bearer Bond (the "**Permanent Global Bond**") and, together with the Temporary Global Bond, each a "**Global Bond**") without coupons not earlier than 40 days after the date of issue of the Bonds upon certification as to non-U.S. beneficial ownership as required by U.S. tax law and in accordance with the rules and operating procedures of the Clearing System. Payments on a Temporary Global Bond will only be made after presentation of such certification. No definitive Bonds or interest coupons will be issued.

Each of the Temporary Global Bond and the Permanent Global Bond will be held in custody by or on behalf of the Clearing System until all obligations of the Issuer under the Bonds have been satisfied.

- (3) Den Inhabern von Schuldverschreibungen ("Anleihegläubiger") stehen Miteigentumsanteile oder vergleichbare andere Rechte an der Globalurkunde zu, die nach Maßgabe des anwendbaren Rechts und der Regeln und Bestimmungen des Clearingsystems übertragen werden können.

### § 3 Status

- (1) Status der Schuldverschreibungen.

Die Schuldverschreibungen begründen nicht besicherte, nachrangige Verbindlichkeiten der Emittentin. Im Fall der Auflösung, der Liquidation, der Insolvenz oder eines der Abwendung der Insolvenz der Emittentin dienenden Verfahrens

- (a) sind die Verbindlichkeiten aus den Schuldverschreibungen gleichrangig untereinander und gleichrangig mit den Verbindlichkeiten der Emittentin aus Instrumenten, die nach ihren Bedingungen oder aufgrund gesetzlicher Anordnungen den Schuldverschreibungen im Range gleichstehen (einschließlich der Ausstehenden Hybridanleihen der Emittentin);
- (b) gehen die Verbindlichkeiten der Emittentin aus den Schuldverschreibungen allen Vorrangigen Verbindlichkeiten der Emittentin im Rang nach, so dass Zahlungen auf die Schuldverschreibungen solange nicht erfolgen, wie die Vorrangigen Verbindlichkeiten der Emittentin nicht vollständig befriedigt sind.

**"Vorrangige Verbindlichkeiten der Emittentin"** bezeichnet alle

- (a) nicht nachrangigen Verbindlichkeiten der Emittentin (zur Klarstellung: dies schließt Ansprüche sämtlicher Versicherungsnehmer und Anspruchsberechtigter aus Versicherungs- und Rückversicherungsverträgen ein);
- (b) nachrangigen Verbindlichkeiten der Emittentin gemäß § 39 Absatz 1 InsO;
- (c) nachrangigen Verbindlichkeiten der Emittentin, soweit diese mit gesetzlich nachrangigen Verbindlichkeiten der

- (3) The holders of Bonds ("**Bondholders**") are entitled to co-ownership interests or other comparable rights in the Global Bond which are transferable in accordance with applicable law and the rules and regulations of the Clearing System.

### § 3 Status

- (1) Status of the Bonds.

The Bonds constitute unsecured subordinated obligations of the Issuer. In the event of the dissolution, liquidation, insolvency or any proceeding to avoid insolvency of the Issuer,

- (a) the obligations under the Bonds rank *pari passu* among themselves and *pari passu* with obligations of the Issuer under instruments which, pursuant to their terms or mandatory provisions of law rank *pari passu* with the Bonds (including the Issuer's Existing Hybrid Bonds);
- (b) the obligations of the Issuer under the Bonds will be subordinated to all the Issuer's Senior Ranking Obligations, so that in any such event no amounts will be payable in respect of the Bonds until the Issuer's Senior Ranking Obligations have been satisfied in full.

**"Issuer's Senior Ranking Obligations"** means all

- (a) unsubordinated obligations of the Issuer (for the avoidance of doubt, including any claims of all policy holders and beneficiaries under insurance and reinsurance contracts);
- (b) subordinated obligations of the Issuer pursuant to § 39(1) InsO;
- (c) subordinated obligations ranking at least *pari passu* with the Issuer's obligations

Emittentin gemäß § 39 Absatz 1 InsO zumindest gleichrangig sind; und	subordinated by operation of law pursuant to § 39(1) InsO; and
(d) nachrangigen Verbindlichkeiten der Emittentin, soweit zwingende gesetzliche Bestimmungen solche anderen nachrangigen Verbindlichkeiten im Rang besserstellen.	(d) subordinated obligations of the Issuer required to be preferred by mandatory provisions of law.
<b>"Ausstehende Hybridanleihen der Emittentin"</b> bezeichnet folgende Anleihen:	<b>"Issuer's Existing Hybrid Bonds"</b> means the following bonds:
(a) EUR 1,000,000,000 6.00 per cent. 2011/2041 Subordinated Fixed to Floating Rate Bonds, ISIN: XS0608392550;	(a) EUR 1,000,000,000 6.00 per cent. 2011/2041 Subordinated Fixed to Floating Rate Bonds, ISIN: XS0608392550;
(b) EUR 900,000,000 6.250 per cent. 2012/2042 Subordinated Fixed to Floating Rate Bonds, ISIN: XS0764278528;	(b) EUR 900,000,000 6.250 per cent. 2012/2042 Subordinated Fixed to Floating Rate Bonds, ISIN: XS0764278528;
(c) £ 450,000,000 6.625 per cent. 2012/2042 Subordinated Fixed to Floating Rate Bonds, ISIN: XS0764278288; und	(c) £ 450,000,000 6.625 per cent. 2012/2042 Subordinated Fixed to Floating Rate Bonds, ISIN: XS0764278288; and
(d) EUR 1.250,000,000 3.250 per cent. 2018/2049 Subordinated Fixed to Floating Rate Bonds, ISIN: XS1843448314.	(d) EUR 1,250,000,000 3.250 per cent. 2018/2049 Subordinated Fixed to Floating Rate Bonds, ISIN: XS1843448314.
(2) Keine Sicherheit.  Für die Rechte der Anleihegläubiger aus den Schuld- verschreibungen ist diesen keine Sicherheit durch die Emittentin oder durch Dritte gestellt; eine solche Sicherheit wird auch zu keinem Zeitpunkt gestellt werden.	(2) No security.  No security of whatever kind is, or will at any time be, provided by the Issuer or any other person securing rights of the Bondholders under the Bonds.
(3) Aufrechnungsverbot.  Die Anleihegläubiger sind nicht berechtigt, Forderungen aus den Schuldverschreibungen gegen mögliche Forderungen der Emittentin gegen sie aufzurechnen. Die Emittentin ist nicht berechtigt, Forderungen gegenüber den Anleihegläubigern mit den Verbindlichkeiten aus den Schuldverschreibun- gen aufzurechnen.	(3) No right to set-off.  The Bondholders may not set off any claims arising under the Bonds against any claims that the Issuer may have against each of them. The Issuer may not set off any claims it may have against any Bondholder against any of its obligations under the Bonds.
(4) Zahlungsbedingungen, (vorinsolvenzliches) Zahlungsverbot.  Bereits vor Einleitung eines Insolvenz- oder Liquidationsverfahrens steht	(4) Payment Conditions, (Pre-Insolvency) Payment Prohibition.  Prior to the commencement of any insolvency or liquidation proceedings
(a) jede Zahlung von Zinsen und Zinsrückständen auf die Schuldverschreibun- gen unter dem Vorbehalt der Erfüllung der Bedingungen gemäß § 4(4) und § 4(5); und	(a) any payment of interest and Arrears of Interest on the Bonds will be subject to the conditions set forth in § 4(4) and § 4(5) being fulfilled; and

- (b) jede Rückzahlung und jeder Rückkauf der Schuldverschreibungen unter dem Vorbehalt der Erfüllung der Rückzahlungs- und Rückkaufbedingungen gemäß § 5(6).

Zu den Bedingungen gemäß § 4(4) und § 4(5) und zu den Rückzahlungs- und Rückkaufbedingungen gemäß § 5(6) gehört die Bedingung, dass an dem Tag, an dem der betreffende Betrag von Kapital oder Zinsen (oder Zinsrückständen) zur Zahlung vorgesehen ist, weder ein Insolvenzereignis eingetreten ist und an diesem Tag fortbesteht noch die Zahlung ein Insolvenzereignis auslösen oder dessen Eintritt beschleunigen würde.

Das bedeutet, dass die Anleihegläubiger bereits vor Einleitung eines Insolvenz- oder Liquidationsverfahrens über das Vermögen der Emittentin nur dann einen fälligen Anspruch auf die betreffende vorgesehene Zahlung von Zinsen, Nachzahlung von Zinsrückständen oder Rückzahlung haben, sofern kein Eröffnungsgrund für ein Insolvenzverfahren im Sinne der Anwendbaren Insolvenzrechtlichen Vorschriften vorliegt und die Zahlung des betreffenden Betrages nicht die Insolvenz der Emittentin verursachen oder den Prozess der Insolvenz der Emittentin beschleunigen würde. Gemäß den am Tag der Begebung der Schuldverschreibungen geltenden Anwendbaren Insolvenzrechtlichen Vorschriften sind folgende Eröffnungsgründe möglich: Die Emittentin ist am vorgesehenen Zahlungstag (i) überschuldet im Sinne von § 19 InsO oder (ii) zahlungsunfähig im Sinne von § 17 InsO, oder (iii) es liegt eine drohende Zahlungsunfähigkeit der Emittentin vor.

Diese Zahlungsbedingungen begründen ein Zahlungsverbot dahingehend, dass Zahlungen auf die Schuldverschreibungen von der Emittentin nur nach Maßgabe der vorgenannten Bedingungen geleistet werden dürfen. Verbotswidrige Zahlungen sind der Emittentin ohne Rücksicht auf entgegenstehende Vereinbarungen zurückzugewähren.

- (5) Unter Beachtung von § 3(1) bleibt es der Emittentin unbenommen, ihre Verbindlichkeiten aus den Schuldverschreibungen auch aus dem sonstigen freien Vermögen zu bedienen.

- (b) any redemption and any repurchase of the Bonds will be subject to the Conditions to Redemption and Repurchase set forth in § 5(6) being fulfilled.

The conditions set forth in § 4(4) and § 4(5) and the Conditions to Redemption and Repurchase set forth in § 5(6) include the condition that, on the date on which the relevant amount of principal or interest (or Arrears of Interest) is scheduled to be paid, neither an Insolvency Event has occurred and is continuing on such date nor that such payment would cause or accelerate the occurrence of an Insolvency Event.

This means that already prior to the commencement of any insolvency or liquidation proceedings over the assets of the Issuer the Bondholders will only have a due (*fällig*) claim for the relevant scheduled payment of interest, payment of Arrears of Interest or for redemption if no reason for the opening of insolvency proceedings in respect of the Issuer in accordance with the Applicable Insolvency Regulations exists and if the payment of the relevant amount would not cause the insolvency of the Issuer or accelerate the process of the Issuer becoming insolvent. Pursuant to the Applicable Insolvency Regulations in effect on the date of issue of the Bonds, the following reasons for the opening of insolvency proceedings apply: The Issuer is (i) over-indebted within the meaning of § 19 InsO or (ii) illiquid (*zahlungsunfähig*) within the meaning of § 17 InsO or (iii) an imminent illiquidity (*drohende Zahlungsunfähigkeit*) of the Issuer exists.

These payment conditions constitute a prohibition to pay in that any payments on the Bonds may only be made by the Issuer if it is made in accordance with the aforementioned conditions. Any payment made in breach of this prohibition must be returned to the Issuer irrespective of any agreement to the contrary.

- (5) Subject to § 3(1), the Issuer may satisfy its obligations under the Bonds also from other distributable assets (*sonstiges freies Vermögen*) of the Issuer.

#### § 4 Zinsen

(1) Festzinsperiode.

- (a) Im Zeitraum ab dem Zinslaufbeginn (einschließlich) bis zum Ersten Resettermin (ausschließlich) werden die Schuldverschreibungen bezogen auf den Festgelegten Nennbetrag mit jährlich 1,250 % verzinst. Die erste Zinszahlung beläuft sich auf € 839,04 je Festgelegtem Nennbetrag. Während dieses Zeitraums sind Zinsen nachträglich an jedem Festzinszahlungstag zur Zahlung vorgesehen, und werden nach Maßgabe der in § 4(4) und § 4(5) dargelegten Bedingungen fällig.

- (b) Sofern Zinsen in Bezug auf eine Festzinsperiode oder einen Teil davon zu berechnen sind, erfolgt die Berechnung auf der Grundlage des Festzins-Zinstagequotienten (ausgenommen ist der für die erste Zinszahlung relevante Zeitraum, für den ein fester Zinsbetrag festgelegt ist).

**"Festzinsperiode"** bezeichnet jeden Zeitraum ab dem Zinslaufbeginn (einschließlich) bis zum ersten Festzinszahlungstag (ausschließlich) und nachfolgend ab jedem Festzinszahlungstag (einschließlich) bis zu dem jeweils nächstfolgenden Festzinszahlungstag (ausschließlich).

**"Festzins-Zinstagequotient"** bezeichnet im Hinblick auf die Berechnung eines Betrages von Zinsen auf die Schuldverschreibungen für einen beliebigen Zeitraum (ab dem ersten Tag dieses Zeitraums (einschließlich) bis zum letzten Tag dieses Zeitraums (ausschließlich)) (der **"Zinsberechnungszeitraum"**):

- (i) wenn der Zinsberechnungszeitraum der Feststellungsperiode entspricht, in die er fällt, oder kürzer als diese ist, die Anzahl von Tagen in dem Zinsberechnungszeitraum dividiert durch die Anzahl von Tagen in dieser Feststellungsperiode; und

#### § 4 Interest

(1) Fixed Interest Period.

- (a) In the period from and including the Interest Commencement Date to but excluding the First Reset Date the Bonds bear interest on their Principal Amount at the rate of 1.250 per cent. per annum. The first payment of interest will amount to € 839.04 per Principal Amount. During such period, interest is scheduled to be paid in arrear on each Fixed Interest Payment Date and will be due and payable (*fällig*) in accordance with the conditions set out in § 4(4) and § 4(5).

- (b) If interest is required to be calculated for any Fixed Interest Period or part thereof, such interest shall be calculated on the basis of the Fixed Rate Day Count Fraction (other than the period of time in relation to the first payment of interest for which a fixed interest amount has been set).

**"Fixed Interest Period"** means each period from and including the Interest Commencement Date to but excluding the first Fixed Interest Payment Date and thereafter from and including each Fixed Interest Payment Date to but excluding the next following Fixed Interest Payment Date.

**"Fixed Rate Day Count Fraction"** means, in respect of the calculation of an amount of interest on the Bonds for any period of time (from and including the first day of such period to but excluding the last day of such period) (the **"Calculation Period"**):

- (i) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the number of days in such Determination Period; and

(ii) wenn der Zinsberechnungszeitraum länger als eine Feststellungsperiode ist, die Summe aus

(A) der Anzahl der Tage in dem betreffenden Zinsberechnungszeitraum, die in die Feststellungsperiode fallen, in der der Zinsberechnungszeitraum beginnt, dividiert durch die Anzahl der Tage in dieser Feststellungsperiode; und

(B) der Anzahl der Tage in dem betreffenden Zinsberechnungszeitraum, die in die nachfolgende Feststellungsperiode fallen, dividiert durch die Anzahl der Tage in dieser Feststellungsperiode.

**"Feststellungsperiode"** bezeichnet den Zeitraum ab dem 26. Mai eines Jahres (einschließlich) bis zum nächsten 26. Mai (ausschließlich).

(2) Variable Zinsperiode.

(a) Variable Verzinsung.

Im Zeitraum ab dem Ersten Resettermin (einschließlich) bis zum ersten Variablen Zinszahlungstag (ausschließlich) und danach von jedem Variablen Zinszahlungstag (einschließlich) bis zum nächstfolgenden Variablen Zinszahlungstag (ausschließlich) werden die Schuldverschreibungen, bezogen auf ihren Festgelegten Nennbetrag, in Höhe des Variablen Zinssatzes für die betreffende Variable Zinsperiode verzinst. Während dieses Zeitraums sind Zinsen jeweils vierteljährlich nachträglich an jedem Variablen Zinszahlungstag zur Zahlung vorgesehen, und werden nach Maßgabe der in § 4(4) und § 4(5) dargelegten Bedingungen fällig.

(b) Variabler Zinssatz.

Der Zinssatz für die jeweilige Variable Zinsperiode (der **"Variable Zinssatz"**) ist

(ii) if the Calculation Period is longer than one Determination Period, the sum of:

(A) the number of days in such Calculation Period falling in the Determination Period in which the Calculation Period begins divided by the number of days in such Determination Period; and

(B) the number of days in such Calculation Period falling in the next Determination Period divided by the number of days in such Determination Period.

**"Determination Period"** means the period from and including 26 May in any year to but excluding the next 26 May.

(2) Floating Rate Interest Period.

(a) Floating Rate Interest.

In the period from and including the First Reset Date to but excluding the first Floating Interest Payment Date and thereafter from and including each Floating Interest Payment Date to but excluding the next Floating Interest Payment Date the Bonds bear interest on their Principal Amount at the Floating Interest Rate for the relevant Floating Interest Period. During such period, interest is scheduled to be paid quarterly in arrear on each Floating Interest Payment Date and will be due and payable (*fällig*) in accordance with the conditions set out in § 4(4) and § 4(5).

(b) Floating Rate Interest.

The rate of interest for the relevant Floating Interest Period (the **"Floating Interest**

der Zinssatz per annum, der dem Referenzsatz (wie nachstehend definiert) zuzüglich der Marge entspricht, wobei der Variable Zinssatz mindestens 0,00 % per annum beträgt.

(c) Feststellung des Referenzsatzes.

Die Berechnungsstelle bestimmt an jedem Zinsfestsetzungstag den betreffenden Referenzsatz nach Maßgabe dieses § 4(2)(c).

Der "**Referenzsatz**" für jede Variable Zinsperiode wird wie folgt bestimmt:

- (i) Für jede Variable Zinsperiode, die vor dem Eintritt des jeweiligen Stichtags (wie in § 4(2)(e)(vii) definiert) beginnt, entspricht der Referenzsatz dem Ursprünglichen Benchmarksatz an dem betreffenden Zinsfestsetzungstag.

Falls der Ursprüngliche Benchmarksatz zu dem betreffenden Zeitpunkt an dem betreffenden Zinsfestsetzungstag nicht auf der Bildschirmseite angezeigt wird, entspricht der "Referenzsatz" dem Referenzbankensatz an diesem betreffenden Zinsfestsetzungstag.

Falls der Referenzbankensatz nicht gemäß der Definition dieses Begriffs festgestellt werden kann, entspricht der "Referenzsatz" dem Ursprünglichen Benchmarksatz auf der Bildschirmseite an dem letzten Tag vor dem Zinsfestsetzungstag, an dem dieser Ursprüngliche Benchmarksatz angezeigt wurde.

- (ii) Für jede Variable Zinsperiode, die an oder nach dem jeweiligen Stichtag beginnt, wird der "Referenzsatz" gemäß § 4(2)(e) bestimmt.

"**Ursprünglicher Benchmarksatz**" an einem Tag bezeichnet (vorbehaltlich § 4(2)(e)) die 3-Monats Euro Interbank Offered Rate (ausgedrückt als Prozentsatz per annum), die an dem betreffenden Tag um

**Rate**") will be a rate per annum equal to the Reference Rate (as defined below) plus the Margin, subject to a minimum for the Floating Interest Rate of 0.00 per cent. per annum.

(c) Determination of the Reference Rate.

The Calculation Agent will determine the relevant Reference Rate in accordance with this § 4(2)(c) on each Interest Determination Date.

The "**Reference Rate**" for each Floating Interest Period will be determined as follows:

- (i) For each Floating Interest Period beginning prior to the occurrence of the relevant Effective Date (as defined in § 4(2)(e)(vii)), the Reference Rate will be equal to the Original Benchmark Rate on the relevant Interest Determination Date.

If the Original Benchmark Rate does not appear on the Screen Page as at such time on the relevant Interest Determination Date, the "Reference Rate" will be equal to the Reference Bank Rate on that Interest Determination Date.

If the Reference Bank Rate cannot be determined in accordance with the definition of such term, the "Reference Rate" shall be equal to the Original Benchmark Rate on the Screen Page on the last day preceding the Interest Determination Date on which such Original Benchmark Rate was displayed.

- (ii) For each Floating Interest Period commencing on or after the relevant Effective Date, the "Reference Rate" will be determined in accordance with § 4(2)(e).

"**Original Benchmark Rate**" on any day means (subject to § 4(2)(e)) the 3-month Euro Interbank Offered Rate (expressed as a percentage rate per annum) fixed at, and



11:00 Uhr (Brüsseler Ortszeit) festgesetzt und auf der Bildschirmseite angezeigt wird.

**"Referenzbankensatz"** bezeichnet den (als Prozentsatz *per annum* ausgedrückten) Satz für Einlagen in Euro für die betreffende Variable Zinsperiode und über einen Repräsentativen Betrag (auf Grundlage des Actual/360 Zinstagequotienten), den die Referenzbanken (wie nachstehend definiert) gegenüber führenden Banken im Interbankenmarkt der Euro-Zone um ca. 11:00 Uhr (Brüsseler Ortszeit) an dem betreffenden Zinsfestsetzungstag quotieren, und der wie folgt bestimmt wird: Die Emittentin wird jede Referenzbank bitten, der Berechnungsstelle ihren Angebotssatz mitzuteilen. Falls zwei oder mehr Referenzbanken der Berechnungsstelle solche Angebotssätze nennen, ist der Referenzbankensatz für die betreffende Variable Zinsperiode das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste tausendstel Prozent, wobei 0,0005 aufgerundet wird) dieser Angebotssätze, wobei alle Feststellungen durch die Berechnungsstelle erfolgen.

Falls an dem betreffenden Zinsfestsetzungstag nur eine oder keine der Referenzbanken der Berechnungsstelle die im vorstehenden Absatz beschriebenen Angebotssätze nennt, ist der Referenzbankensatz für die betreffende Variable Zinsperiode der Satz *per annum*, den die Berechnungsstelle als das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste tausendstel Prozent, wobei 0,0005 aufgerundet wird) der Sätze ermittelt, die von der Emittentin ausgewählte Großbanken im Interbankenmarkt der Euro-Zone um ca. 11:00 Uhr (Brüsseler Ortszeit) der Berechnungsstelle auf Bitte der Emittentin als den jeweiligen Satz nennen, zu dem sie an dem betreffenden Zinsfestsetzungstag Darlehen in Euro für die betreffende Variable Zinsperiode und über einen Repräsentativen Betrag gegenüber führenden europäischen Banken anbieten.

appearing on the Screen Page as of 11:00 a.m. (Brussels time) on such day.

**"Reference Bank Rate"** means the rate (expressed as a percentage rate *per annum*) at which the Reference Banks (as defined below) offer to prime banks in the Euro-Zone interbank market and in a Representative Amount, assuming an Actual/360 day count basis, deposits in Euro at approximately 11:00 a.m. (Brussels time) on the relevant Interest Determination Date for the relevant Floating Interest Period determined as follows: The Issuer shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its offered quotation. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Reference Bank Rate for such Floating Interest Period shall be the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of such offered quotations, all as determined by the Calculation Agent.

If on the relevant Interest Determination Date only one or none of the Reference Banks provides the Calculation Agent with such offered quotations as provided in the preceding paragraph, the Reference Bank Rate for the relevant Floating Interest Period shall be the rate *per annum* which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of the rates, as communicated at approximately 11:00 a.m. (Brussels time) at the request of the Issuer to the Calculation Agent by major banks in the Euro-Zone interbank market, selected by the Issuer, at which such banks offer, on the relevant Interest Determination Date, loans in Euro for the relevant Floating Interest Period and in a Representative Amount to leading European banks.

Dabei gilt Folgendes:

**"Bildschirmseite"** bezeichnet die Reuters Bildschirmseite EURIBOR01 oder eine andere Bildschirmseite von Reuters oder von einem anderen Informationsanbieter als Nachfolger, welche die Reuters Bildschirmseite EURIBOR01 zur Anzeige solcher Sätze ersetzt.

**"Euro-Zone"** bezeichnet das Gebiet derjenigen Mitgliedstaaten der Europäischen Union, die gemäß dem Vertrag über die Gründung der Europäischen Gemeinschaft (unterzeichnet in Rom am 25. März 1957), geändert durch den Vertrag über die Europäische Union (unterzeichnet in Maastricht am 7. Februar 1992) und den Amsterdamer Vertrag vom 2. Oktober 1997, in seiner jeweiligen Fassung, eine einheitliche Währung eingeführt haben oder jeweils eingeführt haben werden.

**"Referenzbanken"** bezeichnet die Hauptniederlassungen von vier von der Emittentin ausgewählten großen Banken im Interbankenmarkt der Euro-Zone.

**"Repräsentativer Betrag"** bezeichnet einen Betrag, der zu dem betreffenden Zeitpunkt in dem jeweiligen Markt für eine einzelne Transaktion repräsentativ ist.

**"Zinsfestsetzungstag"** bezeichnet den zweiten TARGET-Geschäftstag, der dem Beginn der betreffenden Variablen Zinsperiode vorangeht.

(d) Aufgaben der Berechnungsstelle.

Die Berechnungsstelle wird zu oder baldmöglichst nach jedem Zinsfestsetzungstag, den auf die Schuldverschreibungen zur Zahlung vorgesehenen Variablen Zinssatz bestimmen und den Zinsbetrag (der **"Variable Zinsbetrag"**) für die entsprechende Variable Zinsperiode berechnen. Die Berechnungsstelle ermittelt den Variablen Zinsbetrag, indem sie den Variablen Zinssatz (einschließlich der Marge) und den Variablen Zinstagequotienten auf den Festgelegten Nennbetrag der Schuldverschreibungen

Where:

**"Screen Page"** means the Reuters screen page EURIBOR01 or such other screen page of Reuters or such other information service which is the successor to the Reuters screen page EURIBOR01 for purposes of displaying such rates.

**"Euro-Zone"** means the region comprised of those member states of the European Union that have adopted, or will have adopted from time to time, the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992) and the Amsterdam Treaty of 2 October 1997, as further amended from time to time.

**"Reference Banks"** means the principal Euro-Zone offices of four major banks in the Euro-Zone interbank market, in each case selected by the Issuer.

**"Representative Amount"** means an amount that is representative for a single transaction in the relevant market at the relevant time.

**"Interest Determination Date"** means the second TARGET Business Day prior to the commencement of the relevant Floating Interest Period.

(d) Duties of the Calculation Agent.

The Calculation Agent will, on or as soon as practicable after each Interest Determination Date, determine the Floating Interest Rate and calculate the amount of interest (the **"Floating Interest Amount"**) scheduled to be paid on the Bonds for the relevant Floating Interest Period. The Calculation Agent will calculate the Floating Interest Amount by applying the Floating Interest Rate (including the Margin) and the Floating Day Count Fraction to the Principal Amount of the Bonds and rounding the resultant figure to

anwendet, wobei sie den resultierenden Betrag auf den nächstliegenden Eurocent auf- oder abrundet (wobei 0,5 oder mehr eines Eurocents aufgerundet werden).

Die Berechnungsstelle wird veranlassen, dass der Variable Zinssatz, der Variable Zinsbetrag für die jeweilige Variable Zinsperiode, die jeweilige Variable Zinsperiode und der relevante Variable Zinszahlungstag der Emittentin, den Anleihegläubigern und, sofern dies von den jeweiligen Wertpapierbörsen, an denen die Schuldverschreibungen zu diesem Zeitpunkt auf Veranlassung der Emittentin notiert sind, vorgesehen ist, den jeweiligen Wertpapierbörsen durch Bekanntmachung gemäß § 11 baldmöglichst, aber keinesfalls später als zu Beginn der maßgeblichen nächstfolgenden Variablen Zinsperiode, bekannt gemacht wird. Im Fall einer Verlängerung oder Verkürzung der Variablen Zinsperiode kann der mitgeteilte Variable Zinsbetrag und Variable Zinszahlungstag ohne Vorankündigung nachträglich angepasst (oder andere geeignete Anpassungsregelungen getroffen) werden. Jede solche Anpassung wird umgehend allen Wertpapierbörsen, an denen die Schuldverschreibungen zu diesem Zeitpunkt auf Veranlassung der Emittentin notiert sind, sowie den Anleihegläubigern gemäß § 11 bekannt gemacht.

Alle Bescheinigungen, Mitteilungen, Gutachten, Festsetzungen, Berechnungen, Angebotssätze und Entscheidungen, die von der Berechnungsstelle für die Zwecke dieses § 4(2) gemacht, abgegeben, getroffen oder eingeholt werden, sind (sofern nicht ein offensichtlicher Irrtum vorliegt) für die Emittentin, die Zahlstellen und die Anleihegläubiger bindend.

(e) Benchmark-Ereignis.

Wenn ein Benchmark-Ereignis (wie in § 4(2)(e)(vi) definiert) in Bezug auf den Ursprünglichen Benchmarksatz eintritt, gilt für die Bestimmung des betreffenden Referenzsatzes und die Verzinsung der

the nearest eurocent, with 0.5 or more of a eurocent being rounded upwards.

The Calculation Agent will cause the Floating Interest Rate, each Floating Interest Amount for each Floating Interest Period, each Floating Interest Period and the relevant Floating Interest Payment Date to be notified to the Issuer, to the Bondholders and, if required by the rules of any stock exchange on which the Bonds are from time to time listed at the initiative of the Issuer, to such stock exchange by notice in accordance with § 11 as soon as possible after their determination, but in no event later than at the beginning of the next relevant Floating Interest Period thereafter. Each Floating Interest Amount and Floating Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements may be made by way of adjustment) without notice in the event of an extension or shortening of the Floating Interest Period. Any such amendment will be promptly notified to any stock exchange on which the Bonds are then listed at the initiative of the Issuer and to the Bondholders in accordance with § 11.

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this § 4(2) by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents and the Bondholders.

(e) Benchmark Event.

If a Benchmark Event (as defined in § 4(2)(e)(vi)) occurs in relation to the Original Benchmark Rate, the relevant Reference Rate and the interest on the Bonds

Schuldverschreibungen gemäß § 4(2)(b)  
Folgendes:

- (i) *Unabhängiger Berater.* Die Emittentin wird sich bemühen, sobald dies (nach Ansicht der Emittentin) nach Eintritt des Benchmark-Ereignisses und vor dem nächsten Zinsfestsetzungstag erforderlich ist, einen Unabhängigen Berater (wie in § 4(2)(e)(vi) definiert) zu benennen, der einen Neuen Benchmarksatz (wie in § 4(2)(e)(vi) definiert), die Anpassungsspanne (wie in § 4(2)(e)(vi) definiert) und etwaige Benchmark-Änderungen (gemäß § 4(2)(e)(iv)) festlegt.
- (ii) *Ausweichsatz (Fallback).* Wenn vor dem 10. Geschäftstag vor dem betreffenden Zinsfestsetzungstag
  - (A) die Emittentin keinen Unabhängigen Berater ernannt hat; oder
  - (B) der ernannte Unabhängige Berater keinen Neuen Benchmarksatz, keine Anpassungsspanne und/ oder keine Benchmark-Änderungen (sofern erforderlich) gemäß diesem § 4(2)(e) festlegt hat,

dann entspricht der Referenzsatz für die nächste Variable Zinsperiode dem an dem letzten, unmittelbar vor Eintritt des relevanten Stichtags liegenden Zinsfestsetzungstag festgestellten Referenzsatz.

Falls dieser § 4(2)(e)(ii) bereits an dem Zinsfestsetzungstag vor Beginn der ersten Variablen Zinsperiode angewendet werden muss, entspricht der Referenzsatz für die erste

in accordance with § 4(2)(b) will be determined as follows:

- (i) *Independent Adviser.* The Issuer shall, as soon as this is (in the Issuer's view) required following the occurrence of the Benchmark Event and prior to the next Interest Determination Date, endeavour to appoint an Independent Adviser (as defined in § 4(2)(e)(vi)), who will determine a New Benchmark Rate (as defined in § 4(2)(e)(vi)), the Adjustment Spread (as defined in § 4(2)(e)(vi)) and any Benchmark Amendments (in accordance with § 4(2)(e)(iv)).
- (ii) *Fallback rate.* If, prior to the 10<sup>th</sup> Business Day prior to the relevant Interest Determination Date,
  - (A) the Issuer has not appointed an Independent Adviser; or
  - (B) the Independent Adviser appointed by it has not determined a New Benchmark Rate, has not determined an Adjustment Spread and/or has not determined the Benchmark Amendments (if required), in accordance with this § 4(2)(e),

then the Reference Rate applicable to the immediately following Floating Interest Period shall be the Reference Rate determined on the last Interest Determination Date immediately preceding the relevant Effective Date.

If this § 4(2)(e)(ii) is to be applied on the first Interest Determination Date prior to the commencement of the first Floating Interest Period, the Reference Rate applicable to the first

Variable Zinsperiode -0,204 % per annum.<sup>1</sup>

Falls der gemäß diesem § 4(2)(e)(ii) bestimmte Ausweichsatz (*Fallback*) zur Anwendung kommt, wird § 4(2)(e) erneut angewendet, um den Referenzsatz für die nächste nachfolgende (und, sofern notwendig, weitere nachfolgende) Variable Zinsperiode(n) zu bestimmen.

(iii) Nachfolge-Benchmarksatz oder Alternativ-Benchmarksatz. Falls der Unabhängige Berater nach billigem Ermessen feststellt,

(A) dass es einen Nachfolge-Benchmarksatz gibt, dann ist dieser Nachfolge-Benchmarksatz der Neue Benchmarksatz; oder

(B) dass es keinen Nachfolge-Benchmarksatz aber einen Alternativ-Benchmarksatz gibt, dann ist dieser Alternativ-Benchmarksatz der Neue Benchmarksatz.

In beiden Fällen entspricht der "**Referenzsatz**" für die unmittelbar nachfolgende Variable Zinsperiode und alle folgenden Variablen Zinsperioden vorbehaltlich § 4(2)(e)(x) dann (x) dem Neuen Benchmarksatz an dem betreffenden Zinsfestsetzungstag zuzüglich (y) der Anpassungsspanne.

(iv) Benchmark-Änderungen. Wenn ein Neuer Benchmarksatz und die entsprechende Anpassungsspanne

Floating Interest Period shall be -0.204 per cent. per annum.<sup>2</sup>

If the fallback rate determined in accordance with this § 4(2)(e)(ii) is to be applied, § 4(2)(e) will be operated again to determine the Reference Rate applicable to the next subsequent (and, if required, further subsequent) Floating Interest Period(s).

(iii) Successor Benchmark Rate or Alternative Benchmark Rate. If the Independent Adviser determines in its reasonable discretion that:

(A) there is a Successor Benchmark Rate, then such Successor Benchmark Rate shall subsequently be the New Benchmark Rate; or

(B) there is no Successor Benchmark Rate but that there is an Alternative Benchmark Rate, then such Alternative Benchmark Rate shall subsequently be the New Benchmark Rate.

In either case the "**Reference Rate**" for the immediately following Floating Interest Period and all following Floating Interest Periods, subject to § 4(2)(e)(x), will then be (x) the New Benchmark Rate on the relevant Interest Determination Date plus (y) the Adjustment Spread.

(iv) Benchmark Amendments. If any relevant New Benchmark Rate and the applicable Adjustment Spread are

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<sup>1</sup> Dieser Satz entspricht der

(x) Summe aus der (im Zeitpunkt der Preisfestsetzung festgestellten) Reoffer-Rendite und dem moderaten Zins-Step-Up iHv 100 Basispunkten, welche Summe von einem per annum Satz (zahlbar jährlich nachträglich auf der Grundlage von Act/Act) auf einen per annum Satz (zahlbar vierteljährlich nachträglich auf der Grundlage von Act/360) umgerechnet wird;

(y) abzüglich der in § 1 definierten Marge.

<sup>2</sup> This rate will be equal to

(x) the sum of the re-offer yield (as determined at the time of pricing) and the moderate interest step-up of 100 basis points, which sum up is converted from a per annum rate (payable annually in arrear on an Act/Act basis) to a per annum rate (payable quarterly in arrear on an Act/360 basis);

(y) less the Margin defined in § 1.

gemäß diesem § 4(2)(e) festgelegt werden, und wenn der Unabhängige Berater feststellt, dass Änderungen hinsichtlich dieser Anleihebedingungen notwendig sind, um die ordnungsgemäße Anwendung des Neuen Benchmark-satzes und der entsprechenden Anpassungsspanne zu gewährleisten (diese Änderungen, die "**Benchmark-Änderungen**"), dann wird der Unabhängige Berater die Benchmark-Änderungen feststellen, und wird die Emittentin diese durch eine Mitteilung gemäß § 4(2)(e)(v) bekanntmachen.

Diese Benchmark-Änderungen können insbesondere folgende Regelungen in diesen Anleihebedingungen erfassen:

- (A) den Referenzsatz einschließlich der "Bildschirmseite" und/oder (in Ersetzung von Ziffer (i) der Definition des Begriffs "Referenzsatz" in § 4(2)(c)) die Methode zur Bestimmung des Ausweichsatzes (sog. *Fallback*) für den Referenzsatz einschließlich des Referenzbankensatzes; und/oder
- (B) die Definitionen der Begriffe "Geschäftstag", "Variabler Zinszahlungstag", "Variable Geschäftstagekonvention", "Variable Zinsperiode", "Variabler Zinstagequotient" und/oder "Zinsfestsetzungstag" (einschließlich der Festlegung ob der Referenzsatz vorwärts- oder rückwärtsgerichtet bestimmt wird); und/oder
- (C) der Zahltag-Konvention gemäß § 6(2).

determined in accordance with this § 4(2)(e), and if the Independent Adviser determines that amendments to these Terms and Conditions are necessary to ensure the proper operation of such New Benchmark Rate and the applicable Adjustment Spread (such amendments, the "**Benchmark Amendments**"), then the Independent Adviser will determine the Benchmark Amendments and the Issuer will give notice thereof in accordance with § 4(2)(e)(v).

The Benchmark Amendments may include, without limitation, the following conditions of these Terms and Conditions:

- (A) the Reference Rate including the "Screen Page" and/or (in replacement of clause (i) of the definition of the term "Reference Rate" in § 4(2)(c)) the method for determining the fallback rate in relation to the Reference Rate, including the Reference Bank Rate; and/or
- (B) the definitions of the terms "Business Day", "Floating Interest Payment Date", "Floating Business Day Convention", "Floating Interest Period", "Floating Day Count Fraction" and/or "Interest Determination Date" (including the determination whether the Reference Rate will be determined on a forward looking or a backward looking basis); and/or
- (C) the payment business day convention in § 6(2).

- (v) Mitteilungen, etc. Die Emittentin wird einen Neuen Benchmarksatz, die Anpassungsspanne und etwaige Benchmark-Änderungen gemäß diesem § 4(2)(e) der Hauptzahlstelle, der Berechnungsstelle, den Zahlstellen und gemäß § 11 den Anleihegläubigern mitteilen, und zwar sobald eine solche Mitteilung (nach Ansicht der Emittentin) nach deren Feststellung erforderlich ist, spätestens jedoch an dem 10. Geschäftstag vor dem betreffenden Zinsfestsetzungstag. Eine solche Mitteilung ist unwiderruflich und hat den Stichtag zu benennen.

Der Neue Benchmarksatz, die Anpassungsspanne und etwaige Benchmark-Änderungen, die jeweils in der Mitteilung benannt werden, sind für die Emittentin, die Hauptzahlstelle, die Berechnungsstelle, die Zahlstellen und die Anleihegläubiger bindend. Die Anleihebedingungen gelten ab dem Stichtag als durch den Neuen Benchmarksatz, die Anpassungsspanne und die etwaigen Benchmark-Änderungen geändert.

An oder vor dem Tag dieser Mitteilung hat die Emittentin der Hauptzahlstelle und der Berechnungsstelle eine durch zwei Unterschriftsberechtigte der Emittentin unterzeichnete Bescheinigung zu übergeben, die

(A)

- (I) bestätigt, dass ein Benchmark-Ereignis eingetreten ist;
- (II) den nach Maßgabe der Bestimmungen dieses § 4(2)(e) festgestellten Neuen

- (v) Notices, etc. The Issuer will notify any New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments (if any) determined under this § 4(2)(e) to the Principal Paying Agent, the Calculation Agent, the Paying Agents and, in accordance with § 11, the Bondholders as soon as such notification is (in the Issuer's view) required following the determination thereof, but in any event not later than on the 10<sup>th</sup> Business Day prior to the relevant Interest Determination Date. Such notice shall be irrevocable and shall specify the Effective Date.

The New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments (if any), each as specified in such notice, will be binding on the Issuer, the Principal Paying Agent, the Calculation Agent, the Paying Agents and the Bondholders. The Terms and Conditions shall be deemed to have been amended by the New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments (if any) with effect from the Effective Date.

On or prior to the date of such notice, the Issuer shall deliver to the Principal Paying Agent and the Calculation Agent a certificate signed by two authorised signatories of the Issuer:

(A)

- (I) confirming that a Benchmark Event has occurred;
- (II) specifying the relevant New Benchmark Rate determined in accordance with the

	Benchmarksatz benennt;		provisions of this § 4(2)(e);
(III)	die entsprechende Anpassungsspanne und etwaige Benchmark-Änderungen benennt, die jeweils nach Maßgabe der Bestimmungen dieses § 4(2)(e) festgestellt wurden; und	(III)	specifying the applicable Adjustment Spread and the Benchmark Amendments (if any), each determined in accordance with the provisions of this § 4(2)(e); and
(IV)	den Stichtag benennt; und	(IV)	specifying the Effective Date; and
(B)	bestätigt, dass die etwaigen Benchmark-Änderungen notwendig sind, um die ordnungsgemäße Anwendung des Neuen Benchmarksatzes und der entsprechenden Anpassungsspanne zu gewährleisten.	(B)	confirming that the Benchmark Amendments, if any, are necessary to ensure the proper operation of such relevant New Benchmark Rate and the applicable Adjustment Spread.
(vi)	Definitionen. Zur Verwendung in diesem § 4(2)(e):  Die " <b>Anpassungsspanne</b> ", die positiv, negativ oder gleich Null sein kann, wird in Basispunkten ausgedrückt und bezeichnet entweder (A) die Spanne oder (B) das Ergebnis der Anwendung der Formel oder Methode zur Berechnung der Spanne, die  (1) im Fall eines Nachfolge-Benchmarksatzes formell im Zusammenhang mit der Ersetzung des Ursprünglichen Benchmarksatzes durch den Nachfolge-Benchmarksatz von dem Nominierungsgremium empfohlen wird; oder  (2) (sofern keine Empfehlung gemäß Absatz (1) abgegeben wurde oder im Fall eines Alternativ-Benchmarksatzes) üblicherweise an den	(vi)	Definitions. As used in this § 4(2)(e):  The " <b>Adjustment Spread</b> ", which may be positive, negative or zero, will be expressed in basis points and means either (A) the spread, or (B) the result of the operation of the formula or methodology for calculating the spread, which  (1) in the case of a Successor Benchmark Rate, is formally recommended in relation to the replacement of the Original Benchmark Rate with the Successor Benchmark Rate by any Relevant Nominating Body; or  (2) (if no such recommendation pursuant to clause (1) has been made, or in the case of an Alternative Benchmark Rate) is customarily applied



internationalen Anleihekapitalmärkten auf den Neuen Benchmarksatz angewendet wird, um einen industrieweit akzeptierten Ersatz-Benchmarksatz für den Ursprünglichen Benchmarksatz zu erzeugen, wobei sämtliche Feststellungen durch den Unabhängigen Berater nach billigem Ermessen vorgenommen werden; oder

- (3) (sofern der Unabhängige Berater nach billigem Ermessen feststellt, dass keine solche Spanne üblicherweise angewendet wird, und dass das Folgende angemessen ist für die Schuldverschreibungen) als industrieweiter Standard für Over-the-Counter Derivate-transaktionen, die sich auf den Ursprünglichen Benchmarksatz beziehen, anerkannt oder bestätigt ist, wenn der Ursprüngliche Benchmarksatz durch den Neuen Benchmarksatz ersetzt worden ist, wobei sämtliche Feststellungen durch den Unabhängigen Berater nach billigem Ermessen vorgenommen werden.

**"Alternativ-Benchmarksatz"**

bezeichnet eine alternative Benchmark oder einen alternativen Bildschirmsatz, die bzw. der üblicherweise an den internationalen Anleihekapitalmärkten zur Bestimmung von variablen Zinssätzen in Euro angewendet wird, wobei sämtliche Feststellungen durch den Unabhängigen Berater vorgenommen werden.

to the New Benchmark Rate in the international debt capital markets to produce an industry-accepted replacement benchmark rate for the Original Benchmark Rate, provided that all determinations will be made by the Independent Adviser in its reasonable discretion; or

- (3) (if the Independent Adviser in its reasonable discretion determines that no such spread is customarily applied and that the following would be appropriate for the Bonds) is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Benchmark Rate, where the Original Benchmark Rate has been replaced by the New Benchmark Rate, provided that all determinations will be made by the Independent Adviser in its reasonable discretion.

**"Alternative Benchmark Rate"**

means an alternative benchmark or an alternative screen rate which is customarily applied in the international debt capital markets for the purpose of determining floating rates of interest in Euro, provided that all determinations will be made by the Independent Adviser.

Ein "**Benchmark-Ereignis**" tritt ein, wenn:

- (1) der Ursprüngliche Benchmarksatz nicht mehr regelmäßig veröffentlicht wird oder nicht mehr erstellt wird; oder
- (2) eine öffentliche Erklärung des Administrators des Ursprünglichen Benchmarksatzes veröffentlicht wird, wonach dieser die Veröffentlichung des Ursprünglichen Benchmarksatzes dauerhaft oder auf unbestimmte Zeit eingestellt hat oder einstellen wird (in Fällen in denen kein Nachfolgeadministrator ernannt worden ist, der die Veröffentlichung des Ursprünglichen Benchmarksatzes vornehmen wird); oder
- (3) eine öffentliche Erklärung der Aufsichtsbehörde des Administrators des Ursprünglichen Benchmarksatzes veröffentlicht wird, wonach der Ursprüngliche Benchmarksatz dauerhaft oder auf unbestimmte Zeit nicht mehr fortgeführt wird oder nicht mehr fortgeführt werden wird; oder
- (4) eine öffentliche Erklärung der Aufsichtsbehörde des Administrators des Ursprünglichen Benchmarksatzes veröffentlicht wird, aufgrund derer der Ursprüngliche Benchmarksatz allgemein oder in Bezug auf die Schuldverschreibungen nicht mehr verwendet werden darf; oder

A "**Benchmark Event**" occurs if:

- (1) the Original Benchmark Rate ceases to be published on a regular basis or ceases to exist; or
- (2) a public statement by the administrator of the Original Benchmark Rate is made that it has ceased or that it will cease publishing the Original Benchmark Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue the publication of the Original Benchmark Rate); or
- (3) a public statement by the supervisor of the administrator of the Original Benchmark Rate is made that the Original Benchmark Rate has been or will be permanently or indefinitely discontinued; or
- (4) a public statement by the supervisor of the administrator of the Original Benchmark Rate is made as a consequence of which the Original Benchmark Rate will be prohibited from being used either generally, or in respect of the Bonds; or

- (5) die Verwendung des Ursprünglichen Benchmarksatzes zur Berechnung jedweder Zahlungen an Anleihegläubiger für die Zahlstellen, die Berechnungsstelle, die Emittentin oder jeden Dritten rechtswidrig geworden ist; oder
- (6) eine öffentliche Erklärung der Aufsichtsbehörde des Administrators des Ursprünglichen Benchmarksatzes veröffentlicht wird, mit der bekanntgegeben wird, dass der Ursprüngliche Benchmarksatz nicht mehr repräsentativ ist; oder
- (7) sich die Methode für die Feststellung des Ursprünglichen Benchmarksatzes gegenüber der Methode, die der Administrator des Ursprünglichen Benchmarksatzes bei Zinslaufbeginn anwendete, wesentlich ändert.

**"Nachfolge-Benchmarksatz"**

bezeichnet einen Nachfolger oder Ersatz des Ursprünglichen Benchmarksatzes, der formell durch das Nominierungsgremium empfohlen wurde.

**"Neuer Benchmarksatz"** bezeichnet den jeweils gemäß diesem § 4(2)(e) bestimmten Nachfolge-Benchmarksatz bzw. Alternativ-Benchmarksatz.

**"Nominierungsgremium"** bezeichnet in Bezug auf die Ersetzung des Ursprünglichen Benchmarksatzes:

- (1) die Zentralbank für die Währung in der die Benchmark oder der Bildschirmsatz dargestellt

- (5) it has become unlawful for any Paying Agent, the Calculation Agent, the Issuer or any other party to calculate any payments due to be made to any Bondholder using the Original Benchmark Rate; or
- (6) a public statement by the supervisor for the administrator of the Original Benchmark Rate is made announcing that the Original Benchmark Rate is no longer representative; or
- (7) the methodology for the determination of the Original Benchmark Rate is materially altered compared to the methodology as used by the administrator of the Original Benchmark Rate at the Interest Commencement Date.

**"Successor Benchmark Rate"**

means a successor to or replacement of the Original Benchmark Rate which is formally recommended by any Relevant Nominating Body.

**"New Benchmark Rate"** means the Successor Benchmark Rate or, as the case may be, the Alternative Benchmark Rate determined in accordance with this § 4(2)(e).

**"Relevant Nominating Body"** means, in respect of the replacement of the Original Benchmark Rate:

- (1) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any

wird oder eine Zentralbank oder andere Aufsichtsbehörde, die für die Aufsicht des Administrators der Benchmark oder des Bildschirmsatzes zuständig ist; oder

- (2) jede Arbeitsgruppe oder jeden Ausschuss gefördert durch, geführt oder mitgeführt von oder gebildet von (a) der Zentralbank für die Währung in der die Benchmark oder der Bildschirmsatz dargestellt wird, (b) einer Zentralbank oder anderen Aufsichtsbehörde, die für die Aufsicht des Administrators der Benchmark oder des Bildschirmsatzes zuständig ist, (c) einer Gruppe der zuvor genannten Zentralbanken oder anderer Aufsichtsbehörden oder (d) dem Finanzstabilitätsrat (*Financial Stability Board*) oder Teilen davon.

**"Unabhängiger Berater"** bezeichnet ein von der Emittentin ernanntes unabhängiges Finanzinstitut mit internationalem Ansehen oder einen anderen unabhängigen Finanzberater mit Erfahrung in internationalen Anleihekapitalmärkten.

- (vii) Der Stichtag für die Anwendung des Neuen Benchmarksatzes, der Anpassungsspanne und der etwaigen Benchmark-Änderungen gemäß diesem § 4(2)(e) (der "**Stichtag**") ist der Zinsfestsetzungstag, der auf den frühesten der folgenden Tage fällt oder diesem nachfolgt:

- (A) den Tag des Eintritts des Benchmark-Ereignisses, wenn das Benchmark-Ereignis aufgrund der Absätze (1),

central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

- (2) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

**"Independent Adviser"** means an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets, in each case appointed by the Issuer.

- (vii) The effective date for the application of the New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments (if any) determined under this § 4(2)(e) (the "**Effective Date**") will be the Interest Determination Date falling on or after the earliest of the following dates:

- (A) if the Benchmark Event has occurred as a result of clauses (1), (6) or (7) of the definition of the term "Benchmark

- (6) oder (7) der Definition des Begriffs "Benchmark-Ereignis" eingetreten ist; oder
- (B) den Tag, an dem die Veröffentlichung des Ursprünglichen Benchmarksatzes eingestellt wird bzw. an dem der Ursprüngliche Benchmarksatz eingestellt wird, wenn das Benchmark-Ereignis aufgrund der Absätze (2) oder (3) der Definition des Begriffs "Benchmark-Ereignis" eingetreten ist; oder
- (C) den Tag, ab dem der Ursprüngliche Benchmarksatz nicht mehr verwendet werden darf, wenn das Benchmark-Ereignis aufgrund der Absätze (4) oder (5) der Definition des Begriffs "Benchmark-Ereignis" eingetreten ist.
- (viii) Wenn ein Benchmark-Ereignis in Bezug auf einen Neuen Benchmarksatz eintritt, gilt dieser § 4(2)(e) entsprechend für die Ersetzung des Neuen Benchmarksatzes durch einen neuen Nachfolge-Benchmarksatz bzw. Alternativ-Benchmarksatz. In diesem Fall gilt jede Bezugnahme in diesem § 4(2) auf den Begriff Ursprünglicher Benchmarksatz als Bezugnahme auf den zuletzt verwendeten Neuen Benchmarksatz.
- (ix) In diesem § 4(2) schließt jede Bezugnahme auf den Begriff "Ursprünglicher Benchmarksatz" gegebenenfalls auch eine Bezugnahme auf eine etwaige Teilkomponente des Ursprünglichen Benchmarksatzes ein, wenn in Bezug auf diese Teilkomponente ein Benchmark-Ereignis eingetreten ist.
- (x) Eine Anpassung des Ursprünglichen Benchmarksatzes gemäß § 4(2)(e)
- Event", the date of the occurrence of the Benchmark Event; or
- (B) if the Benchmark Event has occurred as a result of clauses (2) or (3) of the definition of the term "Benchmark Event", the date of cessation of publication of the Original Benchmark Rate or of the discontinuation of the Original Benchmark Rate, as the case may be; or
- (C) if the Benchmark Event has occurred as a result of clauses (4) or (5) of the definition of the term "Benchmark Event", the date from which the prohibition applies.
- (viii) If a Benchmark Event occurs in relation to any New Benchmark Rate, this § 4(2)(e) shall apply mutatis mutandis to the replacement of such New Benchmark Rate by any new Successor Benchmark Rate or Alternative Benchmark Rate, as the case may be. In this case, any reference in this § 4(2) to the term Original Benchmark Rate shall be deemed to be a reference to the New Benchmark Rate that last applied.
- (ix) Any reference in this § 4(2) to the term Original Benchmark Rate shall be deemed to include a reference to any component part thereof, if any, in respect of which a Benchmark Event has occurred.
- (x) Any adjustment to the Original Benchmark Rate in accordance with

im Falle eines Benchmark-Ereignisses darf nur durchgeführt werden, wenn durch diese Anpassung kein Aufsichtsrechtliches Ereignis eintritt.

Falls dieser § 4(2)(e)(x) an einem Zinsfestsetzungstag nach Beginn der ersten Variablen Zinsperiode angewendet werden muss, entspricht der Referenzsatz für die nächste und jede nachfolgende Variable Zinsperiode dem an dem letzten zurückliegenden Zinsfestsetzungstag festgestellten Referenzsatz.

Falls dieser § 4(2)(e)(x) bereits an dem Zinsfestsetzungstag vor Beginn der ersten Variablen Zinsperiode angewendet werden muss, entspricht der Referenzsatz für die erste und jede nachfolgende Variable Zinsperiode -0,204 % per annum.<sup>3</sup>

(3) Ende der Verzinsung und Verzugszinsen.

Die Verzinsung der Schuldverschreibungen endet mit Ablauf des Tages, der dem Tag unmittelbar vorausgeht, an dem sie zur Rückzahlung fällig werden. Sollte die Emittentin eine Zahlung von Kapital auf diese Schuldverschreibungen bei Fälligkeit nicht leisten, endet die Verzinsung des ausstehenden Nennbetrages der Schuldverschreibungen erst mit Ablauf des Tages, der dem Tag der tatsächlichen Zahlung unmittelbar vorausgeht. Der in einem solchen Fall jeweils anzuwendende Zinssatz wird gemäß diesem § 4 bestimmt.

§ 4(2)(e) in case of a Benchmark Event will only be made to if no Regulatory Event would occur as a result of such adjustment.

If this § 4(2)(e)(x) is to be applied on an Interest Determination Date falling the after the commencement of the first Floating Interest Period, the Reference Rate applicable to the next and each subsequent Floating Interest Period shall be the Reference Rate determined on the last preceding Interest Determination Date.

If this § 4(2)(e)(x) is to be applied on the Interest Determination Date prior to the commencement of the first Floating Interest Period, the Reference Rate applicable to the first and each subsequent Floating Interest Period shall be -0.204 per cent. per annum.<sup>4</sup>

(3) End of interest accrual and default interest.

The Bonds will cease to bear interest from the end of the day immediately preceding the day on which they are due for redemption. If the Issuer fails to make any payment of principal under the Bonds when due, interest shall continue to accrue until the end of the day immediately preceding the day on which such redemption is made. In such case the applicable rate of interest will be determined pursuant to this § 4.

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<sup>3</sup> Dieser Satz entspricht der

- (x) Summe aus der (im Zeitpunkt der Preisfestsetzung festgestellten) Reoffer-Rendite und dem moderaten Zins-Step-Up iHv 100 Basispunkten, welche Summe von einem per annum Satz (zahlbar jährlich nachträglich auf der Grundlage von Act/Act) auf einen per annum Satz (zahlbar vierteljährlich nachträglich auf der Grundlage von Act/360) umgerechnet wird;
- (y) abzüglich der in § 1 definierten Marge.

<sup>4</sup> This rate will be equal to

- (x) the sum of the re-offer yield (as determined at the time of pricing) and the moderate interest step-up of 100 basis points, which sum up is converted from a per annum rate (payable annually in arrear on an Act/Act basis) to a per annum rate (payable quarterly in arrear on an Act/360 basis);
- (y) less the Margin defined in § 1.

(4) Fälligkeit von Zinszahlungen; wahlweise und zwingende Aussetzung von Zinszahlungen.

- (a) Zinsen, die während einer Zinsperiode auflaufen, die an einem Obligatorischen Zinszahlungstag (ausschließlich) endet, werden vorbehaltlich § 4(4)(c) an diesem Obligatorischen Zinszahlungstag fällig.
- (b) Zinsen, die während einer Zinsperiode auflaufen, die an einem Fakultativen Zinszahlungstag (ausschließlich) endet, werden vorbehaltlich § 4(4)(c) an diesem Fakultativen Zinszahlungstag fällig, es sei denn, die Emittentin entscheidet sich durch eine Erklärung an die Anleihegläubiger gemäß § 11 innerhalb einer Frist von nicht weniger als 10 und nicht mehr als 15 Geschäftstagen vor dem betreffenden Zinszahlungstag dazu, die betreffende Zinszahlung vollständig oder teilweise auszusetzen.

Wenn sich die Emittentin an einem Fakultativen Zinszahlungstag zur Nichtzahlung aufgelaufener Zinsen oder nur für eine teilweise Zahlung der aufgelaufenen Zinsen entscheidet, dann ist sie nicht verpflichtet, an dem betreffenden Fakultativen Zinszahlungstag Zinsen zu zahlen bzw. ist sie nur verpflichtet, den Teil der aufgelaufenen Zinsen zu leisten, für dessen Zahlung sie sich entscheidet. Eine Nichtzahlung aus diesem Grunde begründet keinen Verzug der Emittentin und keine anderweitige Verletzung ihrer Verpflichtungen aufgrund dieser Schuldverschreibungen oder für sonstige Zwecke.

- (c) Falls in Bezug auf einen Zinszahlungstag ein Pflichtaussetzungsereignis eingetreten ist, werden in dem Zeitraum bis zu diesem Zinszahlungstag (ausschließlich) aufgelaufene Zinsen an diesem Zinszahlungstag nicht fällig. Die Emittentin wird die Anleihegläubiger gemäß § 11 über den Eintritt eines Pflichtaussetzungsereignisses baldmöglichst nach seiner Feststellung, spätestens am vierten Geschäftstag nach dem betreffenden Zinszahlungstag informieren. Eine Nichtzahlung von Zinsen aus diesem Grunde

(4) Due date for interest payments; optional and mandatory suspension of interest payments.

- (a) Interest which accrues during an Interest Period ending on but excluding a Compulsory Interest Payment Date will be due and payable (*fällig*) on such Compulsory Interest Payment Date, subject to § 4(4)(c).
- (b) Interest which accrues during an Interest Period ending on but excluding an Optional Interest Payment Date will be due and payable (*fällig*) on that Optional Interest Payment Date, subject to § 4(4)(c), unless the Issuer elects, by giving not less than 10 and not more than 15 Business Days' notice to the Bondholders prior to the relevant Interest Payment Date in accordance with § 11, to defer the relevant payment of interest in whole or in part.

If the Issuer elects to defer, or to only partially pay, accrued interest on an Optional Interest Payment Date, then it will not have any obligation to pay accrued interest on such Optional Interest Payment Date or will only be obliged to pay such part of the accrued interest it elects to pay, respectively. Any such non-payment of accrued interest will not constitute a default of the Issuer or any other breach of its obligations under the Bonds or for any other purpose.

- (c) If a Compulsory Deferral Event has occurred in respect of any Interest Payment Date, interest which accrued during the period ending on but excluding such Interest Payment Date will not be due and payable (*fällig*) on that Interest Payment Date. The Issuer will give notice to the Bondholders of the occurrence of the Compulsory Deferral Event in accordance with § 11 as soon as possible after its determination but in no event later than on the fourth Business Day following the relevant Interest Payment Date. Any such failure to pay interest will not

	<p>begründet keinen Verzug der Emittentin und keine anderweitige Verletzung ihrer Verpflichtungen aufgrund dieser Schuldverschreibungen oder für sonstige Zwecke.</p>		<p>constitute a default of the Issuer or any other breach of its obligations under the Bonds or for any other purpose.</p>
	<p>(d) Nach Maßgabe dieses § 4(4) nicht fällig gewordene aufgelaufene Zinsen für eine Zinsperiode sind Zinsrückstände (die "<b>Zinsrückstände</b>").</p> <p>Zinsrückstände werden nicht verzinst.</p>		<p>(d) Interest accrued for any Interest Period which is not due and payable in accordance with this § 4(4) will constitute arrears of interest ("<b>Arrears of Interest</b>").</p> <p>Arrears of Interest will not bear interest.</p>
(5)	<p>Nachzahlung von Zinsrückständen.</p>	(5)	<p>Payment of Arrears of Interest.</p>
	<p>(a) Freiwillige Nachzahlung von Zinsrückständen.</p> <p>Die Emittentin ist berechtigt, ausstehende Zinsrückstände jederzeit ganz oder teilweise nachzuzahlen, wenn die Nachzahlungsvoraussetzungen in Bezug auf diese Nachzahlung erfüllt sind.</p> <p>Wenn sich die Emittentin dazu entscheidet, ausstehende Zinsrückstände ganz oder teilweise nachzuzahlen, hat sie die Anleihegläubiger durch Bekanntmachung gemäß § 11 unter Einhaltung einer Frist von nicht weniger als 10 und nicht mehr als 15 Geschäftstagen in Kenntnis zu setzen, wobei die Bekanntmachung (i) den Betrag an Zinsrückständen, der gezahlt werden soll, und (ii) den für diese Zahlung festgelegten Termin (der "<b>Freiwillige Nachzahlungstag</b>") benennen muss.</p> <p>Nach einer solchen Bekanntmachung wird der darin angegebene Betrag an Zinsrückständen am angegebenen Freiwilligen Nachzahlungstag fällig, und die Emittentin ist verpflichtet, diesen Betrag an Zinsrückständen am angegebenen Freiwilligen Nachzahlungstag nachzuzahlen. Diese Verpflichtung entfällt jedoch, wenn an oder vor dem Freiwilligen Nachzahlungstag die Nachzahlungsvoraussetzungen in Bezug auf die betreffende Zahlung nicht erfüllt sind.</p>		<p>(a) Optional payment of Arrears of Interest.</p> <p>The Issuer will be entitled to pay outstanding Arrears of Interest (in whole or in part) at any time if the Conditions to Settlement are fulfilled with respect to such payment.</p> <p>If the Issuer elects to pay outstanding Arrears of Interest (in whole or in part), it will give not less than 10 and not more than 15 Business Days' notice to the Bondholders in accordance with § 11 which notice will specify (i) the amount of Arrears of Interest to be paid and (ii) the date fixed for such payment (the "<b>Optional Settlement Date</b>").</p> <p>Upon such notice being given, the amount of Arrears of Interest specified therein will become due and payable (<i>fällig</i>), and the Issuer will be obliged to pay such amount of Arrears of Interest on the specified Optional Settlement Date. However, this obligation will cease to exist if on or before the Optional Settlement Date the Conditions to Settlement are not fulfilled with respect to the relevant payment.</p>
	<p>(b) Pflicht zur Nachzahlung von Zinsrückständen.</p> <p>Die Emittentin ist verpflichtet, sämtliche ausstehenden Zinsrückstände am nächsten Pflichtnachzahlungstag nachzuzahlen.</p>		<p>(b) Mandatory payment of Arrears of Interest.</p> <p>The Issuer must pay outstanding Arrears of Interest (in whole but not in part) on the next Mandatory Settlement Date.</p>



(c) Kein Verzug.

Falls an einem Freiwilligen Nachzahlungstag oder einem Pflichtnachzahlungstag die Nachzahlungsvoraussetzungen nicht erfüllt sind, werden Zinsrückstände, deren Zahlung an diesem Tag vorgesehen war, an dem betreffenden Freiwilligen Nachzahlungstag oder Pflichtnachzahlungstag nicht fällig, sondern bleiben ausstehend und werden weiter als Zinsrückstände behandelt. Eine Nichtzahlung aus diesem Grunde begründet keinen Verzug der Emittentin und keine anderweitige Verletzung ihrer Verpflichtungen aufgrund dieser Schuldverschreibungen oder für sonstige Zwecke. Die Emittentin wird die Anleihegläubiger gemäß § 11 über die Nichterfüllung der Nachzahlungsvoraussetzungen baldmöglichst nach ihrer Feststellung, spätestens am vierten Geschäftstag nach dem betreffenden Freiwilligen Nachzahlungstag bzw. Pflichtnachzahlungstag informieren.

**§ 5**

**Rückzahlung und Rückkauf**

(1) Rückzahlung bei Endfälligkeit.

Sofern nicht bereits zuvor zurückgezahlt oder zurückgekauft, werden die Schuldverschreibungen am Endfälligkeitstag zum Rückzahlungsbetrag zurückgezahlt.

"**Endfälligkeitstag**" ist,

- (i) wenn an dem Vorgesehenen Endfälligkeitstag die Rückzahlungs- und Rückkaufbedingungen gemäß § 5(6) erfüllt sind, der Vorgesehene Endfälligkeitstag;
- (ii) andernfalls der erste Variable Zinszahlungstag nach dem Vorgesehenen Endfälligkeitstag, an dem die Rückzahlungs- und Rückkaufbedingungen erfüllt sind.

"**Vorgesehener Endfälligkeitstag**" ist der Variable Zinszahlungstag, der auf oder unmittelbar um den 26. Mai 2041 fällt.

(2) Rückkauf.

- (a) Vorbehaltlich der Erfüllung der Rückzahlungs- und Rückkaufbedingungen

(c) No Default.

If on an Optional Settlement Date or a Mandatory Settlement Date the Conditions to Settlement are not fulfilled, Arrears of Interest scheduled to be paid on such date will not become due and payable (*fällig*) on the relevant Optional Settlement Date or Mandatory Settlement Date, as the case may be, but will remain outstanding and will continue to be treated as Arrears of Interest. Any such failure to pay will not constitute a default of the Issuer or any other breach of its obligations under the Bonds or for any other purpose. The Issuer will give notice to the Bondholders regarding the non-fulfilment of the Conditions to Settlement in accordance with § 11 as soon as possible after its determination but in no event later than on the fourth Business Day following the relevant Optional Settlement Date or Mandatory Settlement Date.

**§ 5**

**Redemption and Repurchase**

(1) Redemption at Maturity.

To the extent not previously redeemed or repurchased, the Bonds will be redeemed at their Redemption Amount on the Final Maturity Date.

"**Final Maturity Date**" means,

- (i) if on the Scheduled Maturity Date the Conditions to Redemption and Repurchase pursuant to § 5(6) are fulfilled, the Scheduled Maturity Date;
- (ii) otherwise the first Floating Interest Payment Date following the Scheduled Maturity Date on which the Conditions to Redemption and Repurchase are fulfilled.

"**Scheduled Maturity Date**" means the Floating Interest Payment Date falling on or around 26 May 2041.

(2) Repurchase.

- (a) Subject to the Conditions to Redemption and Repurchase being fulfilled and applicable

kann die Emittentin oder jede ihrer Tochtergesellschaften, soweit gesetzlich zulässig, jederzeit Schuldverschreibungen auf dem freien Markt oder anderweitig sowie zu jedem beliebigen Preis erwerben. Derartig erworbene Schuldverschreibungen können eingezogen, gehalten oder wieder veräußert werden.

- (b) Die Rückzahlungs- und Rückkaufbedingungen müssen im Falle von Rückkäufen nicht erfüllt sein, soweit die Emittentin oder eine ihrer Tochtergesellschaften die Schuldverschreibungen für fremde Rechnung oder für Organismen für gemeinsame Anlagen in Wertpapieren (OGAW) erwirbt, es sei denn, die Anteile an diesem OGAW werden mehrheitlich von der Emittentin oder von einer ihrer Tochtergesellschaften gehalten.
- (c) Für einen Erwerb von Schuldverschreibungen im Rahmen eines Umtauschs gegen andere Wertpapiere gelten § 5(2)(a) und (b) entsprechend.

(3) Rückzahlung nach Wahl der Emittentin.

Die Emittentin ist vorbehaltlich der Erfüllung der Rückzahlungs- und Rückkaufbedingungen gemäß § 5(6) berechtigt, die Schuldverschreibungen (insgesamt und nicht nur teilweise) mit Wirkung zu jedem Tag während des Zeitraums ab dem 26. November 2030 (einschließlich) bis zum Ersten Resettermin (einschließlich) und zu jedem nachfolgenden Variablen Zinszahlungstag durch Kündigungserklärung gemäß § 5(5) zur vorzeitigen Rückzahlung zu kündigen. Wenn die Emittentin ihr Kündigungsrecht gemäß Satz 1 ausübt und die Rückzahlungs- und Rückkaufbedingungen an dem Rückzahlungstag erfüllt sind, ist die Emittentin verpflichtet, die Schuldverschreibungen an dem Rückzahlungstag zum Rückzahlungsbetrag zurückzuzahlen.

- (4) Rückzahlung nach Eintritt eines Gross-Up-Ereignisses, eines Steuerereignisses, eines Aufsichtsrechtlichen Ereignisses, eines Rechnungslegungsereignisses oder eines Ratingereignisses oder bei geringem ausstehenden Gesamtnennbetrag.

laws, the Issuer or any of its subsidiaries may at any time purchase Bonds in the open market or otherwise and at any price. Such acquired Bonds may be cancelled, held or resold.

- (b) The Conditions to Redemption and Repurchase do not have to be fulfilled for purchases made by the Issuer or any of its subsidiaries for the account of a third party or Undertakings for Collective Investment in Transferable Securities (UCITS), unless the majority of the shares in the relevant UCITS are held by the Issuer or one of its subsidiaries.

- (c) § 5(2)(a) and (b) shall apply *mutatis mutandis* to an acquisition of the Bonds by way of exchange for other securities.

(3) Redemption at the Option of the Issuer.

The Issuer may, subject to the Conditions to Redemption and Repurchase pursuant to § 5(6) being fulfilled, upon giving notice of redemption in accordance with § 5(5), call the Bonds for early redemption (in whole but not in part) with effect as of any date during the period from and including 26 November 2030 to and including the First Reset Date and on any Floating Interest Payment Date thereafter. If the Issuer exercises its call right in accordance with sentence 1 and the Conditions to Redemption and Repurchase are fulfilled on the redemption date, the Issuer shall redeem the Bonds at the Redemption Amount on the redemption date.

- (4) Redemption following a Gross-Up Event, a Tax Event, a Regulatory Event, an Accounting Event or a Rating Event or in case of minimal outstanding aggregate principal amount

Wenn vor dem 26. November 2030 ein Gross-Up-Ereignis, ein Steuerereignis, ein Aufsichtsrechtliches Ereignis, ein Rechnungslegungsereignis oder ein Ratingereignis eintritt oder die Emittentin oder ihre Tochtergesellschaften Schuldverschreibungen im Volumen von 80 % oder mehr des ursprünglich begebenen Gesamtnennbetrages der Schuldverschreibungen erworben oder zurückgezahlt hat, ist die Emittentin vorbehaltlich der Erfüllung der Rückzahlungs- und Rückkaufbedingungen gemäß § 5(6) berechtigt, die Schuldverschreibungen (insgesamt und nicht nur teilweise) jederzeit durch Kündigungserklärung gemäß § 5(5) mit Wirkung zu dem in der Kündigungserklärung festgelegten Rückzahlungstag zur vorzeitigen Rückzahlung zu kündigen. Wenn die Emittentin ihr Kündigungsrecht gemäß Satz 1 ausübt und die Rückzahlungs- und Rückkaufbedingungen an dem festgelegten Rückzahlungstag erfüllt sind, ist die Emittentin verpflichtet, die Schuldverschreibungen an dem in der Kündigungserklärung festgelegten Rückzahlungstag zum Rückzahlungsbetrag zurückzuzahlen.

Im Falle eines Gross-Up-Ereignisses darf eine solche Kündigungserklärung nicht früher als 90 Tage vor dem Tag abgegeben werden, an dem die Emittentin erstmals verpflichtet wäre, Zusätzliche Beträge gemäß § 7 zu zahlen, falls eine Zahlung auf die Schuldverschreibungen dann fällig würde.

Im Falle eines Steuerereignisses darf eine solche Kündigungserklärung nicht früher als 90 Tage vor dem Tag abgegeben werden, an dem die Abzugsfähigkeit der Zinsen entfallen würde.

(5) Kündigungserklärung.

Die Emittentin kann ein Recht zur Rückzahlung gemäß § 5(3) und § 5(4) durch eine Kündigungserklärung an die Anleihegläubiger gemäß § 11 unter Einhaltung einer Frist von nicht weniger als 15 und nicht mehr als 60 Tagen ausüben. Im Fall einer Kündigung gemäß § 5(4) hat die Kündigungserklärung diejenigen Tatsachen zu enthalten, auf welche die Emittentin ihr Recht zur Kündigung stützt, und den festgelegten Rückzahlungstag zu bezeichnen.

Die Rückzahlung gemäß § 5(3) und § 5(4) steht auch nach einer Kündigungserklärung gemäß diesem § 5(5) unter dem Vorbehalt der Erfüllung der

If, prior to 26 November 2030, a Gross-Up Event, a Tax Event, a Regulatory Event, an Accounting Event or a Rating Event occurs or the Issuer or its subsidiaries have repurchased or redeemed Bonds equal to or in excess of 80 per cent. of the aggregate principal amount of the Bonds initially issued, the Issuer may, subject to the Conditions to Redemption and Repurchase pursuant to § 5(6) being fulfilled, upon giving notice of redemption in accordance with § 5(5), call the Bonds for early redemption (in whole but not in part) at any time with effect as of the redemption date specified in the notice of redemption. If the Issuer exercises its call right in accordance with sentence 1 and the Conditions to Redemption and Repurchase are fulfilled on the specified redemption date, the Issuer shall redeem the Bonds at the Redemption Amount on the redemption date specified in the notice of redemption.

In the case of a Gross-Up Event, no such notice of redemption may be given earlier than 90 days prior to the earliest date on which the Issuer would be for the first time obliged to pay the Additional Amounts pursuant to § 7 if a payment in respect of the Bonds were then due.

In the case of a Tax Event, no such notice of redemption may be given earlier than 90 days prior to the date, on which the deductibility of interest would fall away.

(5) Notice of redemption.

The Issuer will give not less than 15 nor more than 60 days' notice to the Bondholders in accordance with § 11 of any redemption pursuant to § 5(3) and § 5(4). In the case of a redemption in accordance with § 5(4) such notice of redemption will set forth the underlying facts of the Issuer's right to redemption and specify the date fixed for redemption.

Even if such notice of redemption pursuant to this § 5(5) is given, the redemption pursuant to § 5(3) and § 5(4) is subject to the Conditions to Redemption and

Rückzahlungs- und Rückkaufbedingungen an dem in der Kündigungserklärung festgelegten Rückzahlungstag.

(6) Rückzahlungs- und Rückkaufbedingungen.

**"Rückzahlungs- und Rückkaufbedingungen"** bezeichnet die an einem Tag in Bezug auf eine vorgesehene Rückzahlung oder einen geplanten Rückkauf der Schuldverschreibungen nach den Anwendbaren Aufsichtsrechtlichen Vorschriften für die Anerkennung der Schuldverschreibungen als Tier-2-Kapital zu erfüllenden Voraussetzungen. Am Tag der Begebung der Schuldverschreibungen setzt dies Folgendes voraus:

(a) Die Rückzahlungs- und Rückkaufbedingungen sind an einem Tag in Bezug auf eine vorgesehene Rückzahlung oder einen geplanten Rückkauf der Schuldverschreibungen erfüllt, wenn an diesem Tag

(i) kein Insolvenzereignis eingetreten ist und fortbesteht und die Zahlung des Rückzahlungsbetrages bzw. der Rückkauf nicht zu einem Insolvenzereignis führen oder dessen Eintritt beschleunigen würde; und

(ii) kein Solvenzkapitalereignis eingetreten ist und fortbesteht oder durch die Rückzahlung der Schuldverschreibungen durch die Emittentin bzw. durch den Rückkauf eintreten würde, es sei denn,

(A) die Zuständige Aufsichtsbehörde hat ausnahmsweise ihre vorherige Zustimmung zu der Rückzahlung der Schuldverschreibungen und der Zahlung des Rückzahlungsbetrages bzw. zu dem Rückkauf der Schuldverschreibungen trotz des noch fortbestehenden Solvenzkapitalereignisses erteilt und ihre vorherige Zustimmung bis zu diesem Tag nicht widerrufen; und

(B) das über die Schuldverschreibungen eingezahlte

Repurchase being fulfilled on the date fixed for redemption in the notice of redemption.

(6) Conditions to Redemption and Repurchase.

**"Conditions to Redemption and Repurchase"** means the requirements that must be fulfilled on any day with respect to a scheduled redemption or a planned repurchase of the Bonds in accordance with the Applicable Supervisory Regulations in order for the Bonds to qualify as Tier 2 Capital. At the date of issue of the Bonds this requires the following:

(a) The Conditions to Redemption and Repurchase are fulfilled on any date with respect to a scheduled redemption or a planned repurchase of the Bonds, if, on such date,

(i) no Insolvency Event has occurred and is continuing and the payment of the Redemption Amount or the purchase would not result in, or accelerate, the occurrence of an Insolvency Event; and

(ii) no Solvency Capital Event has occurred and is continuing or would be caused by the redemption by the Issuer or the repurchase of the Bonds, unless

(A) the Competent Supervisory Authority has exceptionally given, and not withdrawn by such date, its prior consent to the redemption of the Bonds and the payment of the Redemption Amount or to the repurchase of the Bonds despite the Solvency Capital Event that is continuing;

(B) the capital paid-in for the Bonds is replaced by or

	<p>Kapital wird durch die Einzahlung von Tier-1-Basiseigenmittelbestandteilen ersetzt oder wird in solche Bestandteile umgewandelt, oder wird durch die Einzahlung anderer, zumindest gleichwertiger Tier-2-Basiseigenmittelbestandteile ersetzt oder wird in solche Bestandteile umgewandelt; und</p>
<p>(C) die geltende Mindestkapitalanforderung der Emittentin nach den Anwendbaren Aufsichtsrechtlichen Vorschriften und das geltende Minimum der konsolidierten Gruppensolvenzkapitalanforderung für die Münchener Rück-Gruppe nach den Anwendbaren Aufsichtsrechtlichen Vorschriften werden auch nach der Rückzahlung bzw. dem Rückkauf eingehalten; und</p>	<p>(C) the applicable minimum capital requirement of the Issuer under the Applicable Supervisory Regulations and the applicable minimum group consolidated solvency capital requirement for the Munich Re-Group under the Applicable Supervisory Regulations are fulfilled also after the redemption or the repurchase of the Bonds; and</p>
<p>(iii) die Zuständige Aufsichtsbehörde ihre vorherige Zustimmung zur Rückzahlung bzw. zu dem Rückkauf der Schuldverschreibungen erteilt und bis zu diesem Tag nicht widerrufen hat.</p>	<p>(iii) the Competent Supervisory Authority has given, and not withdrawn by such day, its prior consent to the redemption of the Bonds or to the repurchase of the Bonds.</p>
<p>(b) Ferner ist eine Rückzahlung der Schuldverschreibungen gemäß § 5(4), ein Rückkauf der Schuldverschreibungen gemäß § 5(2)(a) und eine Schuldnerersetzung nach § 13 vor dem 23. September 2025 nur gestattet, wenn eine der nachfolgenden Bedingungen (i) oder (ii) erfüllt ist:</p> <p>(i) das über die Schuldverschreibungen eingezahlte Kapital wird durch die Einzahlung von Tier-1-Basiseigenmittelbestandteilen ersetzt oder in solche Bestandteile umgewandelt wird, oder wird durch die Einzahlung anderer, zumindest gleichwertiger Tier-2-Basiseigenmittelbestandteile</p>	<p>(b) In addition, any redemption of the Bonds pursuant to § 5(4), any repurchase of the Bonds pursuant to § 5(2)(a) and any substitution of the Issuer pursuant to § 13 prior to 23 September 2025 is only permitted if either of the following conditions (i) or (ii) is met:</p> <p>(i) the capital paid-in for the Bonds is replaced by or converted into paid-in Tier 1 basic own-fund items, or is replaced by or converted into other paid-in Tier 2 basic own-fund items of at least the same quality;</p>

ersetzt oder in solche Bestandteile umgewandelt;

oder

(ii) es sind alle nachstehenden Voraussetzungen erfüllt:

(A) die Solvenzkapitalanforderung und die Mindestkapitalanforderung der Emittentin auf individueller Basis gemäß den Anwendbaren Aufsichtsrechtlichen Vorschriften und die anwendbare Solvenzkapitalanforderung und das Minimum der konsolidierten Gruppensolvenzkapitalanforderung für die Münchener Rück-Gruppe auf konsolidierter Ebene gemäß den Anwendbaren Aufsichtsrechtlichen Vorschriften unter Berücksichtigung der Solvabilität der Emittentin und der Solvenz der Münchener Rück-Gruppe, einschließlich des mittelfristigen Kapitalmanagementplans der Emittentin und des mittelfristigen Kapitalmanagementplans der Münchener Rück-Gruppe, sind auch nach der Rückzahlung der Schuldverschreibungen zuzüglich einer angemessenen Sicherheitsmarge bedeckt; und

(B) die Umstände sind wie nachfolgend unter Absatz (I) oder Absatz (II) beschrieben:

(I) Im Falle einer Rückzahlung der Schuldverschreibungen gemäß § 5(4) nach Eintritt eines Aufsichtsrechtlichen Ereignisses, sofern keine Ersetzung oder

or

(ii) all of the following conditions are met:

(A) the solvency capital requirement and the minimum capital requirement of the Issuer on an individual basis in accordance with the Applicable Supervisory Regulations and the applicable solvency capital requirement of, and the minimum group consolidated solvency capital requirement for, the Munich Re-Group on a consolidated basis in accordance with the Applicable Supervisory Regulations, after the redemption of the Bonds, will be exceeded by an appropriate margin, taking into account the solvency position of the Issuer and the solvency position of the Munich Re-Group, including the Issuer's medium-term capital management plan and the Munich Re-Group's medium-term capital management plan; and

(B) the circumstances are as described in paragraph (I) or point (II) below:

(I) in the case of a redemption of the Bonds in accordance with § 5(4) following the occurrence of a Regulatory Event, if no replacement or conversion in

Umwandlung nach § 5(6)(b)(i) erfolgt, gibt es eine Änderung bei der aufsichtsrechtlichen Einstufung der Schuldverschreibungen, die wahrscheinlich zu deren Ausschluss aus den Eigenmitteln oder zu deren Neueinstufung in eine niedrigere Kategorie führen würde, und beide nachstehend genannten Voraussetzungen sind erfüllt: (x) die Zuständige Aufsichtsbehörde hält die Änderung der aufsichtsrechtlichen Einstufung der Schuldverschreibungen für ausreichend sicher und (y) die Emittentin weist der Zuständigen Aufsichtsbehörde gegenüber hinreichend nach, dass der Ausschluss der Schuldverschreibungen aus den Eigenmitteln oder deren aufsichtsrechtliche Neueinstufung am Tag der Begebung der Schuldverschreibungen nach vernünftigem Ermessen nicht vorherzusehen war; oder

(II) im Falle einer Rückzahlung der Schuld-

accordance with § 5(6)(b)(i) occurs, there is a change in the regulatory classification of the Bonds which would be likely to result in their exclusion from own funds or their reclassification as a lower tier of own funds, and both of the following conditions are met: (x) the Competent Supervisory Authority considers the change in the regulatory classification of the Bonds to be sufficiently certain and (y) the Issuer demonstrates to the satisfaction of the Competent Supervisory Authority that the exclusion of the Bonds from own funds or their regulatory reclassification was not reasonably foreseeable at the date of issue of the Bonds; or

(II) in the case of a redemption of the

verschreibungen  
gemäß § 5(4) nach  
Eintritt eines Gross-  
Up-Ereignisses oder  
eines Steuerereignis-  
ses, sofern keine  
Ersetzung oder  
Umwandlung nach  
§ 5(6)(b)(i) erfolgt,  
gibt es eine Än-  
derung der steuerli-  
chen Behandlung der  
Schuldverschreibun-  
gen und die  
Emittentin weist der  
Zuständigen Auf-  
sichtsbehörde  
gegenüber hinrei-  
chend nach, dass  
diese wesentlich ist  
und am Tag der Be-  
gebung der Schuld-  
verschreibungen  
nach vernünftigen  
Ermessen nicht  
vorherzusehen war.

Bonds in accordance  
with § 5(4) following  
the occurrence of a  
Gross-Up Event or a  
Tax Event, if no re-  
placement or conv-  
ersion in accordance  
with § 5(6)(b)(i)  
occurs, there is a  
change in the  
applicable tax  
treatment of the  
Bonds which the  
Issuer demonstrated  
to the satisfaction of  
the Competent  
Supervisory  
Authority is material  
and was not  
reasonably  
foreseeable at the  
date of issue of the  
Bonds.

- (c) Eine Rückzahlung der Schuldverschreibun-  
gen gemäß § 5(4) aus anderen als den in  
§ 5(6)(b) genannten Gründen vor dem  
23. September 2025 und ein Rückkauf der  
Schuldverschreibungen vor dem  
23. September 2025 ist nur gestattet, wenn  
das über die Schuldverschreibungen  
eingezahlte Kapital mit der vorherigen  
Zustimmung der Zuständigen Aufsichtsbe-  
hörde durch die Einzahlung von Tier-1-  
Basiseigenmittelbestandteilen ersetzt oder in  
solche Bestandteile umgewandelt wird, oder  
durch die Einzahlung anderer, zumindest  
gleichwertiger Tier-2-Basiseigenmittel-  
bestandteile ersetzt oder in solche Bestand-  
teile umgewandelt wird.
- (d) Sofern im Zeitpunkt einer vorgesehenen  
Rückzahlung oder eines geplanten  
Rückkaufs der Schuldverschreibungen nach  
den Anwendbaren Aufsichtsrechtlichen Vor-  
schriften andere oder zusätzliche  
Vorbedingungen für die Rückzahlung oder  
den Rückkauf erfüllt sein müssen, gelten

- (c) Any redemption of the Bonds prior to  
23 September 2025 in accordance with § 5(4)  
for any reason other than as specified in  
§ 5(6)(b) and any repurchase of the Bonds  
prior to 23 September 2025 requires that the  
capital paid-in for the Bonds is replaced by or  
converted into paid-in Tier 1 basic own-fund  
items, or is replaced by or converted into  
other paid-in Tier 2 basic own-fund items of  
at least the same quality, in each case with the  
prior consent of the Competent Supervisory  
Authority.
- (d) If, at the time of a scheduled redemption or a  
planned repurchase of the Bonds, the  
Applicable Supervisory Regulations permit  
the repayment or repurchase only after  
compliance with one or more alternative or  
additional pre-conditions, then such other  
and/or additional pre-conditions shall be



diese anderen oder zusätzlichen Vorbedingungen als "Rückzahlungs- und Rückkaufbedingungen", und zwar anstelle von bzw. zusätzlich zu den vorstehend in diesem § 5(6) genannten Bedingungen.

- (e) Wenn die Rückzahlungs- und Rückkaufbedingungen nicht erfüllt sind, berechtigt dies die Anleihegläubiger nicht, von der Emittentin die Rückzahlung der Schuldverschreibungen zu verlangen, und eine aus diesem Grund nicht erfolgte Rückzahlung der Schuldverschreibungen stellt keine Pflichtverletzung der Emittentin dar.

- (7) Die Anleihegläubiger sind zu keinem Zeitpunkt zur Kündigung der Schuldverschreibungen berechtigt.

## § 6 Zahlungen

- (1) (a) Die Emittentin verpflichtet sich, Kapital und Zinsen auf die Schuldverschreibungen bei Fälligkeit in Euro zu zahlen. Die Zahlung von Kapital und Zinsen erfolgt über die Hauptzahlstelle zur Weiterleitung an das Clearingsystem oder nach dessen Weisung zur Gutschrift für die jeweiligen Kontoinhaber.

Die Zahlung von Zinsen auf Schuldverschreibungen, die durch eine Vorläufige Globalurkunde verbrieft sind, erfolgt nach ordnungsgemäßem Nachweis gemäß § 2(2).

- (b) Sämtliche Zahlungen stehen in allen Fällen unter dem Vorbehalt geltender steuerlicher und sonstiger gesetzlicher Vorschriften, Richtlinien, Verordnungen oder Verträge, denen sich die Emittentin, die Hauptzahlstelle oder eine Zahlstelle unterworfen haben. Die Emittentin ist nicht für irgendwelche Steuern oder Abgaben gleich welcher Art verantwortlich, die aufgrund solcher gesetzlichen Vorschriften, Richtlinien, Verordnungen oder Verträge auferlegt oder erhoben werden. Dies berührt jedoch nicht die Bestimmungen von § 7. Den Anleihegläubigern werden keine Kosten oder Gebühren in Bezug auf diese Zahlungen auferlegt.

deemed to constitute "Conditions to Redemption and Repurchase" instead of, or in addition to, the conditions set forth in this § 5(6) above.

- (e) If the Conditions to Redemption and Repurchase are not fulfilled, this will not entitle the Bondholders to require the Issuer to redeem the Bonds, and if the Issuer does not redeem the Bonds as a result thereof, this shall not constitute a default of the Issuer for any purpose.

- (7) The Bondholders have no right to put the Bonds for redemption.

## § 6 Payments

- (1) (a) The Issuer undertakes to pay, as and when due, principal and interest on the Bonds in Euro. Payment of principal and interest on the Bonds will be made through the Principal Paying Agent for on-payment to the Clearing System or to its order for credit to the respective account holders.

Payment of interest on Bonds represented by a Temporary Global Bond shall be made, upon due certification as provided in § 2(2).

- (b) All payments will be subject in all cases to any applicable fiscal and other laws, directives, regulations or agreements to which the Issuer, the Principal Paying Agent or any Paying Agent, as the case may be, agree to be subject and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements, but without prejudice to the provisions of § 7. No commission or expenses shall be charged to the Bondholders in respect of such payments.

- |  |  |
|--|--|
| <p>(c) Die Emittentin wird durch Leistung der Zahlung an das Clearingsystem oder an dessen Order von ihrer Zahlungspflicht befreit.</p>  | <p>(c) The Issuer shall be discharged by payment to, or to the order of, the Clearing System.</p>  |
| <p>(2) Falls ein Fälligkeitstag für die Zahlung von Kapital und/oder Zinsen und/oder Zinsrückständen kein Geschäftstag ist, erfolgt die Zahlung erst am nächstfolgenden Geschäftstag (außer im Fall eines Variablen Zinszahlungstags). Die Anleihegläubiger sind nicht berechtigt, Zinsen oder eine andere Entschädigung wegen eines solchen Zahlungsaufschubs zu verlangen.</p> | <p>(2) If the due date for any payment of principal and/or interest and/or Arrears of Interest is not a Business Day, payment will be made only on the next Business Day (except as provided in relation to a Floating Interest Payment Date). The Bondholders will have no right to claim payment of any interest or other indemnity in respect of such delay in payment.</p> |
| <p>(3) Bezugnahmen in diesen Anleihebedingungen auf Kapital und Zinsen schließen, soweit anwendbar, sämtliche gemäß § 7 zahlbaren Zusätzlichen Beträge (wie dort definiert) ein.</p>   | <p>(3) References in these Terms and Conditions to principal and interest on the Bonds include, to the extent applicable, all Additional Amounts payable pursuant to § 7 (as therein defined).</p>   |

## § 7

### Besteuerung

Sämtliche Zahlungen von Kapital und Zinsen in Bezug auf die Schuldverschreibungen werden ohne Einbehalt oder Abzug von Steuern, Abgaben, Festsetzungen oder behördlicher Gebühren jedweder Art ("**Steuern**") geleistet, die von dem Staat, in dem die Emittentin steuerlich ansässig ist, oder eine seiner Gebietskörperschaften oder Behörden mit der Befugnis zur Erhebung von Steuern auferlegt, erhoben, eingezogen, einbehalten oder festgesetzt werden, sofern nicht die Emittentin kraft Gesetzes oder einer sonstigen Rechtsvorschrift zu einem solchen Einbehalt oder Abzug verpflichtet ist. Sofern die Emittentin zu einem solchen Einbehalt oder Abzug verpflichtet ist, wird die Emittentin zusätzliche Beträge (die "**Zusätzlichen Beträge**") an die Anleihegläubiger zahlen, so dass die Anleihegläubiger die Beträge erhalten, die sie ohne den betreffenden Einbehalt oder Abzug erhalten hätten. Solche Zusätzlichen Beträge sind jedoch nicht zahlbar wegen solcher Steuern in Bezug auf Schuldverschreibungen,

- (a) die von einer als Depotbank oder Inkassobeauftragter des Anleihegläubigers handelnden Person oder sonst auf andere Weise zu entrichten sind als dadurch, dass die Emittentin aus den von ihr zu leistenden Zahlungen von Kapital oder Zinsen einen Abzug oder Einbehalt vornimmt; oder
- (b) die wegen einer gegenwärtigen oder früheren persönlichen oder geschäftlichen Beziehung des Anleihegläubigers zu dem Staat, in dem die Emittentin steuerlich ansässig ist, zu zahlen sind, und

## § 7

### Taxation

All payments of principal and interest in respect of the Bonds will be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed, levied, collected, withheld or assessed by the Issuer's country of domicile for tax purposes or any political subdivision or any authority or any agency of or in the Issuer's country of domicile for tax purposes that has power to tax, unless the Issuer is compelled by law to make such withholding or deduction. If the Issuer is required to make such withholding or deduction, the Issuer will pay such additional amounts (the "**Additional Amounts**") to the Bondholders as the Bondholders would have received if no such withholding or deduction had been required, except that no such Additional Amounts will be payable for any such Taxes in respect of any Bond:

- (a) which are payable by any person acting as custodian bank or collecting agent on behalf of a Bondholder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments of principal or interest made by it; or
- (b) which are payable by reason of the Bondholder having, or having had, some personal or business connection with the Issuer's country of domicile for tax purposes and not merely by reason of the fact that

nicht allein deshalb, weil Zahlungen auf die Schuldverschreibungen aus Quellen in dem Staat, in dem die Emittentin steuerlich ansässig ist, stammen (oder für Zwecke der Besteuerung so behandelt werden) oder dort besichert sind; oder

- (c) die aufgrund (i) einer Richtlinie oder Verordnung der Europäischen Union betreffend die Besteuerung von Zinserträgen oder (ii) einer zwischenstaatlichen Vereinbarung über deren Besteuerung, an der der Staat, in dem die Emittentin steuerlich ansässig ist, oder die Europäische Union beteiligt ist, oder (iii) einer gesetzlichen Vorschrift, die diese Richtlinie, Verordnung oder Vereinbarung umsetzt oder befolgt, abzuziehen oder einzubehalten sind; oder
- (d) die aufgrund einer Rechtsänderung zu zahlen sind, welche später als 30 Tage nach Fälligkeit der betreffenden Zahlung oder, wenn dies später erfolgt, ordnungsgemäßer Bereitstellung aller fälligen Beträge und einer diesbezüglichen Bekanntmachung gemäß § 11 wirksam wird.

Die Emittentin ist keinesfalls verpflichtet, Zusätzliche Beträge in Bezug auf einen Einbehalt oder Abzug von Beträgen zu zahlen, die gemäß Sections 1471 bis 1474 des U.S. Internal Revenue Code (in der jeweils geltenden Fassung oder gemäß Nachfolgebestimmungen), gemäß zwischenstaatlicher Abkommen, gemäß den in einer anderen Rechtsordnung in Zusammenhang mit diesen Bestimmungen erlassenen Durchführungsvorschriften oder gemäß mit dem Internal Revenue Service geschlossenen Verträgen von der Emittentin, der jeweiligen Zahlstelle oder einem anderen Beteiligten abgezogen oder einbehalten wurden ("**FATCA-Steuerabzug**") oder Anleger in Bezug auf einen FATCA-Steuerabzug schadlos zu halten.

## § 8

### **Vorlegungsfrist, Verjährung**

Die Vorlegungsfrist der Schuldverschreibungen wird auf zehn Jahre reduziert. Die Verjährungsfrist für Ansprüche aus den Schuldverschreibungen, die innerhalb der Vorlegungsfrist zur Zahlung vorgelegt wurden, beträgt zwei Jahre von dem Ende der betreffenden Vorlegungsfrist an.

## § 9

### **Zahlstellen und Berechnungsstellen**

- (1) Bestellung.  
  
Die Emittentin hat Citibank Europe plc, 1 North Wall Quay, Dublin 1, Irland als Hauptzahlstelle in Bezug

payments in respect of the Bonds are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, the Issuer's country of domicile for tax purposes; or

- (c) which are deducted or withheld pursuant to (i) any European Union directive or regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which the Issuer's country of domicile for tax purposes or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such directive, regulation, treaty or understanding; or
- (d) which are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment becomes due or is duly provided for and notice thereof is published in accordance with § 11, whichever occurs later.

In any event, the Issuer will have no obligation to pay Additional Amounts deducted or withheld by the Issuer, the relevant Paying Agent or any other party in relation to any withholding or deduction of any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service ("**FATCA Withholding**") or indemnify any investor in relation to any FATCA Withholding.

## § 8

### **Presentation Period, Prescription**

The period for presentation of the Bonds will be reduced to ten years. The period of limitation for claims under the Bonds presented during the period for presentation will be two years calculated from the expiration of the relevant presentation period.

## § 9

### **Paying and Calculation Agents**

- (1) Appointment.  
  
The Issuer has appointed Citibank Europe plc, 1 North Wall Quay, Dublin 1, Ireland as principal

auf die Schuldverschreibungen (die "**Hauptzahlstelle**" und gemeinsam mit jeder etwaigen von der Emittentin nach § 9(2) bestellten zusätzlichen Zahlstelle, die "**Zahlstellen**", und jede eine "**Zahlstelle**") und Citibank Europe plc, 1 North Wall Quay, Dublin 1, Irland als Berechnungsstelle (die "**Berechnungsstelle**") bestellt.

(2) Änderung oder Beendigung der Bestellung.

Die Emittentin wird dafür sorgen, dass stets eine Hauptzahlstelle und eine Berechnungsstelle vorhanden sind. Die Emittentin ist berechtigt, andere international anerkannte Banken als Zahlstelle bzw. eine international anerkannte Bank oder einen Finanzberater mit einschlägiger Expertise als Berechnungsstelle zu bestellen. Die Emittentin ist weiterhin berechtigt, die Bestellung einer Bank zur Zahlstelle oder Berechnungsstelle zu beenden. Im Falle einer solchen Beendigung oder falls die bestellte Zahlstelle oder Berechnungsstelle nicht mehr als Zahlstelle oder Berechnungsstelle in der jeweiligen Funktion tätig werden kann oder will, bestellt die Emittentin eine andere international anerkannte Bank als Zahlstelle bzw. eine international anerkannte Bank oder einen Finanzberater mit einschlägiger Expertise als Berechnungsstelle. Eine solche Bestellung oder Beendigung der Bestellung ist unverzüglich gemäß § 11 oder, falls dies nicht möglich sein sollte, durch eine öffentliche Bekanntmachung in sonstiger geeigneter Weise bekannt zu machen.

(3) Status der beauftragten Stellen.

Die Zahlstellen und die Berechnungsstelle handeln ausschließlich als Vertreter der Emittentin und übernehmen keine Verpflichtungen gegenüber den Anleihegläubigern; es wird kein Vertrags-, Auftrags- oder Treuhandverhältnis zwischen ihnen und den Anleihegläubigern begründet. Die Zahlstellen und die Berechnungsstelle sind von den Beschränkungen des § 181 des Bürgerlichen Gesetzbuchs befreit.

(4) Wenn die Emittentin gemäß § 4(2)(e) einen Unabhängigen Berater bestellt, dann ist § 9(3) auf den Unabhängigen Berater entsprechend anzuwenden.

paying agent (the "**Principal Paying Agent**" and, together with any additional paying agent appointed by the Issuer in accordance with § 9(2), the "**Paying Agents**", and each a "**Paying Agent**") and Citibank Europe plc, 1 North Wall Quay, Dublin 1, Ireland as Calculation Agent (the "**Calculation Agent**") with respect to the Bonds

(2) Variation or Termination of Appointment.

The Issuer will procure that there will at all times be a Principal Paying Agent and a Calculation Agent. The Issuer is entitled to appoint other banks of international standing as Paying Agents, or another bank of international standing or a financial adviser with relevant expertise as Calculation Agent. Furthermore, the Issuer is entitled to terminate the appointment of any Paying Agent or Calculation Agent. In the event of such termination or such Paying Agent or Calculation Agent being unable or unwilling to continue to act as Paying Agent or Calculation Agent in the relevant capacity, the Issuer will appoint another bank of international standing as Paying Agent or a bank of international standing or a financial adviser with relevant expertise as Calculation Agent. Such appointment or termination will be published without undue delay in accordance with § 11, or, should this not be possible, be published in another appropriate manner.

(3) Status of the Agents.

The Paying Agents and the Calculation Agent act solely as agents of the Issuer and do not assume any obligations towards or relationship of contract, agency or trust for or with any of the Bondholders. The Paying Agents and the Calculation Agent are exempt from the restrictions of § 181 of the German Civil Code (*Bürgerliches Gesetzbuch*).

(4) If the Issuer appoints an Independent Adviser in accordance with § 4(2)(e), § 9(3) shall apply mutatis mutandis to the Independent Adviser.

**§ 10**  
**Weitere Emissionen**

Die Emittentin kann ohne Zustimmung der Anleihegläubiger weitere Schuldverschreibungen begeben, die in jeder Hinsicht (gegebenenfalls mit Ausnahme des Tages der Begebung, des Verzinsungsbeginns und/oder des Ausgabepreises) die gleichen Bedingungen wie die Schuldverschreibungen dieser Anleihe haben und die zusammen mit den Schuldverschreibungen dieser Anleihe eine einheitliche Serie bilden. Der Begriff "Schuldverschreibungen" umfasst im Fall einer solchen weiteren Begebung auch solche zusätzlich begebenen Schuldverschreibungen.

Eine Aufstockung dieser Emission gemäß diesem § 10 darf nicht durchgeführt werden, wenn diese Aufstockung zum Eintritt eines Aufsichtsrechtlichen Ereignisses führen würde, aufgrund dessen die Emittentin berechtigt wäre, die Schuldverschreibungen gemäß § 5(4) zurückzuzahlen.

**§ 11**  
**Bekanntmachungen**

- (1) Alle Bekanntmachungen, die die Schuldverschreibungen betreffen, werden im Bundesanzeiger und (solange die Schuldverschreibungen am regulierten Markt der Luxemburger Wertpapierbörse notiert sind) auf der Internet-Seite der Luxemburger Börse unter [www.bourse.lu](http://www.bourse.lu) veröffentlicht. Für das Datum und die Rechtswirksamkeit sämtlicher Bekanntmachungen ist die erste Veröffentlichung maßgeblich.
- (2) Die Emittentin ist darüber hinaus berechtigt, alle die Schuldverschreibungen betreffenden Mitteilungen an das Clearingsystem zur Weiterleitung an die Anleihegläubiger zu übermitteln. Jede derartige Mitteilung gilt am fünften Tag nach dem Tag der Mitteilung an das Clearingsystem als den Anleihegläubigern mitgeteilt.

**§ 12**  
**Änderung der Anleihebedingungen durch Beschluss der Anleihegläubiger; Gemeinsamer Vertreter**

- (1) Die Emittentin kann mit den Anleihegläubigern Änderungen der Anleihebedingungen oder sonstige Maßnahmen durch Mehrheitsbeschluss der Anleihegläubiger nach Maßgabe der §§ 5 ff. des Gesetzes über Schuldverschreibungen aus

**§ 10**  
**Further Issues**

The Issuer may from time to time, without the consent of the Bondholders, create and issue further bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the issue date, the interest commencement date and/or the issue price) so as to form a single series with the Bonds. The term "Bonds" shall, in the event of such further issue, also comprise such further bonds.

No increase of these Bonds will be made in accordance with this § 10 if such increase would result in a Regulatory Event entitling the Issuer to redeem the Bonds in accordance with § 5(4).

**§ 11**  
**Notices**

- (1) All notices regarding the Bonds will be published in the Federal Gazette (*Bundesanzeiger*) (to the extent required) and (so long as the Bonds are listed on the regulated market of the Luxembourg Stock Exchange) on the website of the Luxembourg Stock Exchange on [www.bourse.lu](http://www.bourse.lu). Any notice will become effective for all purposes on the date of the first such publication.
- (2) In addition, the Issuer will be entitled to deliver all notices concerning the Bonds to the Clearing System for communication by the Clearing System to the Bondholders. Any such notice shall be deemed to have been given to the Bondholders on the fifth day after the date on which the said notice was given to the Clearing System.

**§ 12**  
**Amendments to the Terms and Conditions by resolution of the Bondholders; Joint Representative**

- (1) The Issuer may agree with the Bondholders on amendments to the Terms and Conditions or on other matters by virtue of a majority resolution of the Bondholders pursuant to § 5 et seqq. of the German Act on Issues of Debt Securities (*Gesetz über Schuld-*

Gesamtemissionen ("**SchVG**") in seiner jeweils geltenden Fassung beschließen.

Das Recht der Emittentin gemäß diesem § 12(1) steht unter folgenden Vorbehalten:

- (i) den in § 3(2), § 3(3), § 3(4) und § 5(6) genannten aufsichtsrechtlichen Beschränkungen;
- (ii) der Erfüllung der zum Zeitpunkt einer Änderung der Anleihebedingungen jeweils geltenden Anwendbaren Aufsichtsrechtlichen Vorschriften für die Einbeziehung der Schuldverschreibungen in die Berechnung der Eigenmittel für Zwecke der Ermittlung der Solvabilität der Emittentin und/oder der Gruppensolvabilität der Münchener Rück-Gruppe als Tier-2-Kapital (oder eine bessere Eigenmittelkategorie); und
- (iii) der vorherigen Zustimmung der Zuständigen Aufsichtsbehörde (sofern im betreffenden Zeitpunkt eine solche vorherige Zustimmung aufgrund der Anwendbaren Aufsichtsrechtlichen Vorschriften erforderlich ist).

Eine Änderung der Anleihebedingungen ohne Zustimmung der Emittentin scheidet aus. Die Anleihegläubiger können insbesondere einer Änderung wesentlicher Inhalte der Anleihebedingungen, einschließlich der in § 5 Absatz 3 SchVG vorgesehenen Maßnahmen durch Beschlüsse mit den in dem nachstehenden § 12(2) genannten Mehrheiten zustimmen. Ein ordnungsgemäß gefasster Mehrheitsbeschluss ist für alle Anleihegläubiger gleichermaßen verbindlich.

- (2) Vorbehaltlich des nachstehenden Satzes und der Erreichung der erforderlichen Beschlussfähigkeit, beschließen die Anleihegläubiger mit der einfachen Mehrheit der an der Abstimmung teilnehmenden Stimmrechte. Beschlüsse, durch welche der wesentliche Inhalt der Anleihebedingungen, insbesondere in den Fällen des § 5 Absatz 3 Nr. 1 bis 9 SchVG, geändert wird oder sonstige wesentliche Maßnahmen beschlossen werden, bedürfen zu ihrer Wirksamkeit einer Mehrheit von mindestens 75 % der an der Abstimmung teilnehmenden Stimmrechte (eine "**Qualifizierte Mehrheit**").

*verschreibungen aus Gesamtemissionen – "**SchVG**")*, as amended from time to time.

The Issuer's right under this § 12(1) is subject to the following restrictions:

- (i) the regulatory restrictions set out in § 3(2), § 3(3), § 3(4) and § 5(6);
- (ii) the compliance with the Applicable Supervisory Regulations at the time of an amendment of the Terms and Conditions for the Bonds to qualify for the inclusion in the determination of the own funds for solvency purposes of the Issuer and/or for group solvency purposes of the Munich Re-Group as Tier 2 Capital (or a better category of own funds); and
- (iii) the prior consent of the Competent Supervisory Authority (if under the Applicable Supervisory Regulations such prior consent is required at the time).

There will be no amendment of the Terms and Conditions without the Issuer's consent. In particular, the Bondholders may consent to amendments which materially change the substance of the Terms and Conditions, including such measures as provided for under § 5 paragraph 3 SchVG by resolutions passed by such majority of the votes of the Bondholders as stated under § 12(2) below. A duly passed majority resolution shall be binding equally upon all Bondholders.

- (2) Except as provided by the following sentence and provided that the quorum requirements are being met, the Bondholders may pass resolutions by simple majority of the voting rights participating in the vote. Resolutions which materially change the substance of the Terms and Conditions, in particular in the cases of § 5 paragraph 3 numbers 1 through 9 SchVG, or which relate to material other matters may only be passed by a majority of at least 75 per cent. of the voting rights participating in the vote (a "**Qualified Majority**").

- (3) Die Anleihegläubiger können Beschlüsse in einer Gläubigerversammlung gemäß §§ 5 ff. SchVG oder im Wege einer Abstimmung ohne Versammlung gemäß § 18 und §§ 5 ff. SchVG fassen.
- (a) Die Teilnahme an der Gläubigerversammlung und die Ausübung der Stimmrechte sind von einer vorherigen Anmeldung der Anleihegläubiger abhängig. Die Anmeldung muss unter der in der Bekanntmachung der Einberufung mitgeteilten Adresse spätestens an dem dritten Tag vor der Gläubigerversammlung zugehen. Mit der Anmeldung müssen die Anleihegläubiger ihre Berechtigung zur Teilnahme an der Abstimmung durch einen in Textform erstellten besonderen Nachweis der Depotbank und durch Vorlage eines Sperrvermerks der Depotbank, aus dem hervorgeht, dass die betreffenden Schuldverschreibungen ab dem Tag der Absendung der Anmeldung (einschließlich) bis zum angegebenen Ende der Gläubigerversammlung (einschließlich) nicht übertragbar sind, nachweisen.
- (b) Zusammen mit der Stimmabgabe müssen die Anleihegläubiger ihre Berechtigung zur Teilnahme an der Abstimmung ohne Versammlung durch einen in Textform erstellten besonderen Nachweis der Depotbank und durch Vorlage eines Sperrvermerks der Depotbank, aus dem hervorgeht, dass die betreffenden Schuldverschreibungen ab dem Tag der Stimmabgabe (einschließlich) bis zum letzten Tag des Abstimmungszeitraums (einschließlich) nicht übertragbar sind, nachweisen.
- (4) Wird für die Gläubigerversammlung gemäß § 12(3)(a) oder die Abstimmung ohne Versammlung gemäß § 12(3)(b) die mangelnde Beschlussfähigkeit festgestellt, kann – im Falle der Gläubigerversammlung – der Vorsitzende eine zweite Versammlung im Sinne von § 15 Absatz 3 Satz 2 SchVG und – im Falle der Abstimmung ohne Versammlung – der Abstimmungsleiter eine zweite Versammlung im Sinne von § 18 Absatz 4 S. 2 und § 15 Absatz 3 Satz 3 SchVG einberufen. Die Teilnahme an der zweiten Versammlung und die
- (3) The Bondholders can pass resolutions in a meeting (*Gläubigerversammlung*) in accordance with § 5 et seqq. SchVG or by means of a vote without a meeting (*Abstimmung ohne Versammlung*) in accordance with § 18 and § 5 et seqq. SchVG.
- (a) Attendance at the meeting and exercise of voting rights is subject to the Bondholders' registration. The registration must be received at the address stated in the convening notice no later than the third day preceding the meeting. As part of the registration, Bondholders must provide evidence of their eligibility to participate in the vote by means of a special confirmation of the Custodian in text form and by submission of a blocking instruction by the Custodian stating that the relevant Bonds are not transferable from and including the day such registration has been sent until and including the stated end of the meeting.
- (b) Together with casting their vote, Bondholders must provide evidence of their eligibility to participate in the vote without a meeting by means of a special confirmation of the Custodian in text form and by submission of a blocking instruction by the Custodian stating that the relevant Bonds are not transferable from and including the day such vote has been cast until and including the day the voting period ends.
- (4) If it is ascertained that no quorum exists for the meeting pursuant to § 12(3)(a) or the vote without a meeting pursuant to § 12(3)(b), in case of a meeting the chairman (*Vorsitzender*) may convene a second meeting in accordance with § 15 paragraph 3 sentence 2 SchVG or in case of a vote without a meeting the scrutineer (*Abstimmungsleiter*) may convene a second meeting within the meaning of § 18 paragraph 4 sentence 2 and § 15 paragraph 3 sentence 3 SchVG. Attendance at the second meeting and exercise of voting rights is subject to the

Ausübung der Stimmrechte sind von einer vorherigen Anmeldung der Anleihegläubiger abhängig. Für die Anmeldung der Anleihegläubiger zu einer zweiten Versammlung gelten die Bestimmungen des § 12(3)(a) entsprechend.

- (5) Die Anleihegläubiger können durch Mehrheitsbeschluss die Bestellung oder Abberufung eines gemeinsamen Vertreters (der "**Gemeinsame Vertreter**"), die Aufgaben und Befugnisse des Gemeinsamen Vertreters, die Übertragung von Rechten der Anleihegläubiger auf den Gemeinsamen Vertreter und eine Beschränkung der Haftung des Gemeinsamen Vertreters bestimmen. Die Bestellung eines Gemeinsamen Vertreters bedarf einer Qualifizierten Mehrheit, wenn er ermächtigt werden soll, Änderungen des wesentlichen Inhalts der Anleihebedingungen oder sonstigen wesentlichen Maßnahmen gemäß § 12(2) zuzustimmen.
- (6) Bekanntmachungen betreffend diesen § 12 erfolgen ausschließlich gemäß den Bestimmungen des SchVG.
- (7) Im Fall einer Schuldnerersetzung gemäß § 13(1) gilt § 12 entsprechend für die Änderung der Garantie gemäß § 13(1)(d), und Änderungen der Anleihebedingungen und dieser Garantie sind nur mit Zustimmung der Neuen Emittentin und der Münchener Rück als Garantin zulässig.

### **§ 13 Ersetzung**

- (1) Ersetzung.
- Die Emittentin ist jederzeit berechtigt, ohne Zustimmung der Anleihegläubiger eine andere Gesellschaft (soweit es sich bei dieser Gesellschaft nicht um ein Versicherungsunternehmen handelt), die direkt oder indirekt von der Emittentin kontrolliert wird, als neue Emittentin für alle sich aus oder im Zusammenhang mit den Schuldverschreibungen ergebenden Verpflichtungen mit schuldbeitreitender Wirkung für die Emittentin an die Stelle der Emittentin zu setzen (die "**Neue Emittentin**"), sofern
- (a) die Neue Emittentin sämtliche Verpflichtungen der Emittentin aus oder im

Bondholders' registration. The provisions set out in § 12(3)(a) shall apply *mutatis mutandis* to Bondholders' registration for a second meeting.

- (5) The Bondholders may by majority resolution provide for the appointment or dismissal of a holders' representative (the "**Bondholders' Representative**"), the duties and responsibilities and the powers of such Bondholders' Representative, the transfer of the rights of the Bondholders to the Bondholders' Representative and a limitation of liability of the Bondholders' Representative. Appointment of a Bondholders' Representative may only be passed by a Qualified Majority if such Bondholders' Representative is to be authorised to consent, in accordance with § 12(2) hereof, to a material change in the substance of the Terms and Conditions or other material matters.
- (6) Any notices concerning this § 12 shall be made exclusively pursuant to the provisions of the SchVG.
- (7) In the event of a substitution pursuant to § 13(1), § 12 shall apply *mutatis mutandis* for an amendment of the guarantee pursuant to § 13(1)(d), and the Terms and Conditions and such guarantee may only be amended with the consent of the New Issuer and Munich Re as guarantor.

### **§ 13 Substitution**

- (1) Substitution.
- The Issuer may at any time, without the consent of the Bondholders, substitute for itself any other company (other than an insurance undertaking) which is directly or indirectly controlled by the Issuer, as new issuer (the "**New Issuer**") in respect of all obligations arising under or in connection with the Bonds with the effect of releasing the Issuer of all such obligations, if:
- (a) the New Issuer assumes any and all obligations of the Issuer arising under or in connection with the Bonds; and



Zusammenhang mit den Schuldverschreibungen übernimmt; und

- (b) die Emittentin und die Neue Emittentin sämtliche für die Schuldnerersetzung und die Erfüllung der Verpflichtungen aus oder im Zusammenhang mit den Schuldverschreibungen erforderlichen internen Zustimmungen erhalten haben, und die Zuständige Aufsichtsbehörde der Ersetzung zuvor zugestimmt hat; und
- (c) die Neue Emittentin in der Lage ist, sämtliche zur Erfüllung der aufgrund der Schuldverschreibungen bestehenden Zahlungsverpflichtungen erforderlichen Beträge in Euro an das Clearingsystem zu zahlen, und zwar ohne Abzug oder Einbehalt von Steuern oder sonstigen Abgaben jedweder Art, die von dem Land (oder den Ländern), in dem (in denen) die Neue Emittentin ihren Sitz oder Steuersitz hat, auferlegt, erhoben oder eingezogen werden; und
- (d) die Emittentin unwiderruflich die Verpflichtungen der Neuen Emittentin aus den Schuldverschreibungen auf nachrangiger Basis zu Bedingungen garantiert, die sicherstellen, dass jeder Anleihegläubiger wirtschaftlich so gestellt wird, wie er ohne die Ersetzung stehen würde; und
- (e) die Rückzahlungs- und Rückkaufbedingungen zum Zeitpunkt der Ersetzung erfüllt sind; diese finden auf die Ersetzung entsprechende Anwendung.

(2) Bezugnahmen.

Im Fall einer Schuldnerersetzung gemäß § 13(1) gilt jede Bezugnahme in diesen Anleihebedingungen auf die Emittentin als eine solche auf die Neue Emittentin.

Klarstellend sei erwähnt, dass dies nur gilt, soweit sich nicht aus Sinn und Zweck der jeweiligen Bedingung ergibt, dass die Bezugnahme entweder weiterhin nur auf die Münchener Rück erfolgen soll (also insbesondere im Hinblick auf die Solvabilität der Münchener Rück und die Gruppensolvabilität der Münchener Rück-Gruppe, das Insolvenzereignis, das Obligatorische Zinszahlungsereignis, das

- (b) the Issuer and the New Issuer have obtained all internal authorisations necessary for the substitution and the fulfilment of the obligations arising under or in connection with the Bonds, and the Competent Supervisory Authority having given its prior consent to the substitution; and

- (c) the New Issuer is in the position to pay to the Clearing System in Euro and without deducting or withholding any taxes or other duties of whatever nature imposed, levied or deducted by the country (or countries) in which the New Issuer has its domicile or tax residence all amounts required for the performance of the payment obligations arising from or in connection with the Bonds; and

- (d) the Issuer irrevocably guarantees on a subordinated basis such obligations of the New Issuer under the Bonds on terms which ensure that each Bondholder will be put in an economic position that is not less favourable as that which would have existed if the substitution had not taken place; and

- (e) the Conditions to Redemption and Repurchase are fulfilled at the time of the substitution; these shall apply *mutatis mutandis* to the substitution.

(2) References.

In the event of a substitution pursuant to § 13(1), any reference in these Terms and Conditions to the Issuer shall be a reference to the New Issuer.

For the avoidance of doubt this shall apply only to the extent that the meaning and purpose of the relevant condition requires that the relevant reference shall continue to be a reference only to Munich Re (i.e. in particular in relation to the solvency applicable to Munich Re and the group solvency of the Munich Re-Group, the Insolvency Event, the Compulsory Interest Payment Event, the Accounting Event, the

Rechnungslegungsereignis, das Ratingereignis und § 5(2)), oder dass die Bezugnahme auf die Neue Emittentin und gleichzeitig auch auf die Münchener Rück, im Hinblick auf deren Verpflichtungen aus der Garantie gemäß § 13(1)(d), erfolgen soll (Gross-Up-Ereignis, Steuerereignis, Aufsichtsrechtliches Ereignis, Rechnungslegungsereignis, Ratingereignis und Besteuerung).

Im Fall einer Schuldnerersetzung gilt jede Bezugnahme auf die Bundesrepublik Deutschland (außer in § 14) als eine solche auf den Staat, in welchem die Neue Emittentin steuerlich ansässig ist, soweit sich aus Satz 2 nichts anderes ergibt.

- (3) Bekanntmachung und Wirksamwerden der Ersetzung.

Die Ersetzung der Emittentin ist gemäß § 11 bekanntzumachen. Mit der Bekanntmachung der Ersetzung wird die Ersetzung wirksam und die Emittentin und im Fall einer wiederholten Anwendung dieses § 13 jede frühere Neue Emittentin von ihren sämtlichen Verpflichtungen aus den Schuldverschreibungen frei. Im Fall einer solchen Schuldnerersetzung werden die Wertpapierbörsen informiert, an denen die Schuldverschreibungen zu diesem Zeitpunkt auf Veranlassung der Emittentin notiert sind.

- (4) Nach einer Ersetzung gemäß diesem § 13 kann jede Neue Emittentin mit Zustimmung der Münchener Rück durch Bekanntmachung nach § 11 ohne Zustimmung der Anleihegläubiger die Ersetzung entsprechend rückgängig machen.

## § 14 Schlussbestimmungen

- (1) Anzuwendendes Recht.

Form und Inhalt der Schuldverschreibungen sowie alle sich daraus ergebenden Rechte und Pflichten bestimmen sich nach dem Recht der Bundesrepublik Deutschland.

- (2) Gerichtsstand.

Vorbehaltlich eines zwingend vorgeschriebenen Gerichtsstands für bestimmte Verfahren nach dem SchVG ist ausschließlicher Gerichtsstand für alle Rechtsstreitigkeiten aus den in diesen Anleihebedingungen geregelten Angelegenheiten, soweit gesetzlich zulässig, München,

Rating Event and § 5(2)), or that the reference shall be to the New Issuer and Munich Re, in relation to its obligations under the guarantee pursuant to § 13(1)(d), at the same time (Gross-Up Event, Tax Event, Regulatory Event, Accounting Event, Rating Event and Taxation).

In the event of a substitution any reference to the Federal Republic of Germany (except in § 14) shall be a reference to the New Issuer's country of domicile for tax purposes, unless sentence 2 provides otherwise.

- (3) Notice and Effectiveness of Substitution.

Notice of any substitution of the Issuer shall be given by notice in accordance with § 11. Upon such publication, the substitution shall become effective, and the Issuer and in the event of a repeated application of this § 13, any previous New Issuer shall be discharged from any and all obligations under the Bonds. In the case of such substitution, the stock exchange(s), if any, on which the Bonds are then listed at the initiative of the Issuer will be notified.

- (4) Following a substitution pursuant to this § 13 any New Issuer may, with the consent of Munich Re, after giving notice in accordance with § 11 and without the consent of the Bondholders, reverse the substitution.

## § 14 Final Provisions

- (1) Applicable Law.

The form and the content of the Bonds as well as all the rights and duties arising therefrom are governed by, and construed in accordance with, the laws of the Federal Republic of Germany.

- (2) Place of Jurisdiction.

Subject to any mandatory jurisdiction for specific proceedings under the SchVG, to the extent legally permissible, exclusive place of jurisdiction for all proceedings arising from matters provided for in these Terms and Conditions will be Munich, Federal Republic of Germany. The Issuer irrevocably waives

Bundesrepublik Deutschland. Die Emittentin verzichtet unwiderruflich darauf, gegenwärtig oder zukünftig gegen die Gerichte in München als Forum für Rechtsstreitigkeiten Einwände zu erheben, und versichert, keines der Gerichte in München als ungelegenes oder unangemessenes Forum zu bezeichnen.

(3) Erfüllungsort.

Erfüllungsort ist München, Bundesrepublik Deutschland.

(4) Geltendmachung von Rechten.

Jeder Anleihegläubiger ist berechtigt, in jedem Rechtsstreit gegen die Emittentin oder in jedem Rechtsstreit, in dem der Gläubiger und die Emittentin Partei sind, seine Rechte aus diesen Schuldverschreibungen im eigenen Namen geltend zu machen gegen Vorlage:

- (i) einer Bescheinigung der Depotbank, die (A) den vollen Namen und die volle Anschrift des Anleihegläubigers bezeichnet, (B) den gesamten Nennbetrag von Schuldverschreibungen angibt, die am Ausstellungstag dieser Bescheinigung den bei dieser Depotbank bestehenden Depots dieses Anleihegläubigers gutgeschrieben sind und (C) bestätigt, dass die Depotbank dem Clearingsystem und der Hauptzahlstelle eine schriftliche Mitteilung gemacht hat, die die Angaben gemäß (A) und (B) enthält und Bestätigungsvermerke des Clearingsystems sowie des betroffenen Kontoinhabers bei dem Clearingsystem trägt sowie
- (ii) einer von einem Vertretungsberechtigten des Clearingsystems oder der Hauptzahlstelle beglaubigten Ablichtung der Globalurkunde; oder
- (iii) eines anderen, in Rechtsstreitigkeiten in dem Land der Geltendmachung zulässigen Beweismittels.

**§ 15  
Sprache**

Diese Anleihebedingungen sind in deutscher Sprache abgefasst und mit einer Übersetzung in die englische Sprache

any objection which they might now or hereafter have to the courts of Munich being nominated as the forum to hear and determine any proceedings and to settle any disputes and agrees not to claim that any of those courts is not a convenient or appropriate forum.

(3) Place of Performance.

Place of performance will be Munich, Federal Republic of Germany.

(4) Enforcement of Rights.

Any Bondholder may in any proceedings against the Issuer or to which the Bondholder and the Issuer are parties protect and enforce in his own name his rights arising under his Bonds on the basis of:

- (i) a certificate issued by his Custodian (A) stating the full name and address of the Bondholder, (B) specifying an aggregate principal amount of Bonds credited on the date of such statement to such Bondholder's securities account(s) maintained with his Custodian and (C) confirming that his Custodian has given a written notice to the Clearing System and the Principal Paying Agent containing the information specified in (A) and (B) and bearing acknowledgements of the Clearing System and the relevant account holder in the Clearing System and
- (ii) a copy of the Global Bond relating to the Bonds, certified as being a true copy by a duly authorised officer of the Clearing System or the Principal Paying Agent; or
- (iii) any other means of evidence permitted in legal proceedings in the country of enforcement.

**§ 15  
Language**

These Terms and Conditions are written in the German language and provided with an English language translation. The German text will be the only legally binding version. The

versehen. Der deutsche Wortlaut ist allein rechtsverbindlich.  
Die englische Übersetzung dient nur zur Information.

English language translation is provided for convenience  
only.

## USE OF PROCEEDS

The net proceeds from the issue and sale of the Bonds will amount to approximately € 1,234,337,500.

An amount equivalent to the net proceeds of the Bonds will be used to finance or refinance, in whole or in part, existing and/or future Eligible Projects (as defined below) that meet the eligibility criteria defined in the green bond framework of Munich Re (the "**Green Bond Framework**") and are financed by Munich Re either by equity participation or by debt instruments (excluding green bonds issued by other issuers). The Green Bond Framework is publicly available on the Issuer's website (<https://www.munichre.com>).

For equity participations, eligible investments also include investments by Munich Re in private, non-listed companies for which at least 90% of the turnover is attributable to projects that meet the eligibility criteria.

In the case of refinancing existing Eligible Projects, investments and expenditures which have been made within the 36-months period preceding the Issue Date shall be considered for inclusion as Eligible Projects.

"**Eligible Projects**" include projects or assets in the following eligible categories:

- Renewable energy
- Energy efficiency
- Clean transportation
- Green buildings
- Sustainable water and waste water management
- Eco-efficient and/or circular economy
- Environmentally sustainable management of living natural resources and land use.

For the avoidance of doubt, the following activities are excluded:

- Energy production from oil, black coal, lignite and oil sands (including energy-efficient technologies that are inherently carbon-intensive and/or primarily driven/powered by oil and/or black coal)
- Sourcing of palm oil from non-certified sources
- Gambling
- Tobacco
- Alcohol
- Weapons

Munich Re's Investment Management department manages the allocation of an amount equivalent to the net proceeds of the Bonds to Eligible Projects using a portfolio approach. Munich Re strives to achieve a level of allocation to the portfolio of Eligible Projects that matches or exceeds the balance of net proceeds of the Bonds within 36 months from the Issue Date.

Pending full allocation of an amount equal to the net proceeds of the Bonds to Eligible Projects, the net proceeds not allocated to Eligible Projects will be allocated to temporary investments such as cash, cash equivalents and/or other liquid marketable investments (preferably green bonds issued by other issuers) in line with Munich Re's Responsible Investment Guideline and excluding investments covered by any of the exclusions mentioned above.

Munich Re commits to publish on its website an allocation and impact report one year after issuance of the Bonds and annually thereafter until full allocation of the net proceeds as well as in the event of any material changes of the allocation as long as the Bonds are outstanding.

Munich Re's Green Bond Framework is supported by the external reviews mentioned below.

### ***Second Party Opinion***

Munich Re has retained Sustainalytics to provide a Second Party Opinion on the Green Bond Framework to confirm alignment with the ICMA Green Bond Principles 2018. The document is available on the website of Munich Re ([www.munichre.com](http://www.munichre.com)).

Sustainalytics, a provider of environmental, social and governance (ESG) research and analysis, evaluated the Green Bond Framework and the alignment thereof with relevant market standards and provided views on the robustness and credibility of the Green Bond Framework which views are intended to inform investors in general, and not for a specific investor.

### ***Post Issuance External Verification on Reporting***

Munich Re intends to appoint an external reviewer to provide comfort on the use of net proceeds of the Bonds. The external reviewer will examine whether the net proceeds of the Bonds are allocated to Eligible Projects as defined in the Green Bond Framework. This review will be published alongside Munich Re's allocation reporting as stated above.

## DESCRIPTION OF THE ISSUER AND MUNICH RE

### General Information on the Issuer and Munich Re

#### *Munich Re*

Munich Reinsurance Company (the Issuer of the Bonds) together with its subsidiaries form Munich Re. Munich Reinsurance Company is the ultimate parent of Munich Re.

#### *Name, Registered Seat (Sitz) and Object (Unternehmensgegenstand) of the Issuer*

The Issuer, having its seat in Munich, is a stock corporation (*Aktiengesellschaft*) under German law and is registered in the commercial register (*Handelsregister*) at the Local Court of Munich under Docket No. HRB 42039 under the legal name of Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München. The registered office of the Issuer is at Königinstrasse 107, 80802 Munich, Germany (phone +49 (0) 89 38 91-0). The Legal Entity Identifier (LEI) of Munich Reinsurance Company is 529900MUF4C20K50JS49. The website of the Issuer is [www.munichre.com](http://www.munichre.com). The Information on the website does not form part of this Prospectus unless that information is specifically incorporated by reference into this Prospectus.

According to Article 1(3) of the articles of association of the Issuer, the object of the Issuer is the provision of reinsurance in all classes of business, and the management of an international group of companies that does business in the fields of insurance, asset management, information technologies, and other financial, advisory and similar services (including the identification, analysis, assessment and transfer of risks). The Issuer is entitled to conduct all transactions and take all measures that are associated with the aforementioned activities or that appear directly or indirectly conducive to them.

The Issuer may pursue its object directly or indirectly through Group or affiliated companies (including joint ventures). It may restrict itself to part of the activities named in the aforementioned paragraph. The Issuer may establish branches in Germany and other countries, set up affiliated companies, acquire shareholdings in other companies, change their structures, merge them under uniform management or restrict itself to administering the shareholding, divest itself of shareholdings, and also conclude inter-company and cooperation agreements of all kinds.

The Issuer may directly or indirectly acquire, administer or divest itself of shareholdings in companies of all kinds for investment purposes.

Copies of the articles of association in German language are publicly available from the commercial register in Munich.

#### *Fiscal Year*

The fiscal year of the Issuer is the calendar year.

#### *Term and Dissolution*

Munich Reinsurance Company has been founded for an unlimited term and may be dissolved upon a resolution of the General Meeting requiring a majority of at least three quarters of the share capital represented at the time such resolution is adopted. The assets of Munich Reinsurance Company remaining after servicing all liabilities are distributed among the shareholders pro rata to their shareholding in Munich Reinsurance Company pursuant to the provisions of the German Stock Corporation Act (*Aktiengesetz*).

#### *Statutory Auditors*

Until 31 December 2019, the independent auditors of the Issuer were KPMG Bayerische Treuhandgesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft ("**KPMG**"), Ganghoferstrasse 29, 80339 Munich, Germany. KPMG is a member of the Chamber of Public Accountants (*Wirtschaftsprüferkammer, Körperschaft des öffentlichen Rechts*), Berlin, Germany.

The audited annual consolidated financial statements (IFRS) of the Issuer for the years ended 31 December 2019 and 2018 were audited by KPMG, as stated in their unqualified German language auditor's report (*Bestätigungsvermerk*) on the consolidated financial statements.

Against the background of the legally required rotation of auditors, a procedure for the selection of a new auditor was carried out in accordance with Art. 16(3), first subparagraph, of Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014. At the proposal of the Audit Committee, the Supervisory Board of the Issuer selected Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft for the audit of the Issuer's financial statements and the Group's consolidated financial statements and the combined management report of Münchener Rückversicherungs-Gesellschaft, Aktiengesellschaft in München from the business year 2020.

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft ("EY"), Stuttgart, Munich office, Arnulfstrasse 59, 80636 Munich, Germany, was appointed for the first time as auditor of the Issuer's financial statements and the Group's consolidated financial statements of Munich Reinsurance Company for the financial year starting on 1 January 2020. EY is a member of the Chamber of Public Accountants (*Wirtschaftsprüferkammer, Körperschaft des öffentlichen Rechts*), Berlin, Germany.

The unaudited German language interim condensed consolidated financial statements of the Issuer as of and the period ended 30 June 2020, prepared in accordance with International Financial Reporting Standards on interim financial reporting as adopted by the EU, have been reviewed by EY in compliance with the German Generally Accepted Standards for the Review of Financial Statements promulgated by the Institute of Public Auditors in Germany (*Institut der Wirtschaftsprüfer*) as stated in their German language review report (*Bescheinigung nach prüferischer Durchsicht*) on the unaudited interim condensed consolidated financial statements.

### ***Share Capital***

As of the date of this Prospectus, the issued share capital of the Issuer amounted to € 587,725,396.48, consisting of 140,098,931 ordinary registered no-par-value shares (*Stückaktien*). All shares are fully paid up and have the same voting rights.

The Issuer's Board of Management has resolved on 26 February 2020 to buy back shares in the Issuer for a maximum total purchase price of € 1 billion (excluding incidental expenses) in the period between 30 April 2020 and, at the latest, the Annual General Meeting of the Issuer on 28 April 2021.

Against the backdrop of COVID-19 developments, Munich Re announced on 31 March 2020 that it would discontinue the implementation of the 2020/2021 share buy-back programme until further notice. In light of the considerable ongoing uncertainty with respect to the macroeconomic development and the financial impact of COVID-19 which are not expected to subside by early 2021, the Issuer announced on 20 July 2020 the definitive decision not to implement its discontinued 2020/2021 share buy-back programme.

### ***Shareholder Structure***

The shareholder listed below informed the Issuer pursuant to § 33 et seqq. of the German Securities Trading Act (*Wertpapierhandelsgesetz* - "**WpHG**") that a share of voting rights of over 3 per cent. in the Issuer is either held by it directly or indirectly or is attributed to it (including voting rights through instruments). The reported share of voting rights may have changed since the effective date of the notice or the effective date of the threshold crossing. The shareholder may have purchased or sold shares.

On the basis of the notification received by the Issuer as of the date of this Prospectus in accordance with the WpHG and pursuant to information provided by the shareholder, the following shareholder directly or indirectly holds more than 3 per cent. of the Issuer's ordinary shares (including voting rights through instruments):



Name	Total voting rights (directly and indirectly)
BlackRock, Inc., Wilmington, USA	6.86 per cent.

The Issuer is not aware of any agreements which would lead to a change of control in the Issuer. Nor is the Issuer aware of any agreements which would lead to the Issuer being controlled by one or more shareholders either now or in the future.

## History and Development of Munich Reinsurance Company

The Issuer was established in Munich in 1880 and was registered in the commercial register at the Local Court of Munich on 19 April 1880. From the beginning, the object of the company was the reinsurance in all classes of business. On 21 March 1888, the bank Merck, Finck & Co. launched the company on the stock exchange. Shortly after its establishment, the Issuer expanded its activities to foreign countries. In 1890 it established its London branch and in 1899 its branch in the United States. In the assessment of the Issuer, the Issuer has since developed into one of the leading reinsurance companies worldwide. In 1996, the Issuer took over American Re Corporation in order to expand its market position in the United States, and renamed it Munich Re America Corporation in 2006.

Munich Re is also active in the primary insurance business through its shareholdings. As a result of restructurings, since 1997, the primary insurance business of Munich Re has been conducted particularly through ERGO Group ("**ERGO**").

In 1999, Munich Re established MEAG MUNICH ERGO AssetManagement group of companies ("**MEAG**") for the purpose of optimising Munich Re's asset management operations.

In 2019 the object of the company in Article 1 (3) of the articles of association of Munich Re was adjusted to take into account the changing economic conditions and to reflect modernisation and flexibility.

## Group Structure and Business Overview

Munich Re is one of the world's leading risk carriers and provides both insurance and reinsurance under one roof. This enables Munich Re to cover large stretches of the value chain in the risk market. Almost all reinsurance units operate under the uniform brand of Munich Re. ERGO is active in nearly all lines of life, health and property-casualty insurance. The majority of Munich Re's investments worldwide are managed by MEAG, which also offers its expertise to private and institutional investors outside the Group.

### *Reinsurance*

The reinsurance companies of Munich Re operate globally and virtually in all classes of business. They offer a full range of products, from traditional reinsurance to innovative solutions for risk assumption. The respective companies conduct their business from their respective headquarters and via a large number of branches, subsidiaries and affiliated companies. The reinsurance group also includes specialty primary insurers, whose business requires special competence in finding appropriate solutions.

### *ERGO*

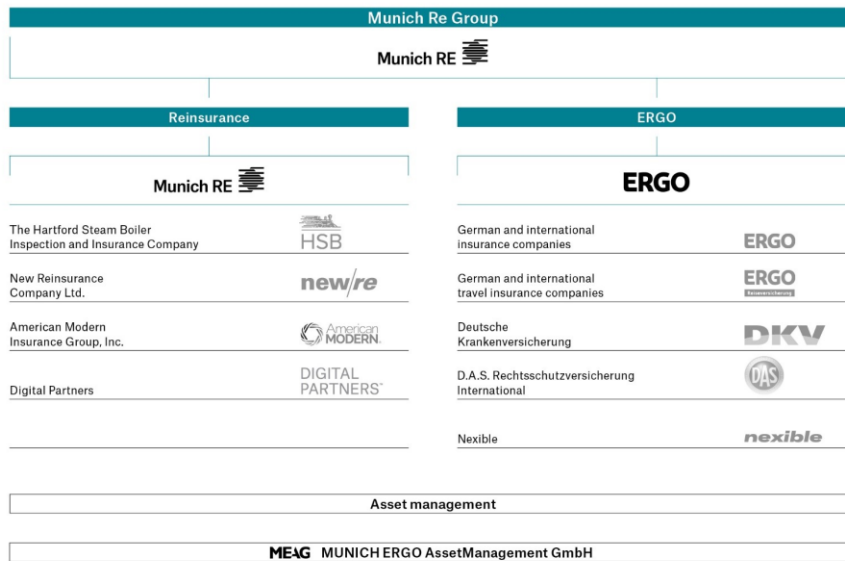
In ERGO, Munich Re combines all primary insurance activities. Some 69% of gross premiums written by ERGO in 2019 derive from Germany, and 31% from international business – mainly from central and eastern European countries. ERGO also operates in Asian markets, particularly in India, China and Thailand.

### *Group Structure*

Munich Reinsurance Company and ERGO Group AG are under unified control within the meaning of the German Stock Corporation Act (*Aktiengesetz*). The relevant statutory regulations, control agreements and Group directives govern the distribution of responsibilities and competences for key decisions between Group management and ERGO. Control and profit-transfer agreements are in place with many Group companies, especially between ERGO Group AG and its subsidiaries.

## Significant Brands

A summary of significant brands within Munich Re can be found in the following chart:



## Business Divisions and Key Markets

In the following, different business divisions within Munich Re and relevant key markets are described.

### Reinsurance

In reinsurance, Munich Re operates in life, health and property-casualty business. Under reinsurance, specialised primary insurance activities that are handled by the reinsurance organisation and business from managing general agencies (MGAs) are also included. Organisationally, Munich Re has pooled worldwide activities covering the Internet of Things (IoT) into the new divisional unit Global IoT.

As reinsurers, Munich Re writes business in direct collaboration with primary insurers, but also via brokers and within the framework of strategic partnerships. In addition to traditional reinsurance business, Munich Re participates in insurance pools, public-private partnerships, business in specialist niche segments and also as a primary insurer. Munich Re also offers clients a wide range of special products, customised insurance solutions and services, which are managed from within Munich Re's reinsurance organisation.

### Focus of life and health reinsurance operations

The international life reinsurance business of Munich Re is written in the "**Life and Health Division**". This division is split into three geographical regions and one international unit that develops specialized solutions for savings and annuity products. The focus of the division's business activities is on traditional reinsurance solutions that concentrate on the transfer of mortality risk. Moreover, Munich Re is active in the market for living benefits products. These include products such as occupational disability, long-term care and critical illness, which have seen increased demand. Munich Re also offers capacity for longevity risks. Munich Re is concentrating its efforts in this field on the United Kingdom, but has started to explore selected other markets a couple of years ago. This bore fruit in 2020 as Munich Re wrote a large deal in the Netherlands.

Besides assuming underwriting risks, Munich Re supports its clients in developing new life insurance products. Moreover, Munich Re offers clients a wide range of increasingly digital services, from medical expertise to automated risk assessment and claims handling solutions.

Demand for reinsurance is also growing with regard to the capital market risks often embedded in savings products. Munich Re provides its clients with comprehensive advice on product design while offering hedging for embedded options and guarantees linked to the capital markets. The own exposure of Munich Re is transferred back to the capital markets.

In order to ensure proximity to its clients, Munich Re is represented in many markets with local subsidiaries and branches. The main portion of the life and health reinsurance business is written via the Canadian branch and the subsidiary in the USA. In Europe, Munich Re has operations in Germany, the United Kingdom, Spain and Italy. At the same time, Munich Re has a strong local presence in Australia and South Africa, and in all important growth markets in Latin America and Asia. Since 2017, Munich Re also has a branch in India. Asian business is centrally managed by a dedicated branch in Singapore, which underlines the strategic importance of this region for life and health reinsurance.

#### *The property-casualty reinsurance divisions*

The property-casualty reinsurance business of Munich Re is operated by the following divisions:

**"Global Clients and North America"** handles the accounts with major international insurance groups, globally operating Lloyd's syndicates and Bermuda companies. It pools the know-how of Munich Re in the North American market and is responsible for its property-casualty subsidiaries in this region, as well as international special lines business such as marine, aviation and space, and global large-risk business, which are pooled in a Facultative & Corporate unit.

The three major US-based subsidiaries are Munich Reinsurance America, Inc. ("**Munich Re, US**"), The Hartford Steam Boiler Inspection and Insurance Company ("**HSB**") and American Modern Insurance Group, Inc. ("**American Modern**"). Munich Re, US writes property-casualty reinsurance business and niche primary insurance business. The primary insurers HSB and American Modern specialise in products for which client proximity and – like in reinsurance – risk understanding are paramount. Moreover, Munich Re has pooled and realigned the activities of various specialty insurers in commercial primary insurance business in the North American market within Munich Re Specialty Insurance. The market presence is also supported by Munich Re Specialty Group, a leading provider of marine insurance and insurance solutions for the energy industry.

The "**Europe and Latin America Division**" is responsible for property-casualty business with clients from Europe, Latin America and the Caribbean. Business Units – for example, in London, Madrid, Paris and Milan – afford Munich Re market proximity and regional competence. In the South American markets, the Brazilian subsidiary Munich Re do Brazil Resseguradora S.A. and the liaison office in Bogotá help to ensure client proximity. The division also includes the divisional unit Financial Risks. Great Lakes Insurance SE, which has its headquarters in Munich and a large branch office in London, is also assigned to this division. Munich Re pools a significant share of its Group-wide business activities in the United Kingdom in these units. Munich Re has taken preparatory steps with respect to the envisaged EU-exit of the United Kingdom.

The "**Asia Pacific and Africa Division**" conducts property-casualty business with clients in Africa, Asia, Australia, New Zealand and the Pacific Islands. Branches in Mumbai, Beijing, Seoul, Singapore, Sydney and Tokyo allow us to take full advantage of the business opportunities in the rapidly growing Asia-Pacific insurance market. In the African market, Munich Re is represented by its subsidiary Munich Reinsurance Company of Africa Ltd., headquartered in Johannesburg, and by other liaison offices.

#### **ERGO**

Munich Re's second pillar is primary insurance business.

Operating under the umbrella of ERGO are four separate units: ERGO Deutschland AG, ERGO International AG, ERGO Digital Ventures AG and ERGO Technology & Services Management AG. German business is concentrated in ERGO Deutschland AG. ERGO International AG manages the ERGO Group's international business. ERGO Digital Ventures AG is responsible for digital and direct business of the Group, while ERGO Technology & Service Management AG is increasingly managing all of the Group's technology activities.

Via ERGO, Munich Re offers products in all the main classes of insurance: life insurance, health insurance and nearly all lines of property-casualty insurance, including travel insurance and legal protection insurance. With these products – in combination with the provision of assistance, other services and individual consultancy – Munich Re covers the needs of private and corporate clients.

With ERGO Versicherung AG, the primary insurance arm of Munich Re is one of Germany's largest providers of property and legal protection insurance. As a specialist in capital-market oriented insurance, ERGO Vorsorge Lebensversicherung AG is shaping change in the area of private provision and biometric risk products. ERGO Lebensversicherung AG and Victoria Lebensversicherung AG are responsible for running off the traditional life insurance portfolio of Munich Re. DKV Deutsche Krankenversicherung AG ("DKV") is a leading provider and specialist in the healthcare market, catering to both privately and statutorily insured individuals with its broad range of supplementary covers. The specialist travel insurer ERGO Reiseversicherung AG is a market leader internationally as well as in Germany.

In Germany, ERGO's tied agents (agency sales) and ERGO Pro (structured sales force) are bundled under one roof in the sales company ERGO Beratung und Vertrieb AG. Both operations continued to develop in 2019 – in particular with regard to digitalisation and implementation of the new business model "Hybrid customers". Clients may choose from the same range of products via all online and offline channels. ERGO is thus linking various channels, such as personal consultation, internet, chat, email, telephone or even video consultation.

ERGO Digital Ventures AG is responsible for digital transformation in the ERGO Group, and provides support via innovative sales channels, manages the fully digital player nexible, and is setting up automated technologies such as artificial intelligence and robotics. Digital Ventures is also responsible for further developing international legal protection business, ERGO Reiseversicherung and ERGO Direkt property business, and driving ahead their digitalisation. ERGO Mobility Solutions, which was set up in 2017, addresses financial services for the automobile sector and seeks to establish partnerships with vehicle manufacturers and mobility service providers.

In Europe, ERGO is concentrating mainly on expanding its market presence in Poland, the Baltic States, Greece, Spain, Austria and Belgium.

In Asia, ERGO is represented through joint ventures in the rapidly growing markets of India and China, as well as in Thailand. In India, ERGO is well positioned in property-casualty and health insurance. In China, ERGO China Life – a joint venture with the state-owned financial investor SSAIH – is tapping into the potential of the major provinces of Shandong, Jiangsu and Hebei.

### ***Selected Key Figures of Reportable Segments***

The subsequent charts show key figures of reportable segments of Munich Re and a reconciliation to Group figures.

	<b>Reinsurance: Life and Health</b>					
	<b>Six-month period ended 30 June</b>		<b>Three-month period ended 30 June</b>		<b>Financial Year ended 31 December</b>	
	<b>2020</b>	<b>2019<sup>(1)</sup></b>	<b>2020</b>	<b>2019<sup>(1)</sup></b>	<b>2019<sup>(2)</sup></b>	<b>2018<sup>(2)</sup></b>
<i>(amounts in € million)</i>	<i>(unaudited)</i>				<i>(audited)</i>	
<b>Gross premiums written</b>	6,411	5,636	3,332	2,740	11,716	10,849
<b>Technical result</b>	21	129	7	44	329	503
<b>Non-technical result</b>	96	266	44	161	520	427
<i>thereof: investment result</i>	400	587	174	344	1,080	988
<b>Other<sup>(3)</sup></b>	-51	-60	8	-51	-144	-201
<b>Consolidated result</b>	67	335	59	154	706	729

(1) At the beginning of the first quarter of 2020, Munich Re made some changes to the way it presents project costs, innovation costs and Finance Division costs in particular, such that ongoing and one-time expenditure is shown in a more transparent and consistent way. This resulted in reclassifications in the consolidated and segment income statements and an adjustment of the previous year's figures in line with IAS 1.41 in the first half-year, without impact on profit or loss.

(2) Following the change described above, the figures for financial years 2019 and 2018 have not been subjected to a restatement. The restatement of the figures for the financial year 2019 is scheduled for the regular due date of 31 December 2020. Consequently, the figures of the changed respectively restated half-year and not restated financial years in the table are incompatible as such.

- (3) Other contains the line items other non-operating result, currency result, net finance costs and taxes on income, each as shown in the Issuer's segment reporting.

#### Reinsurance: Property-Casualty

	Six-month period ended 30 June		Three-month period ended 30 June		Financial Year ended 31 December	
	2020	2019 <sup>(1)</sup>	2020	2019 <sup>(1)</sup>	2019 <sup>(2)</sup>	2018 <sup>(2)</sup>
<i>(amounts in € million)</i>			<i>(unaudited)</i>		<i>(audited)</i>	
<b>Gross premiums written</b>	11,680	10,327	5,524	4,842	22,091	20,437
<b>Technical result</b>	217	1,366	291	948	1,000	1,250
<b>Non-technical result</b>	428	35	122	9	763	284
<i>thereof: investment result</i>	1,188	858	485	460	2,152	1,555
<b>Other<sup>(3)</sup></b>	-157	-330	-66	-253	-202	-399
<b>Consolidated result</b>	488	1,071	348	704	1,562	1,135

#### ERGO: Life and Health Germany

	Six-month period ended 30 June		Three-month period ended 30 June		Financial Year ended 31 December	
	2020	2019 <sup>(1)</sup>	2020	2019 <sup>(1)</sup>	2019 <sup>(2)</sup>	2018 <sup>(2)</sup>
<i>(amounts in € million)</i>			<i>(unaudited)</i>		<i>(audited)</i>	
<b>Gross premiums written</b>	4,464	4,658	2,149	2,311	9,238	9,345
<b>Technical result</b>	25	153	-59	75	271	552
<b>Non-technical result</b>	110	99	205	68	410	238
<i>thereof: investment result</i>	1,757	2,000	917	1,008	3,916	3,502
<b>Other<sup>(3)</sup></b>	-66	-118	-82	-71	-494	-527
<b>Consolidated result</b>	69	135	63	72	187	264

#### ERGO: Property-Casualty Germany

	Six-month period ended 30 June		Three-month period ended 30 June		Financial Year ended 31 December	
	2020	2019 <sup>(1)</sup>	2020	2019 <sup>(1)</sup>	2019 <sup>(2)</sup>	2018 <sup>(2)</sup>
<i>(amounts in € million)</i>			<i>(unaudited)</i>		<i>(audited)</i>	
<b>Gross premiums written</b>	2,135	2,035	696	686	3,500	3,377
<b>Technical result</b>	145	150	85	127	303	166
<b>Non-technical result</b>	-20	-61	-16	-47	105	62
<i>thereof: investment result</i>	93	71	42	27	157	133
<b>Other<sup>(3)</sup></b>	-54	-20	-19	-25	-260	-183
<b>Consolidated result</b>	71	69	50	55	148	45

#### ERGO: International

	Six-month period ended 30 June		Three-month period ended 30 June		Financial Year ended 31 December	
	2020	2019 <sup>(1)</sup>	2020	2019 <sup>(1)</sup>	2019 <sup>(2)</sup>	2018 <sup>(2)</sup>
<i>(amounts in € million)</i>			<i>(unaudited)</i>		<i>(audited)</i>	
<b>Gross premiums written</b>	2,422	2,519	1,126	1,219	4,912	5,057
<b>Technical result</b>	111	95	75	51	171	228
<b>Non-technical result</b>	19	-42	0	-18	131	14
<i>thereof: investment result</i>	179	160	79	81	430	348
<b>Other<sup>(3)</sup></b>	-25	-36	-16	-25	-197	-139
<b>Consolidated result</b>	105	16	59	8	105	103

- (1) At the beginning of the first quarter of 2020, Munich Re made some changes to the way it presents project costs, innovation costs and Finance Division costs in particular, such that ongoing and one-time expenditure is shown in a more transparent and consistent way. This resulted in reclassifications in the consolidated and segment income statements and an adjustment of the previous year's figures in line with IAS 1.41 in the first half-year, without impact on profit or loss.
- (2) Following the change described above, the figures for financial years 2019 and 2018 have not been subjected to a restatement. The restatement of the figures for the financial year 2019 is scheduled for the regular due date of 31 December 2020. Consequently, the figures of the changed respectively restated half-year and not restated financial years in the table are incompatible as such.
- (3) Other contains the line items other non-operating result, currency result, net finance costs and taxes on income, each as shown in the Issuer's segment reporting.

<b>Munich Re Total</b>						
	<b>Six-month period ended 30 June</b>		<b>Three-month period ended 30 June</b>		<b>Financial Year ended 31 December</b>	
	<b>2020</b>	<b>2019<sup>(1)</sup></b>	<b>2020</b>	<b>2019<sup>(1)</sup></b>	<b>2019<sup>(2)</sup></b>	<b>2018<sup>(2)</sup></b>
<i>(amounts in € million)</i>	<i>(unaudited)</i>				<i>(audited)</i>	
<b>Gross premiums written</b>	27,112	25,175	12,827	11,799	51,457	49,064
<b>Technical result</b>	519	1,893	400	1,245	2,074	2,699
<b>Non-technical result</b>	634	297	356	174	1,930	1,027
<i>thereof: investment result</i>	3,617	3,676	1,697	1,919	7,737	6,526
<b>Other<sup>(3)</sup></b>	-353	-564	-176	-426	-1,297	-1,450
<b>Consolidated result</b>	800	1,626	579	993	2,707	2,275

- (1) At the beginning of the first quarter of 2020, Munich Re made some changes to the way it presents project costs, innovation costs and Finance Division costs in particular, such that ongoing and one-time expenditure is shown in a more transparent and consistent way. This resulted in reclassifications in the consolidated and segment income statements and an adjustment of the previous year's figures in line with IAS 1.41 in the first half-year, without impact on profit or loss.
- (2) Following the change described above, the figures for financial years 2019 and 2018 have not been subjected to a restatement. The restatement of the figures for the financial year 2019 is scheduled for the regular due date of 31 December 2020. Consequently, the figures of the changed respectively restated half-year and not restated financial years in the table are incompatible as such.
- (3) Other contains the line items other non-operating result, currency result, net finance costs and taxes on income, each as shown in the Issuer's segment reporting.

The following illustration shows gross premiums written broken down into different regions, giving a closer understanding of the key markets of Munich Re.

	<b>Six-month period ended 30 June</b>		<b>Financial Year ended 31 December</b>	
	<b>2020</b>	<b>2019</b>	<b>2019</b>	<b>2018</b>
<i>(amounts in € million)</i>	<i>(unaudited)</i>		<i>(audited)</i>	
<b>Gross premiums written</b>				
Europe	14,845	14,219	27,637	27,309
North America	7,366	6,855	14,482	13,216
Asia and Australasia	3,199	2,634	6,029	5,499
Africa, Middle East	972	802	1,824	1,763
Latin America	729	665	1,486	1,277
<b>Total</b>	27,112	25,175	51,457	49,064

## Investment Portfolio

The following tables provide information on the investment portfolio of Munich Re.

### Overall Portfolio <sup>(1)</sup>

	As of 30 June 2020		As of 31 December 2019	
	(amounts in € million)	(% of total portfolio)	(amounts in € million)	(% of total portfolio)
<i>(unaudited)</i>				
Land and buildings, including buildings on third-party land	12,361	4.9%	11,589	4.7%
Fixed-interest securities	137,774	55.1%	133,345	53.9%
Shares, equity funds and participating interests	13,978	5.6%	17,657	7.1%
Loans	65,149	26.1%	64,654	26.1%
Miscellaneous	20,597	8.2%	20,066	8.1%
<b>Total Portfolio</b>	<b>249,858</b>	<b>100%</b>	<b>247,310</b>	<b>100%</b>

(1) Figures based on fair values.

### Fixed-Interest Securities by economic category <sup>(1)</sup>

	As of 30 June 2020	As of 31 December 2019
	(% of total portfolio)	
	(unaudited)	
Structured products (credit structures)	3%	4%
Corporate Bonds	19%	18%
Bank Bonds	2%	2%
Pfandbriefs / Covered Bonds	11%	13%
Government Bonds	63%	63%
Cash positions / Other	1%	1%
<b>Total Fixed-Interest Securities Portfolio</b>	<b>100%</b>	<b>100%</b>

(1) Approximation – Figures not fully comparable with IFRS figures.

### Loans Portfolio by economic category <sup>(1)</sup>

	As of 30 June 2020	As of 31 December 2019
	(% of total portfolio)	
	(unaudited)	
Policy and mortgage loans	13%	13%
Corporate Bonds	4%	4%
Bank Bonds	1%	1%
Government Bonds	42%	41%
Pfandbriefs / Covered Bonds	40%	41%
<b>Total Loans Portfolio</b>	<b>100%</b>	<b>100%</b>

(1) Approximation – Figures not fully comparable with IFRS figures.

### Miscellaneous Portfolio

	As of 30 June 2020		As of 31 December 2019	
	(amounts in € million)	(% of total portfolio)	(amounts in € million)	(% of total portfolio)
<i>(unaudited)</i>				
Derivatives <sup>(1)</sup>	1,621	7.9%	1,240	6.2%
Investment funds <sup>(2)</sup>	2,237	10.9%	2,190	10.9%
Bank deposits	3,698	18.0%	3,776	18.8%
Deposits on reinsurance	8,089	39.3%	7,938	39.6%
Other	4,952	24.0%	4,922	24.5%
<b>Total Miscellaneous Portfolio</b>	<b>20,597</b>	<b>100%</b>	<b>20,066</b>	<b>100%</b>

(1) Non-fixed derivatives

(2) Non-fixed property funds and non-fixed bond funds

### Fixed-Interest Portfolio by economic category <sup>(1)</sup>

	As of 30 June 2020	As of 31 December 2019
	(% of total portfolio, unless stated otherwise)	
	(unaudited)	
Structured products (credit structures)	2%	2%
Policy and mortgage loans	4%	4%
Corporate Bonds	13%	13%
Bank Bonds	2%	1%
Pfandbriefs / Covered bonds	19%	21%
Government Bonds <sup>(2)</sup>	54%	53%
Cash positions / Other	6%	5%
<b>Total Fixed-Interest Portfolio</b>	100%	100%
<b>Total Fixed-Interest Portfolio in €</b>	213 billion	208 billion

(1) Approximation – Figures not fully comparable with IFRS figures.

(2) Including other public-sector issuers and government-guaranteed bank bonds.

The following tables provide further detailed information on the fixed-income portfolio of Munich Re:

### Rating Structure Fixed-Income Portfolio

	As of 30 June 2020	As of 31 December 2019
Rating	(% of total portfolio)	
	(unaudited)	
AAA	42%	43%
AA	24%	24%
A	13%	13%
BBB	13%	12%
BB or lower	3%	3%
NR	5%	5%
Total	100%	100%



### Maturity Structure Fixed-Income Portfolio

Maturity	As of 30 June 2020	As of 31 December 2019
	(% of total portfolio)	
	(unaudited)	
0-1 years	10%	9%
1-3 years	13%	13%
3-5 years	14%	13%
5-7 years	13%	13%
7-10 years	14%	15%
>10 years	34%	34%
n.a.	3%	3%
<b>Total</b>	<b>100%</b>	<b>100%</b>

### Regional Breakdown of Fixed-Income Portfolio

	As of 30 June 2020			As of 31 December 2019
	Without	With	Total	Total
	Policyholder	Participation		
(% of total portfolio)				
(unaudited)				
Germany	4.8%	21.9%	26.7%	26.8%
United States	14.4%	1.7%	16.2%	15.6%
France	2.2%	5.0%	7.2%	7.3%
UK	2.8%	2.0%	4.8%	5.1%
Canada	4.0%	0.7%	4.7%	4.7%
Netherlands	1.5%	2.9%	4.5%	4.3%
Supranationals	0.7%	3.0%	3.7%	3.6%
Spain	0.9%	2.1%	3.0%	3.1%
Australia	2.6%	0.4%	3.0%	3.1%
Austria	0.5%	2.1%	2.6%	2.6%
Belgium	0.7%	1.6%	2.3%	2.4%
Ireland	0.7%	1.6%	2.3%	2.2%
Poland	1.3%	0.5%	1.8%	1.8%
Italy	0.7%	0.8%	1.5%	1.3%
Sweden	0.2%	1.2%	1.3%	1.4%
Other	6.6%	7.9%	14.5%	14.6%
<b>Total</b>	<b>44.7%</b>	<b>55.3%</b>	<b>100%</b>	<b>100%</b>

### Investments

In addition to the regular portfolio managing process, Munich Re entered into the following significant transactions since 31 December 2019:

In the second quarter of 2020, the transaction to sell the subsidiary Closed Joint Stock Company Insurance Company, Minsk, was completed.

In March 2020, the transaction for Munich Re to acquire further shares in Next Insurance Inc., Wilmington, via its subsidiary, ERGO Group AG, Düsseldorf, was completed. Munich Re now holds 33.5% of the shares.

On 8 June 2020, Munich Re signed a shareholders' agreement and capital increase agreement via its subsidiary, ERGO Versicherung AG, Düsseldorf, in which Munich Re agreed to subscribe to 24.9% of the voting shares in Taishan Property & Casualty Insurance Co., Ltd., Shandong. Through this agreement, Munich Re will acquire joint control of the company. The capital increase is expected to take place in the third quarter of 2020, subject to approval by the competent authorities.

On 18 June 2020, via its subsidiary, MR Gotham LP, Delaware, Munich Re completed the acquisition of around 20% of the voting shares in Astoria Power Partners Holding LLC, Delaware. The latter indirectly holds 100% of the shares of Astoria Energy I and 55% of the shares of Astoria Energy II. The two combined-cycle power stations in the New York

City borough of Queens have a combined total power generation capacity of 1.2 gigawatts and are a cornerstone of energy supply security in Greater New York.

On 30 January 2020, Munich Re acquired 100% of the voting shares in the wind park company FW Żary Sp. z o.o., Warsaw, via its subsidiary MR RENT-Investment GmbH, Munich. The company has concluded a general contractor agreement for the turnkey construction of a wind park in Poland, with completion scheduled for 2021.

One of the investment properties held by the Issuer, was classified as held for sale as at 30 June 2020. This transaction will be completed as part of an exchange. The planned disposal date for the property is 1 January 2021.

On 28 February 2020, Munich Re acquired a high-rise office building at 330 Madison Avenue in New York City via its subsidiary 330 Madison Associates LLC, Dover, Delaware, USA, as an investment. As part of the transaction, a mortgage with a fair value of € 0.4 billion was taken over from the seller. The purchase price was € 0.8 billion, of which € 0.4 billion was paid in cash and € 0.4 billion stems from the assumed mortgage.

For recent transactions which occurred after 30 June 2020, please refer to the sub-section "*Recent Events*" below.

## Regulatory Capital Adequacy

The capital requirements, as well as the definition and calculation of eligible capital, are governed by the Solvency II rules that came into force on 1 January 2016. Munich Re's and Munich Reinsurance Company's own funds as well as the capital requirements are since then based on the market value balance sheet approach as the major economic principle of the Solvency II rules.

Munich Re reports Solvency II regulatory capitalisation both excluding and including transitional measures for technical provisions. For the Bonds the relevant Solvency II regulatory capitalization measures, for example for the determination of whether a Solvency Capital Event has occurred, are those that include the transitional measures for technical provisions.

### *Munich Re: Solvency II Regulatory Capitalization*

*Eligible own funds excluding the application of transitional measures for technical provisions*

	As of 31 December	
	2019	2018
<i>(amounts in € million unless stated otherwise)</i>	<i>(unaudited)</i>	
Eligible own funds	41,544	35,995
Solvency capital requirement	17,531	14,670
Solvency II ratio (in percent)	237%	245%

*Eligible own funds including the application of transitional measures for technical provisions*

	As of 31 December	
	2019	2018
<i>(amounts in € million unless stated otherwise)</i>	<i>(unaudited)</i>	
Eligible own funds	48,085	43,241
Solvency capital requirement	17,531	14,670
Solvency II ratio (in percent)	274%	295%

## **Munich Reinsurance Company: Solvency II Regulatory Capitalization**

*Eligible own funds excluding the application of transitional measures for technical provisions*

	<b>As of 31 December</b>	
	<b>2019</b>	<b>2018</b>
<i>(amounts in € million unless stated otherwise)</i>	<i>(unaudited)</i>	
Eligible own funds	41,887	36,361
Solvency capital requirement	17,531	14,670
Solvency II ratio (in percent)	239%	248%

*Eligible own funds including the application of transitional measures for technical provisions*

	<b>As of 31 December</b>	
	<b>2019</b>	<b>2018</b>
<i>(amounts in € million unless stated otherwise)</i>	<i>(unaudited)</i>	
Eligible own funds	48,428	43,516
Solvency capital requirement	17,531	14,670
Solvency II ratio (in percent)	276%	297%

In the following, main effects leading to the values indicated in the tables above are described for Munich Re. As Munich Reinsurance Company serves as ultimate parent company, the changes in the figures of Munich Reinsurance Company result quite predominantly from the same effects.

### *Changes from 1 January to 31 December 2019*

Eligible own funds ("EOF") increased by € 5,549 million from 31 December 2018 to 31 December 2019. High economic earnings of € 7,413 million accompanied by positive opening adjustments of € 527 million were the main driver. Foreseeable capital measures reduced EOF by € 2,362 million (dividend for financial year 2019 and share buy-back programme 2020/2021). The change of eligibility restrictions amounted to –€ 28 million.

The economic earnings for 2019 were influenced by a very positive operating impact (€ 5,949 million), driven by positive new business contribution and positive operating variances in-force business. Additionally, positive market variances (€ 2,798 million) resulting from narrowing spreads, increasing stock markets, appreciation of foreign currencies and positive contribution of real estate and infrastructure investments exceed the negative impact of declining interest rates. These effects were partially mitigated by other items (–€ 1,336 million), mainly the tax burden on positive operating impact and market variances.

The solvency capital requirement increased by € 2,861 million in 2019. This development was mainly driven by higher market risk following the decline of interest rates in all main jurisdictions and higher operating risk due to increase of NatCat business and higher investment risk.

In consequence, the Solvency II ratio of Munich Re as of 31 December 2019 excluding transitional on technical provisions declined to 237%.

The Solvency II ratio of Munich Re as of 31 December 2019, submitted to the supervisory authority, including transitional on technical provisions declined to 276%.

### *Changes from 1 January to 30 June 2020:*

EOF decreased in this period due to high negative economic earnings in the first quarter owing to COVID-19 related capital market turmoil and large losses above expectation. Despite positive development of capital markets in the second quarter, economic earnings on a year-to-date basis suffered particularly from widening credit spreads (partially compensated by the volatility adjustment), declining stock markets, decreasing interest rates and negative foreign

currency effects. The discontinuation of the share buy-back programme 2020/2021 increased EOF by € 1,000 million, originally deducted as foreseeable capital measure at 31 December 2019.

Solvency capital requirement ("SCR") increased in the period, mainly driven by declining interest rates and business growth in the main natural catastrophe ("NatCat") scenarios.

Hence, the Solvency II ratio of Munich Re as of 30 June 2020 excluding transitional on technical provisions declined to 211%.

The Solvency II ratio of Munich Re as of 30 June 2020, submitted to the supervisory authority, including transitional on technical provisions declined to 245%.

### Composition of Own Funds

The solvency balance sheet prepared in accordance with Solvency II is used to determine the excess of the Group's assets over its liabilities, with both assets and liabilities largely being measured at fair value. This surplus is the key element of eligible own funds. Other components mainly comprise eligible subordinated liabilities, which need to be added to the calculation, and foreseeable dividends, distributions and own shares, which need to be deducted. Own funds items leading to restrictions in eligibility, such as surplus funds, must also be deducted.

The general conceptual composition of own funds for 30 June 2020 is comparable to 31 December 2019 (presented below). Changes relate in particular to IFRS equity, valuation adjustments as well as foreseeable dividends, distributions and own shares, which decrease during the year as capital is repatriated:



- (1) Foreseeable distributions from share buy-backs (–€ 1.4 billion), foreseeable dividends (–€ 1.4 billion) and own shares (–€ 0.8 billion).
- (2) Deduction of non-available own funds items of (–€ 0.5 billion) (e.g. non-available surplus funds) and deduction of own funds from participations in other financial sectors.
- (3) Own funds for other financial sectors (financial, credit institutions and investment firms and institutions for occupational retirement provision).

### Sensitivity

Market risks are established using a scenario-based simulation calculation. Independently of the scenarios in the risk models, we calculate the sensitivities of basic own funds with respect to possible future market scenarios. This involves analysing the mismatch position between assets and liabilities for the reinsurance field of business and property-casualty primary insurance (in particular, technical provisions). In life and health primary insurance, the effects of fluctuations in capital markets and foreign currencies on basic own funds are calculated and shown as sensitivities as follows:

## Solvency II ratio - Sensitivity



- (1) Parallel shift until last liquid point, extrapolation to unchanged Ultimate Forward Rate.
- (2) Based on CPI inflation.
- (3) Based on 200-year event.

The solvency ratio of 237% shown is based on calculations which make use of a volatility adjustment to the risk-free interest term structure for four primary insurance companies, but do not apply transitional measures. The Atlantic Hurricane scenario corresponds to a 1-in-200-year event. The ultimate forward rate is not adjusted for stresses on the risk-free interest rate. In the ultimate-forward-rate scenario, the forward rate is reduced by 50 bps given unchanged term for the beginning of the extrapolation period.

For all evaluated sensitivities, Munich Re's capitalization remains comfortably within or mostly above the target capitalization set at Group level. The sensitivities shown above have been calculated for isolated scenarios – more than one scenario could occur at the same time with a cumulative effect on solvency. If the same analysis is carried out for the Issuer, each of the solvency ratios for the individual scenarios would be about 40 percentage points higher. This difference is mainly due to the transitional measures applied at individual related undertakings. In calculating own funds for the Issuer, the respective adjustments by related undertakings for long-term guarantees are taken into account in the valuation of shareholdings.

## Composition of Solvency Capital Requirement

The following tables "Solvency Capital Requirements (SCR)" show the solvency capital requirement for Munich Re and its risk categories as at 31 December 2019. At Group level, the SCR increased to € 17.5 billion compared with € 14.7 billion as at 31 December of the previous year. It was due to increases in almost all risk categories. The increase in the property-casualty category is mainly a consequence of further growth in business with natural hazard exposure in line with Munich Re's business strategy. The SCR in life and health increased, mainly due to the fall in interest rates, movements in exchange rates and new business in life reinsurance. The main driver behind the increase in market risk is higher risk exposure in the reinsurance field of business and the effects of lower interest rates for the ERGO life insurance companies. The credit risk SCR is also rising as a consequence of lower interest rates, as the fair value of fixed-interest investments increases. This effect is more pronounced for the ERGO life insurance companies, as the fall in interest rates reduces the risk-mitigating effect of policyholders' bonuses. In comparison with the previous year, the mitigating effect of policyholders' participation in profits in the ERGO field of business is now shown in full in the individual risk categories, whereby ceteris paribus the values in the risk categories are reduced. In contrast, the diversification effect takes account of the fact that the risk mitigating funds are only available once to absorb losses. This year, when calculating solvency capital requirements, account was taken for the first time of the static volatility adjustment for DKV Belgium S.A., ERGO Insurance N.V. (Belgium), ERGO Lebensversicherung AG and Victoria Lebensversicherung AG. The composition of solvency capital requirement for 30 June 2020 is comparable to the following:

### Solvency Capital Requirements (SCR)

	Reinsurance		ERGO		Diversification	
	31 December		31 December		31 December	
	2019	2018	2019	2018	2019	2018
<i>(amounts in € million)</i>			<i>(unaudited)</i>			
Property-casualty	8,774	7,557	434	425	-375	-347
Life and health	5,525	4,527	1,215	1,116	-380	-356
Market	6,257	5,513	5,975	5,746	-2,152	-2,042
Credit	2,500	2,112	1,867	1,156	-161	-107
Operational risk	706	752	565	528	-220	-218
Other <sup>(1)</sup>	435	446	235	221		
<b>Subtotal</b>	<b>24,197</b>	<b>20,907</b>	<b>10,291</b>	<b>9,192</b>		
Diversification effect	-8,836	-7,764	-1,158	-1,985		
Tax	-2,793	-2,346	-787	-633		
<b>Total SCR</b>	<b>12,568</b>	<b>10,798</b>	<b>8,347</b>	<b>6,574</b>	<b>-3,383</b>	<b>-2,702</b>

(1) Capital requirements for associated insurance undertakings and other financial sectors, e.g. institutions for occupational retirement provisions.

### Solvency Capital Requirements (SCR)

	Group			
	31 December		Change 2018 to 2019	
	2019	2018	in € million	in per cent.
<i>(amounts in € million, unless stated otherwise)</i>			<i>(unaudited)</i>	
Property-casualty	8,833	7,634	1,199	15.7
Life and health	6,359	5,288	1,071	20.3
Market	10,080	9,217	863	9.4
Credit	4,206	3,161	1,045	33.1
Operational risk	1,051	1,063	-12	-1.1
Other <sup>(1)</sup>	670	667	3	0.4
<b>Subtotal</b>	<b>31,199</b>	<b>27,030</b>	<b>4,169</b>	<b>15.4</b>
Diversification effect	-10,681	-9,912	-769	-7.8
Tax	-2,987	-2,448	-539	-22
<b>Total SCR</b>	<b>17,531</b>	<b>14,670</b>	<b>2,861</b>	<b>19.5</b>

(1) Capital requirements for associated insurance undertakings and other financial sectors, e.g. institutions for occupational retirement provisions.

### IFRS Equity and Capital Structure

The following table outlines the development of the IFRS equity of Munich Re since 31 December 2019:

#### IFRS Equity Munich Re

<i>(amounts in € million)</i>		<i>(unaudited, unless otherwise specified)</i>	
Equity as of 31 December 2019 <sup>(1)</sup>		30,576	
Consolidated result		800	
Changes:			
Dividend <sup>(2)</sup>		-1,373	
Unrealised gains / losses		787	
Exchange rates		-280	
Purchase of own shares		-359	
Other		-385	
Equity as of 30 June 2020		29,766	

- (1) Audited.
- (2) Dividend for Munich Reinsurance Company ("Equity attributable to Munich Reinsurance Company equity holders" of Group statement of changes in equity excluding non-controlling interests).

The following table outlines the capital structure of Munich Re:

### Capital Structure

As of 30 June 2020		As of 31 December	
		2019	2018
(amounts in € billion, unless stated otherwise)	(unaudited)	(unaudited, unless otherwise specified)	
Senior and other debt <sup>(1)</sup>	0.3	0.3	0.3
Subordinated liabilities	3.7	3.8 <sup>(3)</sup>	3.7 <sup>(3)</sup>
Equity	29.8	30.6 <sup>(3)</sup>	26.5 <sup>(3)</sup>
Debt-to-equity-ratio (in per cent.) <sup>(2)</sup>	11.9	12.0	13.2

- (1) Senior and other debt includes Munich Re's bank borrowings and other strategic debt according to consolidated balance sheet position F.I. "Bonds and notes issued".
- (2) Calculated as "**Strategic Debt**" (senior and other debt plus subordinated liabilities) divided by total capital (Strategic Debt plus equity).
- (3) Audited.

### Ratings

As of the date of this Prospectus, the Insurance Financial Strength Rating ("**IFSR**") assigned by A.M. Best Europe-Rating Services Ltd. ("**A.M. Best**") to Munich Reinsurance Company is "A+" (stable outlook), the IFSR assigned by Fitch Ratings Ltd. ("**Fitch**") is "AA" (stable outlook), the IFSR assigned by Moody's Deutschland GmbH ("**Moody's**") is "Aa3" (stable outlook) and the IFSR assigned by S&P Global Ratings Europe Ltd. ("**S&P Global Ratings**") is "AA-" (stable outlook)<sup>5</sup>.

### Governmental, Legal and Arbitration Proceedings

Within the scope of their regular business operations i.e. in their capacity as insurers and asset managers, employers, investors and taxpayers, the Munich Re companies are involved as claimants or defendants in a number of court, administrative, arbitration and regulatory proceedings, in Germany and other countries, including the United States. It is impossible to determine or predict the outcome of cases pending or threatened.

The following overview sets out a number of ongoing material proceedings involving the Issuer or Munich Re:

- The Issuer is occasionally involved in tax litigation or tax appeal proceedings with material financial implications. In Germany, the Issuer won a lawsuit in the tax court regarding a tax exemption for capital gains generated in special funds before 2001. The German tax authorities have filed an appeal with the Federal Fiscal Court. In Spain the Issuer is subject to legal proceedings regarding the Issuer's permanent establishment. The dispute concerns the question of deductibility of losses and loss reserves as well as transfer prices. In Canada, the Issuer has appealed against revised tax assessments issued by the tax authorities after a tax audit. The dispute concerns accounting and transfer pricing treatment for internal retrocessions.

<sup>5</sup> A.M. Best, Fitch, Moody's and S&P Global Rankings are established in the European Union or the United Kingdom and are registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**").

The European Securities and Markets Authority publishes on its website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) a list of credit rating agencies registered in accordance with the CRA Regulation. That list is updated within five working days following the adoption of a decision under Article 16, 17 or 20 CRA Regulation. The European Commission shall publish that updated list in the Official Journal of the European Union within 30 days following such update.

Investors in the Bonds should be aware that a credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time

- Driven by some specialized law firms, a large number of lawsuits are brought against DKV - as well as against competitors - regarding the effectiveness of past premium adjustments. The main lines of attack are, on the one hand, the allegedly insufficient communication of the so-called decisive reasons in the premium adjustment letters and, on the other hand, allegedly material inaccuracy. DKV is currently the subject of a negative second-instance ruling with regard to the first line of attack. It is lodging an appeal against this decision with the Federal Supreme Court.
- Hospital operator MediClin has initiated proceedings against ERGO Group AG, DKV and Provinzial as joint and several debtors in 2016, which are still pending. The subject matter of the proceedings is asserted claims based on allegedly impermissible repayment of contributions (*Einlagenrückgewähr*) under the German Stock Corporation Act (*Aktiengesetz*).
- Insolvency administrators of an insolvent financial group are suing two life insurers of ERGO Group AG in four proceedings. The legal actions are based on alleged claims arising from the challenge under insolvency law of the offsetting of open prepayment loans against the surrender value of life insurance contracts or from the challenge of commission securities and premium payments. All legal proceedings are still ongoing.
- In business closure insurance with regard to COVID-19 there is an increasing number of ongoing court proceedings. They concern the questions of whether the insurance conditions contain a static or dynamic reference to the Infection Protection Act and whether a preventive general ruling contains a reason for closure in the sense of the insurance conditions. A first hearing in one of these proceedings concerning ERGO Versicherung AG before a lower court will take place in September 2020. There is no supreme court jurisdiction on these issues yet.

With the exception of the cases described above, the Issuer is not currently involved and has not been involved in the last 12 months, in any court or arbitration proceedings or proceedings before any administrative authorities which, in the Issuer's opinion, are reasonably likely to substantially affect the financial position or profitability of the Issuer or the Group. To the best knowledge of the Issuer, no further material proceedings are threatened.

## Material Contracts

### *Munich Reinsurance Company Bonds*

In 2018, the Issuer issued € 1,250 million subordinated bonds, which mature on 26 May 2049. The Issuer has the right to call the bonds for early redemption in 2029. The bonds have a coupon of 3.250% p.a. until 26 May 2029. If they are not redeemed early, the annual coupon as from 26 May 2029 will be 340 basis points above 3-month EURIBOR.

In 2012, the Issuer issued € 900 million subordinated bonds, which mature on 26 May 2042. The Issuer has the right to call the bonds for early redemption in 2022. The bonds have a coupon of 6.25% p.a. until 26 May 2022. If they are not redeemed early, the annual coupon as from 26 May 2022 will be 395 basis points above 3-month EURIBOR.

In 2012, the Issuer issued £ 450 million subordinated bonds, which mature on 26 May 2042. The Issuer has the right to call the bonds for early redemption in 2022. The bonds have a coupon of 6.625% p.a. until 26 May 2022. If they are not redeemed early, the annual coupon as from 26 May 2022 will be 395 basis points above 3-month LIBOR.

In 2011, the Issuer issued € 1,000 million subordinated bonds, which mature on 26 May 2041. The Issuer has the right to call the bonds for early redemption in 2021. The bonds have a coupon of 6.00% p.a. until 26 May 2021. If they are not redeemed early, the annual coupon as from 26 May 2021 will be 350 basis points above 3-month EURIBOR.

### *Other material contracts*

The Issuer entered into various inter-company agreements (*Unternehmensverträge*) with a limited number of its subsidiaries. One subsidiary, which is not tied to the Issuer through an inter-company agreement, entered into a limited number of inter-company agreements with other subsidiaries of Munich Re. Under such agreements, the subsidiary could be obligated to absorb losses of its dependent entities (*Verlustausgleichspflicht*). In order to strengthen the position of the



subsidiary, the Issuer has entered into a limited number of collateral promises (*Schuldbeitritte*) and, thus, could be obliged to offset the losses of the dependent entities, up to predefined limits.

## Management and Supervisory Bodies

### General

Munich Reinsurance Company has three governing bodies: the Board of Management (*Vorstand*), the Supervisory Board (*Aufsichtsrat*) and the Annual General Meeting (*Hauptversammlung*). Their functions and powers are defined by law, the articles of association, the Co-determination Agreement applicable to Munich Reinsurance Company and by rules of procedure and internal guidelines.

The Board of Management is responsible for managing the Issuer, in particular for setting the Issuer's objectives and determining strategy. In doing so, it is obliged to safeguard the Issuer's interests and endeavour to achieve a sustainable long-term increase in the Issuer's value.

The Supervisory Board monitors the Board of Management and gives counsel where appropriate, but it is not authorised to take management action in place of the Board of Management.

The Annual General Meeting regularly reaches a resolution on the appropriation of profits and approval of the actions of the Board of Management and Supervisory Board.

### Applicable Corporate Governance Rules

Principal sources of enacted corporate governance standards for Munich Reinsurance Company are the German Stock Corporation Act, the German Act on the Co-Determination of Employees in Cross-Border Mergers (*MgVG*) as well as the German Corporate Governance Code (*Deutscher Corporate Governance Kodex*, the "**Code**"). The Code summarizes the fundamental guidelines for best-practice corporate governance in Germany and in addition to restating various corporate governance-related mandatory provisions of German law, the Code contains "recommendations", which reflect widely recognized standards of corporate governance. Although the Code does not have the force of law, it has a legal basis through the declaration of conformity required by § 161 of the German Stock Corporation Act, which requires that the Board of Management and the Supervisory Board annually issue a declaration of conformity with the Code.

In November 2019, the Board of Management and the Supervisory Board of Munich Reinsurance Company issued the following declaration of conformity:

"Since the last declaration of conformity in November 2018, Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München has fulfilled all the recommendations of the German Corporate Governance Code of February 7, 2017 (published on April 24, 2017) and will continue to do so in future."

### Board of Management

The Board of Management (*Vorstand*) of the Issuer consists of nine members. As of the date of this Prospectus, the Board of Management consisted of the following members:

Member	Responsibilities	Principal Outside Board Memberships
Dr. oec. publ. Joachim Wenning (Chairman)	Chairman of the Board of Management; Chairman of the Group Committee; Group Strategy and M&A; Group Communications; Group Audit; Economics, Sustainability & Public Affairs; Group Human Resources;  Group Executive Affairs; Group Compliance and Legal	ERGO Group AG (Chairman of the Supervisory Board)

<b>Member</b>	<b>Responsibilities</b>	<b>Principal Outside Board Memberships</b>
Dr. rer. pol. Thomas Blunck	Life and Health; Capital Partners; Digital Partners	ERGO Group AG
Nicholas Gartside	Chief Investment Officer; Group Investments; Third Party Asset Management	
Dr. jur. Doris Höpke	Europe and Latin America; Human Resources; Labour Relations Director	New Reinsurance Company Ltd. (President of the Board of Directors)
Dr. rer. nat. Torsten Jeworrek	Chairman of the Reinsurance Committee; Reinsurance Development; Internet of Things; Corporate Underwriting; Claims; Accounting, Controlling and Central Reserving for Reinsurance; Information Technology	ERGO Digital Ventures AG (Deputy Chairman of the Supervisory Board); ERGO International AG (Member of the Supervisory Board)
Dr. rer. nat. Christoph Jurecka	Chief Financial Officer; Financial and Regulatory Reporting; Group Controlling; Integrated Risk Management; Group Legal; Group Taxation; Investor and Rating Agency Relations	ERGO Group AG
Dr. rer. pol. Achim Kassow	Asia Pacific and Africa; Central Procurement; Services	ERGO International AG (Member of the Supervisory Board)
Dr. rer. pol. Markus Rieß	Primary Insurance/ERGO	ERGO Group AG (Chairman of the Board of Management); ERGO International AG (Chairman of the Supervisory Board); ERGO Digital Ventures AG (Chairman of the Supervisory Board); ERGO Deutschland AG (Chairman of the Supervisory Board); ERGO Technology & Services Management AG (Chairman of the Supervisory Board); Next Insurance, Inc. (Non-executive member of the Board of Directors)
Dr. rer. pol. Peter Röder	Global Clients and North America	EXTREMUS Versicherungs-AG (Member of the Supervisory Board and of the Board Committee); Munich Re America Corporation (Chairman of the Board of Directors); Munich Reinsurance America, Inc. (Chairman of the Board of Directors)

The business address of the members of the Issuer's Board of Management is the same as the Issuer's business address.

### ***Supervisory Board***

The Supervisory Board (*Aufsichtsrat*) of the Issuer consists of 20 members. As of the date of this Prospectus, the Supervisory Board consisted of the following members:

<b>Member</b>	<b>Principal Occupation</b>	<b>Membership of other Supervisory Boards and comparable bodies</b>
Dr. Nikolaus von Bomhard (Chair)	Chairman of the Supervisory Board of Munich Reinsurance Company	Deutsche Post AG, Bonn (Chair), Athora Holding Ltd., Bermuda (Chair)
Dr. Anne Horstmann (Deputy Chair)	Employee of ERGO Group AG	ERGO Group AG, Düsseldorf
Prof. Dr. Dr. Dr. Ann-Kristin Achleitner	Scientific Co-Director of the Center for Entrepreneurial and Financial Studies (CEFS) at the Technical University of Munich	Linde plc, Ireland
Clement B. Booth	Member of the Board of Directors of Hyperion Insurance Group, United Kingdom	Euroassekuranz Versicherungsmakler AG, Regensburg (Chair), Hyperion Insurance Group Ltd., United Kingdom
Ruth Brown	Foreign Services Specialist of DAS Legal Expenses Insurance	None
Stephan Eberl	Chair of the Staff Council of Munich Reinsurance Company	None
Frank Fassin	Regional Section Head Financial Services, ver.di North Rhine-Westphalia	ERGO Group AG, Düsseldorf, Provinzial NordWest Holding AG, Münster
Dr. Benita Ferrero-Waldner	Member of the Board of Directors of Santander Consumer Finance S.A., Spain	Santander Consumer Finance S.A., Spain
Prof. Dr. Dr. Ursula Gather	Rector of TU Dortmund University	thyssenkrupp AG, Essen
Gerd Häusler	Member of the Supervisory Board of Auto1 SE	Auto1 Group SE, Munich
Eva-Maria Haiduk	Employee of ITERGO Informationstechnologie GmbH	None
Renata Jungo Brüngger	Member of the Board of Management of Daimler AG	None
Stefan Kaindl	Head of Department at Munich Reinsurance Company	None

<b>Member</b>	<b>Principal Occupation</b>	<b>Membership of other Supervisory Boards and comparable bodies</b>
Gabriele Mücke	Chair of the Board of Management at Neue Assekuranz Trade Union - NAG	None
Ulrich Plottke	Employee of ERGO Group AG	ERGO Group AG, Düsseldorf
Manfred Rassy	Exempted member of the Staff Council of Munich Reinsurance Company	None
Gabriele Sinz-Toporzysek	Employee of ERGO Beratung und Vertrieb AG	ERGO Beratung und Vertrieb AG, Düsseldorf
Carsten Spohr	Chair of the Board of Management of Deutsche Lufthansa	Lufthansa Technik AG (Chair), Hamburg
Karl-Heinz Streibich	Co-President of acatech – German Academy of Science and Engineering, Berlin	Software AG, Darmstadt (Chair), Siemens Healthineers AG, München, Deutsche Telekom AG, Bonn
Dr. Maximilian Zimmerer	Member of the Supervisory Board of Munich Reinsurance Company	Investmentaktiengesellschaft für langfristige Investoren TGV (Chair); Möller & Förster GmbH & Co. KG (Chair), Deutsche Beteiligungs AG, Frankfurt

The business address of the members of the Issuer's Supervisory Board is the same as the Issuer's business address.

### ***Conflicts of Interest***

Some of the members of the Issuer's Managing and the Supervisory Board hold, or in the last year have held, positions of significant responsibility with other entities. Munich Re has relationships with almost all of these entities in the ordinary course of its business whereby it buys and sells a wide variety of products and services on arm's length terms.

As of the date of this Prospectus, the members of the Issuer's Managing and the Supervisory Board have not received any cash advances or loans by the Issuer.

No conflicts of interest or potential conflicts of interest exist between the obligations of the members of the Issuer's Managing Board or the Supervisory Board towards the Issuer and their respective private interests or other obligations.

### **Employees**

As at 30 June 2020, Munich Re employed 39,693 staff members worldwide.

### **Recent Events**

Since 30 June 2020, there have been the following recent developments with regard to Munich Reinsurance Company:

The losses caused by the coronavirus and the economic downturn caused by the pandemic continue to have an impact on Munich Re. In the first half of the year, Munich Re incurred COVID-19-related losses totalling around € 1.5 billion in reinsurance. This splits into approximately € 100 million in Life and Health reinsurance, dominated by far by the US, and still far away from the 200-year event scenario of approximately € 1.4 billion that is based on the assumption of 10 million incremental global deaths. Approximately € 1.4 billion COVID-19-related losses (approximately € 80 million paid claims and client reported case reserves in reinsurance, approximately € 1.3 billion incurred but not reported (IBNR) claims) were booked in property-casualty reinsurance, across various lines of business, whereas contingency losses accounted for

the largest share by far. Projecting for the whole year 2020, claims development in Life and Health reinsurance depends on further mortality experience, especially in North America, though the portfolio mortality is expected to be below that of the general population. 5% of extra mortality claims in Munich Re's book would lead to excess annual claims cost of approximately € 200 million. It is difficult to forecast how significant the burden will actually be for Munich Re. In property-casualty reinsurance, contingency claims remain the biggest risk. Claims in other property-casualty lines of business are expected to increase, while not reaching the level of contingency losses. Since 30 June 2020, COVID-19-related losses so far have developed with reduced dynamic compared with the first two quarters.

On 4 August 2020, a devastating explosion occurred in Beirut. Munich Re expects claims resulting in a low three digit million Euro amount from this event, mostly relating to property.

Munich Re expects claims expenditure of a low three digit million Euro for the damages caused by Hurricane Hanna, Isaías and Laura in July and August 2020 based on a first, still uncertain estimation.

Currently the California wildfire season is still ongoing. The impact for Munich Re is at this point in time not estimated to be material.

In September 2020, Munich Re, through one of its subsidiaries, has entered into a binding commitment to invest an amount equivalent to approximately € 100 million into one of its minority participations via capital increase.

### **Trend Information**

There has been no material adverse change in the prospects of the Issuer since the date of its last published audited consolidated financial statements for the financial year ended 31 December 2019.

### **Significant Change**

There has been no significant change in the financial position of the Issuer and Munich Re since the date of its last published unaudited interim condensed consolidated financial statements for the six-month period ended 30 June 2020.

There has been no significant change in the financial performance of the Issuer or Munich Re since the date of its last published unaudited interim condensed consolidated financial statements for the six-month period ended 30 June 2020.

## Selected Consolidated Financial Information

The following tables and the tables in the sub-sections "Business Divisions and Key Markets", "Regulatory Capital Adequacy" and "Alternative Performance Measures" set forth selected financial information relating to the Issuer.

The financial information contained in this Prospectus is taken or derived from the audited consolidated financial statements (IFRS) of the Issuer for the financial years ended 31 December 2019 and 2018, the unaudited interim consolidated financial statements (IFRS) of the Issuer for the six-month period ended 30 June 2020, which are each incorporated by reference in this Prospectus and should be read together with them, and the Issuer's internal accounting system. The audited consolidated financial statements (IFRS) for the financial years ended 31 December 2019 and 2018, respectively, have been prepared in accordance with IFRS as adopted in the EU. The unaudited condensed interim consolidated financial statements of the Issuer as of and for the six months period ended 30 June 2020, prepared in accordance with International Financial Reporting Standards on interim financial reporting as adopted by the EU, have been reviewed by EY as stated in their review report (Bescheinigung nach prüferischer Durchsicht) on the unaudited interim condensed consolidated financial statements.

Where financial information in the following tables and the tables in the sub-sections "Business Divisions and Key Markets", "Investment Portfolio", "Regulatory Capital Adequacy", "IFRS Equity and Capital Structure" and "Alternative Performance Measures" is labelled "audited", this means that it was taken from the audited consolidated financial statements of the Issuer as of and for the financial years ended 31 December 2019 and 2018, respectively. The label "unaudited" is used in the following table to indicate financial information that was taken from the unaudited interim condensed consolidated financial statements of the Issuer as of and for the six months period ended 30 June 2020 as well as from the Issuer's internal accounting system or has been calculated based on figures from the aforementioned sources.

### Consolidated Income Statement

	Six-month period ended 30 June		Financial Year ended 31 December	
	2020	2019 <sup>(1)</sup>	2019 <sup>(2)</sup>	2018 <sup>(2)</sup>
(amounts in € million, unless otherwise stated)	(unaudited)		(audited)	
Gross premiums written	27,112	25,175	51,457	49,064
1. Earned premiums	25,161	23,478	48,280	45,735
2. Income from technical interest	1,985	3,499	6,729	4,667
3. Expenses for claims and benefits	-20,381	-18,902	-39,685	-35,116
4. Operating expenses	-6,247	-6,182	-13,249	-12,587
<b>5. Technical result (1-4)</b>	<b>519</b>	<b>1,893</b>	<b>2,074</b>	<b>2,699</b>
6. Investment result	3,617	3,676	7,737	6,526
7. Insurance-related investment result	-549	680	1,176	-685
8. Other operating income	476	416	1,093	827
9. Other operating expenses	-925	-976	-1,347	-976
10. Deduction of income from technical interest	-1,985	-3,499	-6,729	-4,667
<b>11. Non-technical result (6-10)</b>	<b>634</b>	<b>297</b>	<b>1,930</b>	<b>1,027</b>
<b>12. Operating result (5+11)</b>	<b>1,153</b>	<b>2,190</b>	<b>4,004</b>	<b>3,725</b>
13. Other non-operating result	-17	-73	-665	-639
14. Currency result	167	85	73	-39
15. Net finance costs	-110	-110	-222	-196
16. Taxes on income	-393	-466	-483	-576
<b>17. Consolidated result (12-16)</b>	<b>800</b>	<b>1,626</b>	<b>2,707</b>	<b>2,275</b>
Earnings per share (in €)	5.71	11.22	18.97	15.53

- (1) At the beginning of the first quarter of 2020, Munich Re made some changes to the way it presents project costs, innovation costs and Finance Division costs in particular, such that ongoing and one-time expenditure is shown in a more transparent and consistent way. This resulted in reclassifications in the consolidated and segment income statements and an adjustment of the previous year's figures in line with IAS 1.41 in the first half-year, without impact on profit or loss.

- (2) Following the change described above, the figures for financial years 2019 and 2018 have not been subjected to a restatement. The restatement of the figures for the financial year 2019 is scheduled for the regular due date of 31 December 2020. Consequently, the figures of the changed respectively restated half-year and not restated financial years in the table are incompatible as such.

### Consolidated balance sheet data

	As of 30 June 2020	As of 31 December	
		2019	2018
(amounts in € million)	(unaudited)	(audited)	
A. Intangible assets	4,165	4,180	4,064
B. Investments	230,080	228,764	216,852
C. Insurance-related investments	10,104	9,163	8,424
D. Ceded share of technical provisions	5,338	4,937	4,263
E. Receivables	25,978	22,238	17,842
F. Cash at banks, cheques and cash in hand	5,831	4,994	4,986
G. Deferred acquisition costs	9,099	9,272	9,212
H. Deferred tax assets	304	316	545
I. Other assets	3,196	3,289	2,950
J. Assets held for sale	264	400	1,029
<b>Total assets</b>	<b>294,358</b>	<b>287,553</b>	<b>270,168</b>
A. Equity	29,766	30,576	26,500
B. Subordinated liabilities	3,709	3,839	3,689
C. Gross technical provisions	216,970	214,706	204,607
D. Gross technical provisions for unit-linked life insurance	7,472	8,172	7,925
E. Other provisions	5,482	5,291	4,383
F. Liabilities	28,517	22,882	20,872
G. Deferred tax liabilities	2,325	1,908	1,368
H. Liabilities related to assets held for sale	117	179	823
<b>Total equity and liabilities</b>	<b>294,358</b>	<b>287,533</b>	<b>270,168</b>

### Consolidated cash flow statement data

	Six-month period ended 30 June		Financial Year ended 31 December	
	2020	2019	2019	2018
(amounts in € million)	(unaudited)		(audited)	
<b>Consolidated result</b>	<b>800</b>	<b>1,626</b>	<b>2,707</b>	<b>2,275</b>
I. Cash flows from operating activities	4,374	5,802	9,493	2,998
II. Cash flows from investing activities	-2,367	-4,992	-6,919	-95
III. Cash flows from financing activities	-1,181	-1,587	-2,496	-1,338
<b>Cash flows for the financial year (I+II+III) <sup>(1)</sup></b>	<b>826</b>	<b>-777</b>	<b>78</b>	<b>1,565</b>
Effect of exchange-rate changes on cash and cash equivalents	19	-63	-57	-40
Cash at the beginning of the financial year	4,994	4,986	4,986	3,625
Cash at the end of the financial year	5,838	4,145	5,006	5,150
Thereof:				
Cash not attributable to disposal group	5,831	4,125	4,994	4,986
Cash attributable to disposal group	7	20	12	164

- (1) Cash mainly comprises cash at banks.

## Alternative Performance Measures

Munich Re uses, throughout its financial publications, alternative performance measures ("APMs") in addition to the figures which are prepared in accordance with IFRS. From the Issuer's point of view, these measures provide useful information to investors and enhance the understanding of the results of Munich Re. The APMs should be viewed as complementary to, rather than a substitute for, the figures determined according to IFRS.

This Prospectus contains references to the following APMs: "Return on Equity", "Return on Investment" and "Combined Ratio".

Investors should consider that similarly titled APMs reported by other companies may be calculated differently. For that reason, the comparability of APMs across companies might be limited.

In accordance with the guidelines of the European Securities and Markets Authority (ESMA), the following information is given in regard to the above mentioned APMs:

- Definition of the APM, its use and limitations on the usefulness
- Reconciliation of the APM to the most directly reconcilable line item, subtotal or total presented in the financial statements

### Return on Equity

#### Definition and usefulness

The Return on Equity is calculated on the basis of the consolidated result, including the result attributable to non-controlling interests, divided by mean adjusted equity. The mean adjusted equity is calculated as the average of total equity less other reserves (i.e. unrealised gains and losses, currency translation reserve, remeasurement gains/losses from cash flow hedges) at the half-yearly or quarterly reporting dates for the relevant period.

From the Issuer's point of view, the Return on Equity, together with other information, can be a useful performance measure for evaluating how well Munich Re utilizes its equity to generate profits.

#### Reconciliation

	Six-month period ended 30 June		Three-month period ended 30 June		Financial Year ended 31 December	
	2020	2019	2020	2019	2019	2018
<i>(amounts in € million, unless otherwise stated)</i>	<i>(unaudited)</i>				<i>(unaudited, unless otherwise specified)</i>	
Consolidated result	800	1,626	579	993	2,707 <sup>(8)</sup>	2,275 <sup>(8)</sup>
Mean adjusted equity	22,448 <sup>(1)</sup>	22,781 <sup>(2)</sup>	22,338 <sup>(3)</sup>	22,831 <sup>(4)</sup>	29,437	27,181
<b>Return on Equity (in per cent.)</b>	<b>7.1<sup>(5)</sup></b>	<b>14.3<sup>(5)</sup></b>	<b>10.4<sup>(6)</sup></b>	<b>17.4<sup>(6)</sup></b>	<b>9.2<sup>(7)</sup></b>	<b>8.4<sup>(7)</sup></b>

- (1) The mean adjusted equity is calculated as the average of total equity (30 June 2020: € 29,766 million; 31 December 2019: € 30,576 million) less other reserves (i.e. unrealised gains and losses (30 June 2020: € 7,076 million; 31 December 2019: € 6,362 million), currency translation reserve (30 June 2020: € 851 million; 31 December 2019: € 1,131 million), remeasurement gains/losses from cash flow hedges (30 June 2020: € 10 million; 31 December 2019: € 17 million)) at the half-yearly reporting dates for the relevant period.
- (2) The mean adjusted equity is calculated as the average of total equity (30 June 2019: € 29,543 million; 31 December 2018: € 26,500 million) less other reserves (i.e. unrealised gains and losses (30 June 2019: € 6,187 million; 31 December 2018: € 2,715 million), currency translation reserve (30 June 2019: € 836 million; 31 December 2018: € 709 million), remeasurement gains/losses from cash flow hedges (30 June 2019: € 18 million; 31 December 2018: € 16 million)) at the half-yearly reporting dates for the relevant period.
- (3) The mean adjusted equity is calculated as the average of total equity (30 June 2020: € 29,766 million; 31 March 2020: € 29,116 million) less other reserves (i.e. unrealised gains and losses (30 June 2020: € 7,076 million; 31 March 2020: € 5,231 million), currency translation reserve (30 June 2020: € 851 million; 31 March 2020: € 1,026 million), remeasurement gains/losses from cash flow hedges (30 June 2020: € 10 million; 31 March 2020: € 11 million)) at the quarterly reporting dates for the relevant period.
- (4) The mean adjusted equity is calculated as the average of total equity (30 June 2019: € 29,543 million; 31 March 2019: € 28,990 million) less other reserves (i.e. unrealised gains and losses (30 June 2019: € 6,187 million; 31 March 2019: € 4,777 million), currency translation reserve (30 June 2019: € 836 million; 31 March 2019: € 1,035 million), remeasurement gains/losses from cash flow hedges (30 June 2019: € 18 million; 31 March 2019: € 18 million)) at the quarterly reporting dates for the relevant period.
- (5) The annualized Return on Equity for the six-month period ended 30 June is calculated as Munich Re's consolidated result, including the result attributable to non-controlling interests, for the relevant period multiplied by two divided by the mean adjusted equity.



- (6) The annualized Return on Equity for the three-month period ended 30 June is calculated as Munich Re's consolidated result, including the result attributable to non-controlling interests, for the relevant period multiplied by four divided by the mean adjusted equity.
- (7) For Financial Year Ends 2019 and 2018, no adjustments on mean equity had been performed.
- (8) Audited.

## Return on Investment

### Definition and usefulness

The Return on Investment is calculated as Munich Re's investment result for the relevant period divided by the mean market value of Munich Re's investment portfolio. The "**Mean Market Value**" of the investment portfolio is calculated as the average market value of the investment portfolio at the quarterly reporting dates (including off-balance-sheet unrealised gains and losses, but excluding insurance-related loans and owner-occupied property) for the relevant period.

From the Issuer's point of view, the Return on Investment, together with other information, can be a useful performance measure for evaluating the investment portfolio of Munich Re.

### Reconciliation

	Six-month period ended 30 June		Three-month period ended 30 June		Financial Year ended 31 December	
	2020	2019 <sup>(1)</sup>	2020	2019 <sup>(1)</sup>	2019 <sup>(2)</sup>	2018 <sup>(2)</sup>
(amounts in € million, unless otherwise stated)	(unaudited)				(unaudited, unless otherwise specified)	
Investment result	3,617	3,676	1,697	1,919	7,737 <sup>(8)</sup>	6,526 <sup>(8)</sup>
Mean Market Value	248,121 <sup>(3)</sup>	239,161 <sup>(4)</sup>	248,527 <sup>(3)</sup>	242,804 <sup>(4)</sup>	243,663 <sup>(5)</sup>	231,193 <sup>(5)</sup>
<b>Return on Investment (in per cent.)</b>	<b>2.9<sup>(6)</sup></b>	<b>3.1<sup>(6)</sup></b>	<b>2.7<sup>(7)</sup></b>	<b>3.2<sup>(7)</sup></b>	<b>3.2</b>	<b>2.8</b>

- (1) At the beginning of the first quarter of 2020, Munich Re made some changes to the way it presents project costs, innovation costs and Finance Division costs in particular, such that ongoing and one-time expenditure is shown in a more transparent and consistent way. This resulted in reclassifications in the consolidated and segment income statements and an adjustment of the previous year's figures in line with IAS 1.41 in the first half-year, without impact on profit or loss.
- (2) Following the change described above, the figures for financial years 2019 and 2018 have not been subjected to a restatement. The restatement of the figures for the financial year 2019 is scheduled for the regular due date of 31 December 2020. Consequently, the figures of the changed respectively restated half-year and not restated financial years in the table are incompatible as such. As if restated, the unaudited investment result for the full financial year 2019 would be € 7,882 million. Due to limitations of available data, the investment result for the financial year 2018 cannot be provided on a restated basis. The figure Return on Investment did not change due to restatement on a rounded basis.
- (3) The Mean Market Value of the investment portfolio is calculated as the average market value of the investment portfolio at the respective quarterly reporting dates (including off-balance-sheet unrealised gains and losses, but excluding insurance-related loans and owner-occupied property) for the relevant periods: mean value of the investment portfolios (carrying amounts) as at 31 December 2019 (€ 228,764 million), 31 March 2020 (€ 227,949 million) and 30 June 2020 (€ 230,080 million), and the off-balance-sheet unrealised gains and losses (excluding owner-occupied property and insurance-based loans) as at 31 December 2019 (€ 18,546 million), 31 March 2020 (€ 19,246 million) and 30 June 2020 (€ 19,778 million).
- (4) The Mean Market Value of the investment portfolio is calculated as the average market value of the investment portfolio at the respective quarterly reporting dates (including off-balance-sheet unrealised gains and losses, but excluding insurance-related loans and owner-occupied property) for the relevant periods: mean value of the investment portfolios (carrying amounts) as at 31 December 2018 (€ 216,852 million), 31 March 2019 (€ 223,927 million) and 30 June 2019 (€ 226,619 million), and the off-balance-sheet unrealised gains and losses (excluding owner-occupied property and insurance-based loans) as at 31 December 2018 (€ 15,024 million), 31 March 2019 (€ 16,556 million) and 30 June 2019 (€ 18,506 million).
- (5) The overall investment portfolio used to determine the return for 2019 (3.2%) was calculated as the mean value of the investment portfolios (carrying amounts) as at 31 December 2018 (€ 216,852 million), 31 March 2019 (€ 223,927 million), 30 June 2019 (€ 226,619 million), 30 September 2019 (€ 232,933 million) and 31 December 2019 (€ 228,764 million), and the off-balance-sheet unrealised gains and losses (excluding owner-occupied property and insurance-related loans) as at 31 December 2018 (€ 15,024 million), 31 March 2019 (€ 16,556 million), 30 June 2019 (€ 18,506 million), 30 September 2019 (€ 20,588 million) and 31 December 2019 (€ 18,546 million).
- (6) The annualized Return on Investment for the six-month period ended 30 June is calculated as Munich Re's investment result for the relevant period multiplied by two divided by the mean market value of Munich Re's investment portfolio.
- (7) The annualized Return on Investment for the three-month period ended 30 June is calculated as Munich Re's investment result for the relevant period multiplied by four divided by the mean market value of Munich Re's investment portfolio.
- (8) Audited.

## Combined ratio

### Definition and usefulness

The Combined Ratio is regularly posted for property-casualty business. Calculated as the percentage ratio of the sum of expenses for claims and benefits plus operating expenses to earned premiums (all of which are net, i.e. after reinsurance cessions), the combined ratio is the sum of the "**Loss Ratio**" and the "**Expense Ratio**". A combined ratio of 100% means that premium income was exactly sufficient to cover claims and costs.

The Combined Ratio is the most common performance measure for analysing property-casualty business. From the Issuer's point of view, the Combined Ratio is a key performance measure summarizing several profit and loss items in one key performance indicator. The Combined Ratio is a snapshot of a single period result and does not take into account long-term reserve development and investment income. When regarded in isolation, the combined ratio is not a sufficiently convincing metric because it does not make it possible to assess economic profitability. It is only of limited suitability for comparing the financial performance of competitors owing to differing calculation methods and portfolio mixes. However, analysing the development of the Combined Ratio over several periods (financial years) is a helpful indicator in understanding underwriting quality. Generally, Munich Re's aim is to keep the Combined Ratio as low as possible by means of good underwriting and claims management.

### Reconciliation

	Reinsurance Property-Casualty				
	Six-month period ended		Financial Year ended		
	30 June		31 December		
	2020	2019 <sup>(1)</sup>	2019 <sup>(2)</sup>	2018 <sup>(2)</sup>	
<i>(amounts in € million, unless otherwise stated)</i>		<i>(unaudited)</i>		<i>(audited)</i>	
Net earned premiums	10,988	9,877	20,566	18,618	
Net expenses for claims and benefits	-7,967	-5,865	-13,714	-12,140	
Net operating expenses	-3,355	-3,238	-7,066	-6,372	
Loss-ratio calculation adjustments	7	7	9	8	
Fire brigade tax and other expenses	10	10	17	14	
Expenses for premium refunds	0	0	0	0	
Other underwriting income	-4	-3	-8	-6	
Change in remaining technical provisions and other underwriting expenses	1	0	0	0	
<b>Adjusted net expenses for claims and benefits</b>	<b>-7,961</b>	<b>-5,858</b>	<b>-13,705</b>	<b>-12,132</b>	
Loss Ratio (in per cent.)	72.4	59.3	66.6	65.2	
<b>Combined Ratio (in per cent.)</b>	<b>103.0</b>	<b>92.1</b>	<b>101.0</b>	<b>99.4</b>	

- (1) At the beginning of the first quarter of 2020, Munich Re made some changes to the way it presents project costs, innovation costs and Finance Division costs in particular, such that ongoing and one-time expenditure is shown in a more transparent and consistent way. This resulted in reclassifications in the consolidated and segment income statements and an adjustment of the previous year's figures in line with IAS 1.41 in the first half-year, without impact on profit or loss.
- (2) Following the change described above, the figures for financial years 2019 and 2018 have not been subjected to a restatement. The restatement of the figures for the financial year 2019 is scheduled for the regular due date of 31 December 2020. Consequently, the Combined Ratios of the changed respectively restated half-year and not restated financial years in the table are incompatible as such. As if restated, the unaudited figure for the Combined Ratio for full financial year 2019 would be 100.2%. Due to limitations of available data, the Combined Ratio for the financial year 2018 cannot be provided on a restated basis.

**ERGO**

	Property-Casualty Germany				Property-Casualty International <sup>(1)</sup>			
	Six-month period ended 30 June		Financial Year ended 31 December		Six-month period ended 30 June		Financial Year ended 31 December	
	2020	2019	2019	2018	2020	2019	2019	2018
<i>(amounts in € million, unless otherwise stated)</i>	<i>(unaudited)</i>		<i>(audited)</i>		<i>(unaudited)</i>		<i>(audited)</i>	
Net earned premiums	1,718	1,642	3,362	3,252	1,604	1,647	3,309	3,292
Net expenses for claims and benefits	-1,067	-998	-2,056	-2,075	-1,013	-1,073	-2,129	-2,088
Net operating expenses	-541	-533	-1,077	-1,087	-483	-505	-1,012	-1,068
Loss-ratio calculation adjustments	11	21	30	41	9	10	23	41
Fire brigade tax and other expenses	15	13	20	15	11	13	28	31
Expenses for premium refunds	14	13	26	23	2	1	2	0
Other underwriting income	-25	-2	-4	-3	-5	-7	-16	-25
Change in remaining technical provisions and other underwriting expenses	8	-3	-11	7	2	3	8	35
<b>Adjusted net expenses for claims and benefits</b>	<b>-1,056</b>	<b>-976</b>	<b>-2,025</b>	<b>-2,033</b>	<b>-1,004</b>	<b>-1,062</b>	<b>-2,107</b>	<b>-2,047</b>
Loss Ratio (in per cent.)	61.5	59.4	60.3	62.5	62.6	64.5	63.7	62.2
<b>Combined Ratio (in per cent.)</b>	<b>92.9</b>	<b>91.9</b>	<b>92.3</b>	<b>96.0</b>	<b>92.7</b>	<b>95.2</b>	<b>94.3</b>	<b>94.6</b>

(1) Excluding life insurance business and health insurance conducted like life insurance

## TAXATION

*The following is a general overview of certain tax considerations relating to the purchasing, holding and disposing of Bonds. It does not purport to be a complete analysis of all tax considerations relating to the Bonds. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular Bondholder. The discussions that follow for each jurisdiction are based upon the applicable laws in force and their interpretation on the date of this Prospectus. These tax laws and interpretations are subject to change that may occur after such date, even with retroactive effect.*

The information contained in this section is limited to taxation issues and prospective investors should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving the Bonds.

Prospective Bondholders should consult their own tax advisers as to the particular tax consequences of subscribing, purchasing, holding and disposing the Bonds, including the application and effect of any federal, state or local taxes, under the tax laws of Germany and each country of which they are residents or citizens.

### Germany

The following general overview does not consider all aspects of income taxation in Germany that may be relevant to a Bondholder of the Bonds in the light of the Bondholder's particular circumstances and income tax situation. This general overview is based on German tax laws and regulations, all as currently in effect and all subject to change at any time, possibly with retroactive effect.

#### ***German residents holding the Bonds as private assets***

##### *Taxation of income from the Bonds*

If the Bonds are held as private assets (*Privatvermögen*) by an individual investor whose residence or habitual abode is in Germany, payments of interest under the Bonds are generally taxed as investment income (*Einkünfte aus Kapitalvermögen*) at a 25 per cent flat tax (*Abgeltungsteuer*) (plus a 5.5 per cent solidarity surcharge (*Solidaritätszuschlag*) thereon and, if applicable to the individual investor, church tax (*Kirchensteuer*)).

The same applies to capital gains from the sale or redemption of the Bonds. The capital gain is generally determined as the difference between the proceeds from the sale or redemption of the Bonds and the acquisition costs. Expenses directly and factually related (*unmittelbarer sachlicher Zusammenhang*) to the sale or redemption are taken into account in computing the taxable capital gain. Otherwise the deduction of related expenses for tax purposes is not permitted.

The coalition agreement between the German Christian Democratic Union, the German Christian Social Union and the German Social Democratic Party states that the flat tax regime might be (partially) reformed so that capital investment income of investors holding the Bonds as private assets may (partially) no longer be subject to the flat tax regime but taxed at individual progressive income tax rates of up to 45 per cent (plus a 5.5 per cent solidarity surcharge thereon and, if applicable to the individual investor, church tax).

According to the law for the reduction of the solidarity surcharge dated 10 December 2019 (*Gesetz zur Rückführung des Solidaritätszuschlags 1995*) as of the assessment period 2021 onwards, the solidarity surcharge will only be levied for wage tax and income tax purposes, if the individual income tax of the holder exceeds the threshold of € 16,956 (€ 33,912 for jointly assessed investors). The solidarity surcharge will remain in place for purposes of the withholding tax, the flat tax regime and the corporate income tax. In the case of a flat tax the income tax burden for an individual is lower than the flat tax of 25% and the holder applies for his/her capital investment income being assessed at his/her individual tariff-based income tax rate (see below) the solidarity surcharge would be refunded.

The flat tax is generally collected by way of withholding (see subsequent paragraph – *Withholding tax*) and the tax withheld shall generally satisfy the individual investor's tax liability with respect to the Bonds. If, however, no or not sufficient tax was withheld (e.g., in case there is no Domestic Paying Agent as defined in the subsequent paragraph – *Withholding Tax*), the investor will have to include the income received with respect to the Bonds in its income tax return.

The flat tax will then be collected by way of tax assessment. The investor may also opt for inclusion of investment income in its income tax return if the aggregated amount of tax withheld on investment income during the year exceeded the investor's aggregated flat tax liability on investment income (*e.g.*, because of available losses carried forward or foreign tax credits). If the investor's individual income tax rate on all taxable income including the investment income determined by generally applicable individual progressive tax rates is lower than 25 per cent, the investor may opt to be taxed at individual progressive tax rates with respect to its investment income; also in this case, the deduction of related expenses for tax purposes is not permitted.

Capital losses from the sale or redemption of the Bonds held as private assets should generally be tax-recognised irrespective of the holding period of the Bonds. According to the view of German tax authorities a bad debt loss (*Forderungsausfall*) and a waiver of a receivable (*Forderungsverzicht*) (to the extent the waiver does not qualify as a hidden contribution) shall, in general, not be treated as a sale, so that losses suffered upon such bad debt loss or waiver shall not be deductible for tax purposes. With respect to a bad debt loss the German Federal Tax Court has decided in 2017 that a final bad debt loss with respect to a capital claim shall be deductible for tax purposes; the question whether this also applies to a waiver of a receivable has been left open by the court. With respect to a (voluntary) waiver of receivable a lower German fiscal court confirmed the view of German tax authorities in a final decision and another lower fiscal court rejected the jurisdiction of the German Federal Fiscal Court with respect to the tax deductibility of a bad debt loss. The German Federal Fiscal Court, however, recently held that capital losses from a voluntary waiver of a receivable shall also be recognized for purposes of the flat tax regime.

While the German tax authorities previously took the position that a disposal (and, as a consequence, a tax loss resulting from such disposal) shall not be recognized if the Bonds are sold at a market price which is lower than the transaction costs or if the level of transaction costs is restricted because of a mutual agreement that the transaction costs are calculated by subtracting a certain amount from the sales price, the German tax authorities have concluded in an amendment from 10 May 2019 to the tax decree issued by the German Federal Ministry of Finance dated 18 January 2016 following a recent ruling of the German Federal Fiscal Court that the recognition as disposal shall not depend on the amount of any consideration or the amount of the transaction costs.

While the German tax authorities previously took the position that capital losses shall not be recognised by the German tax authorities if no (or only *de minimis*) payments are made to the individual investors on the maturity or redemption date of the Bonds, the German Federal Fiscal Court has published a decision to the contrary with regard to losses incurred in connection with knock-out certificates. In this decision the German Federal Fiscal Court took the view that exceeding the knock-out threshold (*i.e.* no payments on the day of exceeding the knock-out threshold) shall be treated similar to a bad debt loss as a sale at the value zero, so that losses suffered shall also be deductible for tax purposes. According to the amendment to the tax decree issued by the German Federal Ministry of Finance dated 18 January 2016 recently published on 16 September 2019, the German Federal Ministry of Finance now also applies the principles of the ruling of the German Federal Fiscal Court.

As of 1 January 2020, capital losses of non-business investors in the scenarios described above can now be set off against income derived from capital investments up to an amount of € 10,000 per annum. Losses exceeding that threshold can be carried forward and set off against income derived from capital investments up to an amount of € 10,000 per annum. in subsequent years, subject to certain requirements.

Any tax-recognised capital losses may not be used to offset other income like employment or business income but may only be offset against investment income. Capital losses not utilised in one annual assessment period may be carried forward into subsequent assessment periods but may not be carried back into preceding assessment periods. Individual investors are entitled to a saver's lump sum tax allowance (*Sparer-Pauschbetrag*) for investment income of € 801 per year (€ 1,602 for jointly assessed investors). The saver's lump sum tax allowance is considered for purposes of the withholding tax (see subsequent paragraph – *Withholding tax*) if the investor has filed a withholding tax exemption request (*Freistellungsauftrag*) with the respective Domestic Paying Agent (as defined below). The deduction of related expenses for tax purposes is not possible.

### *Withholding tax*

If the Bonds are kept or administered in a domestic securities deposit account by a German credit or financial services institution (*Kredit- oder Finanzdienstleistungsinstitut*) (or by a German branch of a foreign credit or financial services institution), or by a German securities trading business (*Wertpapierhandelsunternehmen*) or a German securities trading bank (*Wertpapierhandelsbank*) (each a "**Domestic Paying Agent**") which pays or credits the interest, a 25 per cent withholding tax, plus a 5.5 per cent solidarity surcharge thereon, resulting in a total withholding tax charge of 26.375 per cent, is levied on the interest payments. The applicable withholding tax rate is in excess of the aforementioned rate if church tax applies and is collected for the individual investor by way of withholding which is provided for as a standard procedure unless the Bondholder has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*).

Capital gains from the sale (including the redemption) of the Bonds are also subject to the 25 per cent withholding tax, plus a 5.5 per cent solidarity surcharge thereon, if the Bonds are kept or administered by a Domestic Paying Agent effecting the sale or redemption from the time of their acquisition. If interest claims are disposed of separately (i.e. without the Bonds), the proceeds from the disposition are subject to withholding tax. The same applies to proceeds from the payment of interest claims if the Bonds have been disposed of separately. If the Bonds were sold or redeemed after being transferred to a securities deposit account with a Domestic Paying Agent, 25 per cent withholding tax (plus solidarity surcharge thereon) would be levied on 30 per cent of the proceeds from the sale or the redemption, as the case may be, unless the investor or the previous depository bank was able and allowed to prove evidence for the investor's actual acquisition costs to the Domestic Paying Agent. The applicable withholding tax rate is in excess of the aforementioned rate if church tax applies and is collected for the individual investor by way of withholding which is provided for as a standard procedure unless the Bondholder has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*).

### ***German resident investors holding the Bonds as business assets***

#### *Taxation of income from the Bonds*

If the Bonds are held as business assets (*Betriebsvermögen*) by an individual or corporate investor which is tax resident in Germany (i.e., a corporation with its statutory seat or place of management in Germany), interest income and capital gains from the Bonds are subject to personal income tax at individual progressive rates or corporate income tax (plus a 5.5 per cent solidarity surcharge thereon and church tax, if applicable) and, in general, trade tax. The effective trade tax rate depends on the applicable trade tax factor (*Gewerbesteuer-Hebesatz*) of the relevant municipality where the business is located. In case of individual investors the trade tax may, however, be partially or fully creditable against the investor's personal income tax liability depending on the applicable trade tax factor and the investor's particular circumstances. Losses from the disposal or redemption of the Bonds will generally be tax-recognized and may generally be offset against other income subject to certain limitations.

### *Withholding tax*

If the Bonds are kept or administered by a Domestic Paying Agent which pays or credits the interest, a 25 per cent withholding tax, plus a 5.5 per cent solidarity surcharge thereon, resulting in a total withholding tax charge of 26.375 per cent, is generally levied on the interest payments. The applicable withholding tax rate is in excess of the aforementioned rate if church tax applies and is collected for the individual investor by way of withholding which is provided for as a standard procedure unless the Bondholder has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*).

No withholding is generally required on capital gains from the disposal or redemption of the Bonds which is derived by German resident corporate investors and, upon application, by individual investors holding the Bonds as assets of a German business, subject to certain requirements.

Any capital losses incurred from the disposal or redemption of the Bonds will not be taken into account for withholding tax purposes. If withholding tax is levied, the withholding tax does not satisfy the investor's personal or corporate income

tax liability with respect to the Bonds. The income from the Bonds will have to be included in the investor's personal or corporate income tax return. Any German withholding tax (including surcharges) is generally fully creditable against the investor's personal or corporate income tax liability or refundable, as the case may be.

#### ***Non-German resident Bondholders***

Income derived from the Bonds by Bondholders who are not tax resident in Germany is in general not subject to German income taxation, and no withholding tax shall be withheld, unless (i) the Bonds are held as business assets of a German permanent establishment of the investor or by a permanent German representative of the investor or (ii) the income derived from the Bonds otherwise constitutes German source income.

If the income derived from the Bonds is subject to German taxation according to (i) to (ii) above, the income is subject to German income taxation and withholding tax similar to that described above for German resident Bondholders. Under certain circumstances, foreign investors may benefit from tax reductions or tax exemptions under applicable double tax treaties (*Doppelbesteuerungsabkommen*) entered into with Germany.

#### ***Substitution of the Issuer***

If the Issuer exercises the right to substitute the debtor of the Bonds, the substitution might, for German tax purposes, be treated as a redemption of the Bonds in exchange for new bonds issued by the New Issuer and subject to similar taxation rules like the Bonds. In particular, such a substitution could result in the recognition of a taxable gain or loss for any investor of a Bond.

#### ***Inheritance and gift tax***

The transfer of Bonds to another person by way of gift or inheritance is subject to German gift or inheritance tax, respectively, if *inter alia*

- (i) the testator, the donor, the heir, the donee or any other acquirer had his residence, habitual abode or, in case of a corporation, association of persons (*Personenvereinigung*) or asset pool (*Vermögensmasse*), has its seat or place of management in Germany at the time of the transfer of property,
- (ii) except as provided under (i), the testator's or donor's Bonds belong to a business asset attributable to a permanent establishment or a permanent representative in Germany.

Special regulations apply to certain German expatriates.

Prospective investors are urged to consult with their tax advisor to determine the particular inheritance or gift tax consequences in light of their particular circumstances.

#### ***Other taxes***

The purchase, sale or other disposal of Bonds does not give rise to capital transfer tax, value added tax, stamp duties or similar taxes or charges in Germany. However, under certain circumstances entrepreneurs may choose liability to value added tax with regard to the sale of Bonds which would otherwise be tax exempt. Net wealth tax (*Vermögensteuer*) is, at present, not levied in Germany.

## SUBSCRIPTION AND SALE OF THE BONDS

### General

Pursuant to a subscription agreement dated 21 September 2020 (the "**Subscription Agreement**") among the Issuer and the Managers, the Issuer has agreed to sell to the Managers, and the Managers have agreed, subject to certain customary closing conditions, to purchase, the Bonds on 23 September 2020. The Issuer has furthermore agreed to pay certain fees to the Managers and to reimburse the Managers for certain expenses incurred in connection with the issue of the Bonds.

The Subscription Agreement provides that the Managers under certain circumstances will be entitled to terminate the Subscription Agreement. In such event, no Bonds will be delivered to investors. Furthermore, the Issuer has agreed to indemnify the Managers against certain liabilities in connection with the offer and sale of the Bonds.

Certain of the Managers and their respective affiliates may be customers of, borrowers from or creditors of the Issuer and its affiliates. In addition, certain Managers and their respective affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates in the ordinary course of business. In particular, in the ordinary course of their business activities, the Managers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. Certain of the Managers or their respective affiliates may have a lending relationship with the Issuer and in such case routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Managers and their respective affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Bonds. Any such positions could adversely affect future trading prices of the Bonds. The Managers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

There are no interests of natural and legal persons involved in the issue, including conflicting ones, that are material to the issue.

### Selling Restrictions

#### *General*

Each Manager has acknowledged that other than explicitly mentioned in this Prospectus no action is taken or will be taken by the Issuer in any jurisdiction that would permit a public offering of the Bonds, or possession or distribution of any offering material relating to them, in any jurisdiction where action for that purpose is required.

Each Manager has represented and agreed that it will comply with all applicable laws and regulations in each jurisdiction in which it purchases, offers, sells or delivers Bonds or has in its possession or distributes any offering material relating to them.

#### *Prohibition of Sales to EEA and UK Retail Investors*

Each Manager has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds to any retail investor in the EEA or the United Kingdom. For the purposes of this provision the expression retail investor means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.



### ***United States of America and its territories***

The Bonds have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or to the account of benefit of, U.S. persons except in transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Bonds are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by the U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Manager has represented and agreed that except as permitted by the Subscription Agreement, it has not offered, sold or delivered and will not offer, sell or deliver any Bonds (i) as part of their distribution and any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Issue Date, within the United States or to, for the account of benefit of, U.S. persons, and will have sent to each dealer to which it sells the Bonds and any related guarantee during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of the Bonds, an offer or sale of the Bonds within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

### ***United Kingdom***

Each Manager has represented, warranted and agreed that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) received by it in connection with the issue or sale of any Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer, and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

### ***Singapore***

Each Manager has acknowledged that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Manager has represented and agreed that it has not offered or sold any Bonds or caused the Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell any Bonds or cause the Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA")), pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Bonds pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

## GENERAL INFORMATION

1. **Authorisations:** The creation and issue of the Bonds has been authorised by a resolution of the Management Board of the Issuer on September 9, 2020.
2. **Expenses of the Issue:** The total expenses related to the admission to trading of the Bonds are expected to amount to approximately € 15,000.
3. **Clearing Systems:** Payments and transfers of the Bonds will be settled through Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg.

The Bonds have the following securities codes:

ISIN: XS2221845683

Common Code: 222184568

German Securities Code (WKN): A289EQ

4. **Listing and Admission to Trading:** Application has been made to the Luxembourg Stock Exchange for the Bonds to be admitted to trading on the Luxembourg Stock Exchange's regulated market (which is a regulated market for the purposes of MiFID II) and to be listed on the Official List of the Luxembourg Stock Exchange on or around the Issue Date.
5. **Notices to Bondholders:** For so long as the Bonds are listed on the Luxembourg Stock Exchange, all notices to the Bondholders regarding the Bonds shall be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). The Issuer will be entitled to deliver all notices concerning the Bonds to the Clearing System for communication by the Clearing System to the Bondholders.
6. **Documents on Display:** For so long as any Bond is outstanding, electronic versions of the following documents are available on the Issuer's website:
  - the articles of association of the Issuer (accessed by using the hyperlink: "<https://www.munichre.com/satzung>"); and
  - the documents incorporated by reference into this Prospectus (accessed by using the hyperlinks set out in the section "*Documents Incorporated by Reference*" below).

This Prospectus and any supplement to this Prospectus will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and on the website of the Issuer ([www.munichre.com](http://www.munichre.com)).

7. **Third Party Information:** With respect to any information included herein and specified to be sourced from a third party (i) the Issuer confirms that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information available to it from such third party, no facts have been omitted the omission of which would render the reproduced information inaccurate or misleading and (ii) neither the Issuer nor any Manager has independently verified any such information and neither the Issuer nor any Manager accepts any responsibility for the accuracy thereof.
8. **Yield:** For the investors, the yield of the Bonds until the First Reset Date is 1.367 per cent *per annum*, calculated on the basis of the Issue Price. Such yield is calculated in accordance with the ICMA (International Capital Market Association) Method. The ICMA method determines the effective interest rate on bonds by taking into account accrued interest on a daily basis.

The yield of the Bonds for the period after the First Reset Date cannot be determined as of the date of this Prospectus.

9. **Ratings:** The Bonds are expected to be rated "A"<sup>6</sup> by S&P Global Ratings and "A" by Fitch.<sup>7</sup>

S&P Global Ratings and Fitch are established in the European Union or the United Kingdom and are registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**")<sup>8</sup>.

Investors in the Bonds should be aware that a credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

10. **Legal Entity Identifier:** The LEI of Munich Reinsurance Company is 529900MUF4C20K50JS49.

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<sup>6</sup> S&P Global Ratings defines "A" as follows: "An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitments on the obligation is still strong."

<sup>7</sup> Fitch defines "A" as follows: "'A' ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings."

<sup>8</sup> The European Securities and Markets Authority publishes on its website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) a list of credit rating agencies registered in accordance with the CRA Regulation. That list is updated within five working days following the adoption of a decision under Article 16, 17 or 20 CRA Regulation. The European Commission shall publish that updated list in the Official Journal of the European Union within 30 days following such update.

## DOCUMENTS INCORPORATED BY REFERENCE

The pages specified below of the following documents which have previously been published or are published simultaneously with this Prospectus and which have been filed with the CSSF are incorporated by reference into this Prospectus: (i) the unaudited Half-Year Financial Report 2/2020 of Munich Re (the "**Unaudited Half-Year Financial Report 2020**"), (ii) the audited Annual Report of Munich Re as at and for the fiscal year ended 31 December 2019 (the "**Audited Annual Report 2019**") and (iii) the audited Annual Report of Munich Re as at and for the fiscal year ended 31 December 2018 (the "**Audited Annual Report 2018**"), each containing the English language translation of the respective German language consolidated financial statements of the Issuer and in case of the Audited Annual Report 2019 and the Audited Annual Report 2018 the German language independent auditor's report (*Bestätigungsvermerk*) in respect thereof.

### (1) Extracted from: Unaudited Half-Year Financial Report 2020

Consolidated balance sheet as at 30 June 2020 .....	pages 14-15
Consolidated income statement 1 January to 30 June 2020.....	pages 16
Consolidated income statement 1 April to 30 June 2020.....	page 17
Consolidated income statement (quarterly breakdown).....	page 18
Statement of recognised income and expense 1 January to 30 June 2020 .....	pages 20
Statement of recognised income and expense 1 April to 30 June 2020 .....	page 21
Group statement of changes in equity.....	pages 22-23
Condensed consolidated cash flow statement 1 January to 30 June 2020 .....	page 24
Selected notes to consolidated financial statements .....	pages 25-48
Review report <sup>9</sup> .....	page 49

### (2) Extracted from: Munich Re – Audited Annual Report 2019

Consolidated balance sheet as at 31 December 2019 .....	pages 100-101
Consolidated income statement for the 2019 financial year .....	page 102
Statement of recognised income and expense for the 2019 financial year .....	page 103
Group statement of changes in equity for the 2019 financial year .....	pages 104-105
Consolidated cash flow statement for the 2019 financial year .....	page 106
Notes to the consolidated financial statements .....	pages 107-184
Independent auditor's report <sup>10</sup> .....	pages 185-191

<sup>9</sup> The English language translation of the German language review report (*Bescheinigung nach prüferischer Durchsicht*) refers to the English language translations of (i) the interim condensed consolidated financial statements in German language, comprising the consolidated balance sheet, consolidated income statement, statement of recognised income and expense, Group statement of changes in equity, condensed consolidated cash flow statement and selected notes to the consolidated financial statements, and (ii) the interim management report as at and for the period ended 30 June 2020 in German language as a whole and not solely to the interim condensed consolidated financial statements incorporated by reference. The interim management report is not incorporated by reference nor included in this Prospectus.

<sup>10</sup> The independent auditor's report, prepared in accordance with § 322 German Commercial Code (*Handelsgesetzbuch*), refers to the consolidated financial statements in German language, comprising the consolidated balance sheet, consolidated statement of income,

**(3) Extracted from: Munich Re – Audited Annual Report 2018**

Consolidated balance sheet as at 31 December 2018 .....	pages 92-93
Consolidated income statement for the 2018 financial year .....	page 94
Statement of recognised income and expense for the 2018 financial year .....	page 95
Group statement of changes in equity for the 2018 financial year .....	pages 96-97
Consolidated cash flow statement for the 2018 financial year .....	page 98
Notes to the consolidated financial statements .....	pages 99-179
Independent auditor's report <sup>11</sup> .....	pages 180-186

All of these pages shall be deemed to be incorporated by reference into, and to form part of, this Prospectus.

The non-incorporated parts of such documents, i.e. the pages not listed in the table above, are either not relevant for the investor or covered elsewhere in this Prospectus.

Electronic versions of the documents incorporated by reference are available on the website of the Issuer (<http://www.munichre.com>) and can be accessed by using the following hyperlinks:

**(1) Munich Re – Unaudited Half-Year Financial Report 2020**

<https://www.munichre.com/finanzberichte/halbjahresfinanzbericht-2020>

**(2) Munich Re – Audited Annual Report 2019:**

<https://www.munichre.com/finanzberichte/geschaeftsbericht-konzern-2019>

**(3) Munich Re – Audited Annual Report 2018:**

<https://www.munichre.com/geschaeftsbericht-2018>

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consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity, consolidated cash flow statement and notes to the consolidated financial statements together with the combined management report of the Issuer for the business year from 1 January to 31 December 2019. The combined management report is not included in this Prospectus.

<sup>11</sup> The independent auditor's report, prepared in accordance with § 322 German Commercial Code (*Handelsgesetzbuch*), refers to the consolidated financial statements in German language, comprising the consolidated balance sheet, consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity, consolidated cash flow statement and notes to the consolidated financial statements together with the combined management report of the Issuer for the business year from 1 January to 31 December 2018. The combined management report is not included in this Prospectus.

***Issuer***

**Münchener Rückversicherungs-Gesellschaft**

**Aktiengesellschaft in München**

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80802 München

Federal Republic of Germany

***Principal Paying Agent***

**Citibank Europe plc**

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Dublin 1

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***Joint Lead Managers***

**Citigroup Global Markets Limited**

Citigroup Centre

Canada Square

Canary Wharf

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United Kingdom

**Crédit Agricole Corporate and Investment Bank**

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CS 70052 92 547 Montrouge Cedex

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**Deutsche Bank Aktiengesellschaft**

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Germany

**Goldman Sachs International**

Plumtree Court

25 Shoe Lane

London EC4A 4AU

United Kingdom

**HSBC Bank plc**

8 Canada Square

London, E14 5HQ

United Kingdom

***Co-Managers***

**NATIXIS**

30, avenue Pierre Mendès-France

75013 Paris

France

**Société Générale**

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75009 Paris

France

**UniCredit Bank AG**

Arabellastrasse 12

81925 Munich

Germany

*Auditors to the Issuer*

*Since 1 January 2020*

**Ernst & Young GmbH**  
**Wirtschaftsprüfungsgesellschaft**  
Stuttgart, Munich office  
Arnulfstrasse 59  
80636 Munich  
Federal Republic of Germany

*Until 31 December 2019*

**KPMG Bayerische Treuhandgesellschaft**  
**Aktiengesellschaft**  
**Wirtschaftsprüfungsgesellschaft**  
**Steuerberatungsgesellschaft**  
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*To the Issuer*

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*To the Managers*

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