



**WELL ON TRACK –  
HALF-YEAR RESULT OF €1.6BN**  
QUARTERLY FINANCIAL STATEMENTS AS AT 30 JUNE 2012

7 August 2012

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Munich RE 

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## Munich Re (Group) – Overview

## Q2 beating strong Q1 results – well on track to meet 2012 financial targets

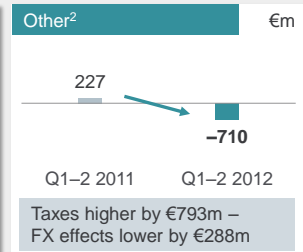
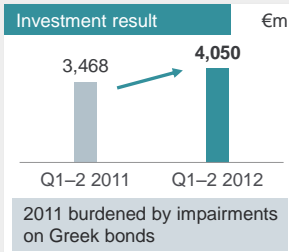
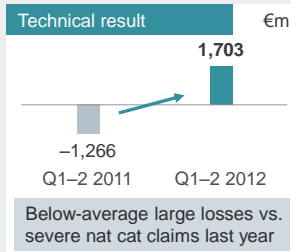
## Munich Re (Group) – Q1–2 2012

<p><b>NET RESULT</b> €1,594m (€812m in Q2)</p> <p>Pleasing result supported by below-average large claims and high investment return in the first two quarters</p>	<p><b>SHAREHOLDERS' EQUITY</b> €25.4bn (+3.9% vs. Q1)</p> <p>Capital base further strengthened despite dividend payment of €1.1bn in Q2 – book value per share increases to €142</p>	<p><b>INVESTMENT RESULT</b> RoI of 3.8% (3.4% in Q2)</p> <p>RoI above full-year average expectation – continuous de-risking of fixed-income portfolio responding to ongoing high level of uncertainty</p>
<p><b>Reinsurance</b></p> <p><b>NET RESULT</b> €1,293m (€659m in Q2)</p> <p><b>COMBINED RATIO 95.7%</b> Major-loss ratio of only 8.7% (incl. provision for US drought)</p> <p>Life – Good technical result of €255m increasing confidence to meet €400m annual target</p>	<p><b>Primary insurance</b></p> <p><b>NET RESULT</b> €295m (€150m in Q2)</p> <p><b>COMBINED RATIO 95.2%</b> Improving international business – Germany on track</p> <p>Quality and efficiency programme in sales – Substantial future cost savings</p>	<p><b>Munich Health</b></p> <p><b>NET RESULT</b> €6m (€1m in Q2)</p> <p><b>COMBINED RATIO 100.5%</b> Challenging environment in the USA burdening results</p> <p>Ongoing organic growth – Net result distorted by FX effects</p>

Good development of core insurance business and investment income



Net result								€m	
Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q1–2 2012	Q1–2 2011
761	475	-948	738	290	632	782	812	<b>Total<sup>1</sup></b>	1,594
								Reinsurance	1,293
								Primary insurance	295
								Munich Health	6
									35
2010		2011			2012				

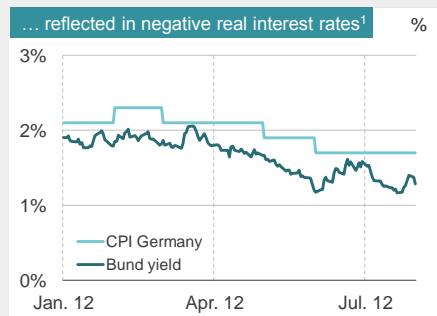


<sup>1</sup> Segments do not add up to total amount; difference relates to the segment "asset management".  
<sup>2</sup> Other non-operating result, goodwill impairments, net finance costs, taxes.

Global growth cooling, eurozone crisis further escalating – "save haven" yields drop to historic lows



- Eurozone crisis intensified again in Q2 ...**
- Global growth dynamics have been slowing further
  - Eurozone in recessionary mode, Germany continuing to do better
  - USA still lacking strong growth impulses
  - Emerging markets softening as well, yet significant differences in growth rates compared to industrialised countries remain
  - Inflationary pressures recede, also due to temporarily weaker commodity prices



**Outlook for global growth likely to improve again – but substantial uncertainties remain**

Eurozone crisis the most important risk factor on a global scale

In the context of ongoing uncertainty, negative real interest rates could persist for an extended period

**Further political integration in the eurozone decisive for rebuilding trust in the capital markets and increasing stability**

<sup>1</sup> Source: Bloomberg

Munich Re's answer: Continued focus on liability side of balance sheet as main source of value creation ...



Reinsurance p-c: Renewal results YTD

Price ~2.4% Consistently improving portfolio quality – increase prices to reflect low yields and allocate capital according to the economic profitability of the business

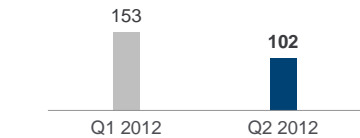
Exposure ~2.3%

ERGO Germany: Streamlining sales

Quality Reorganisation of sales increasing quality of consulting – reduction and merging of regional head-quarters saving expenses

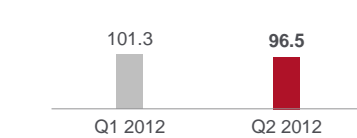
Efficiency

Reinsurance life: Good technical result €m



Focus on biometric risks – Well on track to achieve €400m p.a. technical result

ERGO international: Higher profitability %



Disposal of units in South Korea and Portugal (2011), return to profitable growth in Poland – first signs of recovery in Turkey

**Continuously increasing profitability in core insurance business becoming even more important with decreasing investment yields**

... while strictly limiting investment risks and closely managing interest rate sensitivity



Impact of Euro crisis – Low interest rates and continued high level of macroeconomic uncertainty

Active interest rate management<sup>1</sup> ...

	Assets	Liabilities	Net DV01 (€m)
Reinsurance	7.2	6.7	-19.9
Primary insurance	7.5	9.5	27.8
Munich Re (Group)	7.4	8.7	7.9

Continuous increase of asset duration mitigating attrition of running yield and reducing interest rate sensitivity at Group level

... high quality of investments and broad diversification<sup>2</sup>

"Safe haven" <sup>3</sup>	206% (200%)
Bank bonds <sup>4</sup>	26% (29%)
"PIIGS" gov. bonds	18% (25%)
Net equities	18% (18%)
Spanish cedulas	11% (18%)

Defensive investment portfolio safeguarding earnings stability by limiting downside risk of any kind of capital market scenario

**No intention to significantly extend investment risk**

<sup>1</sup> As at 30.6.2012. Net DV01: Sensitivity to parallel upward shift of yield curve by one basis point reflecting portfolio size.  
<sup>2</sup> Asset gearing: Gross exposure divided by shareholders' equity. As at 30.6.2012 (31.12.2011). <sup>3</sup> German and US government bonds and Supranationals. <sup>4</sup> Senior, subordinated and loss-bearing. Quarterly financial statements as at 30 June 2012 7

Future regulatory developments

Solvency II – Valuation of technical provisions still open



Current challenges	2013	2014	2015	...
<p>Long-term business model requires suitable long-term, low-risk investments – increasingly becoming scarce</p> <p>Premium rate increases necessary to compensate for lowered risk-free interest rates</p>	<p><b>Solvency I</b></p> <p>Trans-position by member states</p>			
			<p><b>Full application of Solvency II<sup>1</sup></b> Potentially smoothed phase-in period using transitional provisions, review clauses, grandfathering, member states options</p>	
<p><b>Valuation of insurance liabilities in the focus of the dialogue discussions</b></p>				
Extrapolation method	Counter-cyclical premium	Matching adjustment		
<p><b>Munich Re's positions</b></p>				
Ensure a smooth transition from Solvency I to Solvency II	Right incentives for risk-commensurate pricing	Support for a level playing field		
<p><b>The balance must be found between fostering a smooth transition to Solvency II and adhering to the letter and spirit of the Solvency II Directive in the long run</b></p>				

<sup>1</sup> Further postponement cannot be excluded.

Agenda



Overview

**Financial reporting Q1–2 2012**

- Munich Re (Group)**
- Primary insurance
- Munich Health
- Reinsurance

Outlook

Backup

Munich Re (Group) – Capitalisation  
**Sound capital position**



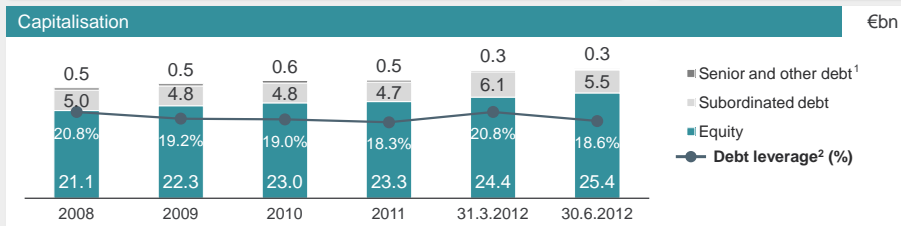
Equity		€m
Equity 31.12.2011	23,309	Change Q2
Consolidated result	1,594	812
<b>Changes</b>		
Dividend	-1,110	-1,110
Unrealised gains/losses	1,349	798
Exchange rates	346	581
Share buy-backs	4	1
Other	-121	-137
<b>Equity 30.6.2012</b>	<b>25,371</b>	<b>945</b>

UNREALISED GAINS/LOSSES

Afs fixed-interest securities: +€987m  
 Afs non-fixed-interest securities: +€344m

EXCHANGE RATES

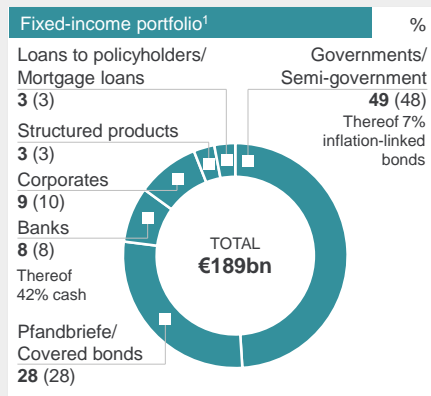
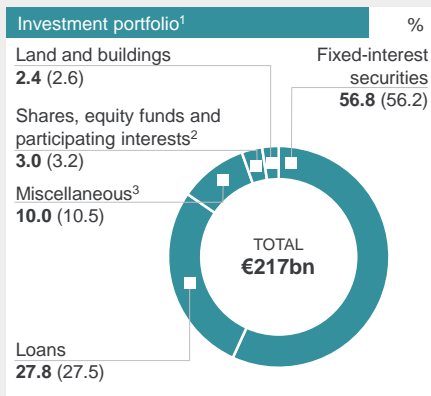
Positive FX development mainly driven by stronger US\$



<sup>1</sup> Other debt includes bank borrowings of Munich Re and other strategic debt.

<sup>2</sup> Strategic debt (senior, subordinated and other debt) divided by total capital (strategic debt + equity).

Munich Re (Group) – Investment portfolio  
**Active asset management on the basis of a well-diversified investment portfolio**



Shift from weaker euro peripheral government bonds into US treasuries, emerging market debt and bonds of supranationals<sup>4</sup>

Ongoing geographic diversification of covered bond portfolio – reduction of Spanish exposure

Ongoing reduction of bank bonds

Increase of inflation-linked exposure

<sup>1</sup> Fair values as at 30.6.2012 (31.12.2011). <sup>2</sup> Net of hedges: 2.2% (2.0%). <sup>3</sup> Deposits retained on assumed reinsurance, unit-linked investments, deposits with banks, investment funds (excl. equities), derivatives and investments in renewable energies. <sup>4</sup> European Community, European Investment Bank, EFSF and other.

## High investment result given low-yield environment

Investment result	Q1–2 2012		Q1–2 2011		Q2 2012	
	€m	Return <sup>1</sup>	€m	Return <sup>1</sup>	€m	Return <sup>1</sup>
Regular income	3,874	3.6%	4,057	4.2%	1,985	3.7%
Write-ups/write-downs	-155	-0.2%	-806	-0.8%	24	0.1%
Disposal gains/losses	380	0.4%	640	0.6%	8	0.0%
Other income/expenses <sup>2</sup>	-49	0.0%	-423	-0.4%	-211	-0.4%
<b>Investment result</b>	<b>4,050</b>	<b>3.8%</b>	<b>3,468</b>	<b>3.6%</b>	<b>1,806</b>	<b>3.4%</b>

Regular income	Write-ups/write-downs		Disposal gains/losses			
	Q1–2 2012	Q2 2012	Q1–2 2012	Q2 2012		
<ul style="list-style-type: none"> <li>In Q2 dividend effect positively impacting regular income ...</li> <li>... while lower reinvestment yield pushing it down</li> <li>Average reinvestment yield -2.8 % in Q1–2</li> </ul>	Equities	-117	-89	Equities	187	36
	Swaptions	138	155	Fixed-income	198	-112
	Derivatives (ex. swaptions)	-59	39	Derivatives	-47	84
	Other	-117	-81	Other	42	-

<sup>1</sup> Return on quarterly weighted investments (market values) in % p.a.  
<sup>2</sup> Positive impact from unit-linked business of €209m (-€123m) included.

Quarterly financial statements as at 30 June 2012 12

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Overview

**Financial reporting Q1–2 2012**

Munich Re (Group)

**Primary insurance**

Munich Health

Reinsurance

Outlook

Backup

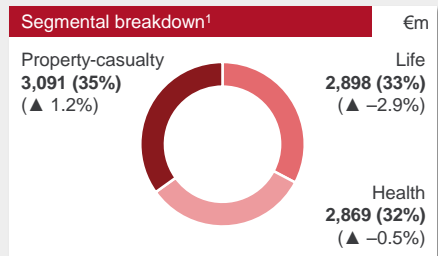
Quarterly financial statements as at 30 June 2012 13

Primary insurance – Premium development

Slight decrease in premium income



Gross premiums written		€m
Q1–2 2011	8,921	
Foreign-exchange effects	-40	
Divestment/Investment	-75	
Organic change	52	
<b>Q1–2 2012</b>	<b>8,858</b>	



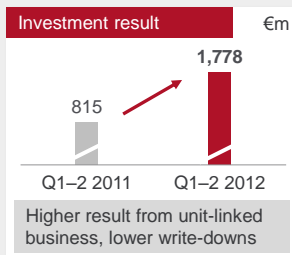
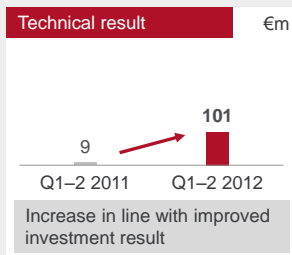
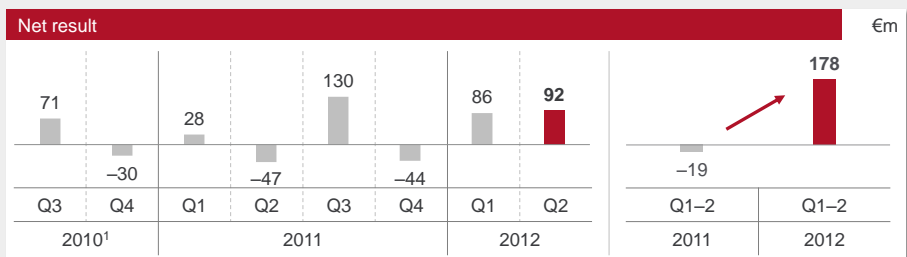
Gross premiums written		€m
Q1–2 2011	8,921	
Life	-86	
Health	-13	
Property-casualty	36	
<b>Q1–2 2012</b>	<b>8,858</b>	

- Life:** Declining portfolio of policies of regular-premium business
- Health:** Slight decrease in comprehensive and travel – increase in supplementary business
- Property-casualty:** Good organic growth, negative FX effects and sale of Portuguese unit

<sup>1</sup> Gross premiums written.

Primary insurance – Key figures

Primary life

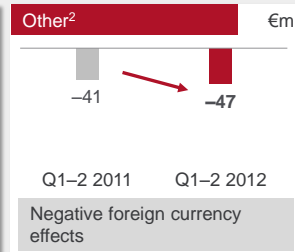
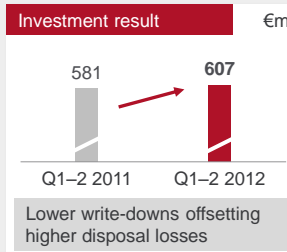
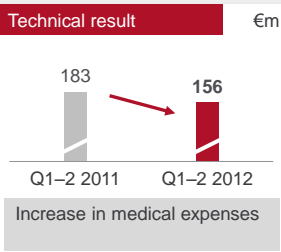
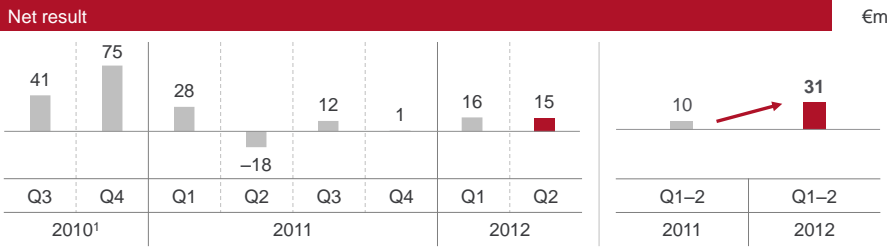


<sup>1</sup> Figures up to 2010 are shown on a partly consolidated basis. <sup>2</sup> Other non-operating result, goodwill impairments, net finance costs, taxes.



Primary insurance – Key figures

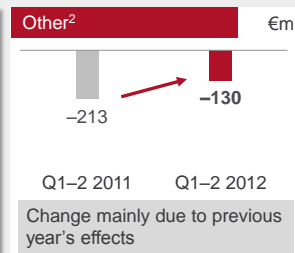
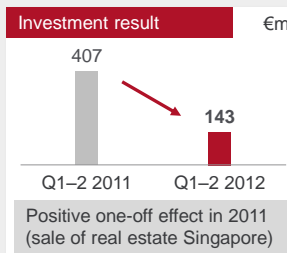
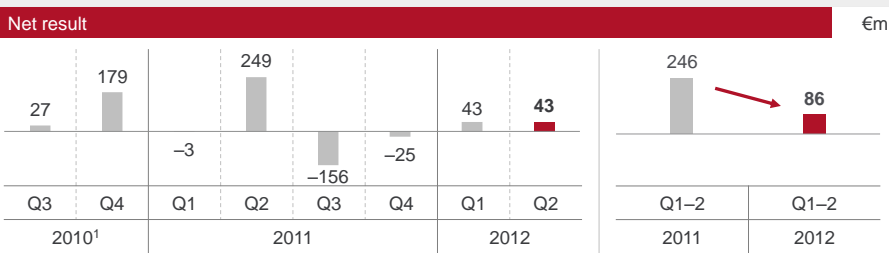
Primary health



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Primary insurance – Key figures

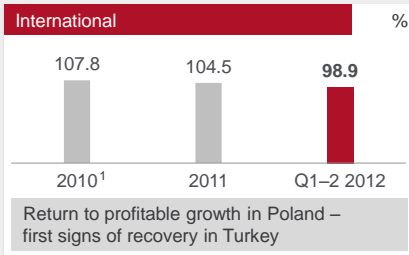
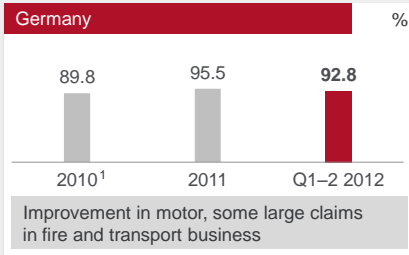
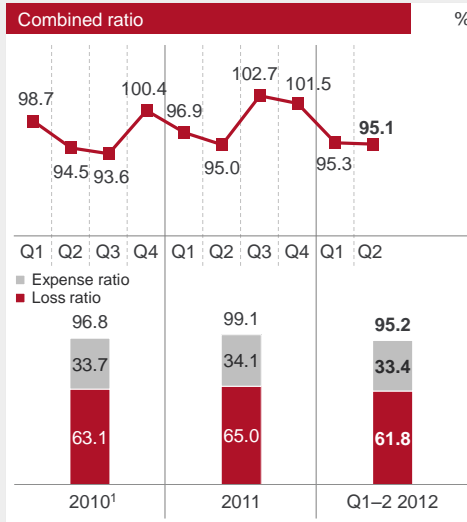
Primary property-casualty



<sup>1</sup> Figures up to 2010 are shown on a partly consolidated basis. <sup>2</sup> Other non-operating result, goodwill impairments, net finance costs, taxes.

Primary insurance – Property-casualty – Combined ratio

## Significantly improved combined ratio in international business



<sup>1</sup> Figures up to 2010 are shown on a partly consolidated basis.

Primary insurance – Property-casualty

## International business – Making further progress



**Highlights**

**Poland**

- Better combined ratio due to tariff adjustments and new underwriting policy
- Improved technical result after weather-related losses in 2011

**Turkey**

- Turnaround initiatives with first signs of positive impact on financials
- Key measures for tariff optimisation in motor:
  - Disciplined selective underwriting
  - Improvement of claims management

**South Korea**

- Sale of Daum Direct anticipated in second half of 2012
- Negative P&L effect of –€35m in Q2 2012

Agenda



Overview

**Financial reporting Q1–2 2012**

- Munich Re (Group)
- Primary insurance

**Munich Health**

Reinsurance

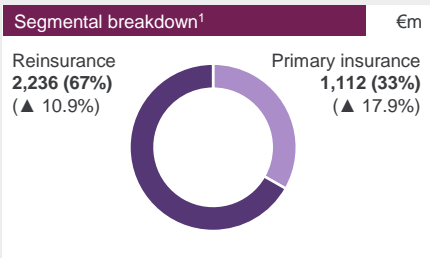
Outlook

Backup

Munich Health – Premium development  
**Significant organic growth**



Gross premiums written		€m
Q1–2 2011	2,959	
Foreign-exchange effects	152	
Divestment/Investment	–	
Organic change	237	
<b>Q1–2 2012</b>	<b>3,348</b>	



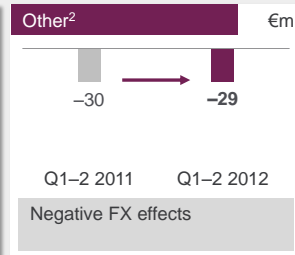
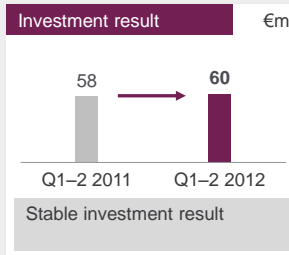
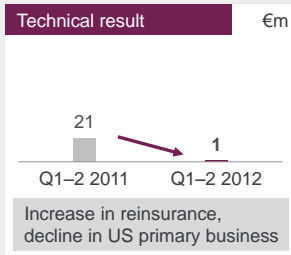
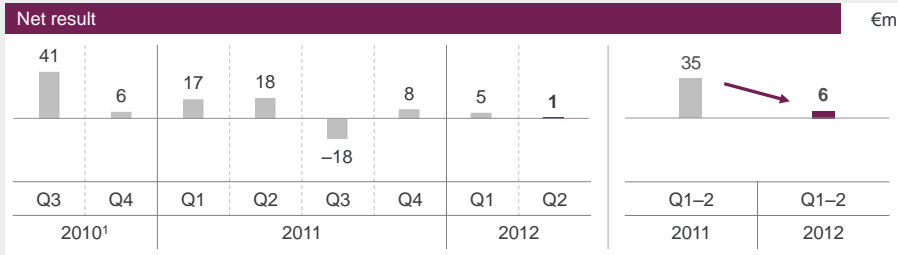
Gross premiums written		€m
Q1–2 2011	2,959	
Reinsurance	220	
Primary insurance	169	
<b>Q1–2 2012</b>	<b>3,348</b>	

**Reinsurance**  
Organic growth and large-volume deals, positive FX effects

**Primary insurance**  
Premium growth in USA, Spain and United Kingdom

<sup>1</sup> Gross premiums written.

Development of results



<sup>1</sup> Figures up to 2010 are shown on a partly consolidated basis.

<sup>2</sup> Other non-operating result, goodwill impairments, net finance costs, taxes.

Agenda

Overview

**Financial reporting Q1-2 2012**

Munich Re (Group)

Primary insurance

Munich Health

**Reinsurance**

Outlook

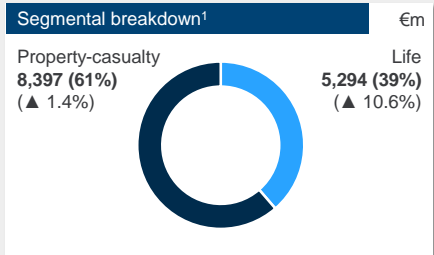
Backup

Reinsurance – Premium development

Ongoing growth in life reinsurance



Gross premiums written		€m
Q1–2 2011	13,069	
Foreign-exchange effects	754	
Divestment/Investment	–	
Organic change	–132	
<b>Q1–2 2012</b>	<b>13,691</b>	



Gross premiums written		€m
Q1–2 2011	13,069	
Life	506	
Property-casualty	116	
<b>Q1–2 2012</b>	<b>13,691</b>	

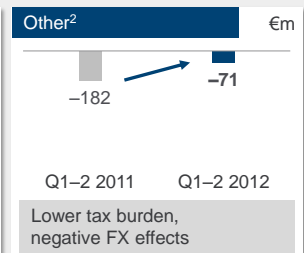
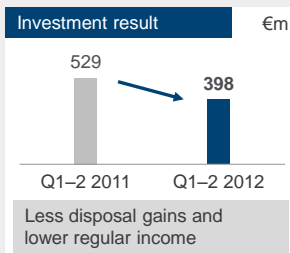
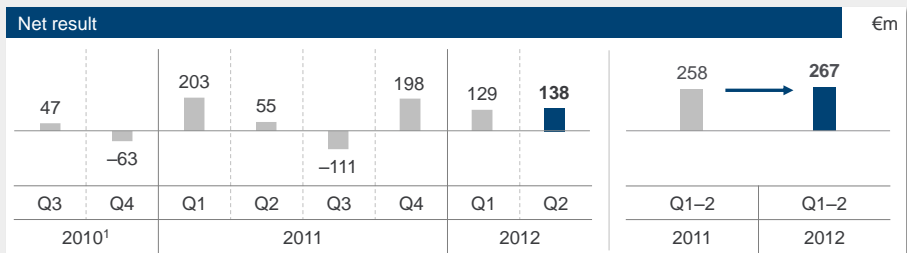
**Life**  
Organic growth based on capital relief deals and positive currency effects, expansion in Asia

**Property-casualty**  
Increase driven by positive currency effects – negative organic growth due to expiry of solvency relief deals

<sup>1</sup> Gross premiums written.

Reinsurance – Key figures

Life reinsurance

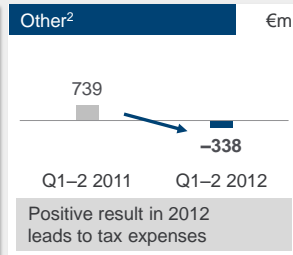
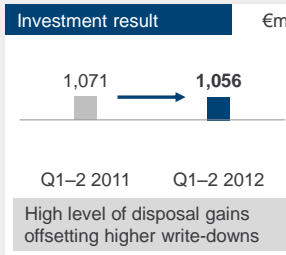
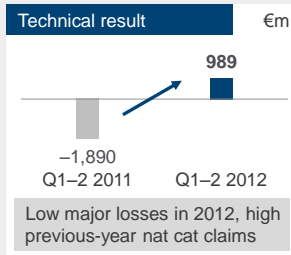
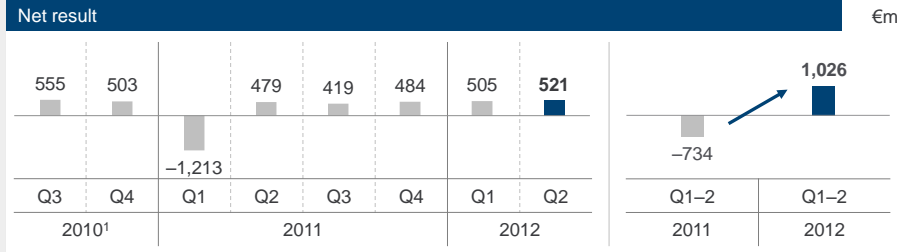


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<sup>2</sup> Other non-operating result, goodwill impairments, net finance costs, taxes.

Reinsurance – Key figures

Reinsurance property-casualty



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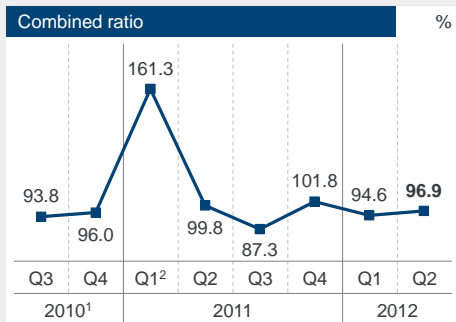
Reinsurance – Property-casualty – Combined ratio

Back to normal



**Combined ratio** %

	Basic losses	Nat cat losses	Man-made losses	Expense ratio
2010 <sup>1</sup>	100.5	53.6	11.0	4.7
2011	113.8	50.7	29.4	3.3
Q1-2 2012 <sup>3</sup>	95.7	57.3	4.0	4.7
Q2 2012	96.9	57.1	7.2	4.0



**Major losses** €m

Q1-2 2012	716	333	383
Q2 2012	452	292	160
5-yr average	1,438	1,050	388

■ Nat cat ■ Man-made

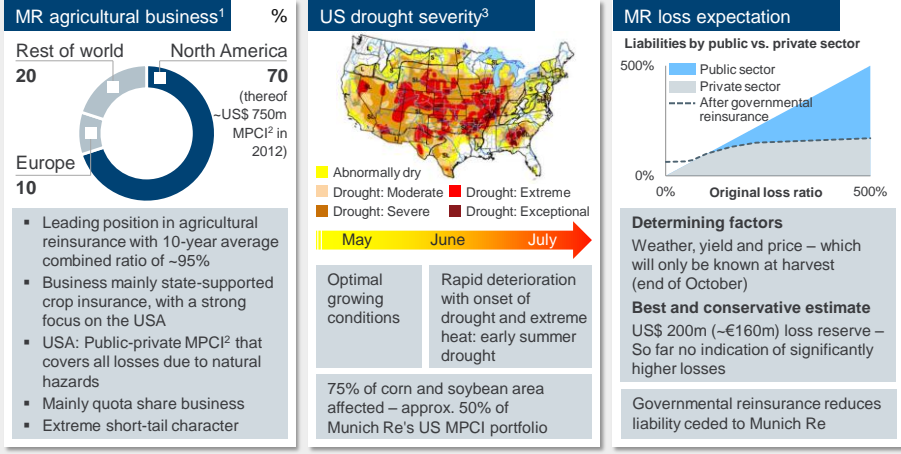
Provision for US drought in Q2: -€160m

**Basic losses Q1-2**

Prudent reserving for new business –  
 No impact from prior-year reserve changes

<sup>1</sup> Figures up to 2010 are shown on a partly consolidated basis.  
<sup>2</sup> Adjusted for impact on insurance risk transfer to the capital markets.  
<sup>3</sup> Net negative prior-year run-offs (-1.5%-points) affecting large loss ratio (man-made).

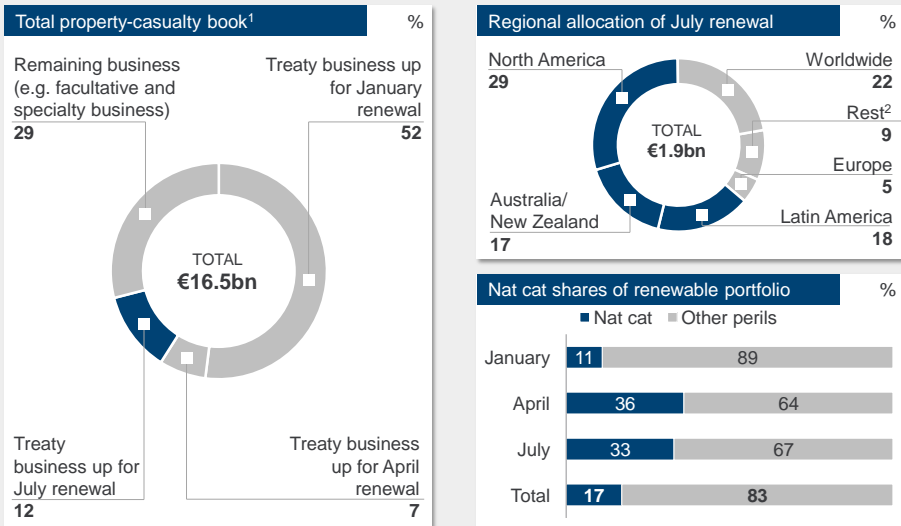
US drought – Impact on Munich Re's agricultural business



**US drought confirms Munich Re's approach to agro insurance through public-private-partnerships, but will impact terms in US crop primary and reinsurance**

<sup>1</sup> GWP = Estimated gross written premiums 2012 for agro line of business. <sup>2</sup> MPCI = Multi-peril crop insurance that covers dominant crops: corn, soybeans, wheat. <sup>3</sup> Source: <http://droughtmonitor.unl.edu/> Quarterly financial statements as at 30 June 2012 28

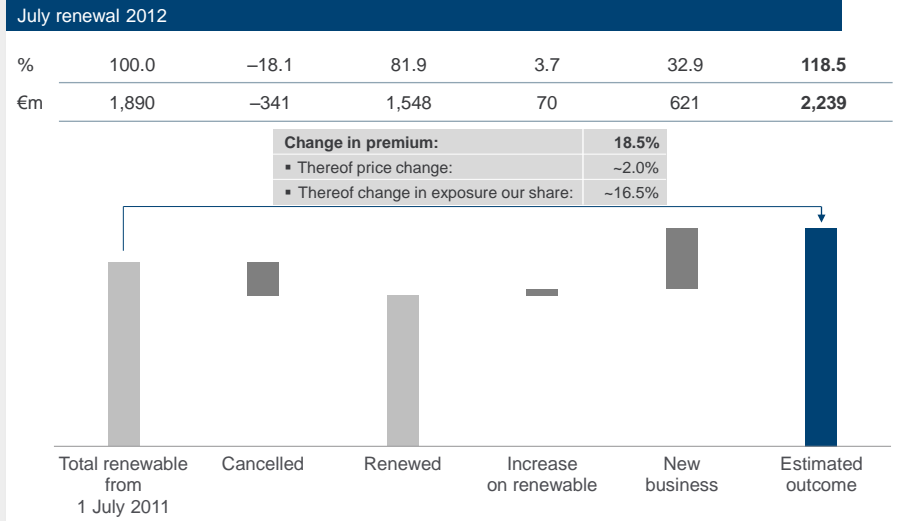
Business up for renewal in July ~€1.9bn – Focus on USA, Latin America and Australia, high nat cat share



<sup>1</sup> Gross premiums written. Economic view – not fully comparable with IFRS figures. <sup>2</sup> Rest of Asia/Pacific/Africa. Quarterly financial statements as at 30 June 2012 29

Reinsurance – July renewal

Significant top-line growth while achieving a price increase of ~2.0%



Reinsurance – July renewal

July renewal: Portfolio quality further improved



**Munich Re portfolio – Premium change in major business lines**

Business line Premium split <sup>1</sup>	Total €1.9bn	Total		Property		Casualty	Specialty <sup>2</sup>
		Prop. 53%	XL 47%	Prop. 25%	XL 36%	Total 32%	Total 7%
Price change	-2.0%	0.2%	3.0%	1.4%	4.2%	1.0%	-1.1%
Volume change	18.5%	37.6%	-2.9%	61.5%	-4.8%	12.0%	13.3%

<b>PRICE</b>	<ul style="list-style-type: none"> <li>Price increase largely driven by property XL: Nat cat price increases in USA (+5%), Latin America/Caribbean (+5%–10%) and Australia (+15%–30%)</li> <li>Specialty lines: Price decrease mainly driven by credit</li> <li>Casualty: Bottoming-out of rates has not yet turned into a broad-based hardening, though positive factors are starting to outweigh negative ones</li> </ul>
<b>VOLUME</b>	<ul style="list-style-type: none"> <li>Strong premium increase mainly driven by new agricultural business (€277m), third-party liability (€57m), aviation (€25m) and motor (€17m) ...</li> <li>... leading to a substantial change in business mix with an increasing portion of proportional business</li> </ul>

<sup>1</sup> Relative premium share in relation to total renewable business in July.  
<sup>2</sup> Marine, credit and aviation.



Reinsurance – July renewal

Trend of increasing nat cat prices persists, but with slower momentum than last year



Development of nat cat prices – July renewal 2012 vs. 2011

Nat cat regions	July renewal 2012	July renewal 2011	Highlights
<b>USA</b>	<b>+5%</b> on average	<b>+10%</b> on average	Effect of new RMS version diminishes
<b>Latin America/ Caribbean</b>	<b>10%</b> on average (Caribbean <b>+5%</b> )	<b>10%</b> on average (Caribbean <b>+5%</b> )	Unchanged hard market environment – More capacity only offered for higher price
<b>Australia</b>	<b>+15%–30%</b>	<b>+40%–50%</b>	Still significant price increases, but becoming more modest
<b>Total portfolio</b>	<b>+2.0%</b>	<b>+5.7%</b>	Continuing improvement of portfolio quality

Agenda



Overview

Financial reporting Q1–2 2012

Munich Re (Group)

Primary insurance

Munich Health

Reinsurance

**Outlook**

Backup

Outlook 2012

Munich Re (Group)

<b>GROSS PREMIUMS WRITTEN</b> €50–52bn (prev. €49–51bn)		<b>RETURN ON INVESTMENT</b> ~3.5%	<b>NET RESULT</b> slightly above €2.5bn
Reinsurance	€27–28bn (prev. €26–27bn)	Ongoing low interest rate environment gradually reducing running yield	After encouraging result at mid-year well on track RoRaC target of 15% after tax over the cycle to stand
Primary insurance	€17–18bn		
Munich Health	~€6.5bn		

Reinsurance

<b>COMBINED RATIO</b> ~96% over the cycle
<b>NET RESULT</b> above €2bn (prev. €1.9 –2.1bn)

Primary insurance

<b>COMBINED RATIO</b> <95%
<b>NET RESULT</b> ~€450m (not incl. restructuring expenses)

Munich Health

<b>COMBINED RATIO</b> ~100% (prev. ~99%)
<b>NET RESULT</b> ~€50m

Agenda

Overview

Financial reporting Q1–2 2012

- Munich Re (Group)
- Primary insurance
- Munich Health
- Reinsurance

Outlook

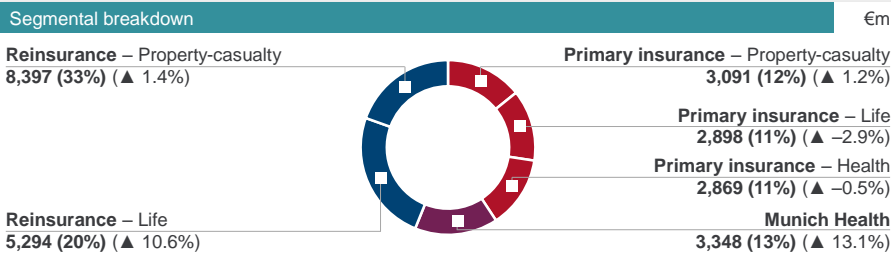
[Backup](#)

Backup: Munich Re (Group)

## Premium development



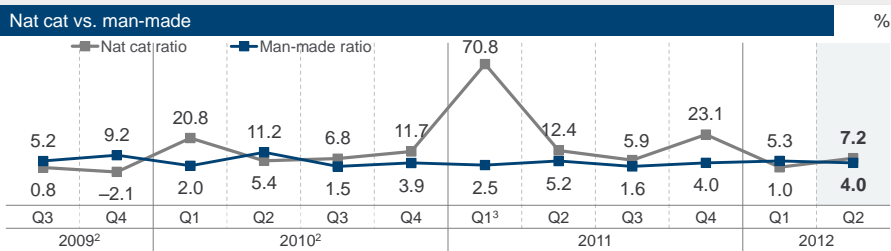
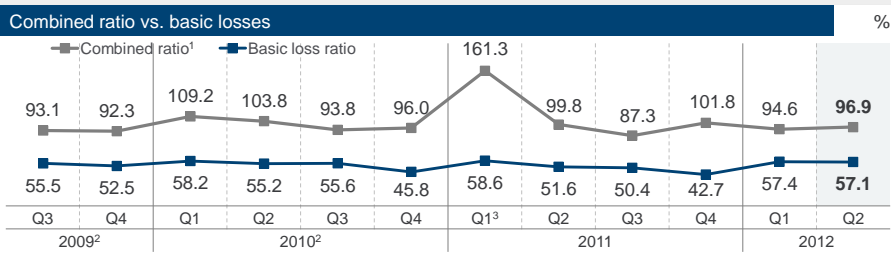
Gross premiums written		€m
Q1–2 2011	24,949	
Foreign-exchange effects	866	
Divestment/Investment	-75	
Organic change	157	
<b>Q1–2 2012</b>	<b>25,897</b>	



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Reinsurance – Property-casualty – Combined ratio

## Development of combined ratio



<sup>1</sup> Including overhead costs.

<sup>2</sup> Figures up to 2010 are shown on a partly consolidated basis.

<sup>3</sup> After insurance risk transfer to the capital markets.

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Primary insurance – Life – New business

Primary life – New business (statutory premiums)



Total					€m
	Total	Regular premiums	Single premiums	APE <sup>1</sup>	
Q1–2 2011	1,385	249	1,136	362	
Q1–2 2012	1,118	228	890	316	
▲	-19.3%	-8.4%	-21.7%	-12.7%	

Comments	
<b>Germany</b>	<ul style="list-style-type: none"> <li>Lower single premiums fully accounted for by drop in short-term investment product "MaxiZins"</li> <li>Growth in corporate pension business</li> </ul>
<b>International</b>	<ul style="list-style-type: none"> <li>Increase in Belgium</li> <li>Decline in Austria</li> </ul>

Germany					€m
	Total	Regular premiums	Single premiums	APE <sup>1</sup>	
Q1–2 2011	914	162	752	237	
Q1–2 2012	724	148	576	205	
▲	-20.8%	-8.6%	-23.4%	-13.5%	

International					€m
	Total	Regular premiums	Single premiums	APE <sup>1</sup>	
Q1–2 2011	471	87	384	125	
Q1–2 2012	394	80	314	111	
▲	-16.3%	-8.0%	-18.2%	-11.2%	

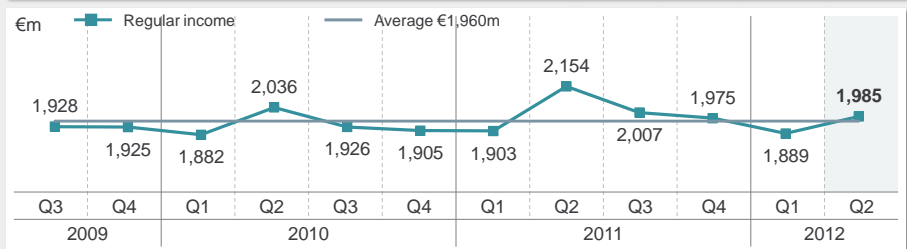
<sup>1</sup> Annual premium equivalent (APE = regular premiums +10% single premiums).

Backup: Investments

Breakdown of regular income



Investment result – Regular income (€m)	Q2 2012	Q1–2 2012	Q1–2 2011	Change
Afs fixed-interest	1,016	2,071	2,167	-96
Afs non-fixed-interest	131	177	214	-37
Derivatives	63	111	139	-28
Loans	557	1,122	1,072	50
Real estate	87	168	183	-15
Deposits retained on assumed reinsurance and other investments	131	225	282	-57
<b>Total regular income</b>	<b>1,985</b>	<b>3,874</b>	<b>4,057</b>	<b>-183</b>

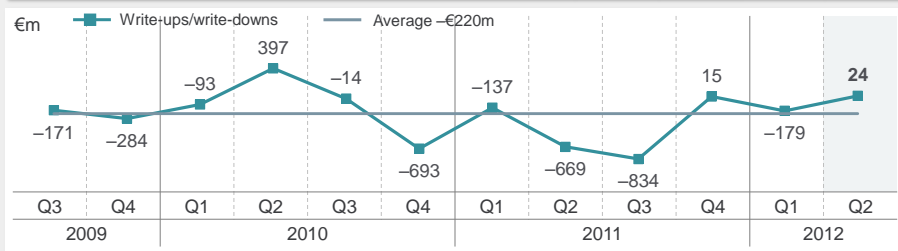


Backup: Investments

## Breakdown of write-ups/write-downs

Munich RE 

Investment result – Write-ups/write-downs (€m)	Q2 2012	Q1–2 2012	Q1–2 2011	Change
Afs fixed-interest	3	3	-640	643
Afs non-fixed-interest	-89	-117	-99	-18
Derivatives	194	79	26	53
Loans	-1	-1	-25	24
Real estate	-27	-47	-60	13
Deposits retained on assumed reinsurance and other investments	-56	-72	-8	-64
<b>Total net write-ups/write-downs</b>	<b>24</b>	<b>-155</b>	<b>-806</b>	<b>651</b>



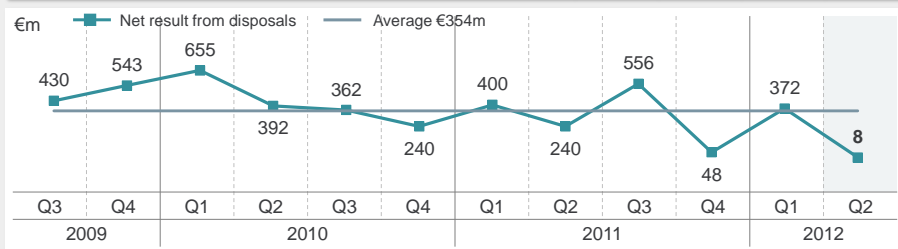
Quarterly financial statements as at 30 June 2012 40

Backup: Investments

## Breakdown of net result from disposals

Munich RE 

Investment result – Net result from disposal of investments (€m)	Q2 2012	Q1–2 2012	Q1–2 2011	Change
Afs fixed-interest	-138	142	316	-174
Afs non-fixed-interest	36	187	479	-292
Derivatives	84	-47	-504	457
Loans	26	56	47	9
Real estate	0	38	51	-13
Deposits retained on assumed reinsurance and other investments	0	4	251	-247
<b>Total net result from disposals</b>	<b>8</b>	<b>380</b>	<b>640</b>	<b>-260</b>



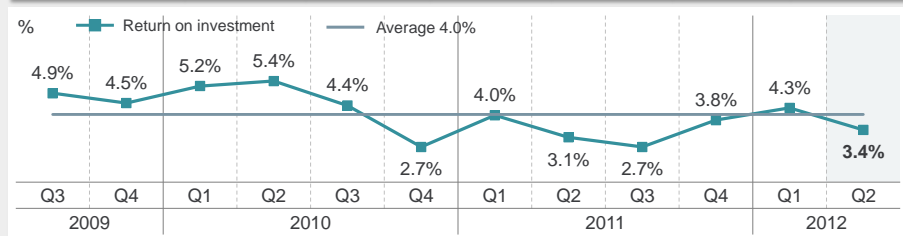
Quarterly financial statements as at 30 June 2012 41

Backup: Investments

## Return on investment by asset class and segment



% <sup>1</sup>	Regular income	Write-ups/downs	Disposal result	Other inc./exp.	Total RoI	Market value <sup>3</sup>
Afs fixed-interest	3.5	–	0.3	–	3.8	118,127
Afs non-fixed-interest	4.4	–2.9	4.6	–	6.1	8,116
Derivatives	12.9	9.2	–5.5	–3.0	13.6	1,718
Loans	3.8	–	0.2	–	4.0	58,785
Real estate	6.4	–1.8	1.4	–	6.0	5,271
Other <sup>2</sup>	2.3	–0.7	–0.1	–0.2	1.3	19,896
<b>Total</b>	<b>3.6</b>	<b>–0.2</b>	<b>0.4</b>	<b>–</b>	<b>3.8</b>	<b>211,913</b>
Reinsurance	3.5	–0.6	1.0	–0.3	3.6	81,657
Primary insurance	3.8	0.2	–	0.1	4.1	124,692
Munich Health	2.9	–0.1	0.1	–0.1	2.8	4,257

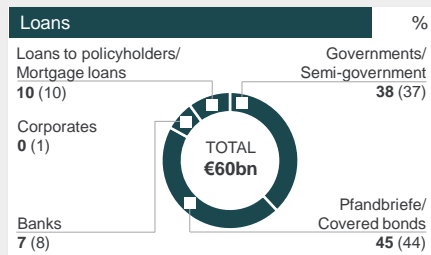
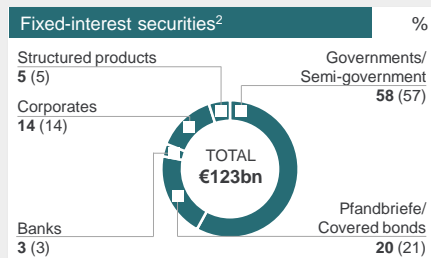
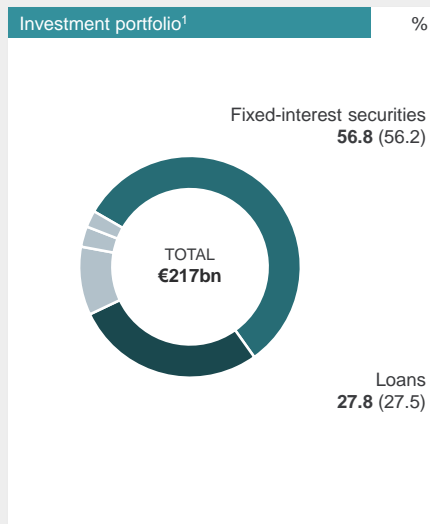


<sup>1</sup> Annualised. <sup>2</sup> Including management expenses and impact from unit-linked business.

<sup>3</sup> In €m. Segments do not add up to total amount; difference relates to the segment "asset management".

Backup: Investments

## Investment portfolio Fixed-interest securities

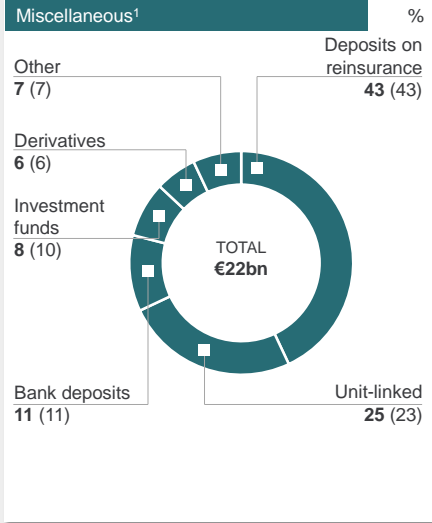
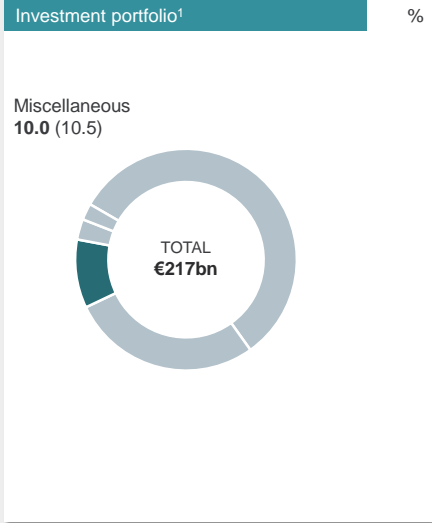


<sup>1</sup> Fair values as at 30.6.2012 (31.12.2011).

<sup>2</sup> Economic view – not fully comparable with IFRS figures.

Backup: Investments

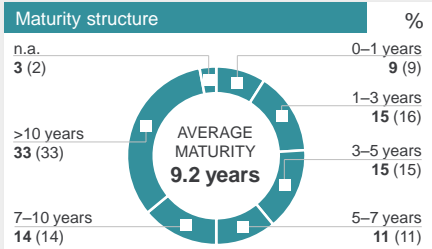
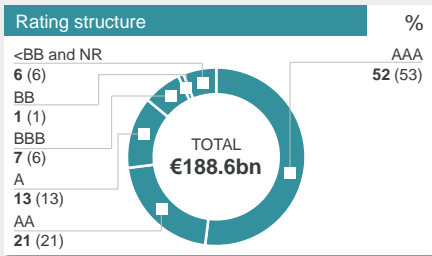
Investment portfolio  
Miscellaneous



<sup>1</sup> Fair values as at 30.6.2012 (31.12.2011).

Backup: Investments

Fixed-income portfolio:  
Total

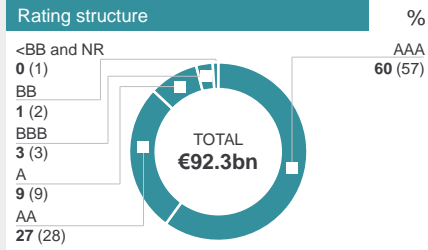


**Regional breakdown** %

	Without policyholder participation		Total	
	30.6.2012	31.12.2011	30.6.2012	31.12.2011
Germany	6.3	27.9	34.2	35.4
US	15.1	1.1	16.2	16.0
France	2.9	5.0	7.9	7.7
UK	3.7	2.8	6.5	6.2
Netherlands	1.7	2.6	4.3	4.7
Canada	4.0	0.1	4.1	4.3
Supra-nationals	0.9	1.6	2.5	1.3
Austria	0.4	2.0	2.4	2.3
Spain	0.4	1.9	2.3	3.6
Italy	0.6	1.4	2.0	2.0
Ireland	0.5	1.4	1.9	2.2
Other	8.3	7.4	15.7	14.3
<b>Total</b>	<b>44.8</b>	<b>55.2</b>	<b>100.0</b>	<b>100.0</b>

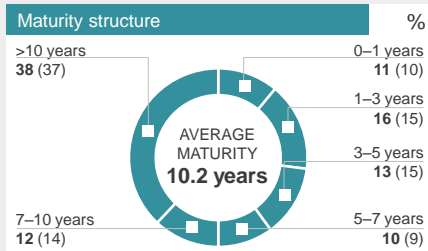
Backup: Investments

Fixed-income portfolio:  
Government/Semi-government



**Regional breakdown** %

	Without policyholder participation		Total	
	30.6.2012	31.12.2011	30.6.2012	31.12.2011
Germany	8.4	24.8	33.2	35.0
US	17.7	0.6	18.3	16.9
Canada	6.7	0.1	6.8	7.3
UK	5.5	0.3	5.8	5.9
Supra-nationals	1.8	3.2	5.0	2.6
France	3.0	1.7	4.7	4.9
Austria	0.6	2.8	3.4	3.2
Australia	2.6	0.1	2.7	2.8
Italy	0.4	2.2	2.6	2.5
Spain	0.2	1.1	1.3	1.9
Ireland	0.0	1.1	1.1	1.6
Other	9.6	5.5	15.1	15.4
<b>Total</b>	<b>56.5</b>	<b>43.5</b>	<b>100.0</b>	<b>100.0</b>

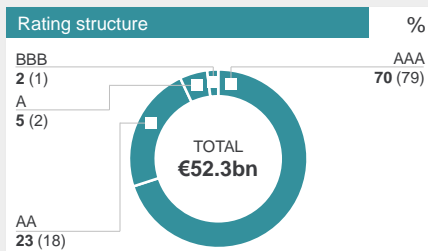


Economic view – not fully comparable with IFRS figures.

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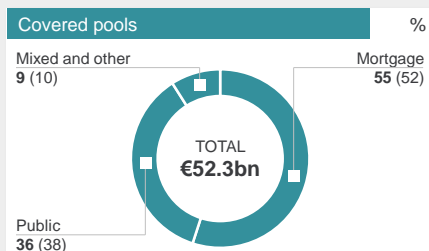
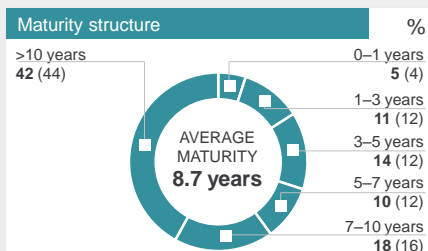
Backup: Investments

Fixed-income portfolio:  
Pfandbriefe/Covered bonds



**Regional breakdown** %

	30.6.2012	31.12.2011
Germany	40	41
France	17	16
UK	9	7
Netherlands	7	7
Sweden	6	7
Norway	5	5
Spain	5	8
Ireland	3	3
Italy	1	1
Other	7	5



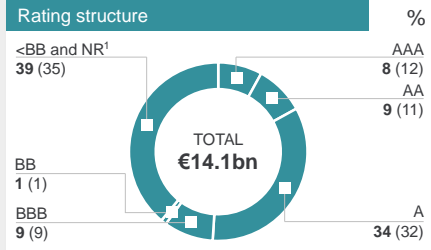
Economic view – not fully comparable with IFRS figures.

Quarterly financial statements as at 30 June 2012 47



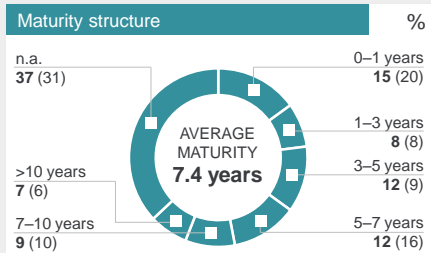
Backup: Investments

Fixed-income portfolio:  
Banks



**Regional breakdown** %

	30.6.2012	31.12.2011
Germany	48	48
US	16	21
UK	4	5
Ireland	4	3
Luxembourg	3	3
Austria	2	2
France	2	2
Italy	1	1
Spain	0	1
Other	20	14



**Investment category** %

	30.6.2012	31.12.2011
Cash	42	40
Senior bonds	37	39
Fixed-income investment funds	6	7
Fixed-income derivatives	5	3
Subordinated bonds <sup>2</sup>	5	6
Loss-bearing bonds <sup>3</sup>	3	3
Loans for refinancing	2	2

<sup>1</sup> Thereof 42% cash positions, shares of funds and derivatives not rated.  
<sup>2</sup> Classified as lower Tier 2 and Tier 3 capital for solvency purposes. <sup>3</sup> Classified as Tier 1 and upper Tier 2 capital  
 Quarterly financial statements as at 30 June 2012 48  
 Economic view – not fully comparable with IFRS figures.

Backup: Investments

Fixed-income portfolio:  
Banks



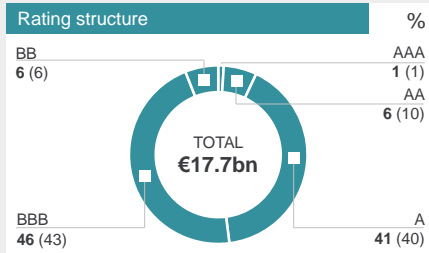
**Senior, subordinated and loss-bearing bonds exposure by country** €m

Country	Senior bonds	Subordinated bonds	Loss-bearing bonds	Total
Germany	1,979	325	247	2,551
US	1,563	212	50	1,825
UK	581	47	32	660
Canada	135	56	17	208
Australia	198	0	2	200
Ireland	191	0	0	191
Austria	116	27	21	164
Jersey	113	0	0	113
France	86	18	4	108
Italy	34	58	8	100
Spain	5	7	0	12
Other	178	18	23	219
<b>Total</b>	<b>5,179</b>	<b>768</b>	<b>404</b>	<b>6,351</b>

Economic view – not fully comparable with IFRS figures. Quarterly financial statements as at 30 June 2012 49

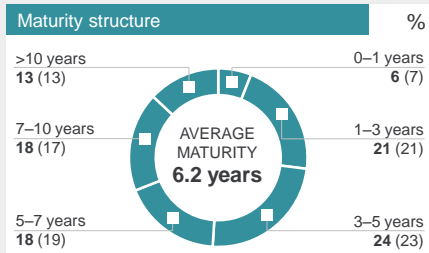
Backup: Investments

Fixed-income portfolio:  
Corporate bonds



**Sector breakdown** %

	30.6. 2012	31.12. 2011
Utilities	19	19
Industrial goods & services	13	13
Oil and gas	12	13
Telecommunications	10	10
Healthcare	7	7
Food and beverages	6	6
Media	6	6
Retail	4	5
Financial services	4	3
Automobiles	3	4
Basic resources	3	3
Technology	3	3
Personal and household goods	3	3
Other	7	5



Economic view – not fully comparable with IFRS figures.

Quarterly financial statements as at 30 June 2012 50

Backup: Investments

Fixed-income portfolio:  
Structured products



**Structured products portfolio (at market values): Split by rating and region** €m

	Rating							Region		Total	Market-to-par
	AAA	AA	A	BBB	<BBB	NR	USA + RoW	Europe			
ABS	Consumer-related ABS <sup>1</sup>	404	260	193	66	3	0	370	556	926	100%
	Corporate-related ABS <sup>2</sup>	0	290	34	34	17	0	0	375	375	94%
	Subprime HEL	6	2	3	6	0	0	17	0	17	98%
CDO/CLN	Subprime-related	0	0	0	0	0	0	0	0	0	0%
	Non-subprime-related	22	50	49	22	0	27	0	170	170	84%
MBS	Agency	2,200	102	0	0	0	0	2,302	0	2,302	108%
	Non-agency prime	436	167	125	35	21	0	108	676	784	98%
	Non-agency other (not subprime)	58	97	12	0	0	0	39	128	167	95%
	Commercial MBS	931	205	338	22	13	57	889	677	1,566	100%
<b>Total 30.6.2012</b>	<b>4,057</b>	<b>1,173</b>	<b>754</b>	<b>185</b>	<b>54</b>	<b>84</b>	<b>3,725</b>	<b>2,582</b>	<b>6,307</b>	<b>100%</b>	
<b>In %</b>	<b>64%</b>	<b>19%</b>	<b>12%</b>	<b>3%</b>	<b>1%</b>	<b>1%</b>	<b>59%</b>	<b>41%</b>	<b>100%</b>		
Total 31.12.2011	4,008	1,053	831	184	100	36	3,527	2,685	6,212	98%	

<sup>1</sup> Consumer loans, auto, credit cards, student loans.

<sup>2</sup> Asset-backed CPs, business and corporate loans, commercial equipment.

Economic view – not fully comparable with IFRS figures.

Quarterly financial statements as at 30 June 2012 51

Backup: Investments

## Sensitivities to interest rates, spreads and equity markets

Munich RE 

Sensitivity to risk-free interest rates – Basis points	-100	-50	+100	+200
Change in gross market value (€bn)	+15.3	+7.4	-13.1	-23.8
Change in on-balance-sheet reserves, net (€bn) <sup>1</sup>	+3.9	+1.9	-3.4	-6.3
Change in off-balance-sheet reserves, net (€bn) <sup>1</sup>	+0.7	+0.4	-0.6	-1.1
P&L impact (€bn) <sup>1</sup>	+0.6	+0.3	-0.5	-0.8

Sensitivity to spreads <sup>2</sup> (change in basis points)	+100	+200
Change in gross market value (€bn)	-8.5	-15.6
Change in on-balance-sheet reserves, net (€bn) <sup>1</sup>	-1.5	-2.8
Change in off-balance-sheet reserves, net (€bn) <sup>1</sup>	-0.5	-0.9
P&L impact (€bn) <sup>1</sup>	-0.3	-0.6

Sensitivity to equity markets <sup>3</sup>	-30%	-10%	+10%	+30%
<b>EURO STOXX 50 (2,265 as at 30.6.2012)</b>	<b>1,586</b>	<b>2,039</b>	<b>2,492</b>	<b>2,945</b>
Change in gross market value (€bn)	-1.9	-0.6	+0.6	+1.9
Change in on-balance-sheet reserves, net (€bn) <sup>1</sup>	-0.5	-0.2	+0.5	+1.5
Change in off-balance-sheet reserves, net (€bn) <sup>1</sup>	-0.3	-0.1	+0.1	+0.3
P&L impact (€bn) <sup>1</sup>	-1.0	-0.3	-0.0	-0.1

<sup>1</sup> Rough calculation with limited reliability assuming unchanged portfolio as at 30.6.2012. After rough estimation of policyholder participation and deferred tax; linearity of relations cannot be assumed. Economic view – not fully comparable with IFRS figures.

<sup>2</sup> Sensitivities to changes of spreads are calculated for every category of fixed-interest securities, except government securities with AAA ratings.

<sup>3</sup> Worst-case scenario assumed including commodities; impairment as soon as market value is below acquisition cost. Quarterly financial statements as at 30 June 2012 52  
Economic view – not fully comparable with IFRS figures.

Backup: Investments

## On- and off-balance-sheet reserves (gross)

Munich RE 

€m	31.12. 2009	31.12. 2010	31.12. 2011	31.3. 2012	30.6. 2012
Market value of investments	185,097	196,398	207,108	211,754	<b>216,877</b>
<b>Total reserves</b>	<b>7,905</b>	<b>7,374</b>	<b>11,236</b>	<b>13,567</b>	<b>16,448</b>
<b>On-balance-sheet reserves</b>					
Fixed-interest securities	3,342	2,201	4,892	5,817	<b>7,390</b>
Non-fixed-interest securities	1,408	1,634	693	1,159	<b>1,062</b>
Other on-balance-sheet reserves <sup>1</sup>	233	249	250	284	<b>298</b>
<b>Subtotal</b>	<b>4,983</b>	<b>4,084</b>	<b>5,835</b>	<b>7,260</b>	<b>8,750</b>
<b>Off-balance-sheet reserves</b>					
Real estate <sup>2</sup>	1,447	1,425	1,435	1,368	<b>1,403</b>
Loans and investments (held to maturity)	1,289	1,554	3,633	4,654	<b>5,962</b>
Associates and tangible assets	186	311	333	285	<b>333</b>
<b>Subtotal</b>	<b>2,922</b>	<b>3,290</b>	<b>5,401</b>	<b>6,307</b>	<b>7,698</b>
Reserve ratio (%)	4.3%	3.8%	5.4%	6.4%	<b>7.6%</b>

<sup>1</sup> Unrealised gains/losses from unconsolidated affiliated companies, valuation at equity and cash-flow hedging.

<sup>2</sup> Excluding reserves from owner-occupied property.

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Backup: Investments

## On-balance-sheet reserves

Munich RE 

On-balance-sheet reserves		€m
		Change Q2
Investments afs	8,452	1,476
Valuation at equity	74	-2
Unconsolidated affiliated enterprises	161	14
Cash flow hedging	63	2
<b>Total on-balance-sheet reserves (gross)</b>	<b>8,750</b>	<b>1,490</b>
Provision for deferred premium refunds	-1,948	-231
Deferred tax	-1,721	-397
Minority interests	-15	-1
Consolidation and currency effects	-91	-66
<b>Shareholders' stake</b>	<b>4,975</b>	<b>795</b>

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Backup: Investments

## Off-balance-sheet reserves

Munich RE 

Off-balance-sheet reserves		€m
		Change Q2
Real estate <sup>1</sup>	1,403	35
Loans and investments (held to maturity)	5,962	1,308
Associates and tangible assets	333	48
<b>Total off-balance-sheet reserves (gross)</b>	<b>7,698</b>	<b>1,391</b>
Provision for deferred premium refunds	-5,252	-1,070
Deferred tax	-742	-99
Minority interests	-	-
<b>Shareholders' stake</b>	<b>1,704</b>	<b>222</b>

<sup>1</sup> Excluding reserves for owner-occupied property.

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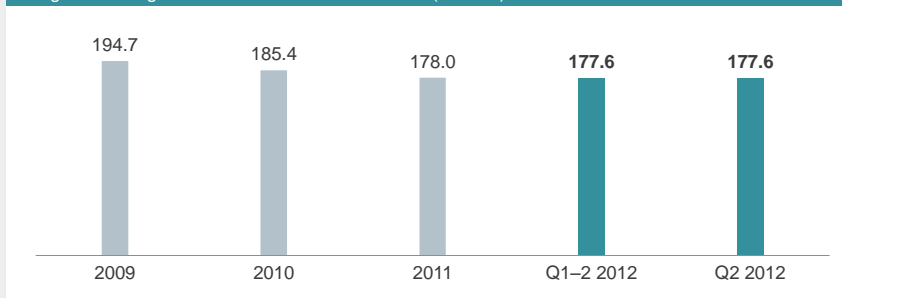
Backup: Shareholder information

## Development of shares in circulation

Munich RE 

Shares millions	31.12.2011	Acquisition of own shares in Q1–2 2012	Retirement of own shares in Q1–2 2012	30.6.2012
Shares in circulation	177.6	–	–	177.6
Own shares held	1.7	–	–	1.7
<b>Total</b>	<b>179.3</b>	<b>–</b>	<b>–</b>	<b>179.3</b>

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



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Backup: Shareholder information

## Financial calendar

Munich RE 

## FINANCIAL CALENDAR

9–11 September 2012	Les Rendez-Vous de Septembre, Monte Carlo
24 September 2012	Berenberg Bank/Goldman Sachs "Inaugural German Corporate Conference", Munich/Unterschleißheim
25–26 September 2012	Bank of America Merrill Lynch "17th Annual Banking&Insurance CEO Conference", London
27 September 2012	UniCredit/Kepler "German Investment Conference 2012", Munich
27 September 2012	Baader Bank "Investment Conference 2012", Munich
11 October 2012	Investor Briefing on Special and Financial Risks, London
7 November 2012	Interim report as at 30 September 2012
14 November 2012	Citi "Global Financial Conference 2012", Hong Kong

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Backup: Shareholder information

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## Disclaimer



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Figures up to 2010 are shown on a partly consolidated basis.

"Partly consolidated" means before elimination of intra-Group transactions across segments.