



GOOD START TO THE CURRENT YEAR

QUARTERLY FINANCIAL STATEMENTS AS AT 31 MARCH 2013

7 May 2013

Munich RE 

Agenda



Munich Re (Group)	2
Primary insurance	10
Reinsurance	16
Outlook	23

Munich Re (Group) – Financial highlights

After strong Q1 well on track to meet 2013 financial targets



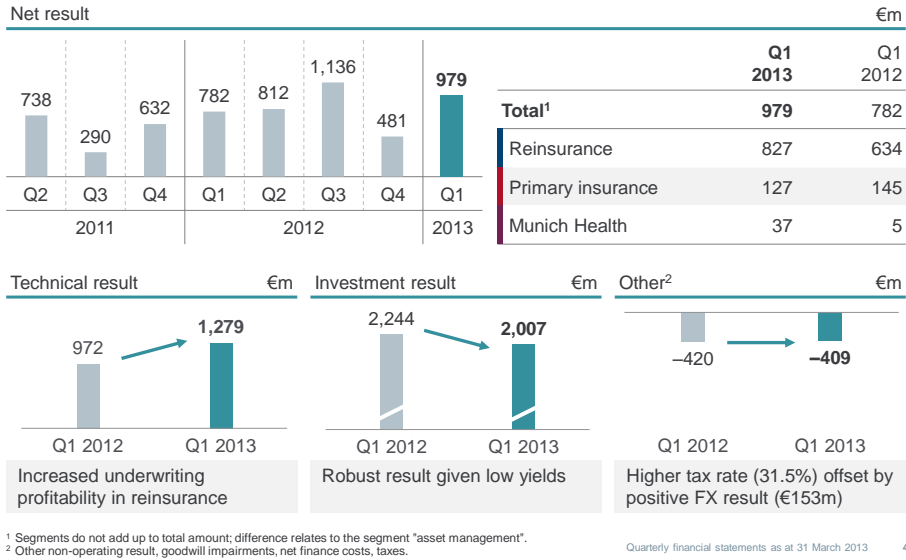
Munich Re (Group) – Q1 2013

NET RESULT €979m <p>Good operating performance across all segments – driven by sound underwriting and resilient investment result</p>	SHAREHOLDERS' EQUITY €28.6bn (+4.4% vs. 31.12.) <p>Strong capitalisation according to all metrics providing high degree of financial flexibility</p>	INVESTMENT RESULT RoI of 3.6% <p>Solid return given low-yield environment – Restrained portfolio turnover preserving valuation reserves</p>
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Reinsurance NET RESULT €827m <table border="1"> <tr> <td>655</td> <td>172</td> </tr> </table> <p>P-C Combined ratio 85.7% – Major loss ratio of only 2.6%</p> <p>LIFE Strong technical result of €209m</p>	655	172	Primary insurance NET RESULT €127m <table border="1"> <tr> <td>70</td> <td>32</td> <td>25</td> </tr> </table> <p>P-C Combined ratio 95.9%</p> <p>LIFE Result in line with expectations</p> <p>HEALTH Solid stable performance</p>	70	32	25	Munich Health NET RESULT €37m <table border="1"> <tr> <td>37</td> </tr> </table> <p>REINSURANCE Combined ratio 98.8% – Good development across all lines</p> <p>PRIMARY INSURANCE Combined ratio 101.0% – Focus on Windsor Health improvement</p>	37
655	172							
70	32	25						
37								

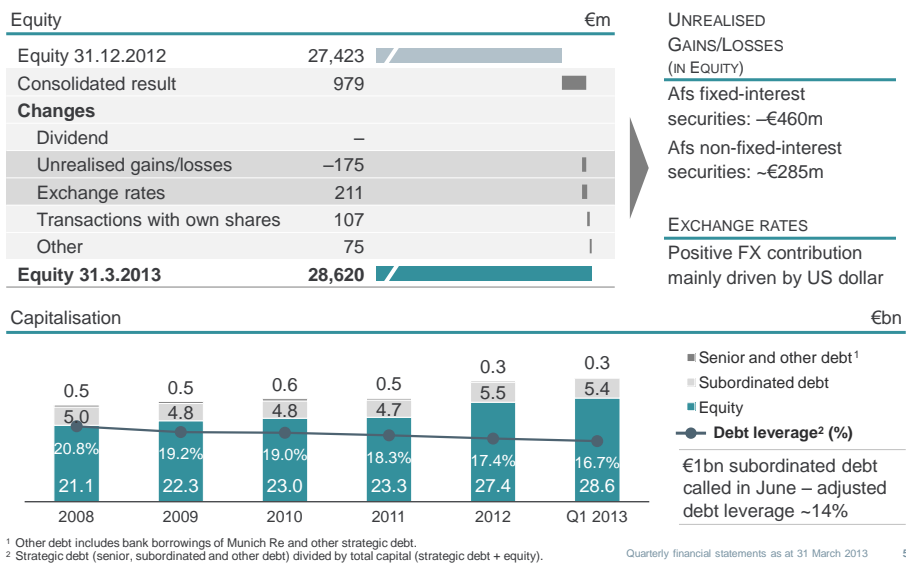
Munich Re (Group) – Key figures

Sound development of insurance business and investment income



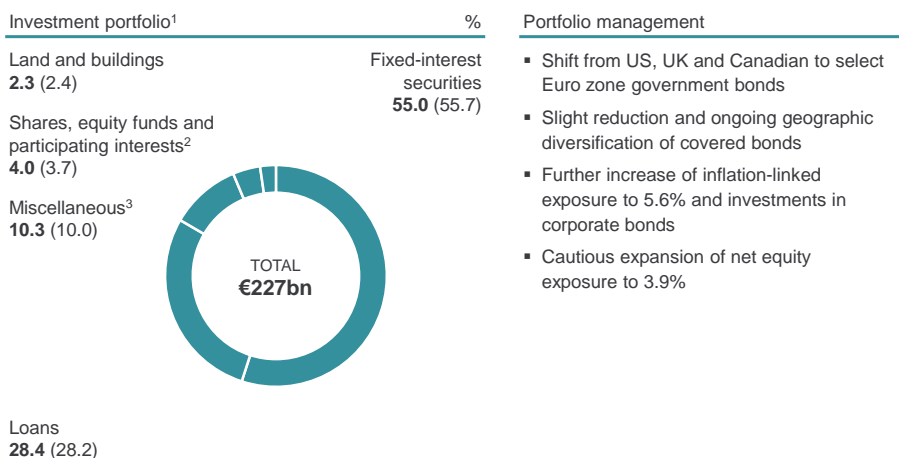
Munich Re (Group) – Capitalisation

Sound capital position further strengthened



Munich Re (Group) – Investment portfolio

Active asset management on the basis of a well-diversified investment portfolio

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¹ Fair values as at 31.3.2013 (31.12.2012). ² Net of hedges: 3.9% (3.4%). ³ Deposits retained on assumed reinsurance, unit-linked investments, deposits with banks, investment funds (excl. equities), derivatives and investments in renewable energies and gold.

Quarterly financial statements as at 31 March 2013 6

Munich Re (Group) – Investment result

Lower regular income due to low yields – disposal gains accruing in the primary insurance segment

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Investment result	Q1 2013		Return ¹ Q1 2012		Return ¹
Regular income ²	1,806		3.2%	1,889	3.6%
Write-ups/write-downs	-103		-0.2%	-179	-0.3%
Disposal gains/losses	324		0.6%	372	0.7%
Other income/expenses ³	-20		0.0%	162	0.3%
Investment result	2,007		3.6%	2,244	4.3%

Regular income	Write-ups/write-downs	€m	Disposal gains/losses	€m
Overweight position in safe-haven bonds and lower interest rates reducing regular income – Six-month-average reinvestment yield at ~2.2% (~2.9% Q1 2012)	Major effects	Q1 2013	Major effects	Q1 2013
	Equities	-23	Fixed-income	392
	Real estate	-24	Equities	54
	Swaptions	-17	Derivatives	-122
	Other	-39	Other	0

¹ Return on quarterly weighted investments (market values) in % p.a.

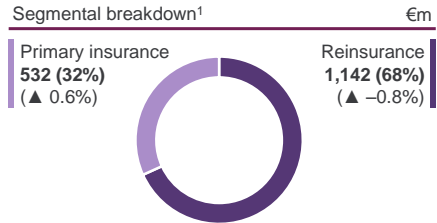
² -0.4%-points lower running yield to -3/4 driven by lower reinvestment rate and -1/4 by increase of market values. Quarterly financial statements as at 31 March 2013 7

³ Including impact from unit-linked business. Q1 2013: €137m (0.2%-points), Q1 2012: €292m (0.6%-points).

Munich Health – Premium development
Premium development



Gross premiums written		€m
Q1 2012	1,680	
Foreign-exchange effects	-25	
Divestment/Investment	-	
Organic change	19	
Q1 2013	1,674	



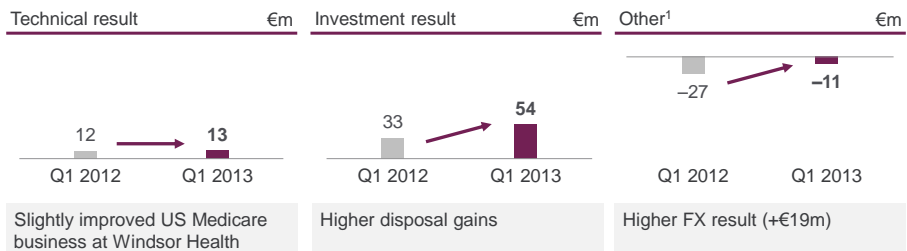
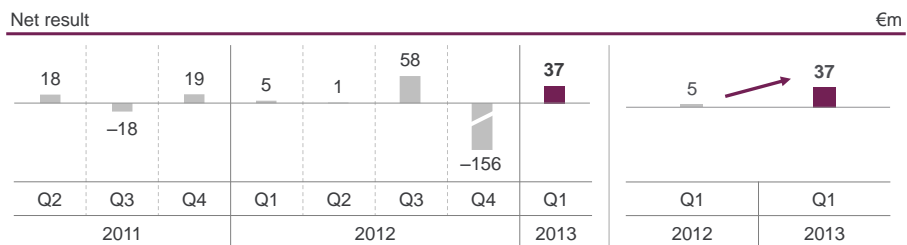
Gross premiums written		€m
Q1 2012	1,680	
Reinsurance	-9	
Primary insurance	3	
Q1 2013	1,674	

Reinsurance
Negative FX effects

Primary insurance
Organic growth in Spain, decline in USA due to exit from PFFS business

¹ Gross premiums written.

Munich Health – Key figures
Munich Health – Key figures



¹ Other non-operating result, goodwill impairments, net finance costs, taxes.

Agenda



Munich Re (Group)

Primary insurance

Reinsurance

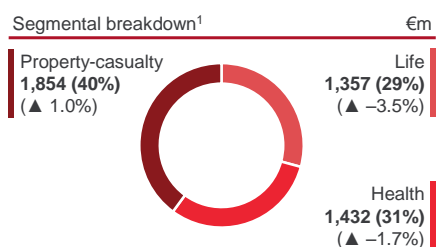
Outlook

Primary insurance – Premium development

Decrease in premium income mainly from life insurance and disposals ...



Gross premiums written	€m
Q1 2012	4,698
Foreign-exchange effects	2
Divestment/Investment	-39
Organic change	-18
Q1 2013	4,643



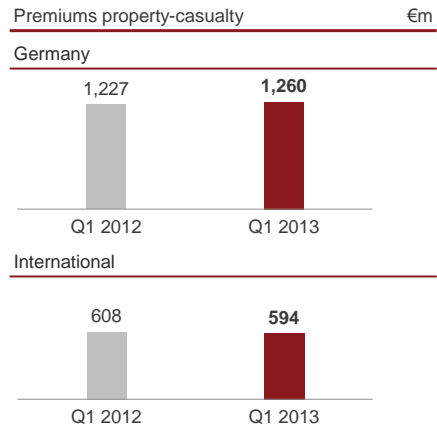
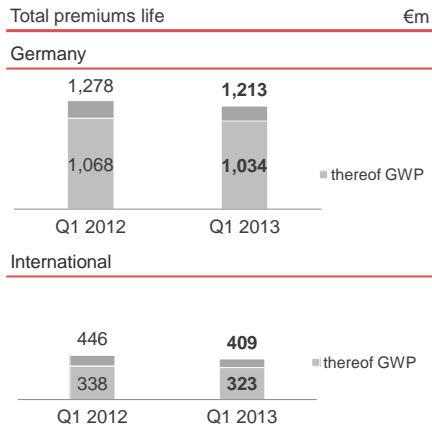
Gross premiums written	€m
Q1 2012	4,698
Life	-49
Health	-25
Property-casualty	19
Q1 2013	4,643

- Life:** Lower premium income both in German and international business
- Health:** Growth in supplementary partially compensating for decline in comprehensive business
- P-C:** Organic growth in Germany and international business; disposal of Korean entity

¹ Gross premiums written.

Primary insurance – Key figures

... but increase in property-casualty business



Still difficult market environment in Germany and international business

Good growth in Germany of 2.7% – in the international business disposal of the company in Korea (Q1 2012: €39m premium income)

Primary insurance – Life – New business

New business (statutory premiums)



Total	Regular premiums			Single premiums	APE ¹
	Total	Regular premiums	Single premiums		
Q1 2012	481	135	346		170
Q1 2013	399	123	276		151
▲	-17.0%	-8.9%	-20.2%		-11.2%

Germany					
Germany	Regular premiums			Single premiums	APE ¹
	Total	Regular premiums	Single premiums		
Q1 2012	297	92	205		113
Q1 2013	241	75	166		92
▲	-18.9%	-18.5%	-19.0%		-18.6%

Comments

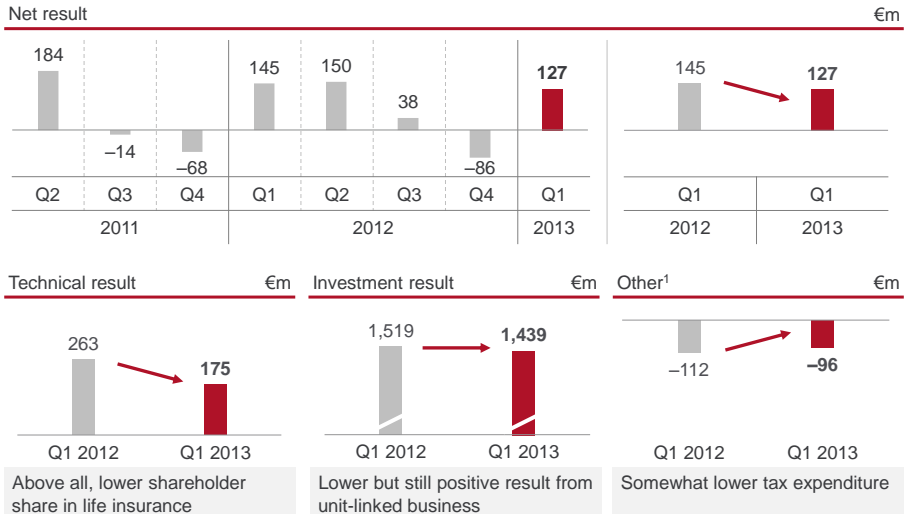
- Germany: Lower single-premiums from short-term investment product "MaxiZins" and from ERGO's share in the German corporate pensions insolvency scheme (PSVaG) – new life product to come in July 2013
- International business: higher regular premiums mainly in Austria; lower single premium business in Austria, Belgium and Poland

International				
International	Regular premiums		Single premiums	APE ¹
	Total	Regular premiums		
Q1 2012	184	43	141	57
Q1 2013	158	48	110	59
▲	-14.1%	11.6%	-22.0%	3.5%

¹ Annual premium equivalent (APE = regular premiums + 10% single premiums).

Primary insurance – Key figures

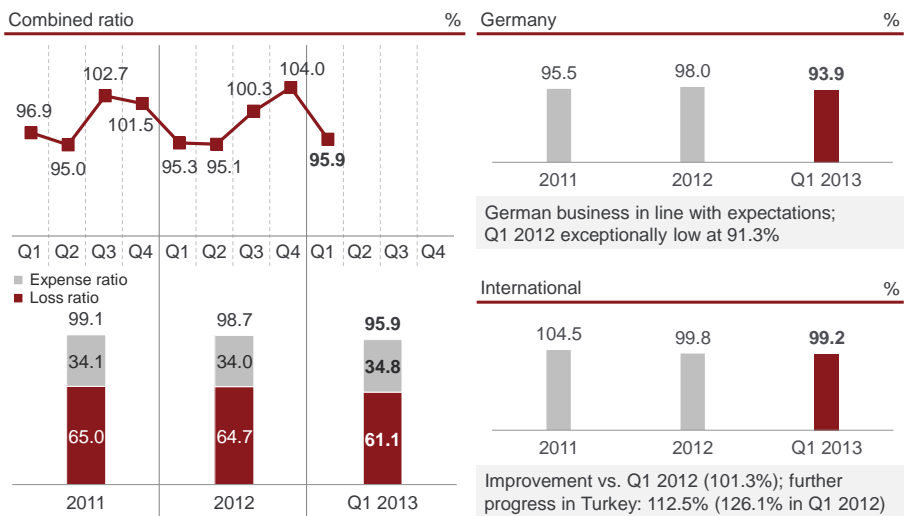
Good quarterly result in primary insurance



¹ Other non-operating result, goodwill impairments, net finance costs, taxes.

Primary insurance – Property-casualty – Combined ratio

Improvement of combined ratio in international business continues



Agenda



Munich Re (Group)

Primary insurance

Reinsurance

Outlook

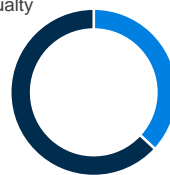
Reinsurance – Premium development
Premium development



Gross premiums written		€m
Q1 2012	6,844	
Foreign-exchange effects	-96	
Divestment/Investment	-	
Organic change	219	
Q1 2013	6,967	

Segmental breakdown¹ €m

Property-casualty	4,398 (63%)	(▲ 3.6%)
Life	2,569 (37%)	(▲ -1.2%)

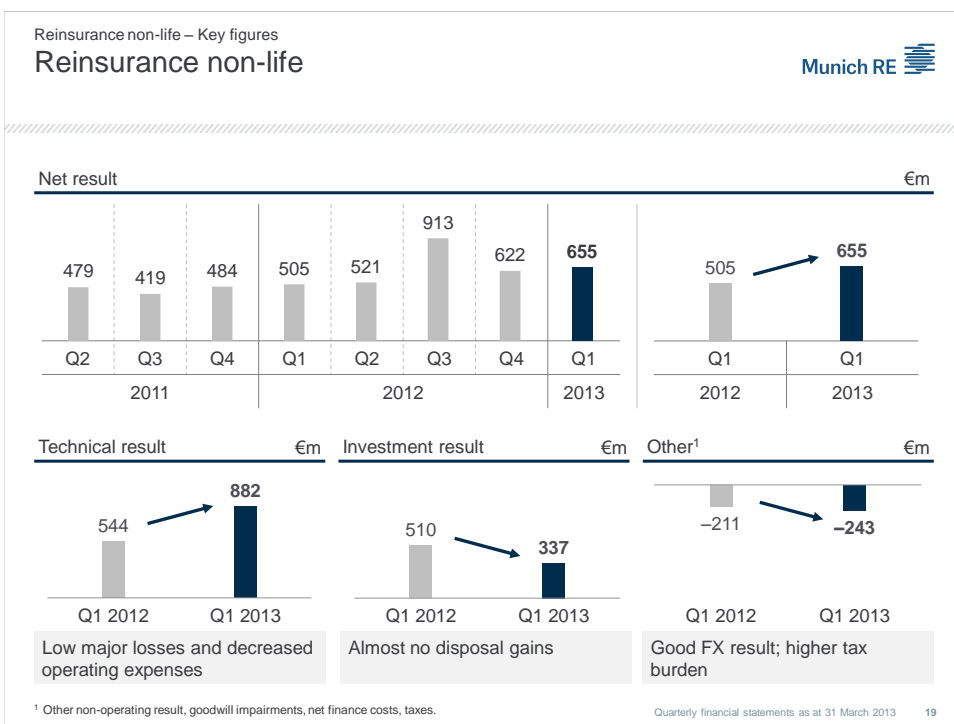
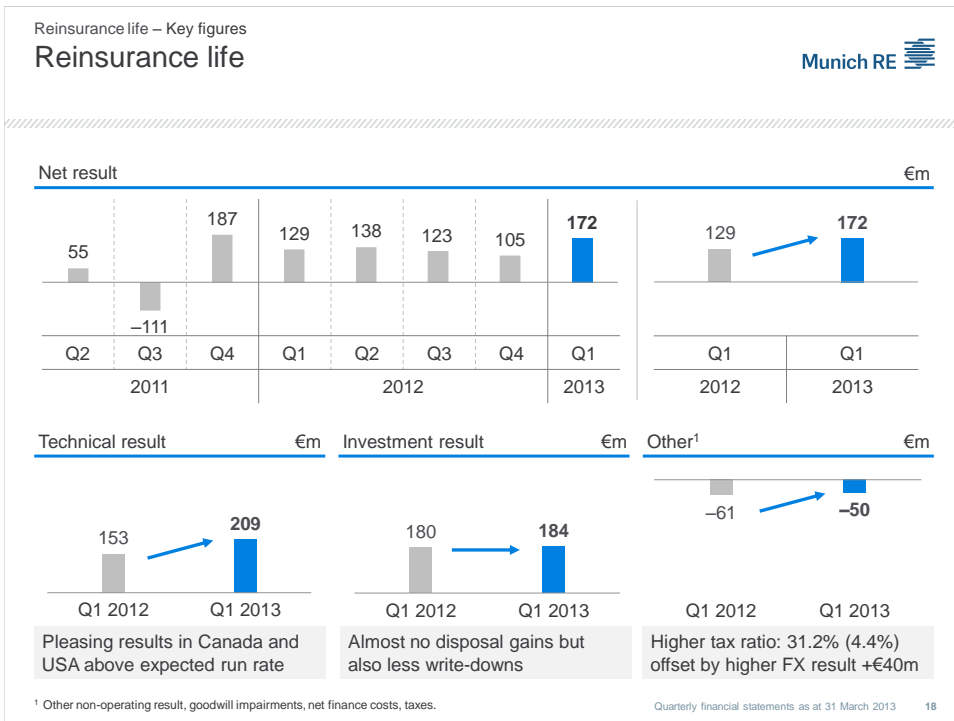


Gross premiums written		€m
Q1 2012	6,844	
Life	-30	
Property-casualty	153	
Q1 2013	6,967	

Life
Organic growth (€22m) based on capital relief deals – negative FX effects (€52m) mainly Can\$

Property-casualty
Organic growth (€197m) mainly due to new business in agriculture and fire – negative FX effects (€44m)

¹ Gross premiums written.

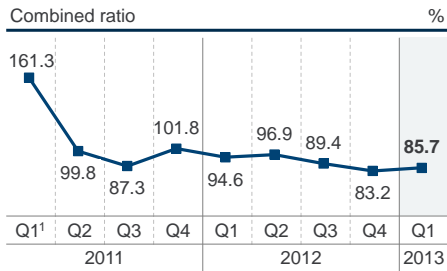


Reinsurance non-life – Combined ratio

Combined ratio



Combined ratio					%
	Basic losses	Nat cat losses	Man-made losses	Expense ratio	
2011	113.8	50.7	29.4	30.4	
2012	91.0	50.2	7.7	30.0	
Q1 2013	85.7	54.1	0.6	29.0	



Large losses Q1 2013			%
Actual Q1 2013	2.6	0.6	2.0
Avg. annual expectation	~12.0	~8.5	~3.5
Reserve releases ²	€m	%-points	
2011	~600	~4.0	
2012	~900	~5.5	
Q1 2013	~100	~2.5	

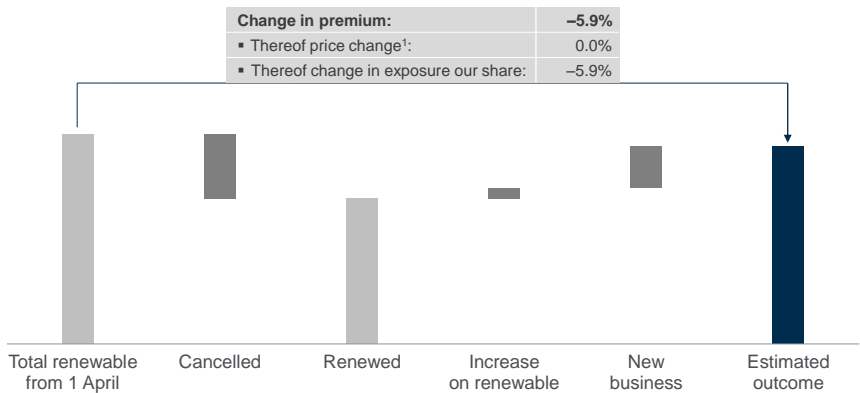
¹ After insurance risk transfer to the capital markets.
² Basic losses.

Reinsurance non-life – April renewals 2013

High profitability maintained by disciplined underwriting



April renewals 2013						
%	100	-30.6	69.4	5.1	19.6	94.1
€m	1,013	-310	703	52	199	954



¹ Price change is risk-adjusted, i.e. includes claims inflation/loss trend and is adjusted for portfolio mix effects. Furthermore, price movement is calculated on a wing-to-wing basis (including cancelled and new business).

Reinsurance non-life – Renewals – Outlook

Outlook for July renewals

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Regional allocation of July renewals		%	Highlights
North America 40	 <p>TOTAL €2.2bn</p>	Worldwide 20	Renewal focus on North America
Australia/ New Zealand 12		Rest ¹ 8	Main renewal date in Australia and New Zealand
Latin America 13		Europe 7	High nat cat share of almost 30%

July renewal – Price expectation

North America	Australia/New Zealand	Latin America
Prices are expected to remain flat in proportional business while abundant capacity leads to slightly decreasing XL prices	Prices are expected to remain flat at a high level	Prices are expected to be stable to slightly increasing

¹ Asia/ Pacific/Africa. Quarterly financial statements as at 31 March 2013 22

Agenda

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

Quarterly financial statements as at 31 March 2013 23

Outlook 2013


Munich Re (Group)
GROSS PREMIUMS WRITTEN
Target 2013¹ €50–52bn

Focus on bottom-line growth prevails – Volume not an end in itself

RETURN ON INVESTMENT
Target 2013 ~3.3%
 Q1 return of 3.6% cannot be extrapolated to the entire year – fewer disposal gains for Q2–4 expected

NET RESULT
Target 2013 Close to €3bn

RoRaC target of 15% after tax over the cycle to stand

Reinsurance
COMBINED RATIO
Target 2013² ~94%

NET RESULT
Target 2013 €2.3–2.5bn

Primary insurance
COMBINED RATIO
Target 2013 ~95%

NET RESULT
Target 2013 €400–500m

Munich Health
COMBINED RATIO
Target 2013 ~100%

NET RESULT
Target 2013 Further loss cannot be excluded

¹ By segment: Reinsurance ~€27, primary insurance slightly below €17bn, Munich Health slightly above €6.5bn

² Or better, if major losses remain within the expected range in Q2–4.

Disclaimer



This presentation contains forward-looking statements that are based on current assumptions and forecasts of the management of Munich Re. Known and unknown risks, uncertainties and other factors could lead to material differences between the forward-looking statements given here and the actual development, in particular the results, financial situation and performance of our Company. The Company assumes no liability to update these forward-looking statements or to conform them to future events or developments.

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

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