



On track to meet 2014 financial targets

Quarterly financial statements as at 30 June 2014

7 August 2014

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Munich RE 

Agenda

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Overview

Highlights first-half year 2014

- Macroeconomic challenges**
 - Geopolitical uncertainties – global growth perspectives at risk
 - Historically low interest rates seem to be acquiring a degree of permanence
- Reinsurance market**
 - Cyclical challenges with negative impact on supply/demand dynamic
 - Opportunities for profitable growth dependent on innovative capacity
- Legal/regulatory developments**
 - German life insurance reform a net positive
 - Solvency II entering the final straight, fostering risk-based management
- Business development**
 - Strict cycle management and pricing discipline order of the day
 - Diversified business model facilitating earnings resilience
- Half-year financials**
 - Solid results – on track to meet 2014 financial targets
 - Sound capital base providing flexibility – ongoing share buy-back

Munich Re staying the course: Strong balance sheet – strong returns

Agenda



Overview

Financial reporting Q1–2 2014

Munich Re (Group)

- Primary insurance
- Munich Health
- Reinsurance

Outlook

Backup

Munich Re (Group) – Financial highlights Q2 2014

On track to meet 2014 financial targets



Munich Re (Group) – Q2 2014

NET RESULT
€769m (€1,693m in Q1–2)

Good performance across all segments – Q2 results impacted by various countervailing effects

SHAREHOLDERS' EQUITY
€27.7bn (+1.0% vs. 31.3.)

Strong capitalisation according to all metrics providing high degree of financial flexibility – €1.5bn capital repatriation in Q2

INVESTMENT RESULT
Rol of 4.5% (4.1% in Q1–2)

Annual guidance raised after strong half-year performance – Long duration and active asset management paying off

Reinsurance

NET RESULT
€634m (€1,384m in Q1–2)

502	132
P-C	LIFE
Combined ratio 101.4% – Major loss ratio 15.4%	Technical result of €103m in line with annual guidance

Primary insurance

NET RESULT
€104m (€258m in Q1–2)

20	38	46
P-C	LIFE	HEALTH
Combined ratio 96.0% (Germany: 95.1%, international: 97.5%)	Decent net result	Solid, stable performance

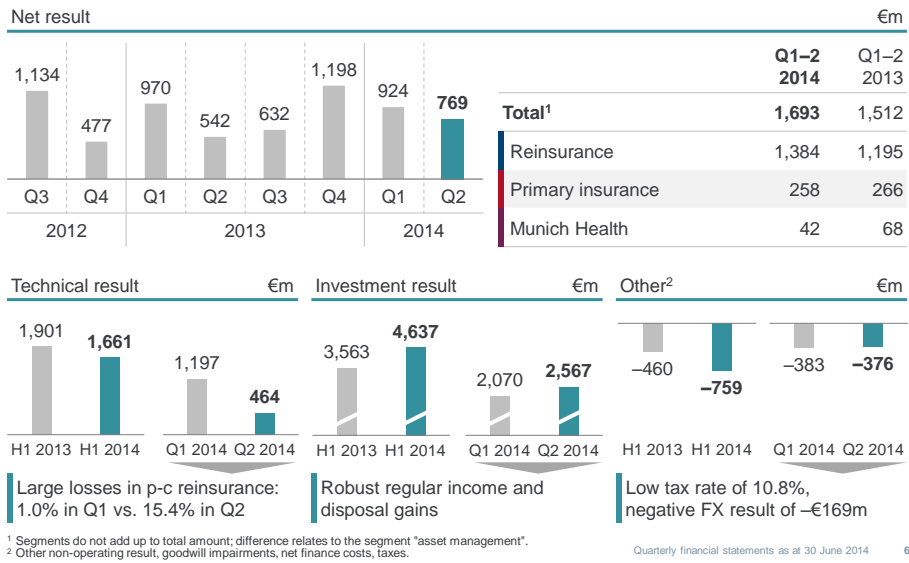
Munich Health

NET RESULT
€22m (€42m in Q1–2)

22
REINSURANCE
Combined ratio 98.9%
PRIMARY INSURANCE
Combined ratio 98.2%

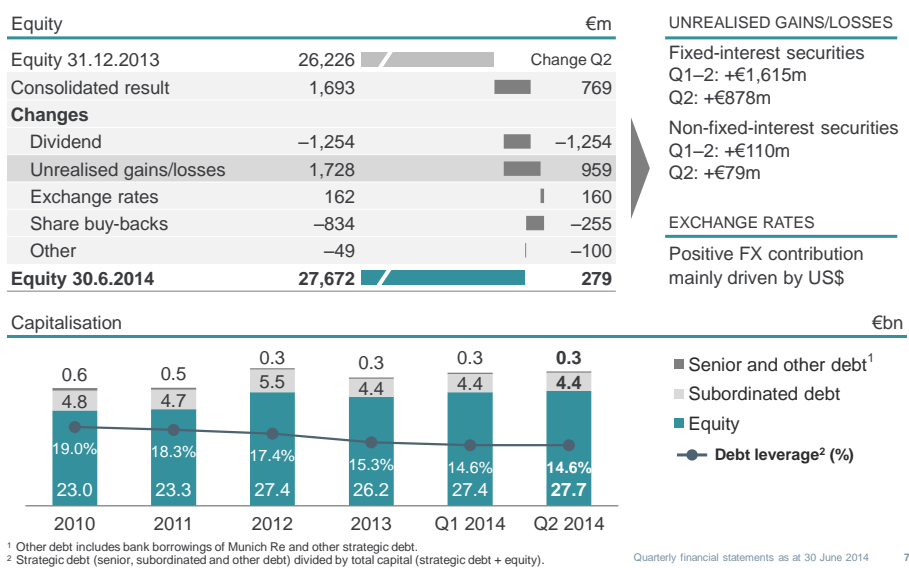
Munich Re (Group) – Financial highlights Q2 2014

Q2 result driven by various countervailing effects



Munich Re (Group) – Capitalisation

IFRS capital position



Munich Re (Group) – Investment portfolio

Investment portfolio – Reasonable balance of opportunities and limited risk



Investment portfolio¹

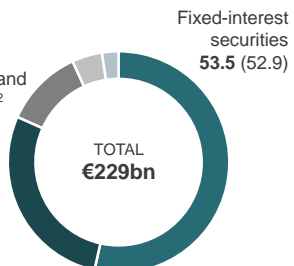
%

Land and buildings
2.4 (2.5)

Shares, equity funds and
participating interests²
4.4 (4.6)

Miscellaneous³
11.5 (11.8)

Loans
28.2 (28.2)



Portfolio management

Ongoing reduction of German government bonds to further improve diversification ...

... by cautiously increasing exposure in emerging markets, Italy, Spain and France

Slight reduction in corporate bonds and structured products

Cautious increase in subordinated bank bonds

Small decrease of equity-backing ratio to 4.0% net of hedges

Portfolio duration⁴

	Assets	Liabilities	Net DV01 (€m)
Reinsurance	4.8 (4.4)	3.7 (3.1)	-2.0
Primary insurance	7.9 (7.4)	8.5 (8.1)	10.4
Munich Re (Group)	6.8 (6.4)	6.7 (6.2)	8.4

¹ Fair values as at 30.6.2014 (31.12.2013). ² Net of hedges: 4.0% (4.5%). ³ Deposits retained on assumed reinsurance, unit-linked investments, deposits with banks, investment funds (excl. equities), derivatives and investments in renewable energies and gold. ⁴ As at 30.6.2014 (31.12.2013). Net DV01: Sensitivity to parallel upward shift of yield curve by one basis point reflecting portfolio size.

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Munich Re (Group) – Investment result

Investment result – High disposal gains, but only a fraction of strong increase in market value



Investment result

€m

	Q1–2 2014	Return ¹	Q1–2 2013	Return ¹	Q2 2014	Return ¹	Q1 2014	Return ¹
Regular income	3,636	3.2%	3,826	3.4%	1,924	3.4%	1,712	3.1%
Write-ups/write-downs	29	0.0%	-445	-0.4%	156	0.2%	-127	-0.2%
Disposal gains/losses	953	0.9%	463	0.4%	441	0.8%	512	0.9%
Other income/expenses ²	19	0.0%	-281	-0.2%	46	0.1%	-27	0.0%
Investment result	4,637	4.1%	3,563	3.2%	2,567	4.5%	2,070	3.8%
Total return		11.3%		-2.0%		12.1%		10.5%

		Q1–2 2014	Q2 2014		Q1–2 2014	Q2 2014
Regular income	Write-ups/write-downs			Disposal gains/losses		
Q2 2014: Positive impact from dividends; 3-month average reinvestment yield -2.7% vs. -2.5% in Q1 2014	Equities	-37	-17	Fixed-income	614	249
	Derivatives	47	155	Equities	582	437
	thereof interest-rate hedging programme	155	80	Derivatives	-258	-244
	Other	19	18	Other	15	-1

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

² Including impact from unit-linked business. Q1–2 2014: €325m (0.3%-points). Q2 2014: €214m (0.4%-points)

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Munich Re (Group)

Primary insurance

Munich Health

Reinsurance

Outlook

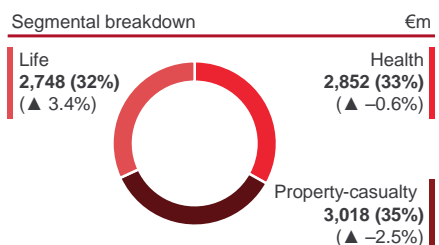
Backup

Primary insurance – Premium development

Primary insurance – Premium development



Gross premiums written	€m
Q1–2 2013	8,620
Foreign-exchange effects	–41
Divestments/Investments	0
Organic change	39
Q1–2 2014	8,618



Gross premiums written	€m
Q1–2 2013	8,620
Life	90
Health	–16
Property-casualty	–76
Q1–2 2014	8,618

Life: Growth in international business (23.0%), decline in Germany (–2.8%)

Health: Growth in supplementary and travel, decline in comprehensive business

P-C: Decrease esp. driven by negative FX effects, mainly Turkey (–€34m) and Polish business

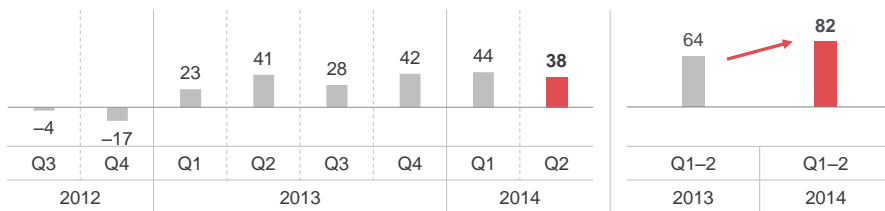
Primary insurance life – Key figures

Primary insurance life – Key figures



Net result

€m



Technical result

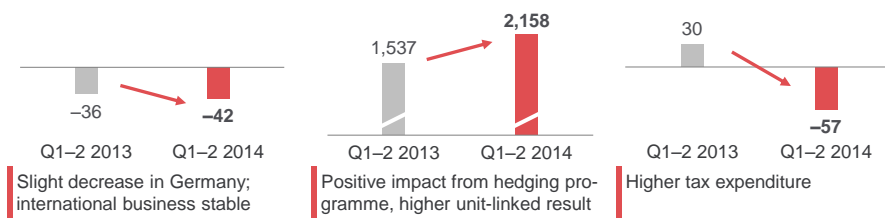
€m

Investment result

€m

Other¹

€m



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

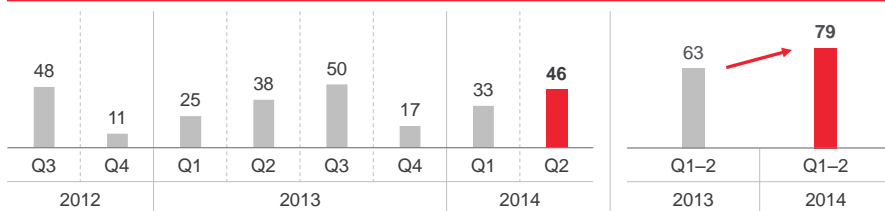
Primary insurance health – Key figures

Primary insurance health – Key figures



Net result

€m



Technical result

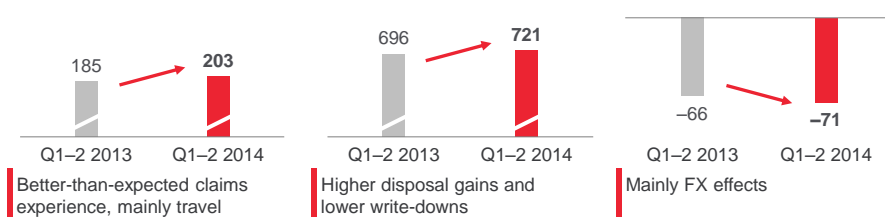
€m

Investment result

€m

Other¹

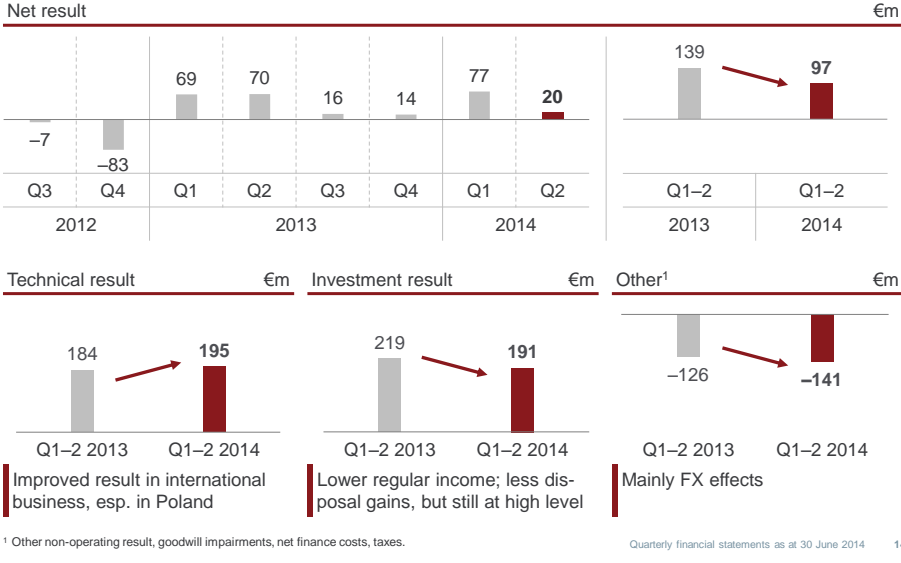
€m



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

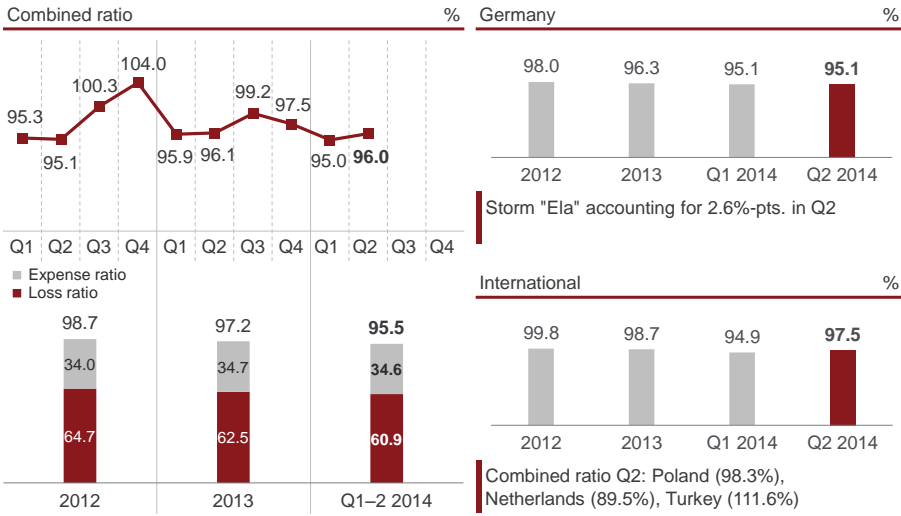
Primary insurance property-casualty – Key figures

Primary insurance property-casualty – Key figures



Primary insurance property-casualty – Combined ratio

Combined ratio



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Munich Health – Premium development

Munich Health – Premium development



Gross premiums written	€m
Q1–2 2013	3,377
Foreign-exchange effects	-187
Divestments/Investments	-368
Organic change	-82
Q1–2 2014	2,740

Segmental breakdown €m



Gross premiums written €m

Q1–2 2013	3,377
Reinsurance	-305
Primary insurance	-332
Q1–2 2014	2,740

Reinsurance

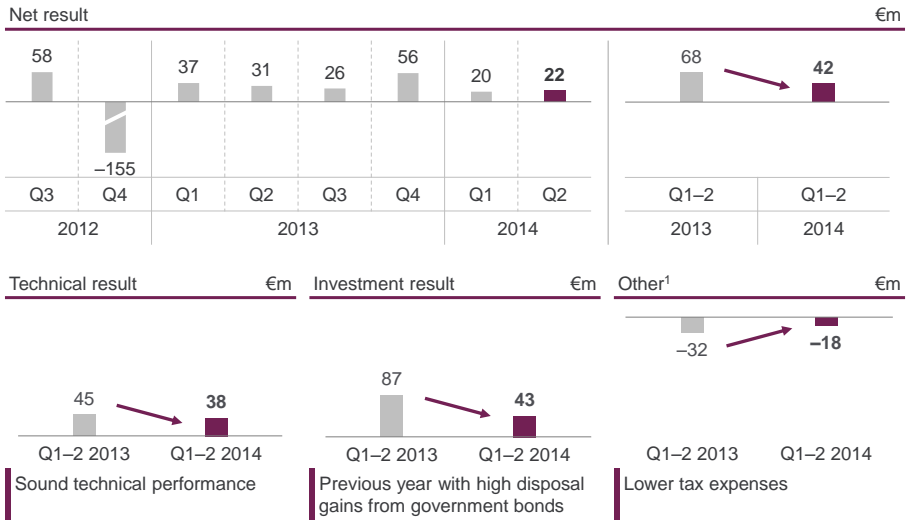
Negative FX effects (–€187m) and reduced share of large volume deals

Primary insurance

Sale of Windsor Health Group at end of last year (–€368m)

Munich Health – Key figures

Munich Health – Key figures



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

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Financial reporting Q1-2 2014

Munich Re (Group)

Primary insurance

Munich Health

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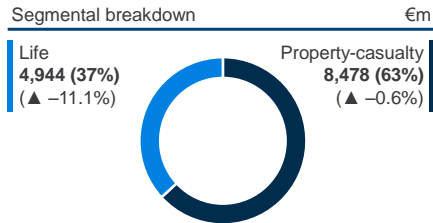
Backup

Reinsurance – Premium development

Reinsurance – Premium development



Gross premiums written		€m
Q1–2 2013	14,096	
Foreign-exchange effects	-744	
Divestments/Investments	0	
Organic change	70	
Q1–2 2014	13,422	



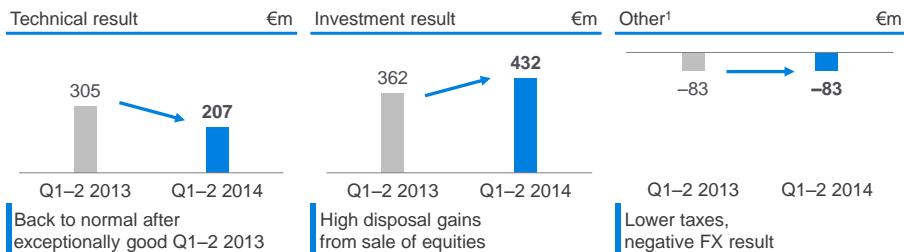
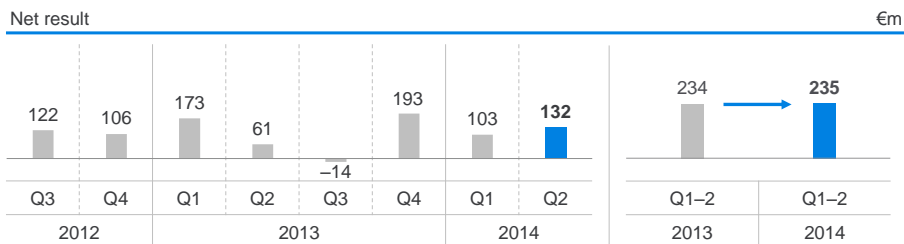
Gross premiums written		€m
Q1–2 2013	14,096	
Life	-619	
Property-casualty	-55	
Q1–2 2014	13,422	

Life
Negative FX effects (–€385m) and reduced share of large volume deals

Property-casualty
Organic growth (€304m) mainly due to new business in motor – negative FX effects (–€359m), mainly US\$ and Aus\$

Reinsurance life – Key figures

Reinsurance life – Key figures



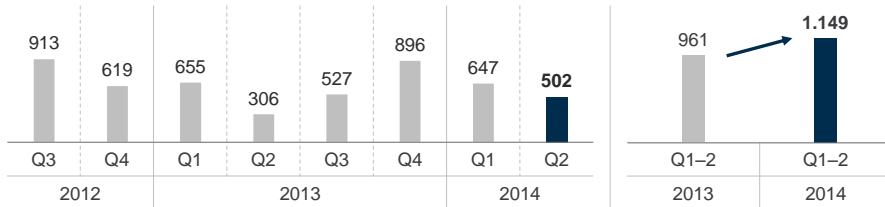
¹ Other non-operating result, goodwill impairments, net finance costs, taxes.

Reinsurance property-casualty – Key figures

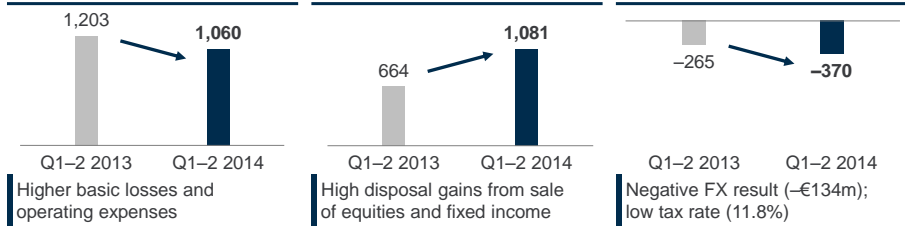
Reinsurance property-casualty – Key figures



Net result €m



Technical result €m Investment result €m Other¹ €m



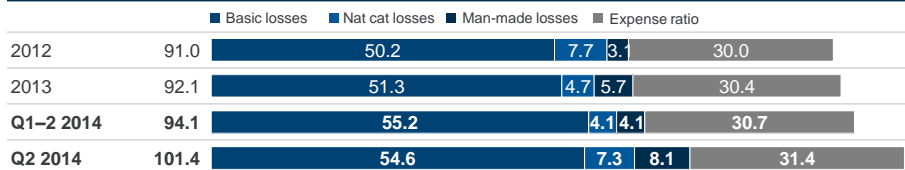
¹ Other non-operating result, goodwill impairments, net finance costs, taxes.

Reinsurance property-casualty – Combined ratio

Combined ratio



Combined ratio %



Combined ratio %



Large losses 2014 %

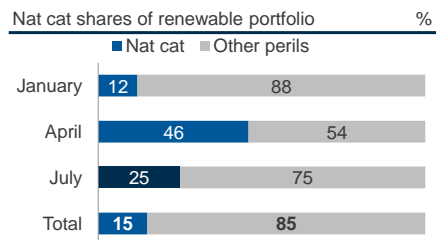
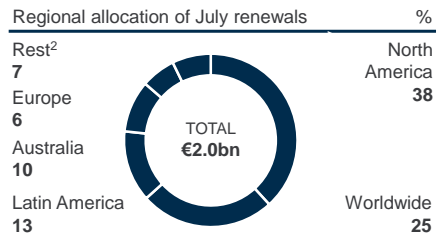
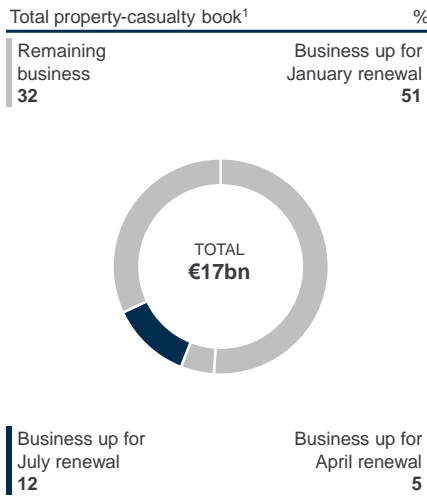
	Total	Nat cat	Man-made
Q1-2 2014	8.2	4.1	4.1
Q2 2014	15.4	7.3	8.1
Avg. annual expectation	~12.0	~8.5	~3.5

Reserve releases basic losses ¹	€m	%-points
Q1-2 2014	~320	~4.0
Q2 2014	~180	~4.5

¹ Balance of increases (e.g. agriculture) and releases (e.g. fire, motor, marine and liability).

Reinsurance property-casualty – July renewals 2014

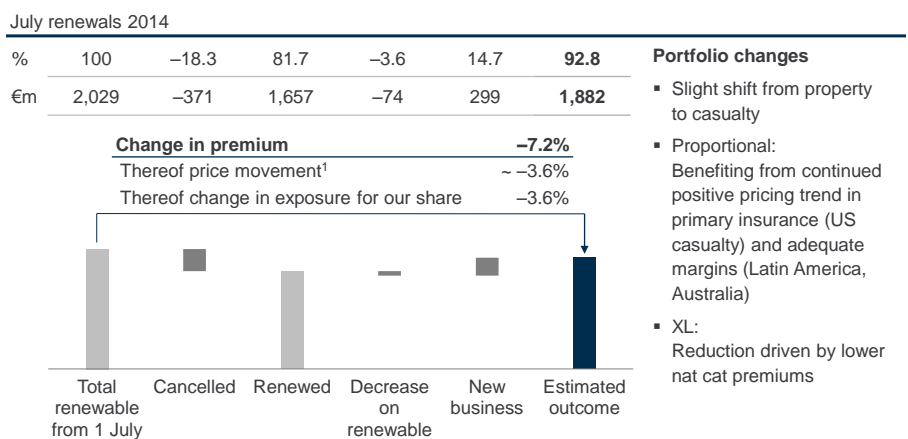
July renewals – Regional focus on USA, Australia and Latin America



¹ Gross premiums written. Economic view – not fully comparable with IFRS figures.
² Asia, Pacific and Africa.

Reinsurance property-casualty – July renewals 2014

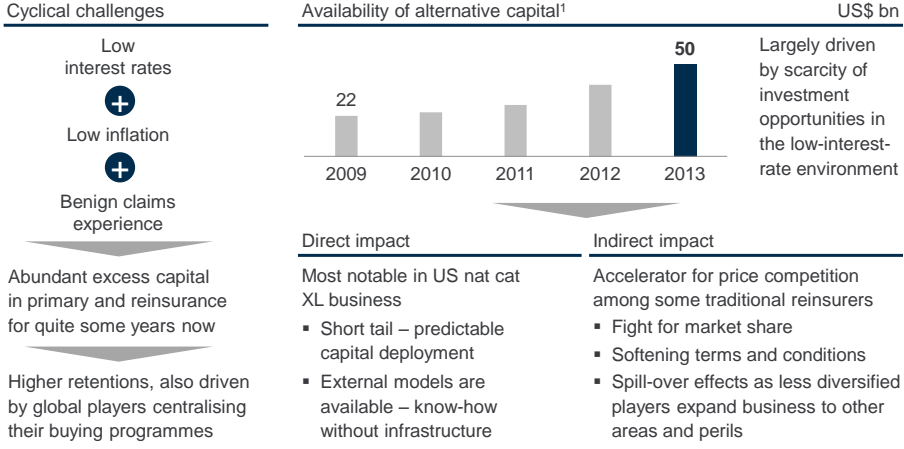
Portfolio profitability continues to meet our return targets



Strict cycle management and pricing discipline the order of the day

¹ Price movement 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). Quarterly financial statements as at 30 June 2014 25

Competitive landscape in reinsurance



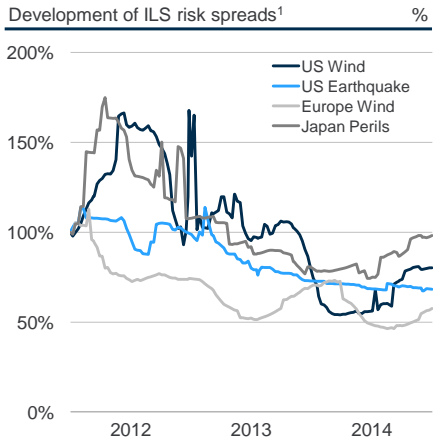
July renewals revealed continuing margin compressions due to abundant supply, especially in the nat cat area

¹ Source: AonBenfield. Quarterly financial statements as at 30 June 2014 26

Increased sensitivity on risk spreads – First indications of stabilisation in cat-bond pricing ...



- Market trends**
- Rising secondary market yields in the cat-bond market indicate that return requirements of ILS investors may have reached a floor
 - Sustainability of alternative capital not yet tested
 - Supply may be challenged after large events
 - Rising credit spreads could make other asset classes more attractive
 - Clients rely on traditional reinsurers providing reliable support and value-adding solutions – Alternative capital is unlikely to replace the established large diversified players

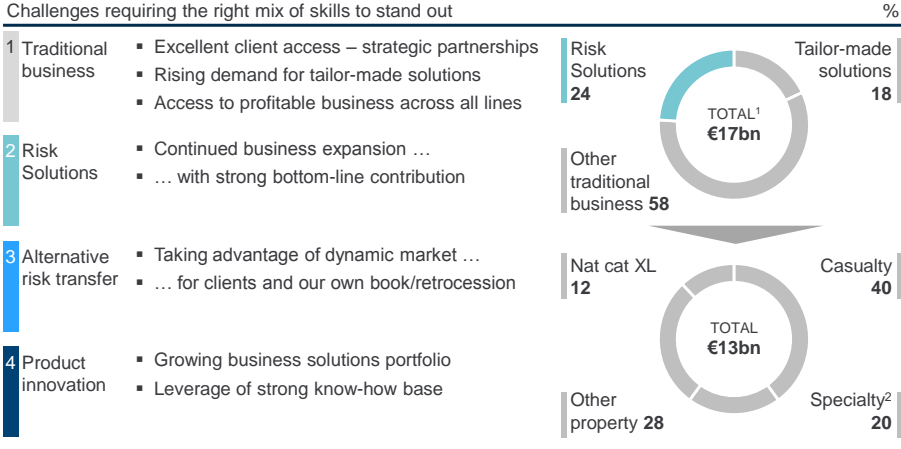


... while rates are reaching technical thresholds of most players in the traditional reinsurance market

¹ Source: Munich Re. Until 30 June 2014. Based on spreads derived from secondary market trades. Quarterly financial statements as at 30 June 2014 27

Reinsurance property-casualty – Munich Re portfolio

Munich Re set-up supports earnings strength

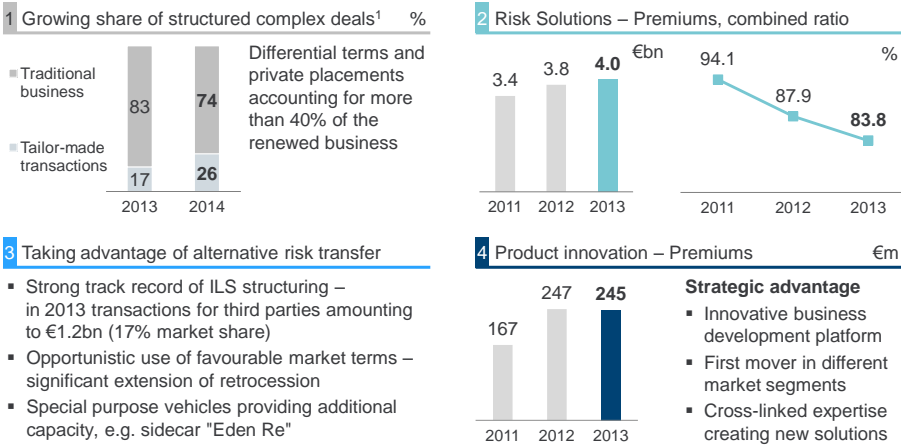


Munich Re continuously increasing its share of business largely decoupled from competition in traditional reinsurance while taking advantage of ART

¹ Gross written premiums property-casualty reinsurance as at 31.12.2013. Quarterly financial statements as at 30 June 2014 28
² Aviation, agriculture, marine and credit.

Reinsurance property-casualty – Munich Re portfolio

Disciplined management of traditional business while continuously expanding know-how-driven business



Munich Re with distinct value proposition based on solutions beyond capacity

¹ Share of total renewed business. Quarterly financial statements as at 30 June 2014 29

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Outlook 2014

Munich Re (Group)

GROSS PREMIUMS WRITTEN		RETURN ON INVESTMENT		NET RESULT	
Target 2014 ¹	~€48bn	Target 2014	~3.5% (prev. ~3.3%)	Target 2014	€3bn

Focus on bottom-line prevails

Uplifting annual guidance after strong half-year performance

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

Reinsurance**Primary insurance****Munich Health**

COMBINED RATIO		COMBINED RATIO		COMBINED RATIO	
Target 2014	~95% (prev. ~94%)	Target 2014	~95%	Target 2014	~99%

NET RESULT		NET RESULT		NET RESULT	
Target 2014	€2.3–2.5bn	Target 2014	€400–500m	Target 2014	~€100m

¹ By segment: Reinsurance slightly above €26bn, primary insurance slightly above €16.5bn, Munich Health slightly below €5.5bn.

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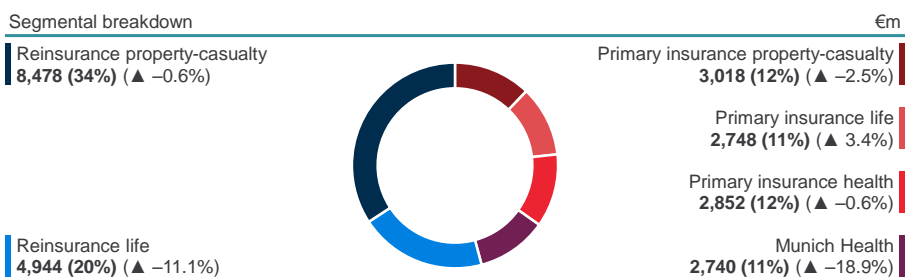
Backup

Backup: Munich Re (Group)

Premium development



Gross premiums written		€m
Q1–2 2013	26,093	
Foreign-exchange effects	-972	
Divestment/Investment	-368	
Organic change	27	
Q1–2 2014	24,780	



Backup: Munich Re (Group)

Reconciliation of operating to net result

Munich RE 

Reconciliation of operating to net result		€m
	Q1-2	Q2
Operating result	2,452	1,145
Other non-operating result	-339	-225
Goodwill impairments	-	-
Net finance costs	-114	-58
Taxes	-306	-93
Net result	1,693	769

Other non-operating result		€m	Tax rates		%
	Q1-2	Q2		Q1-2	Q2
Foreign exchange	-218	-169	Group	15.3	10.8
Restructuring charges	-16	-12	Reinsurance	10.7	1.6
Other	-105	-44	Primary insurance	30.1	38.5
			Munich Health	26.3	31.3

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Backup: Munich Re (Group)

Actual vs. analysts' consensus

Munich RE 

Operating result – Actual vs. analysts' consensus ¹ €m				Major developments in Q2 2014	
	Actual Q2	Consensus	Delta		
Reinsurance property-casualty	650	711	-61	Reinsurance property-casualty	Investment result higher than in Q1 2014 Combined ratio of 101.4% clearly above consensus (92.8%) – major loss ratio: 15.4%, reserve releases ~4.5%
Reinsurance life	196	154	42	Reinsurance life	Investment result higher than in Q1 2014 Technical result of €103m in line with annual guidance
Primary insurance life/health	134	135	-1	Primary insurance life	Positive contribution from interest-rate hedge (€80m/€18 gross/net)
Primary insurance property-casualty	111	116	-5		
Munich Health	35	40	-5		
Operating result	1,145	1,161	-16		
FX	-169	-	-		
Other	-114	-	-		
Taxes	-93	-	-		
Net result	769	772	-3		

¹ Simple average of estimates the Munich Re investor relations team has gathered from analysts covering Munich Re, not taking into account any external data providers.

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Backup: Primary insurance life – New business

Primary insurance life –
New business (statutory premiums)



Total	€m			APE ¹
	Total	Regular premiums	Single premiums	
Q1–2 2013	925	210	715	282
Q1–2 2014	1,125	212	913	304
▲	21.6%	1.0%	27.7%	7.4%

Germany	€m			APE ¹
	Total	Regular premiums	Single premiums	
Q1–2 2013	574	129	445	174
Q1–2 2014	552	114	438	158
▲	-3.8%	-11.6%	-1.6%	-9.2%

Comments

Germany

Lower single premiums from short-term investment product "MaxiZins" – difficult environment for regular premium business; new life product making up >70% of new business in private pensions²

International business

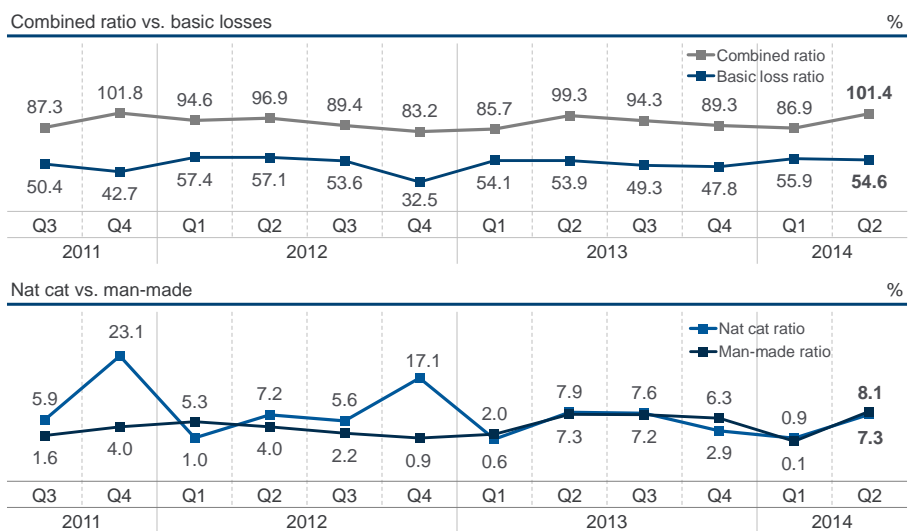
Considerable increase in single premiums mainly in Poland, Austria and Belgium – regular premiums with pleasing growth

International	€m			APE ¹
	Total	Regular premiums	Single premiums	
Q1–2 2013	351	81	270	108
Q1–2 2014	573	98	475	146
▲	63.2%	21.0%	75.9%	35.2%

¹ Annual premium equivalent (APE = regular premiums +10% single premiums).
² APE, only third-layer private provision and tied agent organisations.

Backup: Reinsurance property-casualty – Combined ratio

Development of combined ratio



Backup: Reinsurance property-casualty – Combined ratio

Normalised combined ratio

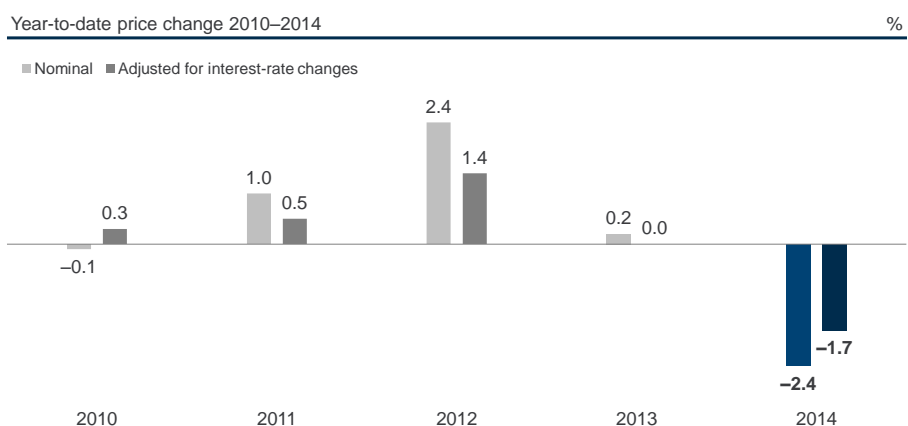


Normalised combined ratio							%
	Reported combined ratio	Reported major losses	Expectation major losses ¹	Reported reserve releases ²	Changes sliding-scale provisions	Modelled assumption on reserve releases	Normalised combined ratio
Q1 2013	85.7	-2.6	+12.0	+2.5	-	-4.0	93.6
Q2 2013	99.3	-15.2	+12.0	+4.0	-	-4.0	96.1
Q3 2013	94.3	-14.8	+12.0	+6.0	-0.7	-4.0	92.8
Q4 2013	89.3	-9.2	+12.0	+9.0	-2.3	-4.0	94.8
FY 2013	92.1	-10.4	+12.0	+5.2	-0.8	-4.0	94.1
Q1 2014	86.9	-1.0	+12.0	+3.5	+0.2	-4.0	97.6
Q2 2014	101.4	-15.4	+12.0	+4.5	-	-4.0	98.5
Q1-2 2014	94.1	-8.2	+12.0	+4.0	+0.1	-4.0	98.0

¹ Simplified assumption of evenly distributed major losses over every quarter.
² Basic losses.

Backup: Reinsurance property-casualty – Renewals 2014

2014 renewals – Disciplined underwriting prevails



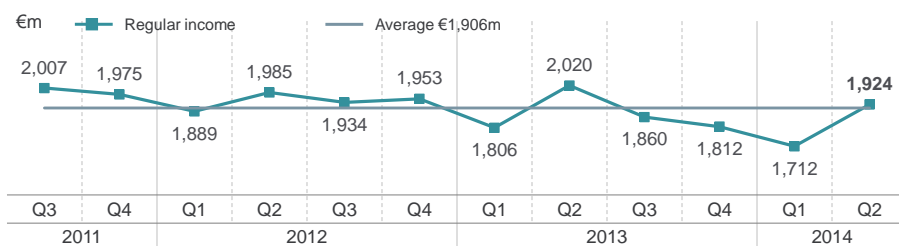
Portfolio profitability continues to meet our return targets

Backup: Investments

Breakdown of regular income

Munich RE 

Investment result – Regular income (€m)	Q1 2014	Q2 2014	Q1–2 2014	Q1–2 2013	Change
Afs fixed-interest	872	902	1,774	1,891	-117
Afs non-fixed-interest	72	216	288	271	17
Derivatives	32	33	65	115	-50
Loans	548	546	1,094	1,120	-26
Real estate	82	89	171	170	1
Deposits retained on assumed reinsurance and other investments	106	138	244	259	-15
Total regular income	1,712	1,924	3,636	3,826	-190



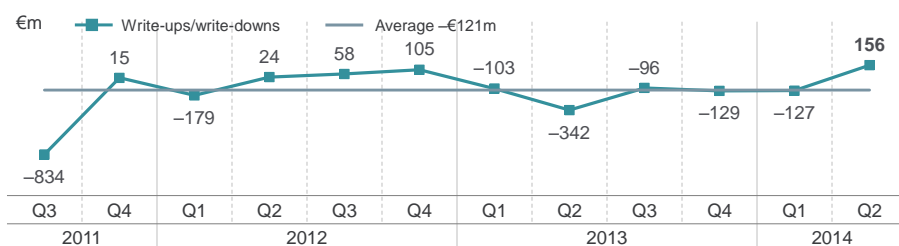
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Backup: Investments

Breakdown of write-ups/write-downs

Munich RE 

Investment result – Write-ups/write-downs (€m)	Q1 2014	Q2 2014	Q1–2 2014	Q1–2 2013	Change
Afs fixed-interest	-1	2	1	3	-2
Afs non-fixed-interest	-20	-17	-37	-68	31
Derivatives	-108	155	47	-182	229
Loans	1	6	7	0	7
Real estate	-15	-15	-30	-43	13
Deposits retained on assumed reinsurance and other investments	16	25	41	-155	196
Total net write-ups/write-downs	-127	156	29	-445	474



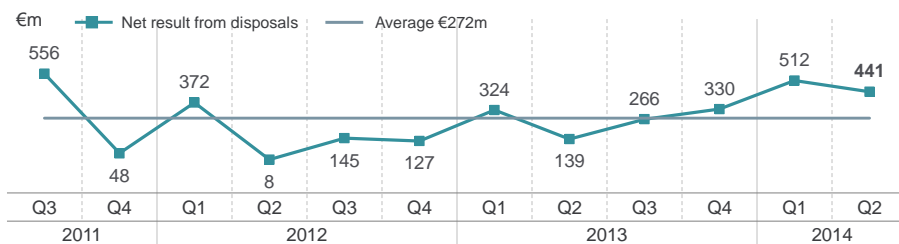
Quarterly financial statements as at 30 June 2014 41

Backup: Investments

Breakdown of net result from disposals



Investment result – Net result from disposal of investments (€m)	Q1 2014	Q2 2014	Q1–2 2014	Q1–2 2013	Change
Afs fixed-interest	237	238	475	484	–9
Afs non-fixed-interest	145	437	582	222	360
Derivatives	–14	–244	–258	–368	110
Loans	128	11	139	112	27
Real estate	4	0	4	14	–10
Deposits retained on assumed reinsurance and other investments	12	–1	11	–1	12
Total net result from disposals	512	441	953	463	490



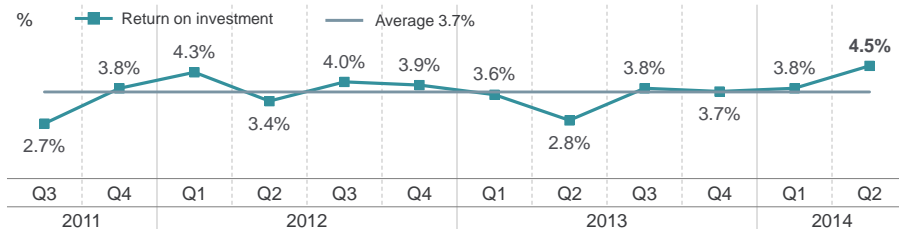
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Backup: Investments

Return on investment by asset class and segment



% ¹	Regular income	Write-ups/downs	Disposal result	Other inc./exp.	RoI	Market value ³
Afs fixed-interest	3.0	–	0.8	–	3.8	117,910
Afs non-fixed-interest	4.8	–0.6	9.6	–	13.8	12,091
Derivatives	6.4	4.6	–25.5	–4.5	–19.0	2,024
Loans	3.5	–	0.4	–	3.9	63,056
Real estate	6.2	–1.1	0.2	–	5.3	5,510
Other ²	2.1	0.4	–	0.6	3.1	22,921
Total	3.2	–	0.9	–	4.1	223,512
Reinsurance	3.1	–0.5	1.5	–0.4	3.7	80,958
Primary insurance	3.4	0.3	0.5	0.3	4.5	137,733
Munich Health	1.8	–	0.7	–0.2	2.3	3,690



¹ Annualised. ² Including management expenses and impact from unit-linked business. ³ In €m. Segments do not add up to total amount; difference relates to the segment "asset management".

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Backup: Investments

Investment result by segment

Munich RE Investment result – Reinsurance – Life €m

	Q1–2 2014	Return ¹	Q1–2 2013	Return ¹	Q2 2014	Return ¹	Q1 2014	Return ¹
Regular income	427	3.6%	454	3.8%	227	3.8%	200	3.4%
Write-ups/write-downs	-22	-0.2%	-32	-0.2%	13	0.2%	-35	-0.6%
Disposal gains/losses	99	0.8%	14	0.1%	61	1.0%	38	0.6%
Other income/expenses	-72	-0.6%	-74	-0.6%	-42	-0.7%	-30	-0.5%
Investment result	432	3.6%	362	3.1%	259	4.3%	173	2.9%
Average market value	23,792		23,688		23,947		23,529	

Investment result – Reinsurance – Property-casualty €m

	Q1–2 2014	Return ¹	Q1–2 2013	Return ¹	Q2 2014	Return ¹	Q1 2014	Return ¹
Regular income	838	2.9%	937	3.1%	449	3.1%	389	2.8%
Write-ups/write-downs	-152	-0.5%	-226	-0.8%	26	0.2%	-178	-1.3%
Disposal gains/losses	497	1.7%	55	0.2%	295	2.1%	202	1.4%
Other income/expenses	-102	-0.3%	-102	-0.3%	-56	-0.4%	-46	-0.3%
Investment result	1,081	3.8%	664	2.2%	714	5.0%	367	2.6%
Average market value	57,166		59,839		57,641		56,732	

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

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Backup: Investments

Investment result by segment

Munich RE Investment result – Primary insurance – Life €m

	Q1–2 2014	Return ¹	Q1–2 2013	Return ¹	Q2 2014	Return ¹	Q1 2014	Return ¹
Regular income	1,421	3.2%	1,472	3.3%	726	3.2%	695	3.2%
Write-ups/write-downs	233	0.5%	-144	-0.3%	130	0.6%	103	0.5%
Disposal gains/losses	258	0.6%	265	0.6%	68	0.3%	190	0.9%
Other income/expenses ²	246	0.6%	-56	-0.1%	172	0.8%	74	0.3%
Investment result	2,158	4.9%	1,537	3.5%	1,096	4.9%	1,062	4.9%
Average market value	88,199		87,289		89,625		86,724	

Investment result – Primary insurance – Property-casualty €m

	Q1–2 2014	Return ¹	Q1–2 2013	Return ¹	Q2 2014	Return ¹	Q1 2014	Return ¹
Regular income	141	2.7%	153	3.1%	76	2.9%	65	2.6%
Write-ups/write-downs	-22	-0.4%	-20	-0.4%	-14	-0.5%	-8	-0.3%
Disposal gains/losses	83	1.6%	101	2.1%	35	1.3%	48	1.9%
Other income/expenses	-11	-0.2%	-15	-0.3%	-6	-0.2%	-5	-0.2%
Investment result	191	3.7%	219	4.5%	91	3.5%	100	4.0%
Average market value	10,208		9,828		10,360		10,114	

¹ Return on quarterly weighted investments (market values) in % p.a. ² Including impact from unit-linked business. Q1–2 2014: €325m (0.7%-points). Q1–2 2013: €23m (0.1%-points). Q2 2014: €214m (1.0%-points). Q1 2014: €111m (0.5%-points).

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Backup: Investments

Investment result by segment



Investment result – Primary insurance – Health €m

	Q1–2 2014	Return ¹	Q1–2 2013	Return ¹	Q2 2014	Return ¹	Q1 2014	Return ¹
Regular income	767	3.9%	759	4.1%	421	4.2%	346	3.6%
Write-ups/write-downs	-10	0.0%	-22	-0.1%	-1	0.0%	-9	-0.1%
Disposal gains/losses	2	0.0%	-9	-0.1%	-23	-0.2%	25	0.3%
Other income/expenses	-38	-0.2%	-32	-0.2%	-20	-0.2%	-18	-0.2%
Investment result	721	3.7%	696	3.7%	377	3.8%	344	3.6%
Average market value	39,326		37,258		40,067		38,631	

Investment result – Munich Health €m

	Q1–2 2014	Return ¹	Q1–2 2013	Return ¹	Q2 2014	Return ¹	Q1 2014	Return ¹
Regular income	34	1.8%	44	2.2%	20	2.2%	14	1.5%
Write-ups/write-downs	0	0.0%	9	0.5%	0	0.0%	0	0.0%
Disposal gains/losses	12	0.7%	36	1.8%	5	0.5%	7	0.8%
Other income/expenses	-3	-0.2%	-2	-0.1%	-2	-0.2%	-1	-0.1%
Investment result	43	2.3%	87	4.4%	23	2.5%	20	2.2%
Average market value	3,690		3,930		3,726		3,685	

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

Backup: Investments

Investment portfolio Fixed-interest securities and miscellaneous



Investment portfolio %

Miscellaneous	11.5 (11.8)
Fixed-interest securities	53.5 (52.9)



Loans
28.2 (28.2)

Miscellaneous %

Other	9 (9)
Derivatives	5 (5)
Investment funds	9 (10)
Bank deposits	14 (12)

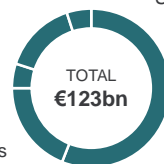


Deposits on reinsurance
35 (38)

Unit-linked
28 (26)

Fixed-interest securities¹ %

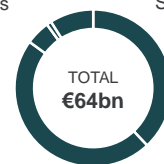
Structured products	5 (6)
Corporates	15 (16)
Banks	5 (4)
Pfandbriefe/ Covered bonds	19 (21)



Governments/
Semi-government
56 (53)

Loans¹ %

Loans to policyholders/ Mortgage loans	9 (9)
Corporates	1 (1)
Banks	5 (6)



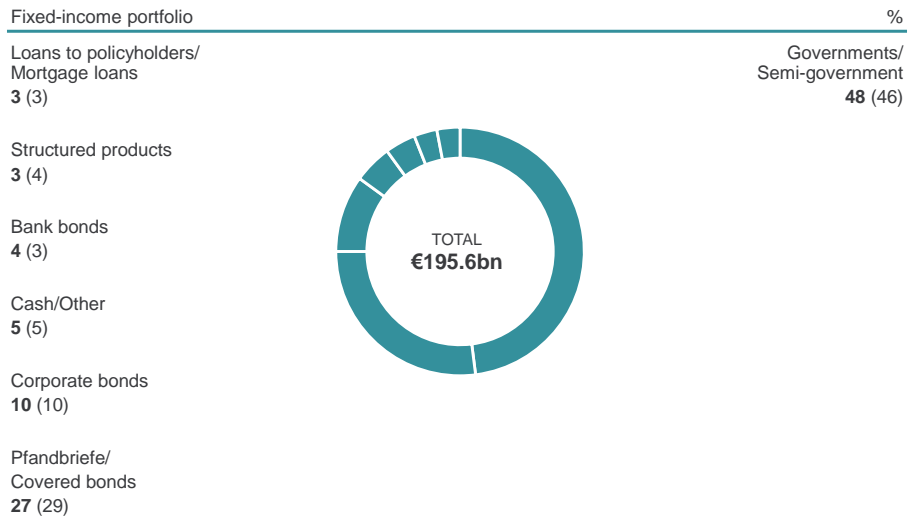
Governments/
Semi-government
38 (38)

Pfandbriefe/
Covered bonds
47 (46)

¹ Approximation – not fully comparable with IFRS figures. Fair values as at 30.6.2014 (31.12.2013).

Backup: Investments

Fixed-income portfolio Total

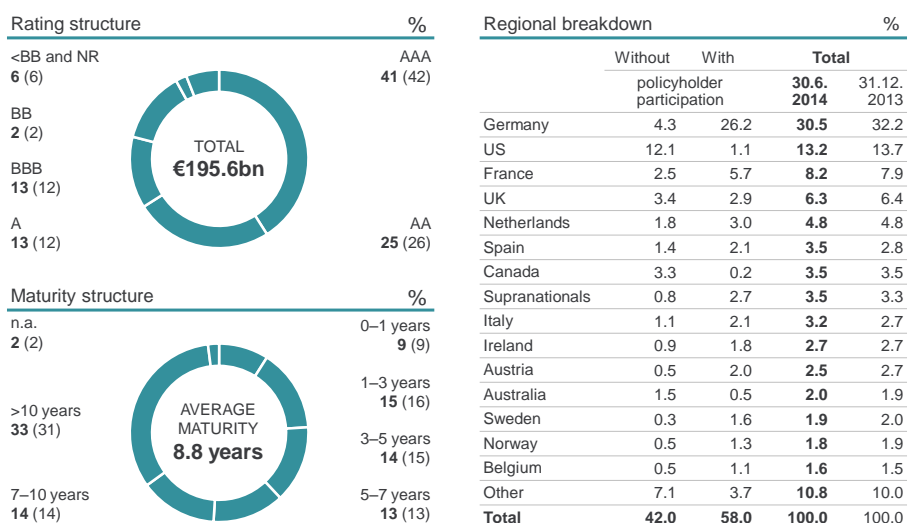


Approximation – not fully comparable with IFRS figures. Fair values as at 30.6.2014 (31.12.2013).

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Backup: Investments

Fixed-income portfolio Total



Approximation – not fully comparable with IFRS figures. Fair values as at 30.6.2014 (31.12.2013).

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Backup: Investments



Fixed-income portfolio Governments/Semi-government

Munich RE

Rating structure %

BBB 1 (1) AAA 46 (47)

BBB
13 (10)

A
5 (6)

AA
35 (36)



Maturity structure %

>10 years 41 (39) 0–1 years 10 (9)

1–3 years
12 (17)

3–5 years
13 (13)

7–10 years
12 (10)

5–7 years
12 (12)



Regional breakdown %

	Without policyholder participation	With	Total	
			30.6.	31.12.
			2014	2013
Germany	4.3	25.1	29.4	33.0
US	13.9	0.5	14.4	13.9
Supranationals	1.7	5.5	7.2	7.2
Canada	5.2	0.2	5.4	5.9
UK	4.4	0.2	4.6	4.5
France	2.4	2.0	4.4	3.6
Italy	1.2	3.1	4.3	3.7
Austria	0.8	2.8	3.6	3.9
Belgium	1.0	2.1	3.1	3.0
Spain	1.4	1.6	3.0	1.9
Australia	2.5	0.0	2.5	2.4
Netherlands	1.7	0.7	2.4	2.3
Finland	0.4	1.7	2.1	2.1
Poland	1.3	0.5	1.8	1.8
Ireland	0.2	1.4	1.6	1.7
Other	7.9	2.3	10.2	9.1
Total	50.3	49.7	100.0	100.0

Approximation – not fully comparable with IFRS figures. Fair values as at 30.6.2014 (31.12.2013).

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Backup: Investments



Fixed-income portfolio Pfandbriefe/Covered bonds

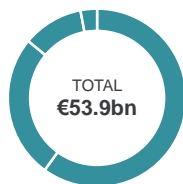
Munich RE

Rating structure %

BBB 3 (4) AAA 60 (61)

A
11 (9)

AA
26 (26)



Maturity structure %

>10 years 38 (38) 0–1 years 3 (4)

1–3 years
15 (13)

3–5 years
11 (13)

7–10 years
19 (19)

5–7 years
14 (13)



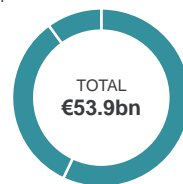
Regional breakdown %

			30.6.	31.12.
			2014	2013
Germany			35.2	36.2
France			18.1	18.0
UK			8.3	9.1
Netherlands			6.9	6.7
Spain			6.2	5.6
Sweden			5.9	6.0
Norway			5.4	5.6
Ireland			3.5	3.2
Italy			1.0	0.7
Other			9.5	8.9

Cover pools %

Mixed and other 10 (10) Mortgage 57 (57)

Public
33 (33)



Approximation – not fully comparable with IFRS figures. Fair values as at 30.6.2014 (31.12.2013).

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Backup: Investments



Fixed-income portfolio
Corporate bonds (excluding bank bonds)

Munich RE

Rating structure	%
<BB and NR 1 (1)	AAA 1 (1)
BB 9 (9)	AA 6 (7)



BBB 48 (48)	A 35 (34)
----------------	--------------

Maturity structure	%
--------------------	---

>10 years 16 (13)	0–1 years 6 (7)
----------------------	--------------------



7–10 years 17 (18)	1–3 years 20 (19)
-----------------------	----------------------

5–7 years 18 (17)	3–5 years 23 (26)
----------------------	----------------------

Sector breakdown	%	
	30.6	31.12
	2014	2013

Utilities	22.0	19.7
Oil and gas	12.7	12.2
Industrial goods and services	12.7	13.2
Telecommunications	10.1	10.0
Healthcare	5.6	6.2
Financial services	4.8	4.4
Food and beverages	4.8	5.3
Media	4.3	4.4
Basic resources	3.7	3.2
Technology	3.4	4.7
Retail	3.3	3.4
Automobiles	2.9	2.8
Personal and household goods	2.6	2.7
Other	7.1	7.8

Approximation – not fully comparable with IFRS figures. Fair values as at 30.6.2014 (31.12.2013).

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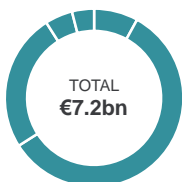
Backup: Investments



Fixed-income portfolio
Bank bonds

Munich RE

Rating structure	%
<BB and NR 4 (4)	AAA 0 (1)
BB 5 (3)	AA 8 (8)



BBB 25 (34)	A 58 (50)
----------------	--------------

Maturity structure	%
--------------------	---

>10 years 4 (4)	0–1 years 7 (5)
--------------------	--------------------



7–10 years 14 (16)	1–3 years 23 (16)
-----------------------	----------------------

5–7 years 23 (24)	3–5 years 29 (35)
----------------------	----------------------

Regional breakdown				% Total	
--------------------	--	--	--	---------	--

	Senior bonds	Sub-ordinated	Loss-bearing	30.6.2014	31.12.2013
Germany	22.5	3.9	3.5	29.8	34.7
US	24.3	5.1	0.3	29.6	29.6
UK	9.3	1.7	0.0	11.0	10.2
Ireland	5.5	0.0	0.0	5.5	5.4
Canada	2.5	0.6	0.1	3.3	3.6
Australia	3.0	0.0	0.0	3.0	3.5
Netherlands	2.1	0.2	0.0	2.3	1.7
Austria	1.5	0.5	0.2	2.3	2.7
France	1.7	0.5	0.0	2.2	1.9
Other	9.0	1.7	0.3	11.0	6.7

Investment category of bank bonds	%
-----------------------------------	---

Loss-bearing ¹ 4 (5)	Senior 82 (84)
------------------------------------	-------------------



¹ Classified as Tier 1 and upper Tier 2 capital for solvency purposes. ² Classified as lower Tier 2 and Tier 3 capital for solvency purposes. Approximation – not fully comparable with IFRS figures. Fair values as at 30.6.2014 (31.12.2013).

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Backup: Investments



Fixed-income portfolio Structured products

Munich RE

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 ¹	399	298	235	39	4	–	348	627	975	101%
	Corporate-related ABS ²	69	114	204	78	6	–	1	470	471	100%
	Subprime HEL	–	2	1	3	–	–	6	–	6	100%
CDO/ CLN	Subprime-related	–	–	–	–	–	–	–	–	–	0%
	Non-subprime-related	304	444	255	41	–	41	147	938	1,085	97%
MBS	Agency	1,286	79	–	–	–	–	1,365	–	1,365	104%
	Non-agency prime	408	230	209	92	5	–	35	909	944	100%
	Non-agency other (not subprime)	134	74	41	1	–	–	11	239	250	100%
	Commercial MBS	628	40	309	121	79	3	614	566	1,180	102%
	Total 30.6.2014	3,228	1,281	1,254	375	94	44	2,527	3,749	6,276	100%
	In %	52%	20%	20%	6%	1%	1%	40%	60%	100%	
	Total 31.12.2013	3,875	1,353	1,293	382	159	63	3,145	3,980	7,125	99%

¹ Consumer loans, auto, credit cards, student loans.² Asset-backed CPs, business and corporate loans, commercial equipment.
Approximation – not fully comparable with IFRS figures. Fair values as at 30.6.2014.

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Backup: Investments

Sensitivities to interest rates, spreads and equity markets

Munich RE

Sensitivity to risk-free interest rates – Basis points	–50	–25	+50	+100
Change in gross market value (€bn)	+7.3	+3.6	–6.6	–12.5
Change in on-balance-sheet reserves, net (€bn) ¹	+1.7	+0.8	–1.6	–3.1
Change in off-balance-sheet reserves, net (€bn) ¹	+0.4	+0.2	–0.4	–0.7
P&L impact (€bn) ¹	–0.1	–0.1	+0.1	+0.2
Sensitivity to spreads ² (change in basis points)			+50	+100
Change in gross market value (€bn)			–4.8	–9.0
Change in on-balance-sheet reserves, net (€bn) ¹			–1.1	–2.0
Change in off-balance-sheet reserves, net (€bn) ¹			–0.3	–0.5
P&L impact (€bn) ¹			+0.0	+0.1
Sensitivity to equity and commodity markets ³	–30%	–10%	+10%	+30%
EURO STOXX 50 (3,228 as at 30.6.2014)	2,260	2,905	3,551	4,196
Change in gross market value (€bn)	–3.6	–1.2	+1.2	+3.7
Change in on-balance-sheet reserves, net (€bn) ¹	–1.1	–0.5	+0.7	+2.1
Change in off-balance-sheet reserves, net (€bn) ¹	–0.6	–0.2	+0.2	+0.6
P&L impact (€bn) ¹	–1.3	–0.3	+0.1	+0.3

¹ Rough calculation with limited reliability assuming unchanged portfolio as at 30.6.2014. After rough estimation of policyholder participation and deferred tax, linearity of relations cannot be assumed. Approximation – not fully comparable with IFRS figures.² Sensitivities to changes of spreads are calculated for every category of fixed-interest securities, except government securities with AAA ratings.³ Worst-case scenario assumed including commodities: impairment as soon as market value is below acquisition cost. Approximation – not fully comparable with IFRS figures.

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Backup: Investments

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

Munich RE 

€m	31.12. 2011	31.12. 2012	31.12. 2013	31.3. 2014	30.6. 2014
Market value of investments	207,108	224,537	217,738	223,463	229,336
Total reserves	11,236	22,478	15,192	18,931	23,208
On-balance-sheet reserves					
Fixed-interest securities	4,892	9,980	4,661	6,568	8,719
Non-fixed-interest securities	693	1,503	1,975	2,032	2,118
Other on-balance-sheet reserves ¹	250	291	292	306	309
Subtotal	5,835	11,774	6,928	8,906	11,146
Off-balance-sheet reserves					
Real estate ²	1,435	1,519	1,763	1,772	1,800
Loans and investments (held to maturity)	3,633	8,831	6,071	7,887	9,880
Associates	333	354	430	366	382
Subtotal	5,401	10,704	8,264	10,025	12,062
Reserve ratio (%)	5.4%	10.0%	7.0%	8.5%	10.1%

¹ Unrealised gains/losses from unconsolidated affiliated companies, valuation at equity and cash-flow hedging.² Excluding reserves from owner-occupied property.

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Backup: Investments

On-balance-sheet reserves

Munich RE 





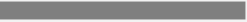



On-balance-sheet reserves	€m	
	Q1-2	Change Q2
Investments afs	10,837	2,237
Valuation at equity	116	7
Unconsolidated affiliated enterprises	163	4
Cash flow hedging	30	-8
Total on-balance-sheet reserves (gross)	11,146 	2,240
Provision for deferred premium refunds	-4,542	-883
Deferred tax	-1,511	-385
Minority interests	-12	-3
Consolidation and currency effects	28	-8
Shareholders' stake	5,109 	961

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Backup: Investments

Off-balance-sheet reserves

Munich RE 

Off-balance-sheet reserves		€m
	Q1–2	Change Q2
Real estate ¹	1,800 	28
Loans and investments (held to maturity)	9,880 	1,993
Associates	382 	16
Total off-balance-sheet reserves (gross)	12,062 	2,037
as if		
Provision for deferred premium refunds	–8,819 	–1,679
Deferred tax	–975 	–114
Minority interests	–1 	–1
Shareholders' stake	2,267 	243

¹ Excluding reserves for owner-occupied property.

Quarterly financial statements as at 30 June 2014 58

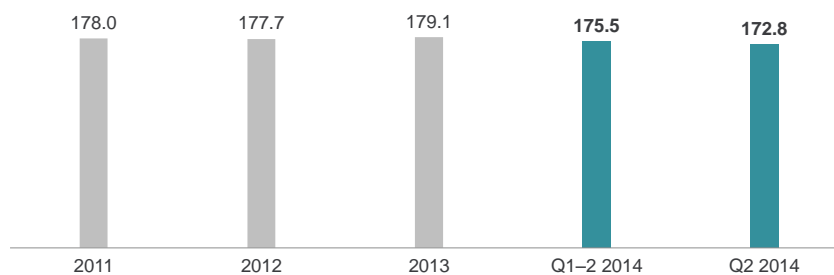
Backup: Shareholder information

Development of shares in circulation

Munich RE 

Shares millions	31.12. 2013	Acquisition of own shares in Q1–2 2014	Retirement of own shares in Q1–2 2014	30.6. 2014
Shares in circulation	177.4	–5.3	–	172.1
Own shares held	1.9	5.3	6.4	0.8
Total	179.3	–	6.4	172.9

Weighted average number of shares in circulation (millions)



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Backup: Shareholder information
Financial calendar



2014

- 6 November Interim report as at 30 September 2014
 27 November Analysts' briefing, London

2015

- 5 February Preliminary key figures 2014 and renewals
 11 March Balance sheet press conference for 2014 financial statements
 12 March Analysts' conference with videocast
 23 April Annual General Meeting, ICM – International Congress Centre Munich
 7 May Interim report as at 31 March 2015
 30 June Investor Day, London
 6 August Interim report as at 30 June 2015
 5 November Interim report as at 30 September 2015

Backup: Shareholder information

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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.