

On track to achieve
annual net result of at least €3bn
Quarterly financial statements as at 30 September 2015

Munich, 5 November 2015

Munich RE 

Agenda



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Munich Re (Group) – Financial highlights 9M 2015

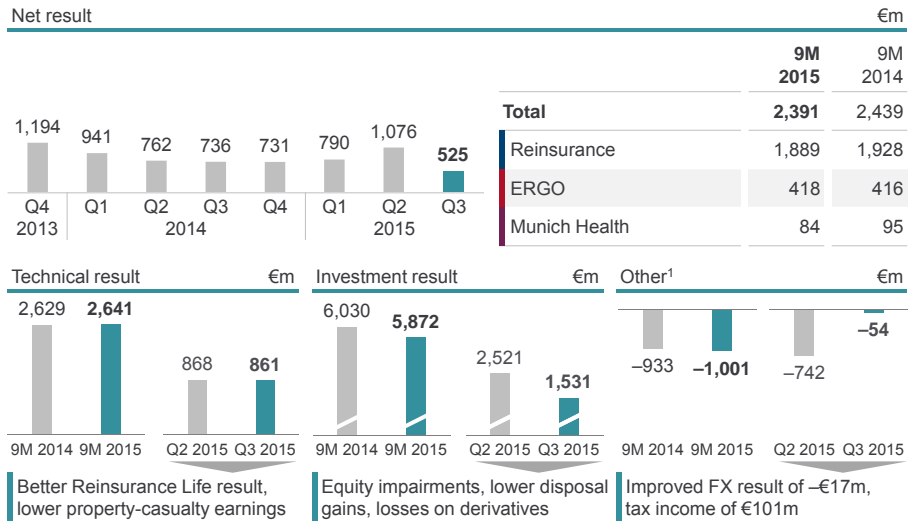
On track to achieve annual net result of at least €3bn



Munich Re (Group) – Q3 2015 (9M 2015)

<p>NET RESULT €25m (€2,391m)</p> <p>Solid performance of core insurance business in most segments and tax gains offset by lower investment return</p>	<p>INVESTMENT RESULT RoI of 2.6% (3.3%)</p> <p>Losses on derivatives used for economic steering in reinsurance, equity impairments and lower disposal gains</p>	<p>SHAREHOLDERS' EQUITY €30.0bn (-2.1% vs. 30.6.)</p> <p>Sound capitalisation according to all metrics – only slight reduction in economic solvency ratio</p>
<p>Reinsurance</p> <p>NET RESULT €379m (€1,889m)</p> <p>330 49</p> <p>P-C Combined ratio 94.5% Major-loss ratio 9.2%</p>	<p>ERGO</p> <p>NET RESULT €100m (€418m)</p> <p>46 28 26</p> <p>P-C GERMANY Combined ratio 96.1%</p> <p>L/H GERMANY Pleasing result</p>	<p>Munich Health</p> <p>NET RESULT €46m (€84m)</p> <p>46</p> <p>REINSURANCE Combined ratio 101.3%</p> <p>PRIMARY INSURANCE Combined ratio 83.8% due to seasonal effect</p>
<p>LIFE Technical result of €114m in line with expectation</p>	<p>INTERNATIONAL Combined ratio 104.1%</p>	

Net result



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

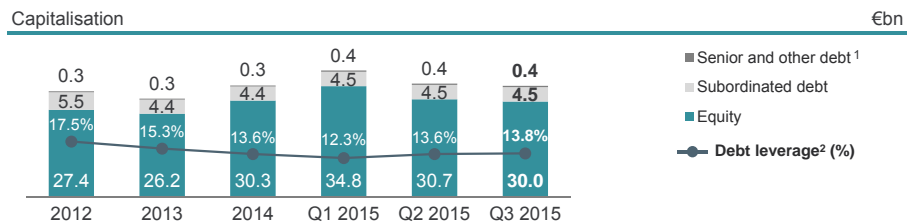
IFRS capital position



Equity	€m	Change Q3
Equity 31.12.2014	30,289	
Consolidated result	2,391	525
Changes		
Dividend	-1,293	-
Unrealised gains/losses	-1,883	-682
Exchange rates	1,027	-332
Share buy-backs	-689	-288
Other	203	123
Equity 30.9.2015	30,045	-654

UNREALISED GAINS/LOSSES
Fixed-interest securities
9M: -€1,228m
Q3: +€19m
Non-fixed-interest securities
9M: -€595m
Q3: -€634m

EXCHANGE RATES
FX contribution mainly driven by US\$



¹ Other debt includes bank borrowings of Munich Re and other strategic debt.

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

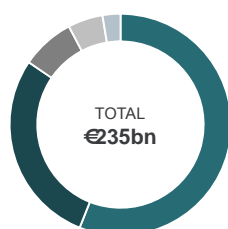
Investment portfolio

Investment portfolio¹

Land and buildings
2.6 (2.4)

Shares, equity funds and
participating interests²
5.1 (5.2)

Miscellaneous³
7.8 (7.7)



Loans
28.5 (29.2)

Fixed-interest
securities
56.0 (55.5)

Portfolio management in Q3

- Market values almost unchanged
- Reduction of US and German inflation-linked bonds
- Purchase of government bonds in Portugal, Italy and emerging markets
- Increase of corporate bonds
- Reduction of equity hedging position
- Shortening of duration in reinsurance

¹ Fair values as at 30.9.2015 (31.12.2014). ² Net of hedges: 4.2% (4.3%). ³ Deposits retained on assumed reinsurance, deposits with banks, investment funds (excl. equities), derivatives and investments in renewable energies and gold.

Investment result

Investment result	€m							
	9M 2015	Return ¹	9M 2014	Return ¹	Q3 2015	Return ¹	Q2 2015	Return ¹
Regular income	5,588	3.1%	5,377	3.3%	1,725	2.9%	2,062	3.4%
Write-ups/write-downs	-653	-0.4%	-103	-0.1%	-413	-0.7%	-89	-0.2%
Disposal gains/losses	2,321	1.3%	1,683	1.0%	514	0.9%	810	1.3%
Derivatives ²	-999	-0.5%	-563	-0.3%	-160	-0.3%	-133	-0.2%
Other income/expenses	-385	-0.2%	-364	-0.2%	-135	-0.2%	-129	-0.2%
Investment result	5,872	3.3%	6,030	3.7%	1,531	2.6%	2,521	4.1%
Total return		0.7%		10.5%		2.9%		-17.0%

3-month reinvestment yield	Write-ups/write-downs	9M 2015	Q3 2015	Disposal gains/losses	9M 2015	Q3 2015	Derivatives	9M 2015	Q3 2015
Q3 2015	1.9%	-121	-27	Fixed income	1,300	274	Fixed income ³	-222	97
Q2 2015	2.1%	-418	-343	Equities	790	20	Equities	-382	148
Q1 2015	2.0%	-58	-21	Real estate			Commodities	-228	-210
		-56	-22	Other	231	220	Inflation	-148	-175

¹ Annualised return on quarterly weighted investments (market values) in %. ² Result from derivatives without regular income and other income/expenses. ³ Thereof interest-rate hedging ERGO 9M: -€81m/-€12m (gross/net).

Agenda



Munich Re (Group)

ERGO

Munich Health

Reinsurance

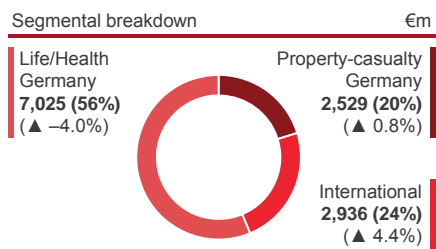
Outlook

ERGO – Premium development

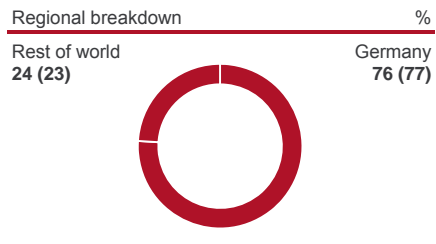
Decreasing premiums in Germany, share of international business rises

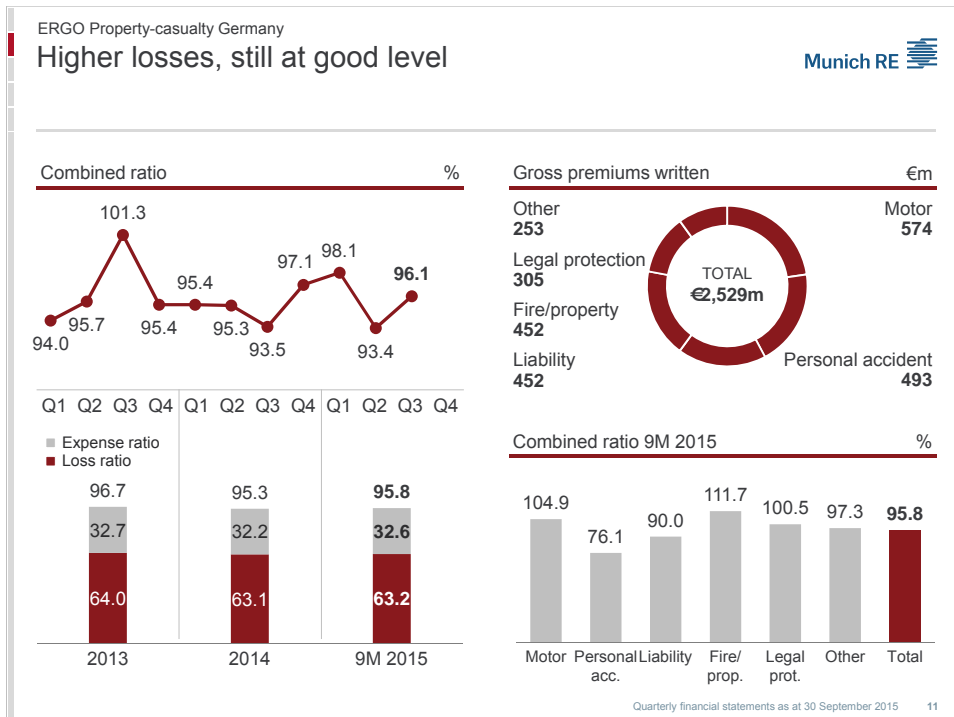
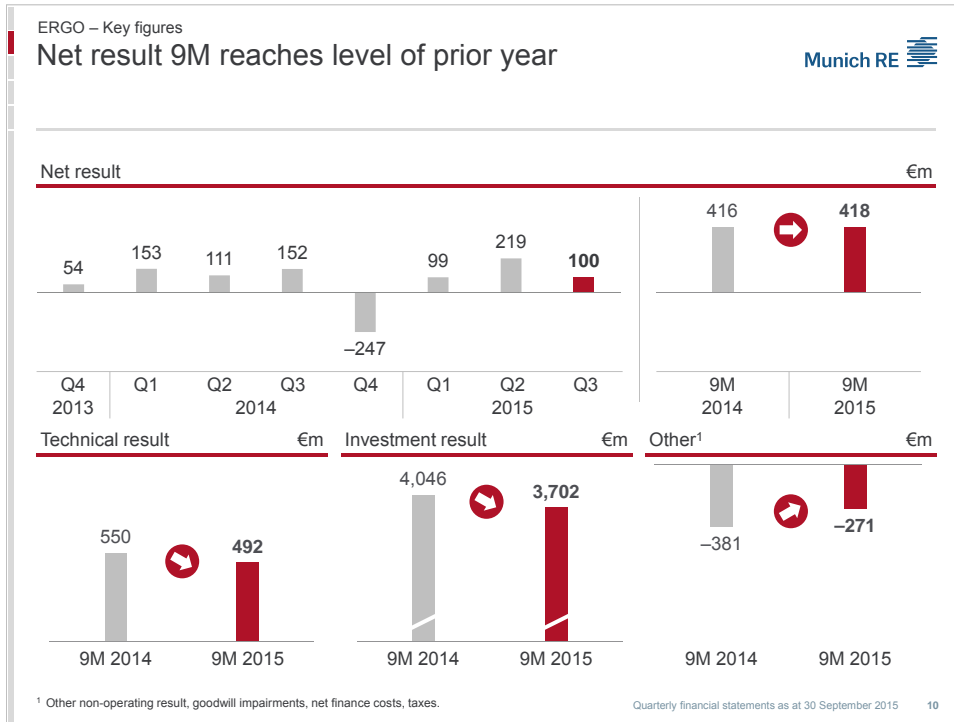


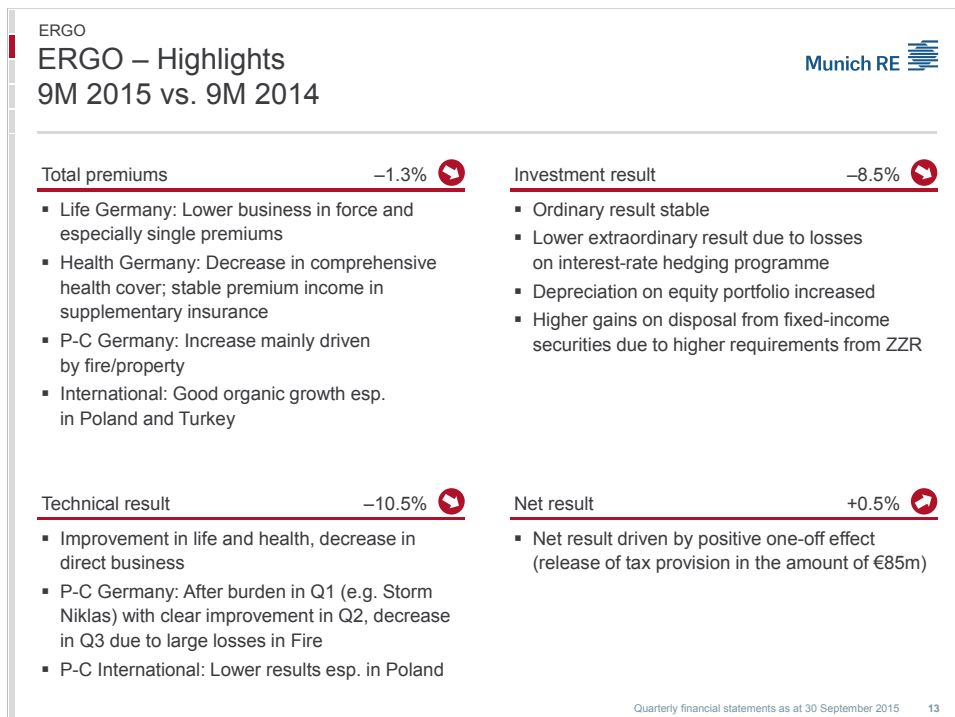
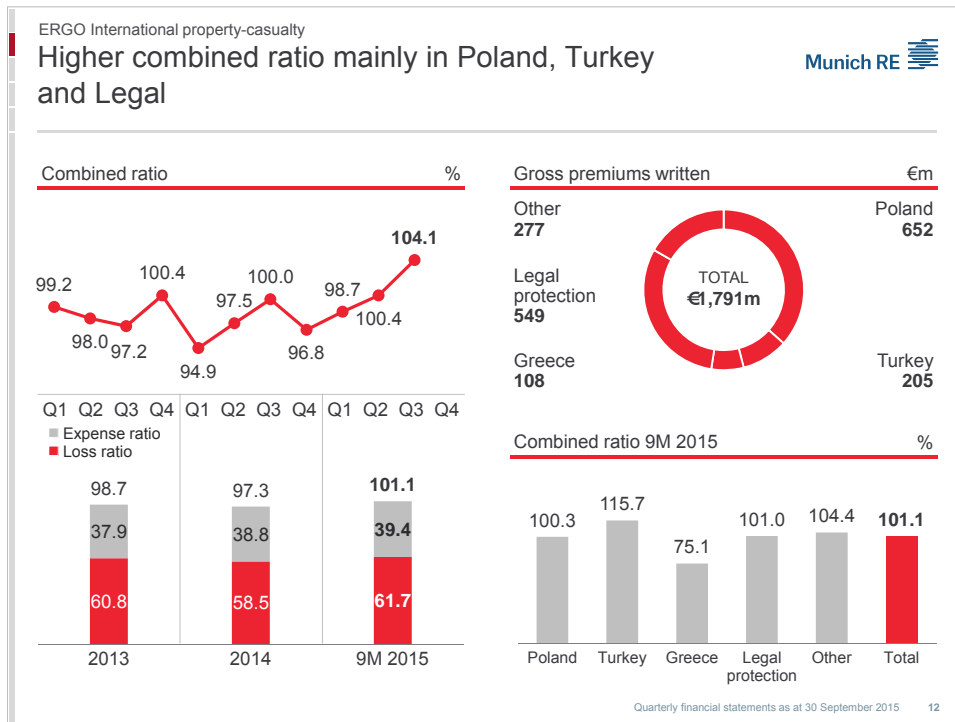
Gross premiums written	€m
9M 2014	12,635
Foreign-exchange effects	-7
Divestments/investments	20
Organic change	-158
9M 2015	12,490



Gross premiums written	€m
9M 2014	12,635
Life/Health Germany	-289
Property-casualty Germany	19
International	125
9M 2015	12,490







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Munich Re (Group)

ERGO

Munich Health

Reinsurance

Outlook

Munich Health – Premium development

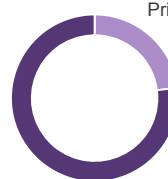
Munich Health – Premium development



Gross premiums written	€m
9M 2014	4,043
Foreign-exchange effects	263
Divestments/investments ¹	-26
Organic change	-20
9M 2015	4,260

Segmental breakdown

Segment	€m	%	% Change
Reinsurance	3,280	77%	(▲ 6.7%)
Primary insurance	980	23%	(▲ 1.0%)



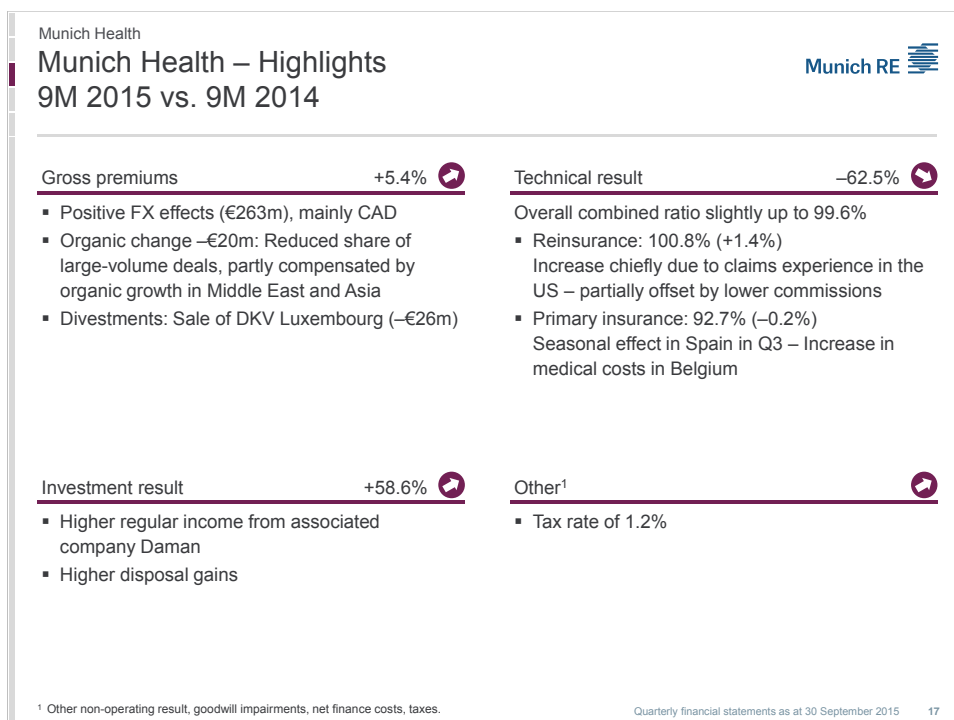
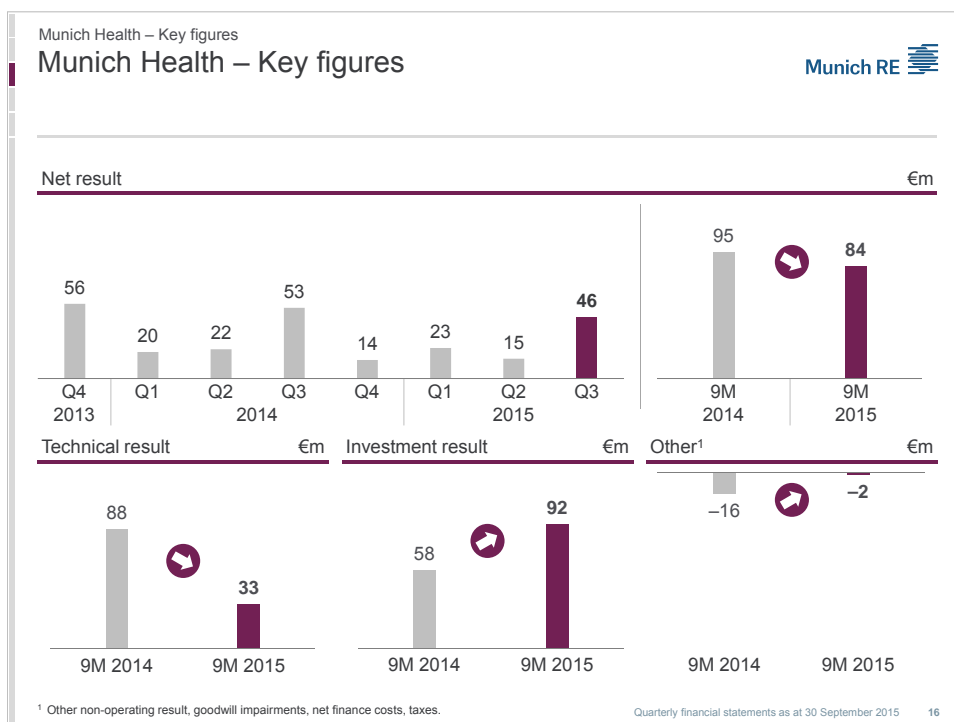
Gross premiums written	€m
9M 2014	4,043
Reinsurance	207
Primary insurance	10
9M 2015	4,260

Regional breakdown

Region	%
North America	54
Europe	31
Middle East/Africa	10
Asia and Australasia	5



¹ DKV Luxembourg.



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Munich Re (Group)

ERGO

Munich Health

Reinsurance

Outlook

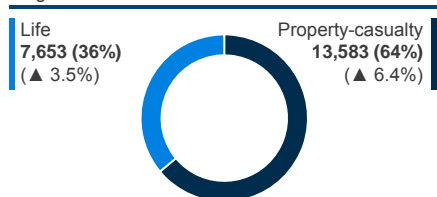
Reinsurance – Premium development

Reinsurance – Premium development



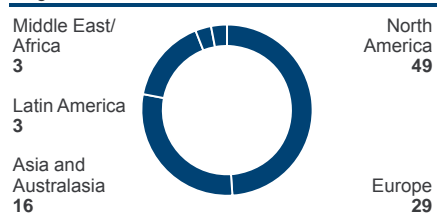
Gross premiums written	€m
9M 2014	20,155
Foreign-exchange effects	2,231
Divestments/investments	39
Organic change	-1,189
9M 2015	21,236

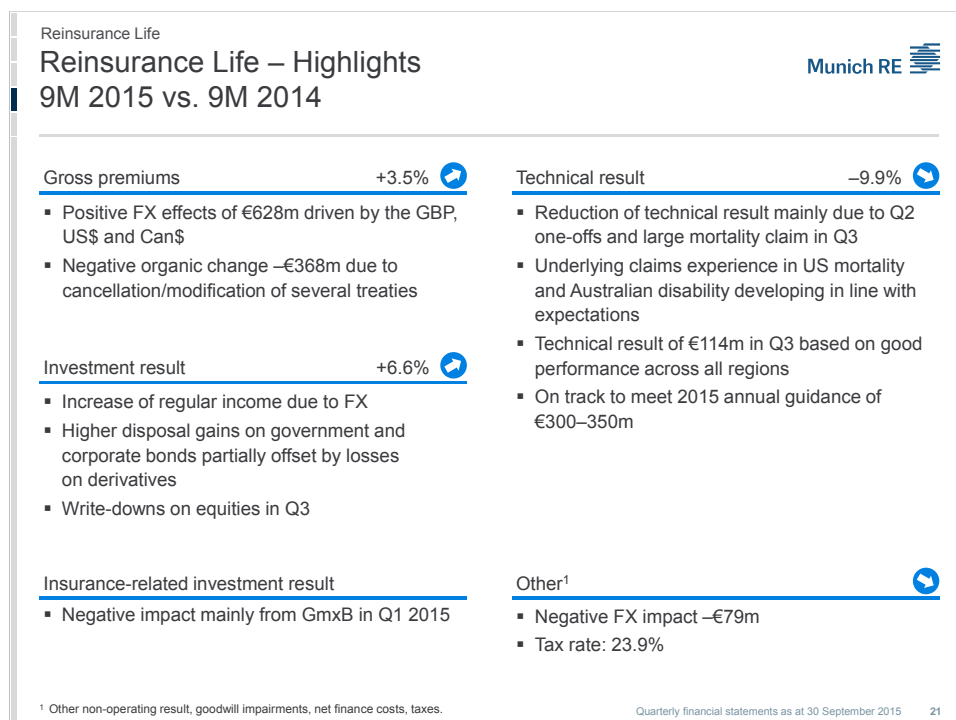
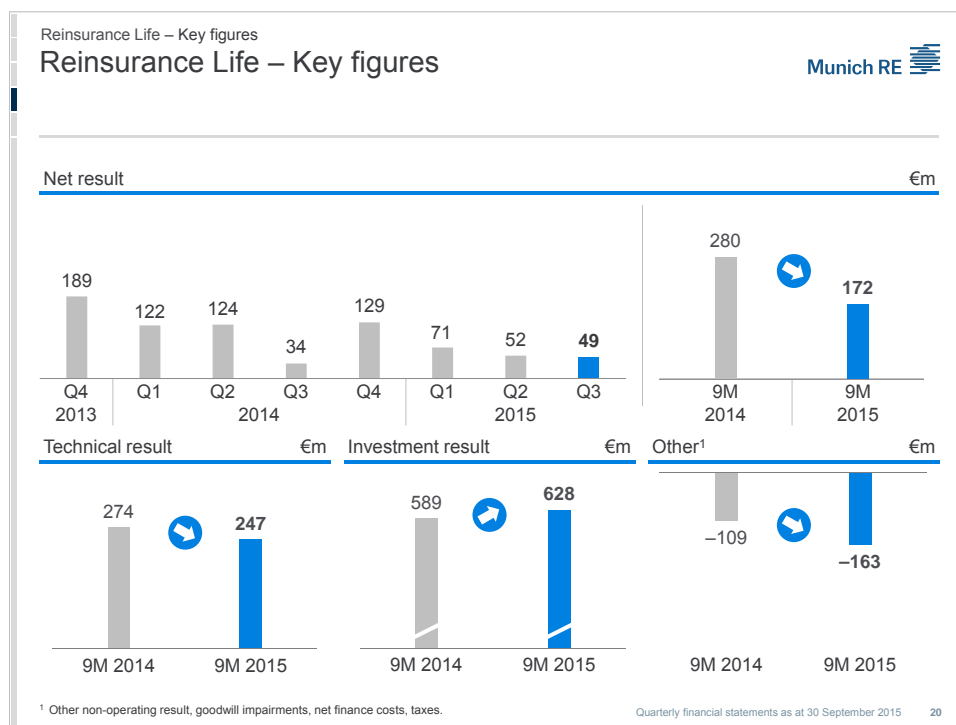
Segmental breakdown

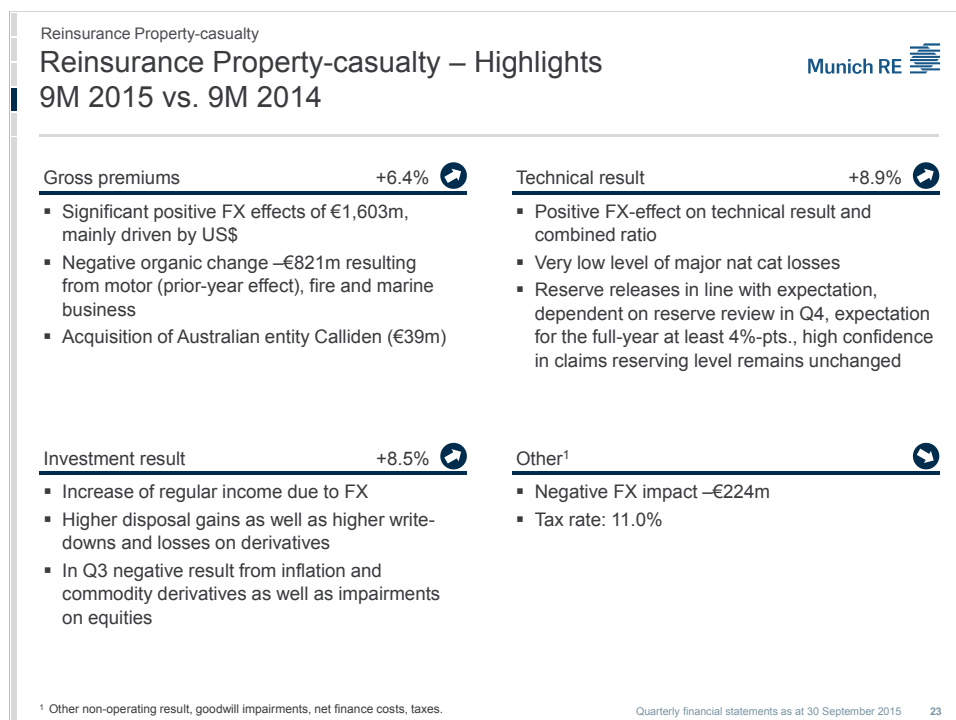
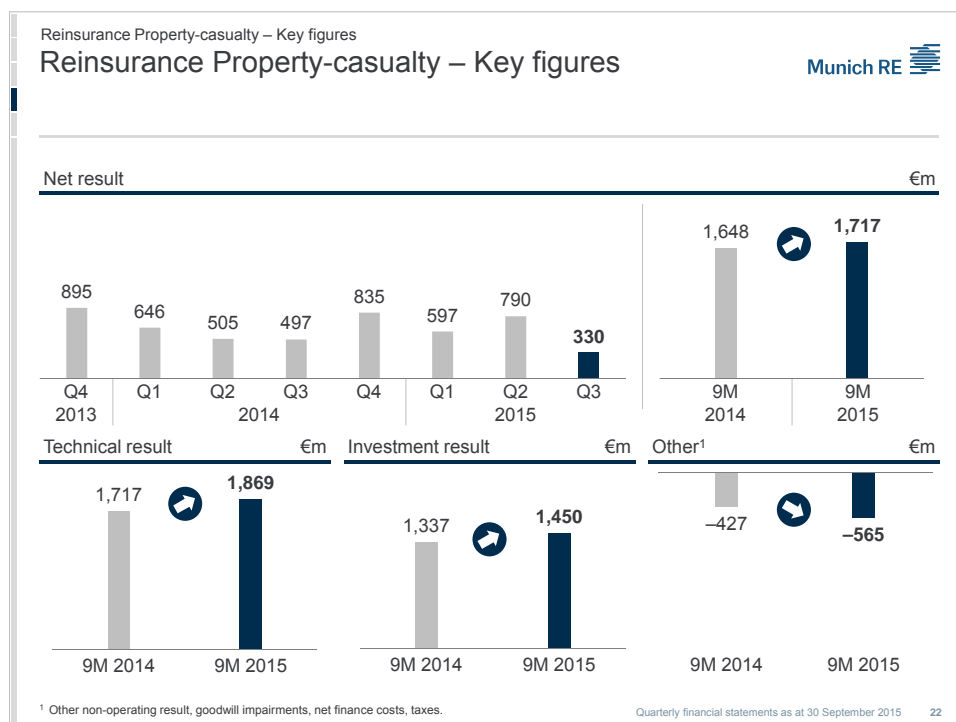


Gross premiums written	€m
9M 2014	20,155
Life	260
Property-casualty	821
9M 2015	21,236

Regional breakdown



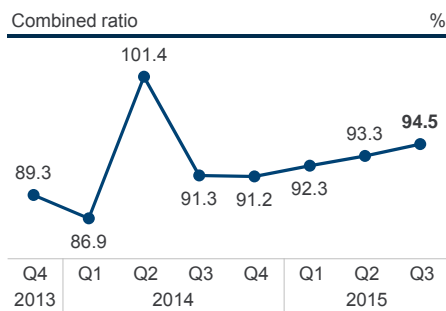




Combined ratio



Combined ratio	%			Normalised
	Basic losses	Major losses	Expense ratio	
2013	92.1	51.3	10.4	30.4
2014	92.7	53.0	7.2	32.5
9M 2015	93.4	55.5	6.7	31.2
Q3 2015	94.5	54.1	9.2	31.2



Major losses	%		
	Total	Nat cat	Man-made
9M 2015	6.7	1.2	5.5
Q3 2015	9.2	1.5	7.7
Ø Annual expectation	~12.0	~8.5	~3.5

Reserve releases ¹	€m	%-points
9M 2015	~500	~4.0
Q3 2015	~200	~4.8

¹ Basic losses: Mainly fire, marine and motor; no corresponding sliding-scale effects.

Agenda



Munich Re (Group)

ERGO

Munich Health

Reinsurance

Outlook

Outlook 2015



Munich Re (Group)

GROSS PREMIUMS WRITTEN¹

~€50bn
(prev. €49–51bn)

Focus on bottom-line growth prevails

RETURN ON INVESTMENT

~3%
(prev. ~3.3%)

Solid return given ongoing low interest-rate environment – reduced outlook after low Q3 result

NET RESULT

at least €3bn

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

Reinsurance

COMBINED RATIO

~95%
(prev. ~96%)

NET RESULT

at least €2.5bn

ERGO

COMBINED RATIO

Germany: **~96%** (prev. ~95%)
International: **~101%** (prev. ~99%)

NET RESULT

~€500m

Munich Health

COMBINED RATIO

~100%
(prev. ~99%)

NET RESULT

€50–100m

¹ By segment: Reinsurance ~€28bn, ERGO €16.5bn, Munich Health slightly above €5.5bn.

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 make them conform with future events or developments.

ERGO re-segmentation: 2011–2014 consolidated, after elimination of all intra-Group business, 2013–2014 re-segmentation, earnings include share of holding costs.