PRELIMINARY KEY FIGURES 2011 AND RENEWALS

Media telephone conference

2 February 2012

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Agenda

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Overview – Financial highlights 2011

Resilient result given sovereign debt crisis and high natural catastrophe losses

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Munich Re (Group)

Net profit €0.63bn in Q4 (FY: €0.71bn)	**Shareholders' equity** €23.3bn (+4.9% in Q4)	**Investment result** RoI of ~3.4%[1]
Impact from large nat cat losses and volatile capital markets mitigated by sound underlying performance – positive tax contribution	Strong capital position allows us to maintain an attractive dividend of €6.25 per share (subject to approval of Supervisory Board and AGM)	Stable regular income given low yield environment – disposal gains compensating for impairments (Greek government bonds)

Reinsurance	Primary insurance	Munich Health
Combined ratio 101.8% in Q4 (FY: 113.6%)	**Consolidated ERGO result** €0.09bn in Q4 (FY: €0.35bn)	**Combined ratio** 100.4% in Q4 (FY: 99.4%)
P–C: Nat cat loss ratio 22.7% in Q4 (FY: 28.8%) Costliest year ever in terms of natural catastrophe losses	Impacted by several non-recurring items Achieving a consolidated result at prior year's level	Substantial premium growth to €6.1bn in 2011 Net result distorted by adverse currency effects

[1] Q1–4 2011. Adjusted for impact on insurance risk transfer to the capital markets: RoI ~3.3%.

Preliminary key figures 2011

Additional information on IFRS result and first indication of economic figures

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Reinsurance

- Major losses in 2011[1]: €5.1bn (32.5%)
  Nat cat: €4.5bn (28.8%)
  Man-made: €0.6bn (3.7%)
- Reserve releases of ~€0.6bn in 2011 while further strengthening confidence level
- Significant major losses in Q4
  Flood Thailand (~€0.5bn)
  Increase for three earthquakes in New Zealand (~€0.4bn) to €1.5bn in 2011

Primary insurance

- Combined ratio 2011: 97.8% (2010: 96.8%)
  Germany: 93.1% (2010: 89.8%),
  International: 105.0% (2010: 107.8%)
- Sale of international primary health insurance subsidiaries to Munich Health
- New business in life
  €2.7bn (–6.1% vs. 2010), mainly driven by declining single premium business (–8.3%); growth of regular premium business (+4.3%)

Munich Re (Group) economic capital position

- In 2011 lower interest rates and higher implied interest-rate volatility affecting economic solvency position
  - Decrease of available financial resources
  - Increase of economic risk capital
- High nat cat losses with strong impact on available financial resources

[1] Including net run-off losses of 0.1%. Figures in brackets: loss ratio in relation to net earned premiums.

Preliminary key figures 2011

Key financial figures – Clearly positive annual result achieved

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€bn	Q1–4 2011	Q1–4 2010	Q4 2011	Q4 2010
Gross premiums written	**49.6**	45.5	**12.4**	11.5
Reinsurance[1]	**26.5**	23.6	**6.5**	6.0
Primary insurance[1]	**17.6**	17.5	**4.4**	4.3
Munich Health[1]	**6.1**	5.1	**1.6**	1.3
Investment result	**6.8**	8.6	**1.9**	1.4
Operating result	**1.2**	4.0	**0.8**	0.6
Taxes on income	**–0.55**	0.69	**–0.14**	–0.17
Consolidated result	**0.71**	2.43	**0.63**	0.48
Reinsurance[1]	**0.77**	2.10	**0.67**	0.44
Primary insurance[1]	**0.76**	0.66	**0.34**	0.22
Munich Health[1]	**0.05**	0.06	**0.01**	0.01
Combined ratio reinsurance (%)	**113.6**	100.5	**101.8**	96.0
Combined ratio primary insurance (%)	**97.8**	96.8	**100.9**	100.4
Combined ratio Munich Health (%)	**99.4**	99.7	**100.4**	100.0
Dividend per share (€)	**6.25**[2]	6.25		
€bn	**31.12.2011**	**30.9.2011**	**30.6.2011**	**31.12.2010**
Shareholders' equity	**23.3**	22.2	20.3	23.0
Total investments	**201.7**	199.7	193.7	193.1

[1] Segmental figures, before elimination of intra-Group transactions across segments.
[2] Subject to approval of Supervisory Board and AGM.

Munich Re (Group) – Investments – Total portfolio

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

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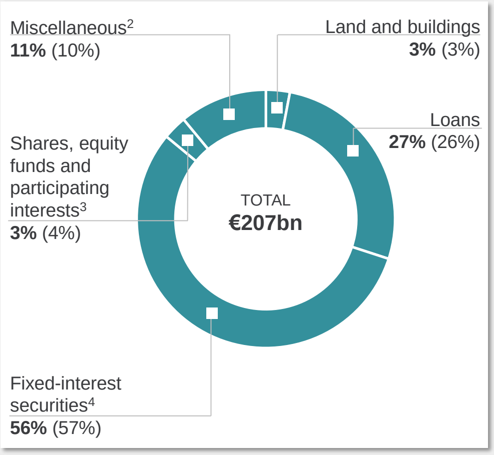
Investment portfolio[1]



Investment result

€bn	Q1–4 2011	Q1–4 2010
Regular income	**8.0**	7.7
Write-ups/write-downs	**–1.6**	–0.4
Disposal gains/losses	**1.3**	1.6
Other income/expenses	**–0.9**	–0.3
Investment result	**6.8**	8.6

- Write-downs mainly driven by Greek government bonds (€1.2bn)
- Gains from German and US government bonds compensating losses from disposal of weaker sovereigns

[1] Fair values as at 31.12.2011 (31.12.2010). [2] Deposits retained on assumed reinsurance, investments for unit-linked life, deposits with banks, investment funds (bond, property), held for trading derivatives with non-fixed-interest underlying and tangible assets in renewable energies. [3] Net of hedges: 2.0% (4.4%).
[4] Categories "available for sale", "held to maturity" and "at fair value".

Munich Re (Group) – Investments – Fixed-income portfolio

Emphasis on highly rated securities – Further reduction of weaker sovereign bonds

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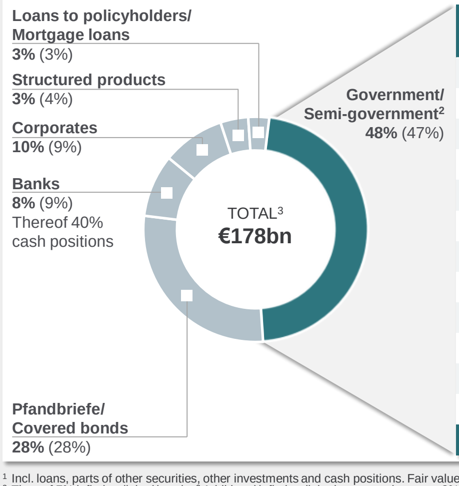
Fixed-income portfolio[1]



Government bonds per country[2]

%	Without P/H[4] participation	With P/H[4] participation	**Total 31.12.2011**	Total 31.12.2010
Germany	9.4	25.6	**35.0**	30.7
USA	16.9	0.0	**16.9**	15.8
Canada	7.1	0.2	**7.3**	7.1
UK	5.6	0.3	**5.9**	6.3
France	2.7	2.2	**4.9**	5.4
Austria	0.6	2.6	**3.2**	3.4
Italy	0.6	1.9	**2.5**	7.4
Spain	0.3	1.6	**1.9**	2.7
Ireland	0.2	1.4	**1.6**	2.4
Greece	0.0	0.4	**0.4**	1.4
Portugal	0.0	0.4	**0.4**	0.8
Other	13.1	6.9	**20.0**	16.6
Total	**56.5**	**43.5**	**100.0**	100.0

[1] Incl. loans, parts of other securities, other investments and cash positions. Fair values as at 31.12.2011 (31.12.2010).
[2] Thereof 7% inflation-linked bonds. [3] Additional inflation-linked exposure in swaps 2% and bank and corporate exposure in credit default swaps 2% of fixed-income portfolio. [4] P/H = policyholder. Economic view – not fully comparable with IFRS figures.

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Preliminary key figures 2011

Renewals in property-casualty reinsurance

Summary

Renewals in property-casualty reinsurance – Overview

Business up for renewal in January ~75% of treaty premiums – Geographic focus on Europe

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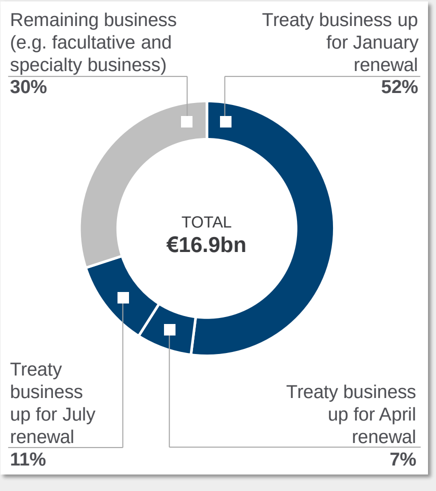
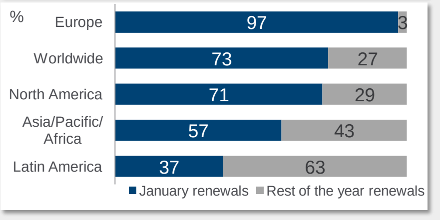
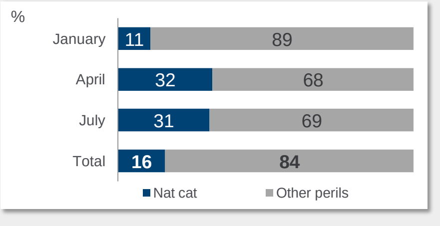
Total property–casualty book[1]



Regional allocation of renewable portfolio



Nat cat shares of renewable portfolio[2]



1 Economic view – not fully comparable with IFRS figures.
2 Refers to property only.

Renewals in property-casualty reinsurance – Market environment

First evidence of improved prospects – Differentiated picture per segment and market

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Market environment

- Largely stable capital base despite high nat cat losses
- Capital base still artificially inflated as a consequence of persisting low interest-rate environment – with negligible influence on price development so far
- Significant increases in individual segments and/or markets with recent major loss experience …
- … while softening of prices in other segments seems to have come to a halt in primary insurance and reinsurance

Competitors Supply

- Overall abundant capacity provided …
- … however, for high excess covers and late placements some capacity constraints
- Ongoing competitive environment, but generally, disciplined behaviour of reinsurers

Clients Demand

- Current economic environment limits clients' growth opportunities
- Tight reinsurance budgets cause clients to retain more business to offset price increases
- Introduction of RMS11 has hardly changed demand, despite higher modelled exposure

Renewals in property-casualty reinsurance – Munich Re portfolio

Portfolio quality improved in competitive environment

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Munich Re portfolio – Premium change in major business lines

	Property		**Casualty**		**Specialty lines**		
Business line	Proportional	XL	Proportional	XL	Marine	Credit	Aviation
Premium split[1]	32%	11%	31%	6%	11%	5%	3%
Price change	1.6%	9.6%	0.0%	4.7%	0.8%	–3.9%	–0.7%
Volume change	–1.5%	2.0%	14.3%	–12.8%	–4.3%	–2.2%	–7.6%

PRICE

- Nat cat business with regionally different price changes – USA (+10%) and Australia (+35% up to 150%) while Europe remains flat, as RMS11 has not yet been applied in the market
- Strong contribution by casualty XL due to active portfolio management decisions

VOLUME

- Deliberate top-line reduction in the case of inadequate price levels or in unattractive segments, especially storm Europe, motor XL casualty and marine
- Extension of profitable client relationships (e.g. motor prop. casualty) and selective new business

[1] Relative premium share in relation to total renewable business in January.

Renewals in property-casualty reinsurance

Strict cycle management allowing for price increase

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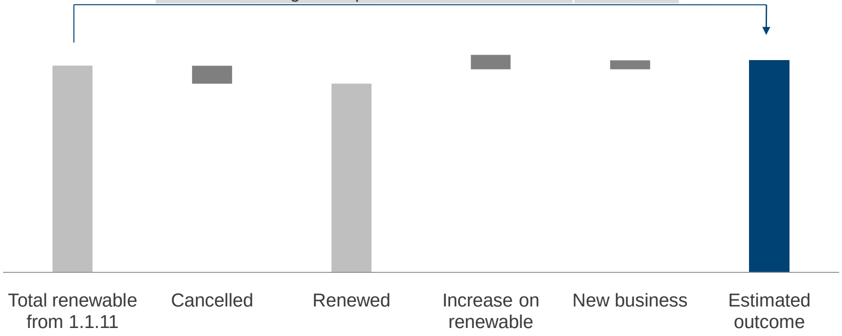
	Total renewable from 1.1.11	Cancelled	Renewed	Increase on renewable	New business	Estimated outcome
%	100	–8.7	91.3	7.0	4.4	**102.6**
€m	8,546	–741	7,804	594	373	**8,771**

Change in premium:	**+2.6%**
▪ Thereof price movement:	~+2.0%
▪ Thereof change in exposure for our share:	~+0.6%



Renewals in property-casualty reinsurance

Concrete initiatives – Successful active portfolio management

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Decrease	Examples		
Strict termination of unprofitable business and reduction of portfolios	European property	~€160m	Mainly Germany, France, UK and Spain
	Marine	~€90m	Traditional business
	European casualty (without strategic partnerships)	~€60m	Mainly Germany, UK third-party liability and Netherlands
	Motor XL	~€30m	United Kingdom
Selective growth	**Examples**		
Strategic growth	Strategic business expansion	~€350m	Strong price increases in recovering markets (e.g. proportional UK motor)
Growth with tailor-made structured solutions	Quota share deals	~€90m	Mainly in Asia and agro business

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Preliminary key figures 2011

Renewals in property-casualty reinsurance

Summary

Summary

Munich Re – Crisis-proven and geared to sustainable value creation

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Key takeaways

Resilient earnings in a challenging environment with high claims activity as well as low capital market yields and sovereign debt crisis

Pleasing development in the January renewals based on strict bottom-line orientation in tandem with profitable strategic and opportunistic growth
– improving pricing prospects for coming renewals during 2012

Solid capitalisation and resilient operating performance of diversified business model enable Munich Re to maintain an attractive dividend level of €6.25 per share[1]

Outlook 2012[2]: Net result expected to be at the level achieved prior the year 2011 – Significantly improving technical result

[1] Subject to approval of Supervisory Board and AGM.
[2] Assuming normal claims activity and stable capital markets.

Disclaimer

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