



QUARTERLY FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2011

Telephone conference with analysts and investors

8 November 2011

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Overview – Financial highlights

Sound underlying performance in core business in a year of extremes

Munich Re (Group)

Net profit of €290m in Q3

... including substantial countervailing non-recurring effects

Net profit of €80m after nine months

Strong capital position

... allowing market to be taken opportunities – Increase of Group equity to €22.2bn – High dividend capacity (supported by US dividend)

Resilient investment result given market turmoil

High level of portfolio diversification proves beneficial

Annualised RoI of 3.3%¹

Reinsurance**Combined ratio of 89.0% in Q3**

Following large nat cat losses in H1 combined ratio of 117.9% in Q1–3 2011

Life reinsurance sustains good underlying development

Primary insurance**Different lines of business showing diverging trends**

... partially impacted by non-recurring items

Consolidated ERGO result of €260m – in FY 2011 aiming for result on prior year's level

Munich Health**Combined ratio of 97.6% in Q3**

Stable operating result
Net result distorted by negative currency effects

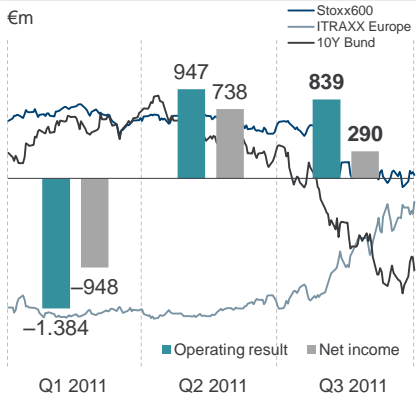
¹ Adjusted for impact on insurance risk transfer to the capital markets: RoI 3.1%.

Overview – Financial highlights

Q3 result with substantial countervailing non-recurring effects

Munich RE 

Development of operating and net result



Highlights in Q3

Euro crisis – Low yields

- Currency effects of –€342m due to weaker euro (Q2: €130m)
- Impairment on Greek government bonds of €230m/€45m gross¹/net (Q2: €703m/€125m)
- Impairments on equities (€357m)
- Significant positive impact of swaptions on ERGO result: €356m/€84m gross¹/net

Reserving reinsurance

- Life: Reserve strengthening for Australian disability business of €148m
- Non-life: Positive development of actual vs. expected allowing for €200m reserve release

Relative resilience of operating earnings in a challenging year

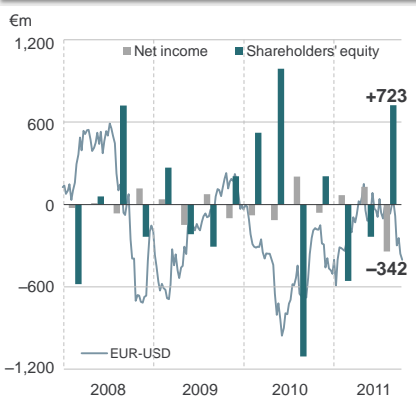
¹ Before tax and policyholder participation.

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Overview – Capitalisation

FX impact causing accounting volatility

Munich RE FX impact on equity and net income¹

Accepting accounting volatility

- While economic steering principles aim to limit currency risk, i.e. extensive matching of assets and liabilities, ...
- ... IFRS accounting results in structural deficit of FX assets as long-term claims provisions are largely undiscounted
→ Increase of respective foreign currency leading to P&L losses and vice versa
- Main driver of €342m loss in Q3 2011: Significant US\$ increase vs. euro while being underweight US\$ assets compared to US\$ liabilities valued in IFRS terms
- On a year-to-date basis the quarterly loss is largely offset by the euro appreciation in the first half of this year













While running a largely neutral economic currency position, in IFRS a weaker euro tends to positively impact shareholders' equity and to burden the P&L

¹ Quarterly figures from Q1 2008 until Q3 2011.

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After nine months Munich Re returns to positive result

GROUP Gross premiums written	GROUP Operating result	GROUP Net result
€m	€m	€m
Q1–3 2010 34,060 	Q1–3 2010 3,367 	Q1–3 2010 1,955 
Q1–3 2011 37,166 	Q1–3 2011 402 	Q1–3 2011 80 
Continued strong organic growth, mainly in reinsurance	Severe large claims and capital market turmoil leaving their mark	Weaker euro putting additional pressure on net result
REINSURANCE Net result	PRIMARY INSURANCE Net result	MUNICH HEALTH Net result
€m	€m	€m
Q1–3 2010 1,659 	Q1–3 2010 432 	Q1–3 2010 57 
Q1–3 2011 108 	Q1–3 2011 418 	Q1–3 2011 31 
High cat losses, lower investment result and negative FX impact	Impairments on Greek bonds compensated for positive one-offs	Stable operating result burdened by negative FX impact

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Financial reporting Q1–3 2011

Munich Re (Group)

Primary insurance

Munich Health

Reinsurance

Outlook






Backup

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Munich Re (Group) – Capitalisation

Capital position remains solid – Increase of IFRS equity in Q3

Munich RE 

€m	Q1–3	Change Q3	
Equity 31.12.2010	23,028		
Consolidated result	80		290
Changes			
Dividend	–1,110		–
Unrealised gains/losses	586		924
Exchange rates	–69		723
Share buy-backs	–323		–
Other	23		–30
Equity 30.9.2011	22,215		1,907

CHANGE IN UNREALISED GAINS/LOSSES¹

+€1,459m from afs fixed-interest securities (falling short-term interest rates)

–€861m from afs non-fixed-interest securities

CHANGE IN EXCHANGE RATES¹

Adverse FX development (mainly US\$), largely reversed in Q3

¹ Equity impact in Q1–3.

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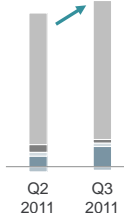
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Munich Re (Group) – Efficient capital management

Solid capital position maintained despite highly volatile capital market environment

Munich RE IFRS equity¹

- Other
- Equities
- Corporates/banks
- High quality bonds
- "PIIGS"



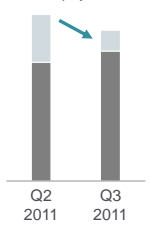
Main drivers

- Increase in unrealised capital gains supported by overweight in high-quality bonds
- Strong foreign currencies leading to further increase
- Higher credit spreads and sharp decline of equity markets with relatively low impact

Increase in IFRS equity by almost 10% from €20.3bn to €22.2bn

Economic capital position

- Hybrid capital and economic adjustments
- IFRS equity



Available financial resources ↓

- Increase in IFRS equity overlaid by decrease of economic adjustments
- Lower MCEV uplift in primary life
 - Economic increase in liabilities, effect on AFR mitigated by duration management

Economic Risk Capital ↑

Increase mainly driven by lower interest rates and higher interest-rate volatility affecting market, credit and life/health risk

Economic solvency ratio still well above 100% based on confidence level of 175%·VaR 99.5%

Management of low yield environment by relentless economic steering

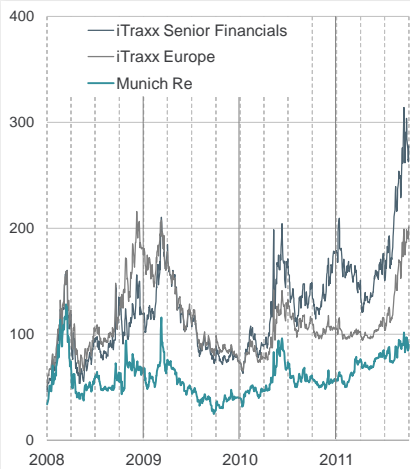
¹ Rough calculation with limited reliability after rough estimation of policyholder participation and deferred tax; Other especially including issued capital and capital reserve, revenue reserve currency translation differences.

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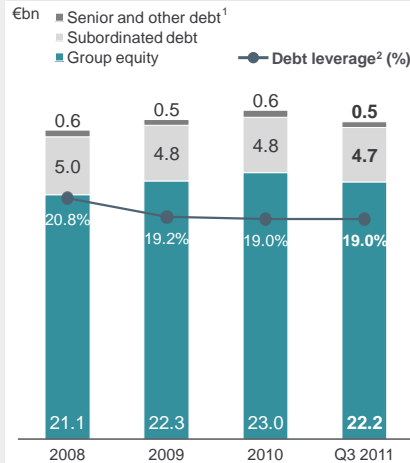
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Financial security and stability

CDS spread



Capital quality



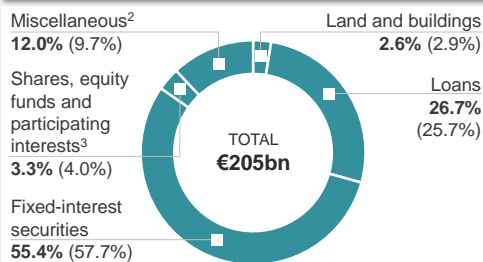
¹ Other debt includes bank borrowings of Munich Re and other strategic debt.

² Strategic debt (senior, subordinated and other debt) divided by total capital (= sum of strategic debt + shareholders' equity).

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

Investment portfolio¹

Portfolio management in Q3

- Further shift from weaker to high-quality sovereigns, esp. Germany and western Europe – stronger focus on emerging market debt
- Active reduction of Italian bonds by €1.4bn
- Further cautious increase in corporate bonds
- Reduction of net exposure in equities: 2.0% after hedges

Portfolio duration⁴

	Assets	Liabilities	Net DV01 (€m)
Reinsurance	5.4	6.6	-5.2
Primary insurance	7.3	9.6	29.5
Munich Re (Group)	6.5	8.7	24.3

- Sharp yield decrease leading to a passive increase in Group liability duration of ~1.5 years vs. Q2 ...
- ... mainly driven by convexity in primary life business – no significant deliberate duration change

¹ Fair values as at 30.9.2011 (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 As at 30.9.2011. Net DV01: Sensitivity to parallel upward shift of yield curve by one basis point reflecting portfolio size.

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Emphasis on highly rated securities

Fixed-income portfolio¹

Loans to policyholders/
Mortgage loans
3% (3%)

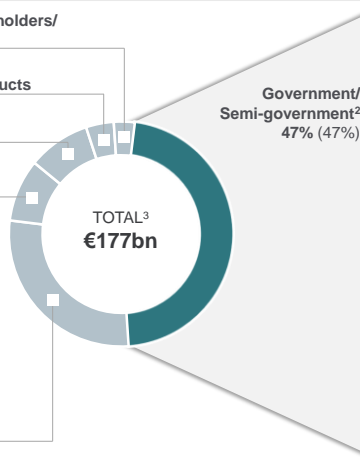
Structured products
4% (4%)

Corporates
9% (9%)

Banks
9% (9%)

Thereof 47%
cash positions

Pfandbriefe/
Covered bonds
28% (28%)

Government bonds per country²

%	Without P/H ⁴ participation	With P/H ⁴ participation	Total
Germany	7.6	25.5	32.8
USA	16.0	0.0	16.0
Canada	6.8	0.0	6.8
France	4.5	2.0	6.5
UK	5.1	0.3	5.4
Italy	2.9	1.4	4.3
Austria	0.9	2.4	3.3
Spain	0.8	1.5	2.3
Ireland	0.6	1.5	2.1
Greece	0.1	0.6	0.7
Portugal	0.0	0.5	0.5
Other	12.8	6.5	19.3
Total⁵	58.1	41.9	100%

¹ Incl. loans, parts of other securities, other investments and cash positions. Fair values as at 30.9.2011 (31.12.2010).

² Thereof 11% inflation-linked bonds. ³ Additional inflation-linked exposure in swaps 1% 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. ⁵ Differences between totals possible due to rounding.

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Stable regular income despite low yields – Write-down on Greek government bonds

Investment result

	€m	Q1–3 2011	Return ¹	€m	Q1–3 2010	Return ¹
Regular income	6,064		4.1%	5,844		4.0%
Write-ups/write-downs of investments	-1,640		-1.1%	290		0.2%
Gains/losses on the disposal of investments	1,196		0.8%	1,409		1.0%
Other income/expenses	-805		-0.5% ²	-262		-0.2%
Investment result	4,815		3.3%	7,281		5.0%

Regular income

Higher dividend income
Increase in deposits retained on assumed reinsurance as a consequence of large-volume deals
Current reinvestment yield ~3.4%

Write-ups/write-downs

Write-down on Greek government bonds (€933m) and on equities (€456m)
High impact of derivatives: Swaptions (€275m) and other fixed-interest derivatives benefit from lower interest rates, while credit and inflation swaps depreciate
Write-up from insurance risk transfer to the capital markets (€211m)

Gains/losses on disposal

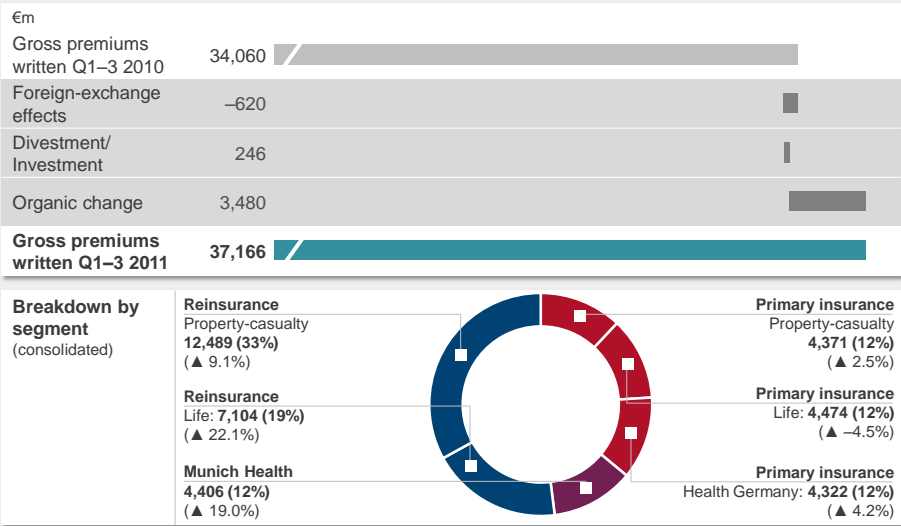
Disposal gain from sale of real estate in Singapore and reduction of equities
Gains on equity derivatives compensate for impairments on equities in Q3
Higher disposal gains on fixed-interest instruments in the previous year

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

² Negative impact from unit-linked business included.

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Munich Re (Group) – Premium development
Strong organic growth



Agenda



Overview – Financial highlights

Financial reporting Q1–3 2011

Munich Re (Group)

Primary insurance

Munich Health

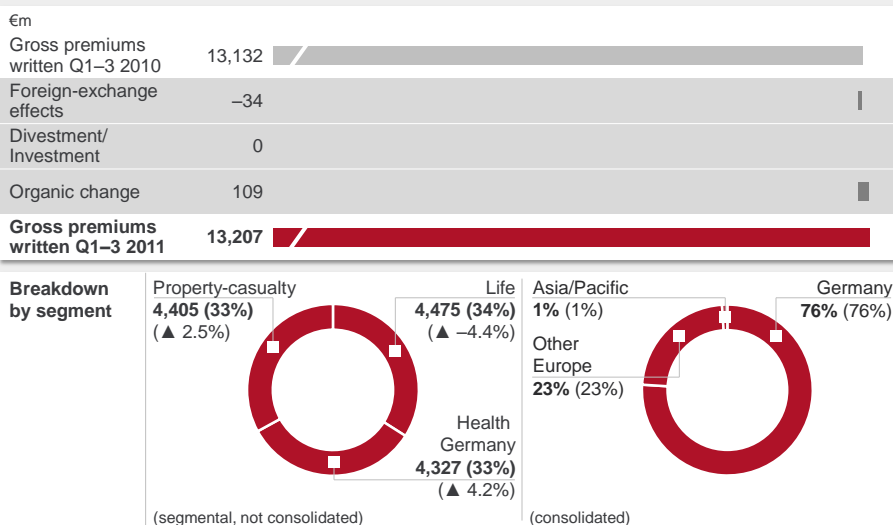
Reinsurance

Outlook

Backup

Primary insurance – Premium development

Overall stable premium income



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Primary insurance – Life – New business

Life: New business (statutory premiums)



Total				
€m	Total	Regular premiums	Single premiums	APE ¹
Q1–3 2010	2,247	327	1,920	519
Q1–3 2011	2,024	363	1,661	529
Δ	–9.9%	11.0%	–13.5%	1.9%

Germany				
€m	Total	Regular premiums	Single premiums	APE ¹
Q1–3 2010	1,505	216	1,289	345
Q1–3 2011	1,322	235	1,087	343
Δ	–12.2%	8.8%	–15.7%	–0.6%

International				
€m	Total	Regular premiums	Single premiums	APE ¹
Q1–3 2010	742	111	631	174
Q1–3 2011	702	128	574	186
Δ	–5.4%	15.3%	–9.0%	6.9%

Comments

Germany

- Growth of regular premiums
- Single-premium business down – for whole market
- Good growth in corporate pension business

International

- Strong growth in Belgium (APE 23.1%) and Poland (APE 20.3%)
- Austria (APE –30.6%): lower single premiums, mainly in unit-linked business

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

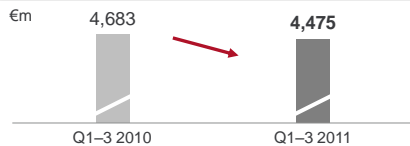
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Primary insurance – Key figures

Primary life

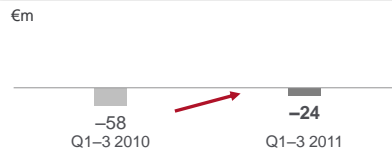


Gross premiums written



Decline of single premiums, especially annuity insurance

Technical result



Positive influence from change in policyholder participation quota

Investment result



Decline dominated by impairments on Greek government bonds

Consolidated result



Decline a result of lower investment income

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Primary insurance – Key figures

Managing the low yield environment in primary life



Life – Difficult market conditions

Burdening market factors

- "Lower for longer" yields
- Industry highly competitive and ...
- ... still not fully committed to economic steering

ERGO's management measures

- Hedging of back book
- Lengthening of asset duration
- Development of new product generation
- Further improving cost efficiency

ERGO – Current situation

- Traditional German life business with policyholder guarantees accounting for 95% of total life business
- Average coupon above 4% – Current reinvestment yield (~3.3%) still meeting the average guarantee level (~3.3%)
- Statutory buffers to compensate for adverse capital market developments
 - Free RfB¹ ~€1.0bn
 - Terminal bonus funds¹ ~€2.3bn
 - Unrealised gains² ~€3.2bn
- Hedging programme mitigating impact of low yields while preserving upside in rising yield scenario

Low yield environment a manageable challenge – Precautious implementation of necessary measures

¹ Expected value as at 31.12.2011.
² As at 30.9.2011.

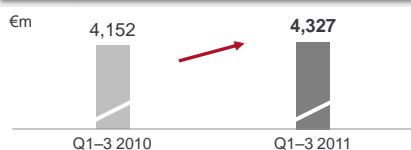
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Primary insurance – Key figures

Primary health

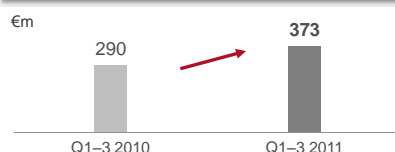


Gross premiums written



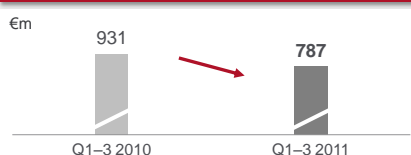
Growth in health, travel and direct insurance

Technical result



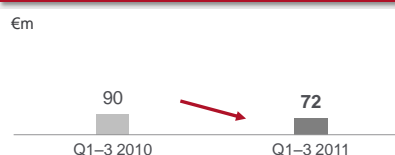
Positive effect from premium growth and cost reduction

Investment result



Result burdened by impairment of equities and Greek bonds

Consolidated result



Operating result almost stable; higher income taxes

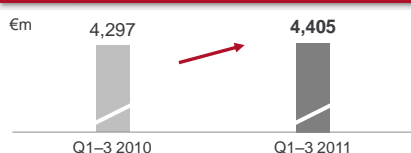
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Primary insurance – Key figures

Primary property-casualty

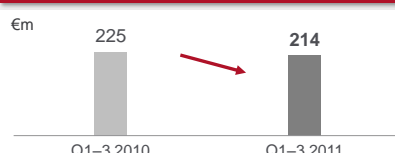


Gross premiums written



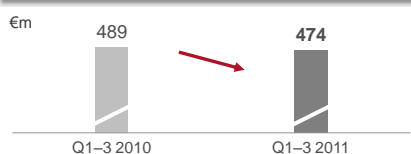
Organic growth, partially compensated by foreign-exchange effects

Technical result



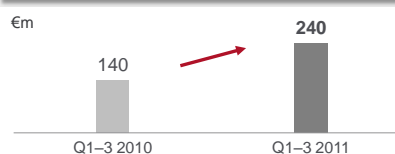
Increased combined ratio in Germany; combined ratio of international business improved

Investment result



Decline in regular income as well as higher write-downs; improved result from disposals

Consolidated result



Previous year with higher goodwill impairments

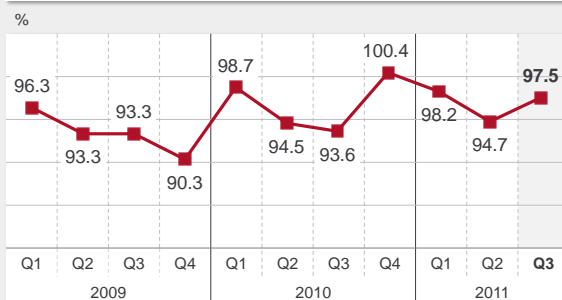
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Primary insurance – Property-casualty – Combined ratio

Higher combined ratio in Germany – Improving international business

Munich RE

%		■ Loss ratio	■ Expense ratio
2009	93.2	60.3	32.9
2010	96.8	63.1	33.7
Q1–3 2010	95.6	63.0	32.6
Q1–3 2011	96.8	63.5	33.3



- Combined ratio Germany (91.7%¹) burdened by weather-related losses (severe storms)
- Improving combined ratio of international business (104.4%¹) despite still high claims and costs especially in motor business

¹ Q1–3 2011.

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Primary insurance – Property-casualty

International business – Turnaround programmes starting to bear fruit, Portuguese unit sold

Munich RE

International		
€m	Q1–3 2011	Q1–3 2010
Gross premiums written	1,829	1,761
Technical result	–22	–56
Consolidated result	77	–41
Combined ratio (%)	104.4	106.2

Poland – On track

- Combined ratio significantly improved: 99.0%² (108.5% in Q1–3 2010)
- Recovery from difficult nat cat year 2010
- Introduction of higher premium rates while at the same time reducing costs
- Company back to profitability and as number 2 in non-life in a good market position

Turkey – Still challenging

- TPL¹ motor business market-wide unprofitable
- Turnaround programme promising – Radical improvements in TPL motor business
 - More selective tariff structure
 - Significant rate increase of above 20%
 - Number of contracts reduced by 40%
- Still very unsatisfactory combined ratio (129.8%²), but countermeasures starting to bear fruit
- Reserve/premium ratio on a very good level (132%) compared to market (77%³)

South Korea – Still challenging

- Motor market difficult: Strong political intervention (no permission for price increases)
- Initiatives: Strict underwriting in motor and expansion of profitable non-motor business
- Combined ratio still unsatisfactory (120.1%²), but first signs of improvements visible
- Check all options

¹ TPL: Third-party liability.² As at Q1–3 2011.³ Year end forecast based on Q2 earned premiums figures.

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Overview – Financial highlights

Financial reporting Q1–3 2011

- Munich Re (Group)
- Primary insurance

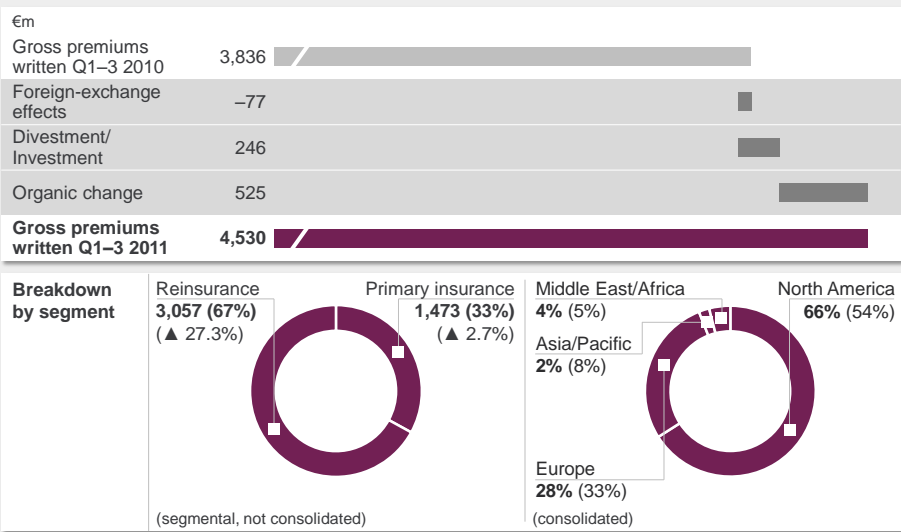
Munich Health
Reinsurance

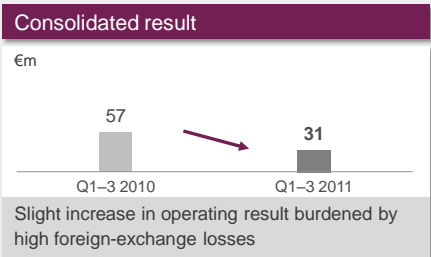
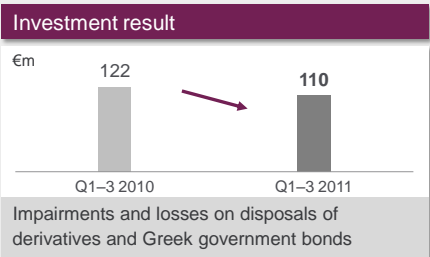
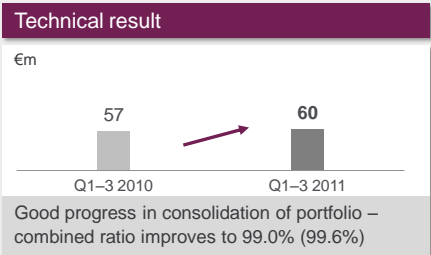
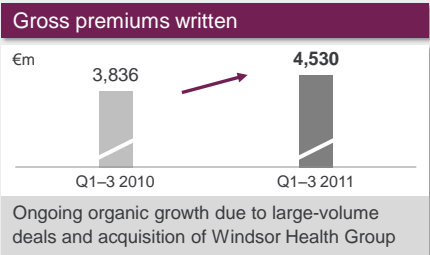
Outlook

Backup

Munich Health – Premium development

Large-volume deals and Windsor acquisition driving significant premium increase





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Overview – Financial highlights

Financial reporting Q1-3 2011

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

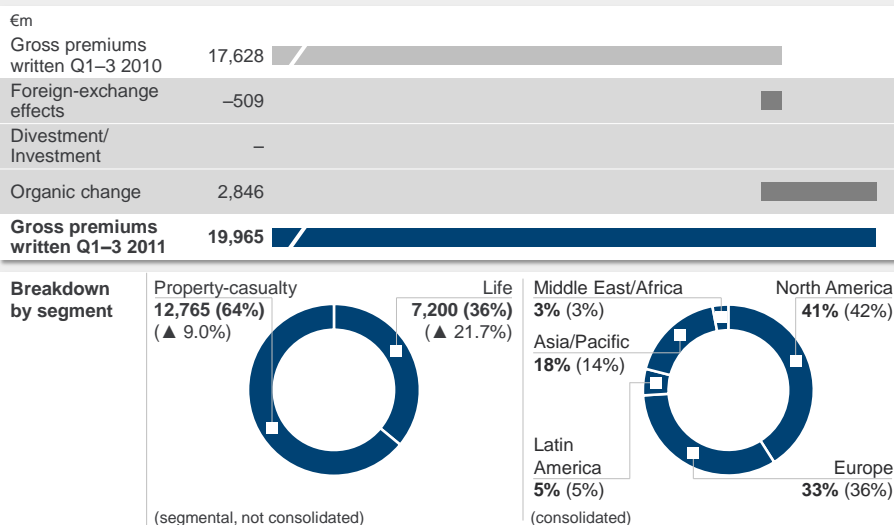
Reinsurance

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Reinsurance – Premium development

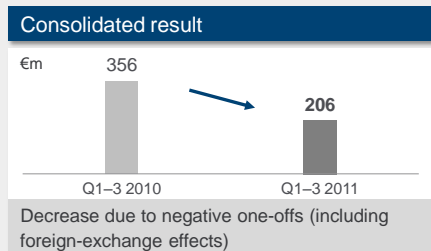
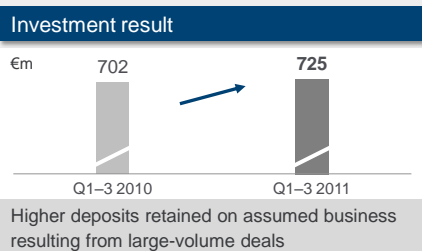
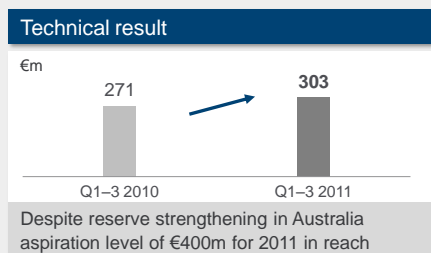
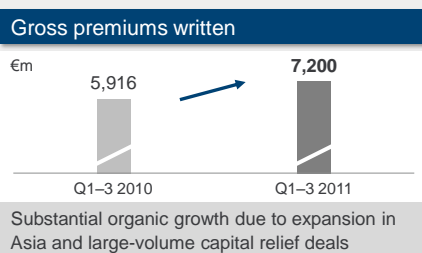
Strong increase driven by organic growth



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Reinsurance – Key figures

Life reinsurance



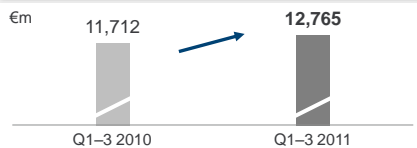
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Reinsurance – Key figures

Reinsurance property-casualty

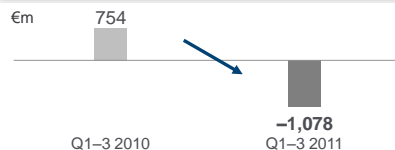
Munich RE

Gross premiums written



Good organic growth, especially in nat cat and motor business, as well as solvency-related deals

Technical result



Exceptionally high nat cat losses, sound development of basic claims

Investment result



Decrease due to write-downs on interest and credit derivatives and lower disposal gains

Consolidated result



Severe large claims and lower investment result, in Q3 negative currency effects

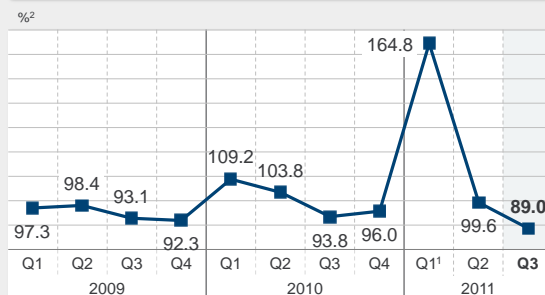
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Reinsurance – Property-casualty – Combined ratio

Combined ratio continues to reflect severe nat cat losses while underlying development remains sound

Munich RE

%		Basic losses	Nat cat losses	Man-made losses	Expense ratio
2009	95.3	57.5	1.4	6.9	29.5
2010	100.5	53.6	11.0	4.7	31.2
Q1-3 2010	102.1	56.3	10.8	4.9	30.1
Q1-3 2011 ¹	117.9	53.6	31.0	3.6	29.7



Major losses

€m			
Q1-3 2011	4,000	3,589	411
5-year average	1,723	1,290	433
		Natural catastrophes	Man-made
€200m reserve release accounts for 1.8% ³ -pts. in Q1-3 2011 basic loss ratio			

¹ Before insurance risk transfer to the capital markets.

² Including overhead costs.

³ Corresponds to 5.0% in Q3 stand-alone.

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Overview – Financial highlights

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Backup

Outlook 2011

Positive annual result envisaged



Munich Re (Group)

GROSS PREMIUMS WRITTEN

€49–50bn
(prev. €48–50bn)

RETURN ON INVESTMENT

Slightly below 3.5%
(prev. slightly below 4%)

PROFIT

Aiming for a positive
Q4 and FY 2011 result
RoRaC target of 15% after
tax over the cycle to stand

Reinsurance

COMBINED RATIO P-C
<97% over the cycle –
Not achievable in 2011

GROSS PREMIUMS WRITTEN
~€26.5bn (prev. ~€26bn)

Primary insurance

COMBINED RATIO P-C
Slightly above 95%
(prev. <95%)

GROSS PREMIUMS WRITTEN
~€17.5bn (prev. €17–18bn)

Munich Health

Positive earnings
contribution while
concluding consolidation
phase

GROSS PREMIUMS WRITTEN
~€6bn

Key takeaways

Munich Re – Crisis proven and aligned to sustainable value generation



Key takeaways
Good track record of dealing with challenging economic conditions We remain a strong partner for clients and reliable for shareholders in times of crisis
Highly diversified business model with strong capital position Focus on insurance risks – Limited correlation to economic cycles and capital markets
Rigorous approach to risk management – Clear limits for market and credit risk Ensuring high level of investment diversification – Able to cope with all kinds of scenarios
Stringent economic steering of utmost importance Safeguarding financial solidity while accepting some unavoidable accounting volatility
Well positioned to participate in market opportunities of profitable growth Largely stable rates, hardening tendency in select segments

Agenda – Backup



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Backup: Operating business

Segmental results

Munich RE 

€m	Q1–3 2010	Q1–3 2011	Operating result	Consolidated result
Reinsurance Life			569 503	356 206
Reinsurance Property-casualty			1,943	1,303
			-546	-98
Reinsurance Subtotal			2,512 -43	1,659 108
Primary insurance Life			331 207	202 106
Primary insurance Health			146 141	90 72
Primary insurance Property-casualty			446 458	140 240
Primary insurance Subtotal			923 806	432 418
Munich Health			114 119	57 31
Munich Re¹			3,367 402	1,955 180

¹ Operating result Q1–3 2011 including asset management (€73m, Q1–3 2010 €59m) and consolidation (–€553m, Q1–3 2010 –€241m). Consolidated result Q1–3 2011 including asset management (€40m, Q1–3 2010 €31m) and consolidation (–€517m, Q1–3 2010 –€224m).

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Agenda – Backup

Munich RE 

Operating business

Investments

Shareholder information

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Backup: Investments and investment result – Investment result – Regular income

Breakdown of regular income

Munich RE 

Investment result – Regular income (€m)	Q3 2011	Q1–3 2011	Q1–3 2010	Change
Afs fixed-interest	1,076	3,243	3,263	–20
Afs non-fixed-interest	49	263	205	58
Derivatives	110	249	182	67
Loans	544	1,616	1,587	29
Real estate	81	264	250	14
Deposits retained on assumed reinsurance and other investments	147	429	357	72
Total regular income	2,007	6,064	5,844	220

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Backup: Investments and investment result – Investment result – Write-ups/write-downs

Breakdown of write-ups/write-downs and net result from disposals

Munich RE 

Investment result – Write-ups/write-downs (€m)	Q3 2011	Q1–3 2011	Q1–3 2010	Change
Afs fixed-interest	–222	–862	4	–866
Afs non-fixed-interest	–357	–456	–148	–308
Derivatives	–213	–187	480	–667
Loans	–22	–47	14	–61
Real estate	–22	–82	–85	3
Deposits retained on assumed reinsurance and other investments	2	–6	25	–31
Total net write-ups/write-downs	–834	–1,640	290	–1,930

Investment result – Net result from disposal of investments (€m)	Q3 2011	Q1–3 2011	Q1–3 2010	Change
Afs fixed-interest	69	385	912	–527
Afs non-fixed-interest	–17	462	384	78
Derivatives	454	–50	–46	–4
Loans	29	76	35	41
Real estate	12	63	89	–26
Deposits retained on assumed reinsurance and other investments	9	260	35	225
Total net realised gains	556	1,196	1,409	–213

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Backup: Investments and investment result – Investment result

Return on investment by asset class and segment

Munich RE 

% ¹	Regular income	Write-ups/ write-downs	Gains/ losses on disposal	Other income/ expenses	Total Rol	Average market value in €m
Afs fixed-interest	3.9	–1.1	0.5	0.0	3.3	110,255
Afs non-fixed-interest	3.5	–6.1	6.2	0.0	3.6	9,931
Derivatives	29.4	–22.1	–5.9	–0.5	0.9	1,127
Loans	4.2	–0.1	0.2	0.0	4.3	51,300
Real estate	6.4	–2.0	1.5	0.0	5.9	5,469
Other ²	2.9	0.0	1.8	–5.6	–0.9	19,253
Total³	4.1	–1.1	0.8	–0.5	3.3	197,335
Reinsurance	3.9	–1.4	1.2	–0.4	3.3	74,865
Primary insurance	4.2	–0.9	0.5	–0.6	3.2	117,667
Munich Health	3.5	–0.9	0.4	–0.3	2.7	3,899

¹ Annualised.² Including management expenses and impact from unit-linked business.³ Reinsurance, primary insurance and Munich Health do not add up to total amount; difference relates to the segment "asset management".

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Backup: Investments and investment result – Total investment portfolio

Investment structure

Munich RE 

Investment structure by asset class (market values)

	€bn	%	Land and buildings	Loans	Fixed-interest securities ¹	Shares, equity funds and participating interests	Miscellaneous ²
31.12.2007	177		3.1	19.4	54.0	13.7	9.8
31.12.2008	177		3.0	23.2	61.7	3.5	8.6
31.12.2009	185		3.0	25.9	60.0	2.8	8.3
31.12.2010	196		2.9	25.7	57.7	4.0	9.7
31.3.2011	191		3.0	25.8	56.5	4.5	10.2
30.6.2011	196		2.7	25.7	55.9	4.0	11.7
30.9.2011	205		2.6	26.7	55.4	3.3 ³	12.0
30.9.2011 (€bn)	205		5.2	54.9	113.7	6.9	24.6

¹ Categories "available for sale", "held to maturity" and "at fair value".² Deposits retained on assumed reinsurance, investments for unit-linked life, deposits with banks, investment funds (bond, property), derivatives held for trading with non-fixed-interest underlying and tangible assets in renewable energies.³ After taking equity derivatives into account: 2.0%.

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Backup: Investments and investment result – Fixed-income portfolio

Credit portfolio

Munich RE Rating classification of fixed-income portfolio¹

%	AAA	AA	A	BBB	BB	B and worse	NR
Government/ Semi-government	55	33	6	4	1	1	0
Pfandbriefe/ Covered bonds	83	16	0	1	–	–	0
Banks	5	13	37	5	1	1	38 ²
Corporates	1	11	40	42	6	0	0
Structured products	65	16	13	4	1	0	1
Loans to policyholders/ Mortgage loans	–	–	–	–	–	–	100
Total	52	23	11	6	1	0	7

¹ Economic view – not fully comparable with IFRS figures.² Including cash positions and shares in funds which are not rated. As at 30 September 2011.

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Backup: Investments and investment result – Fixed-income portfolio

Geographic breakdown

Munich RE Geographic classification of fixed-income portfolio¹

%	Germany	France	Spain	Italy	UK	"EUR Umbrella" ²	Other Europe	USA	Canada	Rest of World
Government/ Semi-government	33	7	2	4	6	4	14	16	7	7
Pfandbriefe/ Covered bonds	42	15	8	1	7	3	24	0	0	0
Banks	46	2	1	2	5	2	12	20	2	8
Corporates	2	8	2	2	7	2	18	47	6	6
Structured products	3	2	3	8	8	9	10	54	2	1
Loans to policyholders/ Mortgage loans	98	–	0	1	–	0	0	0	0	1
Total	35	8	4	3	6	2	17	16	4	5

¹ Economic view – not fully comparable with IFRS figures.² Portugal, Ireland and Greece. As at 30 September 2011.

Quarterly financial statements as at 30 September 2011

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Backup: Investments and investment result – Fixed-income portfolio

Maturity structure

Munich RE

Maturity structure of fixed-income portfolio¹

%	Remaining time to maturity						
	0–1 year	1–3 years	3–5 years	5–7 years	7–10 years	>10 years	n.a.
Government/ Semi-government	9	15	17	11	16	32	0
Pfandbriefe/ Covered bonds	3	12	12	13	16	44	–
Banks	18	7	7	15	9	5	39
Corporates	7	23	20	20	17	13	0
Structured products	23	50	21	5	1	0	0
Loans to policyholders/ Mortgage loans	7	18	19	15	24	16	1
Total	9	15	15	12	15	30	4

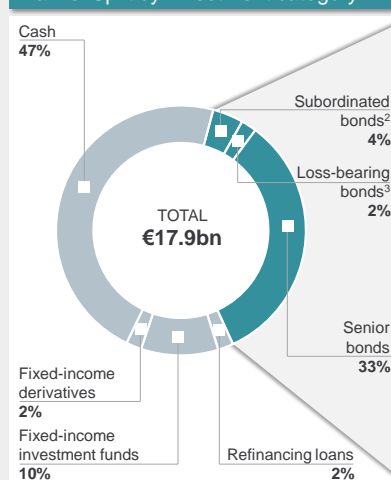
¹ Economic view – not fully comparable with IFRS figures.
As at 30 September 2011.

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Backup: Investments and investment result – Fixed-income portfolio

Bank exposure

Munich RE

Banks: Split by investment category¹

Subordinated and loss-bearing exposure by country

Country	Market values €m (as at 30.9.2011)		
	Senior bonds	Sub-ordinated bonds	Loss-bearing bonds
Germany	2,343	334	219
USA	1,627	242	33
UK	608	44	30
Austria	141	34	21
France	146	17	8
Italy	49	56	8
Spain	0	12	1
"EUR Umbrella" ⁴	214	0	0
Other	844	62	46
Total market values	5,972	801	366

¹ Economic view – not fully comparable with IFRS figures. As at 30 September 2011.

² Classified as lower Tier 2 and Tier 3 capital for solvency purposes. ³ Classified as Tier 1 and upper Tier 2 capital for solvency purposes. ⁴ Portugal, Ireland and Greece. Exposure exclusively contains Ireland.

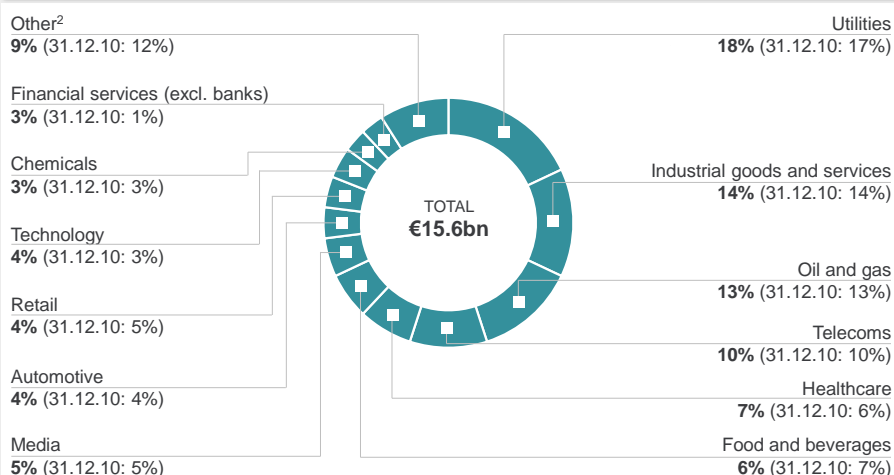
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Backup: Investments and investment result – Fixed-income portfolio

Corporate bonds

Munich RE

Corporate bonds: Sectoral split¹


¹ Economic view – not fully comparable with IFRS figures. As at 30 September 2011.

² Other bonds below 3% of corporate portfolio.

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Backup: Investments and investment result – Fixed-income portfolio

Structured products

Munich RE

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

€m		AAA	AA	A	BBB	<BBB	NR	USA + RoW	Europe	Total	Market-to-par value
ABS	Consumer-related ABS ¹	473	101	168	107	1	6	408	448	856	99%
	Corporate-related ABS ²	210	221	84	78	4	–	–	597	597	95%
	Subprime HEL	7	3	21	7	2	–	40	–	40	98%
CDO/CLN	Subprime-related	–	–	–	–	0	0	–	0	0	0%
	Non-subprime-related	43	19	36	21	0	37	–	156	156	78%
MBS	Agency	2,146	99	–	–	–	–	2,245	–	2,245	101%
	Non-agency prime	417	111	120	31	49	–	57	671	728	96%
	Non-agency other (not subprime)	107	130	33	0	3	–	86	187	273	92%
	Commercial MBS	683	323	380	12	5	–	688	715	1,403	96%
Total 30.9.2011		4,086	1,007	842	256	64	43	3,524	2,774	6,298	96%
In %		65%	16%	13%	4%	1%	1%	56%	44%	100%	
Total 31.12.2010		4,759	684	445	94	13	78	3,690	2,383	6,073	96%

¹ Consumer loans, auto, credit cards, student loans.

² Asset-backed CPs, business and corporate loans, commercial equipment. As at 30 September 2011.

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Backup: Investments and investment result

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)	+12.5	+6.0	–10.8	–19.8
Change in on-balance-sheet reserves, net (€bn) ¹	+3.1	+1.5	–2.8	–5.2
Change in off-balance-sheet reserves, net (€bn) ¹	+0.6	+0.3	–0.5	–1.0
P&L impact (€bn) ¹	+0.1	+0.1	–0.1	–0.1
Sensitivity to spreads ² (change in basis points)			+100	+200
Change in gross market value (€bn)			–7.6	–13.9
Change in on-balance-sheet reserves, net (€bn) ¹			–1.4	–2.6
Change in off-balance-sheet reserves, net (€bn) ¹			–0.5	–0.8
P&L impact (€bn) ¹			–0.1	–0.1
Sensitivity to equity markets ³	–30%	–10%	+10%	+30%
EURO STOXX 50 (2.180 as at 30.9.2011)	1,526	1,962	2,398	2,834
Change in gross market value (€bn)	–1.6	–0.5	+0.5	+1.6
Change in on-balance-sheet reserves, net (€bn) ¹	–0.2	+0.0	+0.5	+1.5
Change in off-balance-sheet reserves, net (€bn) ¹	–0.3	–0.1	+0.1	+0.3
P&L impact (€bn) ¹	–0.9	–0.4	–0.1	–0.4

¹ Rough calculation with limited reliability assuming unchanged portfolio as at 30 September 2011. After rough estimation of policyholder participation and deferred tax; linearity of relations cannot be assumed. Economic view – 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: impairment as soon as market value is below acquisition cost.

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Backup: Investments and investment result – Investment result – On- and off-balance-sheet reserves

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

Munich RE 

€m	31.12. 2006	31.12. 2007	31.12. 2008	31.12. 2009	30.9. 2010	31.12. 2010	31.3. 2011	30.6. 2011	30.9. 2011
Market value of investments	178,530	176,447	177,201	185,097	200,180	196,398	191,326	196,319	205,297
Total reserves	11,137	7,076	5,487	7,905	14,024	7,374	4,213	5,862	11,374
On-balance-sheet reserves									
Fixed-interest securities	792	–3	1,410	3,342	6,241	2,201	639	1,805	4,982
Non-fixed-interest securities	8,495	6,683	1,583	1,408	1,376	1,634	1,401	1,219	589
Other on-balance-sheet reserves	192	122	229	233	244	249	255	244	249
Subtotal	9,479	6,805	3,222	4,983	7,861	4,084	2,295	3,268	5,820
Off-balance-sheet reserves									
Real estate	1,567	1,260	1,469	1,447	1,452	1,425	1,524	1,274	1,279
Loans and investments htm	–211	–1,323	627	1,289	4,419	1,554	88	965	3,974
Associates and tangible assets	302	337	169	186	292	311	306	355	301
Subtotal	1,869	1,597	2,265	2,922	6,163	3,290	1,918	2,594	5,554
Reserve ratio (%)	6.2%	4.0%	3.1%	4.3%	7.0%	3.8%	2.2%	3.0%	5.5%

¹ Unrealised gains/losses from unconsolidated affiliated enterprises, valuation at equity and cash-flow hedging.











² Excluding reserves from owner-occupied properties.

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Backup: Investments and investment result – Investment result – On- and off-balance-sheet reserves

On-balance-sheet reserves

Munich RE 

€m		For comparison purposes only: change since 31.12.2010	
Investments afs ¹	5,571		1,736
Valuation at equity	65		–3
Unconsolidated affiliated enterprises	147		–14
Cash flow hedging	37		17
Total on-balance-sheet reserves 30.9.2011 (gross)	5,820		1,736
Provision for deferred premium refunds	–1,148		–527
Deferred tax	–1,215		–611
Minority interests	–12		–1
Consolidation and currency effects	–8		–8
Shareholders' stake 30.9.2011	3,437		589








¹ Thereof €4,982m on fixed-interest securities and €589m on non-fixed-interest securities.

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Backup: Investments and investment result – Investment result – On- and off-balance-sheet reserves

Off-balance-sheet reserves

Munich RE 

€m		For comparison purposes only: change since 31.12.2010	
Properties ¹	1,279		–146
Loans and investments htm	3,974		2,420
Other investments ²	301		–10
Total off-balance-sheet reserves 30.9.2011 (gross)	5,554		2,264
Provision for deferred premium refunds	–3,687		–1,909
Deferred tax	–557		–121
Minority interest	–		–
Shareholders' stake 30.9.2011	1,310		234

¹ Excluding reserves for owner-occupied properties.² Mainly off-balance-sheet reserves from associates.

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Agenda – Backup

Operating business

Investments

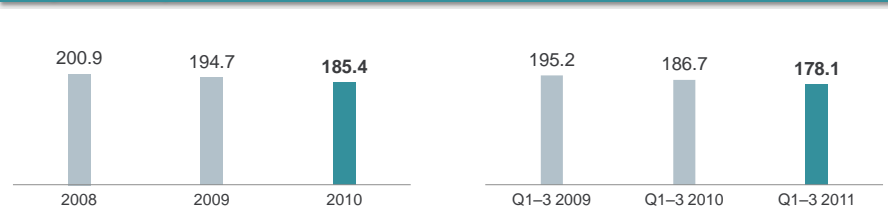
Shareholder information

Backup: Shareholder information

Development of shares in circulation

Shares million	31.12.2010	Acquisition of own shares in Q1–3 2011	Retirement of own shares in Q1–3 2011	30.9.2011
Shares in circulation	180.4	2.8	–	177.6
Own shares held	8.1	2.8	9.2	1.7
Total	188.5	–	9.2	179.3

Weighted average number of shares in circulation



Financial calendar

FINANCIAL CALENDAR

2 February 2012	Preliminary key figures 2011 and renewals
13 March 2012	Balance sheet press conference for 2011 financial statements
14 March 2012	Analysts' conference, London
26 April 2012	Annual General Meeting, Munich
8 May 2012	Interim report as at 31 March 2012

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