TURNING RISK INTO SUSTAINABLE VALUE

Analysts' Conference 2011

London, 11 March 2011

Munich RE

Agenda

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Financial highlights 2010

Sound financial development allows increased dividend and continuation of share buy-back

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Munich Re (Group)

Net result of €2.43bn beats original target for 2010
RoRaC of 13.5%
Proposed dividend of €6.25 per share for 2010, an increase of almost 9% (prev. €5.75)

Shareholders' equity further strengthened to €23.0bn
Current share buy-back programme almost completed[1] – will be continued with €500m

High investment result
RoI of 4.5% in 2010 based on high disposal gains – portfolio and duration management proved beneficial

Reinsurance

Despite significant claims, remains the foundation of earnings power
High claims burden in p-c leading to combined ratio of 100.5%

Primary insurance

Positive trend confirmed
ERGO net income at €355m more than doubled (prev. €173m)

Munich Health

Consolidation process well on track
Strong premium growth and resilient operating result

[1] As at 28 February 2011; €849m completed since AGM in April 2010.

Munich Re (Group) – Steering philosophy

Munich Re generates solid shareholder returns

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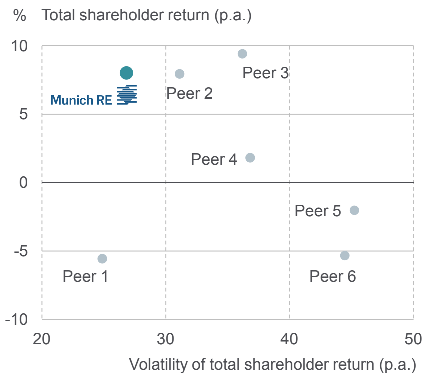
Attractive risk-reward[1] …



… result of our steering philosophy

1 Managing insurance risks as main source of value creation

2 Deeply-embedded risk management

3 Disciplined asset-liability management

4 Efficient capital management

5 Well-balanced business portfolio

Munich Re managing for value – Stringent execution of strategy delivering reliable earnings

[1] Annualised total shareholder return defined as price performance plus dividend yields over a 6-year period (01.01.2005–31.12.2010); based on Datastream total return indices in local currency; volatility calculation with 250 trading days per year. Peers: Allianz, Axa, Generali, Hannover Re, Swiss Re, Zurich Financial Services.

1 Liability-driven business model

Sustainable value generation

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RoE in excess of cost of capital

High persistency in strategic execution

- Low interest-rates a drag on RoE with decreasing running yield and increasing capital base …
- … while Munich Re keeps excess of RoE above cost of capital at relatively stable levels – average spread ~50%
- Low cost of capital as a consequence of liability-driven business model and well-diversified investment portfolio – beta reduced to 0.69 as at end of 2010
- Attractive book value growth

[1] Calculation using CAPM with ten-year German government bonds, 5% market risk premium and one-year raw beta to DJ Stoxx600, daily basis. Source: Bloomberg

2 Risk management

Capturing major events in Munich Re's risk management framework

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Risk management topics in 2010	Impact on Munich Re's risk management
Sovereign debt crisis – Increased volatility Spread peripheral countries ↑ Risk-free interest-rates ↓ FX volatility, especially USD ↑	▪ Duration lengthening to reduce asset-liability mismatch risk in primary life ▪ Focus on German and US government bonds with digestible exposure in peripheral countries Enhancement of well-established credit risk framework by introducing sovereign risk limits
Natural catastrophes – Severe events in 2010 Earthquake Chile Earthquake New Zealand Flood Australia	▪ Chile represents about 1-in-250-year loss event ▪ Events well-captured in Munich Re risk model Case by case evaluation if new insights from major events could further refine our models
Solvency II – Current status Conduct of QIS5 Implementing measures drafted Pre-application process	▪ Further progress in the pre-application process ▪ First Solvency II triggered business already part of 2011 renewals Munich Re well positioned

Risk-bearing capacity remains strong and controlled

3 Disciplined asset-liability management

Strategic decision to maintain a moderate risk profile for the investment portfolio

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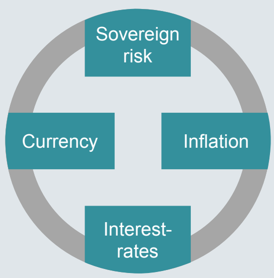
Investment topics 2011	Risk management impulses	Investment decisions
	▪ Assessing sensitivity of global macro-economic drivers simultaneously on the asset and liability side ▪ Market risk: Low interest-rates remaining the main challenge for primary life business with policyholder guarantees ▪ Credit risk: Setting counterparty and sovereign risk limits	▪ Slight duration decrease in reinsurance while keeping the asset-liability-mismatch tight ▪ Continuation of swaption programme in primary life ▪ Moderate re-risking also seen as a mitigating factor in an inflation scenario ▪ Further diversification of sovereign exposure
Considering a variety of possible capital market scenarios	Holistic risk assessment with strict setting of risk limits	Good track record of solid returns within tight risk framework

Broad diversification remains key as Munich Re is well-prepared for different capital market scenarios

4 Efficient capital management

Capital repatriation: We have delivered on our promise

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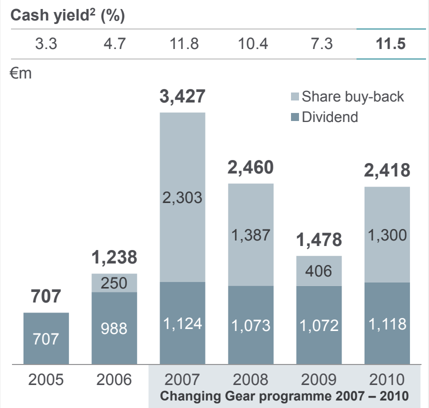
Active capital management[1] …



… integral part of our financial strategy

- Capital repatriation of more than €10bn[3] since 2007 via dividends and share buy-backs, delivering on our promise of the Changing Gear programme
- Safeguarding an efficient use of capital, still allowing for growth and risk appetite
- Sustaining high underwriting discipline – capital management and cycle management go hand in hand
- Dividend is our strong commitment, whereas share buy-backs are considered a flexible tool
- Proposed dividend of €6.25 per share for 2010, an increase of almost 9%. Share buy-back to be continued with €500m

High cash payout to remain a cornerstone of Munich Re's active capital management

[1] Dividend refers to calendar year, actual cash flow is in the subsequent year. In 2010, dividend payout estimate based on €6.25 dividend per share and assuming completed share-buy-back until AGM 2011. [2] Total payout (dividend and buy-back) divided by average market capitalisation. [3] Incl. assumed €350m outstanding share buy-back until AGM 2011.

5 Well-balanced business portfolio

Striking the balance between capital generation and redeployment

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Portfolio of complementary profiles providing strategic flexibility

Strong bottom-line focus …

High earnings stability

- P-C reinsurance business – diversification and innovation at work
- Primary p-c business – strong contributor to ERGO's overall performance

Performance improvement

- Re-positioning of primary life business in Germany

Generating sustainable returns remains the foundation of capital repatriation

… enabling profitable growth

Business development

- Life reinsurance – leveraging our know-how in attractive target markets
- Munich Health – seizing opportunities as integrated health risk manager
- ERGO International – cautious expansion in CEE and Asia

Focus on organic growth while considering bolt-on acquisitions

Munich Re running a well-balanced business portfolio allowing development of long-term growth opportunities

5 Well-balanced business portfolio

Liability-driven strategy facilitating diversification and predictable results

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Providing the best solution for each risk category

Risk capacity and know-how | Distribution power and process efficiency

Reinsurance	Munich Health	Primary insurance
▪ Shaping diverging market trends with sharpened value proposition ▪ Strict cycle and portfolio management in commodity business … ▪ … while leveraging underwriting expertise and customer proximity in know-how intensive business ▪ Continued growth in life based on biometric expertise and structuring competence	▪ Global health markets growing above GDP providing ample opportunities for a specialised risk manager ▪ MH making good progress on consolidation path in 2010 … ▪ … pursuing a transition towards managed care in the US by acquiring Windsor Health ▪ Flexible use of primary and reinsurance facilitates growth	▪ Introduction of new ERGO brand creating momentum ▪ While the profitability of the domestic p-c business keeps outperforming competitors … ▪ … life performs below ambitions but ERGO is consistently addressing the challenges of the business ▪ International expansion with strong focus on improving profitability
Well-set to perform in any market conditions	Flexible business model covering health risk value chain	Emphasis on accelerating ERGO's positive earnings trend

Munich Re offering a value-adding integrated business model

Outlook

Turning risk into sustainable value

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Munich Re (Group)

RoRaC
Target of 15% after tax over-the-cycle to stand – remains a real challenge given the low-yield environment, while well-balanced business and investment portfolio stabilises profitability

Capital repatriation
Proposed dividend of €6.25 per share (prev. €5.75)
Continuation of share buy-back programme of up to €500m[1]

Gross premiums written	Net income (1)	Return on investment
€46–48bn[2]	~€2.4bn	< 4.0%

Reinsurance	Primary insurance	Munich Health
Combined ratio p-c (1) ~97% over-the-cycle	Combined ratio p-c < 95%	Positive earnings contribution while concluding consolidation phase

1 Against the backdrop of major claims burdens in the first two months of 2011 only achievable, if random large losses remain below our expectation over the rest of the year.

[1] Full execution remains subject to developments in the capital markets and the general economic environment.
[2] Thereof €24–25bn in reinsurance, €17–18bn in primary insurance and ~€6bn in Munich Health (all on basis of segmental figures).

Agenda

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Turning risk into sustainable value	Nikolaus von Bomhard
Financial highlights 2010	**Jörg Schneider**
Risk management	Joachim Oechslin
Non-life reinsurance	Torsten Jeworrek
Life reinsurance	Joachim Wenning
Primary insurance	Torsten Oletzky
Backup	

Overview – Financial highlights 2010

Resilient earnings based on prudent business and financial management

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GROUP – Gross premiums written

€m	
Q1–4 2009	41,423
Q1–4 2010	**45,541**

Organic growth in addition to positive FX effects

GROUP – Operating result

€m	
Q1–4 2009	4,721
Q1–4 2010	**3,978**

High investment result mitigates impact of claims activity

GROUP – Consolidated result

€m	
Q1–4 2009	2,564
Q1–4 2010	**2,430**

Almost emulating the strong prior year result

REINSURANCE – Consolidated result

€m	
Q1–4 2009	2,576
Q1–4 2010	**2,099**

Above-average nat cat claims, reserve strengthening in life re

PRIMARY INSURANCE – Consolidated result

€m	
Q1–4 2009	367
Q1–4 2010	**656**

All segments with increased net income – ERGO result €355m

MUNICH HEALTH – Consolidated result

€m	
Q1–4 2009	27
Q1–4 2010	**63**

Good progress – 2009 burdened by Sterling goodwill impairment

Munich Re (Group) – Capitalisation

Increase in shareholders' equity despite more than €2.3bn capital repatriation

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€m	Q1–4	Change Q4
Equity 31.12.2009	22,278	–
Consolidated result	2,430	475
Changes		
Dividend	–1,072	–
Unrealised gains/losses[1]	130	–1,497
Exchange rates	645	240
Share buy-backs	–1,268	–258
Other	–115	–68
Equity 31.12.2010	**23,028**	**–1,108**

Unrealised gains/losses
High unrealised gains in Q1–3 2010 absorbed by sharp yield increase in Q4

Share buy-backs
Until 28 February 2011, shares for further €200m were repurchased

Exchange rates
Positive FX development (mainly US$, Can$, A$)

[1] On other securities: Q1–4 2010, thereof –€206m from afs fixed-interest securities, €326m from afs non-fixed-interest securities; Q4 2010, thereof –€1,725m from afs fixed-interest securities, €216m from afs non-fixed-interest securities.

Munich Re (Group) – Capitalisation

Strong capital base maintained

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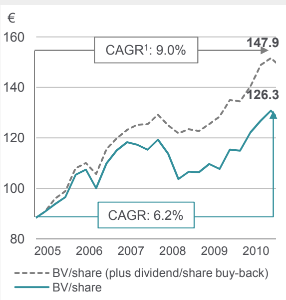
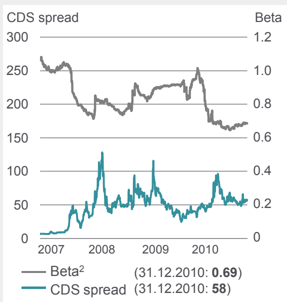
Munich Re (Group)

Sound capitalisation according to all capital measures (regulatory, rating, internal model)

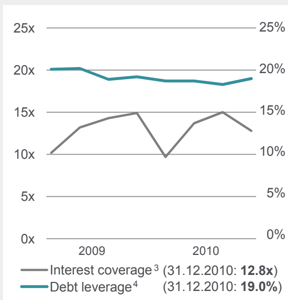
Book value per share – Substantial growth



Financial solidity – External evidence



Financial strength – High security



[1] 31.12.2004 – 31.12.2010.
[2] Raw beta to DJ Stoxx 600, total return, daily basis, 1-year.
[3] Earnings before interest expenses, tax and depreciation divided by finance costs.
[4] Strategic debt divided by total capital (= sum of strategic debt + shareholders' equity). All subordinated bonds treated as strategic debt.

Munich Re (Group) – Premium development

Strong organic growth in life reinsurance and Munich Health in addition to positive FX contribution

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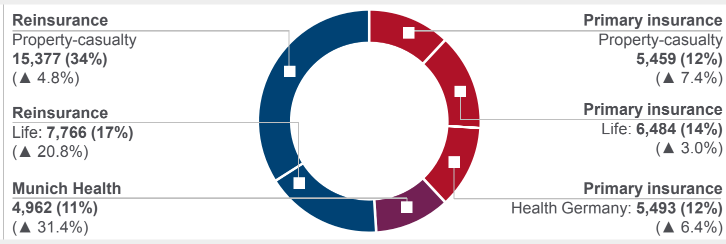
€m	
Gross premiums written Q1–4 2009	41,423
Foreign-exchange effects	1,998
Divestment/ Investment	149
Organic change	1,971
Gross premiums written Q1–4 2010	**45,541**

- Positive FX development (mainly US$, Can$, A$)
- HSB acquisition: First-time consolidation as from Q2 2009
- Large-volume deals predominately included as from Q2 2009
- ERGO: Organic growth in all segments

Breakdown by segment
(consolidated)



Munich Re (Group) – Munich Health – Premium development

Large-volume deals in addition to favourable FX driving significant premium increase

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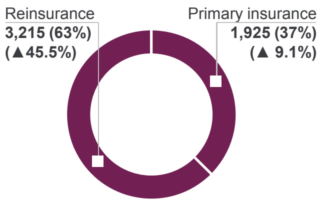
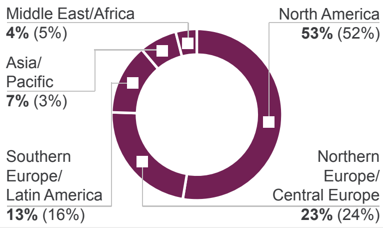
€m	
Gross premiums written Q1–4 2009	3,974
Foreign-exchange effects	362
Divestment/ Investment	0
Organic change	804
Gross premiums written Q1–4 2010	5,140

- Positive currency contribution, especially Can$
- Organic growth owing to large-volume deals in North America and Asia

Breakdown by segment
(segmental, not consolidated)





Munich Health – Financial overview

Resilient result based on improved business development

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€m	Q1–4 2010	Q1–4 2009
Gross premiums written	**5,140**	3,974
Income from technical interest	**88**	83
Net expenses for claims and benefits	**3,998**	3,129
Net operating expenses	**1,068**	726
Technical result	**69**	54
Investment result	**142**	151
Non-technical result	**62**	79
Operating result	**131**	133
Consolidated result	**63**	27

- Large-volume deals with overall positive bottom-line effect
- Increase of technical result due to better combined ratio of the entire US business and overall result improvement of European primary insurers
- Investment result still on a high level due to disposal gains; previous year influenced by one-off effect (sale of equities mainly in the second half of 2009)
- Previous year's consolidated result strained by Sterling goodwill impairment

Reinsurance, see separate presentation

Primary insurance, see separate presentation

Munich Re (Group) – Investments – Total portfolio

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

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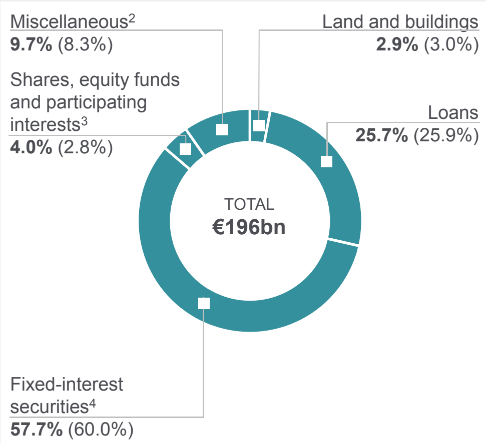
Investment portfolio[1]



Active portfolio management in 2010

- Slight duration lengthening
- Reducing corporate and bank bonds
- Further improving geographic diversification
- Increase of economic equity exposure to 4.4%
- Increase in "Miscellaneous" mainly resulting from higher cash deposits

[1] Fair values as at 31.12.2010 (31.12.2009). [2] Deposits retained on assumed reinsurance, investments for unit-linked life, deposits with banks, investment funds (bond, property) and derivatives held for trading with non-fixed-interest underlying. [3] Exposure including derivatives: 4.4% (2.8%). [4] Categories "available for sale", "held to maturity" and "at fair value".

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

Emphasis on highly rated securities

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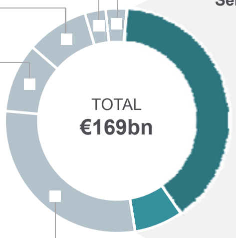
Fixed-income portfolio[1]



Governments per country[2]

%	Without P/H[4] participation	With P/H[4] participation	Total
Germany	7	24	**31**
USA	16	0	**16**
Canada	7	0	**7**
UK	5	1	**6**
France	4	2	**6**
Austria	1	2	**3**
Other	11	6	**17**
Total[3]	**51%**	**35%**	**86%**

%	Without P/H[4] participation	With P/H[4] participation	Total
Italy	5	2	**7**
Greece	0	1	**1**
Spain	1	2	**3**
Ireland	1	1	**2**
Portugal	0	1	**1**
Total[3]	**7%**	**7%**	**14%**

[1] Incl. loans, parts of other securities, other investments and cash positions. Fair values as at 31.12.2010 (31.12.2009). [2] Thereof 9% inflation-linked bonds. [3] Differences between totals possible due to rounding.
[4] P/H = policyholder. Economic view – not fully comparable with IFRS figures. As at 31 December 2010.

Munich Re (Group) – Investment result

Substantially increased investment result driven by beneficial investment decisions

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Investment result

	€m	Q1–4 2010	Return[1]	€m	Q1–4 2009	Return[1]
Regular income	**7,749**		**4.0%**	7,629		4.2%
Write-ups/write-downs of investments	**–403**		**–0.2%**	–1,122		–0.6%
Gains/losses on the disposal of investments	**1,649**		**0.9%**	1,612		0.9%
Other income/expenses	**–353**		**–0.2%**	–236		–0.2%
Investment result	**8,642**		**4.5%**	**7,883**		**4.3%**

Regular income

Higher asset base as well as cautious investment in credit-exposed fixed-interest securities and better result from associated companies

Write-ups/write-downs

Strongly improved result from derivatives, mainly due to swaptions and lower impairments of non-fixed-interest securities – previous year impacted by high write-downs of fixed-interest securities

Gains on disposal

High level sustained as a result of the sale of corporate and government bonds, gains from equities

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

Reserves – Reinsurance property-casualty

Our set-up for reserving responsibility has proved successful

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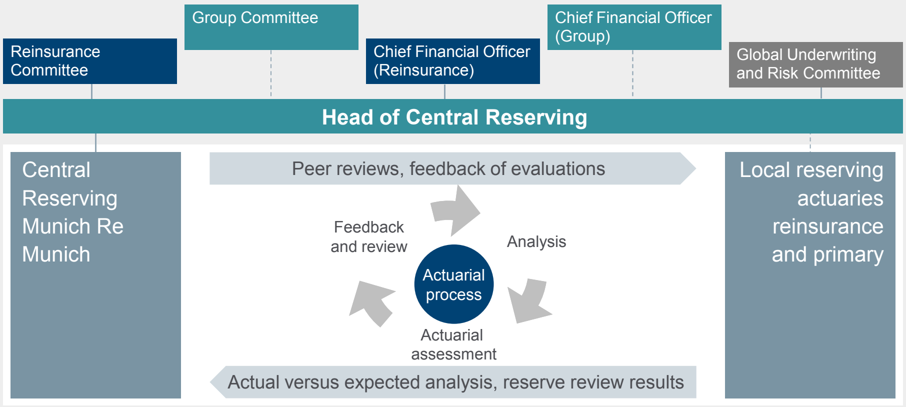

Group reserving approach

Immediate response to adverse developments	Signs of positive developments are viewed prudently	In-depth communication of analysis to avoid false feedback into pricing

Reserves – Reinsurance property-casualty

Actual versus expected comparison – An important input to the actuarial analysis

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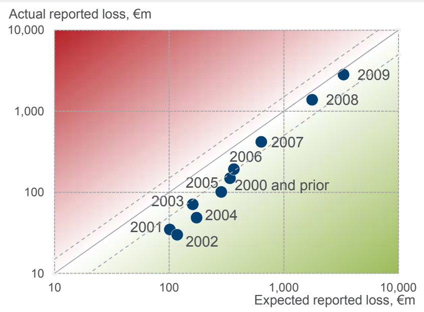
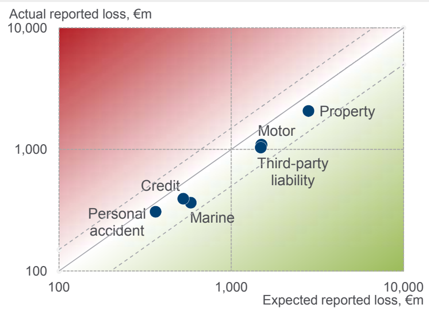
Comparison of incremental expected losses with actual losses reported by clients in CY 2010

Reinsurance per exposure year[1]



Reinsurance per line of business[1]



Green Actual below expectation
Red Actual above expectation

Solid line Actual equal expectation
Dotted line Actual are 50% above/below expectations

Actual loss development in CY 2010 was consistently below actuarial expectations across all years and lines of business

[1] Munich Re reinsurance Group losses as per Q4 2010, not including parts of Munich Re Risk Solutions, special liabilities and major losses (i.e. events over €10m or $15m for Munich Re share). The statistics cover more than 80% of total calendar-year reported losses.

Reserves – Reinsurance property-casualty

Prudent reserving approach protects solid balance sheet

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Indications of reserve review

- Consistently better than expected claims emergence in all main classes of business
- Continuation of elevated claims reporting activity in US asbestos and environmental claims

Response to these indications in line with our prudent reserving approach

Response to the claims emergence in asbestos and environmental: Reserve strengthening for accident years 2000 and prior

Cautious response to the favourable indications from accident years 2001–2003, as these mostly relate to long-tail lines of business

Release of reserves for the shorter-tail lines in accident years 2004–2006 due to strong positive indications

Due to the immaturity of accident years 2007–2009, reserving levels were broadly maintained despite favourable run-off indications

Further strengthening of confidence level to absorb potential future volatility – Reserve review leads to moderately positive run-off result

Reserves – Property-casualty – Group

Prior-year ultimate losses developed favourably in 2010

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All figures in €m (adjusted to exchange rates as at 31.12.2010)	Accident year											
Date	≤2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	**Total**
31.12.2000	29,167											
31.12.2001	30,386	11,377										
31.12.2002	32,301	12,556	13,340									
31.12.2003	33,034	13,120	12,746	12,293								
31.12.2004	33,645	13,040	13,006	11,891	11,514							
31.12.2005	35,753	13,253	11,772	11,140	11,561	12,504						
31.12.2006	36,161	13,329	11,688	11,024	11,548	12,491	10,811					
31.12.2007	36,986	13,246	11,678	10,703	11,402	12,533	10,663	11,900				
31.12.2008	37,316	13,307	11,680	10,544	11,012	12,250	10,542	12,162	12,903			
31.12.2009	37,478	13,124	11,682	10,476	10,700	12,230	10,404	12,038	13,172	12,874		
31.12.2010	37,967	13,098	11,660	10,462	10,431	11,800	10,147	12,018	13,148	12,836	13,375	
CY 2010 run-off € change	**–489**	**26**	**22**	**13**	**268**	**429**	**257**	**20**	**24**	**38**	**n/a**	**610** [1]
CY 2010 run-off % change [2]	**–1.3**	**0.2**	**0.2**	**0.1**	**2.5**	**3.5**	**2.5**	**0.2**	**0.2**	**0.3**	**n/a**	**0.4**

Ultimate reduction of €610m in calendar year 2010 (including –€81m workers compensation accretion) corresponds to 1.6% of prior year's p-c reserves (Munich Re Group)

Split of €610m run-off result: reinsurance €389m and primary insurance €221m

[1] Incl. –€81m of workers' compensation accretion.
[2] Compared to estimated ultimate losses at 31.12.2009.

Market Consistent Embedded Value 2010

MCEV result reflecting strong growth in reinsurance and impact of low yields on primary insurance

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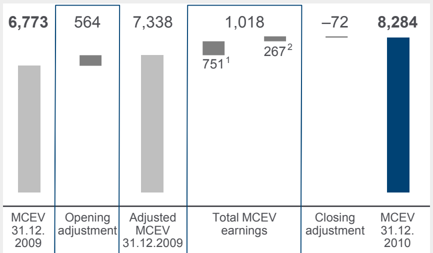
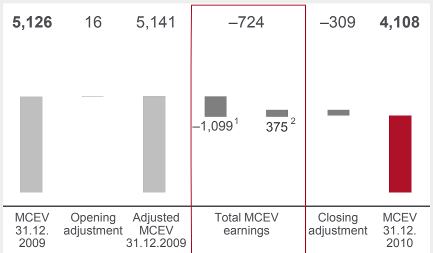
Reinsurance



Positive foreign exchange effects (CAD)

- Good value of new business
- Favourable mortality development
- Reserve strengthening of US long-term care business
- Positive impact from lower yields

Primary insurance



- Good value of new business
- Higher economic risk capital for non-hedgeable risks
- Negative impact from lower yields and higher implied volatilities

MCEV calculation with swap rates and implied volatilities as at reference date 31.12.2010, without illiquidity premium

[1] Operating MCEV earnings.
[2] Economic and other non-operating variances.

Summary

Solid financial result 2010 in a challenging environment

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Key takeaways

- Resilient earnings in 2010 based on prudent financial management
- Strong capital base maintained according to all capital measures
- Well-diversified investment portfolio with absorbable exposure to peripheral countries
- Prudent reserving approach protects solid balance sheet
- Opposing MCEV impact of low yields in primary and reinsurance

Agenda

Munich RE

Turning risk into sustainable value	Nikolaus von Bomhard
Financial highlights 2010	Jörg Schneider
Risk management	**Joachim Oechslin**
Non-life reinsurance	Torsten Jeworrek
Life reinsurance	Joachim Wenning
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Risk management – Overview on changes of risk profile

Major developments at Group level

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Effect on risk profile

	P-C	Life and health	Market	Credit	Operational
Increase	Weaker euro Increased nat cat exposures and decreased retrocessions	Portfolio growth in reinsurance Currency effects and decreased interest-rates	Careful re-risking in equities (equity-backing ratio after derivatives up to 4.4% from 2.8%)	Higher credit risk due to increase of market-implied default risk	
Neutral			Offsetting interest-rate position at Group level maintained		
Decrease	Strengthening of reserve position and positive run-off results		Refined modelling of currency risk, reflecting currency steering		Enhanced operat. risk management through roll out of ICS[1] in large parts of the Group
Decrease	Increased diversification as a result of increases in risk exposures and lower tail dependencies				

Enhanced utilisation of Munich Re's risk-bearing capacity to seize business opportunities

[1] Internal control system.

Major achievements in Munich Re's ERM

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Organisational upgrade

- New ERGO CFO with proven track record in risk management along with an enhanced organisational set-up
- Further strengthening of local risk management hubs notably for North American p-c and life business and London-based entities
- Strengthening of risk controls for credit and variable annuity business

Solvency II pre-application

- Process for pre-application of internal model was started early in 2009
- Thorough on-site visits from BaFin ("Örtliche Prüfung") have been made by experienced teams in 2009 and 2010 and will continue in 2011
- Supervisory college involved in pre-application process

Internal control system

- Comprehensive internal control framework for Munich Re Group adopted in 2008
- Framework implemented and operationalised in ~80% of our business at year-end 2010
- Considerable improvement of Munich Re’s internal risk control landscape and further strengthening of our risk culture

Progress complements Munich Re's Enterprise Risk Management at a high level

Business-enabling and improving the risk/return profile

Munich RE

Business opportunities	Risk management involvement
New oil spill cover Deepwater Horizon case expected to lead to demand for additional liability cover with attractive margin	▪ Comprehensive risk assessment by Corporate Underwriting ▪ In-depth cooperation with business units ▪ Complementing risk strategy with an explicit risk appetite for oil spill liability risks
Munich Re able to use competitive advantage to offer complex structured reinsurance solutions, especially in life reinsurance	▪ Comprehensive risk assessment ▪ In-depth assessment at Board level ▪ Structuring of transactions reflective of original risk concerns
2011 renewals include Solvency II-triggered business for the first time (more than €50m premium volume)	▪ Close cooperation with client management and underwriting ▪ Identification of solutions optimising clients’ risk capital relief under Solvency II ▪ External and internal training and seminars

Business-enabling using expertise from deeply embedded risk management

Risk management – Major developments in Munich Re's risk strategy

Changes in Munich Re's risk strategy in 2010

Munich RE

Category	Changes	
Whole portfolio criteria	Change of financial strength limit to manage risk of pro-cyclicality: Limit at 80%, trigger at 100%, and early warning at 140% of ERC	
Supple-mentary criteria	▪ Existing limit and trigger system amended: ▪ New financial sector limit as % of the AFR ▪ New longevity limit in as of the AFR ▪ Further harmonisation concerning ALM risk criteria for primary and reinsurance p-c	All supplementary risk limits now have an associated early-warning system protecting the limit, with clear responsibilities: ▪ Yellow zone: business segment ▪ Red zone: Group Committee must be involved and decides on measures to be taken ▪ Limit changes and breaches require involvement of the Audit Committee of the Supervisory Board
Other criteria	▪ Existing limit and trigger system amended: ▪ Country limits now extended to all AA-rated and AAA-rated countries ▪ New US$ 2bn limit for liability risk for oil platforms	

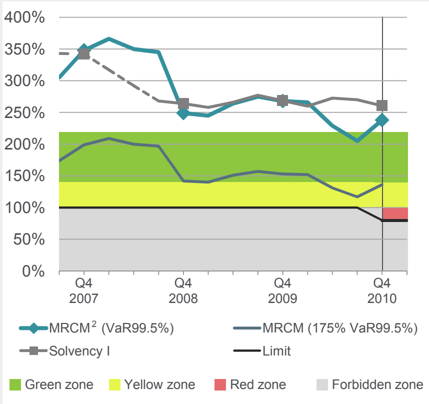
Modest modifications to proven risk strategy, limits and triggers

Risk management – Major developments in Munich Re's risk strategy

Volatility of solvency ratios under economic valuation

Munich RE

Solvency ratios[1] for Munich Re Group



Key observations

- QIS 5 demonstrated higher volatility of solvency ratios under Solvency II compared to Solvency I
  - Impact of market consistent valuation
- Munich Re Group's internal model solvency ratios[3] also more volatile than under Solvency I
- Yet volatility of Munich Re Group's internal model solvency ratios successfully managed on the basis of economic steering approach
  - Liability-driven investment strategy (ALM)
  - Risk strategy based on market-consistent valuation
  - Value-based management
- Munich Re Group's internal capital requirement (ERC) 175% of Solvency II standard; new intervention threshold at 80% of ERC, i.e. 140% of Solvency II standard

Solvency II leading to more volatile coverage ratios for the industry – Munich Re's focus on economic steering has proven effective to manage volatility

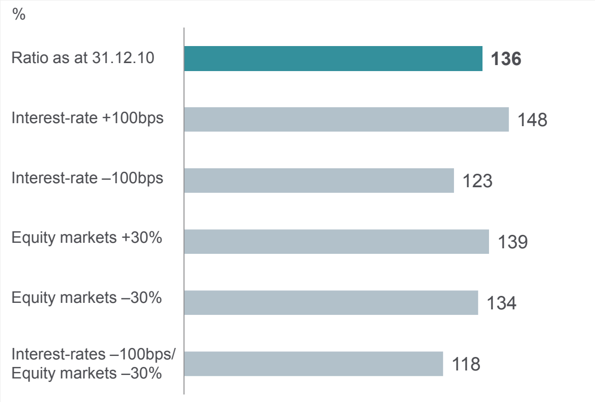
[1] Solvency ratio defined as Available Financial Resources (AFR) over capital requirement; AFR after announced dividend for 2010 of ~€1.1bn to be paid in April 2011 and €0.4bn outstanding share buy-back.
[2] Munich Re Capital Model. [3] Munich Re Capital Model recalibrated to Solvency II level of confidence.

Risk management – Risk disclosure 31.12.2010

Sensitivities of Munich Re Group's economic solvency ratio

Munich RE

Economic solvency ratio[1] – Sensitivity



Key observations

- Opposite interest-rate sensitivities in reinsurance and primary insurance mitigate sensitivity at Group level
- Moderate equity exposure leads to low sensitivity
- Economic solvency ratio after impact of combined interest-rate and equity market stress still high

Munich Re's economic solvency ratio resilient to major capital market movements

[1] Solvency ratio defined as Available Financial Resources (AFR) over capital requirement; AFR after announced dividend for 2010 of ~€1.1bn to be paid in April 2011 and €0.4bn outstanding share buy-back.

Risk management – Risk disclosure 31.12.2010

Breakdown of Group required economic risk capital (ERC)

Munich RE

Risk category[1] Year end	Group 2009	Group 2010	RI 2010	PI 2010	MH 2010	Div. 2010	Explanation
€bn							
Property-casualty[2]	7.6	**8.9**	8.8	0.6	0.0	–0.5	Slightly higher exposure in natural catastrophes scenarios, weaker euro, change of external protection
Life and health	3.7	**5.1**	3.9	1.3	0.7	–0.8	Weaker euro (mainly affecting reinsurance portfolio) and lower interest-rates
Market	6.8	**9.9**	5.5	7.9	0.0	–3.5	Strong increase due to higher equity positions and increased interest-rate risk
Credit[3]	3.1	**4.5**	3.4	1.2	0.0	–0.1	Spreads still above average, lower yield curves, downgrades of counterparties
Operational risk	1.5	**1.6**	1.3	0.5	0.1	–0.3	Low increase due to higher exposure
Simple sum	**22.7**	**30.0**	**22.9**	**11.5**	**0.8**	**–5.2**	
Diversification effect[4]	–5.3	**–9.3**	–8.1	–2.0	0.0	–	Higher diversification due to increases in risk exposures and lower tail dependencies
Total ERC	**17.4**	**20.7**	**14.8**	**9.5**	**0.8**	**–4.4**	

Market environment main driver of ERC increase

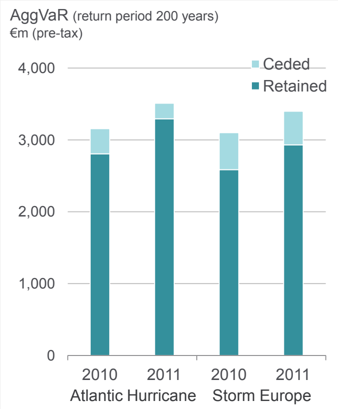
[1] Risk categories broadly based on refined "Fischer II" risk categories recommended for standardised industry disclosures.
[2] Credit (re)insurance included. [3] Default and migration risk.
[4] The measured diversification effect depends on the risk categories considered and the explicit modelling of fungibility constraints.

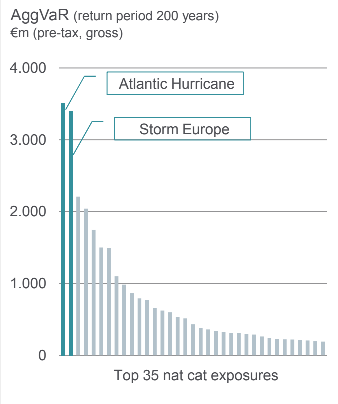
Risk management – Overview on changes of risk profile

Natural catastrophe exposure

Munich RE

Munich Re Group's nat cat exposures





Highlights

Superior diversification within nat cat due to

- global geographical diversification of nat cat-business,
- strong diversification between perils (storm, earth-quake, flood)
- peak risk management

Munich Re benefits from major diversification of natural catastrophe risks

[1] Exposures relate to the full year, e.g. 2011 relates to the period from 1.1.2011 to 31.12.2011

Risk management – Risk disclosure 31.12.2010

Breakdown of Group required ERC for market risk

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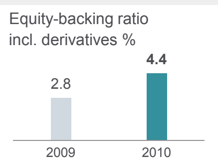
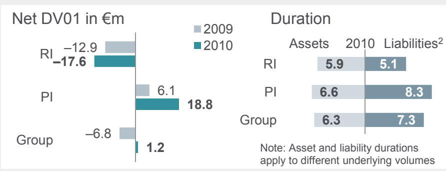
Risk category Year end	Group 2009	2010	RI 2010	PI 2010	Div. 2010	Explanation
€bn						
Equity	3.8	5.5	3.8	1.8	–0.1	Increase due to higher equity-backing ratio
General interest-rate	4.0	5.6	4.0	6.3	–4.7	Lower interest-rates leading to increased duration-mismatch
Credit spread	2.2	3.6	1.8	2.6	–0.8	Refined spread risk modelling in the MCEV
Real estate	1.8	2.0	1.1	1.0	–0.1	No material change
Currency	2.3	0.6	0.6	0.2	–0.2	Refined modelling of currency risk regarding free surplus
Simple sum	**14.1**	**17.3**	**11.3**	**11.9**	**–5.9**	
Diversification	–7.3	–7.4	–5.8	–4.0	–	
Sum ERC	**6.8**	**9.9**	**5.5**	**7.9**	**–3.5**	

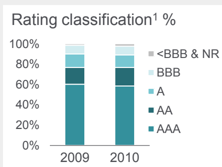
Equity



Interest-rate



Credit spread



[1] Fixed-Income portfolio.
[2] Based on replicating portfolio of liabilities.

Risk management – Risk disclosure 31.12.2010

Development of Group ERC in 2010

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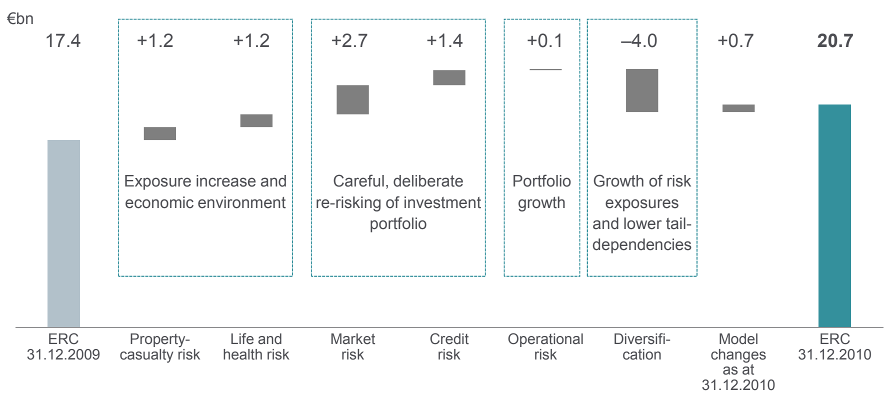
Development of Group ERC in 2010[1]



Strong diversification benefit balances ERC increase

[1] Differences to the changes of capital requirements per risk category shown on slide "Breakdown of Group required economic risk capital (ERC)" are due to column "model changes".

Risk management – Capital position 31.12.2010

Summary of economic capital disclosure

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Position as at 31 December 2010

€bn		**31.12.2010**	31.12.2009
Available financial resources (AFR)	29.6	**29.6**	28.4
Economic risk capital[1]	11.8 / 8.9	**20.7**	17.4
Economic capital buffer	4.1 / 4.8	**8.9**	11.0
Economic capital buffer after share buy-back and dividends[2]	2.6 / 4.8	**7.4**	9.3

Solvency II capital ■ Hybrid capital

Capital strength maintained, despite higher risk exposures

[1] Solvency II capital based on VaR 99.5%, Munich Re internal risk model based on 175% of Solvency II capital.
[2] After announced dividend payout of ~€1.1bn for 2010 to be paid in April 2011 and €0.4bn outstanding share buy-back.

Risk management – Capital position 31.12.2010

Available financial resources – Change and relation to economic earnings

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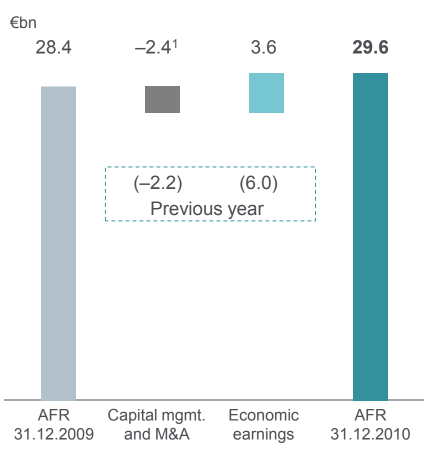
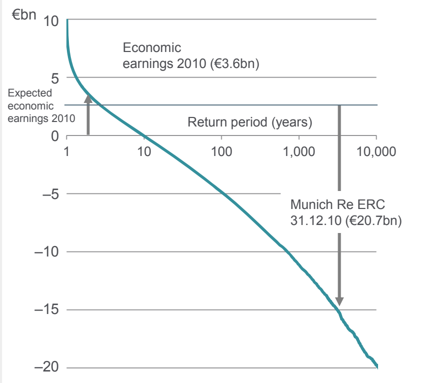
AFR development in 2010



Relation to probability distribution of MRCM[2]



Higher than expected economic earnings lead to AFR increase despite considerable capital repatriation

[1] Dividends (–€1.1bn) and share buy-back (–€1.3bn).
[2] Munich Re Capital Model.

Risk management – Capital position 31.12.2010

Available financial resources – Components of change

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Risk category €bn	ERC 1.1.	ERC 31.12.	ΔAFR[1] 2010	Explanation
Equity	3.8	5.5	**+0.6**	Equity investments
Credit	3.1	4.5	**–0.1**	No material defaults
Interest-rate	4.4	6.9	**–0.9**	In particular, losses in primary insurance MCEV
Currency	2.3	0.6	**+0.4**	Profits in CAN$ and US$
Technical result and new business			**+1.1**	
AFR roll forward[2], other			**+2.5**	
Economic earnings			**+3.6**	

Note: This table illustrates the impact of various risk factors on AFR (column ΔAFR), and compares this to the respective ERC, which gives an indication of what an extreme impact could have been.

Remarks

Market and credit risk
Solid performance of Munich Re's investment portfolio

- Gains on equity holdings
- Gains in bond portfolio from declining general risk free interest-rates, but more than offset by impact on MCEV of primary insurance
- Specific interest-rate (credit spread) performance positive in reinsurance (mostly USA), but losses in primary insurance (mostly Europe)

Insurance risk
Satisfactory technical results although p-c affected by high nat cat losses

Satisfactory technical results and favourable capital market experience

[1] Rough estimates, after tax and policyholder participation.
[2] Investment return on AFR.

Investment strategy – Market expectations and strategy

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Market expectations of MEAG

"Boom"
- Considerable rise in interest-rate level; higher but still manageable inflation
- Significant equity performance

~15% Probability

"Muddling through"
- Interest-rates rise moderately, but stay low, and so does inflation
- Equities perform moderately

~70% Probability

"Deeper and longer turmoils"
- Interest-rates fall below the lowest level we have seen, low inflation
- Equities drop sharply

~15% Probability

General investment strategy

- Strategy dominated by "Muddling through" scenario
- Limits for market and credit risk provided by risk strategy are to be utilised: Moderate re-risking
  - Limits not utilised at year-end 2009
  - Limits already substantially utilised at year-end 2010
- Moderate re-risking also seen as a mitigating factor in an inflation scenario
- Maintain focus on underwriting risk, with investment risk being an important but not dominant element in the risk profile of Munich Re

Investment strategy reflects market expectations

Investment strategy – Per asset class

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Asset class	Investment strategy
Fixed income	▪ Further optimising diversification of counterparts ▪ Slight reduction of sovereign debt, partly realising gains on highly rated sovereign bonds, and increase of non-financial corporate bonds. Reduce exposure to financial institutions ▪ Still seek duration in primary life for ALM purposes, while reducing duration in p-c reinsurance in anticipation of slightly higher interest-rates ▪ Restructuring of interest-rate hedges in primary life (partly already realised), triggered by restructuring of life business in 2010, with the aim of better matching liability profile and reducing IFRS earnings volatility
Equities	▪ Cautious increase, already largely realised ▪ Further portfolio diversification
Alternative assets	▪ Further enhance position in renewable energies through private and public equity as well as debt instruments ▪ Consider infrastructure investments and commodities
Real estate	▪ No material exposure changes planned

Risk management – Summary

Key takeaways

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- Continuity in terms of risk profile – Cycle management at work
- Strong capital position maintained despite challenging market environment
- Higher than expected economic earnings lead to AFR increase despite considerable capital repatriation
- Disciplined liability-driven business approach to be maintained
- Gearing up for Solvency II – In the midst of the pre-application process; first business opportunities already realised

Agenda

Munich RE

Turning risk into sustainable value	Nikolaus von Bomhard
Financial highlights 2010	Jörg Schneider
Risk management	Joachim Oechslin
Non-life reinsurance	**Torsten Jeworrek**
Life reinsurance	Joachim Wenning
Primary insurance	Torsten Oletzky
Backup	

Reinsurance – Highlights

Result burdened by higher losses in property-casualty and reserve strengthening in life reinsurance

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Gross premiums written

€m	
Q1–4 2009	21,783
Q1–4 2010	**23,602**

Favourable FX contribution as main driver for premium growth

Technical result

€m	
Q1–4 2009	1,940
Q1–4 2010	**1,302**

High claims activity in property-casualty and reserve strengthening of long-term care business

Investment result

€m	
Q1–4 2009	3,796
Q1–4 2010	**3,436**

Investment result again at a high level due to disposal gains

Operating result

€m	
Q1–4 2009	4,099
Q1–4 2010	**2,943**

Good investment result partly mitigating lower technical result

Reinsurance – Premium development

Favourable FX contribution as main driver of premium growth

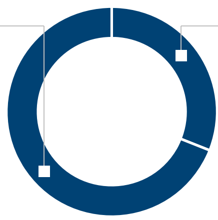
Munich RE

€m	
Gross premiums written Q1–4 2009	21,783
Foreign-exchange effects	1,493
Divestment/ Investment	149
Organic change	177
Gross premiums written Q1–4 2010	**23,602**

- Substantial FX contribution (mainly Can$, US$, A$)
- Premium growth through acquisition of HSB
- Organic growth mainly from large-volume deals in life reinsurance

Breakdown by segment
(segmental, not consolidated)

Property-casualty
15,701 (67%)
(▲ 4.8%)



Life
7,901 (33%)
(▲ 16.3%)

Non-life reinsurance – Financial results

Result strongly impacted by high nat cat losses

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€m	Q1–4 2010	Q1–4 2009
Gross premiums written	**15,701**	14,987
Income from technical interest	**1,371**	1,058
Net expenses for claims and benefits	**9,904**	9,243
Net operating expenses	**4,437**	4,125
Technical result	**1,223**	1,658
Investment result	**2,563**	2,714
Non-technical result	**1,286**	1,723
Operating result	**2,509**	3,381
Consolidated result	**1,806**	2,111

- Strict cycle management and recession-related premium decrease in original business; countervailing increase from currency development and first-time consolidation of HSB (€149m)
- Technical result burdened by exceptionally high nat cat losses (earthquakes in Chile and Christchurch, flood in Australia as main events); lower man-made losses despite Deepwater Horizon (high recession-related losses in 2009)
- Moderate reserve releases while further strengthening confidence level
- Sound underlying combined ratio (after adjusting for major losses)
- Growing share of Munich Re Risk Solutions with structurally higher cost but lower loss ratios
- Investment result again at a high level due to sale of fixed-interest securities; previous year positively influenced by sale of hedged equities

Non-life reinsurance – Combined ratio

Combined ratio reflects exceptionally high nat cat losses Q1–4 2010

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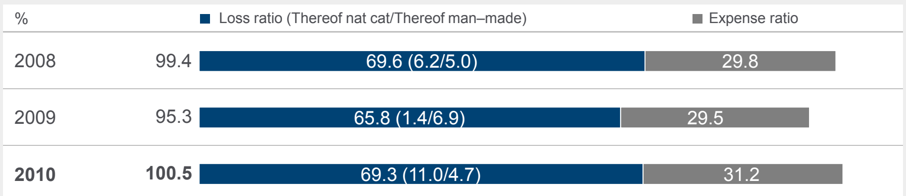


- Major losses in Q1–4 2010 (€2,228m) well above 5–year average (€1,355m)
- Nat cat losses in Q1–4 2010 (€1,564m) clearly exceed 5–year average (€677m)
- Man–made losses of €664m in Q1–4 2010 equals 5–year average (€678m)
- Expense Ratio: Increased commissions and business acquisition costs (mainly from Munich Re Risk Solutions)

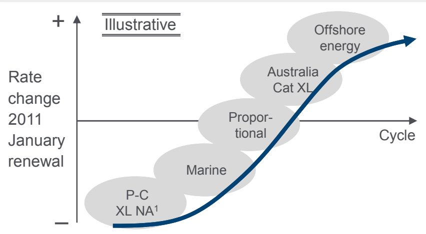
[1] Incl. credit and overhead costs

Non-life reinsurance – January renewals 2011

Overall challenging market environment due to record levels of capital of primary and reinsurance industry

Market conditions

Cycle



- Overall, cycle is a global phenomenon
- However, price trends diverge across regions and segments especially after major loss events, e.g.
  - Offshore energy post Deepwater Horizon
  - Chile and Australia post nat cat events

Competitive environment

Increased **capitalisation** of the insurance industry: recovery from the financial crisis (higher retained earnings and IFRS capital) strengthens (re)insurers balance sheets

Lower **prices**, on average, as softening trend of recent years continues in spite of low interest-rate environment.
However, profitability levels differ across regions and market segments

[1] P-C XL NA: Property and Casualty XL business North America.

Non-life reinsurance – January renewals 2011

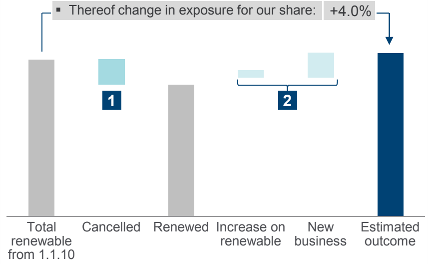
Munich Re's strategy allowed profitable growth in January renewals – Despite challenging market conditions

January renewals – Munich Re's strategy

Munich Re's portfolio

	Total renewable from 1.1.10	Cancelled	Renewed	Increase on renewable	New business	Estimated outcome
%	100	–16.1	83.9	4.6	15.6	**104.1**
€m	7,869	1,265	6,604	362	1,229	**8,195**

Change in premium:	**+4.1%**
▪ Thereof price movement:	+0.1%
▪ Thereof change in exposure for our share:	+4.0%



Emphasis on sound profitability in p-c core business

1 Active portfolio management

Commodity segment requires active management to ensure profitability

+

2 Premium positioning

Growth and know-how partner
Premium service provider supporting clients along their entire value chain

Value optimiser
Know-how to structure tailor-made (capital management) solutions

Complex risk taker
Expertise to model and appetite to cover complex risks

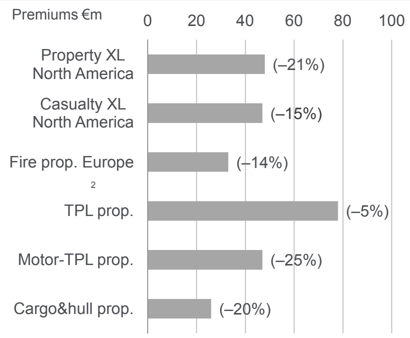
Non-life reinsurance – January Renewal 2011

We keep our promise not to compromise bottom-line for the sake of top-line growth

Munich RE

1 January renewals – Active portfolio management

Cancellations in selected (commodity) segments[1]



Emphasis on risk-adequate prices drives cancellations

- Property XL North America: Mainly driven by reductions of US nat cat business as prices declined
- Casualty XL North America: Due to difficult market environment cancellation of treaties below profitability threshold, mainly in third-party liability but also in workers' comp
- Fire prop. Europe: Overall, soft market environment
- TPL prop.: Still pressure on prices and restructuring of reinsurance programmes
- Motor TPL prop: Considerable quality improvement due to cancellation of unprofitable treaties
- Cargo & hull prop.: Selected client relationships terminated due to insufficient profitability

Execution of strict cycle management facilitating maintenance of the reinsurance portfolio's technical profitability in a soft market environment

[1] Excluding bulk deals.
[2] Third-party liability.

Non-life reinsurance – Strategic outlook

We support our clients in expanding and optimising their operations globally – with capacity and risk expertise

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2 Premium positioning – Growth and know-how partner (examples)

Agro

- Fostering insurability of agricultural production risks through public-private partnerships (PPPs)
- Providing cover for yield and market risk, mainly USA
- Rapid Eye technology partnership

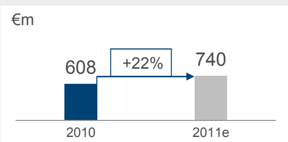
Selected partnerships

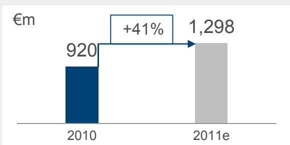
- Prominent market position enables us to see (all) new opportunities and business models at a very early stage
- Expertise and appetite for comprehensive relationships with strategic partners
- Capacity to underwrite multi-year global reinsurance treaties

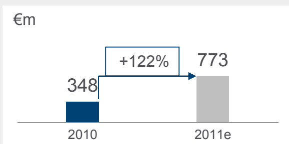
Greater China / SEA

- Unique support of ambitious growth path of key clients in emerging markets that only a leading reinsurer can provide
- Risk transfer through tailor-made solutions
- Transfer of underwriting concepts from mature to developing markets

Renewal – Expected premium income







Non-life reinsurance – Strategic outlook

ERM trends trigger new challenges for the industry – we develop tailor-made solutions for our clients

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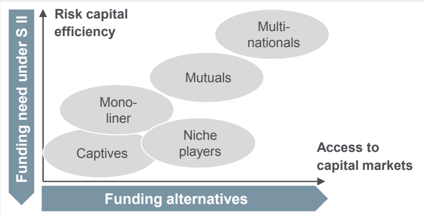
2 Premium positioning – Value optimiser (examples)

Client clusters



Munich Re insights

- Munich Re developed an internal capital model more than a decade ago and fully integrated the model output into all steering aspects of our organisation
- We have considerable experience in capital modeling and profit-oriented allocation which we put at the disposal of our clients

Capital management expertise
Dedicated Solvency II consulting unit, advising on optimising risk capital relief, ERM and risk modeling, IT tools and providing training

Financial strength/rating
Strong capital base is a competitive edge under Solvency II with reinsurer's rating as the decisive factor

Technical and structuring expertise
Client management teams support our clients in analysing and optimally structuring their individual reinsurance needs and programme

Capacity
Increase in demand for proportional cover expected under Solvency II standard model

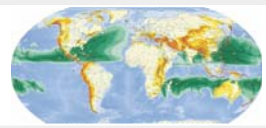
Non-life reinsurance – Strategic outlook

Our technical expertise allows us to insure complex risks today and tomorrow

Munich RE

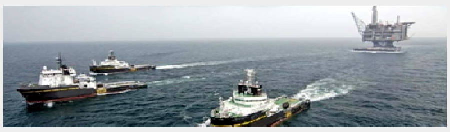
2 Premium positioning – Complex risk taker

Nat cat: World Map of Natural Hazards



- Munich Re continues to commit substantial capacity to nat cat business based on modeling expertise
- High geographical diversification of worldwide large, medium and small scenarios in Munich Re's portfolio is key as diversification reduces earnings volatility by mitigating dependence on top scenarios
- In the long-term view, property CAT XL business produces a substantial economic profit even before external retrocession
- Despite recent claims experience nat cat remains one of Munich Re's most profitable business lines

SOSCover (Sudden Oil Spill Cover)



- Munich Re developed the initial concept for this innovative liability product
- AON Benfield, Guy Carpenter and Willis Re act as consortium managers and placement advisers. They bring together insurers and reinsurers as capacity providers to the consortium
- This consortium will deliver a new meaningful limit on a per-well basis to protect oil companies' balance sheets in case of a large oil spill
- With this on-top product, all covers of the marine, energy and liability market remain in place

Non-life reinsurance – Summary

Key takeaways

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Reinsurance segment

After normalisation of major losses, 2010 showed satisfactory business development in p-c reinsurance segment

Positive January renewal results achieved in a challenging environment due to strict cycle management of commodity business with deliberate top-line reduction in case of inadequate price levels

Leveraging Munich Re's competitive advantage as technically sophisticated solution provider, price-driven premium reduction could be more than compensated for strategic business expansion in premium segment

Munich Re's sharpened value proposition of partnering our clients according to their needs has proved its worth

Agenda

Munich RE

Life reinsurance – Strategic positioning

Munich Re's global key strategic focus in life

Munich RE

Life reinsurance – Strategic positioning

Primary insurance demand pattern	Need for support in underwriting and product development	Demand for cash and capital relief as well as bottom-line stability	Importance of asset-liability mismatch risk has strongly increased
Customised solution space	Transfer of know-how/ Traditional solutions	Financing and capital relief transactions	Holistic asset-liability solutions
Munich Re's competitive advantage	**Global product expertise**	**Balance sheet and capital management know-how**	
	Biometric expertise		
	Capital strength		

Financially motivated reinsurance	**Market development strategy Asia**	**Longevity**	**Asset protection**
Fully productive		Experimental stage	

Life reinsurance – Financial results

Strong organic growth driven by large capital relief deals; result suffers from reserve strengthening in the US

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€m	Q1–4 2010	Q1–4 2009
Gross premiums written	**7,901**	6,796
Income from technical interest	**556**	656
Net expenses for claims and benefits	**5,803**	4,817
Net operating expenses	**2,233**	2,048
Technical result	**79**	282
Investment result	**873**	1,082
Non-technical result	**355**	436
Operating result	**434**	718
Consolidated result	**293**	465

- Premium growth owing to large-volume deals (majority of deals included as from Q2 2009) and positive development of foreign-exchange (mainly Can$)
- Corresponding positive effect of large-volume deals on technical and operating result
- Decreasing technical result reflects reserve strengthening and DAC write-down for US long term care business in 2010 (€315m); apart from that, pleasing business development; 2009 influenced by de-risking of investment portfolio
- Decrease of investment result due to reduced interest on deposits (clean-cut of Group-internal quota share agreement), but still good result on disposals; previous year positively influenced by sale of ERV[1] to ERGO

[1] Europäische Reiseversicherung.

Life reinsurance

Life reinsurance essential and increasingly important pillar within Munich Re Group

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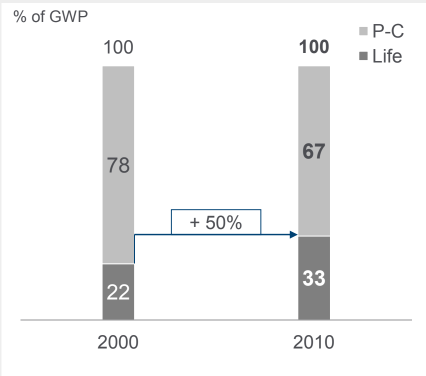
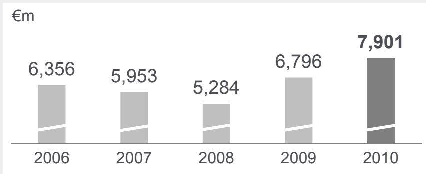
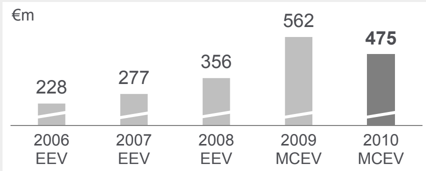
Share of life business within reinsurance segment[1]



Gross written premium (GWP)



Value of new business (VNB)



Life reinsurance share continuously increased

Solid growth in life reinsurance

[1] Segmental share of gross written premium (health reinsurance excluded).

Life reinsurance

Global leading position strengthened by large-volume deals and growth in Asia

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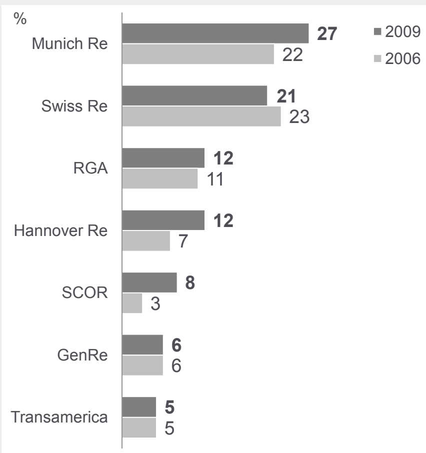
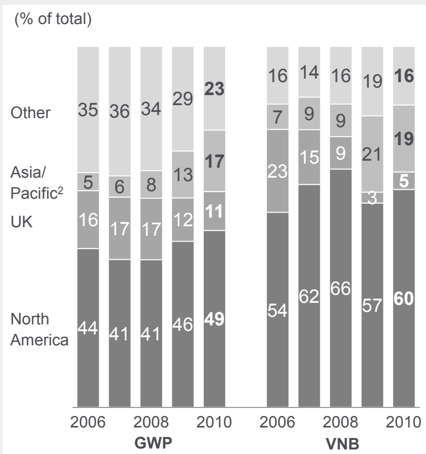
Global life and health market share[1]



Portfolio split by region 2010 – Gross written premiums vs. VNB



[1] Source: Munich Re Economic Research. Estimates based on life and health net earned premiums as reported in company reports.
[2] Asia, Australia, New Zealand.

Life reinsurance

MCEV result 2010

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€m	
MCEV 31.12.2009	**6,773**
1 Opening adjustments	564
Adjusted MCEV 31.12.2009	**7,338**
2 Value of new business	475
Expected return	189
3 Experience variances	–157
4 Assumption changes	252
Other operating variance	–8
Operating MCEV earnings 2010	**751**
5 Economic variances	245
Other non-operating variance	22
Total MCEV earnings 2010	**1,018**
Closing adjustments	–72
MCEV 31.12.2010	**8,284**

1 Positive FX effects (Can$)

2 Again very satisfying value of new business €475m (€562m)

3 Mainly reserve strengthening for US LTC[1] business

4 LTC effects were more than offset by better-than-expected future mortality and portfolio optimisation

5 Positive contribution of lower interest rates

[1] Long-term care.

Life reinsurance

Mortality core pillar of life reinsurance business complemented by living benefits covers

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Premiums and value generation by product 2009/2010

	Year	Mortality	Morbidity excl. LTC	LTC	Other	Total	Thereof: large deals
GWP €m	**2010**	**4,776**	**2,359**	**228**	**537**	**7,901**	**1,998**
	2009	4,625	1,768	187	216	6,796	1,289
Technical result[1] €m	**2010**	**329**	**57**	**–333**	**27**	**79**	**35**
	2009	211	88	–25	8	282	17
VNB €m	**2010**	**316**	**111**	**14**	**34**	**475**	**45**
	2009	328	171	14	49	562	153

- Mortality and morbidity reliably contribute to result and value creation
- LTC[2] is small niche product; one-off effect in 2010 in US portfolio
- Category "Other" includes small amounts of longevity business as well as asset protection products; we approach these risks very cautiously
- Large-volume deals show moderate premium margin of ~2%, but above-average IRR[3] and RoRaC spreads
- Overall, very satisfactory portfolio profitability in 2010 in terms of new business relative to total funds invested and economic risk capital employed

Mortality risk continues to be dominating source of value creation

[1] Product-specific cost allocation.
[2] Long-term care.
[3] Internal rate of return.

Life reinsurance

Life reinsurance business under different accounting regimes

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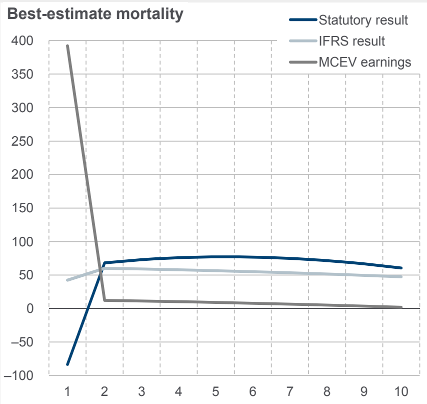
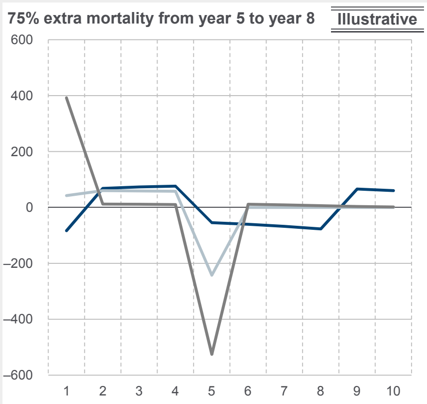
10-year level-premium term insurance[1]





MCEV provides for most comprehensive earnings disclosure

[1] Mortality business; annual level premium payments over 10-years of policy duration.

Life reinsurance

Different impacts on IFRS and MCEV basis

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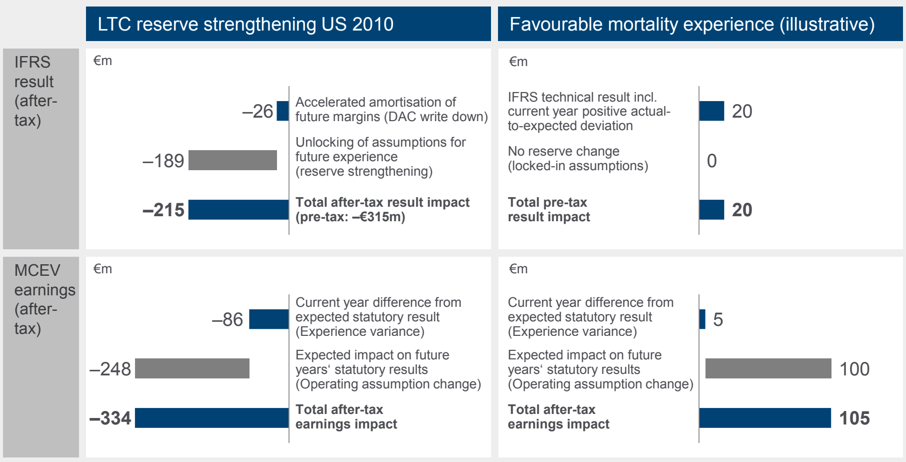

MCEV: Full and immediate recognition of positive or negative impacts

Life reinsurance

Generic reconciliation between MCEV earnings and IFRS operating result

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Major building blocks for transition from MCEV Earnings to IFRS operating result

Total MCEV Earnings

–	**VIF component of total EV earnings**
+/–	Difference in market value and statutory accounting value of assets
+/–	Other differences between statutory and EV accounting
+	Statutory tax

Statutory result pre tax

+/–	Change in IFRS DAC
+/–	Statutory/IFRS differences (benefit reserves, investment result, administration expenses)
+/–	Other differences between statutory and IFRS accounting

IFRS operating result

Over time convergence of MCEV earnings and IFRS result – year-by-year major differences may occur

Life reinsurance

Different treaty structures with different impact on P&L – Munich Re steers according to economic value creation

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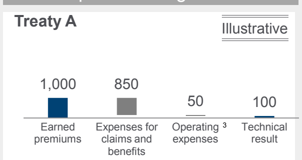
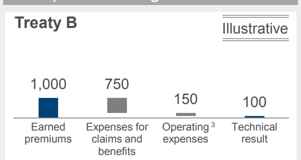
Life reinsurance – IFRS: P&L view

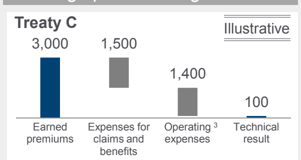
Standard risk premium business without profit sharing[1]



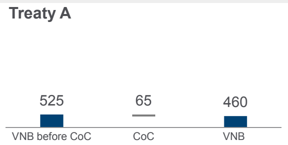
Standard risk premium business with profit sharing[1]

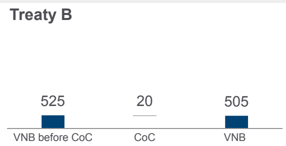


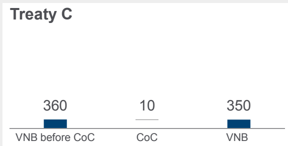
Surplus relief treaty with high profit sharing[2]



Life reinsurance – MCEV: Economic value contribution







P&L impact dependent on particular structure of transaction – Economic value creation most appropriately reflected in MCEV metrics

[1] Portfolio duration assumed to be 10 years.
[2] Portfolio duration assumed to be 5 years.
[3] Including commissions/profit commissions.

Life reinsurance

Typical large-volume deal structure (solvency relief)

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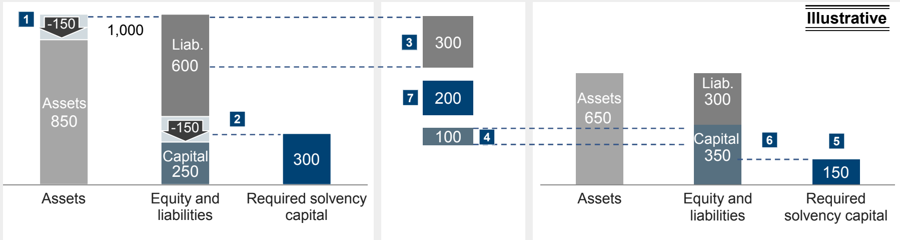
Simplified structure of a solvency relief block deal in life reinsurance

Sample balance sheet before reinsurance	Reinsurance contract	Sample balance sheet after reinsurance



1 Loss in asset values reduces capital base

2 Capital falls below acceptable level

3 Reserve transfer

4 Commission strengthens capital base

5 Solvency capital credit from reinsurance

6 Strengthening of solvency ratio

7 **Net cash flow to reinsurer**

Commission determined in such a way that net cash flow covers policyholder benefits, cost of capital and profit margin for the reinsurer

Effective balance sheet management tool for our clients utilising in-force portfolios with limited experience volatility

Life reinsurance

Life reinsurance steering parameters

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New business

Value of new business	Measures value creation from new business

Side conditions

RoRaC-spread	Measures return on economic risk capital
IRR spread	Measures return on total capital invested in new business

In-force business

Experience variances (past period)	Measures deviation between actual and expected performance during year just ended
	To oscillate around zero on average over time
Operating assumption changes (future periods)	Measures value adjustment for future years
	To oscillate around zero on average over time (unless portfolio enhancement action is taken)

MCEV allows for reflection of cash and free capital generation

Life reinsurance

Relative profitability of new business in line with corporate requirements under all relevant metrics

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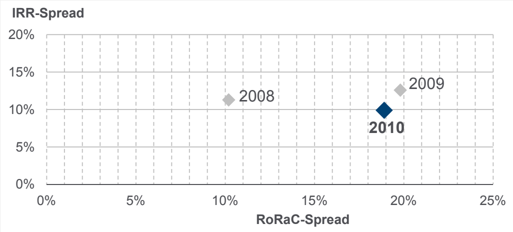
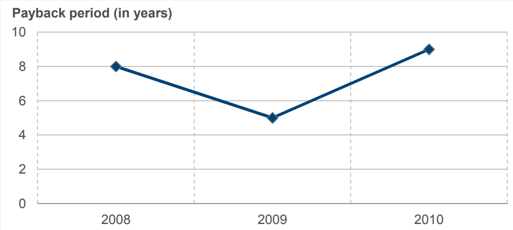
RoRaC-/IRR-spread[1] and payback period[2] in new business



- Very satisfactory profitability levels, both relative to economic risk capital employed (RoRaC) and total investment (IRR) in new business
- 2009 new business heavily influenced by highly profitable large-volume deals; effect in 2010 slightly less pronounced



- Payback period of 2009 reflects shorter duration of most of the large-volume deals
- Large-volume deals impact reduced in 2010

[1] Spread in addition to reference rate (weighted-average swap yield curves).
[2] Number of years it takes to amortise the total investment in new business through future shareholder cash flows (discounted with risk free reference rates).

Life reinsurance

In-force portfolio generates ample free surplus for funding attractive new business

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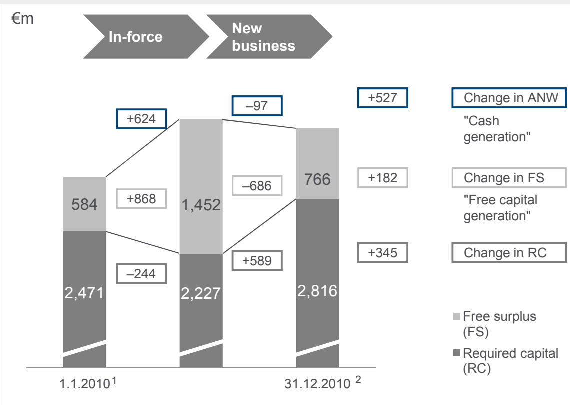
Adjusted net worth (ANW) development



- In-force generated €624m in cash, representing (extraordinarily high) 15% of value of in-force at beginning of the year
- Roughly 10% of initial required capital released through run-off
- 79% of free capital generated from in-force (€686m) invested in new business at attractive terms
- Thereof only 11% (€97m) cash invested in new business
- Beyond this investment in new business, free capital of €182 has been generated

Despite large new business volumes – Strong capital and margin release from in-force makes life reinsurance an important source of capital and cash generation

[1] After opening adjustments (FX adjustments).
[2] Before closing adjustments (FX adjustments and capital movements).
For details please refer to Slide 107.

Life reinsurance

Sustainably high paybacks from in-force business secure capital generation going forward

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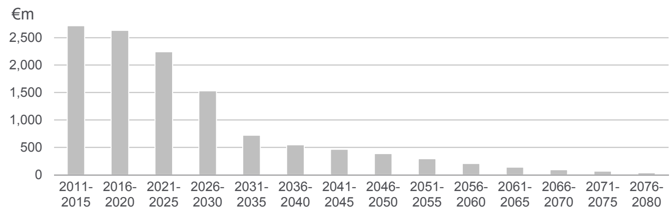
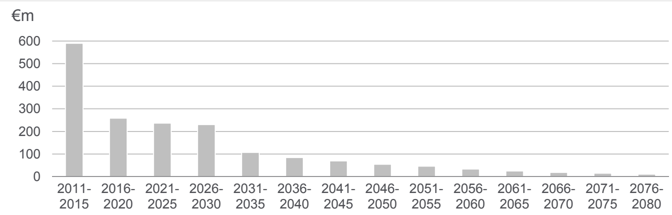
Free capital generation from in-force portfolio as of 31 Dec. 2010



- In 5 years: 22%
- In 10 years: 44%
- In 15 years: 63%
- In 20 years: 75%

Free capital generation from new business written in 2010



- In 5 years: 33%
- In 10 years: 47%
- In 15 years: 61%
- In 20 years: 73%

Life reinsurance – Outlook

Future value generation – Ambition levels increased

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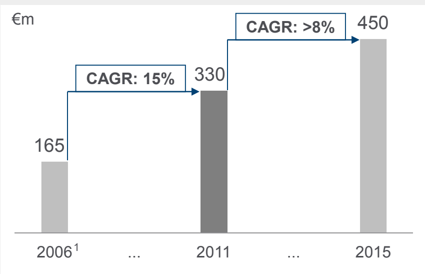
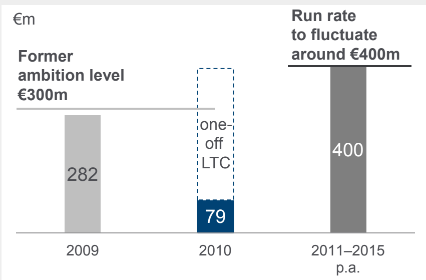
VNB: Communicated ambition achieved/maintained



Driven by large-volume deals exceptionally high VNB in 2009 (€562m) and 2010 (€475m) above original target for 2011

IFRS technical result: Ambition increased



One-off impact in 2010 (US long term care); medium-term expectation in the order of ~€400m[2]

Life reinsurance segment well prepared to maintain growth momentum

[1] Reconciled from EEV to MCEV.
[2] Based on best estimate assumptions and not taking into account major interest or currency movements.

Life reinsurance – Strategic initiatives

Growth fostered by business initiatives

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Financially motivated reinsurance

Large-volume deals

- Customised reinsurance solutions
- Capacity with high security
- Continued demand

Market development Asia

Expertise and capital strength

- Outstanding product development and consulting services
- Tailor-made reinsurance offerings

STRATEGIC INITIATIVES

Innovation

- Coverage of financial guarantees and embedded options
- Strong risk management implemented
- State-of-the-art modelling capabilities

Asset protection

Selective approach

- In-depth actuarial research
- Start offering solutions

Longevity

Sustainable growth through consistent execution of business initiatives

Agenda

Munich RE

Primary insurance – Highlights

ERGO well positioned in all segments

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ERGO confirms positive trend

- Organic growth in all segments
- Successful cost management
- Improved brand awareness

Life insurance

- Successful back-book management – but MCEV hit by low interest-rates
- Improved competitive position
- Set-up of joint venture in China

ERGO

Property-casualty insurance

- Combined ratio at 96.8 %
- German business excellent
- Focus on improving international business

Health insurance

- Good top line growth – but political risk
- Focus on supplementary products
- International business part of Munich Health

Good growth in consolidated income: Primary insurance contributes €656m (€367m)

Primary insurance – Highlights

ERGO confirms positive trend

Munich RE

Gross premiums written

€m	
Q1–4 2009	16,596
Q1–4 2010	17,481

Growth across all segments – overall +5.3%, mostly organic

Technical result

€m	
Q1–4 2009	814
Q1–4 2010	648

Higher claims in international p-c business and increased policyholder participation in life/health

Investment result[1]

€m	
Q1–4 2009	4,615
Q1–4 2010	5,575

Significant improvement – lower write-downs, positive effect from swaptions

Operating result

€m	
Q1–4 2009	908
Q1–4 2010	1,269

Substantial increase in operating result – all segments contribute

[1] Investment result incl. unrealised gains/losses from investments in unit-linked life insurance; thereof unit-linked business: €271m in Q1–4 2010 (€441m in Q1–4 2009).

Primary insurance – Market Consistent Embedded Value 2010

MCEV result

Munich RE

€m	
MCEV 31.12.2009	**5,126**
Opening adjustments	16
Adjusted MCEV 31.12.2009	**5,141**
1 Value of new business	141
Expected return	160
Experience variances	27
Assumption changes	–198
Other operating variance	244
Operating MCEV earnings 2010	**375**
2 Economic variances	–1,099
Other non-operating variance	0
Total MCEV earnings 2010	**–724**
Closing adjustments	–309
MCEV 31.12.2010	**4,108**

1 Value of new business increased to €141m (€132m). VNB up in life, but down in health

2 Change in MCEV stems mostly from interest-rate and credit spread development:
- Effect is largest for German life (guarantees) …
- … while only small decrease for international life (less guarantees) and health business

Primary insurance – Premium development

Growth from all business segments

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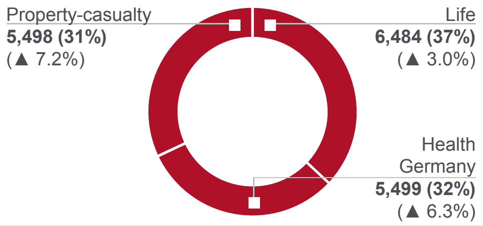
€m	
Gross premiums written Q1–4 2009	16,596
Foreign-exchange effects	143
Divestment/ Investment	–
Organic change	742
Gross premiums written Q1–4 2010	**17,481**

Breakdown by segment
(segmental, not consolidated)



Life statutory premiums:
- IFRS premiums € 6,484 m (▲ 3.0%)
- Savings component of unit-linked and capitalisation products €1,674m (▲ 5.9%)
- **Total premiums €8,158m (▲ 3.6%)**

Primary insurance – Expenses

Cost targets mostly achieved

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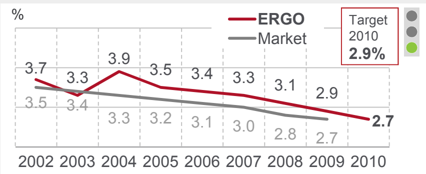
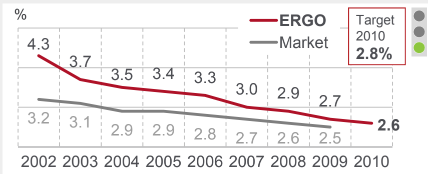
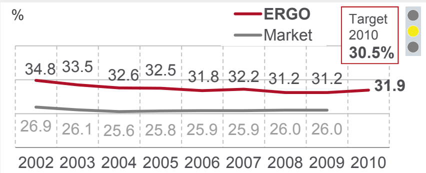
Administrative expense ratio – Life[1]



Administrative expense ratio – Health[1]



Operating expense ratio – Non-life[1]



- Reduction of 1,800 in FTEs accomplished
- Cost target in life insurance achieved – despite premium growth 2007 vs. 2010 lower than expected
- Health target clearly overachieved
- Non-life target not fully met: portfolio mix change, costs of new brand strategy. However, strong combined ratio in Germany (89.8%)

Reduction of expense ratios very successful overall

[1] Germany, gross figures German GAAP (HGB).

Primary insurance – Life

Better consolidated result – Small positive effect from swaptions

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€m	**Q1–4 2010**	Q1–4 2009
Gross premiums written	**6,484**	6,294
Income from technical interest	**3,052**	2,874
Net expenses for claims and benefits	**8,170**	7,461
Net operating expenses	**1,090**	1,065
Technical result	**–6**	93
Investment result	**3,485**	3,086
Non-technical result	**361**	125
Operating result	**355**	218
Consolidated result	**172**	27

- Rise in premiums mainly driven by higher volume of new business with single premiums
- Increased income from technical interest esp. due to higher policyholder participation on account of higher investment result
- Higher net expenses for claims and benefits owing to higher allocation to provision for premium refunds (RfB) and higher allocation to provision for future policy benefits in line with premium growth
- Improved investment result driven by swaption result, allowing for higher policyholder participation
- Previous year impacted by goodwill impairments of €47m (mainly BACAV)
- Swaption impact on consolidated result amounts to €19m in Q1–4 2010 (Q1–4 2009: –€70m)

Primary insurance – Life – New business

New business life insurance (statutory premiums) – International business: healthy growth

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Total

€m	Total	Regular premiums	Single premiums	APE[1]
Q1–4 2009	2,503	505	1,998	705
Q1–4 2010	**2,920**	**511**	**2,409**	**752**
Δ	**16.7%**	1.2%	20.6%	6.7%

Comments

Germany

- Strong growth in traditional single premium annuity business
- Only small decrease in regular premium business – Mostly in line with market

International

- Strong growth in Poland (especially bancassurance)
- Austrian new business (APE) 15.1% below excellent previous year's figures, as expected

Germany

€m	Total	Regular premiums	Single premiums	APE[1]
Q1–4 2009	1,600	340	1,260	466
Q1–4 2010	**1,940**	**331**	**1,609**	**492**
Δ	**21.3%**	–2.6%	27.7%	5.6%

International

€m	Total	Regular premiums	Single premiums	APE[1]
Q1–4 2009	903	165	738	239
Q1–4 2010	**980**	**180**	**800**	**260**
Δ	**8.5%**	9.1%	8.4%	8.8%

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

Primary insurance – Life

German business facing well-known challenges with an improved competitive position

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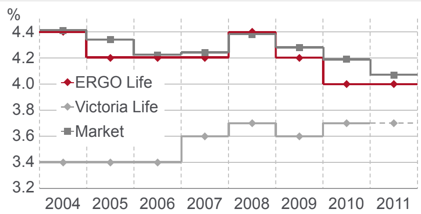
Challenges in 2011

- Make use of improved competitive position
  - Market has followed ERGO in lowering bonus rates to more reasonable levels
  - Former Victoria salesforce now with competitive products
- Continued focus on back-book management: hedging and duration management
- Introduction of "Zinszusatzreserve" a positive factor
  - Strengthening of reserves in reaction to lower interest-rates
  - Should result in more market discipline with regard to policyholders' bonus participation
- Reduction of technical interest-rate to 1.75% as of 1 January 2012 – Lowered guarantee increases manoeuvring room for life insurers, but decreases relative product attractiveness
- Increase share of new product types

Policyholder bonuses: ERGO vs. Market



Victoria life closed for new business

- Corporate pension business transferred to ERGO life: >€400m in premiums and >€6bn in provisions/assets
- Adjustment of asset allocation to the aspects of a closed book
- Joint administration with ERGO Life – No deterioration of cost result

Primary insurance – Life

Successful expansion of bancassurance activities

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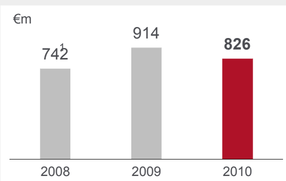
Austria

- As expected, lower premiums in 2010 (–9.6%); 2009 was extra-ordinary year with high single-premium business
- #3 in Austrian life market
- PMI of Bank Austria Creditanstalt Insurance (BACAV) completed
- Sophisticated product development know-how (innovator in unit-linked and index-linked products)
- ERGO's International Bancassurance Centre of Competence located in Vienna; co-operation with UniCredit in Romania and with DnB Nord in Latvia and Lithuania started in 2010
- Hub approach (Vienna) to leverage synergies in CEE

Poland

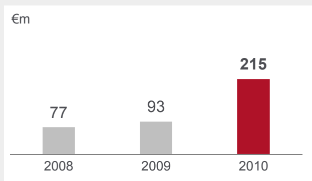
- Strong premium growth (+116%)[2] in 2010; market growth of 4.3%[3]
- #11 in Polish life market; significant increase in market share
- Successful expansion of bancassurance activities with UniCredit Group in Poland
- Focus on index-linked and unit-linked products

Total premiums life



Strategic bank partnerships in Europe with:

Total premiums life

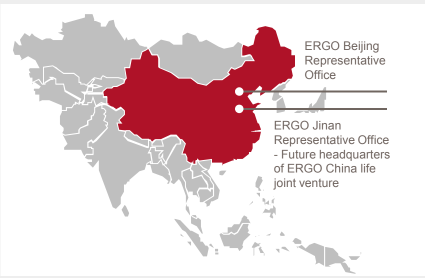


1 2008 as-if figure; acquisition of majority in BACAV in 2009.
2 ERGO growth in local currency IFRS.
3 Market growth Q3 2010 in local GAAP.

Primary insurance – Life

Market entry in China: Joint venture signed in January 2011

Munich RE



Shandong facts & figures

- Population of 94 million
- GDP: €380bn in 2009 – Second-largest province in China
- Insurance market: €9.9bn in 2009 – Third-largest insurance market in China
- Premium income has risen by an average of 24% over the past five years

Highlights

- ERGO sets up a greenfield joint venture for life insurance together with Shandong State-owned Assets Investment Holding Company (SSAIH)
- JV agreement signed in January 2011
- ERGO and SSAIH each hold a 50% share
- The financial investor SSAIH is an investment vehicle for the provincial government of Shandong
  - Founded in 2005
  - Managed capital funds equivalent to approx. €2bn in 2010
  - Employs more than 8,000 people
  - Steered and managed by Shandong SASAC
- Operations will commence when regulatory approval has been obtained – Licensing process expected to take about two years
- Primary target group: private customers, leveraging government-related business

Primary insurance – Health

Very satisfactory consolidated result

Munich RE

€m	**Q1–4 2010**	Q1–4 2009
Gross premiums written	**5,499**	5,171
Income from technical interest	**1,431**	1,172
Net expenses for claims and benefits	**5,674**	5,085
Net operating expenses	**600**	654
Technical result	**418**	361
Investment result	**1,317**	1,058
Non-technical result	**–182**	–145
Operating result	**236**	216
Consolidated result	**165**	83

- Premium increase mainly owing to premium adjustments in Germany
- Higher income from technical interest mainly driven by higher policyholder participation on account of higher investment result
- Rise in net expenses for claims and benefits attributable to increased policyholder participation and higher claims payments
- Reduced net operating expenses due to lower DAC amortisation and higher reinsurance commissions received
- Investment result increased due to higher regular income, improved result from write-ups/write-downs and higher result from disposals
- Positive effect from tax refunds

Primary insurance – Health

Growth initiatives for supplementary business

Munich RE

New business total[1]

€m	Total	Compre-hensive	Supple-mentary
Q1–4 2009	247	158	89
Q1–4 2010	**299**	**205**	**94**
Δ	**21.1%**	**29.7%**	**5.6%**

Comprehensive health insurance

- Good growth in 2010 also due to large Group insurance contract acquired in 2009
- Short-term: favourable political climate, e.g. abolition of 3-year waiting period
- Mid-term: possibility of less favourable political climate requires preparation. Stabilisation of comprehensive health insurance and enhancement of underwriting

Supplementary health insurance

- Spur growth in supplementary health insurance with optimised new product portfolio
- Introduction of innovative after-the-event-product "instant dental cover" in April 2011 at ERGO Direct; limited budget for 2011 (50,000 policies)
- ERGO Direct with focus on internet as sales channel – long-term target to increase share of new business from 10% (2010) to 50% (2015)

Travel insurance

- Acquire more cooperation partners and reduce dependency on small number of larger partners
- Focus on increasing share of all-year cover (in contrast to single-holiday cover)
- Improve operations, implement best practices and exchange knowledge internationally

[1] Without travel business which is short-term business only.

Primary insurance – Property-casualty

Improved consolidated result despite higher claims and goodwill impairment losses

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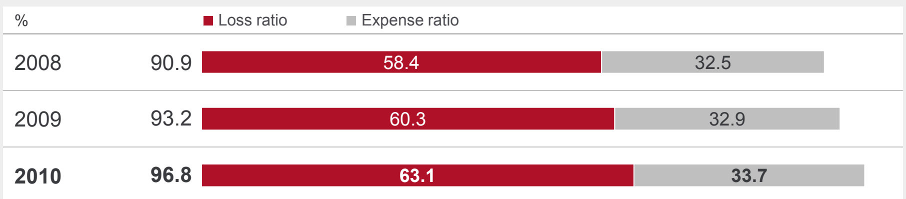
€m	Q1–4 2010	Q1–4 2009
Gross premiums written	**5,498**	5,131
Income from technical interest	**174**	150
Net expenses for claims and benefits	**3,130**	2,856
Net operating expenses	**1,621**	1,502
Technical result	**236**	360
Investment result	**773**	471
Non-technical result	**442**	114
Operating result	**678**	474
Consolidated result	**319**	257

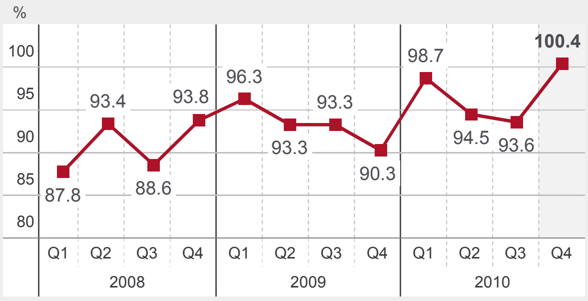
- Premium increase in all lines of business esp. driven by strengthening of distribution channels in international business as well as positive foreign currency exchange effects (esp. Poland)
- Increased claims expenses driven by major claims in Germany and international business (storms, floods and strong winter) as well as competitive motor markets
- Increase in net operating expenses owing to higher acquisition costs from bank distribution
- Improved investment result attributable to higher regular income and improved result from disposals
- Goodwill impairment losses in Q2 2010: ERGO Isvicre Sigorta €109m

Primary insurance – Property-casualty – Combined ratio

High claims activity in Germany and international business

Munich RE





- Germany: Continued low combined ratio (89.8%) despite Xynthia, floods and tornados
- ERGO International: Combined ratio (107.8%) affected by floods and hard winter in Poland; intense competition in Turkey and Korea
- Expense ratio higher – Strong business growth in international business

Primary insurance – Property-casualty

Different situation for German and international business

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Germany

€m	2010	2009
Gross premiums written	**3,173**	3,160
Technical result	**347**	396
Non-technical result	**270**	124
Operating result	**617**	520
Consolidated result	**414**	308

- German business grows only slightly (+0.4%)
- Good combined ratio at 89.8% (87.9%)
- Rise in expenses mainly due to new brand strategy
- P&L includes ERGO corporate centre

International

€m	2010	2009
Gross premiums written	**2,325**	1,971
Technical result	**–111**	–36
Non-technical result	**172**	–10
Operating result	**61**	–46
Consolidated result	**–95**	–51

- International business with strong growth (+18.0%), mainly in Poland, Turkey, Greece
- Deterioration of combined ratio, 107.8% (102.5%)
- Goodwill impairment of €109m in Turkey

Primary insurance – Property-casualty

Polish activities hurt by floods, winter and soft motor market

Munich RE

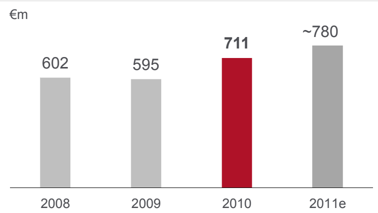
Highlights

- No. 2 in Polish p-c market; market share of 12.7% (Q3 2010)
- Above market average premium growth[1]
- Two-brand strategy: ERGO Hestia and MTU
- Diversified distribution approach

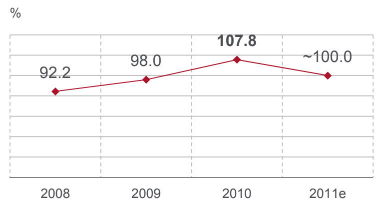
Combined ratio development

- Increased combined ratio in 2010:
  - Floods and harsh winter
  - Challenges in Polish motor market
- Measures taken in order to return to combined ratio below 100%:
  - Revised tariffs in MTPL and own damage cover (price increase of 10%–20%)
  - Higher efficiency in claims management
  - Active portfolio steering: share of motor reduced from 63% (2008) to 55% (2010)
  - New structure of nat cat products
  - Ongoing improvement of underwriting practice (esp. motor and property after winter/flood events 2010)

Gross written premiums P-C



Combined ratio (net)



[1] P-C market growth 5.5% as at Q3 2010, ERGO 10.6% (local currency IFRS).

Primary insurance – Property-casualty

Measures taken for turnaround of Turkish activities

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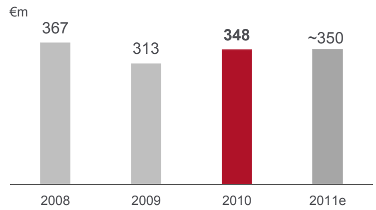
Highlights

- No. 6 in Turkish p-c market; 6.5% market share
- Premium growth of 11% in 2010

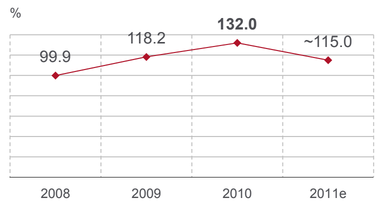
Combined ratio development

- Increased combined ratio in 2010:
  - Financial crisis in 2009 intensified competition especially in motor (market combined ratio above 100% in almost all business lines)
  - Reserve strengthening due to new regulation
  - Investments especially in staff, rebranding and in IT in order to improve operational efficiency
- Measures taken in order to return to combined ratio below 100%:
  - Increase in rates in MTPL by more than 15% in 2010 and decrease in number of policies
  - Improvement of claims management and operational efficiency
  - Active portfolio steering: share of motor reduced from 66% (2009) to 59% (2010)

Gross written premiums P-C



Combined ratio (net)



Primary insurance – Property-casualty

German business – Excellent performance overall; Focus on improving unprofitable lines ...

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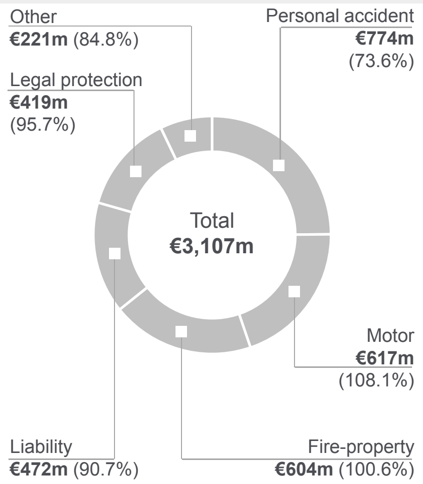
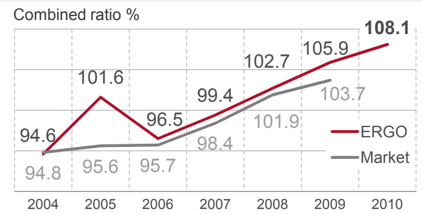
Portfolio split and combined ratios 2010[1]



Motor business to be improved



- Whole German market experiences negative trend
- ERGO's performance broadly in line with market, but ERGO's share in motor business lower than market average
- To return to positive results, ERGO
  - increased new business rates by ~5% (new TPL tariff introduced January 2011)
  - increases portfolio rates where possible
  - increases rates also for fleet business

[1] German GAAP figures. (In Brackets: Combined ratio).

Primary insurance – Property-casualty

... and growing in profitable lines

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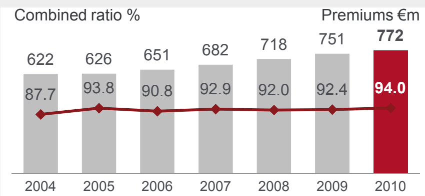
Commercial / industrial business driver for profitable growth



- Growth above market average for years
- Two thirds of top 100 German companies are ERGO customers
- Growth initiative for 2011/12:
  - ERGO one of the leading insurers for renewable energy
  - Becoming leading insurer in marine hull
  - Expand out of Germany with activities in Netherlands, Austria and UK

Personal accident business

- Leading position in pure-risk accident insurance (nearly 90% of portfolio)
- Focus on target-group-oriented assistance packages together with well-known partners, e.g.
  - Rehab packages in cooperation with "Fitness First" and Professional Associations' Hospitals
  - More than 450,000 assistance packages sold

Private fire and property

- Homeowners' difficult business regarding profitability after deregulation
- ERGO with rate increases of 9.2% in 2011
- Sales initiative to improve portfolio

Legal protection business

- Growth activities for commercial customers
- New product "affordable justice for all" (legal advice, mediation)

Primary insurance – New brand strategy

Successful groundwork in 2010 provides good starting point for activities 2011

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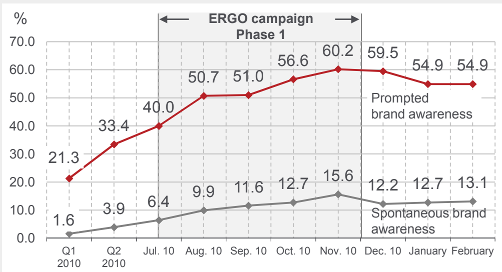
Legal milestones in 2010

- **Renamings:**
  ERGO Direkt, ERGO Life, ERGO P-C
- **Mergers:**
  ERGO P-C, DKV, D.A.S.
- **Portfolio transfer:**
  Corporate pensions from Victoria Life to ERGO Life

Pleasing increase in brand awareness in 2010



Strategic activities in 2011 focused on

Clarity of communication

- Complete rebrush of all letters to customers
- Revision of terms of contracts for private customer products

Customer participation

- Implementation of customer advocate
- Implementation of customer panel

Products and services

- Expanding claims management services
- Develop easy-to-understand products

Primary insurance – Conclusion

Takeaways

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2010 was a good year for ERGO – Pleasing growth of premiums and results

In Germany, delivery on brand promises is top priority for 2011

International business: Focus on improvement of bottom-line result in non-life

Agenda

Munich RE

Turning risk into sustainable value	Nikolaus von Bomhard
Financial highlights 2010	Jörg Schneider
Risk management	Joachim Oechslin
Non-life reinsurance	Torsten Jeworrek
Life reinsurance	Joachim Wenning
Primary insurance	Torsten Oletzky

Backup

Agenda – Backup

Munich RE

Backup: Additional highlights Q1–4 2010

Group: Continuously strong operating performance – reduction only due to major losses

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As reported (€m)	Q1–4 2010	Q1–4 2009	As-if calculation (€m)	Q1–4 2010	Q1–4 2009
Regular income on investments	**7,749**	7,629	Adjusted regular income on investm.[1]	**7,044**	6,873
Write-ups/write-downs and gains/ losses on the disposal of investments	**1,246**	490	Policyholder participation in primary insurance life and health from write-ups/write-downs on investments[2] and gains/losses on disposals	**524**	12
Other investment income/expenses	**–353**	–236	Shareholder participation in write-ups/write-downs and gains/losses on disposal of investments[3]	**1,074**	998
Investment result	**8,642**	7,883	**Investment result**	**8,642**	7,883
Deduction of income from technical interest	**–6,587**	–5,794	Deduction of income from technical interest	**–6,587**	–5,794
			Shareholder participation in write-ups/write-downs and gains/losses on disposal of investments[3]	**–1,074**	–998
Other operating result	**–42**	–115	Other operating result	**–42**	–115
Non-technical result	**2,013**	1,974	**Adjusted non-technical result**	**939**	976
Technical result	**1,965**	2,747	**Technical result**	**1,965**	2,747
Operating result	**3,978**	4,721	**Adjusted operating result**	**2,904**	3,723

1 Regular income on investments less planned amortisation of investment property plus other income/expenses on investments (excl. unrealised gains/losses on unit-linked life insurance).
2 Incl. unrealised gains/losses from unit-linked life insurance.
3 In life and health primary insurance only shareholders' share of 10%.

Backup: Additional highlights Q1–4 2010

Increased contribution of primary insurance to Group earnings

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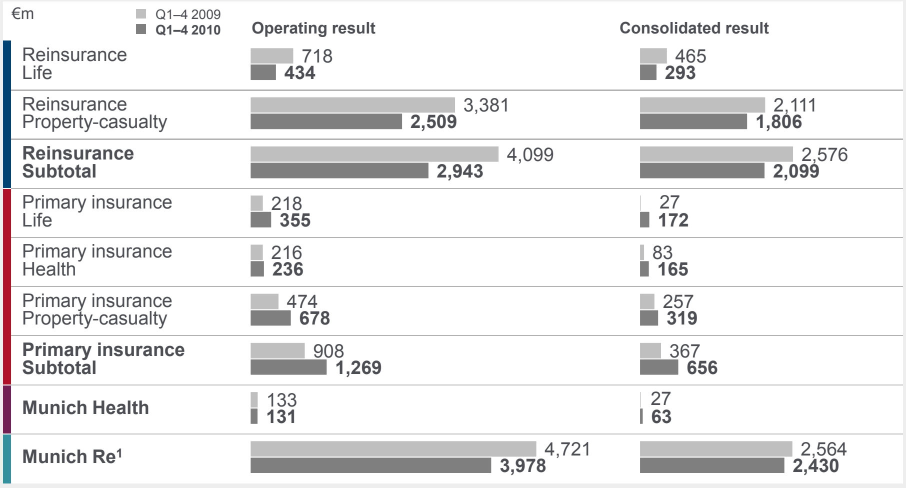

[1] Operating result Q1–4 2010 including asset management (€75m, Q1–4 2009 €52m) and consolidation (–€440m, Q1–4 2009 –€471m). Consolidated result Q1–4 2010 including asset management (€37m, Q1–4 2009 €19m) and consolidation (–€425m, Q1–4 2009 –€425m). The consolidation figure in Q1–4 2009 includes the elimination of the intercompany sale of Europäische Reiseversicherung from Munich Reinsurance Company to ERGO AG amounting to €139m.

Backup: Additional highlights Q1–4 2010

Major losses: Above-average nat cat claims, man-made losses equal 5-year average

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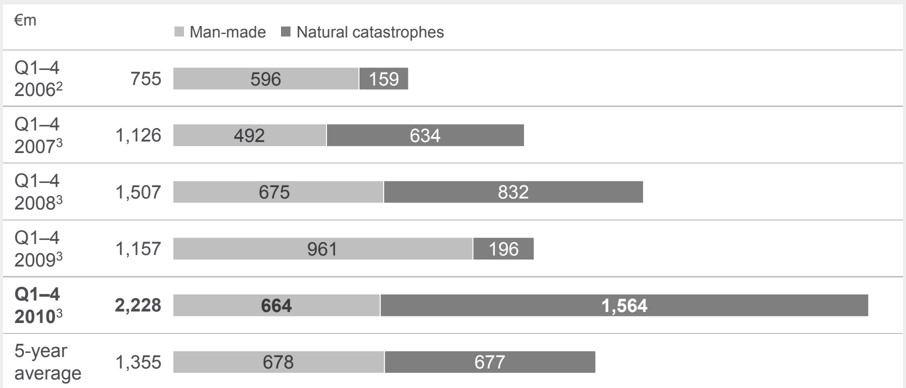
Reinsurance segment: Major losses[1] over €10m each



[1] Incl. claims in life.
[2] Major losses over €5m each; Q1–4 2006 incl. run-off profits.
[3] Incl. run-off profits.

Agenda – Backup

Munich RE

Additional highlights Q1–4 2010

Risk management

Life reinsurance

Investments

Reserves

Market Consistent Embedded Value 2010

Shareholder information

Backup: Risk management – Major developments in Munich Re's risk strategy

Set-up of Munich Re's risk strategy

Munich RE

Category	Risk criteria	Measure	Criteria's objective	ERM objective addressed
Whole portfolio criteria	**Financial strength**	▪ ERC ▪ Rating ▪ Solvency	Safeguarding sufficient excess capital and limiting frequency of negative economic results of Munich Re's **entire risk portfolio**.	Maintaining Munich Re's financial strength, thereby ensuring that all liabilities to our clients can be met
	Avoiding financial distress	Negative economic earnings tolerated every 10 years		
Supple-mentary criteria	▪ **Peak risk management** ▪ Individual nat cat perils ▪ Terrorism ▪ Pandemic ▪ Longevity ▪ Financial sector limit ▪ **ALM limits** ▪ **Liquidity**	VaR limits as % of AFR or limit for maximum exposure	Limiting losses from **individual risks** or **accumulation exposure** and **liquidity risks** that could endanger Munich Re's survival capability.	Protecting and increasing the value of our shareholders' investment
Other criteria	E.g.: ▪ Counterparty-credit risk ▪ Single risks ▪ Alternative investments ▪ Non-investment-grade investments	Individual risk limits in absolute value	Limiting risks that could sustainably damage the **trust of stakeholders in Munich Re**	Safeguarding Munich Re's reputation, thus perpetuating future business potential

Backup: Risk management – Capital position 31.12.2010

Reconciliation of AFR with IFRS equity – Economic equity now at €24.8bn

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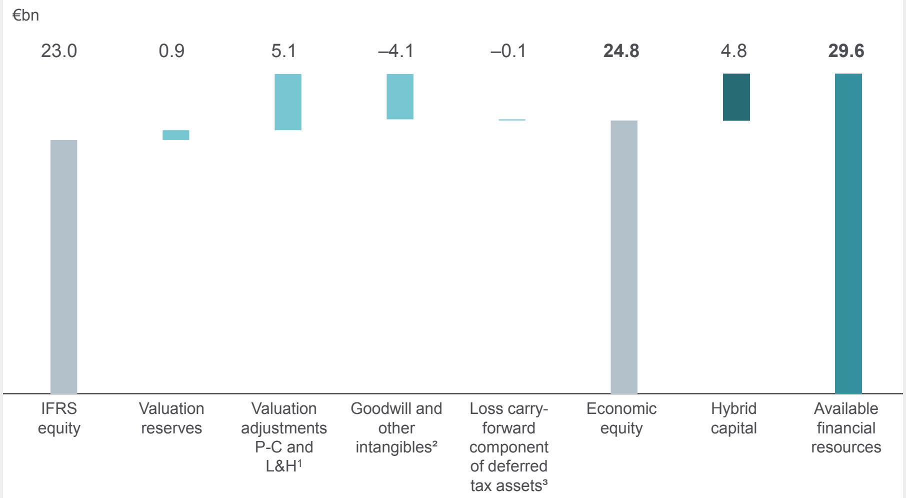

[1] Includes discount of reserves and embedded value not recognised in IFRS equity.
[2] Deduction net of tax effects.
[3] Deduction only of the amount not covered by excess of deferred tax liabilities on solo-entity level.

Agenda – Backup

Munich RE

Additional highlights Q1–4 2010

Risk management

Life reinsurance

Investments

Reserves

Market Consistent Embedded Value 2010

Shareholder information

Backup: Life reinsurance

IFRS and MCEV methodology comparison of key characteristics

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	MCEV	IFRS
Profit recognition	Immediate (present value)	Deferred – in annual tranches
Experience recognition (past period)	Yes – Variances between last year's assumption and actual experience	Yes – Difference in assumption included in reserve and actual experience
Assumption changes (future periods)	Yes – Immediate recognition of full impact of gains/losses (present value)	Recognised only if PV of profit margins and PADs[1] insufficient to buffer loss („Lock-in")
Asset valuation	Marked to market	Fair value and amortized costs
Cost of capital	Reflected with respect to entire capital consumption	Not reflected
Options and guarantees	Stochastically valued	Only partially valued (fair value of VA guarantees)
Reserving	Statutory rules (relevant for shareholder cash flows)	IFRS/US GAAP rules
Annual earnings	VNB (value of new business) plus variances and assumption changes (value changes on in-force) plus expected return (unwind of discount)	Sum of current year annual result contributions of all still relevant new business generations

	Present value of future profits available to shareholder	▪ Present value of future after-tax regulatory profits ▪ Time value of financial options and guarantees	MCEV
–	Adjustments for risks of cash flows	▪ Cost of non-hedgeable risks ▪ Cost of double taxation and cost of asset management related to assets backing required capital	
+	Adjusted net worth	▪ Required capital ▪ Free surplus	

[1] Provision for adverse deviation.

Backup: Life reinsurance

Free capital and cash generation

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			In-force	New business	Total
					Free surplus 1.1.10: 564
					Opening adjustments[3]: 20
					Adjusted free surplus: 584
Change in ANW[1]	**Cash generation**		624	–97	527
		Expected investment income on ANW	35		
		Transfer from VIF to ANW	331		
		Variances and assumption changes with impact on ANW	258		
Change in RC	**Release (+)/Strain (–) from required capital**		244	–589	–345
		Expected investment income on RC	–18		
		Release of RC from in-force	182		
		Variances and assumption changes with impact on RC	80		
Change in FS[2]	**Free capital generation**		868	–686	182
					Free surplus 31.12.10: 766
					Closing adjustments[4] (incl. capital movements): –240
					Closing free surplus 31.12.10: 526

[1] ANW impact of total MCEV earnings.
[2] FS impact of total MCEV earnings.
[3] FX rate adjustment beginning of year to average of year.
[4] FX rate adjustment average of year to end of year.

Agenda – Backup

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

Increased asset base and shift into loans as main driver for increasing regular income

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Investment result – Regular income (€m)	**Q1–4 2010**	Q1–4 2009	Change
Afs fixed-interest	**4,415**	4,448	–33
Afs non-fixed-interest	**271**	278	–7
Derivatives	**244**	258	–14
Loans	**2,123**	1,952	171
Real estate	**340**	340	–
Deposits retained on assumed reinsurance and other investments	**273**	353	–80
Other	**83**	–	83
Total regular income	**7,749**	**7,629**	**120**

Main effects in Q1–4 2010

- Increased asset base as well as cautious investment in credit-exposed fixed-interest investments
- Afs fixed-interest investments are influenced by new investments at lower interest-rates and currency volatility
- Shift into loans and increased asset base more than compensating for lower interest-rates
- "Other" mainly affected by higher income from affiliated and associated companies, whereas income from deposits decreased

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

Higher write-ups of interest derivatives and significantly lower write-downs of equities

Munich RE

Investment result – write-ups/write-downs (€m)	Q1–4 2010	Q1–4 2009	Change
Afs fixed-interest	17	–112	129
Afs non-fixed-interest	–270	–314	44
Derivatives	–39	–414	375
Loans	–4	–74	70
Real estate	–101	–122	21
Other	–6	–86	80
Total net write-ups/write-downs	**–403**	**–1,122**	**719**

Main effects in Q1–4 2010

- Previous year impacted by high write-downs of afs fixed-interest securities (structured products, loss-bearing bonds)
- Lower impairments of afs non-fixed-interest securities as stock markets were at their lowest point at the end of March 2009 and, in general, at a lower level in 2009 compared to 2010
- Strongly improved result from derivatives mainly due to swaptions as a result of decreasing interest-rate environment; by contrast, higher write-downs on bond futures

Backup: Investments and investment result – Investment result – Net result from disposal of investments

Gains on fixed-interest securities and equities more than compensate for impact from derivatives

Munich RE

Investment result – Net result from disposal of investments (€m)	Q1–4 2010	Q1–4 2009	Change
Afs fixed-interest	1,067	782	285
Afs non-fixed-interest	634	943	–309
Derivatives	–198	–270	72
Loans	31	106	–75
Real estate	100	35	65
Other	15	16	–1
Total net realised gains	**1,649**	**1,612**	**37**

Main effects in Q1–4 2010

- Afs fixed-interest: Disposal of corporate and government bonds at low interest-rate levels and reduced credit spreads realising investment gains; in 2009 we profited from our cautious shift from government bonds and structured products into corporate bonds
- Afs non-fixed-interest: Lower disposal gains from equities in second half of 2010 as previous year profited from high realised gains
- Derivatives: Gains on our bond futures (low interest-rate environment), whereas losses on our hedging products occurred

Backup: Investments and investment result – Investment result

Return on investment by asset class

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%[1]	Regular income	Write-ups/ write-downs	Gains/ losses on disposal	Other income/ expenses	**Total RoI**	**Average market value in €m**
Afs fixed-interest	3.9	0.0	1.0	0.0	4.9	112,036
Afs non-fixed-interest	3.3	–3.3	7.7	0.0	7.7	8,234
Derivatives	23.3	–3.7	–18.9	0.0	0.7	1,049
Loans	4.2	0.0	0.1	0.0	4.3	50,551
Real estate	6.1	–1.8	1.8	0.0	6.0	5,617
Other[2]	2.1	0.0	0.1	–2.1	0.1	16,714
Total	**4.0**	**–0.2**	**0.8**	**–0.2**	**4.5**	**194,201[3]**
Reinsurance	3.8	–0.4	1.6	–0.4	4.6	72,734
Primary insurance	4.1	–0.1	0.4	0.0	4.4	118,085
Munich Health	3.7	0.0	0.3	–0.1	3.8	2,656

Main effects in Q1–4 2010

- Reinsurance: High RoI driven by gains on disposals of fixed-interest securities; in addition, sale of Helvetia shares leading to a net gain of approx. €90m
- Primary insurance: As compared to reinsurance, higher running yield (longer investment duration) but lower disposal gains; write-downs on swaptions in Q4
- Total return decreases to 4.2% (2009: 5.7%); negative impact on total return resulting from decreased valuation reserves (Δ –€531m) mainly driven by afs fixed-interest securities as a result of increasing yields in peripheral sovereign debt

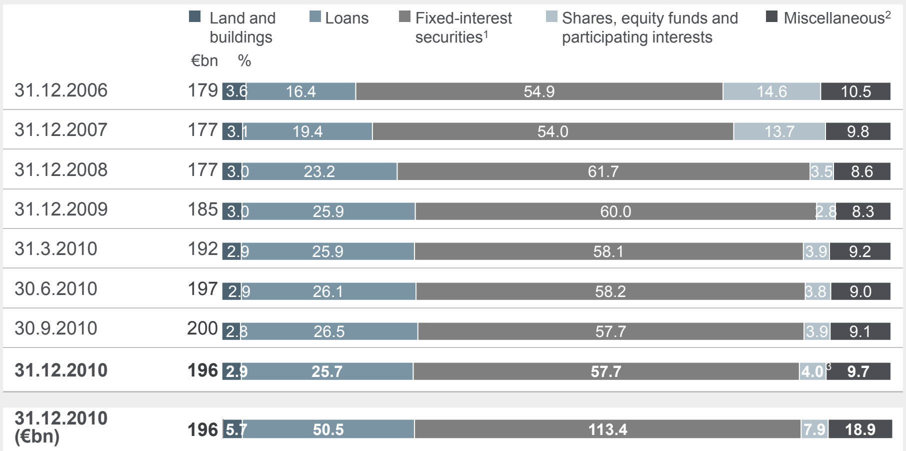
[1] Annualised. [2] Incl. management expenses. [3] Reinsurance, primary insurance and Munich Health do not add up to total amount; difference relates to the segment "asset management".

Backup: Investments and investment result – Total investment portfolio

Maintenance of moderate investment risk profile

Munich RE

Investment structure by asset class (market values)



[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) and derivatives held for trading with non-fixed interest underlying.
[3] After taking equity derivatives into account: 4.4%.

Backup: Investments and investment result – Fixed-income portfolio

Continued emphasis on highly rated credit risks

Munich RE

Rating classification of fixed-income portfolio[1]

%	AAA	AA	A	BBB	BB	B and worse	NR	Total
Government/ Semi-government	53	35	7	3	2	–	0	**100**
Pfandbriefe/Covered bonds	85	14	1	0	–	–	0	**100**
Banks	5	18	37	5	1	1	33[2]	**100**
Corporates	2	12	38	44	3	0	1	**100**
Structured products	79	11	7	2	0	0	1	**100**
Loans to policyholders/ Mortgage loans	–	–	–	–	–	–	100	**100**
Total	**52**	**23**	**11**	**6**	**1**	**0**	**7**	100

[1] Economic view – not fully comparable with IFRS figures.
[2] Including cash positions and shares in funds which are not rated. As at 31 December 2010.

Backup: Investments and investment result – Fixed-income portfolio

Approx. 76% invested in eurozone, digestible exposure to peripheral sovereigns

Munich RE

Geographic classification of fixed-income portfolio[1]

%	Germany	France	UK	"PIIGS"	CEE	Rest of Europe	USA	Canada	Rest of world	Total
Government/ Semi-government	31	6	6	14	3	11	16	7	6	**100**
Pfandbriefe/ Covered bonds	43	16	6	13	0	22	0	0	–	**100**
Banks	43	2	7	4	1	9	26	2	6	**100**
Corporates	3	7	7	5	0	16	50	5	6	**100**
Structured products	3	1	9	16	0	10	59	1	1	**100**
Loans to policyholders/ Mortgage loans	98	–	–	1	0	0	0	0	1	**100**
Total	**34**	**8**	**6**	**12**	**2**	**14**	**16**	**4**	**4**	100

[1] Economic view – not fully comparable with IFRS figures.
As at 31 December 2010.

Backup: Investments and investment result – Fixed-income portfolio

Maturity structure

Munich RE

Maturity structure of fixed-income portfolio[1]

%	Remaining time to maturity							
	0–1 year	1–3 years	3–5 years	5–7 years	7–10 years	>10 years	n.a.	**Total**
Government/ Semi-government	10	13	18	12	17	30	0	**100**
Pfandbriefe/Covered bonds	3	11	10	15	19	42	–	**100**
Banks	12	9	9	12	18	6	34	**100**
Corporates	7	23	24	14	20	12	0	**100**
Structured products	20	42	24	6	7	1	0	**100**
Loans to policyholders/ Mortgage loans	6	15	21	16	23	17	2	**100**
Total	**8**	**14**	**16**	**13**	**18**	**28**	**3**	**100**

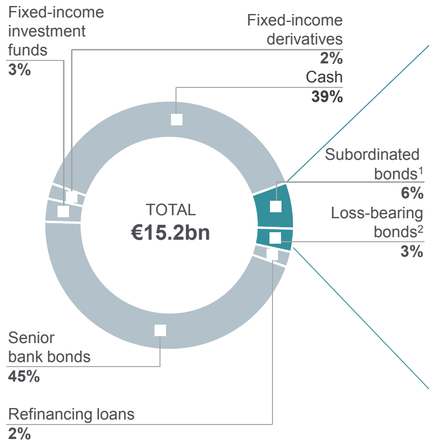
1 Economic view – not fully comparable with IFRS figures.
As at 31 December 2010.

Backup: Investments and investment result – Fixed-income portfolio

Banks: Decrease of subordinated and loss-bearing exposure

Munich RE

BANKS
Split by investment category



BANKS
Subordinated and loss-bearing exposure by country

Country	**Market values €m** (as at 31.12.2010)		
	Total	Subordinated bonds	Loss-bearing bonds
Germany	**685**	415	270
USA	**399**	351	48
Italy	**49**	49	0
UK	**47**	39	8
Austria	**64**	46	18
Other	**131**	80	51
Total market values	**1,375**	**980**	**395**

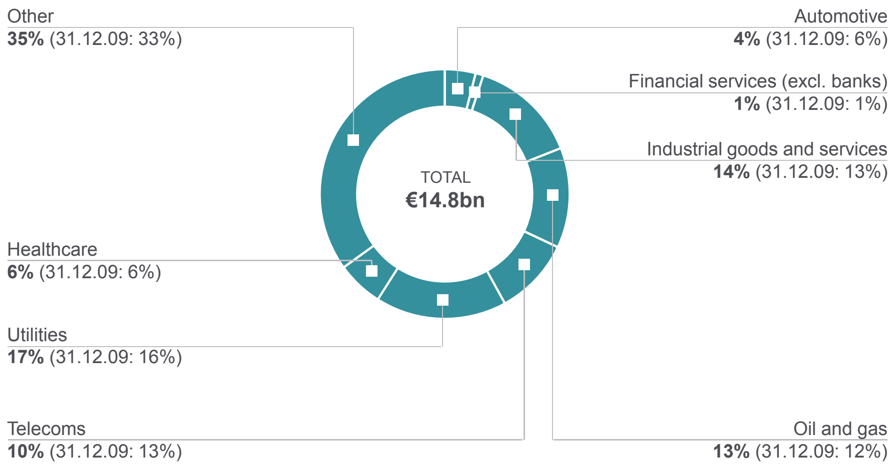
1 Classified as lower Tier 2 and Tier 3 capital for solvency purposes.
2 Classified as Tier 1 and upper Tier 2 capital for solvency purposes.
Economic view – not fully comparable with IFRS figures.

Backup: Investments and investment result – Fixed-income portfolio

Corporates: Broadly diversified investment-grade portfolio

Munich RE

Corporate bonds: Sectoral split[1]



[1] Economic view – not fully comparable with IFRS figures.
As at 31 December 2010.

Backup: Investments and investment result – Fixed-income portfolio

Structured products: Substantial portion of exposure to agencies

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]	653	83	132	5	–	0	534	339	873	**101%**
	Corporate-related ABS[2]	225	140	44	24	4	20	1	456	457	**96%**
	Subprime HEL	19	6	23	–	4	–	52	–	52	**97%**
CDO/ CLN	Subprime-related	–	–	–	–	1	0	–	1	1	**1%**
	Non-subprime-related	74	15	32	2	0	58	–	181	181	**81%**
MBS	Agency	2,203	92	–	–	–	–	2,295	–	2,295	**98%**
	Non-agency prime	654	92	64	43	0	–	67	786	853	**97%**
	Non-agency other (not subprime)	224	89	28	–	4	–	144	201	345	**94%**
	Commercial MBS	707	167	122	20	–	–	597	419	1,016	**98%**
	Total 31.12.2010	**4,759**	**684**	**445**	**94**	**13**	**78**	**3,690**	**2,383**	**6,073**	**96%**
	In %	**79%**	**11%**	**7%**	**2%**	**0%**	**1%**	**61%**	**39%**	**100%**	
	Total 31.12.2009	4,592	315	235	20	15	85	3,993	1,269	5,262	95%

[1] Consumer loans, auto, credit cards, student loans.
[2] Asset-backed CPs, business and corporate loans, commercial equipment.

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)	+11.5	+5.6	–10.1	–18.9
Change in on-balance-sheet reserves, net (€bn)[1]	+3.0	+1.5	–2.7	–5.1
Change in off-balance-sheet reserves, net (€bn)[1]	+0.6	+0.3	–0.6	–1.0
P&L impact (€bn)[1]	+0.3	+0.2	–0.3	–0.6

Sensitivity to spreads[2] (change of bps)	+100	+200
Change in gross market value (€bn)	–7.0	–12.9
Change in on-balance-sheet reserves, net (€bn)[1]	–1.4	–2.7
Change in off-balance-sheet reserves, net (€bn)[1]	–0.4	–0.8
P&L impact (€bn)[1]	–0.0	–0.0

Sensitivity to equity markets[3]	–30%	–10%	+10%	+30%
EURO STOXX 50 (2,793 as at 31.12.2010)	**1,955**	**2,514**	**3,072**	**3,631**
Change in gross market value (€bn)	–3.0	–1.0	+1.0	+3.1
Change in on-balance-sheet reserves, net (€bn)[1]	–0.9	–0.4	+0.7	+2.0
Change in off-balance-sheet reserves, net (€bn)[1]	–0.3	–0.1	+0.1	+0.3
P&L impact (€bn)[1]	–1.5	–0.4	+0.1	+0.5

1 Rough calculation with limited reliability assuming unchanged portfolio as at 31.12.2010. 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 governments with ratings AAA.
3 Worst-case scenario assumed: impairment as soon as market value is below acquisition cost.

Unrealised gains/losses on securities (afs) and off-balance-sheet reserves

Munich RE

On-balance-sheet reserves on afs securities

€m	
Gross unrealised gains and losses	3,835
Provision for deferred premium refunds	–587
Deferred taxes	–604
Minority interests	–11
Effects from consolidation and currency	3
Shareholders' stake 31.12.2010	**2,636**

Off-balance-sheet reserves[1]

€m	
Off-balance-sheet reserves 31.12.2010	**3,290**
Provision for deferred premium refunds	–1,778
Deferred taxes	–436
Minority interests	–
Shareholders' stake 31.12.2010	**1,076**

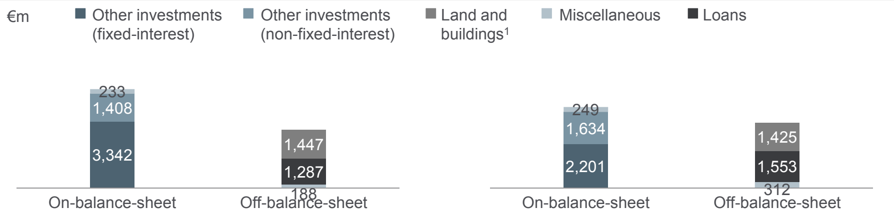
1 Excluding reserves on owner-occupied properties.

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

On- and off-balance-sheet reserves by asset class

Munich RE

31.12.2009	31.12.2010



Total €7,905m	Total €7,374m

Unrealised gains and losses – gross	**7,905[2]**
./. Provision for deferred premium refunds	3,172
./. Deferred taxes	1,035
./. Effects from consolidation and currency	–22
./. Minority interests	14
Unrealised gains and losses – net	**3,706**

Unrealised gains and losses – gross	**7,374[3]**
./. Provision for deferred premium refunds	2,399
./. Deferred taxes	1,040
./. Effects from consolidation and currency	–
./. Minority interests	11
Unrealised gains and losses – net	**3,924**

[1] Excluding reserves for owner-occupied properties.
[2] Incl. unrealised gains/losses from valuation at equity, unconsolidated affiliated enterprises and cash flow hedging of €233m and off-balance-sheet valuation reserves of €186m for affiliated companies.
[3] Incl. unrealised gains/losses from valuation at equity, unconsolidated affiliated enterprises and cash flow hedging of €249m and off-balance-sheet valuation reserves of €311m for affiliated companies.

Agenda – Backup

Munich RE

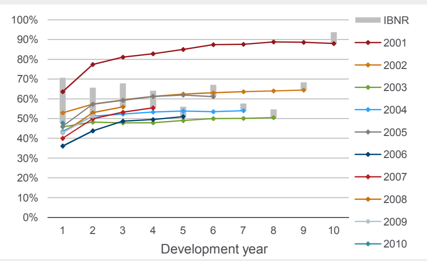
Backup: Reserves

Munich Re Group property-casualty – Reinsurance and primary insurance

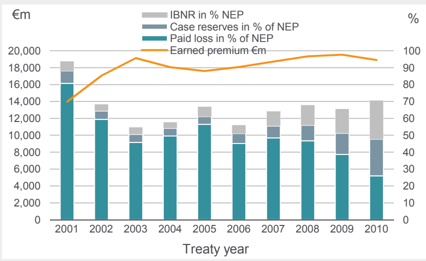
Munich RE

Treaty year	Net earned premium €m	Reported loss ratio in development year 1	2	3	4	5	6	7	8	9	10	Ultimate loss ratio	Paid loss	Case reserves	IBNR
2001	13,967	63.6%	77.4%	81.1%	82.8%	85.0%	87.4%	87.6%	88.8%	88.6%	88.0%	93.8%	80.7%	7.3%	5.8%
2002	17,062	52.9%	57.3%	59.4%	61.2%	62.4%	63.0%	63.6%	64.0%	64.4%		68.3%	59.4%	4.9%	4.0%
2003	19,138	45.8%	48.2%	47.8%	47.9%	49.0%	50.0%	50.1%	50.5%			54.7%	45.8%	4.7%	4.2%
2004	18,066	43.5%	51.2%	52.3%	53.3%	53.8%	53.5%	54.0%				57.7%	49.6%	4.5%	3.7%
2005	17,602	46.1%	57.3%	59.2%	61.2%	61.9%	61.1%					67.0%	56.5%	4.5%	6.0%
2006	18,075	36.1%	43.8%	48.7%	49.5%	51.0%						56.1%	45.1%	5.9%	5.1%
2007	18,721	40.0%	49.9%	53.2%	55.4%							64.2%	48.4%	7.0%	8.8%
2008	19,345	42.7%	53.0%	55.9%								68.0%	46.7%	9.2%	12.0%
2009	19,537	42.8%	51.2%									65.7%	38.7%	12.5%	14.5%
2010	18,908	47.7%										70.7%	26.0%	21.7%	23.0%

Reported loss ratio development – 2001–2010



Portfolio performance by treaty year – 2001–2010



Management view, not fully comparable with IFRS.

Backup: Reserves

Property-casualty reinsurance and primary insurance Representative loss triangles

Munich RE

Data description Legal entity	Figures in triangle exhibits
Munich Re Munich	▪ Net business of Munich Re Munich, i.e. Munich Reinsurance Company including MR Paris, MR Madrid and business fronted by Great Lakes UK, excluding special contracts and all other branches and subsidiaries ▪ **Statistical** figures (i.e. following cedents' view) as at 31 December 2010 before conversion to financial data (earning down, currency effects) ▪ Including reported amounts of large losses ▪ Converted into € with average exchange rates of 2009
Munich Re America	▪ Net of specific retrocession and before variable quota shares and loss portfolio transfer to Munich Re Munich ▪ **Financial** figures as at 31 December 2010 ▪ Excluding special loss complexes, finite risk or natural catastrophe losses. Respective ultimates shown in separate column. ▪ Converted into € using the year-end exchange rates of 2010
ERGO	▪ Net of corporate retrocession to Munich Reinsurance Company ▪ **Financial** figures as at 31 December 2010

Management view, not fully comparable with IFRS.

Backup: Reserves

Property-casualty reinsurance and primary insurance Representative loss triangles

Munich RE

Legal entity €m	Line of business	Case and IBNR reserves
Munich Re Munich	Property	5,458
	Liability	5,785
	Motor	3,609
	Personal accident / workers' comp.	504
	Marine	1,324
	Subtotal	**16.679**
Munich Re America	Property	555
	Liability	2,865
	Motor	506
	Workers' compensation	2,361
	Subtotal	**6,287**
ERGO	Property-casualty	3,854
Munich Re Group	Asbestos and environmental	1,917
Total reserves disclosed		**28,737**

Disclosure addresses more than 70% of carried net property-casualty reserves

Management view, not fully comparable with IFRS.

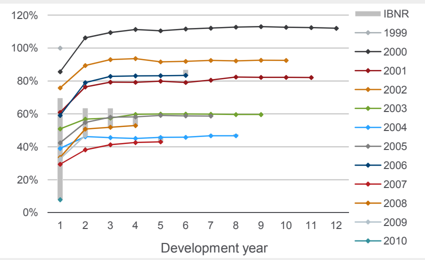
Backup: Reserves

Munich Re Munich Property

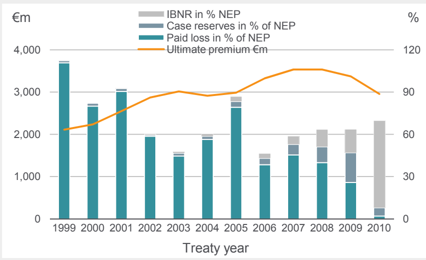
Munich RE

Treaty year	Ultimate premium €m	Development year: Loss ratio as reported 1	2	3	4	5	6	7	8	9	10	11	12	Ultimate loss ratio	Paid loss	Case reserves	IBNR
1999	2,111	85.6%	106.2%	109.4%	111.3%	110.5%	111.6%	112.1%	112.7%	113.0%	112.6%	112.4%	112.0%	112.5%	110.9%	1.4%	0.2%
2000	2,237	60.9%	76.4%	79.3%	79.2%	79.9%	79.1%	80.5%	82.4%	82.2%	82.2%	82.1%		82.1%	80.0%	2.1%	0.0%
2001	2,550	75.8%	89.4%	93.0%	93.6%	91.6%	91.9%	92.5%	92.2%	92.6%	92.5%			92.7%	90.5%	2.0%	0.2%
2002	2,874	50.9%	56.8%	57.5%	59.7%	59.9%	59.9%	59.8%	59.6%	59.6%				60.3%	58.7%	0.9%	0.7%
2003	3,015	39.0%	46.2%	45.6%	45.1%	45.7%	45.8%	46.7%	46.7%					47.6%	44.6%	2.1%	1.0%
2004	2,914	42.4%	54.8%	58.0%	58.2%	59.1%	58.8%	58.7%						60.4%	56.4%	2.3%	1.7%
2005	2,985	59.1%	79.0%	82.8%	83.1%	83.2%	83.4%							86.8%	79.2%	4.2%	3.5%
2006	3,328	29.4%	38.2%	41.3%	42.6%	43.0%								46.4%	38.5%	4.5%	3.4%
2007	3,536	33.6%	50.8%	51.9%	52.9%									58.6%	45.4%	7.5%	5.8%
2008	3,536	37.8%	49.2%	51.1%										63.4%	39.9%	11.3%	12.3%
2009	3,373	32.7%	46.9%											63.5%	25.8%	21.2%	16.6%
2010	2,958	7.9%												69.7%	2.0%	5.9%	61.8%

Reported loss ratio development – 1999–2010



Portfolio performance by treaty year – 1999–2010



Management view, not fully comparable with IFRS.

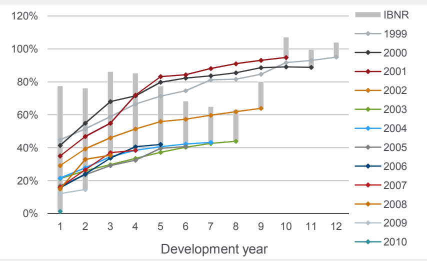
Backup: Reserves

Munich Re Munich
Liability – Proportional

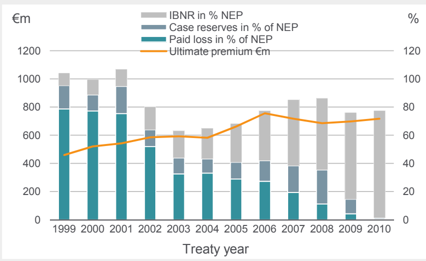
Munich RE

Treaty year	Ultimate premium €m	Development year: Loss ratio as reported 1	2	3	4	5	6	7	8	9	10	11	12	Ultimate loss ratio	Paid loss	Case reserves	IBNR
1999	460	44.8%	51.5%	58.9%	66.5%	71.3%	74.6%	81.2%	81.6%	84.6%	91.7%	93.0%	95.0%	104.3%	78.7%	16.6%	9.0%
2000	521	41.4%	54.9%	68.0%	71.5%	79.8%	82.3%	83.7%	85.5%	88.6%	89.1%	88.8%		99.6%	77.2%	11.5%	10.9%
2001	543	35.0%	46.8%	54.9%	72.0%	83.2%	84.3%	88.1%	91.0%	93.1%	94.8%			106.9%	75.4%	19.3%	12.2%
2002	586	29.1%	39.3%	46.0%	51.4%	55.9%	57.3%	59.7%	61.9%	63.9%				80.2%	52.0%	11.9%	16.3%
2003	593	21.3%	26.0%	29.7%	33.5%	37.2%	40.3%	42.6%	43.9%					63.1%	32.6%	11.3%	19.2%
2004	582	21.5%	27.8%	34.5%	38.5%	40.6%	42.2%	43.2%						64.9%	33.1%	10.1%	21.7%
2005	662	16.8%	23.6%	29.1%	32.4%	39.6%	40.7%							68.4%	28.9%	11.9%	27.6%
2006	756	15.7%	24.0%	33.7%	40.6%	42.0%								77.4%	27.3%	14.7%	35.4%
2007	717	16.0%	26.6%	37.0%	38.4%									85.3%	19.4%	19.0%	46.9%
2008	686	15.0%	32.9%	35.4%										86.2%	11.2%	24.2%	50.8%
2009	698	12.1%	14.6%											76.2%	4.3%	10.3%	61.6%
2010	718	1.3%												77.6%	0.4%	0.9%	76.2%

Reported loss ratio development – 1999–2010



Portfolio performance by treaty year – 1999–2010



Management view, not fully comparable with IFRS.

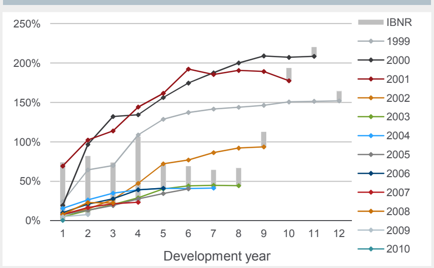
Backup: Reserves

Munich Re Munich
Liability – Non-proportional and facultative

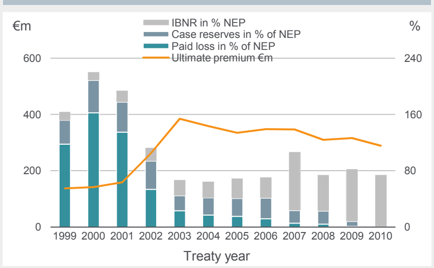
Munich RE

Treaty year	Ultimate premium €m	Development year: Loss ratio as reported 1	2	3	4	5	6	7	8	9	10	11	12	Ultimate loss ratio	Paid loss	Case reserves	IBNR
1999	137	24.3%	64.5%	70.0%	108.9%	128.7%	137.3%	141.7%	143.9%	146.4%	150.7%	151.5%	152.0%	164.0%	117.8%	34.0%	12.1%
2000	142	19.6%	96.7%	132.2%	134.4%	156.2%	174.6%	187.6%	200.1%	209.0%	207.2%	208.5%		220.5%	162.3%	46.2%	12.0%
2001	159	69.4%	102.4%	113.9%	144.2%	161.6%	192.3%	185.5%	190.6%	189.3%	177.5%			194.0%	134.8%	42.7%	16.5%
2002	263	8.5%	14.8%	27.1%	47.5%	72.2%	77.1%	86.4%	92.2%	93.7%				112.9%	53.6%	40.1%	19.2%
2003	385	4.9%	13.0%	20.6%	29.1%	40.4%	44.2%	44.9%	44.5%					67.0%	23.0%	21.5%	22.5%
2004	359	15.7%	26.4%	35.0%	39.3%	41.0%	40.9%	41.4%						64.7%	17.0%	24.4%	23.3%
2005	335	7.9%	13.3%	19.3%	27.7%	34.5%	40.5%							69.3%	15.1%	25.4%	28.8%
2006	348	10.2%	20.9%	27.9%	39.3%	41.2%								70.9%	11.8%	29.3%	29.7%
2007	347	7.9%	16.7%	21.5%	23.4%									106.9%	5.4%	18.0%	83.4%
2008	310	8.1%	23.0%	22.7%										74.0%	4.0%	18.7%	51.3%
2009	316	5.2%	7.8%											82.3%	0.7%	7.1%	74.5%
2010	289	0.5%												74.2%	0.0%	0.5%	73.8%

Reported loss ratio development – 1999–2010



Portfolio performance by treaty year – 1999–2010



Management view, not fully comparable with IFRS.

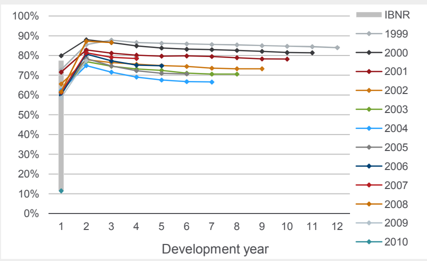
Backup: Reserves

Munich Re Munich Motor – Proportional

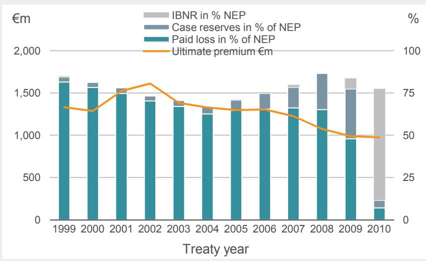
Munich RE

Treaty year	Ultimate premium €m	Development year: Loss ratio as reported 1	2	3	4	5	6	7	8	9	10	11	12	Ultimate loss ratio	Paid loss	Case reserves	IBNR
1999	1,333	72.8%	85.5%	87.8%	86.6%	86.2%	85.9%	85.6%	85.4%	85.0%	84.7%	84.5%	84.0%	85.1%	81.5%	3.0%	0.6%
2000	1,287	79.9%	88.0%	86.6%	84.9%	83.8%	83.2%	83.0%	82.6%	82.1%	81.5%	81.4%		81.4%	78.3%	3.0%	0.0%
2001	1,524	71.6%	82.8%	81.2%	80.2%	79.7%	79.8%	79.5%	78.9%	78.3%	78.2%			78.3%	74.8%	3.3%	0.1%
2002	1,613	65.6%	77.9%	76.4%	75.6%	74.9%	74.5%	73.6%	73.3%	73.3%				73.3%	70.3%	2.9%	0.0%
2003	1,383	61.2%	76.9%	74.6%	73.2%	72.5%	71.1%	70.6%	70.6%					70.9%	67.1%	3.4%	0.3%
2004	1,329	62.3%	74.9%	71.6%	69.1%	67.6%	66.8%	66.6%						67.0%	62.6%	4.1%	0.3%
2005	1,299	60.9%	78.5%	74.7%	72.3%	71.0%	70.7%							71.2%	64.7%	6.1%	0.4%
2006	1,305	60.0%	80.7%	77.3%	75.1%	74.8%								75.6%	65.5%	9.3%	0.8%
2007	1,226	61.4%	81.4%	79.1%	78.5%									80.0%	66.2%	12.2%	1.5%
2008	1,074	61.7%	87.2%	86.6%										85.5%	65.2%	21.4%	–1.2%
2009	989	58.6%	77.4%											83.8%	48.0%	29.4%	6.4%
2010	975	11.5%												77.6%	7.1%	4.4%	66.0%

Reported loss ratio development – 1999–2010



Portfolio performance by treaty year – 1999–2010



Management view, not fully comparable with IFRS.

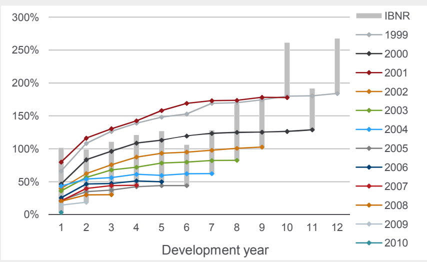
Backup: Reserves

Munich Re Munich Motor – Non-proportional and facultative

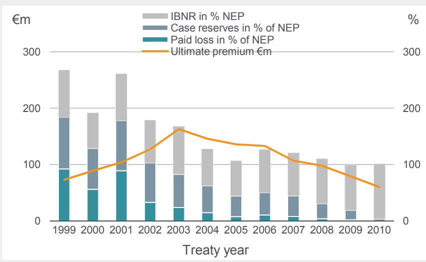
Munich RE

Treaty year	Ultimate premium €m	Development year: Loss ratio as reported 1	2	3	4	5	6	7	8	9	10	11	12	Ultimate loss ratio	Paid loss	Case reserves	IBNR
1999	73	66.2%	108.3%	126.4%	138.9%	148.2%	152.9%	169.1%	170.1%	174.4%	180.0%	180.4%	184.0%	267.9%	92.2%	91.9%	83.8%
2000	89	46.5%	83.4%	96.3%	108.7%	113.1%	119.4%	123.5%	125.0%	125.3%	126.4%	128.9%		191.8%	56.2%	72.7%	62.9%
2001	104	79.8%	116.2%	130.5%	142.6%	158.1%	169.1%	173.1%	173.6%	178.2%	177.9%			261.4%	89.2%	88.7%	83.5%
2002	127	39.8%	62.3%	75.8%	87.5%	93.3%	95.0%	97.8%	100.8%	102.7%				179.2%	32.7%	70.1%	76.4%
2003	163	36.1%	56.6%	67.9%	72.1%	78.4%	79.8%	82.2%	82.5%					167.9%	23.7%	58.8%	85.5%
2004	146	43.5%	54.1%	56.2%	61.4%	59.6%	62.2%	62.3%						128.0%	14.7%	47.6%	65.7%
2005	136	21.7%	34.8%	37.3%	42.5%	44.1%	44.1%							106.4%	7.5%	36.6%	62.3%
2006	133	25.6%	46.5%	47.4%	51.3%	50.0%								126.9%	10.5%	39.5%	76.9%
2007	107	20.9%	39.7%	44.1%	44.7%									121.1%	7.9%	36.7%	76.4%
2008	98	20.4%	30.1%	30.4%										110.6%	3.9%	26.5%	80.2%
2009	79	14.6%	18.8%											99.2%	1.9%	16.9%	80.4%
2010	60	3.4%												101.5%	0.0%	3.4%	98.1%

Reported loss ratio development – 1999–2010



Portfolio performance by treaty year – 1999–2010



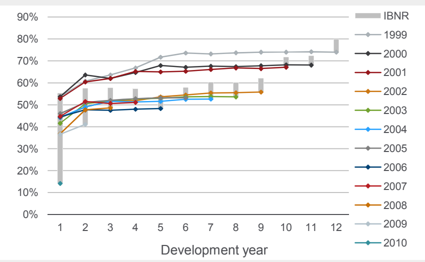
Management view, not fully comparable with IFRS.

Backup: Reserves

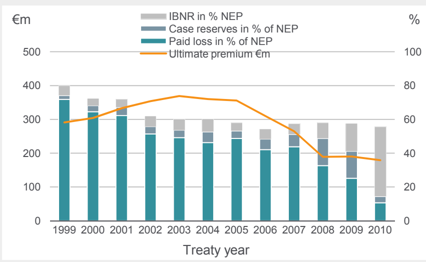
Munich Re Munich
Personal accident and workers' compensation

Treaty year	Ultimate premium €m	Development year: Loss ratio as reported 1	2	3	4	5	6	7	8	9	10	11	12	Ultimate loss ratio	Paid loss	Case reserves	IBNR
1999	291	53.7%	60.8%	63.6%	66.8%	71.7%	73.6%	73.2%	73.7%	74.0%	74.0%	74.2%	74.0%	80.0%	71.8%	2.3%	5.9%
2000	304	53.7%	63.6%	62.0%	64.7%	67.9%	67.1%	67.6%	67.4%	67.8%	68.2%	68.1%		72.4%	64.5%	3.6%	4.3%
2001	333	52.9%	60.4%	62.0%	65.2%	65.0%	65.3%	66.1%	66.8%	66.5%	67.1%			71.8%	62.3%	4.8%	4.7%
2002	354	44.1%	49.0%	51.7%	51.9%	53.6%	54.5%	55.4%	55.5%	55.8%				62.0%	51.4%	4.3%	6.3%
2003	369	41.6%	50.5%	51.8%	52.7%	53.0%	53.6%	53.8%	53.6%					60.3%	49.2%	4.4%	6.6%
2004	360	44.2%	49.0%	51.6%	51.3%	51.6%	52.5%	52.6%						60.3%	46.3%	6.3%	7.7%
2005	356	46.0%	51.0%	52.0%	52.8%	53.1%	53.2%							57.9%	48.7%	4.5%	4.7%
2006	310	44.5%	47.7%	47.5%	48.0%	48.3%								54.4%	42.1%	6.2%	6.0%
2007	265	44.7%	51.5%	50.6%	51.1%									57.3%	43.8%	7.3%	6.2%
2008	189	36.8%	47.7%	48.6%										57.8%	32.6%	16.1%	9.2%
2009	190	36.6%	41.1%											57.7%	25.1%	16.0%	16.5%
2010	179	14.2%												55.4%	10.7%	3.6%	41.2%

Reported loss ratio development – 1999–2010



Portfolio performance by treaty year – 1999–2010



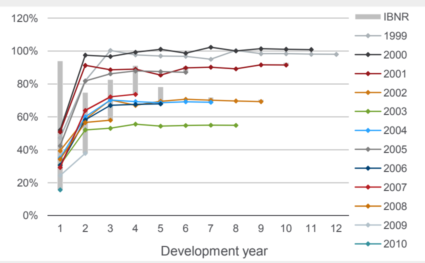
Management view, not fully comparable with IFRS.

Backup: Reserves

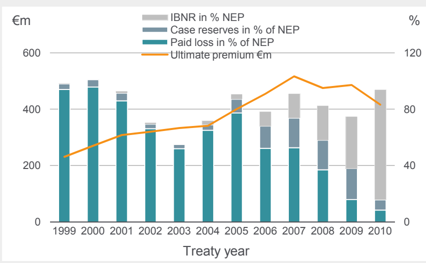
Munich Re Munich
Marine

Treaty year	Ultimate premium €m	Development year: Loss ratio as reported 1	2	3	4	5	6	7	8	9	10	11	12	Ultimate loss ratio	Paid loss	Case reserves	IBNR
1999	231	47.3%	81.9%	100.4%	97.7%	97.0%	96.8%	95.0%	100.4%	98.4%	98.4%	98.1%	98.0%	98.5%	94.0%	4.0%	0.5%
2000	270	52.0%	97.5%	96.7%	99.3%	101.1%	98.7%	102.3%	100.1%	101.4%	101.1%	100.9%		101.1%	95.7%	5.3%	0.1%
2001	308	50.9%	91.3%	88.6%	89.0%	85.4%	89.8%	90.2%	89.2%	91.6%	91.5%			92.8%	86.0%	5.4%	1.4%
2002	320	39.4%	58.6%	70.3%	67.0%	69.5%	70.7%	70.1%	69.7%	69.3%				70.5%	66.2%	3.2%	1.1%
2003	333	30.8%	52.1%	53.1%	55.6%	54.4%	54.8%	55.0%	54.9%					55.2%	52.0%	2.9%	0.3%
2004	341	35.0%	60.0%	70.2%	69.3%	68.6%	69.2%	68.9%						71.9%	65.0%	3.9%	3.0%
2005	400	42.4%	81.8%	86.2%	87.9%	87.5%	87.1%							90.6%	77.3%	9.8%	3.6%
2006	455	30.7%	58.2%	67.0%	67.6%	67.9%								78.2%	52.2%	15.8%	10.3%
2007	517	29.3%	63.9%	72.2%	73.7%									91.1%	52.7%	21.0%	17.4%
2008	475	34.3%	56.6%	58.0%										82.6%	37.0%	21.0%	24.6%
2009	486	24.4%	37.9%											74.8%	15.9%	22.0%	36.9%
2010	416	15.7%												94.0%	8.3%	7.3%	78.3%

Reported loss ratio development – 1999–2010



Portfolio performance by treaty year – 1999–2010



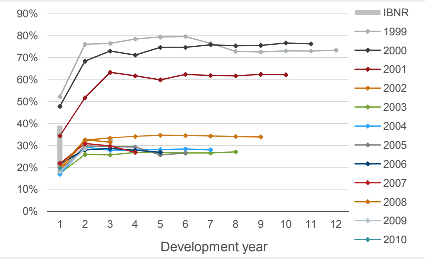
Management view, not fully comparable with IFRS.

Backup: Reserves

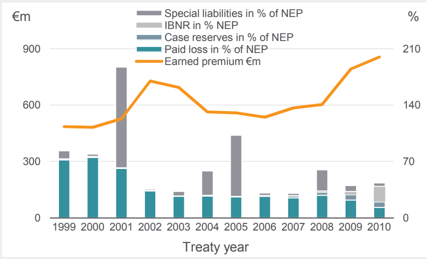
Munich Re America
Property

Treaty year	Earned premium €m	Development year: Loss ratio as reported 1	2	3	4	5	6	7	8	9	10	11	12	Ultimate loss ratio	Paid loss	Case reserves	IBNR	Special liabilities
1999	485	52.2%	76.1%	76.5%	78.5%	79.4%	79.6%	76.5%	72.9%	72.6%	73.1%	73.0%	73.4%	82.7%	71.8%	1.5%	-0.5%	9.9%
2000	482	47.8%	68.4%	73.0%	71.2%	74.7%	74.7%	75.9%	75.4%	75.6%	76.7%	76.3%		79.0%	74.8%	1.5%	0.0%	2.7%
2001	527	34.4%	51.7%	63.3%	61.7%	59.9%	62.4%	61.9%	61.7%	62.4%	62.2%			187.2%	61.4%	0.8%	0.0%	125.0%
2002	728	18.5%	32.4%	33.4%	34.1%	34.7%	34.5%	34.3%	34.1%	33.9%				35.3%	33.4%	0.5%	0.1%	1.4%
2003	694	17.2%	25.9%	25.7%	26.8%	26.7%	26.6%	26.6%	27.1%					32.7%	26.8%	0.3%	0.1%	5.6%
2004	564	16.9%	29.3%	27.8%	27.9%	28.1%	28.4%	28.0%						58.1%	26.9%	1.1%	0.0%	30.1%
2005	559	18.3%	29.8%	29.5%	29.3%	25.7%	26.5%							102.4%	25.9%	0.6%	-0.2%	76.1%
2006	536	21.7%	28.0%	28.6%	27.8%	26.9%								30.6%	26.5%	0.5%	0.7%	3.0%
2007	585	21.8%	30.9%	29.8%	26.9%									30.4%	24.7%	2.2%	0.6%	2.8%
2008	603	19.9%	32.6%	31.5%										59.4%	28.0%	3.5%	1.8%	26.2%
2009	792	18.1%	28.5%											40.1%	22.0%	6.5%	4.3%	7.3%
2010	856	19.7%												43.3%	12.9%	6.7%	19.4%	4.2%

Reported loss ratio development[1]– 1999–2010



Portfolio performance by treaty year – 1999–2010



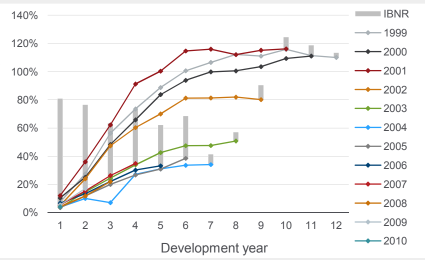
[1] Excl. special liabilities. Management view, not fully comparable with IFRS.

Backup: Reserves

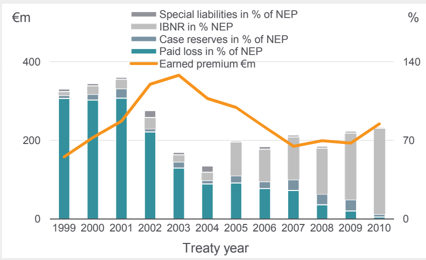
Munich Re America
Liability – Proportional

Treaty year	Earned premium €m	Development year: Loss ratio as reported 1	2	3	4	5	6	7	8	9	10	11	12	Ultimate loss ratio	Paid loss	Case reserves	IBNR	Special liabilities
1999	158	7.4%	27.5%	56.3%	73.5%	88.7%	100.6%	106.5%	112.1%	111.0%	115.7%	111.3%	110.0%	115.8%	107.4%	2.7%	3.4%	2.3%
2000	207	10.4%	25.1%	48.3%	65.8%	83.7%	93.8%	99.8%	100.5%	103.5%	109.3%	111.0%		120.7%	105.9%	5.2%	7.6%	2.0%
2001	249	12.1%	36.0%	62.2%	91.2%	100.3%	114.6%	115.9%	112.0%	115.1%	116.1%			126.2%	107.7%	8.4%	8.4%	1.7%
2002	343	5.1%	24.0%	47.4%	60.3%	70.0%	81.2%	81.3%	81.9%	80.1%				96.7%	77.5%	2.6%	10.3%	6.2%
2003	366	3.7%	14.6%	24.4%	33.9%	42.6%	47.5%	47.6%	50.8%					59.4%	45.3%	5.5%	6.3%	2.2%
2004	307	3.9%	10.1%	7.1%	27.2%	31.0%	33.6%	34.1%						47.2%	31.2%	3.0%	7.4%	5.6%
2005	284	3.6%	11.9%	20.0%	26.7%	30.9%	38.5%							69.7%	32.0%	6.5%	30.1%	1.1%
2006	234	6.7%	13.5%	22.1%	30.2%	33.2%								64.4%	27.1%	6.1%	29.0%	2.3%
2007	185	5.4%	15.3%	26.3%	34.9%									74.7%	25.4%	9.5%	38.2%	1.6%
2008	199	4.3%	11.8%	22.1%										64.8%	12.7%	9.3%	41.2%	1.5%
2009	193	5.5%	17.1%											78.2%	7.1%	10.0%	59.4%	1.7%
2010	242	4.2%												81.9%	1.7%	2.4%	76.7%	1.1%

Reported loss ratio development[1]– 1999–2010



Portfolio performance by treaty year – 1999–2010



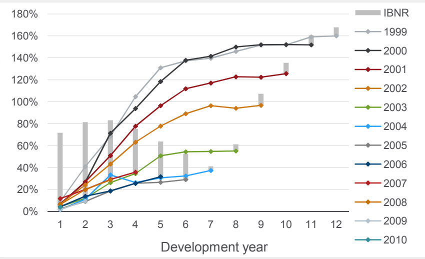
[1] Excl. special liabilities. Management view, not fully comparable with IFRS.

Backup: Reserves

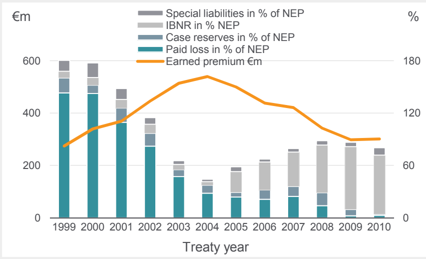
Munich Re America
Liability – Non-proportional

Treaty year	Earned premium €m	Development year: Loss ratio as reported 1	2	3	4	5	6	7	8	9	10	11	12	Ultimate loss ratio	Paid loss	Case reserves	IBNR	Special liabilities
1999	274	9.0%	40.9%	68.6%	104.7%	131.0%	137.3%	139.7%	145.9%	151.8%	151.9%	159.2%	160.1%	180.3%	143.2%	17.0%	7.8%	12.4%
2000	340	6.6%	26.8%	71.4%	93.9%	118.5%	137.9%	141.5%	150.0%	152.0%	152.2%	151.9%		177.4%	142.4%	9.6%	8.8%	16.7%
2001	369	6.8%	27.1%	51.0%	77.8%	96.5%	111.9%	117.1%	122.8%	122.4%	125.7%			148.1%	109.5%	16.2%	9.9%	12.6%
2002	446	6.7%	24.3%	43.3%	63.2%	77.9%	89.2%	96.5%	94.1%	96.8%				114.9%	82.1%	14.6%	10.5%	7.6%
2003	514	4.4%	12.0%	26.3%	34.6%	50.8%	54.5%	54.8%	55.2%					65.5%	47.2%	8.0%	6.0%	4.2%
2004	540	1.7%	11.3%	33.4%	26.5%	30.7%	32.5%	37.4%						44.1%	28.1%	9.3%	4.0%	2.7%
2005	500	2.6%	9.2%	18.7%	25.7%	26.7%	29.1%							58.4%	23.7%	5.4%	23.8%	5.5%
2006	438	4.3%	13.9%	18.8%	25.7%	31.8%								67.4%	21.2%	10.6%	32.2%	3.3%
2007	421	11.8%	20.0%	29.3%	35.9%									79.5%	24.5%	11.3%	39.6%	4.0%
2008	343	6.3%	20.1%	28.8%										88.4%	13.8%	15.0%	54.6%	5.0%
2009	298	1.9%	9.5%											86.5%	2.3%	7.2%	72.1%	4.9%
2010	301	4.1%												80.2%	2.9%	1.3%	67.7%	8.4%

Reported loss ratio development[1]– 1999–2010



Portfolio performance by treaty year – 1999–2010



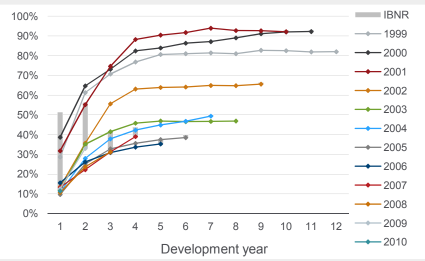
[1] Excl. special liabilities. Management view, not fully comparable with IFRS.

Backup: Reserves

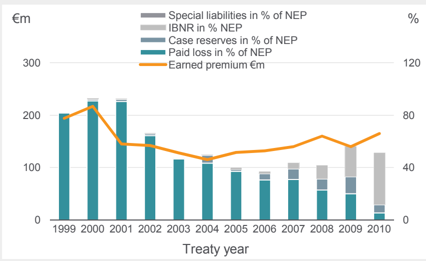
Munich Re America
Motor – Proportional

Treaty year	Earned premium €m	Development year: Loss ratio as reported 1	2	3	4	5	6	7	8	9	10	11	12	Ultimate loss ratio	Paid loss	Case reserves	IBNR	Special liabilities
1999	194	28.7%	61.3%	70.7%	76.8%	80.6%	81.0%	81.4%	81.0%	82.7%	82.5%	81.9%	82.0%	82.0%	81.6%	0.4%	0.0%	0.0%
2000	217	38.7%	64.7%	73.1%	82.4%	83.9%	86.3%	87.1%	89.0%	91.1%	92.0%	92.2%		92.9%	91.0%	1.1%	0.8%	0.0%
2001	145	31.8%	55.2%	74.6%	88.2%	90.4%	91.7%	93.9%	92.7%	92.6%	92.1%			93.0%	90.5%	1.6%	0.9%	0.1%
2002	142	13.6%	35.7%	55.6%	63.1%	63.9%	64.1%	64.9%	64.8%	65.6%				66.4%	64.4%	1.3%	0.8%	0.0%
2003	128	11.8%	35.1%	41.5%	45.8%	46.9%	46.6%	46.7%	46.9%					47.0%	46.6%	0.3%	0.1%	0.0%
2004	115	11.0%	28.0%	37.9%	42.3%	44.9%	46.8%	49.4%						50.0%	43.4%	6.0%	0.6%	0.0%
2005	129	9.7%	25.2%	32.8%	35.6%	37.5%	38.5%							39.9%	37.1%	1.4%	1.5%	0.0%
2006	132	15.6%	26.2%	30.9%	33.7%	35.3%								37.0%	30.5%	4.8%	1.8%	0.0%
2007	140	13.3%	22.3%	31.2%	39.0%									43.7%	30.9%	8.1%	4.7%	0.0%
2008	160	10.7%	23.7%	31.2%										41.8%	22.8%	8.4%	10.6%	0.0%
2009	140	12.6%	33.0%											56.3%	20.0%	13.0%	23.3%	0.0%
2010	165	11.5%												51.4%	5.3%	6.2%	39.9%	0.0%

Reported loss ratio development[1]– 1999–2010



Portfolio performance by treaty year – 1999–2010



[1] Excl. special liabilities. Management view, not fully comparable with IFRS.

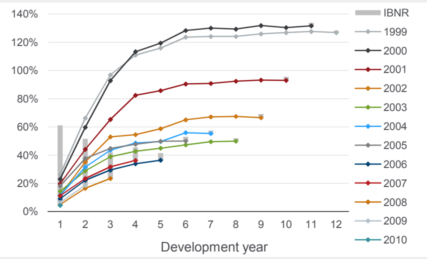
Backup: Reserves

Munich Re America
Motor – Non-proportional

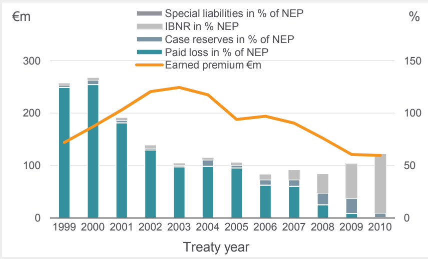
Munich RE

Treaty year	Earned premium €m	Development year: Loss ratio as reported 1	2	3	4	5	6	7	8	9	10	11	12	Ultimate loss ratio	Paid loss	Case reserves	IBNR	Special liabilities
1999	144	26.2%	66.2%	96.8%	110.9%	115.9%	123.6%	124.1%	124.1%	125.9%	126.8%	127.6%	126.8%	128.3%	124.6%	2.2%	1.5%	0.0%
2000	174	23.0%	59.7%	92.8%	113.3%	119.4%	128.3%	130.0%	129.3%	131.8%	130.4%	131.6%		133.9%	127.3%	4.3%	2.3%	0.0%
2001	206	19.7%	44.1%	65.3%	82.4%	85.7%	90.4%	90.8%	92.4%	93.2%	93.0%			95.4%	90.8%	2.3%	2.4%	0.0%
2002	241	11.5%	35.1%	52.9%	54.5%	58.7%	65.0%	67.1%	67.4%	66.5%				69.3%	64.8%	1.7%	2.8%	0.0%
2003	249	14.3%	28.9%	38.9%	42.7%	44.9%	47.3%	49.5%	49.9%					52.0%	48.7%	1.2%	2.1%	0.0%
2004	235	11.5%	31.5%	43.5%	48.6%	49.6%	55.9%	55.3%						57.4%	49.1%	6.2%	2.1%	0.0%
2005	188	18.1%	37.6%	44.7%	47.7%	49.8%	50.0%							52.9%	47.6%	2.4%	2.9%	0.0%
2006	194	9.0%	22.2%	29.4%	33.9%	36.4%								41.6%	31.1%	5.2%	5.2%	0.0%
2007	181	11.2%	23.4%	31.7%	36.2%									45.7%	30.0%	6.3%	9.5%	0.0%
2008	152	4.9%	16.5%	23.4%										41.9%	12.5%	10.9%	18.5%	0.0%
2009	121	6.4%	18.5%											51.5%	4.1%	14.4%	33.0%	0.0%
2010	119	4.4%												61.1%	0.3%	4.1%	56.7%	0.0%

Reported loss ratio development[1]– 1999–2010



Portfolio performance by treaty year – 1999–2010



[1] Excl. special liabilities. Management view, not fully comparable with IFRS.

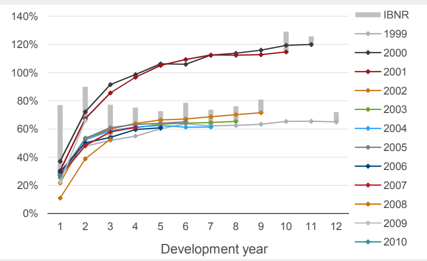
Backup: Reserves

Munich Re America
Workers' compensation – Proportional

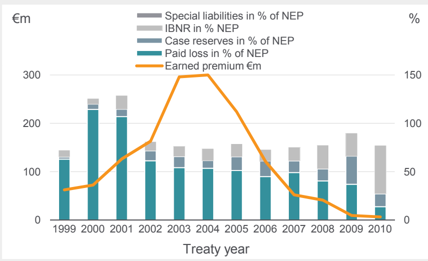
Munich RE

Treaty year	Earned premium €m	Development year: Loss ratio as reported 1	2	3	4	5	6	7	8	9	10	11	12	Ultimate loss ratio	Paid loss	Case reserves	IBNR	Special liabilities
1999	62	26.0%	47.8%	51.9%	55.0%	60.2%	63.7%	62.2%	62.5%	63.4%	65.4%	65.5%	65.0%	72.1%	62.9%	2.1%	7.1%	0.0%
2000	72	37.1%	72.2%	91.5%	98.6%	106.2%	105.9%	112.3%	113.7%	115.9%	119.3%	119.9%		125.7%	114.5%	5.4%	5.8%	0.0%
2001	126	30.4%	67.3%	85.6%	96.7%	105.1%	109.3%	112.4%	112.3%	112.7%	114.6%			129.2%	107.0%	7.6%	14.5%	0.1%
2002	163	21.7%	53.6%	59.9%	63.9%	66.4%	67.1%	68.7%	70.2%	71.5%				81.1%	61.2%	10.3%	9.5%	0.0%
2003	296	25.4%	53.6%	58.8%	60.9%	63.5%	64.2%	64.6%	65.4%					76.1%	54.1%	11.4%	10.7%	0.0%
2004	300	27.2%	52.4%	58.7%	61.4%	62.4%	61.3%	61.4%						73.8%	53.5%	7.9%	12.4%	0.0%
2005	224	28.1%	53.3%	61.0%	63.2%	64.0%	65.2%							78.7%	51.1%	14.2%	13.5%	0.0%
2006	121	29.6%	50.2%	54.0%	59.6%	60.9%								72.8%	44.8%	16.1%	11.9%	0.0%
2007	52	27.1%	48.3%	57.9%	61.2%									75.2%	48.9%	12.2%	14.1%	0.0%
2008	41	11.1%	38.9%	52.8%										77.3%	40.4%	12.4%	24.5%	0.0%
2009	9	22.6%	66.0%											89.9%	36.8%	29.2%	23.9%	0.0%
2010	6	26.9%												77.0%	13.7%	13.2%	50.2%	0.0%

Reported loss ratio development[1]– 1999–2010



Portfolio performance by treaty year – 1999–2010



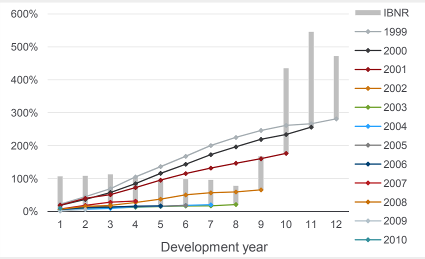
[1] Excl. special liabilities. Management view, not fully comparable with IFRS.

Backup: Reserves

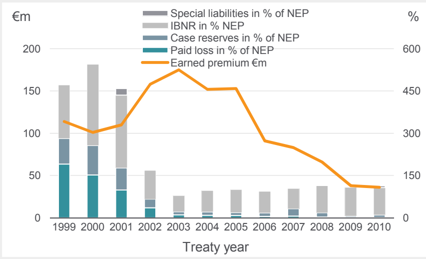
Munich Re America
Workers' compensation – Non-proportional

Treaty year	Earned premium €m	Development year: Loss ratio as reported 1	2	3	4	5	6	7	8	9	10	11	12	Ultimate loss ratio	Paid loss	Case reserves	IBNR	Special liabilities
1999	114	22.4%	44.8%	69.2%	105.3%	136.6%	167.8%	200.6%	225.1%	246.4%	261.8%	266.5%	281.5%	472.7%	190.8%	90.7%	191.0%	0.2%
2000	101	18.6%	37.0%	57.9%	84.9%	116.2%	143.7%	172.8%	196.5%	219.3%	234.1%	256.3%		546.0%	152.0%	104.3%	289.6%	0.1%
2001	110	19.4%	40.2%	51.2%	72.7%	95.4%	115.6%	132.1%	146.8%	160.5%	176.8%			458.6%	98.6%	78.2%	258.9%	22.9%
2002	158	5.2%	10.4%	18.9%	27.4%	37.8%	50.7%	57.0%	59.5%	65.9%				168.1%	35.4%	30.6%	102.1%	0.0%
2003	175	3.0%	8.1%	11.2%	12.8%	15.3%	16.7%	17.4%	21.4%					78.3%	10.4%	10.9%	57.0%	0.0%
2004	152	3.4%	7.0%	9.7%	14.6%	15.9%	18.8%	20.6%						96.6%	8.8%	11.8%	75.9%	0.0%
2005	153	6.4%	10.8%	14.3%	15.6%	16.4%	18.7%							99.2%	8.2%	10.5%	80.5%	0.0%
2006	91	6.3%	11.9%	13.2%	16.2%	17.4%								93.3%	5.1%	12.3%	75.9%	0.0%
2007	83	7.8%	18.6%	28.4%	31.8%									103.5%	6.2%	25.7%	71.6%	0.0%
2008	66	7.2%	15.7%	18.1%										113.4%	2.8%	15.3%	95.3%	0.0%
2009	38	1.8%	6.2%											111.8%	1.2%	5.0%	102.5%	3.2%
2010	36	10.0%												113.4%	0.9%	9.1%	97.3%	6.1%

Reported loss ratio development[1]– 1999–2010



Portfolio performance by treaty year – 1999–2010



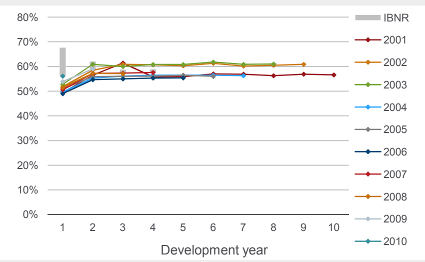
[1] Excl. special liabilities. Management view, not fully comparable with IFRS.

Backup: Reserves

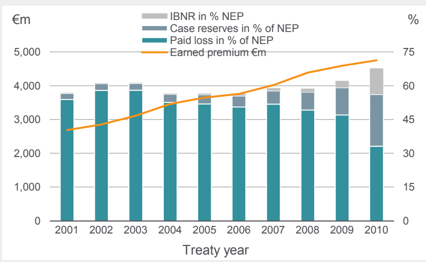
ERGO
Property and casualty

Treaty year	Earned premium €m	Development year: Loss ratio as reported 1	2	3	4	5	6	7	8	9	10	Ultimate loss ratio	Paid loss	Case reserves	IBNR
2001	2,685	49.4%	56.5%	61.4%	55.8%	55.9%	57.0%	56.9%	56.3%	56.9%	56.6%	56.9%	53.9%	2.7%	0.3%
2002	2,851	51.8%	58.5%	60.9%	60.7%	60.3%	61.3%	60.2%	60.5%	60.9%		61.2%	57.9%	3.0%	0.3%
2003	3,115	52.8%	60.9%	60.0%	60.8%	60.8%	61.8%	60.9%	61.0%			61.3%	58.0%	3.0%	0.3%
2004	3,460	49.7%	55.3%	56.1%	56.5%	56.4%	56.5%	56.3%				56.7%	52.6%	3.6%	0.4%
2005	3,650	51.0%	55.9%	56.0%	56.1%	56.5%	56.0%					56.6%	51.9%	4.1%	0.6%
2006	3,757	49.0%	54.7%	55.0%	55.3%	55.4%						56.3%	50.5%	4.9%	1.0%
2007	4,016	50.6%	57.2%	57.3%	57.6%							58.9%	51.8%	5.9%	1.3%
2008	4,388	51.5%	57.2%	57.1%								58.8%	49.2%	7.9%	1.7%
2009	4,590	53.9%	59.0%									62.1%	47.0%	12.1%	3.1%
2010	4,752	56.1%										67.7%	33.1%	23.0%	11.6%

Reported loss ratio development – 2001–2010



Portfolio performance by treaty year – 2001–2010



Management view, not fully comparable with IFRS.

Backup: Reserves

Asbestos and environmental

Munich RE

Munich Re-Group – Net definitive as at 31 December 2010			
€m	Asbestos	Environmental	Total
Paid	1,695	669	2,364
Case reserves	643	107	750
IBNR	906	261	1,167
Total reserves	**1,549**	**368**	**1,917**
3-year average annual paid losses	122	26	148
Survival ratio 3-year average	12.7	14.0	12.9

Non-€ currencies converted at rate of exchange year-end 2010.
Management view, not fully comparable with IFRS.

Agenda – Backup

Munich RE

Backup: Market Consistent Embedded Value 2010

Methods

Munich RE

- Since 2009, the valuation of the embedded value of Munich Re is based on Market Consistent Embedded Value Principles©.
- The Market Consistent Embedded Value (MCEV) is a measure of the consolidated value of shareholders' interests in covered business. The covered business encompasses business written in life reinsurance entities, excluding medical reinsurance business and business written in all major primary life and German health entities.
- The required capital reflects the level of solvency capital at which the supervisor is empowered to take action as well as internal objectives (e.g. rating, internal capital model).
- The approach for CRNHR in the MCEV framework is based on a cost-of-capital method. The underlying risk capital for non-hedgeable risks is determined using our internal economic capital model at a 99.5% confidence level. The cost of residual non-hedgeable risks is calculated as the present value of a 7% margin over the risk-free rate on the projected risk capital.

Backup: Market Consistent Embedded Value 2010

Sensitivities of MCEV

Munich RE

€m	Reinsurance			Primary insurance		
	MCEV	Change in €m	Change in %	MCEV	Change in €m	Change in %
Base case	**8,284**			**4,108**		
Interest-rates –100bp	**8,545**	260	3.1	**2,477**	–1,632	–39.7
Interest-rates +100bp	**7,990**	–294	–3.6	**5,207**	1,099	26.7
Equity/property values –10%	**8,284**	0	0.0	**3,965**	–143	–3.5
Equity/property implied volatilities +25%	**8,267**	–17	–0.2	**3,923**	–186	–4.5
Swaption implied volatilities +25%	**8,280**	–4	–0.1	**4,001**	–107	–2.6
Liquidity premium 10bp	**8,327**	43	0.5	**4,445**	336	8.2
Maintenance expenses –10%	**8,370**	86	1.0	**4,176**	67	1.6
Lapse rates –10%	**8,134**	–150	–1.8	**4,095**	–13	–0.3
Lapse rates +10%	**8,274**	–10	–0.1	**4,122**	14	0.3
Mortality/morbidity (life business) –5%	**10,026**	1,742	21.0	**4,181**	73	1.8
Mortality (annuity business) –5%	**8,250**	–34	–0.4	**4,050**	–58	–1.4
No mortality improvements (life business)	**4,829**	–3,455	–41.7	**4,108**	0	0.0
Peer comparison sensitivity[1]	**8,382**	98	1.2	**5,061**	953	23.2

[1] Comparable assumptions regarding the amount and the term structure of illiquidity premium with major European peers.

Backup: Market Consistent Embedded Value 2010

Sensitivities of new business value

Munich RE

€m	Reinsurance VNB	Reinsurance Change in €m	Reinsurance Change in %	Primary insurance VNB	Primary insurance Change in €m	Primary insurance Change in %
Base case	**475**			**141**		
interest-rates –100bp	**519**	44	9.3	**–9**	–150	–106.3
interest-rates +100bp	**440**	–35	–7.4	**178**	37	26.2
Equity/property values –10%	**477**	3	0.6	**137**	–4	–3.0
Equity/property implied volatilities +25%	**474**	–1	–0.3	**133**	–8	–5.7
Swaption implied volatilities +25%	**475**	0	–0.1	**110**	–31	–21.9
Liquidity premium 10bp	**475**	0	0.0	**158**	17	12.2
Maintenance expenses –10%	**485**	10	2.2	**146**	5	3.4
Lapse rates –10%	**477**	2	0.4	**146**	5	3.5
Lapse rates +10%	**453**	–21	–4.5	**133**	–8	–6.0
Mortality/morbidity (life business) –5%	**594**	120	25.2	**147**	6	4.1
Mortality (annuity business) –5%	**474**	0	–0.1	**136**	–5	–3.8
No mortality improvements (life business)	**223**	–252	–53.1	**141**	0	0.0
Peer comparison sensitivity[1]	**468**	–7	–1.5	**189**	48	34.1

[1] Comparable assumptions regarding the amount and the term structure of illiquidity premium with major European peers.

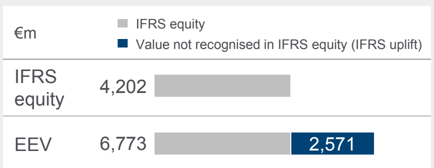
Backup: Market Consistent Embedded Value 2010

IFRS uplift

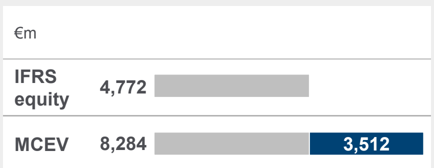
Munich RE

Reinsurance

31.12.2009

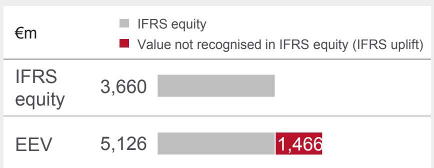


31.12.2010

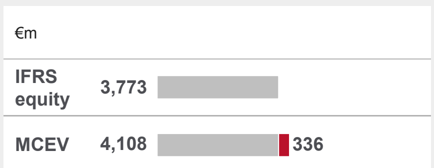


Primary insurance

31.12.2009



31.12.2010



Backup: Market Consistent Embedded Value 2010

Primary insurance – German primary life

Munich RE

€m

MCEV 31.12.2009	**1,717**
Opening adjustments	4
Adjusted MCEV 31.12.2009	**1,720**
New business value	56
Expected return	85
Experience variances	–14
Assumption changes	–109
Other operating variance	88
Operating MCEV earnings 2010	**104**
Economic variances	–746
Other non-operating variance	0
Total MCEV earnings 2010	**–642**
Closing adjustments	–69
MCEV 31.12.2010	**1,010**

Backup: Market Consistent Embedded Value 2010

Primary insurance – International primary life

Munich RE

€m

MCEV 31.12.2009	**1,438**
Opening adjustments	7
Adjusted MCEV 31.12.2009	**1,444**
New business value	58
Expected return	29
Experience variances	6
Assumption changes	89
Other operating variance	31
Operating MCEV earnings 2010	**212**
Economic variances	–173
Other non-operating variance	0
Total MCEV earnings 2010	**39**
Closing adjustments	–118
MCEV 31.12.2010	**1,365**

Backup: Market Consistent Embedded Value 2010

Primary insurance – German primary health

Munich RE

€m

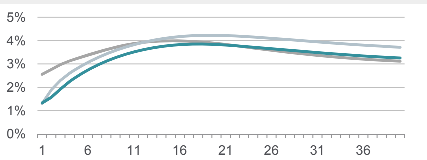
MCEV 31.12.2009	**1,971**
Opening adjustments	5
Adjusted MCEV 31.12.2009	**1,977**
New business value	28
Expected return	47
Experience variances	35
Assumption changes	–178
Other operating variance	126
Operating MCEV earnings 2010	**58**
Economic variances	–180
Other non-operating variance	0
Total MCEV earnings 2010	**–122**
Closing adjustments	–122
MCEV 31.12.2010	**1,733**

Backup: Market Consistent Embedded Value 2010

Development of swap rates

Munich RE

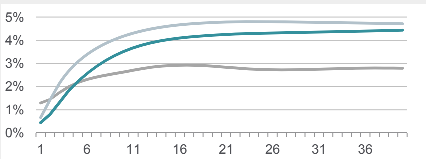
Euro



Target swaption implied volatilities (10y x 20y)

31.12.2008	31.12.2009	31.12.2010
24.0%	15.6%	18.2%

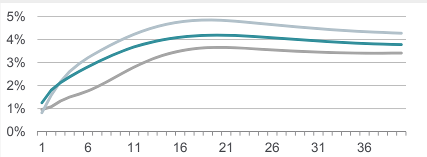
US$



Target swaption implied volatilities (10y x 20y)

31.12.2008	31.12.2009	31.12.2010
25.5%	16.3%	16.3%

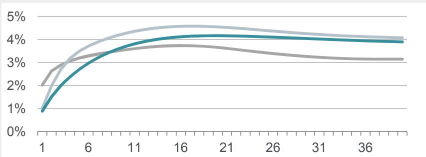
CAD



Target swaption implied volatilities (10y x 20y)

31.12.2008	31.12.2009	31.12.2010
14.6%	14.5%	16.1%

GBP



Target swaption implied volatilities (10y x 20y)

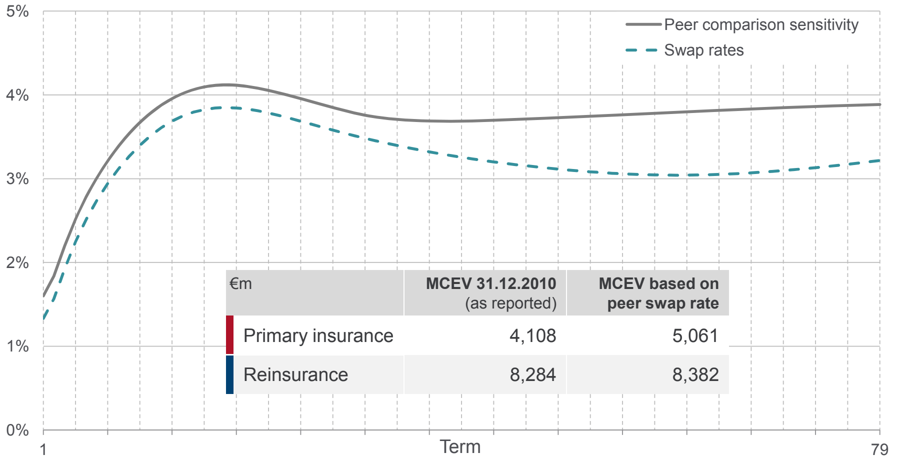
31.12.2008	31.12.2009	31.12.2010
14.6%	14.1%	13.2%

Backup: Market Consistent Embedded Value 2010

Euro swap rates (used by Munich Re) vs. peer comparison sensitivity

Munich RE

Euro swap rates vs. peer comparison sensitivity (at year end 2010)



€m	MCEV 31.12.2010 (as reported)	MCEV based on peer swap rate
Primary insurance	4,108	5,061
Reinsurance	8,284	8,382

Agenda – Backup

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Additional highlights Q1–4 2010

Risk management

Life reinsurance

Investments

Reserves

Market Consistent Embedded Value 2010

Shareholder information

Backup: Shareholder information

8.9 million own shares were retired in 2010

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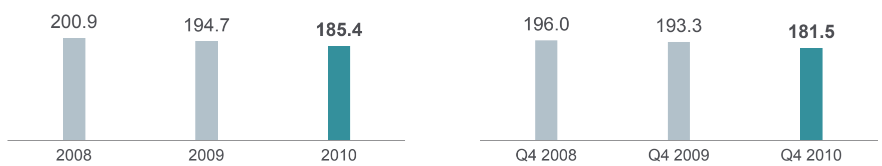
Development of shares in circulation

Shares million	31.12.2009	Acquisition of own shares in Q1–4 2010	Retirement of own shares in Q1–4 2010	31.12.2010
Shares in circulation	191.9	–11.5	0	180.4
Own shares held	5.5	11.5	–8.9	8.1
Total	**197.4**	**0**	**–8.9**	**188.5**

Weighted average number of shares in circulation



Between 1 January until 28 February 2011 additional 1.7 million shares were repurchased for an amount of €200m

Appendix

Financial calendar

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Financial calendar

17 March 2011	Commerzbank, "Growth & Responsibility Conference", Frankfurt
31 March 2011	Morgan Stanley "European Financials Conference", London
20 April 2011	Annual General Meeting, Munich
21 April 2011	Dividend payment
9 May 2011	Interim report as at 31 March 2011
20 May 2011	Deutsche Bank "German & Austrian Corporate Conference", Frankfurt
26 May 2011	Autonomous "Rendez-Vous 2011", London
20 July 2011	Munich Re Capital Markets Day 2011, New York
4 August 2011	Interim report as at 30 June 2011 Half-year press conference
8 November 2011	Interim report as at 30 September 2011

Appendix

For information, please contact

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Backup: Shareholder information

Disclaimer

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