

QUARTERLY FINANCIAL STATEMENTS AS AT 31 MARCH 2011

Telephone conference with analysts and investors

9 May 2011

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Financial highlights Q1 2011

Severe nat cats leaving their mark on Q1 figures

Munich Re (Group)		
Net loss of €948m in Q1 High burden from nat cat events of ~€2.7bn ¹ in total – Positive annual result expected	Shareholders' equity reduced to €20.5bn Net loss, adverse FX development and increased interest-rates	Solid investment result Annualised RoI of 3.6% ¹
Reinsurance Significant claims in property-casualty Combined ratio of 159.4% ¹ Positive impact on reinsurance prices to be expected	Primary insurance Positive earnings contribution Consolidated ERGO result of €15m in Q1 burdened by impairment of €34m in respect of Korean business	Munich Health Well on track Consolidation process making good progress

¹ Adjusted for impact from the transfer of insurance risks to the capital markets.

Strong premium growth, high nat cat claims

GROUP Gross premiums written	GROUP Operating result	GROUP Consolidated result
€m	€m	€m
Q1 2010 11,657 	Q1 2010 770 	Q1 2010 485 
Q1 2011 12,980 	Q1 2011 -1,384 	Q1 2011 -948 
Substantial organic growth in addition to positive FX effects	Decline of technical and investment result	Despite loss in Q1, positive annual result expected
REINSURANCE Consolidated result	PRIMARY INSURANCE Consolidated result	MUNICH HEALTH Consolidated result
€m	€m	€m
Q1 2010 424 	Q1 2010 165 	Q1 2010 -11 
Q1 2011 -683 	Q1 2011 56 	Q1 2011 21 
Major nat cat losses, strong result in life reinsurance	Good performance in Germany offset by international business	Strong premium growth and resilient operating result

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Overview

Financial reporting Q1 2011

Munich Re (Group)

Primary insurance

Munich Health

Reinsurance








Outlook

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Munich Re (Group) – Capitalisation

Reduction in shareholders' equity – Capital position remains solid

Munich RE 

€m	Q1
Equity 31.12.2010	23,028 
Consolidated result	-948 
Changes	
Dividend	–
Unrealised gains/losses	-737 
Exchange rates	-557 
Share buy-backs	-286 
Other	6 
Equity 31.3.2011	20,506 

UNREALISED GAINS/LOSSES

–€555m from afs fixed-interest securities (rising interest-rates)
–€175m from afs non-fixed-interest securities

EXCHANGE RATES

Adverse FX development (mainly US\$ and Can\$)

SHARE BUY-BACKS






In April 2011 further €39m were repurchased

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Munich Re (Group) – Premium development

Strong organic growth in addition to positive FX contribution

Munich RE 

€m	
Gross premiums written Q1 2010	11,657 
Foreign-exchange effects	308 
Divestment/Investment	75 
Organic change	940 
Gross premiums written Q1 2011	12,980 

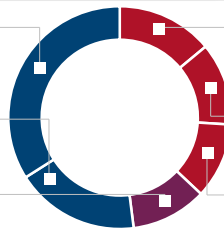
- Overall positive FX development (mainly US\$, Can\$ and Aus\$)
- Windsor acquisition: First-time consolidation as from Q1 2011
- Large-volume deals in life and health reinsurance

Breakdown by segment (consolidated)

Reinsurance
Property-casualty
4,363 (34%)
(▲ 10.5%)

Reinsurance
Life: 2,364 (18%)
(▲ 30.8%)

Munich Health
1,487 (11%)
(▲ 24.0%)



Primary insurance
Property-casualty
1,788 (14%)
(▲ 4.1%)

Primary insurance
Life: 1,522 (12%)
(▲ -3.0%)

Primary insurance
Health Germany: 1,456 (11%)
(▲ 3.0%)

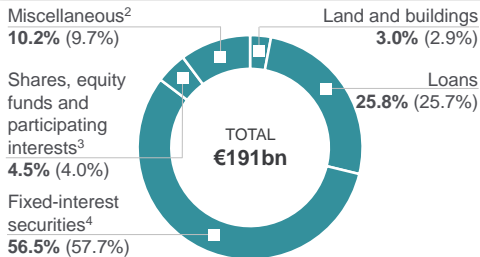
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Munich Re (Group) – Investments – Total portfolio

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

Munich RE 

Investment portfolio¹



Portfolio management

- Ongoing tactical reallocation of portfolio, thereby realising disposal gains
- Slight shift from government bonds into corporates and equities
- Further improving geographic diversification
- Reduction of net equity exposure to 2.8%

Portfolio duration⁵

	Assets	Liabilities	Net DV01 (€m)
Reinsurance	5.5	4.8	-10.8
Primary insurance	6.5	7.8	14.2
Munich Re (Group)	6.1	6.9	3.5

Interest management

- Slight duration decrease as a result of active portfolio management and increased risk-free yields
- Duration mismatch remaining tight

¹ Fair values as at 31.3.2011 (31.12.2010). ² Deposits retained on assumed reinsurance, investments for unit-linked life, deposits with banks, investment funds (bond, property), held for trading derivatives with non-fixed-interest underlying and tangible assets in renewable energies. ³ Net of hedges: 2.8% (4.4%). ⁴ Categories "available for sale", "held to maturity" and "at fair value". ⁵ As at 31.3.2011. Net DV01: Sensitivity to parallel upward shift of yield curve by one basis point reflecting portfolio size.

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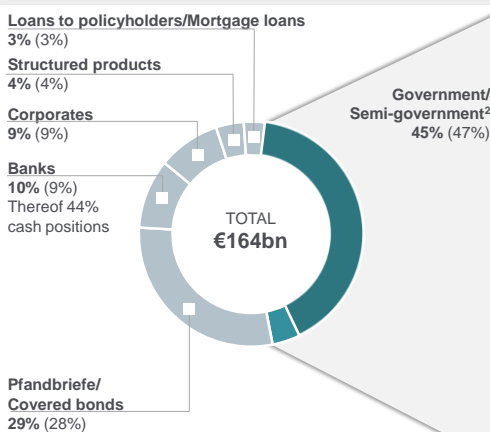
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Munich Re (Group) – Investments – Fixed-income portfolio

Emphasis on highly rated securities

Munich RE 

Fixed-income portfolio¹



Governments per country²

%	Without P/H ⁴ participation	With P/H ⁴ participation	Total
Germany	7	24	31
USA	15	0	15
Canada	7	0	7
Italy	5	2	7
UK	6	0	6
France	4	1	5
Spain	1	2	3
Austria	1	2	3
Other	11	8	19
Total³	57%	39%	96%
%	Without P/H ⁴ participation	With P/H ⁴ participation	Total
Ireland	1	1	2
Greece	0	1	1
Portugal	0	1	1
Total³	1%	3%	4%

¹ Incl. loans, parts of other securities, other investments and cash positions. Fair values as at 31.3.2011 (31.12.2010). ² Thereof 10% 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 March 2011.

Quarterly financial statements as at 31 March 2011

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Munich Re (Group) – Investment result
Solid investment result



Investment result

	€m	Q1 2011	Return ¹	€m	Q1 2010	Return ¹
Regular income	1,903		3.9%	1,882		4.0%
Write-ups/write-downs of investments	-137		-0.3%	-93		-0.2%
Gains/losses on the disposal of investments	400		0.8%	655		1.4%
Other income/expenses	-210		-0.4% ²	16		0.0%
Investment result	1,956		4.0%³	2,460		5.2%

Regular income

No material change: Cautious increase of credit-exposed fixed-interest investments while running yield drops slightly as a result of higher average market value – reinvestment yield slightly improved, but still below current running yield

Write-ups/write-downs

Write-ups on loss-bearing bonds and impact from insurance risk transfer to the capital markets

Write-downs mainly due to equity derivatives and swaptions

Gains on disposal

High disposal gains on equities as well as on corporate and government bonds

Realising losses on interest-rate derivatives as duration of investment portfolio is being shortened

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

² Effect from unit-linked business.

³ If adjusted for impact from insurance risk transfer to the capital markets: RoI at 3.6%.

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Overview

Financial reporting Q1 2011

Munich Re (Group)

Primary insurance

Munich Health

Reinsurance

Outlook

Backup

Primary insurance – Premium development

Stable premium income

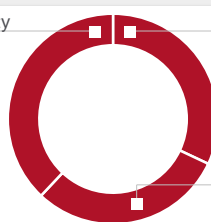


€m	
Gross premiums written Q1 2010	4,714
Foreign-exchange effects	7
Divestment/Investment	–
Organic change	57
Gross premiums written Q1 2011	4,778

- **Life statutory premiums:** Lower single-premium business in Germany and abroad
- **Health:** Growth in comprehensive, supplementary and travel business
- **Property-casualty:** Organic growth in Germany and abroad

Breakdown by segment
(segmental, not consolidated)

Property-casualty
1,799 (38%)
(▲ 3.9%)



Life
1,523 (32%)
(▲ –2.9%)

Health Germany
1,456 (30%)
(▲ 3.0%)

Total premiums life:

- IFRS premiums €1,523m (▲ –2.9%)
- Savings component of unit-linked and capitalisation products €274m (▲ –30.6%)
- **Total premiums** €1,797m (▲ –8.5%)¹

¹ Total premiums German life Q1 2011: €1,302m, ▲ –8.9%.

Quarterly financial statements as at 31 March 2011

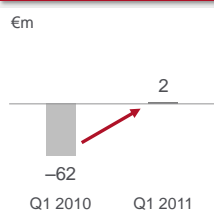
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Primary insurance – Key figures

Primary life

**Gross premiums written**

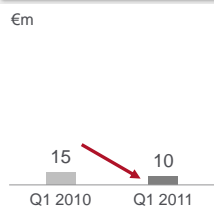
Lower single premiums in Germany and lower total premiums in Austria while Belgium shows good growth

Technical result

Improved result due to lower costs, especially DAC write-downs

Investment result

Q1 2010 with high disposals gains, major impact from change in unrealised gains/losses in unit-linked life insurance

Consolidated result

Decline in investment result mitigated by policyholder participation
Slight increase in taxes

Quarterly financial statements as at 31 March 2011

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Primary insurance – Life – New business

Life: New business (statutory premiums)

Munich RE

Total				
€m	Total	Regular premiums	Single premiums	APE ¹
Q1 2010	652	125	527	177
Q1 2011	517	141	376	178
Δ	-20.7%	12.9%	-28.7%	0.5%

Germany				
€m	Total	Regular premiums	Single premiums	APE ¹
Q1 2010	389	87	302	117
Q1 2011	297	91	206	111
Δ	-23.7%	4.6%	-31.8%	-5.1%

Comments

Germany

- Decline of single-premium annuity business and capitalisation products
- Regular premium growth

International

- Strong growth in Belgium and Poland
- New business in Austria down on previous year due to lower single premiums (APE -26.8%)

International

€m	Total	Regular premiums	Single premiums	APE ¹
Q1 2010	263	38	225	60
Q1 2011	220	50	170	67
Δ	-16.3%	31.6%	-24.4%	11.7%

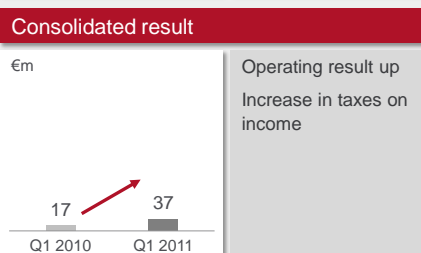
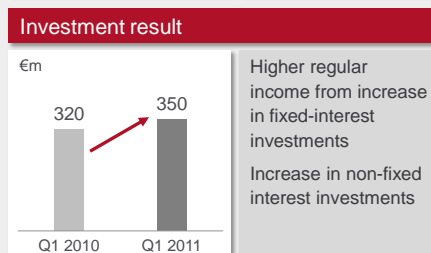
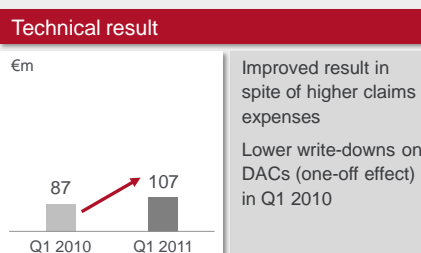
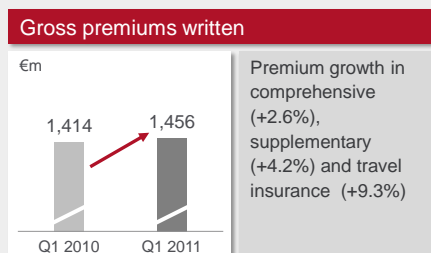
¹ Annual premium equivalent (APE = regular premiums + 10% single premiums).

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Primary insurance – Key figures

Primary health

Munich RE



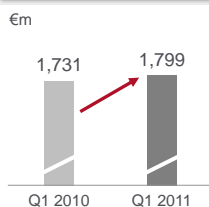
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Primary insurance – Key figures

Primary property-casualty



Gross premiums written



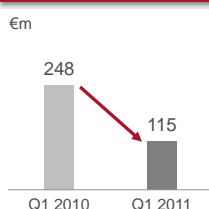
Growth in Germany (2.2%) mainly driven by commercial/ industrial business (+6.9%)
International business increased by 7.4%

Technical result



Combined ratio of international business remains on high level; Q1 2010 hit by weather-related losses (e.g. Winter Storm Xynthia)

Investment result



High disposal gains in the previous year

Consolidated result



Impairment on goodwill and other intangibles of Korean business (€34m) weighs on result

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Primary insurance – Property-casualty

Different situation for German and international business



Germany

€m	Q1 2011	Q1 2010
Gross premiums written	1,187	1,161
Technical result	74	62
Consolidated result	69	85
Combined ratio (%)	91.2	92.8

- German business with good growth
- Improved combined ratio due to lower weather-related claims
- Decline in consolidated result due to lower investment result

International

€m	Q1 2011	Q1 2010
Gross premiums written	612	570
Technical result	-28	-36
Consolidated result	-60	48
Combined ratio (%)	108.4	108.1

- Significant improvements in Poland, but still some way to go
- Ongoing difficult situation in Turkey and Korea – especially in motor; measures for improvement taken
- Impairment of Korean business

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Primary insurance – Property-casualty – Combined ratio
Combined ratio slightly lower –
Still too high in international business



%		■ Loss ratio	■ Expense ratio
2009	93.2	60.3	32.9
2010	96.8	63.1	33.7
Q1 2010	98.7	64.3	34.4
Q1 2011	98.2	63.4	34.8



- Lower effect from weather-related losses (in 2010: Winter Storm Xynthia and severe winter in Poland)
- However, higher claims especially in the international, but also in German motor business

Agenda



Overview

Financial reporting Q1 2011

Munich Re (Group)

Primary insurance

Munich Health

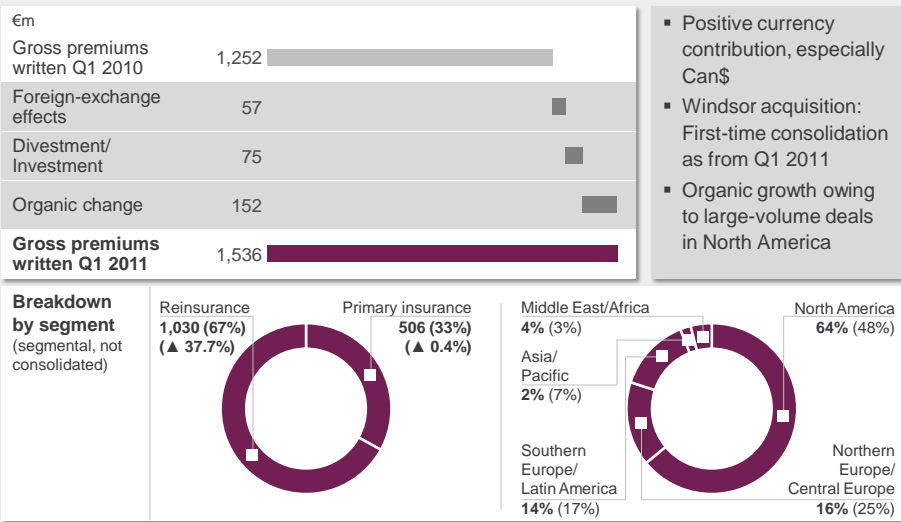
Reinsurance

Outlook

Backup

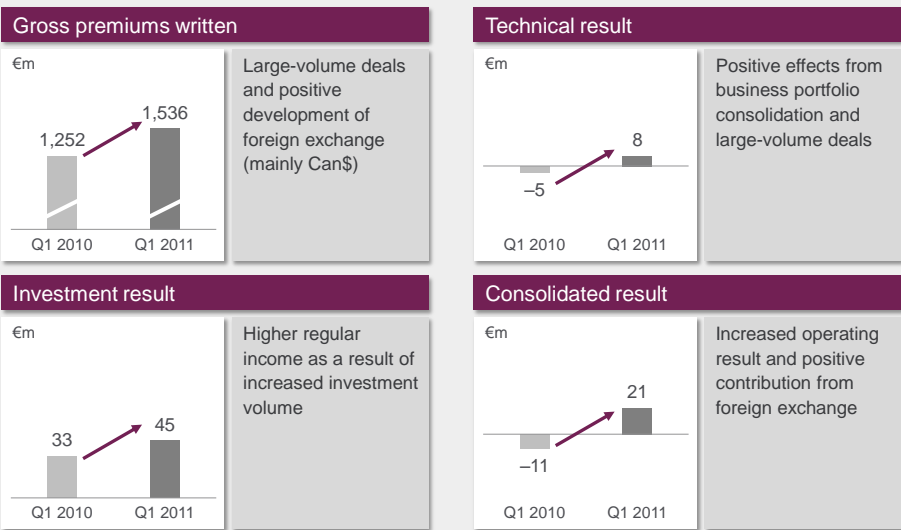
Munich Health – Premium development

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



Munich Health – Key figures

Munich Health



Agenda



Overview

Financial reporting Q1 2011

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

Reinsurance

Outlook

Backup

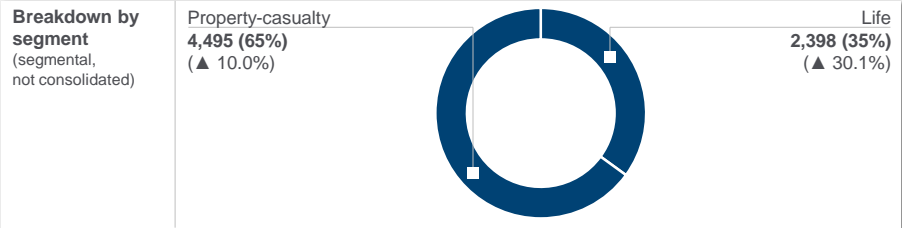
Reinsurance – Premium development

Strong increase mostly from organic growth and favourable FX



€m	
Gross premiums written Q1 2010	5,928
Foreign-exchange effects	244
Divestment/ Investment	0
Organic change	721
Gross premiums written Q1 2011	6,893

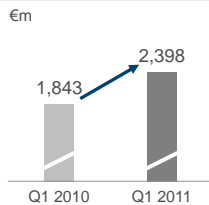
- Positive FX effect (mainly Can\$)
- **Property-casualty:** Increase mainly driven by fire, motor and agro
- **Life:** Organic growth owing to large-volume deals



Reinsurance – Key figures
Life reinsurance

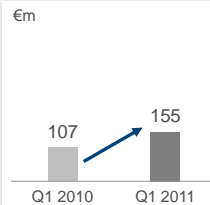


Gross premiums written



Strong growth owing to large-volume deals and positive FX development (mainly Can\$)

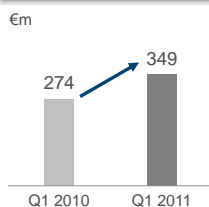
Technical result



Improvement of technical result from positive claims experience in US and UK

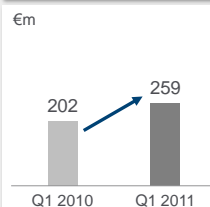
Large deals with positive bottom line impact

Investment result



Increase driven by high disposal gains and contribution of ERGO dividends

Consolidated result



Strong operating result and positive contribution from foreign exchange

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Reinsurance – Key figures
Reinsurance property-casualty

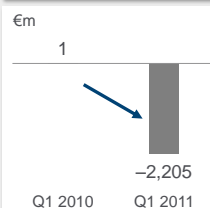


Gross premiums written



Premium increase from organic growth (especially in motor, fire and agro)
Positive FX contribution

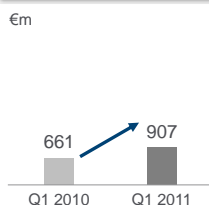
Technical result



Negative result from exceptionally high nat cat losses

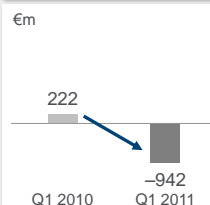
Basic claims remain at a good, profitable level

Investment result



High disposal gains and impact from insurance risk transfer to the capital markets
In addition to dividends received from ERGO

Consolidated result



High nat cat losses partly mitigated by still high investment result, currency gains and tax relief

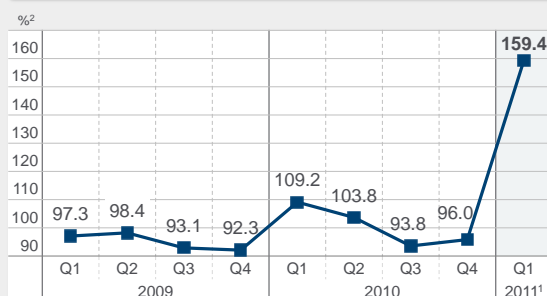
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Reinsurance – Property-casualty – Combined ratio

Combined ratio reflects high nat cat losses in Q1 2011

Munich RE

%		■ Basic losses	■ Nat cat losses	■ Man-made losses	■ Expense ratio
2009	95.3	57.5	1.4	6.9	29.5
2010	100.5	53.6	11.0	4.7	31.2
Q1 2010	109.2	58.2	20.8	2.0	28.2
Q1 2011 ¹	159.4	58.3	69.2	2.5	29.4



- Major losses in Q1 2011 (€2,794m) well above 5-year average (€991m)
- Nat cat losses in Q1 2011 (€2,698m¹) significantly exceed 5-year average (€870m)
- Moderate man-made losses of €96m in Q1 2011; slightly below 5-year average (€121m)
- No major impact from reserve changes

¹ Adjusted for impact from the transfer of insurance risks to the capital markets.² Incl. overhead costs.

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Reinsurance – Major nat cat losses

Frequency of severity is coincidental, not systemic

Munich RE

Nat cat losses in Q1 2011	
Incident	Loss ¹ (€m)
Earthquake Japan	1,500
Earthquake Christchurch New Zealand	740
Flood Queensland Australia	260
Cyclone Yasi Australia	100
Other	100
Total	2,700

Earthquake Japan

- Owing to extent of destruction and given many covers do not attach until high losses, detailed assessment of losses is complex and will take a long time
- Claims for Munich Re mainly result from commercial business – so far losses only based on models
- Further uncertainties result from impact on supply chains – Loss estimate includes a blanket amount for contingent business interruption
- Life and health portfolios will be minimally affected

¹ Rounded numbers. Adjusted for impact from the transfer of insurance risks to the capital markets.

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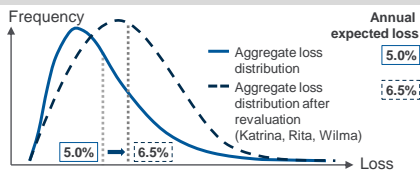
Reinsurance – Major nat cat losses

Recent nat cat events well captured in our risk models, not triggering a model revaluation

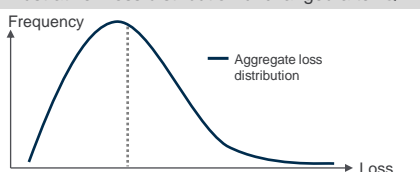
Munich RE

Continuous enhancement of modeling capabilities

Illustrative: Loss distribution after revaluation



Illustrative: Loss distribution unchanged after Q1



- While Katrina, Rita, Wilma changed the loss distribution¹ ...
- ... the recent nat cat events are not expected to require any significant change of individual scenario curves – Pricing model proves adequate
- The aggregate loss distribution of the entire nat cat portfolio will also not be affected
- In aggregate, Munich Re's actual losses from nat cat events over the last ten years (including Q1 2011) are in line with the expected losses that we have factored into our pricing

Nat cat remains one of Munich Re's most profitable business lines

¹ Main reasons: Floods resulting from hurricane which had not been modelled adequately and inclusion of effects from North Atlantic oscillation.

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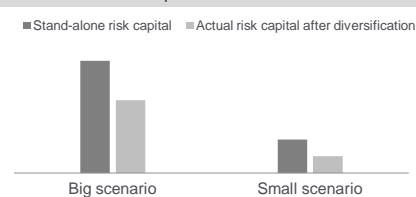
Reinsurance – Major nat cat losses

No fundamental change of underwriting strategy

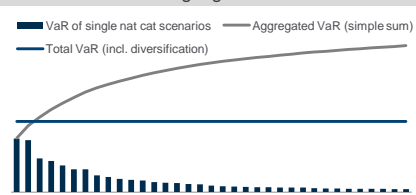
Munich RE

Underwriting strategy: Diversification remains key

Illustrative: Risk capital



Illustrative: Combining big and small scenarios



- Achieving substantial diversification benefits by combining scenarios with largely uncorrelated exposures (e.g. earthquake and hurricane)
- Well-balanced portfolio of global exposures sustains itself in aggregate, no focus on pay-back of individual scenarios
- Key feature of our risk capital model: large scenarios attract relatively high proportion of risk capital compared to small scenarios
- Risk-adequate pricing with higher target margins for large scenarios further supports diversification by encouraging expansion rather via the smaller nat cat scenarios
- Key requirements for writing small scenarios: Modelling expertise and underwriting discipline

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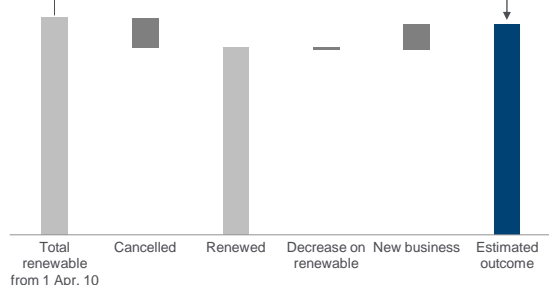
Reinsurance – April renewal

Impact of Japan earthquake not yet visible to the full extent

Munich RE

%	100	-13.5	86.5	-1.1	11.6	97.0
€m	1,099	-148	951	-12	128	1,066

Change in premium:		-3.0%
▪ Thereof price change:	+1.2%	
▪ Thereof change in exposure our share:	-4.2%	



Market environment

- April renewal refers to Japan and Korea (35%), North America and Global Clients (40%)

- Sufficient capacity available

Munich Re portfolio

- So far limited positive impact of earthquake losses on Japan renewal in general:
- Part of Munich Re portfolio was already locked in, but earthquake covers negotiated after 11 March 2011 achieved significant price increases
- Some business (mainly earthquake XL) was shifted to later renewal periods
- High portion of wind cover with slight price increases
- In other regions rather stable prices

Consistent cycle management with clear bottom-line focus maintained

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Reinsurance – April renewal

Price changes of Munich Re's Japan business before and after the earthquake

Munich RE

First signs of market hardening in April renewal

Average price increase

	2 January	Earthquake Japan 11 March	1 April	1 July
	Price projections for negotiations before earthquake Japan	Price increases for business negotiation after earthquake Japan (exposure adjusted)	Shifted business	
Earthquake XL	-4%	25-50%	Further increases expected	
Wind XL and combined XL	-5%	20-25%		
Earthquake prop. (change in commission points)	1%	up to -4%	-	
Liability	-3%	5-20%	-	
Marine	-3%	5-30%	-	

Loss-affected business responded well, further improvement expected

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Most recent events should have a hardening effect on the market for globally oriented lines of business

Outlook for July renewal	
Up for July renewal	Price expectation
US nat cat	Double-digit – Softening trend expected to convert into a hardening market
Australia/New Zealand	Significant double-digit – Trend should continue
Japan	Further improved terms and price increases of postponed earthquake XL renewals
Global large commercial business	Up to double-digit – Capacity-driven

In market situations influenced by capacity reductions, Munich Re is well placed due to its capital position

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

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Outlook

Outlook 2011 – Even more so after severe events as in Q1 reinsurance remains an attractive business model



Munich Re (Group)		
GROSS PREMIUMS WRITTEN €47–49bn (prev. €46–48bn)	RETURN ON INVESTMENT Slightly below 4%	PROFIT Positive annual result expected RoRaC-target of 15% after tax over-the-cycle to stand
Reinsurance	Primary insurance	Munich Health
COMBINED RATIO P-C 97% over-the-cycle – Not achievable in 2011	COMBINED RATIO P-C < 95%	Positive earnings contribution while concluding consolidation phase
GROSS PREMIUMS WRITTEN €25–26bn	GROSS PREMIUMS WRITTEN €17–18bn	GROSS PREMIUMS WRITTEN ~€6bn

Agenda – Backup



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Backup: Additional information

Capital repatriation since 2005

Munich RE 

€m	2005	2006	2007	2008	2009	2010	2011 ¹	Total
Share buy-back		250	2,303	1,387	406	1,300	350	5,996
Dividend	707	988	1,124	1,073	1,072	1,110		6,074
Total amounts	707	1,238	3,427	2,460	1,478	2,410	350	12,070

¹ Until 12 April 2011.

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Backup: Additional highlights Q1 2011

Segmental results

Munich RE 

€m	Q1 2010	Q1 2011	Operating result	Consolidated result
Reinsurance Life			243 356	202 259
Reinsurance Property-casualty			-1,613 362	-942 222
Reinsurance Subtotal			-1,257 605	-683 424
Primary insurance Life			24 27	15 10
Primary insurance Health			34 70	17 37
Primary insurance Property-casualty			193 76	133 9
Primary insurance Subtotal			251 173	165 56
Munich Health			4 40	-11 21
Munich Re¹			-1,384 770	-948 485

¹ Operating result Q1 2011 including asset management (€13m, Q1 2010 €23m) and consolidation (-€353m, Q1 2010 -€113m). Consolidated result Q1 2011 including asset management (€3m, Q1 2010 €12m) and consolidation (-€345m, Q1 2010 -€105m).

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Agenda – Backup

Additional highlights Q1 2011

Investments

Shareholder information

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

Breakdown of regular income

Investment result – Regular income (€m)	Q1 2011	Q1 2010	Change
Afs fixed-interest	1,080	1,101	–21
Afs non-fixed-interest	37	21	16
Derivatives	65	54	11
Loans	537	516	21
Real estate	90	80	10
Deposits retained on assumed reinsurance and other investments	84	86	–2
Other	10	24	–14
Total regular income	1,903	1,882	21

Main effects in Q1 2011

- Regular income on the same level as in Q1 2010, lower yield due to higher average market value of investments
- Cautious increase in credit-exposed fixed-interest investments
- Reinvestment rate slightly improved, but still below current running yield of portfolio

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

Breakdown of write-ups/write-downs

Munich RE 

Investment result – Write-ups/write-downs (€m)	Q1 2011	Q1 2010	Change
Afs fixed-interest	37	1	36
Afs non-fixed-interest	–47	–11	–36
Derivatives	–88	–56	–32
Loans	0	0	0
Real estate	–36	–28	–8
Other	–3	1	–4
Total net write-ups/write-downs	–137	–93	–44

Main effects in Q1 2011

- Write-ups mainly on loss-bearing bonds lead to a positive result in afs fixed-interest securities, insignificant impairments
- Disposal gains from equities more than compensate for write-downs on equity derivatives
- Negative impact of rising interest environment on swaptions
- Write-ups on derivatives as a result of insurance risk transfer to the capital markets

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

Breakdown of net result from disposals

Munich RE 

Investment result – Net result from disposal of investments (€m)	Q1 2011	Q1 2010	Change
Afs fixed-interest	159	551	–392
Afs non-fixed-interest	347	167	180
Derivatives	–116	–136	20
Loans	–2	24	–26
Real estate	18	1	17
Other	–6	48	–54
Total net realised gains	400	655	–255

Main effects in Q1 2011

- Afs fixed-interest: Investment gains on corporate and government bonds at low interest-rate level only partially offset high previous year gains on corporate bonds
- Afs non-fixed-interest: Higher disposal gains from equities more than compensate for impact of write-downs on hedging derivatives
- Realising losses on interest-rate derivatives as duration of investment portfolio is being shortened

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Backup: Investments and investment result – Investment result

Return on investment by asset class and segment



% ¹	Regular income	Write-ups/ write-downs	Gains/ losses on disposal	Other income/ expenses	Total Rol	Average market value in €m
Afs fixed-interest	3.9	0.1	0.6	0.0	4.6	109,790
Afs non-fixed-interest	1.5	-1.9	13.8	0.0	13.4	10,045
Derivatives	26.1	-35.3	-46.5	0.0	-55.7	998
Loans	4.3	0.0	-0.0	0.0	4.3	49,956
Real estate	6.3	-2.5	1.3	0.0	5.1	5,705
Other ²	2.2	-0.1	-0.1	-4.8	-2.8	17,368
Total	3.9	-0.3	0.8	-0.4	4.0	193,862³
Reinsurance	3.6	0.2	1.7	-0.4	5.1	73,114
Primary insurance	4.2	-0.6	0.3	-0.5	3.4	116,310
Munich Health	3.7	-0.3	0.7	-0.2	3.9	3,494

Main effects in Q1 2011

- Rol at Group level 3.6% if adjusted for impact from the transfer of insurance risks to the capital markets
- Reinsurance: High disposal gain on equities
- Primary insurance: As compared to reinsurance, higher running yield (longer investment duration) but lower disposal gains; write-downs on swaptions in Q1
- Total return decreases to -2.5% (2010: 9.8%); negative impact due to decreased valuation reserves (Δ -€3,161m) mainly from fixed-interest securities and loans as a result of increasing yields

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".

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Backup: Investments and investment result – Total investment portfolio

Investment structure



Investment structure by asset class (market values)

		Land and buildings	Loans	Fixed-interest securities ¹	Shares, equity funds and participating interests	Miscellaneous ²
	€bn %					
31.12.2007	177	3.1	19.4	54.0	13.7	9.8
31.12.2008	177	3.0	23.2	61.7	3.5	8.6
31.12.2009	185	3.0	25.9	60.0	2.8	8.3
31.12.2010	196	2.9	25.7	57.7	4.0	9.7
31.3.2011	191	3.0	25.8	56.5	4.5 ³	10.2
31.3.2011 (€bn)	191	5.7	49.4	108.2	8.6 ³	19.4

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: 2.8%.

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Backup: Investments and investment result – Fixed-income portfolio

Credit portfolio

Munich RE Rating classification of fixed-income portfolio¹

%	AAA	AA	A	BBB	BB	B and worse	NR	Total
Government/ Semi-government	50	36	8	4	2	0	0	100
Pfandbriefe/Covered bonds	82	17	0	1	–	–	0	100
Banks	4	17	35	5	1	2	36 ²	100
Corporates	2	12	37	44	4	0	1	100
Structured products	73	13	11	2	0	0	1	100
Loans to policyholders/ Mortgage loans	–	–	–	–	–	–	100	100
Total	50	24	11	7	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 March 2011.

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Backup: Investments and investment result – Fixed-income portfolio

Approx. 61% invested in eurozone,
digestible exposure to “EUR umbrella” sovereignsMunich RE Geographic classification of fixed-income portfolio¹

%	Germany	France	Spain	Italy	UK	“EUR Umbrella” ²	Other Europe	USA	Canada	Rest of World
Government/ Semi-government	31	5	3	7	6	4	15	15	7	7
Pfandbriefe/ Covered bonds	42	16	10	1	6	3	22	0	0	0
Banks	43	2	1	1	6	2	10	23	1	11
Corporates	3	7	2	2	7	2	17	48	6	6
Structured products	3	2	3	9	9	9	9	54	1	1
Loans to policyholders/ Mortgage loans	98	–	0	1	–	0	0	0	0	1
Total	34	8	4	4	6	4	16	15	4	5

¹ Economic view – not fully comparable with IFRS figures.² Portugal, Ireland and Greece.
As at 31 March 2011.

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Backup: Investments and investment result – Fixed-income portfolio

Maturity structure

Munich RE

Maturity structure of fixed-income portfolio¹

%	Remaining time to maturity							Total
	0–1 year	1–3 years	3–5 years	5–7 years	7–10 years	>10 years	n.a.	
Government/ Semi-government	9	15	18	12	16	30	0	100
Pfandbriefe/Covered bonds	4	11	10	13	20	42	–	100
Banks	14	8	7	13	14	6	38	100
Corporates	7	25	20	17	19	12	0	100
Structured products	21	39	23	6	10	1	0	100
Loans to policyholders/ Mortgage loans	6	17	21	15	23	16	2	100
Total	8	15	15	13	17	28	4	100

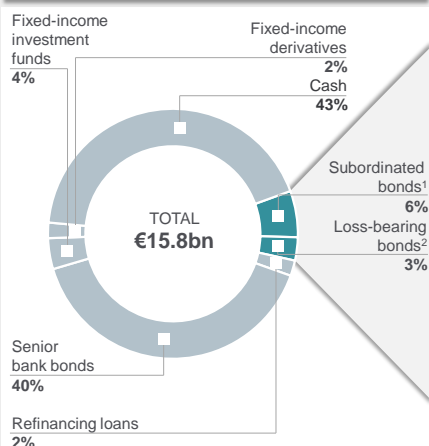
¹ Economic view – not fully comparable with IFRS figures.
As at 31 March 2011.

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Backup: Investments and investment result – Fixed-income portfolio

Bank exposure

Munich RE

BANKS
Split by investment categoryBANKS
Subordinated and loss-bearing exposure by country

Country	Market values €m (as at 31.3.2010)		
	Total	Sub-ordinated bonds	Loss-bearing bonds
Germany	616	357	259
USA	303	271	32
Italy	88	73	15
UK	81	51	30
Austria	53	33	20
Other	151	90	61
Total market values	1,292	875	417

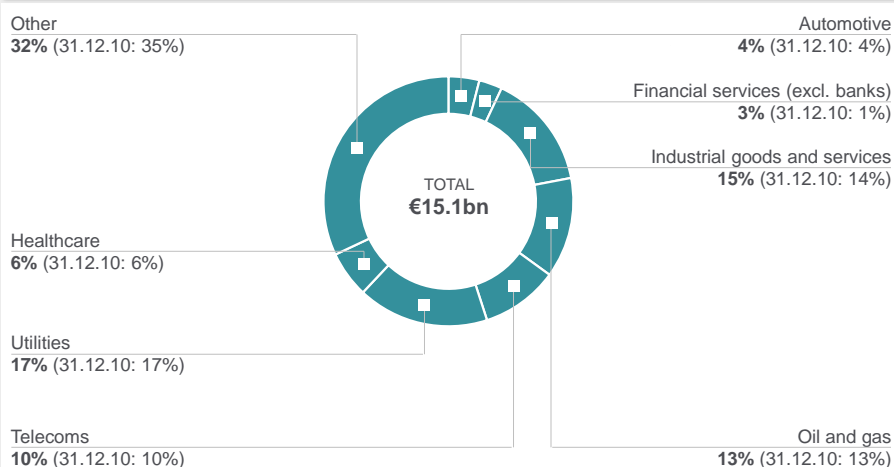
¹ Classified as lower Tier 2 and Tier 3 capital for solvency purposes.
² Classified as Tier 1 and upper Tier 2 capital for solvency purposes.
 Economic view – not fully comparable with IFRS figures. As at 31 March 2011.

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Backup: Investments and investment result – Fixed-income portfolio

Corporate bonds

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Corporate bonds: Sectoral split¹

¹ Economic view – not fully comparable with IFRS figures.
As at 31 March 2011.

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Backup: Investments and investment result – Fixed-income portfolio

Structured products

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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	574	120	215	4	–	0	441	472	913	100%
	Corporate-related ABS ²	227	171	46	38	4	20	–	506	506	96%
	Subprime HEL	15	4	21	–	3	–	43	–	43	97%
CDO/CLN	Subprime-related	–	–	–	–	1	0	–	1	1	1%
	Non-subprime-related	66	17	32	2	0	38	–	155	155	80%
MBS	Agency	2,046	87	–	–	–	–	2,133	–	2,133	99%
	Non-agency prime	574	87	148	59	0	–	60	808	868	97%
	Non-agency other (not subprime)	193	84	39	–	3	–	115	204	319	93%
	Commercial MBS	720	186	153	13	–	1	555	518	1,073	99%
Total 31.3.2011		4,415	756	654	116	11	59	3,347	2,664	6,011	96%
In %		73%	13%	11%	2%	0%	1%	56%	44%	100%	
Total 31.12.2010		4,759	684	445	94	13	78	3,690	2,383	6,073	96%

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

² Asset-backed CPs, business and corporate loans, commercial equipment.
As at 31 March 2011.

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Backup: Investments and investment result

Sensitivities to interest-rates, spreads and equity markets

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Sensitivity to risk-free interest rates – Basis points	–100	–50	+100	+200
Change in gross market value (€bn)	+10.6	+5.1	–9.1	–16.6
Change in on-balance-sheet reserves, net (€bn) ¹	+2.9	+1.4	–2.5	–4.7
Change in off-balance-sheet reserves, net (€bn) ¹	+0.5	+0.3	–0.5	–0.9
P&L impact (€bn) ¹	–0.0	–0.0	+0.0	+0.1
Sensitivity to spreads ² (change of basis points)			+100	+200
Change in gross market value (€bn)			–6.8	–12.5
Change in on-balance-sheet reserves, net (€bn) ¹			–1.5	–2.7
Change in off-balance-sheet reserves, net (€bn) ¹			–0.4	–0.7
P&L impact (€bn) ¹			–0.1	–0.1
Sensitivity to equity markets ³	–30%	–10%	+10%	+30%
EURO STOXX 50 (2,911 as at 31.03.2011)	2,038	2,620	3,202	3,784
Change in gross market value (€bn)	–2.0	–0.7	+0.7	+2.1
Change in on-balance-sheet reserves, net (€bn) ¹	–0.8	–0.4	+0.6	+1.9
Change in off-balance-sheet reserves, net (€bn) ¹	–0.3	–0.1	+0.1	+0.3
P&L impact (€bn) ¹	–0.5	–0.1	–0.2	–0.6

¹ Rough calculation with limited reliability assuming unchanged portfolio as at 31.3.2011. After rough estimation of policyholder participation and deferred tax; linearity of relations cannot be assumed. Economic view – not fully comparable with IFRS figures.

² Sensitivities to changes of spreads are calculated for every category of fixed-interest securities, except governments with AAA ratings.












³ Worst-case scenario assumed: impairment as soon as market value is below acquisition cost.

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

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

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On-balance-sheet reserves on afs securities	
€m	
Gross unrealised gains and losses	2,040 
Provision for deferred premium refunds	187 
Deferred taxes	–361 
Minority interests	–6 
Effects from consolidation and currency	51 
Shareholders' stake 31.3.2011	1,911 
Off-balance-sheet reserves ¹	
€m	
Off-balance-sheet reserves 31.3.2011	1,918 
Provision for deferred premium refunds	–631 
Deferred taxes	–367 
Minority interests	– 
Shareholders' stake 31.3.2011	920 

¹ Excluding reserves on owner-occupied properties.

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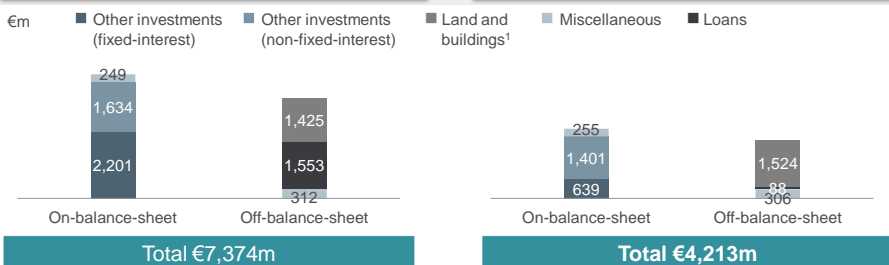
Backup: Investments and investment result – Investment result – On- and off-balance-sheet reserves

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

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31.12.2010

31.3.2011



Unrealised gains and losses – gross	7,374²
./. 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

Unrealised gains and losses – gross	4,213³
./. Provision for deferred premium refunds	471
./. Deferred taxes	728
./. Effects from consolidation and currency	–47
./. Minority interests	6
Unrealised gains and losses – net	3,055

¹ Excluding reserves for owner-occupied properties.² 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.³ Incl. unrealised gains/losses from valuation at equity, unconsolidated affiliated enterprises and cash flow hedging of €255m and off-balance-sheet valuation reserves of €305m for affiliated companies.

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Agenda – Backup

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Additional highlights Q1 2011

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Backup: Shareholder information

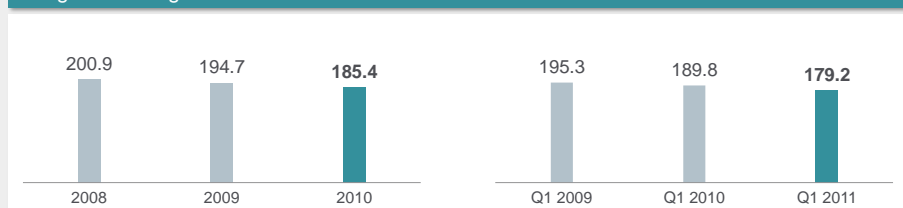
3.0 million own shares were retired in 2011

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Development of shares in circulation

Shares million	31.12.2010	Acquisition of own shares in Q1 2011	Retirement of own shares in Q1 2011	31.3.2011
Shares in circulation	180.4	-2.5	0	177.9
Own shares held	8.1	2.5	0	10.6
Total	188.5	0	0	188.5

Weighted average number of shares in circulation



Between 1 January until 12 April 2011, additional 3.0 million shares were repurchased for an amount of €350m

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Appendix

Financial calendar

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FINANCIAL CALENDAR

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
13 March 2012	Balance sheet press conference for 2011 financial statements
14 March 2012	Analysts' conference with videocast
26 April 2012	Annual General Meeting, Munich

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