PRELIMINARY KEY FIGURES 2011 AND RENEWALS
Telephone conference with analysts and investors
2 February 2012

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Munich RE
Overview – Financial highlights 2011

Resilient result given sovereign debt crisis and high natural catastrophe losses

Munich Re (Group)

Net profit
€0.63bn in Q4 (FY: €0.71bn)

Shareholders’ equity
€23.3bn (+4.9% in Q4)

Investment result
RoI of ~3.4%

Impact from large nat cat losses and volatile capital markets mitigated by sound underlying performance – positive tax contribution

Strong capital position allows us to maintain an attractive dividend of €6.25 per share (subject to approval of Supervisory Board and AGM)

Stable regular income given low yield environment – disposal gains compensating for impairments (Greek government bonds)

Reinsurance

Combined ratio
101.8% in Q4 (FY: 113.6%)

P–C: Nat cat loss ratio 22.7% in Q4 (FY: 28.8%)

Costliest year ever in terms of natural catastrophe losses

Consolidated ERGO result
€0.09bn in Q4 (FY: €0.35bn)

Impacted by several non-recurring items

Achieving a consolidated result at prior year’s level

Combined ratio
100.4% in Q4 (FY: 99.4%)

Substantial premium growth to €6.1bn in 2011

Primary insurance

Munich Health

Net result distorted by adverse currency effects

1 Q1–4 2011. Adjusted for impact of insurance risk transfer to the capital markets. RoI ~3.3%.
**Preliminary key figures 2011 and renewals**

**Reinsurance**
- Major losses in 2011: €5.1bn (32.5%)
  - Nat cat: €4.5bn (28.8%)
  - Man-made: €0.6bn (3.7%)
- Reserve releases of ~€0.6bn in 2011 while further strengthening confidence level
- Significant major losses in Q4
  - Flood Thailand (~€0.9bn)
  - Increase for three earthquakes in New Zealand (~€0.4bn) to €1.5bn in 2011
- MCEV increase in 2011
  - Strong new business growth and overall positive impact of interest rate development

**Primary insurance**
- Combined ratio 2011: 97.8% (2010: 96.8%)
  - Germany: 93.1% (2010: 89.8%),
  - International: 105.0% (2010: 107.8%)
- Sale of international primary health insurance subsidiaries to Munich Health
- New business in life €2.7bn (~6.1% vs. 2010), mainly driven by declining single premium business (~8.3%); growth of regular premium business (+4.3%)
- MCEV decrease in 2011
  - Interest rate decline and higher volatility mostly affecting life – No illiquidity premium applied

**Munich Re (Group) economic capital position**
- In 2011 lower interest rates and higher implied interest-rate volatility affecting economic solvency position
- Decrease of available financial resources (mainly lower MCEV uplift)
- Increase of economic risk capital (mainly market, credit and life/health risk)
- High nat cat losses with strong impact on available financial resources

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**Key financial figures – Clearly positive annual result achieved**

<table>
<thead>
<tr>
<th>€bn</th>
<th>Q1–4 2011</th>
<th>Q1–4 2010</th>
<th>Q4 2011</th>
<th>Q4 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross premiums written</td>
<td>49.6</td>
<td>45.5</td>
<td>12.4</td>
<td>11.5</td>
</tr>
<tr>
<td>Reinsurance¹</td>
<td>26.5</td>
<td>23.6</td>
<td>6.5</td>
<td>6.0</td>
</tr>
<tr>
<td>Primary insurance¹</td>
<td>17.6</td>
<td>17.5</td>
<td>4.4</td>
<td>4.3</td>
</tr>
<tr>
<td>Munich Health¹</td>
<td>6.1</td>
<td>5.1</td>
<td>1.6</td>
<td>1.3</td>
</tr>
<tr>
<td>Investment result</td>
<td>6.8</td>
<td>8.6</td>
<td>1.9</td>
<td>1.4</td>
</tr>
<tr>
<td>Operating result</td>
<td>1.2</td>
<td>4.0</td>
<td>0.8</td>
<td>0.6</td>
</tr>
<tr>
<td>Taxes on income</td>
<td>-0.55</td>
<td>0.69</td>
<td>-0.14</td>
<td>-0.17</td>
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<tr>
<td>Consolidated result</td>
<td>0.71</td>
<td>2.43</td>
<td>0.63</td>
<td>0.48</td>
</tr>
<tr>
<td>Reinsurance¹</td>
<td>0.77</td>
<td>2.10</td>
<td>0.67</td>
<td>0.44</td>
</tr>
<tr>
<td>Primary insurance¹</td>
<td>0.76</td>
<td>0.66</td>
<td>0.34</td>
<td>0.22</td>
</tr>
<tr>
<td>Munich Health¹</td>
<td>0.05</td>
<td>0.06</td>
<td>0.01</td>
<td>0.01</td>
</tr>
<tr>
<td>Combined ratio reinsurance (%)</td>
<td>113.6</td>
<td>100.5</td>
<td>101.8</td>
<td>98.0</td>
</tr>
<tr>
<td>Combined ratio primary insurance (%)</td>
<td>97.8</td>
<td>96.8</td>
<td>100.9</td>
<td>100.4</td>
</tr>
<tr>
<td>Combined ratio Munich Health (%)</td>
<td>99.4</td>
<td>99.7</td>
<td>100.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Dividend per share (€)</td>
<td>6.25²</td>
<td>6.25</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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¹ Segmental figures, before elimination of intra-Group transactions across segments.
² Subject to approval of Supervisory Board and AGM.
Active asset management on the basis of a well-diversified investment portfolio

Investment portfolio

- Miscellaneous: 11% (10%)
- Shares, equity funds and participating interests: 3% (4%)
- Fixed-interest securities: 56% (57%)
- Loans: 27% (26%)
- Land and buildings: 3% (3%)

TOTAL €207bn

Investment result

- Regular income: €8.0bn (€7.7bn)
- Write-ups/write-downs: €–1.6bn (€–0.4bn)
- Disposal gains/losses: €1.3bn (€1.6bn)
- Other income/expenses: €–0.9bn (€–0.3bn)
- Investment result: €6.8bn (€8.6bn)

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

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

Fixed-income portfolio

- Loans to policyholders/ Mortgage loans: 3% (3%)
- Structured products: 3% (4%)
- Corporates: 10% (9%)
- Banks: 8% (9%)
- Pfandbriefe/Covered bonds: 28% (28%)

TOTAL €178bn

Government bonds per country

- Germany: 9.4% (25.6%)
- USA: 16.9% (0.0%)
- Canada: 7.1% (0.2%)
- UK: 5.6% (0.3%)
- France: 2.7% (2.2%)
- Austria: 0.6% (2.6%)
- Italy: 0.6% (1.9%)
- Spain: 0.3% (1.6%)
- Ireland: 0.2% (1.4%)
- Greece: 0.0% (0.4%)
- Portugal: 0.0% (0.4%)
- Other: 13.1% (6.9%)

TOTAL 56.5% 43.5% 100.0% 100.0%

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

Preliminary key figures 2011 and renewals

Renewals in property-casualty reinsurance

Summary

Backup

Renewals in property-casualty reinsurance – Overview

Business up for renewal in January roughly 50% of total property-casualty book – Geographic focus on Europe

Total property-casualty book¹

- Remaining business (e.g. facultative and specialty business) 30%
- Treaty business up for January renewal 52%
- Treaty business up for April renewal 7%

TOTAL €16.5bn

Regional allocation of renewable portfolio

- %
  - Europe: 97%
  - Worldwide: 73%
  - North America: 71%
  - Asia/Pacific/Africa: 57%
  - Latin America: 37%

- January renewals: 11%
- Rest of the year renewals: 89%

Nat cat shares of renewable portfolio²

- %
  - January: 11%
  - April: 32%
  - July: 31%
  - Total: 16%

- Nat cat: 89%
- Other peril: 11%

¹ Economic view – not fully comparable with IFRS figures.
² Refers to property only.
Renewals in property-casualty reinsurance – Market environment

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

Market environment

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

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

Competitors

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

Clients

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

Portfolio quality improved in competitive environment

Munich Re portfolio – Premium change in major business lines

<table>
<thead>
<tr>
<th>Business line</th>
<th>Property</th>
<th>Casualty</th>
<th>Specialty lines</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Proportional XL</td>
<td>Proportional XL</td>
<td>Marine</td>
</tr>
<tr>
<td>Premium split</td>
<td>32%</td>
<td>11%</td>
<td>31%</td>
</tr>
<tr>
<td>Price change</td>
<td>1.6%</td>
<td>9.6%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Volume change</td>
<td>-1.5%</td>
<td>2.0%</td>
<td>14.3%</td>
</tr>
</tbody>
</table>

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

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

1 Relative premium share in relation to total renewable business in January.
Munich Re

Preliminary key figures 2011 and renewals

Strict cycle management allowing for price increase

<table>
<thead>
<tr>
<th>%</th>
<th>100</th>
<th>−8.7</th>
<th>91.3</th>
<th>7.0</th>
<th>4.4</th>
<th>102.6</th>
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</thead>
<tbody>
<tr>
<td>€m</td>
<td>8,546</td>
<td>−741</td>
<td>7,804</td>
<td>594</td>
<td>373</td>
<td>8,771</td>
</tr>
</tbody>
</table>

Change in premium:
- Thereof price movement: +2.0%
- Thereof change in exposure for our share: +0.6%

Renewals in property-casualty reinsurance

Decrease

- Strict termination of unprofitable business and reduction of portfolios
  - European property: ~€160m, Mainly Germany, France, UK and Spain
  - Marine: ~€90m, Traditional business
  - European casualty (without strategic partnerships): ~€60m, Mainly Germany, UK third-party liability and Netherlands
  - Motor XL: ~€30m, United Kingdom

Selective growth

- Strategic growth
  - Strategic business expansion: ~€350m, Strong price increases in recovering markets (e.g., proportional UK motor)
- Growth with tailor-made structured solutions
  - Quota share deals: ~€90m, Mainly in Asia and agric business

Concrete initiatives – Successful active portfolio management
Munich Re

Agenda

Preliminary key figures 2011
Renewals in property-casualty reinsurance

Summary

Key takeaways

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

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

Solid capitalisation and resilient operating performance of diversified business model enable Munich Re to maintain an attractive dividend level of €6.25 per share¹

Outlook 2012²: Net result expected to be at the level achieved prior the year 2011 – Significantly improving technical result

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

- Preliminary key figures 2011
- Renewals in property-casualty reinsurance
- Summary

### Backup: Preliminary key figures 2011 – Premium development

**Strong organic growth**

<table>
<thead>
<tr>
<th>Segment</th>
<th>Breakdown by</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gross premiums written Q1–4</td>
<td>45.5</td>
<td>49.6</td>
</tr>
<tr>
<td></td>
<td>Foreign-exchange effects</td>
<td>-0.6</td>
<td></td>
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<tr>
<td></td>
<td>Divestment/Investment</td>
<td>0.3</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Organic change</td>
<td>4.4</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Segment</th>
<th>Reinsurance</th>
<th>Primary Insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Property-casualty</td>
<td>Life</td>
</tr>
<tr>
<td>Reinsurance</td>
<td>16.5 (33%)</td>
<td>9.5 (19%)</td>
</tr>
<tr>
<td>Primary Insurance</td>
<td>5.6 (11%)</td>
<td>6.3 (13%)</td>
</tr>
</tbody>
</table>

- **Gross premiums written Q1–4 2010**: 45.5 €bn
- **Organic change**: 4.4 €bn
- **Gross premiums written Q1–4 2011**: 49.6 €bn
Premium split by line of business and geography

**Split by line of business**

<table>
<thead>
<tr>
<th>Line of Business</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aviation</td>
<td>43</td>
<td>42</td>
</tr>
<tr>
<td>Credit</td>
<td>11</td>
<td>10</td>
</tr>
<tr>
<td>Marine</td>
<td>37</td>
<td>40</td>
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<tr>
<td>Casualty</td>
<td>6</td>
<td>5</td>
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<tr>
<td>Property</td>
<td>3</td>
<td>3</td>
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**Regional split**

<table>
<thead>
<tr>
<th>Region</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Worldwide</td>
<td>23</td>
<td>22</td>
</tr>
<tr>
<td>Latin America</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Asia/Pacific/Africa</td>
<td>15</td>
<td>14</td>
</tr>
<tr>
<td>North America</td>
<td>22</td>
<td>22</td>
</tr>
<tr>
<td>Europe</td>
<td>37</td>
<td>38</td>
</tr>
</tbody>
</table>

Trend towards casualty driven by selective growth with strategic partnerships

Regional split quite stable

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**Financial calendar**

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>13 March 2012</td>
<td>Balance sheet press conference for 2011 financial statements</td>
</tr>
<tr>
<td>14 March 2012</td>
<td>Analysts’ conference, London</td>
</tr>
<tr>
<td>26 April 2012</td>
<td>Annual General Meeting, Munich</td>
</tr>
<tr>
<td>8 May 2012</td>
<td>Interim report as at 31 March 2012</td>
</tr>
<tr>
<td>15 May 2012</td>
<td>Deutsche Bank “German, Swiss &amp; Austrian Conference”, Frankfurt</td>
</tr>
<tr>
<td>22–23 May 2012</td>
<td>Credit Suisse “West Coast Conference”, San Francisco</td>
</tr>
<tr>
<td>13 June 2012</td>
<td>Goldman Sachs “Annual Financials Conference”, Brussels</td>
</tr>
<tr>
<td>7 August 2012</td>
<td>Interim report as at 30 June 2012</td>
</tr>
<tr>
<td>7 November 2012</td>
<td>Interim report as at 30 September 2012</td>
</tr>
</tbody>
</table>
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