PRELIMINARY KEY FIGURES 2011 AND RENEWALS

Telephone conference with analysts and investors

2 February 2012

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Munich RE

Agenda

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Overview – Financial highlights 2011

Resilient result given sovereign debt crisis and high natural catastrophe losses

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Munich Re (Group)

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

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

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

Preliminary key figures 2011

Additional information on IFRS result and first indication of economic figures

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Reinsurance

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

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

Preliminary key figures 2011

Key financial figures – Clearly positive annual result achieved

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

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

Munich Re (Group) – Investments – Total portfolio

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

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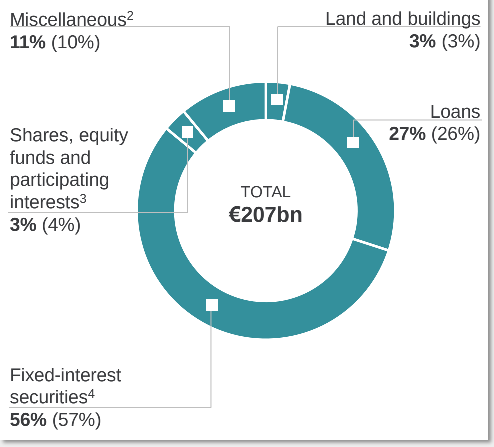
Investment portfolio[1]



Investment result

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

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

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

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

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

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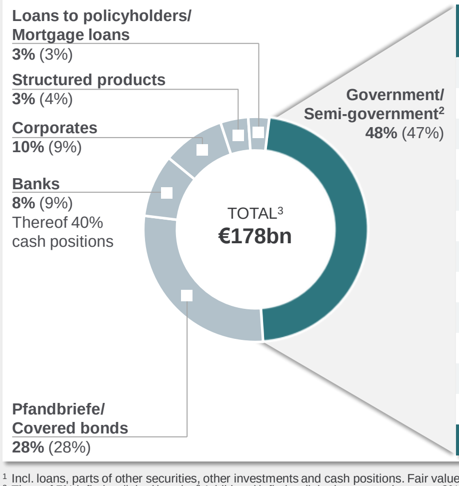
Fixed-income portfolio[1]



Government bonds per country[2]

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

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

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Preliminary key figures 2011

Renewals in property-casualty reinsurance

Summary

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Renewals in property-casualty reinsurance – Overview

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

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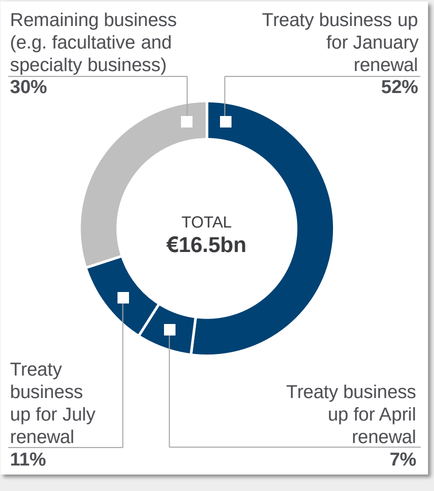
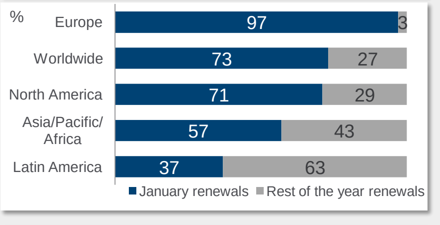
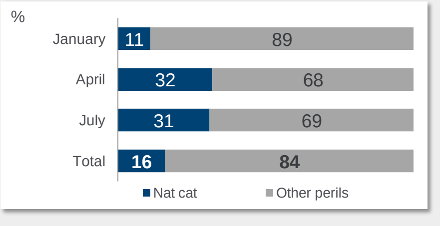
Total property–casualty book[1]



Regional allocation of renewable portfolio



Nat cat shares of renewable portfolio[2]



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

Renewals in property-casualty reinsurance – Market environment

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

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Market environment

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

Competitors Supply

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

Clients Demand

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

Renewals in property-casualty reinsurance – Munich Re portfolio

Portfolio quality improved in competitive environment

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Munich Re portfolio – Premium change in major business lines

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

PRICE

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

VOLUME

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

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

Renewals in property-casualty reinsurance

Strict cycle management allowing for price increase

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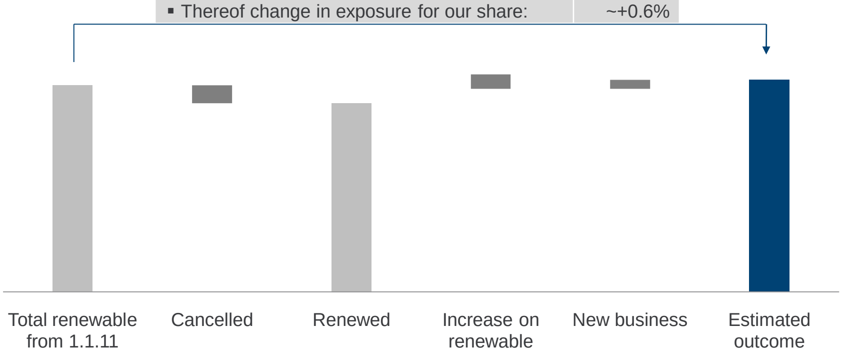
%	100	–8.7	91.3	7.0	4.4	**102.6**
€m	8,546	–741	7,804	594	373	**8,771**

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



Renewals in property-casualty reinsurance

Concrete initiatives – Successful active portfolio management

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

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Preliminary key figures 2011

Renewals in property-casualty reinsurance

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Summary

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

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Key takeaways

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

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

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

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

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

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Backup: Preliminary key figures 2011 – Premium development

Strong organic growth

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€bn

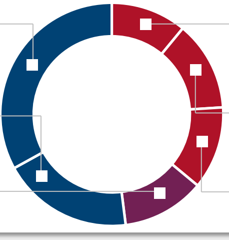
Gross premiums written Q1–4 2010	45.5
Foreign-exchange effects	–0.6
Divestment/ Investment	0.3
Organic change	4.4
Gross premiums written Q1–4 2011	**49.6**

Breakdown by segment
(consolidated, €bn)

Reinsurance
Property-casualty
16.5 (33%)
(▲8%)

Reinsurance
Life: **9.5 (19%)**
(▲ 22%)

Munich Health
6.0 (12%)
(▲ 20%)



Primary insurance
Property-casualty
5.6 (11%)
(▲ 2%)

Primary insurance
Life: **6.3 (13%)**
(▲ –3%)

Primary insurance
Health: **5.7 (12%)**
(▲ 4%)

Backup: Renewals in property-casualty reinsurance

Premium split by line of business and geography

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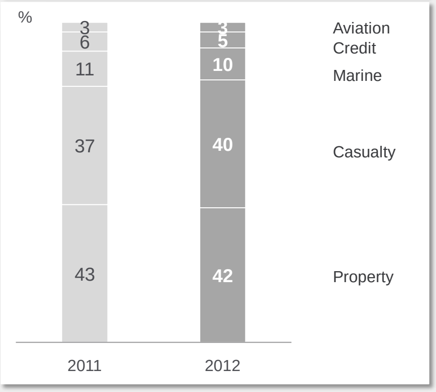
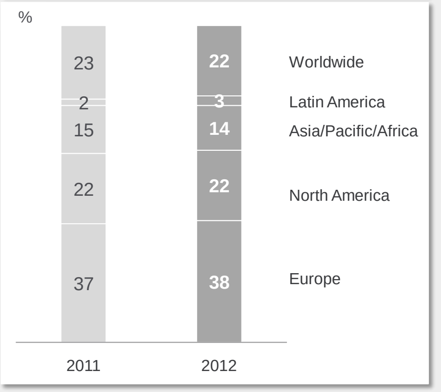
Split by line of business



Trend towards casualty driven by selective growth with strategic partnerships

Regional split



Regional split quite stable

Backup: Shareholder information

Financial calendar

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Financial calendar

13 March 2012	Balance sheet press conference for 2011 financial statements
14 March 2012	Analysts' conference, London
29 March 2012	Morgan Stanley “2012 European Financials Conference”, London
26 April 2012	Annual General Meeting, Munich
8 May 2012	Interim report as at 31 March 2012
15 May 2012	Deutsche Bank “German, Swiss & Austrian Conference”, Frankfurt
21 May 2012	Deutsche Bank “2012 Global Financial Services Investor Conference”, New York
22–23 May 2012	Credit Suisse “West Coast Conference”, San Francisco
23 May 2012	Autonomous “Rendez-Vous 2012”, London
13 June 2012	Goldman Sachs “Annual Financials Conference”, Brussels
7 August 2012	Interim report as at 30 June 2012
7 November 2012	Interim report as at 30 September 2012

Backup: Shareholder information

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