



RELIABLE CONTINUITY IN TIMES OF UNCERTAINTY

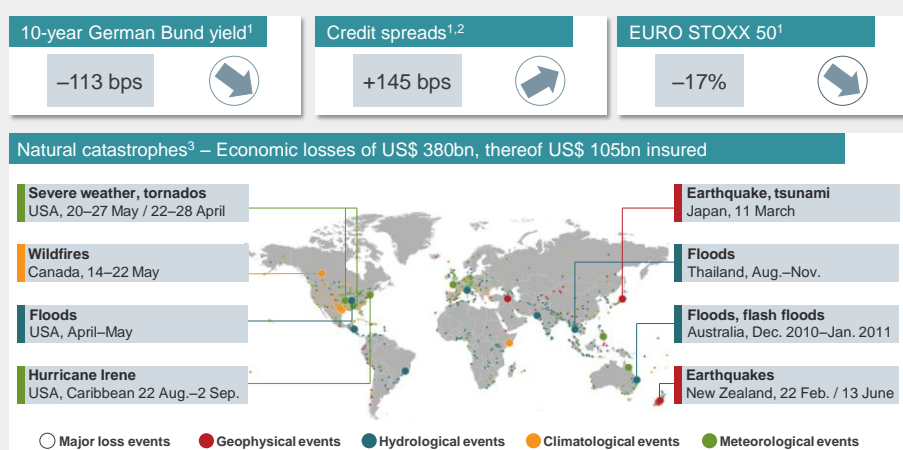
ANALYSTS' CONFERENCE 2012

London, 14 March 2012

Agenda

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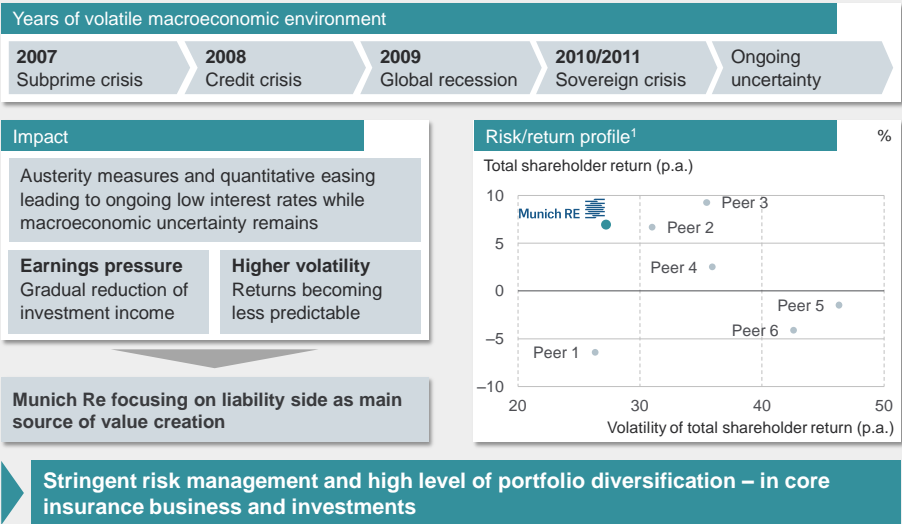
In 2011 Munich Re coped well with historically high nat cat claims and severe capital market disruption



In a year of extremes, Munich Re achieved an annual result of €712m and maintained a stable dividend of €6.25 per share

¹ Change between 31.12.2010 and 31.12.2011. ² iBOXX EURO Corporate vs. BofAML German Government 7–10 years.
³ Source: Geo Risks Research, NatCatSERVICE.

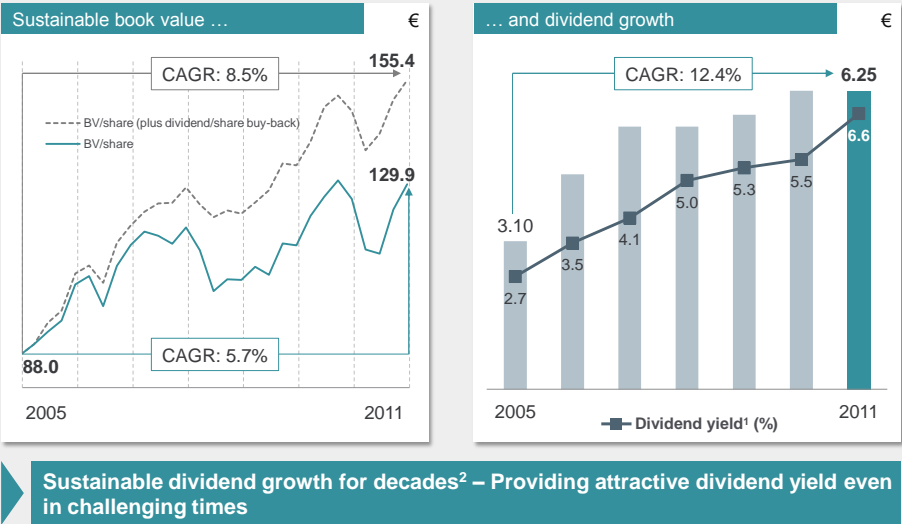
Munich Re's long-term shareholder return remains attractive



¹ Annualised total shareholder return defined as price performance plus dividend yield over the period from 1.1.2005 until 29.2.2012; 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.

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Capital strength facilitates reliable shareholder participation

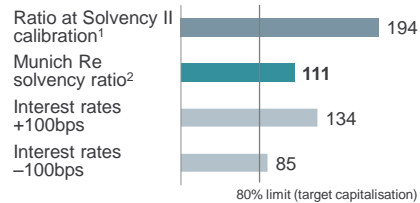


¹ Dividend divided by year-end share price.

² 1969 was the only year since 1952 with a decreased dividend per share.

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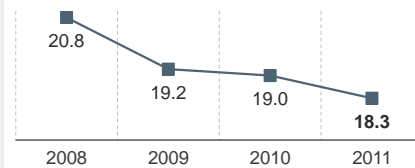
Sound capital quality and strong solvency position

Munich RE Strong economic solvency position¹ ... %

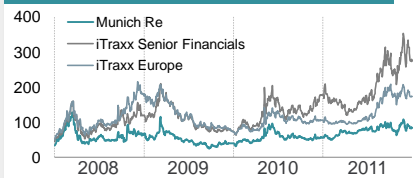
Strong solvency position given extreme year 2011 and substantial capital repatriation

Countervailing effects in primary and reinsurance mitigate sensitivity at Group level

Munich Re able to withstand further stress scenarios

... combined with low debt gearing³ ... %

... reflected in continuously low CDS spreads

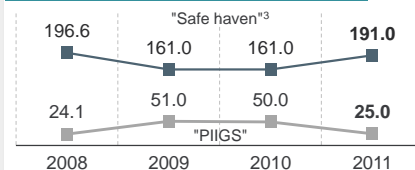
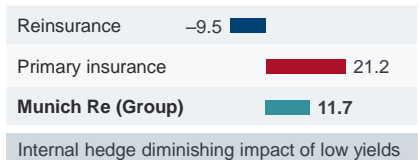
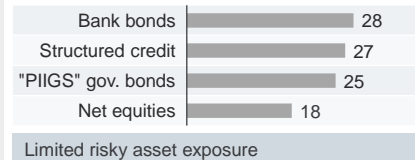


Strong capital basis allows for business growth and dividend continuity

¹ Based on VaR 99.5% of Munich Re capital model. ² Defined as Available Financial Resources (AFR) over Economic Risk Capital (ERC; 175% of Solvency II calibration); AFR after announced dividend for 2011 of €1.1bn to be paid in April 2012. ³ Strategic debt (senior, subordinated and other debt) divided by total capital (= sum of strategic debt + shareholders' equity).

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Prudent investment approach

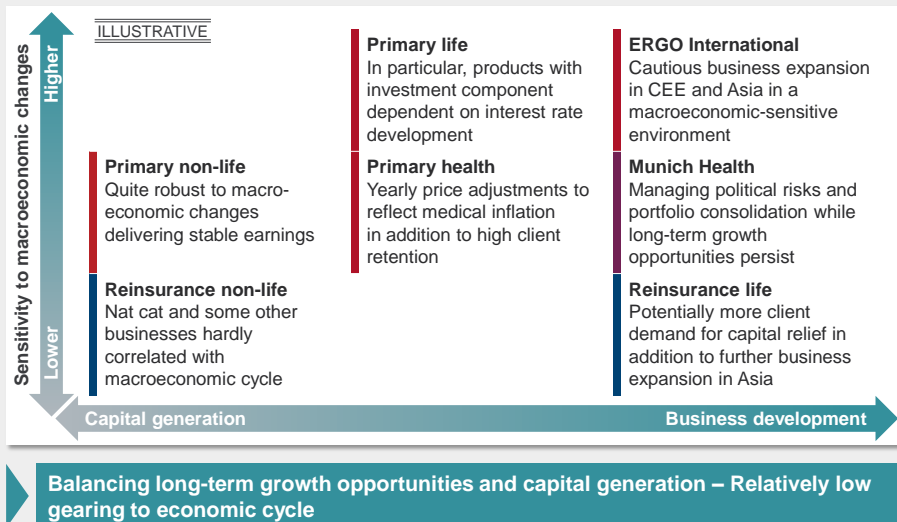
Munich RE Unrealised gains¹ %Government bond gearing² %Interest rate sensitivity (DV01)⁴ €mAsset gearing² %

Well-balanced investment portfolio safeguarding low capital market gearing of shareholders' equity

¹ Total on- and off-balance-sheet reserves divided by market value of investments. ² Gross exposure divided by shareholders' equity. ³ German and US government bonds. ⁴ Sensitivity to parallel upward shift of yield curve by one basis point reflecting portfolio size (DV01). Economic view – not fully comparable with IFRS figures.

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Business portfolio of complementary profiles performing in any market environment



Outlook 2012 – Back to normal

Munich Re (Group)		
GROSS PREMIUMS WRITTEN €48–50bn	RETURN ON INVESTMENT ~3.5%	NET RESULT ~€2.5bn
Reinsurance €25–27bn	Ongoing low interest rate environment gradually reducing running yield to slightly below 4%	RoRaC target of 15% after tax over the cycle to stand Significantly improving technical result
Primary insurance €17–18bn		
Munich Health slightly above €6bn		
Reinsurance	Primary insurance	Munich Health
Combined ratio ~96% over the cycle	Combined ratio <95%	Combined ratio ~99%
Net result €1.9–2.1bn	Net result ERGO ~€400m	Net result €50–100m

Munich Re geared to sustainable value generation



Good track record of dealing with challenging economic conditions

We remain a strong partner for clients and reliable for shareholders in times of uncertainty

Integrated business model safeguarding sustainable value generation

Focus on insurance risks – Limited correlation to economic cycles and capital markets

Rigorous approach to risk management – High level of investment diversification

Able to cope with all kinds of scenarios – Actively managing the low-yield environment

Strong capital position providing flexibility

Facilitating dividend continuity and allowing us to seize opportunities for profitable growth

Agenda



Summary and outlook Nikolaus von Bomhard

Financial highlights 2011 Jörg Schneider

Risk management Joachim Oechsli

Primary insurance Torsten Oletzky

Reinsurance Torsten Jeworrek

Backup

Sound underlying performance in turbulent times

Munich Re (Group)

NET PROFIT

€712m (€632m in Q4)

Impact from nat cat claims and capital market disruption mitigated by sound underlying performance – Positive tax contribution

SHAREHOLDERS' EQUITY

€23.3bn (+4.9% vs. Q3)

Strong capital position allows us to maintain a stable dividend of €6.25 per share¹ and to seize profitable growth opportunities

INVESTMENT RESULT

Rol of 3.4%² (3.8% in Q4)

Portfolio diversification and active duration management proves beneficial – Disposal gains partially offsetting high write-downs

Reinsurance

COMBINED RATIO

113.6% (101.8% in Q4)

Exceptionally high nat cat ratio of 28.8%; 4.0%-points of prior-year reserve releases – Favourable development in life

Primary insurance

CONSOLIDATED ERGO RESULT

€349m (€89m in Q4)

Result impacted by several countervailing non-recurring items – Achievement of a consolidated result at prior-year's level

Munich Health

COMBINED RATIO

99.4% (100.4% in Q4)

Substantial premium growth due to large-volume deals – Improved operating result while net result distorted by negative currency effects

¹ Subject to approval of AGM.

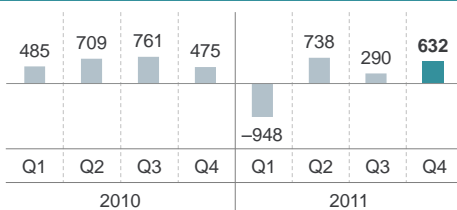
² Adjusted for impact on insurance risk transfer to the capital markets: Rol 3.3%.

Munich Re (Group) – Key figures

High nat cat claims and volatile capital markets putting pressure on results

Net result

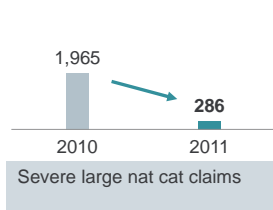
€m



	2011	2010
Total¹	712	2,430
Reinsurance	774	2,099
Primary insurance	762	656
Munich Health	45	63

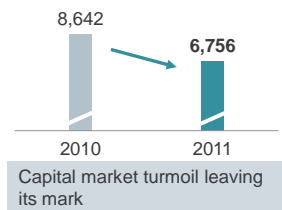
Technical result

€m



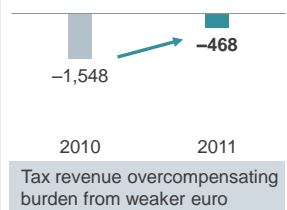
Investment result

€m



Other²

€m



¹ Segments do not add up to total amount; difference relates to consolidation and the segment "asset management".

² Other non-operating result, goodwill impairments, finance costs, taxes.

Overview – Financial highlights 2011

Q4 stand-alone: Resilient operating result despite substantial one-off effects

Munich RE 

Operating result			€m
	Q4 2011	Q3 2011	
Total	778	839	
Reinsurance	757	636	
Primary insurance	383	167	
Munich Health	46	54	

Net result			€m
	Q4 2011	Q3 2011	
Total	632	290	
Thereof technical result	584 ¹	1,028	
Thereof investment result	1,941 ²	1,347	
Thereof other ¹	-146 ³	-549	

Major effects in Q4

1 Significant major losses in reinsurance

- Flood Thailand and increase for three earthquakes in Christchurch
- Reserve releases while preserving confidence level

2 Investment result impacted by euro crisis

- Several countervailing effects, e.g.
- Impairments on Greek government bonds
 - Disposal gains from German and US government bonds compensating losses from reduction of weaker sovereigns

3 Net profit affected by one-offs

- Negative FX effect due to weaker euro
- Tax benefit resulting from partial release of valuation allowance on deferred tax assets of US business

¹ Other non-operating result, goodwill impairments, finance costs, taxes.

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Munich Re (Group) – Capitalisation

Capital position remains solid – Increase of IFRS equity in Q4

Munich RE 

€m	2011	Change Q4
Equity 31.12.2010	23,028	
Consolidated result	712	632
Changes		
Dividend	-1,110	-
Unrealised gains/losses	750	164
Exchange rates	390	459
Share buy-backs	-323	-
Other	-138	-161
Equity 31.12.2011	23,309	1,094

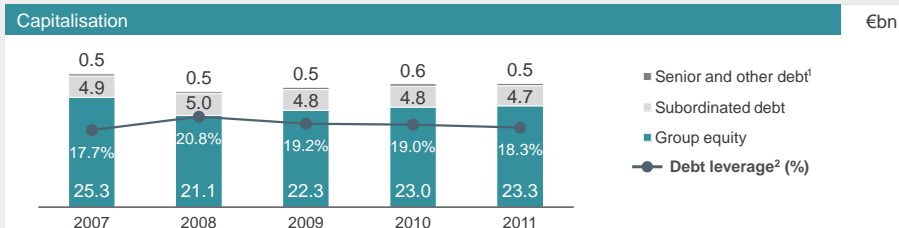
2011: UNREALISED GAINS/LOSSES

Afs fixed-interest securities: +€1,572m

Afs non-fixed-interest securities: -€805m

2011: EXCHANGE RATES

Positive FX development mainly driven by US\$

¹ Other debt includes bank borrowings of Munich Re and other strategic debt.² Strategic debt (senior, subordinated and other debt) divided by total capital (= sum of strategic debt + shareholders' equity).

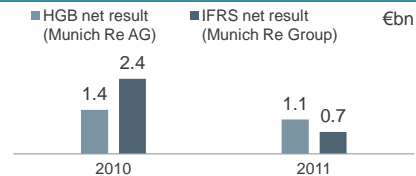
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Munich Re (Group) – Capitalisation

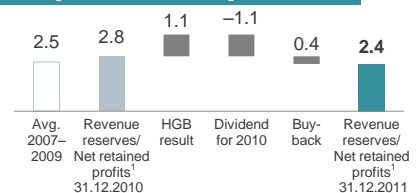
Distributable earnings of Munich Reinsurance Company (Munich Re AG) – The source for capital repatriation

Munich RE

Differences tend to offset each other over time



Strong distributable earnings



Main drivers of accounting differences

Dividends from subsidiaries

- US operations: Strong earnings power strengthening dividend potential
- ERGO: Return to normalised dividend level according to earnings development going forward
- Other subsidiaries with smaller contribution

Smoothing via claims equalisation provision

- Large claims at Munich Re AG are buffered by the claims equalisation reserve – HGB² result less prone to large losses than IFRS (e.g. nat cat losses in 2011)
- Reinstatement of equalisation reserve over longer time horizon limits burden on HGB result in any given year

Investments, foreign exchange and taxes

- Accounting differences: Income tends to be recognised later in HGB while losses are recognised immediately
- Generally higher flexibility for bridging temporary valuation gaps in HGB

Smoothing under German GAAP supportive for dividend continuity

¹ €0.1bn restricted for distribution (31.12.2010: €0.04bn).

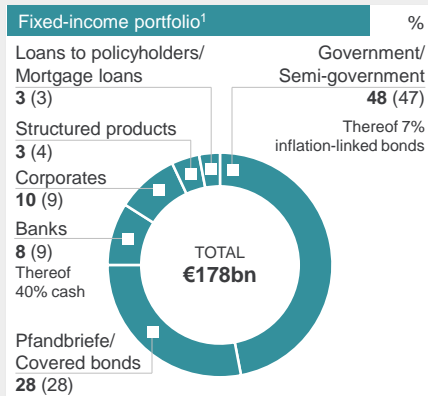
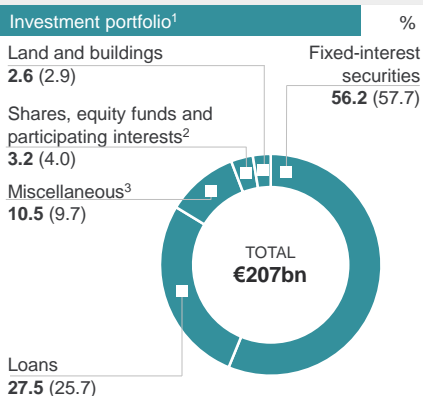
² HGB = German GAAP.

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Munich Re (Group) – Investment portfolio

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

Munich RE



Shift from weaker to high-quality government bonds, esp. Germany and western Europe

Stronger focus on emerging market debt

Significant reduction of bank bonds

Further cautious increase of corporate bonds

Reduction of equity exposure to 2.0% after hedges

¹ Fair values as at 31.12.2011 (31.12.2010: 2.0% (4.4%).

³ Deposits retained on assumed reinsurance, unit-linked investments, deposits with banks, investment funds (excl. equities), derivatives and investments in renewable energies. Economic view – not fully comparable with IFRS figures.

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Munich Re (Group) – Investment result

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

Munich RE

Investment result				€m	
	2011	Return ¹	2010	Return ¹	
Regular income	8,039	4.0%	7,749	4.0%	
Write-ups/ write-downs	-1,625	-0.8%	-403	-0.2%	
Disposal gains/losses	1,244	0.6%	1,649	0.9%	
Other income/expenses	-902	-0.4% ²	-353	-0.2%	
Investment result	6,756	3.4%	8,642	4.5%	

Q4 2011		Return ¹
1,975		3.9%
15	0.0%	
48	0.1%	
-97	-0.2%	
1,941	3.8%	

Regular income		Write-ups/write-downs		€m	
Major effects		2011	Q4 2011		
Greek bonds		-1,178	-245		
Equities		-542	-85		
Swaptions		368	93		
Insurance risk transfer to the capital markets		211	-		

Disposal gains/losses		€m	
Major effects		2011	Q4 2011
Real estate Singapore	257	-	
Equities	535	74	
Fixed-income	748	365	

¹ Return on quarterly weighted investments (market values) in % p.a.² Negative impact from unit-linked business included.

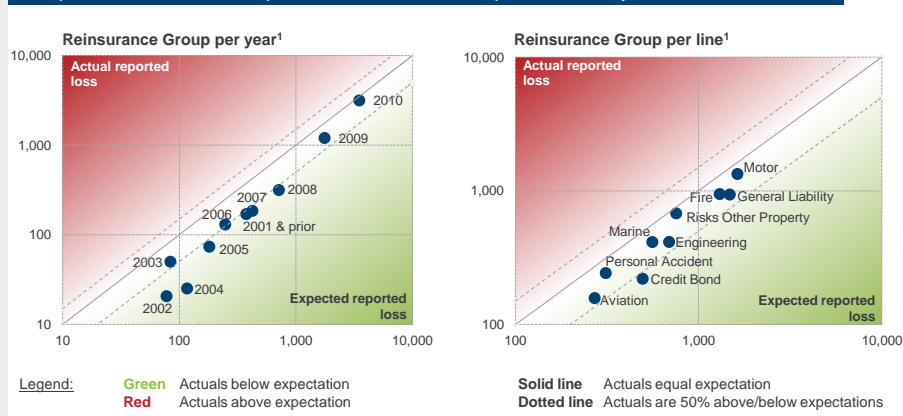
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Reserves – Reinsurance property-casualty

Actual versus expected comparison – No final proof, but an important input to the actuarial analysis

Munich RE

Comparison of incremental expected losses with actual reported losses by clients



Actual loss development in CY 2011 was consistently below actuarial expectations across all years and lines of business


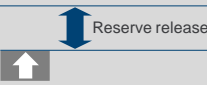




¹ Reinsurance Group losses as at Q4 2011, not including parts of Munich Re Risk Solutions, special liabilities and major losses (i.e. events over €10m or US\$ 15m for Munich Re's share).

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Reserves – Reinsurance property-casualty

Response to favourable emergence of basic losses in line with prudent reserving approach

Munich RE

Actual vs. expected	Changes in projection	Business rationale
Property 		Overall positive indications lead to judicious release: <ul style="list-style-type: none"> Positive experience not leveraged forward to reduced future IBNR needs Cautious view on long-duration project/engineering business
Specialty ¹ 		Release is more favourable than financial year indication: <ul style="list-style-type: none"> Recovery from financial-crisis-affected underwriting years in trade-credit-exposed lines Particularly favourable emergence in aviation Relatively short run-off period
Casualty 		Strengthened overall reserve position despite positive indications in 2011: <ul style="list-style-type: none"> Very little of favourable indications realised Immediate response to indications of increased future loss activity Increase includes planned unwinding of workers' compensation discount

¹ Aviation, credit bond and marine.

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Reserves – Property-casualty – Group

Positive run-off result and further strengthening of our ability to absorb potential future volatility

Munich RE

Ultimate losses in €m (adjusted to exchange rates as at 31.12.2011)		Accident year										
Date	≤2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Total
31.12.2001	32,836											
31.12.2002	36,049	13,463										
31.12.2003	37,393	12,826	12,371									
31.12.2004	37,953	13,092	11,960	11,623								
31.12.2005	40,324	11,873	11,215	11,664	12,606							
31.12.2006	40,856	11,781	11,102	11,655	12,645	10,824						
31.12.2007	41,604	11,770	10,767	11,521	12,660	10,695	11,958					
31.12.2008	42,006	11,775	10,615	11,126	12,378	10,585	12,212	12,988				
31.12.2009	41,987	11,780	10,568	10,816	12,379	10,461	12,115	13,261	12,957			
31.12.2010	42,456	11,756	10,530	10,538	11,912	10,189	12,087	13,227	12,913	13,452		
31.12.2011	42,471	11,707	10,525	10,485	11,713	10,101	12,050	13,051	12,551	13,635	17,738	
CY 2011 run-off € change	-15	49	5	53	199	88	37	176	362	-183	n/a	771
CY 2011 run-off % change	-0.04	0.42	0.05	0.50	1.67	0.86	0.31	1.33	2.80	-1.36	n/a	0.52

Ultimate reduction
€771m in CY 2011 corresponds to 1.9% of prior year's Group p-c reserves

- Includes unwinding of discount in workers' compensation of -€79m
- 2010 increase in loss amount driven by higher-than-anticipated business volume

Ultimate reduction
Reinsurance
€634m
Primary insurance
€137m

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Market Consistent Embedded Value 2011

Munich Re strictly adhering to market-consistent valuation of embedded value



As long as Solvency II calibrations have not been finalised, Munich Re applies market-consistent valuation ...

... based on swap rates and implied volatilities as at reference date 31.12.2011 – Despite extreme market conditions, ...

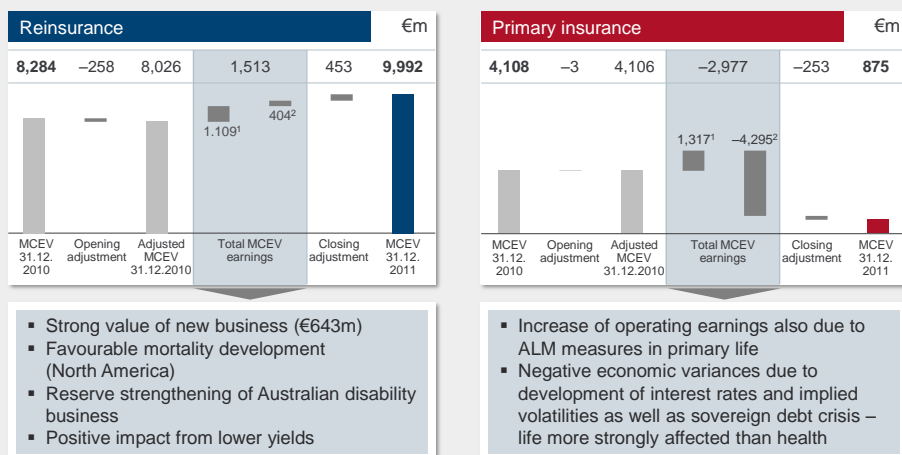
... refraining from any smoothing measures, e.g. application of counter-cyclical premium, extrapolation of yield curves, ...

... disclosing the massive impact of market conditions on MCEV figures – Substantially declining MCEV in primary life insurance partly compensated for by improving reinsurance

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Market Consistent Embedded Value 2011

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



Opposing MCEV impact of low yields in primary and reinsurance

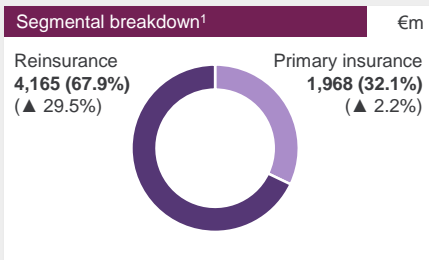
¹ Operating MCEV earnings.
² Economic and other non-operating variances.

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Munich Health – Premium development
Significant premium growth



Gross premiums written		€m
2010	5,140	
Foreign-exchange effects	-84	
Divestment/Investment	325	
Organic change	752	
2011	6,133	



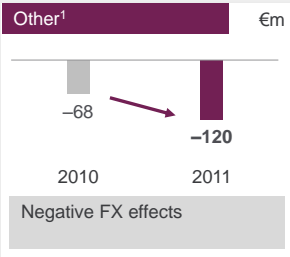
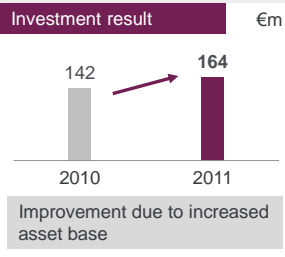
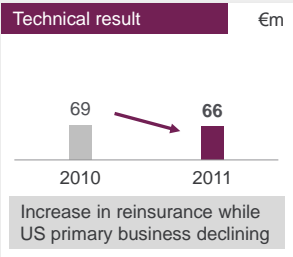
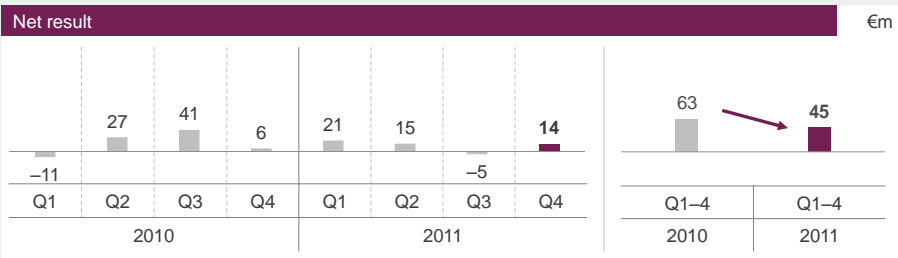
Gross premiums written		€m
2010	5,140	
Reinsurance	950	
Primary insurance	43	
2011	6,133	

Reinsurance
Ongoing organic growth due to large-volume deals

Primary insurance
Acquisition of Windsor Health Group
Decline of US private-fee-for-services business

¹ Gross premiums written. Unconsolidated.

Munich Health – Key figures
Munich Health



¹ Other non-operating result, goodwill impairments, finance costs, taxes.

Key takeaways

Solid financial result 2011 in a challenging environment



Resilient earnings in 2011 based on prudent financial management

Well-diversified investment portfolio mitigates capital market disruption

Sound capital base maintained – Dividend remains well financed

Prudent reserving protects solid balance-sheet and facilitates strong underwriting results

Stringent economic steering provides high degree of transparency

Agenda



Summary and outlook

Nikolaus von Bomhard

Financial highlights 2011

Jörg Schneider

Risk management

Joachim Oechslein

Primary insurance

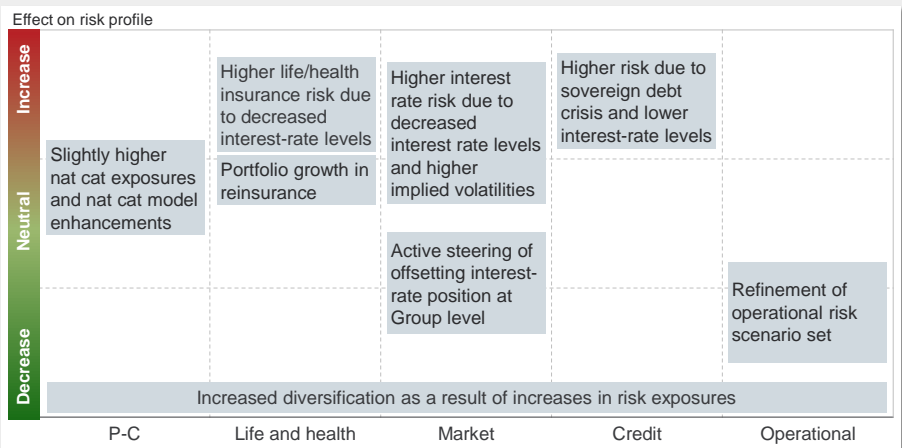
Torsten Oletzky

Reinsurance

Torsten Jeworrek

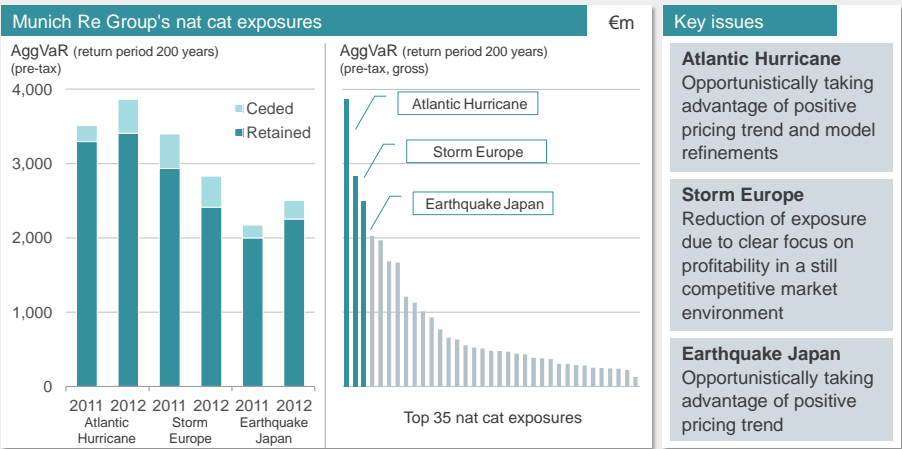
Backup

Risk management – Overview of changes in risk profile
Major developments at Group level



Increased risk exposures mainly driven by capital market environment

Risk management – Overview on changes of risk profile
Natural catastrophe exposure



Munich Re benefits from strong diversification between 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

Natural catastrophe risks – Flashback to 2011 and characteristics of Munich Re's nat cat risk profile



Munich Re's nat cat risk profile

- Munich Re's Capital Model (MRCM) uses 35 nat cat scenarios representing the bulk of the overall nat cat loss cost
- Simple statistics exhibit the following chances in any given year:
 - ~30% for a loss from a 100-year nat cat event in at least one scenario
 - ~15% for a loss from a 200-year nat cat event in at least one scenario
 - ~5% for a loss from 100-year nat cat events in at least two scenarios
- According to MRCM, the probability of experiencing an aggregated loss from natural catastrophes as in 2011 is 2% for Munich Re

Flashback to 2011

2011 (previously 2005) the costliest year ever in terms of natural catastrophe losses

US\$ bn	2011	2005
Economic loss	380	220
Insured loss	105	101

Largest nat cat losses of 2011 (economic/insured loss)

Earthquake and tsunami Japan (US\$ 210/up to 40bn)
Costliest nat cat in terms of economic loss ever
Event covered by Munich Re's models

Storms and tornadoes USA (US\$ 46/25bn)
Hurricane Irene (US\$ 15/7bn)
Within expectations of Munich Re's models

Floods Thailand (US\$ ~40/>10bn)
Not modelled due to lack of adequate exposure data

Earthquake New Zealand (US\$ 16/13bn)
Known exposure but claim size underestimated

Even including exceptional years like 2005 and 2011, Munich Re's nat cat business has been profitable for more than 15 years

Life and health risks



Predominant risk types in life and health

Life reinsurance	Primary life and health	Munich Health
Mortality risk	Longevity and morbidity risk	Health risk

Life and health ERC development in 2011 €bn

ERC by risk types

Risk type	2010	2011
Mortality	3.6	4.3
Morbidity	2.4	3.2
Longevity	1.0	1.8
Health	0.9	1.0

ERC life and health

Year	ERC
2010	5.1
2011	6.6

Drivers

- Portfolio growth in life reinsurance
- Decreased interest rate levels in 2011

Munich Re takes specific business opportunities within business segments while benefitting from diversification effects on Group level

Risk management – Munich Re's proven risk strategy at work

Strategic asset-liability management Measures in 2011

Munich RE 

Asset-side measures

ERGO life

- Substantial measures taken at early stage to address interest rate sensitivity
 - Reinvestments in long-duration bonds
 - Purchase of receiver swaptions
- Effect: Increase of ~1.2 years asset-side duration
 - Enhanced cash flow matching
 - Reduced convexity risk

Reinsurance

- Strategic increase of asset-side duration for the reinsurance segment to optimise Munich Re Group's duration mismatch
- Effect: "Duration hedge" between primary and reinsurance has worked

Liability-side measures

Focus on own business portfolio

New product development in primary life focusing on guarantees that can be hedged more efficiently

Focus on clients

- Complex hedging capabilities already developed and established since 2007 ...
- ... leveraged to support clients' needs to develop and set up new products with an improved risk-return profile
- Asset protection in life reinsurance proved successful throughout turbulent year 2011

Demonstrated commitment to optimising Munich Re Group's duration mismatch through active duration steering

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Risk management – Munich Re's proven risk strategy at work

Impact of capital market scenarios on Munich Re's financial strength

Munich RE 

Scenario	Capital market impact	Impact on			Comments
		AFR	ERC	ESR	
Relief	Safe haven yields	↓	→	→	AFR Impact moderate in both scenarios <ul style="list-style-type: none"> Offsetting positions on various asset classes, and across business divisions (primary and reinsurance) Proven in the past
	Weaker sovereign spreads	↑	↓	↓	
	Corporate credit spreads	↑	↓	↓	
	EUR vs. USD	↓	↓	↓	
	Equities	↑	↑	↑	
Further escalation	Safe haven yields	↑	→	→	ERC Exposures fall in case of relief and vice versa ESR Impact on economic solvency in case of further escalation manageable
	Weaker sovereign spreads	↓	↑	↑	
	Corporate credit spreads	↓	↑	↑	
	EUR vs. USD	↑	↑	↑	
	Equities	↓	↓	↓	

Munich Re well protected against extreme scenarios

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Investment strategy

Further optimisation of our strong portfolio

Market expectations of MEAG

"Relief"

- Considerable rise in interest rate level; high but still manageable inflation
- Significant equity performance

~15%
probability

"Euro-Recession"

- Interest rates rise moderately, but stay low, inflation recedes somewhat due to base effects
- Equities perform moderately

~70%
probability

"Further escalation"

- Interest rates fall below the lowest level ever seen, low inflation
- Equities drop sharply

~15%
probability

General investment strategy

- No intention to increase asset risk significantly
- Cautious shift from safe-haven governments to strong corporates to optimise credit risk
- Reduce exposure to financial institutions
- Further increase of solid non-financial corporate bonds at the longer end and ABS/MBS at the shorter end of the yield curve as buy and hold investments
- Further diversification into real assets, such as renewable energy and infrastructure
- Equity investments will remain at low levels

Sustainable strategy with flexibility to take investment opportunities

Group economic risk capital (ERC)

Breakdown by risk category

Risk category €bn Year-end	Group 2010	2011	RI 2011	PI 2011	MH 2011	Div. 2011	Explanation
Property-casualty ¹	8.9	9.5	9.4	0.6	0.0	-0.5	Slightly higher exposure in natural catastrophes scenarios (partly driven by model enhancements)
Life and health	5.1	6.6	4.8	2.5	0.6	-1.3	Lower interest rate environment
Market	9.9	11.4	5.7	8.5	0.0	-2.8	Increase mainly driven by lower interest rates and higher implied volatility
Credit ²	4.5	6.7	4.5	2.2	0.0	0.0	Strong increase mainly driven by lower interest rates, downgrades of counterparties
Operational risk	1.6	1.2	0.9	0.6	0.1	-0.4	Refinement of operational risk scenario set
Simple sum	30.0	35.4	25.3	14.4	0.7	-5.0	
Diversification effect	-9.3	-11.0	-8.8	-3.1	0.0	-	Slightly higher diversification due to increases in risk exposures
Total ERC	20.7	24.4	16.5	11.3	0.7	-4.1	

Change in interest rate environment main driver of ERC increase

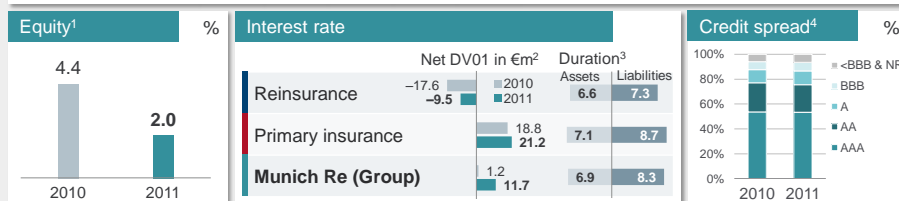
¹ Credit (re)insurance included.
² Default and migration risk.

Risk management – Risk disclosure 31.12.2011

Group economic risk capital (ERC) Breakdown of market risk

Munich RE

Risk category €bn	Group		RI	PI	Div.	Explanation
Year-end	2010	2011	2011	2011	2011	
Equity	5.5	3.8	2.6	1.4	-0.2	Decrease due to lower equity-backing ratio
General interest rate	5.6	7.8	3.7	7.2	-3.1	Lower interest rate environment, higher implied volatilities
Credit spread	3.6	4.1	2.1	2.8	-0.8	Increase due to credit spread widening
Real estate	2.0	2.2	1.2	1.0	±0.0	No material change
Currency	0.6	0.9	0.8	0.1	±0.0	Market-data-induced increase in FX mismatch positions
Simple sum	17.3	18.8	10.4	12.5	-4.1	
Diversification	-7.4	-7.4	-5.7	-4.0	-	
Sum ERC	9.9	11.4	5.7	8.5	-2.8	



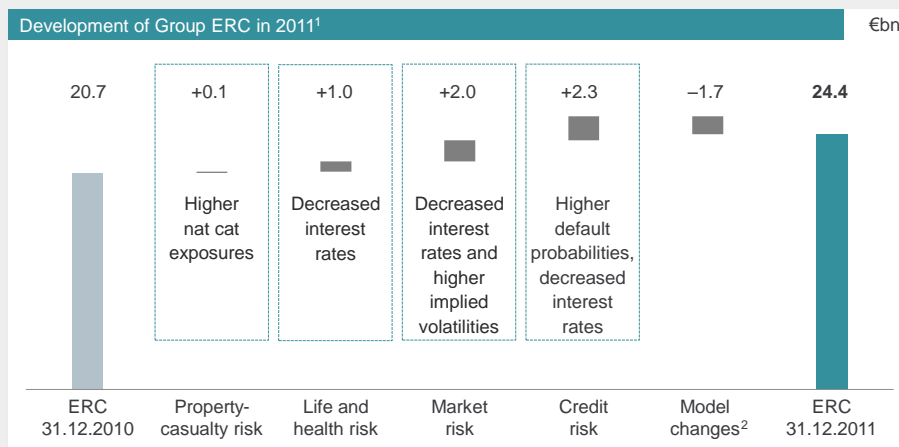
¹ Equity-backing ratio including derivatives. ² Net DV01: Sensitivity to parallel upward shift of yield curve by one basis point reflecting portfolio size. ³ As at 31.12.2011. Asset and liability durations apply to different underlying volumes. Liabilities based on replicating portfolio. For the reinsurance segment, the market value of fixed income assets is €67.1bn and that of the replicating portfolio €47.7bn. ⁴ Rating classification of fixed-income portfolio.

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Risk management – Risk disclosure 31.12.2011

Group economic risk capital (ERC) Development in 2011

Munich RE



ERC increase mainly driven by economic environment

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". ² As at 31.12.2011.

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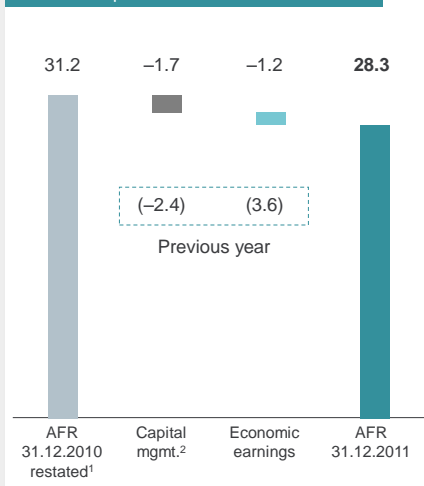
Risk management – Capital position 31.12.2011

Available financial resources (AFR) Change and relation to economic earnings

Munich RE

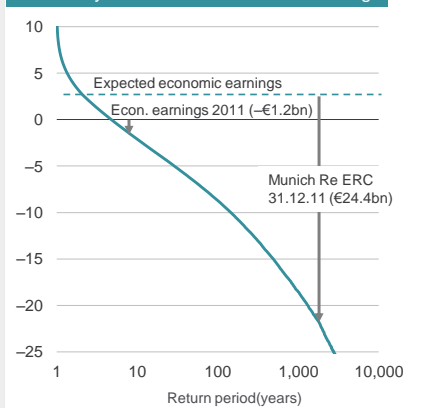
AFR development in 2011

€bn



Probability distribution of economic earnings

€bn



Benign loss in a challenging market environment

¹ Change in p-c reserve basis: claims payments now projected using actuarial methods.² Dividends (-€1.1bn), share buy-back (-€0.4bn), hybrid capital replacement (-€0.2bn) and higher goodwill/intangibles.

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Risk management – Capital position 31.12.2011

Available financial resources (AFR) Components of change

Munich RE

Risk category €bn	ERC 1.1.	ERC 31.12.	ΔAFR ¹ 2011	Explanation
Equity	5.5	3.8	-0.2	Losses on equity investments
Credit	4.5	6.7	-0.8	No material defaults, but losses from downgraded bonds of some euro countries
Interest rate	6.9	9.0	-2.0	In particular, losses in primary insurance MCEV
Currency	0.6	0.9	+0.1	Profits in US\$ and CHF
Technical result and new business ²			+1.2	
AFR roll forward ³ and other			+0.5	
Economic earnings			-1.2	

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 well-diversified investment portfolio in turbulent capital markets

- Slight losses on equity holdings
- Gains from declining general risk-free interest rates and on US and German government bonds more than offset by MCEV development in primary insurance
- Specific interest rate (credit spread) performance negative as well
- Losses from downgraded euro government bonds shown under credit risk

Insurance risk

Good organic growth esp. in reinsurance, but technical results in p-c affected by high natural catastrophe losses

Satisfactory technical results offset by turbulent capital markets

¹ Rough estimates, after tax and policyholder participation.² Includes unwind of MVM, P-C result, Life VANB, experience variances and assumption changes.³ Investment return on AFR.

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Risk management – Capital position 31.12.2011

Summary of economic capital disclosure

Munich RE 

Position as at 31 December 2011				€bn
	Capital at Solvency II calibration	Additional 75% buffer	31.12.2011	31.12.2010
Available financial resources (AFR)	28.3		28.3	29.6
Economic risk capital ¹	13.9	10.5	24.4	20.7
Economic capital buffer	3.9		3.9	8.9
Capital buffer under Solvency II calibration	14.4		14.4	17.8
Economic capital buffer after share buy-back and dividends ²	2.8		2.8	7.4
Capital buffer under Solvency II calibration	13.3		13.3	16.3

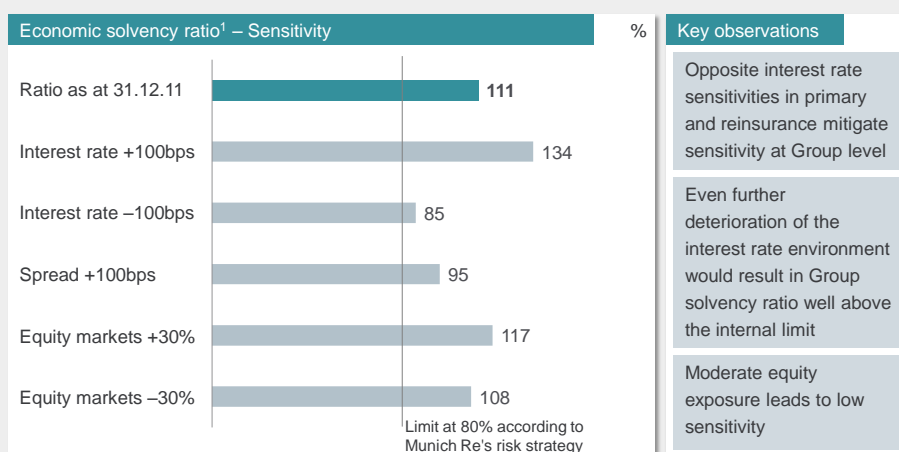
Solid capitalisation in challenging times. Economic solvency ratio at 111% according to internal model³ and 194% at Solvency II calibration

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 2011 to be paid in April 2012. ³ Without recognition of the impact of restatement in the AFR at 105%.

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Risk management – Risk disclosure 31.12.2011

Sensitivities of Munich Re Group's economic solvency ratio

Munich RE 

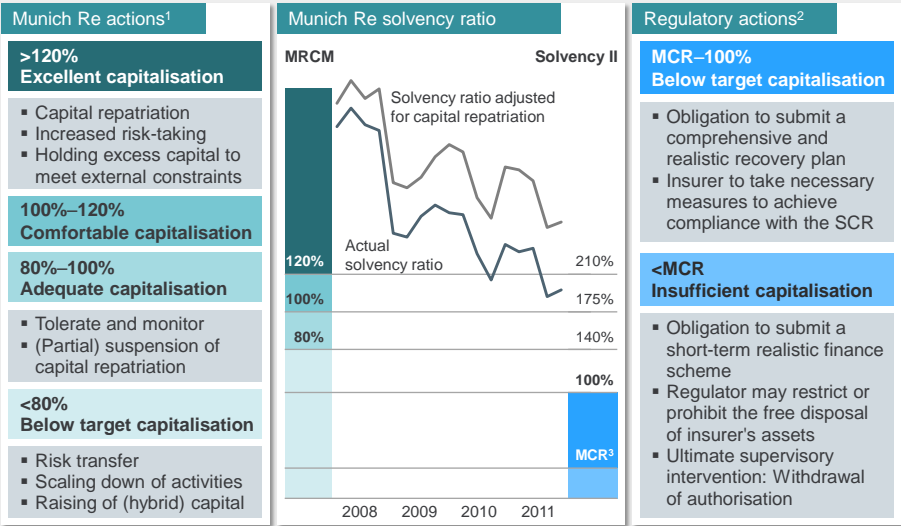
Munich Re able to withstand further stress scenarios

¹ Solvency ratio defined as available financial resources (AFR) over economic risk capital (ERC; 175% of Solvency II calibration); AFR after announced dividend for 2011 of €1.1bn to be paid in April 2012.

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Risk management – Munich Re's proven risk strategy at work

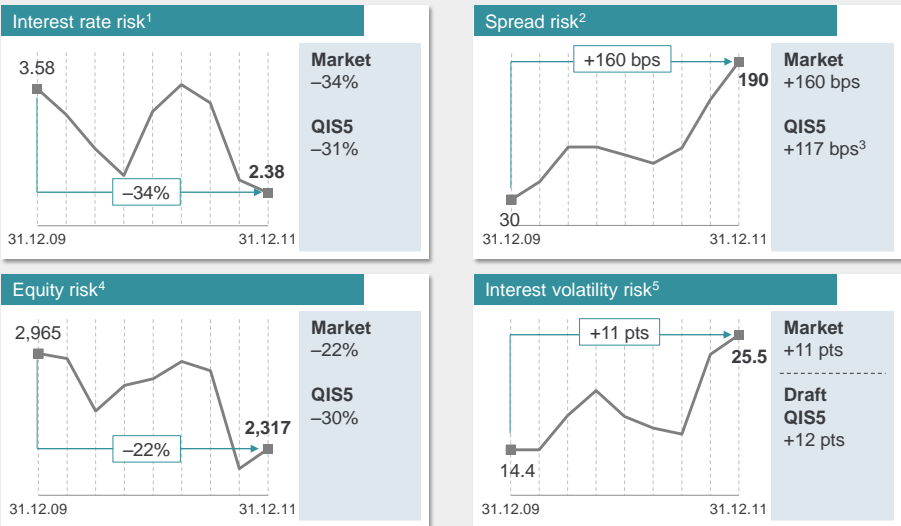
Aiming for higher target capitalisation – Management intervention much more granular than supervisory scheme



¹ Based on Munich Re capital model (MRCM); 175% of VaR 99.5%.
² Based on Solvency II calibration; VaR 99.5%.
³ MCR = Minimum Capital Requirement, typically between 25% and 45%; for groups called "Group SCR floor".

Risk management – Munich Re's proven risk strategy at work

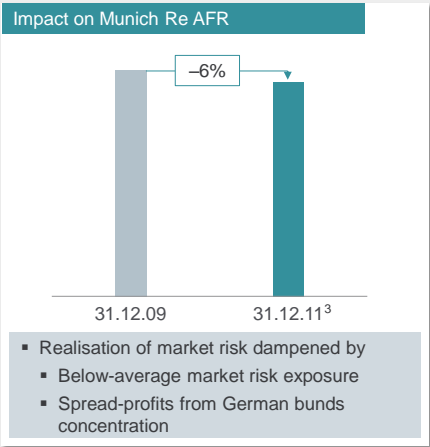
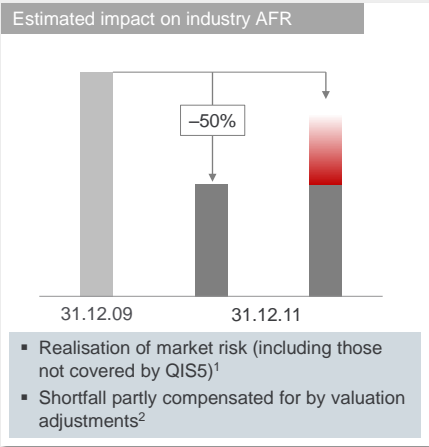
Capital market development over last two years amounted to a significant QIS5 market risk shock ...



¹ 10 year EUR swap. ² ECB AAA and other European government bond rates* over swap. ³ EURO STOXX 50.
⁴ Expressed in bps for an AA corporate bond with 10 years maturity. ⁵ EUR swaption volatilities 10Y in 10Y in %.

Risk management – Munich Re's proven risk strategy at work

... leaving its mark on AFR – With significant impact on industry while Munich Re is only marginally affected

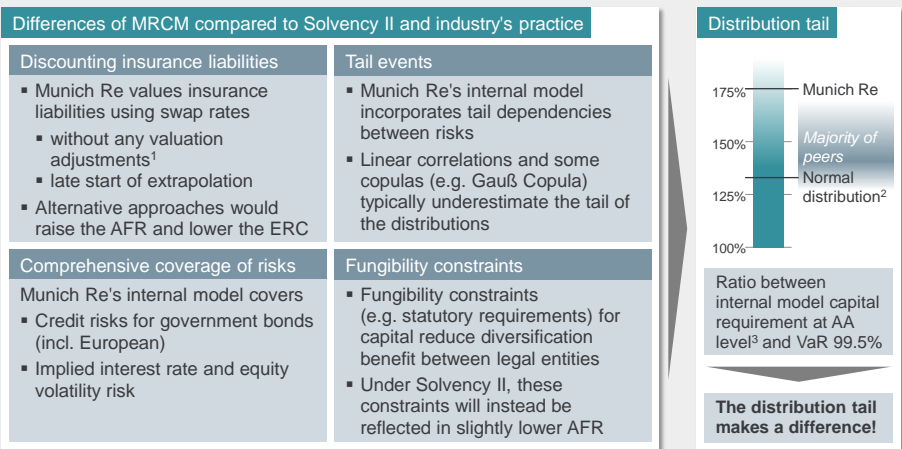


Munich Re's AFR proved to be far more resilient to market risks than industry

¹ Based on EIOPA's QIS5 Report. ² Partial compensation of losses due to bond spread widening via valuation adjustments, e.g. Counter-Cyclical Premium or Matching Premium. ³ Without recognition of the impact of restatement in the AFR.

Risk management – Munich Re's proven risk strategy at work










Distinguishing factors of Munich Re's Capital Model



Application of industry's practice would raise Munich Re's ESR by more than one third

¹ Illiquidity Premium, Counter-Cyclical Premium or Matching Premium (estimated to amount >100bps as at 31.12.2011).
² Considered to be the optimistic lower bound of a realistic ratio.
³ Undertaking-specific assessment in terms of the internal model used (e.g. VaR 99.95% or VaR 99.97%).

Munich Re capital model – Possible refinements from adoption of Solvency II implementing measures

	Change from AFR to own funds	Change in ERC	Change in ESR
EIOPA interest rate curve	Higher discounting of liabilities due to partial compensation of losses from bond spread widening via valuation adjustments and earlier start of extrapolation 	Lower insurance risks due to higher discounting – might be partly offset by additional market risk 	
Taxes	No effect as AFR are post-tax 	Risk-mitigating effect of deferred taxes recognised 	
Fungibility restrictions	Transferability and fungibility restrictions are currently reflected in the ERC By aligning with Solvency II, these constraints will be ... 	... reflected within the own funds instead of the ERC, reducing both 	

Positive effects on economic solvency ratio possible due to adaption of internal model to Solvency II guidelines

Solvency II

Key open issues	Further process for 2012	Start of Solvency II ¹
<ul style="list-style-type: none"> Valuation of insurance liabilities, especially Triggers and level of the Counter-Cyclical Premium Scope and determination of the Matching Premium Overburdening reporting requirements (Pillar 3) 	<ul style="list-style-type: none"> Adoption of Omnibus II Directive Finalisation of Level 2 measures Drafting and finalisation of Level 3 binding technical standards Transposition into national law 	<ul style="list-style-type: none"> Phasing in: 2013 Full application of Solvency II starting in 2014 with transitional measures Non-compliance with MCR² and SCR³ tolerated for a transitional period
Munich Re's positions		
Against the backdrop of stressed financial markets, the right balance must be found between a smooth transition from Solvency I to Solvency II and adhering to the letter and spirit of the Solvency II Directive in the long run		Despite delays, current level of quality in the Solvency II implementing measures together with the necessary further progress during 2012 should ensure the timely introduction of Solvency II

Soft-launch of Solvency II during the first year after transposition, and transitional measures, will provide the room to smoothly adapt to the new regime

¹ Based on the proposals of the European Parliament, cf. Draft Report on Omnibus II by Burkhard Balz, 19.7.2011 and 23.9.2011.

² MCR: Minimum Capital Requirement. ³ SCR: Solvency Capital Requirement.

Continuity in terms of risk profile – Cycle management at work

Strong capital position maintained despite challenging market environment

Economic solvency ratio resilient enough to withstand further stress scenarios

Disciplined liability-driven business approach to be maintained

Gearing up for Solvency II – Last year of pre-application

Agenda

Summary and outlook	Nikolaus von Bomhard
Financial highlights 2011	Jörg Schneider
Risk management	Joachim Oechslin
Primary insurance	Torsten Oletzky
Reinsurance	Torsten Jeworrek
Backup	

Primary insurance – Premium development

Overall stable premium income



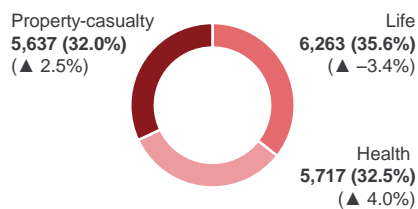
Gross premiums written

€m

2010	17,481
Foreign-exchange effects	-82
Divestment/Investment	0
Organic change	218
2011	17,617

Segmental breakdown¹

€m



Gross premiums written

€m

2010	17,481
Life	-221
Health	218
Property-casualty	139
2011	17,617

Life: Decline of regular and single premiums, especially annuity insurance

Health: Growth in health, travel and direct insurance

Property-casualty: Organic growth, partially compensated by FX effects

¹ Gross premiums written. Unconsolidated.

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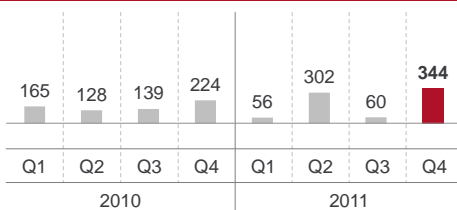
Primary insurance – Key figures

Primary insurance



Net result

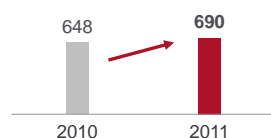
€m



	2011	2010
Total	762	656
Life	113	172
Health	244	165
Property-casualty	405	319

Technical result

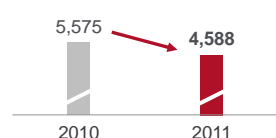
€m



Improvement especially driven by health business

Investment result

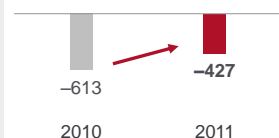
€m



Impairments of Greek bonds

Other¹

€m



Lower goodwill impairments and positive effects from taxes

¹ Other non-operating result, goodwill impairments, finance costs, taxes.

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Primary insurance – Market Consistent Embedded Value 2011

Primary insurance – MCEV result 2011

Munich RE

MCEV – Primary insurance

€m

MCEV 31.12.2010	4,108	
Opening adjustments	-3	
Adjusted MCEV 31.12.2010	4,106	
Value of new business	37	
Expected return	283	
1 Experience variances	357	
2 Assumption changes	335	
Other operating variance	306	
Operating MCEV earnings 2011	1,317	
3 Economic variances	-4,259	
4 Other non-operating variance	-36	
Total MCEV earnings 2011	-2,977	
Closing adjustments	-253	
MCEV 31.12.2011	875	

Main drivers

- 1 Positive effects from ALM measures in primary life
- 2 Refinement of assumptions for health
- 3 Decrease in interest rates
Higher interest rate volatility
Sovereign debt crisis
- 4 Introduction of tax on reserves in Belgium

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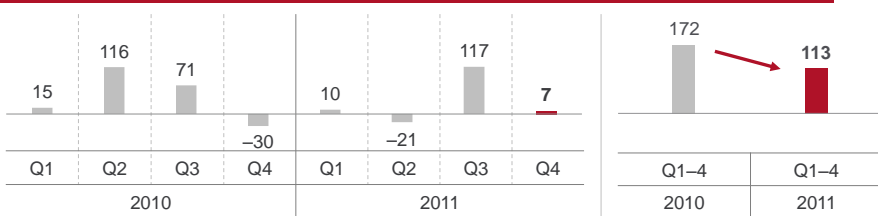
Primary insurance – Key figures

Primary life

Munich RE

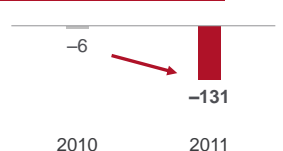
Net result

€m



Technical result

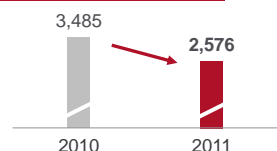
€m



Write-downs of DAC in low interest rate environment

Investment result

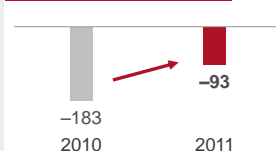
€m



Impairments of Greek bonds; positive effect from swaptions

Other¹

€m



Positive tax effect

¹ Other non-operating result, goodwill impairments, finance costs, taxes.

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Primary insurance – Life – New business

Primary life – New business (statutory premiums)

Munich RE

Total					€m
	Total	Regular premiums	Single premiums	APE ¹	
2010	2,920	511	2,409	752	
2011	2,741	533	2,208	754	
Δ	-6.1%	4.3%	-8.3%	0.3%	

Comments

Germany

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

International

- Growth in Belgium (APE 21.4%) and Poland (APE 6.7%)
- Austria (APE -23.0%): Lower premiums due to change in tax legislation

Germany					€m
	Total	Regular premiums	Single premiums	APE ¹	
2010	1,940	331	1,609	492	
2011	1,806	351	1,455	497	
Δ	-6.9%	6.0%	-9.6%	1.0%	

International

International					€m
	Total	Regular premiums	Single premiums	APE ¹	
2010	980	180	800	260	
2011	935	182	753	257	
Δ	-4.6%	1.1%	-5.9%	-1.2%	

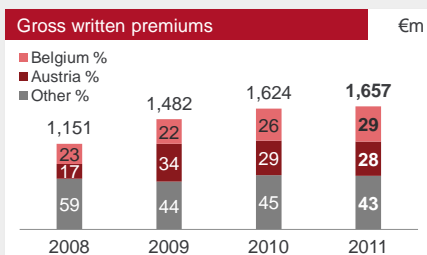
¹ Annual premium equivalent (APE = regular premiums +10% single premiums).

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Primary insurance – Life – International

International life business on track

Munich RE



Highlights

Belgium

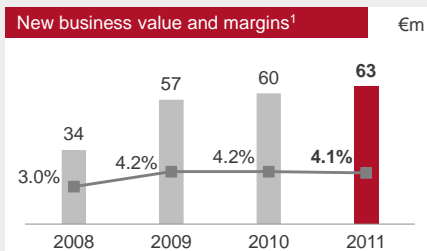
- Positive development in recent years with good new business margins
- 65% of business is regular premium business
- Main distribution channel: Multi-level distribution. Broker channel and niche cooperations in build-up phase

Austria

- New business in 2011 affected by changed tax legislation; measures in product development taken
- Buyout of remaining minority stake in Victoria-Volksbanken Versicherung; cooperation with Volksbanken extended

Other markets

- Good growth in UCI cooperation in CEE via Austrian hub: +36.5%
- Banking cooperation in Poland well established – life new business increased by 6.7% (APE)
- New business in Italy stabilised; high new business margins

¹ Value of New Business (VNB) / Present Value of New Business Premium (PVNBP).

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Comprehensive management of back book

Interest rate hedging programme

- Started in 2005 – Continuously buying additional slices every year depending on capital market and portfolio development
- Protection against reinvestment risk via receiver swaptions – But also preserving flexibility for rising interest rates via CMS floaters with floor
- First tranche: No hedge accounting – Large P&L impact of interest rate fluctuations
Later use of instruments suitable for hedge accounting – Less P&L and balance-sheet visibility
- Annual performance costs: ~10bps

TARGET: Deliver guarantee promise to customers without additional shareholders' equity

Buffers and key figures¹ (German business)

	Free RfB	Terminal bonus fund	Unrealised gains	Average coupon	Reinvestment rate	Average guarantee
2011	€1.0bn	€2.3bn	€3.2bn	~4.1%	~3.3%	~3.3%
2010	€1.0bn	€2.5bn	€1.5bn	~4.2%	~3.6%	~3.3%

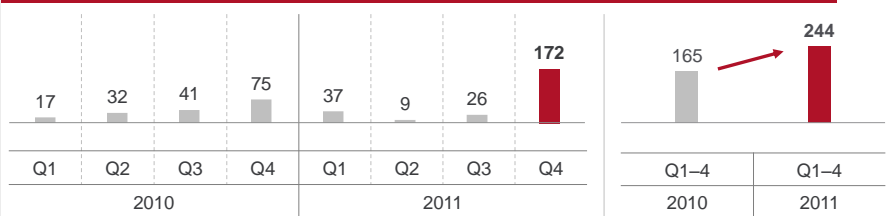
ERGO well protected against "lower for longer" scenario

¹ German GAAP figures for ERGO Leben, Victoria Leben and ERGO Direkt Leben.

Primary health

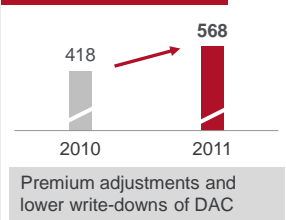
Net result

€m



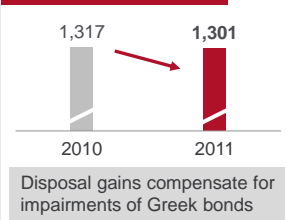
Technical result

€m

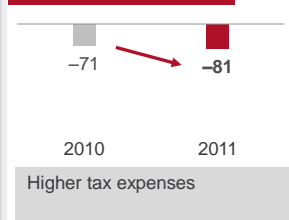


Investment result

€m

Other¹

€m



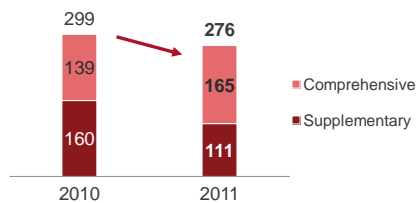
¹ Other non-operating result, goodwill impairments, finance costs, taxes.

Primary insurance – Health

Health – Extensive action programme

New business total¹

€m



Comprehensive

Growth of 18.4% spurred by abolition of 3-year-waiting period as of 1 January 2011

Supplementary

Last year's figures positively influenced by one single large contract amounting to >€60m²; adjusted for that, growth in supplementary business would have been ~13% compared to -30.6% actual

Highlights

- Clearer focus on high-quality business – Abolition of low-price tariffs in comprehensive business
- Start of internet-based service initiative myDKV
- Introduction of supplementary business calculated according to p-c criteria
- Successful introduction of innovative after-the-event-product "instant dental cover" in April 2011 at ERGO Direct
 - Claims development broadly in line with expectations – Somewhat higher claims at inception
- Close control of portfolio development: 17,000 policies sold

¹ Without travel business, which is short-term business only.

² Change in disclosure: last year, this contract was shown as comprehensive business.

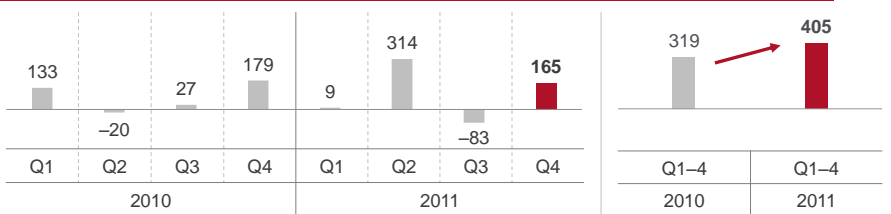
Primary insurance – Key figures

Primary property-casualty



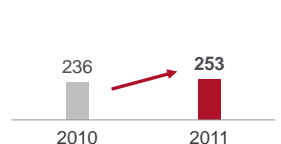
Net result

€m



Technical result

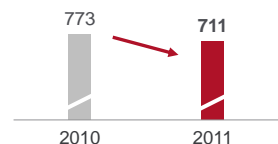
€m



Improvement due to accident insurance with premium refund

Investment result

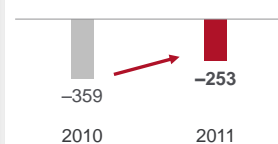
€m



Disposal losses, write-downs of equities

Other¹

€m



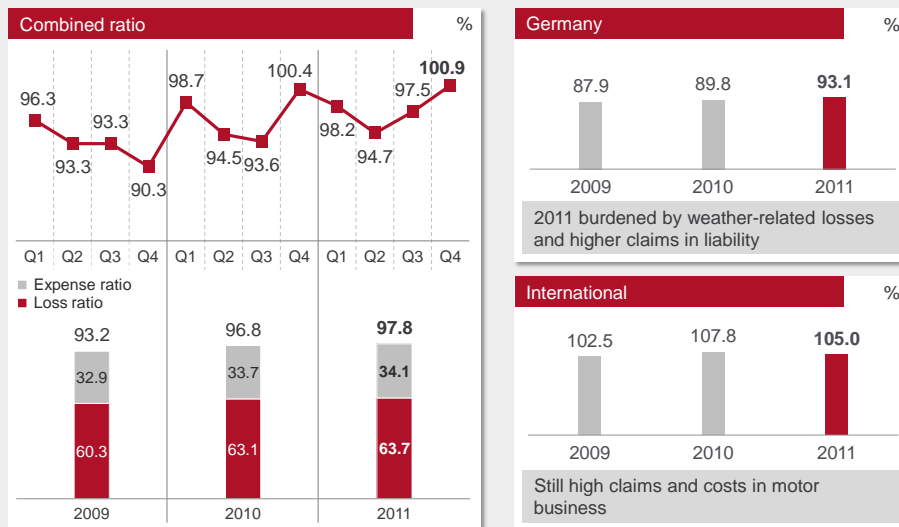
Lower goodwill impairments and taxes

¹ Other non-operating result, goodwill impairments, finance costs, taxes.

Primary insurance – Property-casualty – Combined ratio

Higher combined ratio in Germany – Improving international business

Munich RE

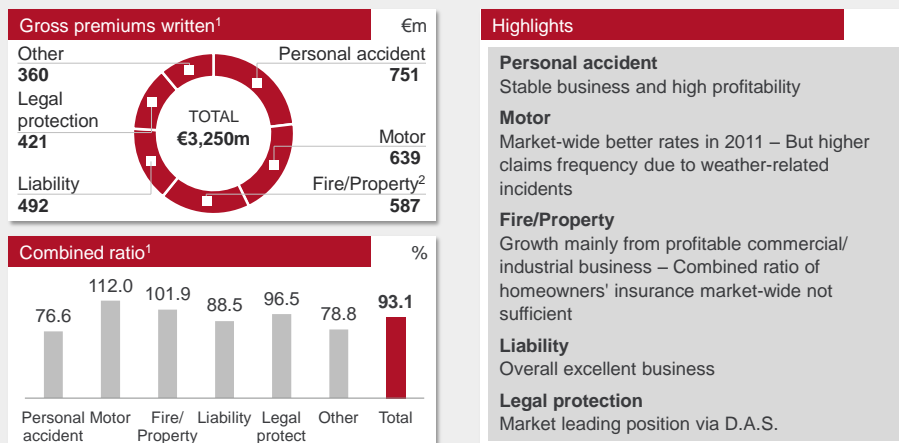


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Primary insurance – Property-casualty

German business well-diversified and profitable

Munich RE



Combined ratios in Germany have been well below overall target of 95% for years

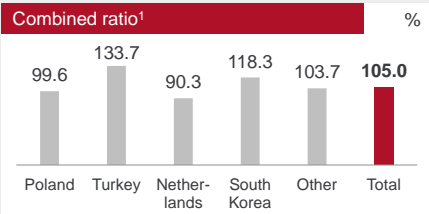
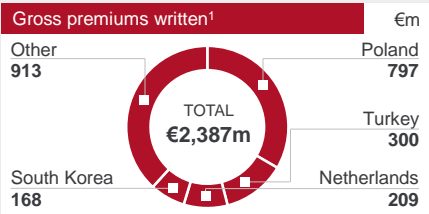
¹ As at 31.12.2011. IFRS figures.

² Including among others homeowners and household insurance.

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Primary insurance – Property-casualty

International business shows signs of recovery



Highlights

Poland
Business returns to underwriting profit

Turkey
Business still challenging but first signs of turnaround

Netherlands
Legal protection business only – Market leading position with consistently low combined ratio

South Korea
Motor market and own operations not satisfactory – Review of strategic options

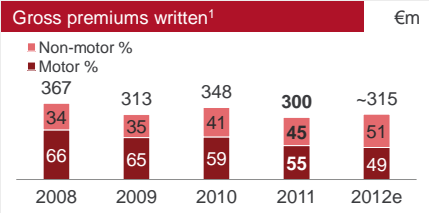
Portugal
Activities sold in 2011 – Subcritical size, P&L deconsolidation as at 30 September 2011

Ambition: Combined ratio of ~100% in 2013 – Strict focus on improvement of profitability and consistent implementation of turnaround measures show positive impact

¹ As at 31.12.2011. IFRS figures. Analysts' Conference 2012 62

Primary insurance – Property-casualty

Turkey – Turnaround delayed by one year



Highlights

- Stabilisation of reserve adequacy in 2011, reserve ratio considerably higher than peers
- Stringent turnaround programme
 - Motor:** Tariff improvement (average rate increase 2011: 20%), introduction of new tariffs; number of policies reduced by 30%
 - Sales:** Improved steering, tightened control environment, restricted free-hand rebates and strict cancellation of loss-making agent segments
 - Claims:** Introduction of state-of-the-art claims management concepts

Rigorously implemented turnaround programme to be reflected in significantly improved financials mid-term

¹ As at 31.12.2011. IFRS figures. Analysts' Conference 2012 63

Primary insurance – Property-casualty

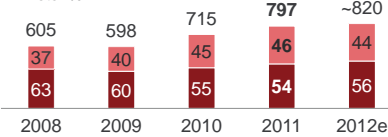
Poland back on positive path

Munich RE

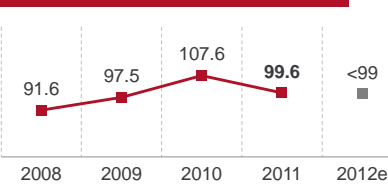
Gross premiums written¹

€m

■ Non-motor %
■ Motor %

Combined ratio¹

%



Positive development

- Initiated measures show positive impact:

- Motor**

- Adjustment of tariffs – Increase of 10–20%
 - Restructuring of dealers' packages leading to ~50% premium reduction in this segment

- Nat cat**

- Introduction of flood maps to identify critical regions and proper risk assessment
 - Adapted structure of reinsurance programme based on 2009/2010 experience

- Less weather-related losses in Poland

- Combined ratio significantly improved

- Market position #2 in Polish non-life market strengthened

Polish activities expected to continue trend of above-average profitable growth

¹ As at 31.12.2011. IFRS figures.

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Primary insurance – Summary

Key takeaways

Munich RE

IFRS result satisfactory under given market conditions

Economic earnings development indicates further challenges

Life and health insurance – Safeguard existing portfolio and adapt new business to changing environment

Property-casualty insurance – Continue international turnaround to return to overall combined ratio target level of below 95%

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Agenda



Summary and outlook	Nikolaus von Bomhard
Financial highlights 2011	Jörg Schneider
Risk management	Joachim Oechslin
Primary insurance	Torsten Oletzky

Reinsurance	Torsten Jeworrek
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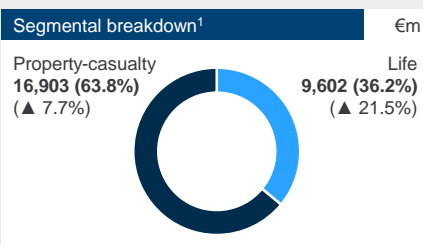
Backup

Reinsurance – Premium development

Strong increase driven by organic growth



Gross premiums written		€m
2010	23,602	
Foreign-exchange effects	–499	
Divestment/Investment	0	
Organic change	3,402	■
2011	26,505	



Gross premiums written		€m
2010	23,602	
Life	1,701	
Property-casualty	1,202	
2011	26,505	

Life
Substantial organic growth due to expansion in Asia and large-volume capital relief deals

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

¹ Gross premiums written. Unconsolidated.

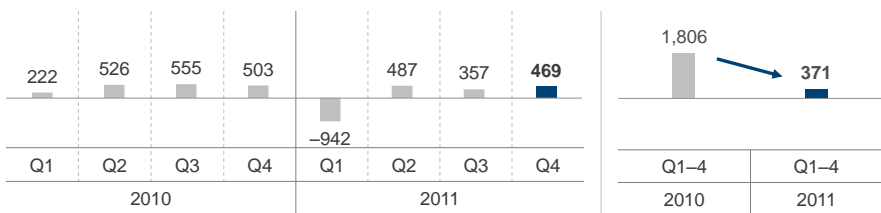
Reinsurance – Key figures

Reinsurance property-casualty



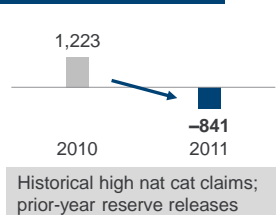
Net result

€m



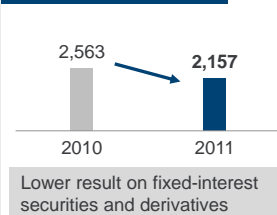
Technical result

€m

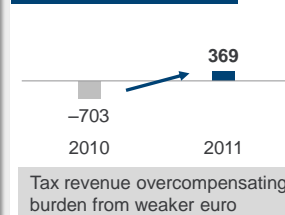


Investment result

€m

Other¹

€m

¹ Other non-operating result, goodwill impairments, finance costs, taxes.

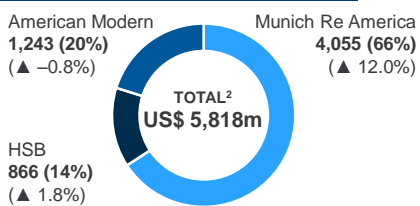
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Reinsurance – Key figures

US p-c operations – Strong earnings based on underwriting discipline in a demanding market

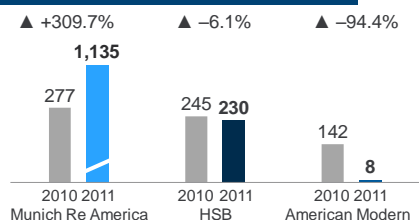
Gross premiums written¹

US\$m



Net profit

US\$m



Highlights in 2011

- Premium volume increase of 4.7% mainly driven by affiliate transactions
- Hartford Steam Boiler (HSB) remains highly profitable, American Modern affected by catastrophe losses
- Munich Re America with sound underlying performance³ exceeding strong prior-year result
- Impact of large losses partially offset by favourable prior-year reserve development resulting in a combined ratio of 91.6% ...
- ... and significantly improved investment result driven by higher level of capital gains ...
- ... as well as substantial tax benefit due to setting up DTA on loss carry-forwards ...
- ... leading to high net profit allowing for dividend payment of US\$ 700m

¹ Unconsolidated. ² Consolidated.
³ Net profit adjusted for significant non-recurring items.

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Reinsurance – Property-casualty – Combined ratio

Combined ratio reflects severe nat cat losses ...

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
2011 ¹	113.6	50.8	28.8	3.7	30.3
Q4 2011	101.8	43.2	22.7	4.0	31.9

Reserve releases: More than €600m (4.0%-pts.) in 2011 – About €400m (10.3%-pts.) in Q4 2011

Major losses 2011			€m
2011	5,126	<div><div>4,544</div><div>582</div></div>	
5-year average	2,225	<div><div>1,554</div><div>671</div></div>	
		<div><div>Natural catastrophes</div><div>Man-made</div></div>	

Major losses Q4 2011		€m
Q4 2011	1,126	<div><div>955</div><div>171</div></div>
5-year average	504	<div><div>264</div><div>240</div></div>
		<div><div>Natural catastrophes</div><div>Man-made</div></div>

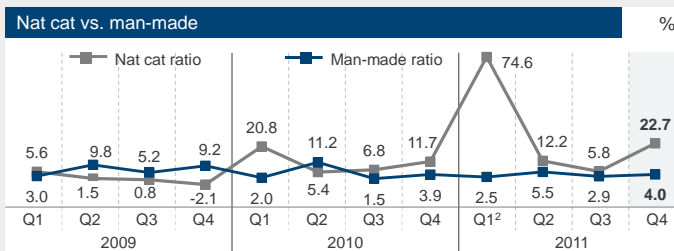
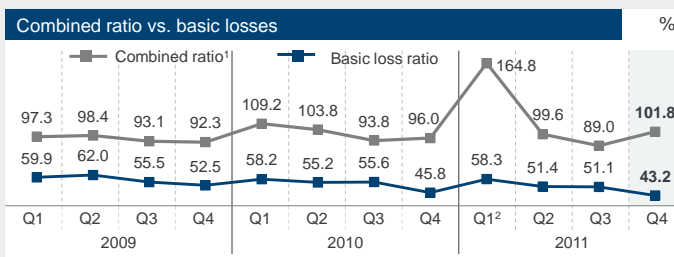
¹ Before insurance risk transfer to the capital markets.

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Reinsurance – Property-casualty – Combined ratio

... while underlying development remains sound

Munich RE

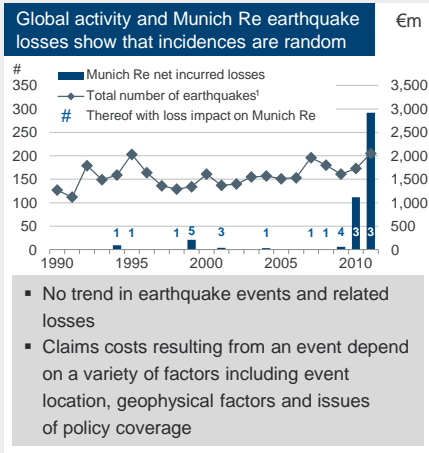
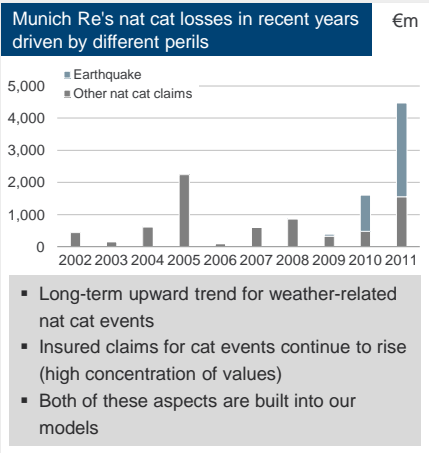


Major losses 2011		€bn
Earthquake Japan	~1.5	
Earthquakes New Zealand	~1.5	
Flood Thailand	~0.5	
Flood Queensland	~0.2	
Hurricane Irene, USA	~0.1	

¹ Including overhead costs.² Before insurance risk transfer to the capital markets.

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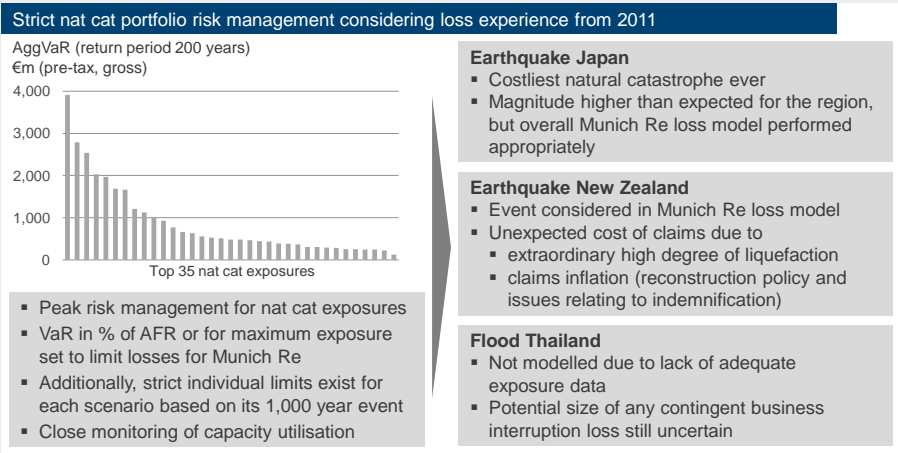
Extraordinary nat cat losses in recent years stem from random earthquakes



Volatility is part of our business model

¹ With magnitude >6.

Volatility is actively managed by modelling and limiting exposures



Actual loss experience continually used to refine our nat cat models

Reinsurance – Property-casualty – Nat cat business

Nat cat remains a key profitability contributor for p-c reinsurance business

Munich RE 

Attractive risk-return profile



Sustainable profitability in the past ...

- Risk analysis capabilities, local presence, and in-house nat cat and geological expertise ensure best practice pricing
- Stringent management of risk limitation
- ➔ Even including exceptional years like 2005 and 2011, Munich Re's nat cat business has been profitable for more than 15 years

... expected to be maintained in the future

- Munich Re's nat cat exposure continuously trending higher
- Increased expected losses based on model adjustments (e.g. RMS11)
- Inclusion of so far differently allocated losses (e.g. non-modelled scenarios)
- ➔ Increase of nat cat share in combined ratio to 8.5%-pts. within a large loss assumption of 12%-pts.

Higher combined ratio reflects nat cat impact observed over recent years

¹ Accumulated economic profit 1995–2011.

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Reinsurance – Property-casualty – Active portfolio management

Continuous improvement of portfolio quality

Munich RE 

Active portfolio management

Strict focus on profitability

Consequent execution of strategy

Stringent cycle management and adherence to global underwriting guidelines

Examples

Munich Re Risk Solutions: Increasing importance of distinct niches with varying "specialty" characteristic contributing a premium volume of €3.6bn (+80% compared to 2008)

Munich Re America: Consistent portfolio steering – Significant shift from long- to short-tail: Long-tail portion reduced from 62% (in 2000) to 40%; US casualty XL business further reduced in 2012 renewals

European Motor XL: Execution of strategy – Significantly downscaled portfolios in France (–90%) and Germany (–75%) since 2003; in 2012, UK portfolio was reduced by 60% in line with casualty strategy

Marine: Due to rate inadequacy, change in business mix from proportional hull and low level XL to cat-driven business like offshore energy and selective primary insurance opportunities (via Watkins)

Workers' compensation: Stringent de-risking since 2003 – US exposure significantly reduced (–90%), in "rest of world" only very selective approach

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Reinsurance – Property-casualty – Proportional business

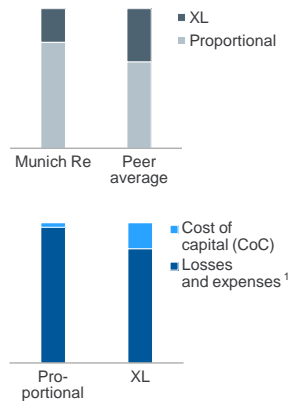
Proportional business adds value – despite higher combined ratios

Munich RE

Significant advantages ...

- Result contribution less volatile and capital-intensive (see illustration on the right)
- Competitive advantage: Ability to write business based on expertise and local presence/market knowledge
- Munich Re benefiting from price developments in attractive original markets
- Large volume of proportional business substantially contributes to absolute economic value added
- High strategic relevance as proportional business provides significant capital relief (e.g. under Solvency II) and hence meets clients' demand

...higher combined ratio is economically justified



Munich Re's higher share in proportional business results in a higher combined ratio ...

... but better economic ratio considering capital requirements (capital consumption per premium unit)

Proportional business is an important contributor of value added, providing stable economic results

¹ Estimated allocation of losses, expenses and cost of capital in January 2012 renewed portfolio. Peers: Swiss Re, Scor, Hannover Re, Partner Re. Based on 2010 premium split.

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Reinsurance – Property-casualty – January renewals 2012

January renewal: Portfolio quality improved in competitive environment

Munich RE

Munich Re portfolio – Premium change in major business lines

Business line Premium split ¹	Total €8.5bn	Property		Casualty		Specialty lines		
		Prop. 32%	XL 11%	Prop. 31%	XL 6%	Marine 11%	Credit 5%	Aviation 3%
Price change	~2.0%	1.6%	9.6%	0.0%	4.7%	0.8%		
							-3.9%	-0.7%
Volume change	2.6%		2.0%	14.3%				
		-1.5%			-12.8%	-4.3%	-2.2%	-7.6%

PRICE

- Real price increase of 2% (exposure-adjusted incl. updated interest rate and inflation assumptions)
- Significant improvement of property XL business driven by nat cat price increases
- Strong contribution by casualty XL due to active portfolio management decisions
- Pressure on credit and aviation, marine flat

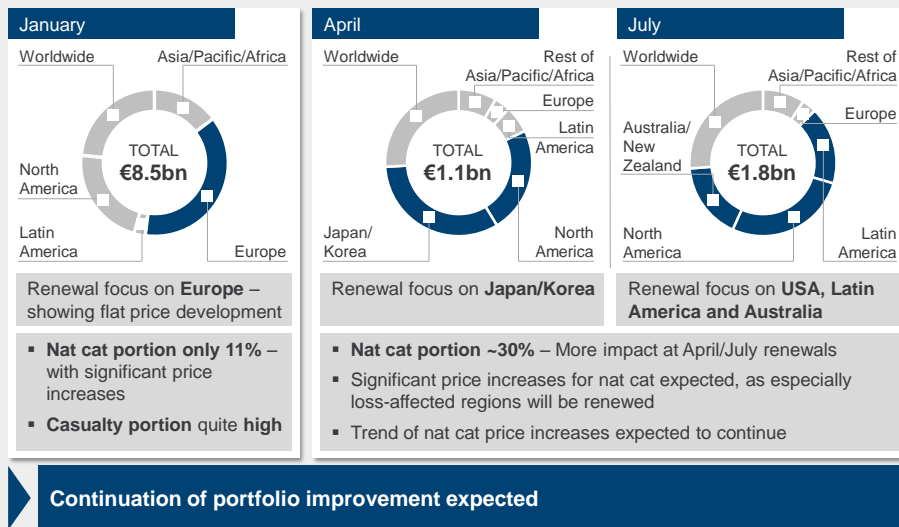
VOLUME

- €8.5bn premiums up for renewal in January
- Deliberate top-line reduction in the case of inadequate price levels ...
- ... overcompensated by extension of profitable client relationships and selective new business
- Total premiums increased by 2.6% to €8.8bn

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

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Ongoing price increases expected in upcoming renewals



Key takeaways

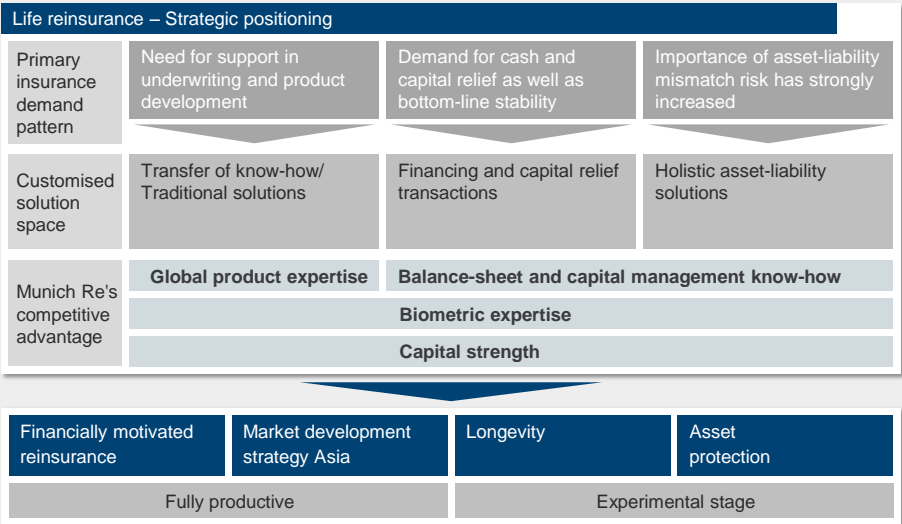
Property-casualty segment continues to show organic growth based on a strong underlying combined ratio

Even after extraordinary high losses from natural catastrophes in 2011 Munich Re's nat cat business remains an important profit contributor

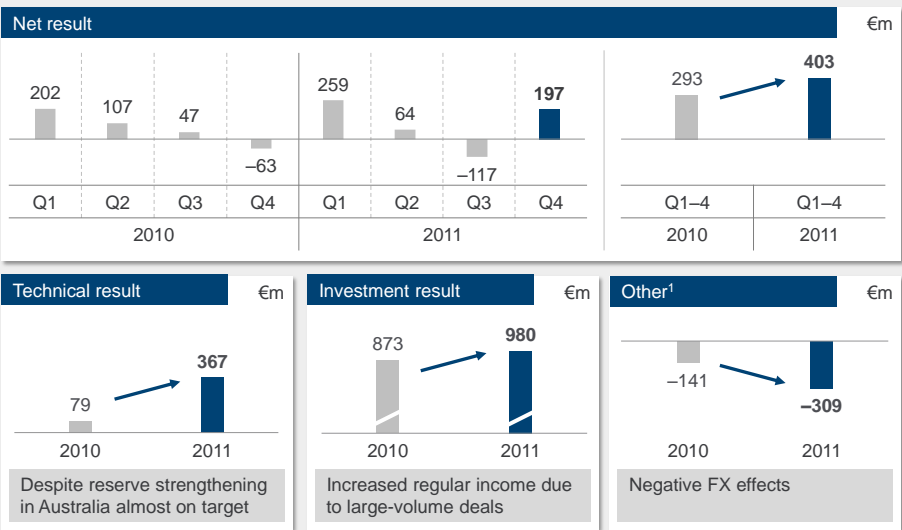
Munich Re's higher share in proportional treaty business provides economic profits, even though accompanied by slightly higher combined ratios

Pleasant 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

Munich Re's global key strategic focus in life



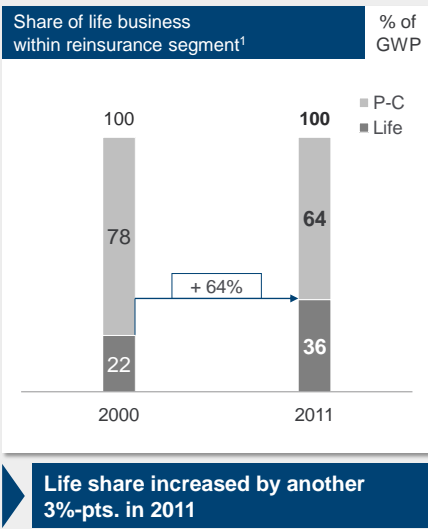
Life reinsurance



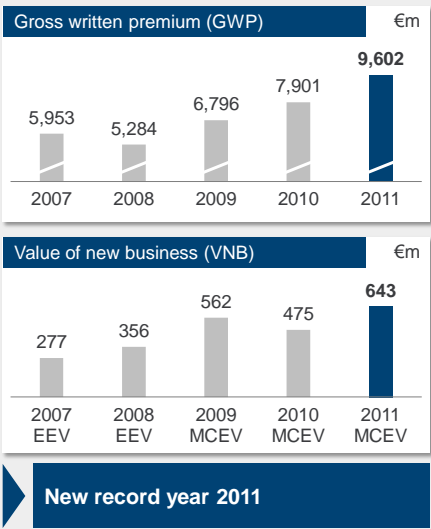
¹ Other non-operating result, goodwill impairments, finance costs, taxes.

Life reinsurance

Life reinsurance essential and increasingly important pillar within Munich Re Group

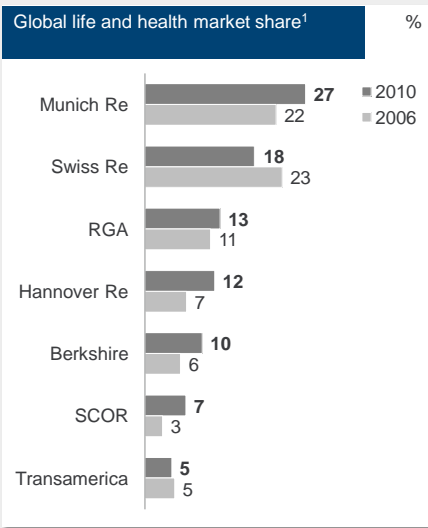


¹ Segmental share of gross written premium (health reinsurance excluded).

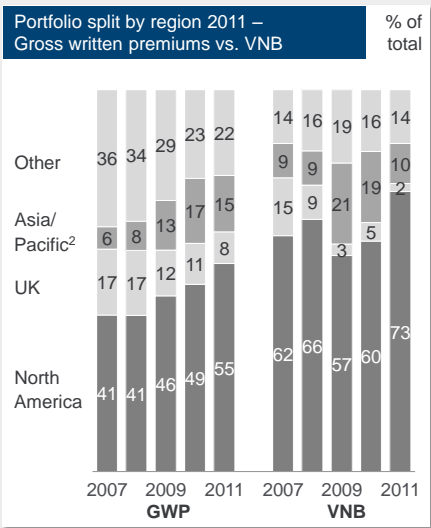


Life reinsurance

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



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 – Market Consistent Embedded Value 2011

MCEV result 2011

Munich RE

MCEV life reinsurance 2011

MCEV 31.12.2010	8,284	
1 Opening adjustments	–258	
Adjusted MCEV 31.12.2010	8,026	
2 Value of new business	643	
Expected return	270	
Experience variances	22	
3 Assumption changes	61	
Other operating variance	113	
Operating MCEV earnings 2011	1,109	
4 Economic variances	355	
Other non-operating variance	50	
Total MCEV earnings 2011	1,513	
1 Closing adjustments	453	
MCEV 31.12.2011	9,992	

Main drivers

- 1 Overall positive FX effects
- 2 New record value of new business €643m (€475m)
- 3 Reserve strengthening for Australian DI¹ business effects was more than offset by positive assumption changes (primarily mortality)
- 4 Overall positive impact of lower interest rates

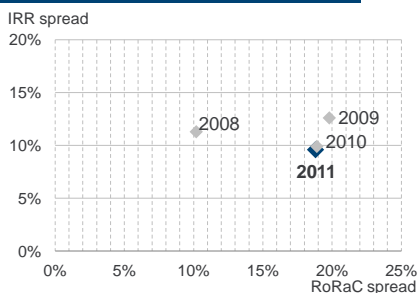
¹ Disability income.

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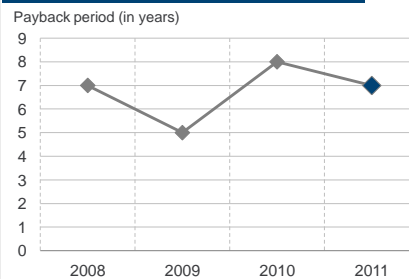
Life reinsurance

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

Munich RE

RoRaC-/IRR-spread¹ in new business

- Again very satisfactory new business profitability – both relative to economic risk capital employed (RoRaC) and total investment (IRR)
- Highly profitable large-volume deals written since 2009 support economic profitability of the overall portfolio

Payback period² in new business

- Increased weight of generally shorter-duration large solvency relief deals leads to reduced payback period for 2011 new business

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 (undiscounted) shareholder cash flows.

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Life reinsurance

Free capital generated from in-force run-off more than covers investment in profitable new business



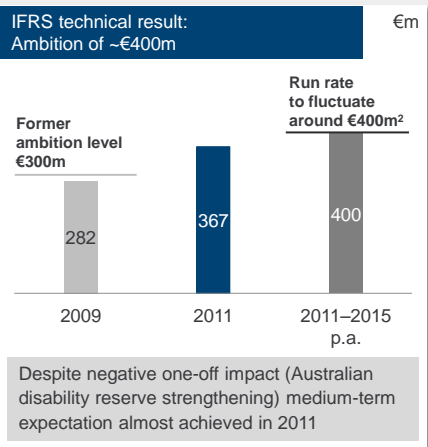
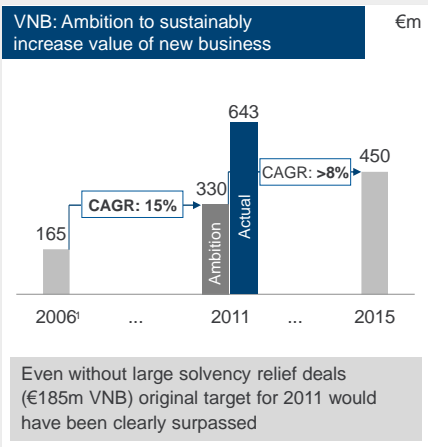
	Cash generation (Change in ANW) ¹		Change in required capital		Free capital generation (Change in free surplus)		€m
In-force	2010	2011	2010	2011	2010	2011	
	624	1,247		134	868	1,112	
			-244				
New business			589	768			
	-97	-53			-686	-821	
Total							
	527	1,194	345	903	182	291	

Less than 3/4 of free capital generated from in-force tied up through extraordinarily high new business production at attractive terms

¹ Adjusted net worth.
Further details on slide "Adjusted net worth (ANW) development" in Backup.

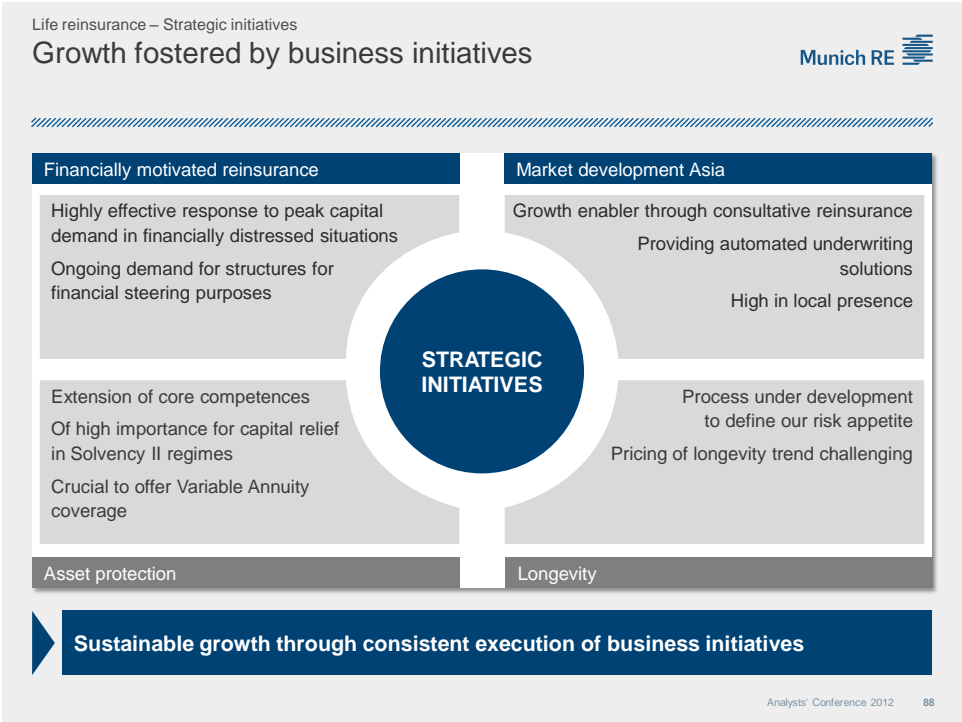
Life reinsurance – Outlook

Future value generation – High ambition levels continue to hold



Life reinsurance well positioned to reach and maintain aspired value creation level

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



Agenda

Munich RE

Summary and outlook	Nikolaus von Bomhard
Financial highlights 2011	Jörg Schneider
Risk management	Joachim Oechslin
Primary insurance	Torsten Oletzky
Reinsurance	Torsten Jeworrek

Backup



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Backup

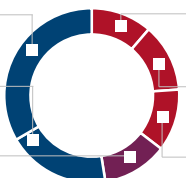
Additional segmental information	90
Investments	100
Risk management	119
Reserves	123
MCEV	146
Shareholder information	154

Backup: Additional segmental information

Munich Re (Group) – Premium development

Gross premiums written – 2011		€m
2010	45,541	
Foreign-exchange	–665	
Divestment/Investment	325	
Organic change	4,371	■
2011	49,572	

Gross premiums written – Q4 2011		€m
Q3 2011	12,217	
Foreign-exchange	129	
Divestment/Investment		
Organic change	60	
Q4 2011	12,406	

Segmental breakdown ¹		€m
Reinsurance – Property-casualty 16,557 (33.4%) (▲ 7.7%)		Primary insurance – Property-casualty 5,595 (11.3%) (▲ 2.5%)
Reinsurance – Life 9,481 (19.1%) (▲ 22.1%)		Primary insurance – Life 6,262 (12.6%) (▲ –3.4%)
Munich Health 5,967 (12.1%) (▲ 20.3%)		Primary insurance – Health 5,710 (11.5%) (▲ 4.0%)

¹ Consolidated.

Backup: Additional segmental information

Segmental results

Munich RE 

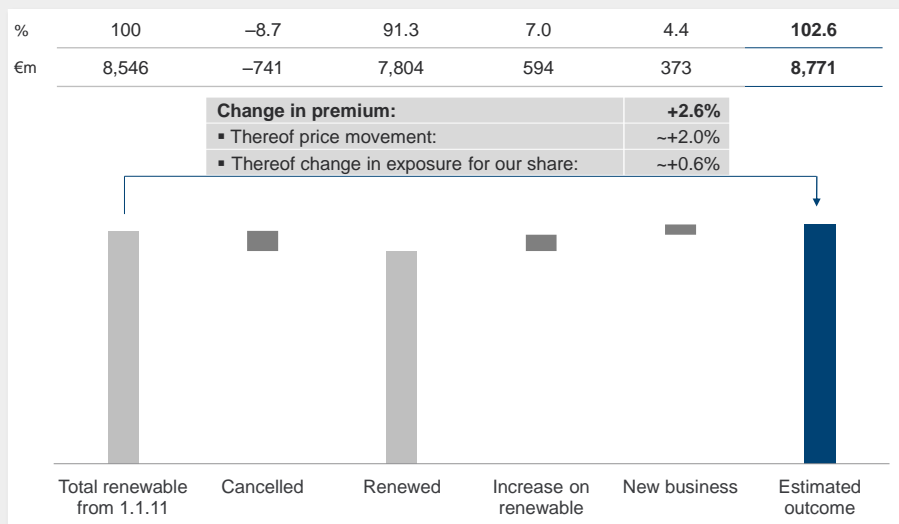
€m	2010	2011	Operating result	Consolidated result
Reinsurance Life	434	712		293 403
Reinsurance Property-casualty	2	2,509		371 1,806
Reinsurance Subtotal	714	2,943		774 2,099
Primary insurance Life	355	206		172 113
Primary insurance Health	236	325		165 244
Primary insurance Property-casualty	678	658		319 405
Primary insurance Subtotal	1,269	1,189		656 762
Munich Health	131	165		63 45
Munich Re¹	3,978	1,180		2,430 712

¹ Operating result 2011 including asset management (€101m, 2010 €75m) and consolidation (–€989m, 2010 –€440m). Consolidated result 2011 including asset management (€59m, 2010 €37m) and consolidation (–€928m, 2010 –€425m).

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Backup: Additional segmental information

Strict cycle management allowing for price increase

Munich RE 

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Backup: Additional segmental information

January renewals 2012 – Successful portfolio management in fragmented markets

Munich RE 

Market environment

PROPERTY NAT CAT

- Price increases in USA as well as in loss-affected areas (e.g. Nordic countries, Australia)
- Europe mainly flat – RMS has no impact

PROPERTY NON-CAT IN EUROPE

- Competitive environment in original markets
- Ample reinsurance capacity

MOTOR

- Germany: Slight price increases in primary market, but still below technical level
- UK: Price increases in primary market – Continuing concerns regarding impact of periodic payment order (PPO) for XL business

MARINE

- Overall, marine business flat at best
- Energy and energy liability with moderate price increases

Munich Re portfolio

- Risk adequate pricing based on actual models
- Leveraging our capacity: Reduction esp. in central/southern Europe – growth in North America, Australia, Asia and Nordic countries
- Reduction of proportional portfolios in Spain and Germany
- France: Volume decrease in proportional engineering
- Consistent execution of strategy to reduce German business and UK XL portfolio
- Profitable growth in UK motor prop. selected growth opportunities in Latin America
- Top-line reduction with selected clients in Asia (outside China)
- Significant reduction of traditional book
- Portfolio reduction was partly counterbalanced by growth through our Lloyd's syndicate Watkins

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Backup: Additional segmental information

Reinsurance

Claims equalisation provision and similar provisions

Munich RE 

€bn ¹	2008	2009	2010	2011
Liability	1.2	0.7	0.5	0.9
Motor	0.5	0.4	0.5	0.8
Marine	0.5	0.5	0.5	0.3
Aviation	0.9	0.9	1.0	1.0
Fire	3.3	3.6	3.4	0.9
Engineering	0.8	0.6	0.3	0.3
Other	1.5	1.2	1.5	2.2
Total	8.7	8.0	7.9	6.4

€bn	2008	2009	2010	2011
Equalisation reserve	8.4	7.7	7.5	6.0
Reserve for major risks (nuclear, pharma, terror)	0.4	0.4	0.4	0.4

¹ Munich Reinsurance Company, German GAAP (HGB).

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

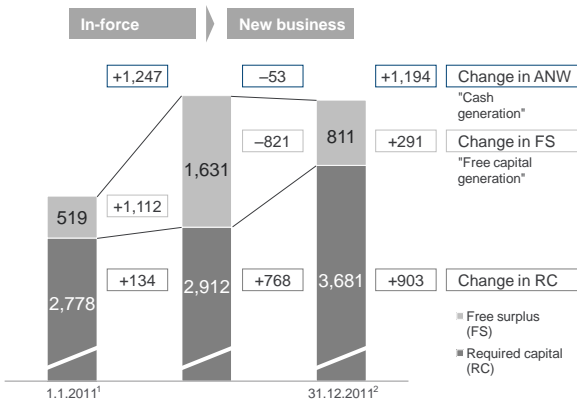


	2011	5,344	3,547	711	9,602	3,638
GWP	2010	4,776	2,587	537	7,901	1,998
	2009	4,625	1,955	216	6,796	1,289
Technical result ¹	2011	414	-26	-21	367	75
	2010	329	-276	27	79	35
	2009	211	63	8	282	17
VNB	2011	549	71	23	643	185
	2010	316	125	34	475	45
	2009	328	185	49	562	153
	Mortality	Morbidity	Other	Total	Thereof: FinMoRe ²	

- ## Reinsurance of mortality risk continues to be dominating value driver

Analysts' Conference 2012 96

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

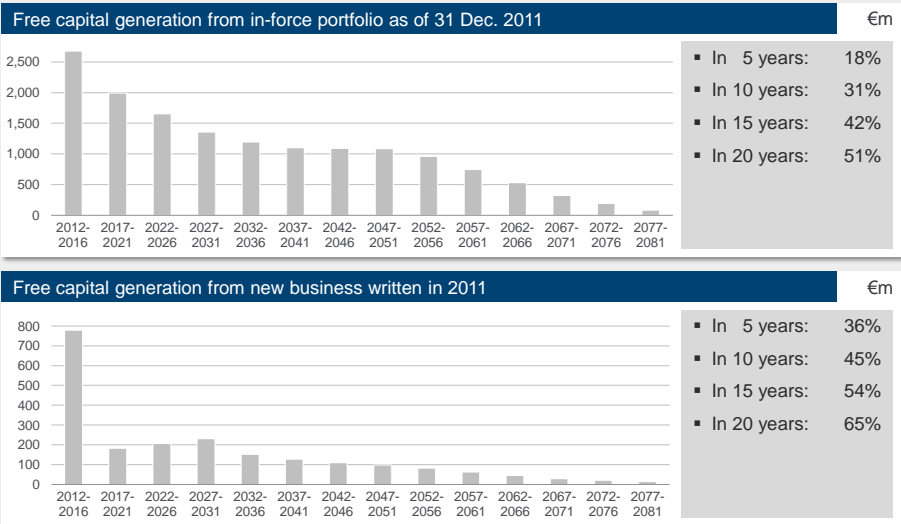


- Despite large new business volumes – Strong capital and margin release from in-force makes life reinsurance an important source of capital and cash generation**

Analysts' Conference 2012 97

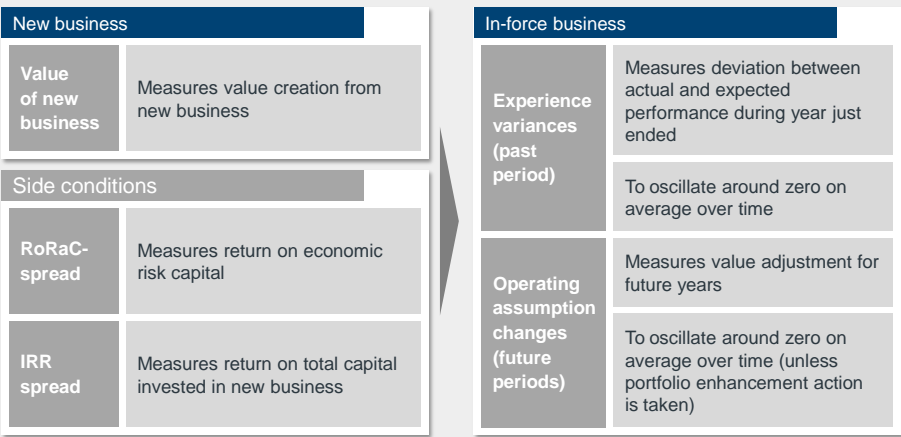
Backup: Additional segmental information – Life reinsurance

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



Backup: Additional segmental information – Life reinsurance

Life reinsurance steering parameters



MCEV allows for reflection of cash and free capital generation

Backup



Additional segmental information

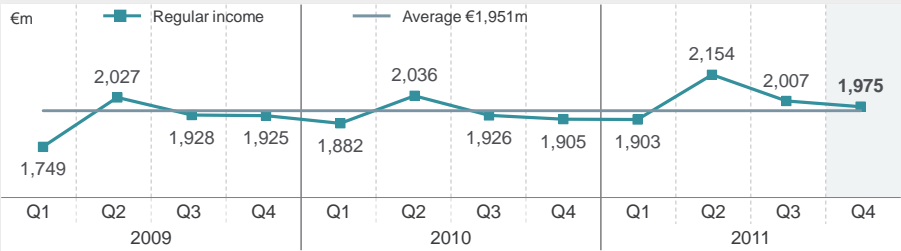
Investments

- Risk management
- Reserves
- MCEV
- Shareholder information

Backup: Investments
Breakdown of regular income



Investment result – Regular income (€m)	Q4 2011	2011	2010	Change
Afs fixed-interest	1,062	4,305	4,415	–110
Afs non-fixed-interest	79	342	271	71
Derivatives	86	335	244	91
Loans	558	2,174	2,123	51
Real estate	76	340	340	0
Deposits retained on assumed reinsurance and other investments	114	543	356	187
Total regular income	1,975	8,039	7,749	290

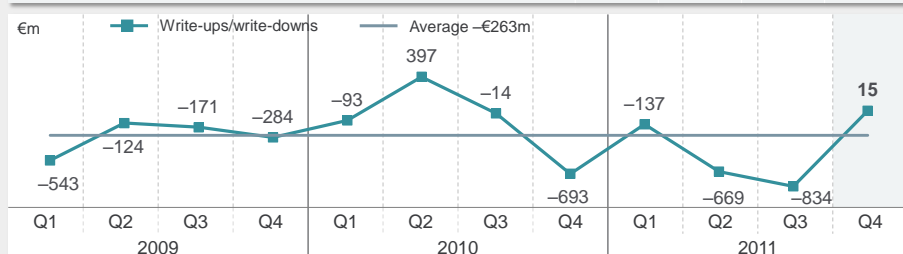


Backup: Investments

Breakdown of write-ups/write-downs

Munich RE

Investment result – Write-ups/write-downs (€m)	Q4 2011	2011	2010	Change
Afs fixed-interest	-273	-1,135	17	-1,152
Afs non-fixed-interest	-85	-541	-270	-271
Derivatives	465	278	-39	317
Loans	-15	-62	-4	-58
Real estate	-56	-138	-101	-37
Deposits retained on assumed reinsurance and other investments	-21	-27	-6	-21
Total net write-ups/write-downs	15	-1,625	-403	-1,222



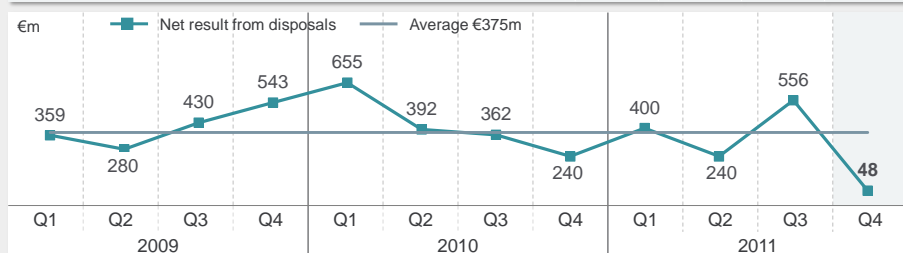
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Backup: Investments

Breakdown of net result from disposals

Munich RE

Investment result – Net result from disposal of investments (€m)	Q4 2011	2011	2010	Change
Afs fixed-interest	376	761	1,067	-306
Afs non-fixed-interest	75	537	634	-97
Derivatives	-447	-497	-198	-299
Loans	19	95	31	64
Real estate	27	90	100	-10
Deposits retained on assumed reinsurance and other investments	-2	258	15	243
Total net result from disposals	48	1,244	1,649	-405



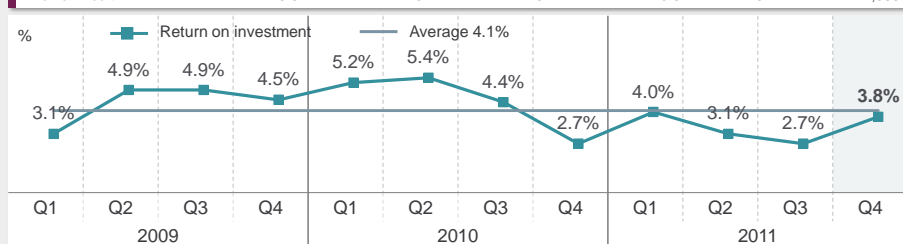
Analysts' Conference 2012 103

Backup: Investments

Return on investment by asset class and segment

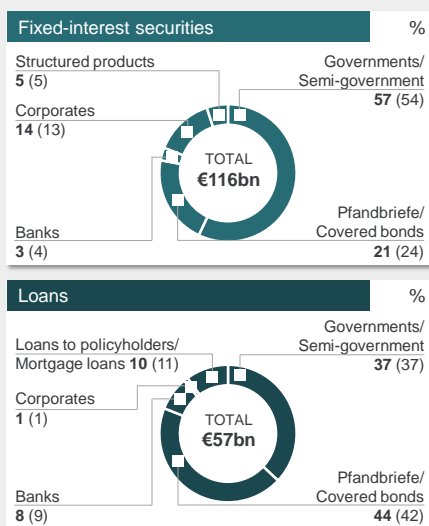
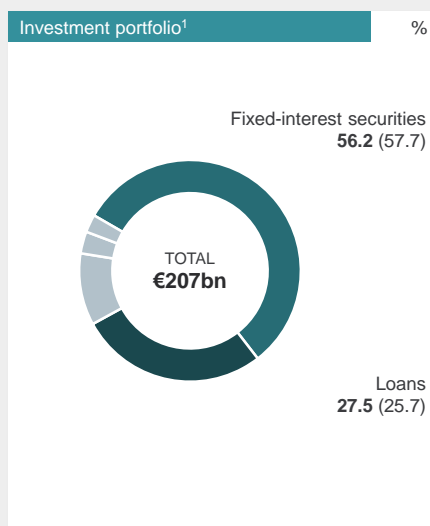
Munich RE 

%	Regular income	Write-ups/downs	Disposal result	Other inc./ exp.	Total RoI	Market value ²
Afs fixed-interest	3.9	-1.0	0.6	-	3.5	111,249
Afs non-fixed-interest	3.5	-5.6	5.6	-	3.5	9,636
Derivatives	26.7	22.1	-39.5	-0.5	8.8	1,256
Loans	4.1	-0.1	0.2	-	4.2	52,418
Real estate	6.2	-2.5	1.7	-	5.4	5,440
Other ¹	2.8	-0.1	1.3	-4.6	-0.6	19,291
Total	4.0	-0.8	0.6	-0.4	3.4	199,290
Reinsurance	3.8	-0.8	1.0	-0.4	3.6	75,952
Primary insurance	4.2	-0.9	0.4	-0.5	3.2	118,435
Munich Health	3.5	-0.7	0.4	-0.3	2.9	4,053

¹ Including management expenses and impact from unit-linked business.² In €m. Segments do not add up to total amount; difference relates to the segment "asset management".

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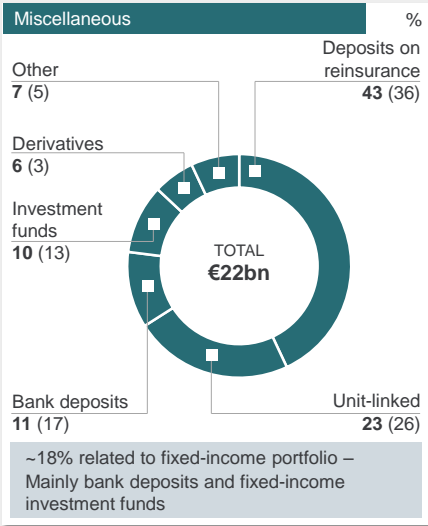
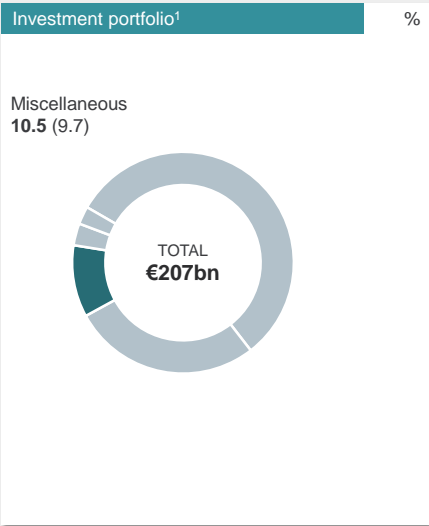
Backup: Investments

Investment portfolio
Fixed-interest securitiesMunich RE ¹ Fair values as at 31.12.2011 (31.12.2010). Economic view – not fully comparable with IFRS figures.

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Backup: Investments

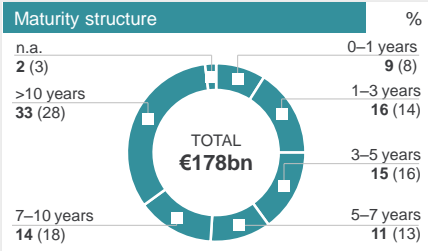
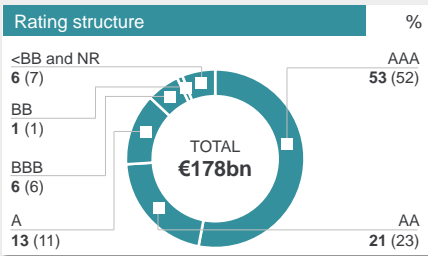
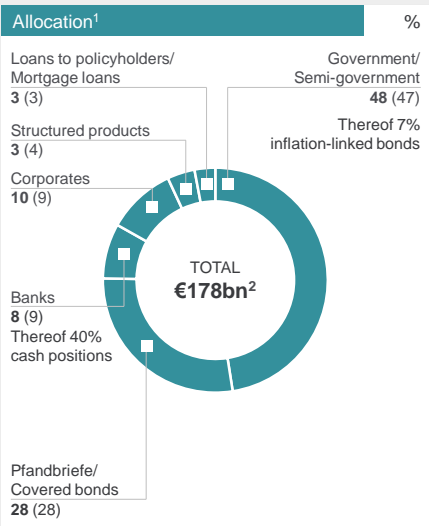
Investment portfolio
Miscellaneous



¹ Fair values as at 31.12.2011 (31.12.2010). Economic view – not fully comparable with IFRS figures.

Backup: Investments

Fixed-income portfolio

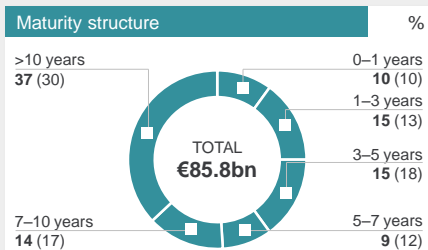
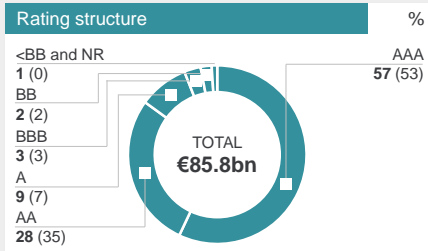


¹ Incl. loans, parts of other securities, other investments and cash positions. Fair values as at 31.12.2011 (31.12.2010).

² Additional inflation-linked exposure in swaps 2% and bank and corporate exposure in credit default swaps 2% of fixed-income portfolio. Economic view – not fully comparable with IFRS figures.

Backup: Investments

Fixed-income portfolio: Government/Semi-government

Munich RE 

Economic view – not fully comparable with IFRS figures.

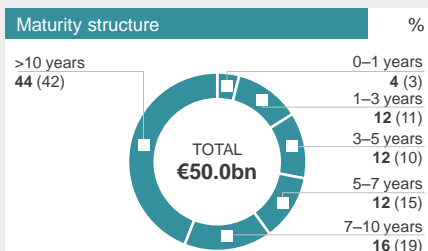
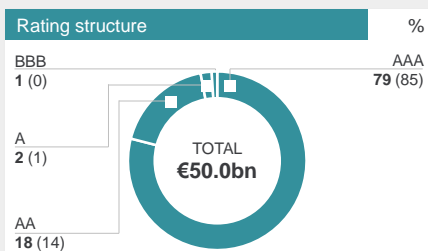
Regional breakdown %

	Without policyholder participation	With	Total 31.12.2011	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

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Backup: Investments

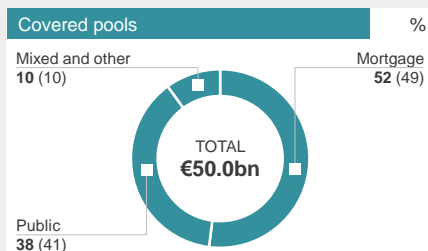
Fixed-income portfolio: Pfandbriefe/Covered bonds

Munich RE 

Economic view – not fully comparable with IFRS figures.

Regional breakdown %

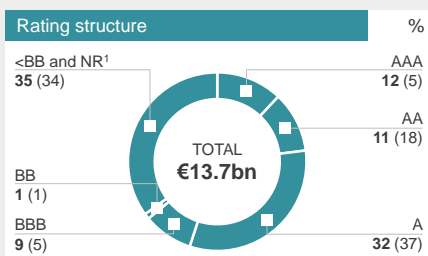
	31.12.2011	31.12.2010
Germany	40.9	42.8
France	15.6	16.1
Spain	8.4	9.0
UK	7.3	5.8
Netherlands	6.8	5.9
Sweden	6.5	6.2
Norway	4.9	4.9
Ireland	2.8	2.6
Italy	0.7	0.6
Other	6.1	6.1
Total (€bn)	50.0	48.0



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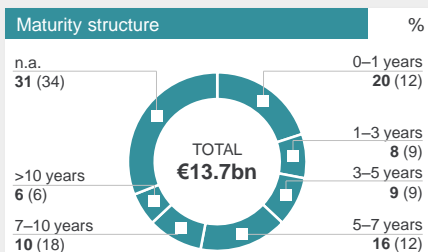
Backup: Investments

Fixed-income portfolio: Banks

Munich RE 

Regional breakdown %

	31.12.2011	31.12.2010
Germany	48	43
US	21	26
UK	5	7
Netherlands	3	2
Luxembourg	3	3
Ireland	3	2
France	2	2
Italy	1	1
Spain	1	1
Other	13	12
Total (€bn)	13.7	15.2



Investment category %

	31.12.2011	31.12.2010
Senior bonds	39	45
Subordinated bonds²	6	6
Loss-bearing bonds³	3	3
Loans for refinancing	2	2
Cash	40	39
Fixed-income investment funds	7	3
Fixed-income derivatives	3	2
Total (€bn)	13.7	15.2

¹ Thereof 31% cash-positions, shares of funds and derivatives not rated.

² Classified as lower Tier 2 and Tier 3 capital for solvency purposes.

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

Analysts' Conference 2012 110

Backup: Investments

Fixed-income portfolio: Banks

Munich RE 

Senior, subordinated and loss-bearing bonds exposure by country €m

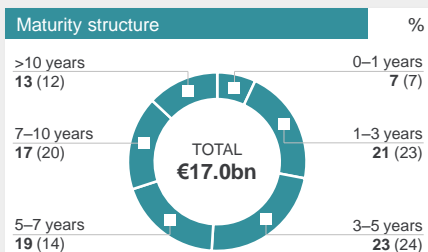
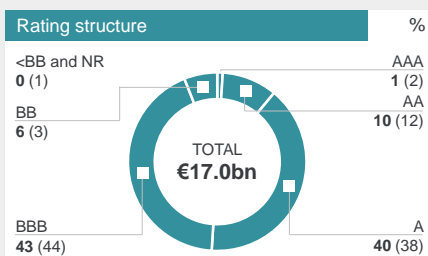
Country	Senior bonds	Subordinated bonds	Loss-bearing bonds	Total
Germany	2,075	302	222	2,599
USA	1,500	256	51	1,807
UK	626	43	31	700
Australia	221	0	1	222
Canada	155	38	17	210
Ireland	183	0	0	183
Austria	125	28	21	174
Netherlands	149	2	2	153
France	89	17	6	112
Italy	34	61	8	103
Spain	4	7	1	12
Other	211	18	24	253
Total market values	5,372	772	384	6,528

Economic view – not fully comparable with IFRS figures.

Analysts' Conference 2012 111

Backup: Investments

Fixed-income portfolio: Corporate bonds

Munich RE 

Economic view – not fully comparable with IFRS figures.

Sector breakdown	%	
	31.12.2011	31.12.2010
Utilities	19	17
Industrial goods and services	13	14
Oil & gas	13	13
Telecommunications	10	10
Healthcare	7	6
Food & beverages	6	7
Media	6	5
Retail	5	5
Automobiles	4	4
Technology	3	3
Chemicals	3	3
Financial services	3	1
Personal and household goods	3	3
Other	5	9
Total (€bn)	17.0	14.8

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Backup: Investments

Fixed-income portfolio: Structured products

Munich RE 

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

€m

		Rating						Region		Total	Market-to-par
		AAA	AA	A	BBB	<BBB	NR	USA + RoW	Europe		
ABS	Consumer-related ABS ¹	489	104	174	87	8	0	408	454	862	100%
	Corporate-related ABS ²	128	243	76	28	42	–	–	517	517	92%
	Subprime HEL	6	2	22	7	2	–	39	–	39	98%
CDO/CLN	Subprime-related	–	–	–	–	0	0	–	0	0	0%
	Non-subprime-related	21	74	26	24	0	36	–	181	181	80%
MBS	Agency	2,104	101	–	–	–	–	2,205	–	2,205	108%
	Non-agency prime	435	113	120	28	40	–	66	670	736	96%
	Non-agency other (not subprime)	104	111	21	–	3	–	68	171	239	93%
	Commercial MBS	721	305	392	10	5	–	741	692	1,433	97%
Total 31.12.2011		4,008	1,053	831	184	100	36	3,527	2,685	6,212	98%
In %		64%	17%	13%	3%	2%	1%	57%	43%	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. Economic view – not fully comparable with IFRS figures.

Analysts' Conference 2012 113

Backup: Investments

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)	13.4	6.5	–11.5	–21.1
Change in on-balance-sheet reserves, net (€bn) ¹	3.6	1.8	–3.2	–5.9
Change in off-balance-sheet reserves, net (€bn) ¹	0.6	0.3	–0.6	–1.0
P&L impact (€bn) ¹	0.2	0.1	–0.2	–0.2

Sensitivity to spreads ² (change in basis points)	+100	+200
Change in gross market value (€bn)	–7.7	–14.2
Change in on-balance-sheet reserves, net (€bn) ¹	–1.4	–2.6
Change in off-balance-sheet reserves, net (€bn) ¹	–0.5	–0.9
P&L impact (€bn) ¹	–0.1	–0.2

Sensitivity to equity markets ³	–30%	–10%	+10%	+30%
EURO STOXX 50 (2,317 as at 31.12.2011)	1,622	2,085	2,549	3,012
Change in gross market value (€bn)	–1.9	–0.6	0.6	1.9
Change in on-balance-sheet reserves, net (€bn) ¹	–0.3	–0.1	0.5	1.6
Change in off-balance-sheet reserves, net (€bn) ¹	–0.4	–0.1	0.1	0.4
P&L impact (€bn) ¹	–1.0	–0.3	–0.1	–0.3

¹ Rough calculation with limited reliability assuming unchanged portfolio as at 31.12.2011. After rough estimation of policyholder participation and deferred tax; linearity of relations cannot be assumed. Economic view – not fully comparable with IFRS figures.

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

³ Worst-case scenario assumed: impairment as soon as market value is below acquisition cost. Economic view – not fully comparable with IFRS figures.

Analysts' Conference 2012 114

Backup: Investments

Fixed-income portfolio by accounting category (IFRS)

Munich RE 

	Loans	Available for sale	Other investments ¹	Cash at banks	Total
Government/Semi-government	24	76	0	0	100
Pfandbriefe/ Covered bonds	50	50	0	–	100
Loans to policyholders/ Mortgage loans	100	–	–	–	100
Structured products	2	98	0	–	100
Corporates	2	98	0	–	100
Banks	35	34	20	11	100
Total	32	65	2	1	100

¹ Mainly cash deposits and other securities at fair value through profit and loss. Including liabilities from derivatives. Economic view – not fully comparable with IFRS figures.

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Backup: Investments

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

Munich RE 

€m	31.12. 2008	31.12. 2009	31.12. 2010	31.3. 2011	30.6. 2011	30.9. 2011	31.12. 2011
Market value of investments	177,201	185,097	196,398	191,326	196,319	205,297	207,108
Total reserves	5,487	7,905	7,374	4,213	5,862	11,374	11,236
On-balance-sheet reserves							
Fixed-interest securities	1,410	3,342	2,201	639	1,805	4,982	4,892
Non-fixed-interest securities	1,583	1,408	1,634	1,401	1,219	589	693
Other on-balance-sheet reserves ¹	229	233	249	255	244	249	250
Subtotal	3,222	4,983	4,084	2,295	3,268	5,820	5,835
Off-balance-sheet reserves							
Real estate ²	1,469	1,447	1,425	1,524	1,274	1,279	1,435
Loans and investments (held to maturity)	627	1,289	1,554	88	965	3,974	3,633
Associates and tangible assets	169	186	311	306	355	301	333
Subtotal	2,265	2,922	3,290	1,918	2,594	5,554	5,401
Reserve ratio (%)	3.1%	4.3%	3.8%	2.2%	3.0%	5.5%	5.4%







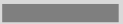



¹ Unrealised gains/losses from unconsolidated affiliated companies, valuation at equity and cash-flow hedging.² Excluding reserves from owner-occupied properties.

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Backup: Investments


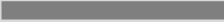





On-balance-sheet reserves

Munich RE 

€m		Change Q4
Investments afs	5,585 	14
Valuation at equity	72 	7
Unconsolidated affiliated enterprises	143 	-4
Cash flow hedging	35 	-2
Total on-balance-sheet reserves (gross)	5,835 	15
Provision for deferred premium refunds	-878 	270
Deferred tax	-1,278 	-63
Minority interests	-10 	2
Consolidation and currency effects	-62 	-54
Shareholders' stake	3,607 	170

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Off-balance-sheet reserves

€m		Change Q4
Real estate ¹	1,435 	156
Loans and investments (held to maturity)	3,633 	−341
Associates and tangible assets	333 	32
Total off-balance-sheet reserves (gross)	5,401 	−153
Provision for deferred premium refunds	−3,525 	162
Deferred tax	−553 	4
Minority interest	−	−
Shareholders' stake	1,323 	13

¹ Excluding reserves for owner-occupied properties.

Backup

Additional segmental information

Investments

Risk management

Reserves

MCEV

Shareholder information

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

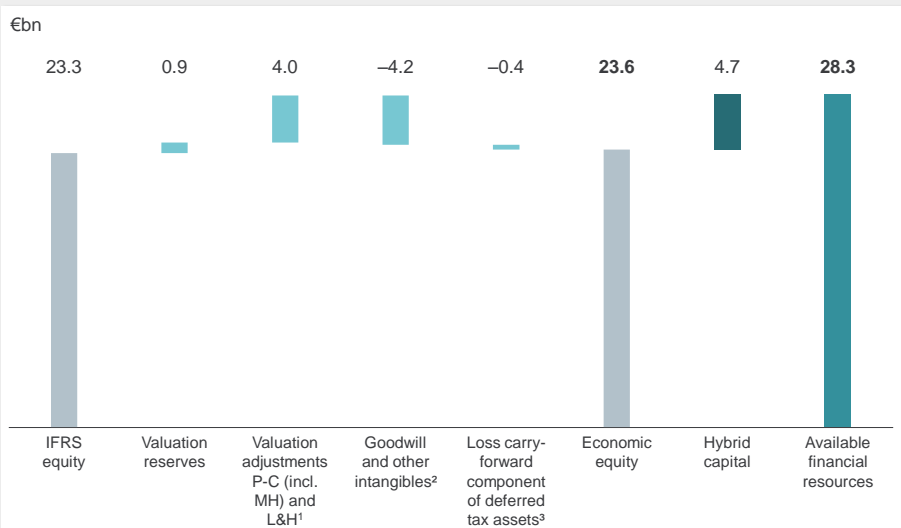
Set-up of Munich Re's risk strategy



Category	Risk criteria	Measure	Criteria's objective	ERM objective addressed
Whole portfolio criteria	Financial strength	<ul style="list-style-type: none">ERCRatingSolvency	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	Probability of breaching financial strength criterion		
Supplementary criteria	<ul style="list-style-type: none">Peak risk management<ul style="list-style-type: none">Individual nat cat perilsFinancial sector limitTerrorismPandemicLongevityALM limitsLiquidity	<ul style="list-style-type: none">VaR limits<ul style="list-style-type: none">In % of AFR orLimit 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	<ul style="list-style-type: none">Counterparty-credit riskSingle risksAlternative investmentsNon-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 31.12.2011

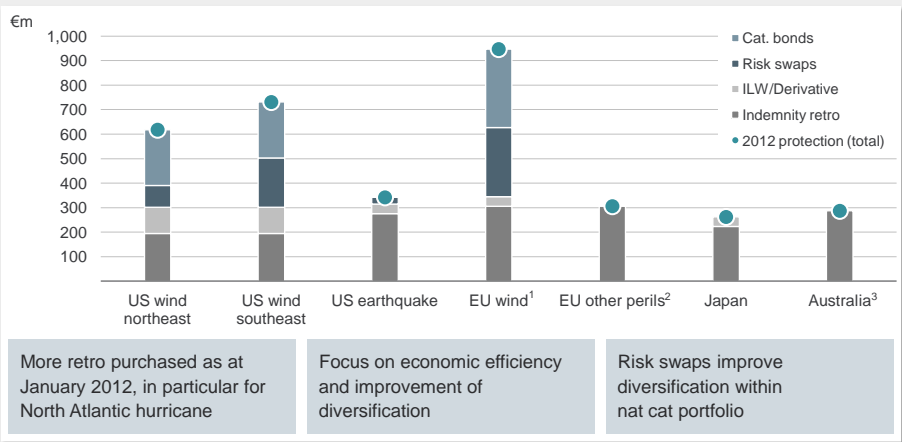
Reconciliation of AFR with IFRS equity



¹ Includes discount of reserves, embedded value not recognised in IFRS equity and change in p-c reserve basis: claims payments now projected using actuarial methods. ² Deduction net of tax effects.

³ Deduction only of the amount not covered by excess of deferred tax liabilities on solo-entity level.

Munich Re's maximum in-force nat cat protection



Munich Re's financial strength allows opportunistic purchase of protection

As at January 2012. Protection before reinstatement premiums.
¹ Plus €70m aggregate protection. ² Earthquake Italy and Turkey.

Backup



Additional segmental information

Investments

Risk management

Reserves

MCEV

Shareholder information

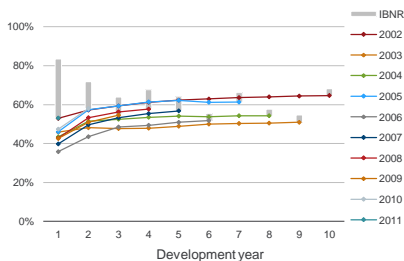
Backup: Reserves

Munich Re Group property-casualty – Reinsurance and primary insurance

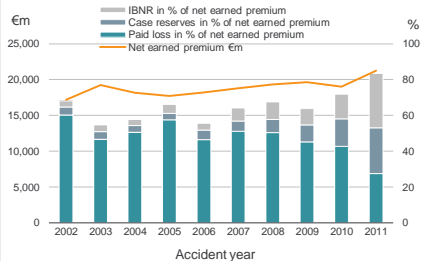
Munich RE

Acc. year	Net earned premium €m	Reported loss ratio in development year										Ultimate loss ratio	Paid loss	Case reserves	IBNR
		1	2	3	4	5	6	7	8	9	10				
2002	17,196	52.9%	57.2%	59.3%	61.2%	62.3%	62.9%	63.6%	64.0%	64.4%	64.7%	68.1%	60.2%	4.5%	3.4%
2003	19,239	45.8%	48.1%	47.7%	47.9%	48.9%	50.0%	50.3%	50.5%	50.9%		54.7%	46.6%	4.3%	3.8%
2004	18,162	43.4%	51.4%	52.5%	53.5%	54.1%	53.7%	54.3%	54.3%			57.7%	50.5%	3.8%	3.4%
2005	17,704	46.0%	57.4%	59.3%	61.4%	62.2%	61.2%	61.3%				66.2%	57.6%	3.6%	4.9%
2006	18,190	35.8%	43.5%	48.5%	49.4%	50.9%	51.8%					55.5%	46.5%	5.3%	3.7%
2007	18,801	39.8%	49.7%	53.2%	55.4%	56.8%						64.1%	51.1%	5.8%	7.2%
2008	19,308	42.8%	53.3%	56.3%	57.7%							67.6%	50.3%	7.4%	9.9%
2009	19,658	42.6%	51.0%	54.6%								63.8%	45.1%	9.5%	9.2%
2010	19,004	47.4%	58.0%									71.7%	42.7%	15.4%	13.7%
2011	21,253	53.1%										83.5%	27.5%	25.6%	30.3%

Reported loss ratio development



Portfolio performance by accident year



Management view, not fully comparable with IFRS.

Analysts' Conference 2012 124

Backup: Reserves

Property-casualty reinsurance and primary insurance Representative loss triangles

Munich RE

Data description	
Legal entity	Figures in triangle exhibits
Munich Re Munich	<ul style="list-style-type: none"> Gross business of Munich Re Munich, i.e. Munich Re AG including Munich Re Paris, Munich Re Madrid and business fronted by Great Lakes UK, excluding special contracts, all other branches and subsidiaries and corporate retrocession Statistical figures (i.e. following cedants' view) as at 31 December 2011 by treaty year, before conversion to financial data (earning down, currency effects) Converted into € with average exchange rates of 2010
Munich Re America	<ul style="list-style-type: none"> Gross business of Munich Re America, excluding primary operations and corporate retrocession, in particular before variable quota shares and loss portfolio transfer to Munich Re Munich Financial view figures as at 31 December 2011 by treaty year, before conversion to financial data (earning down, currency effects) Converted into € with average exchange rates of 2010
ERGO	<ul style="list-style-type: none"> Net of reinsurance Financial view figures as at 31 December 2011 by accident year Converted into € with year-end exchange rates of 2011

Management view, not fully comparable with IFRS.

Analysts' Conference 2012 125

Backup: Reserves

Property-casualty reinsurance and primary insurance
Representative loss triangles



Legal entity €m	Line of business	Case and IBNR reserves
Munich Re Munich	Property	6,797
	Credit	795
	Marine	1,301
	Liability	6,102
	Motor	3,555
	Personal accident / workers' comp.	507
	Subtotal	19,057
Munich Re America	Property	1,062
	Credit	223
	Marine	258
	Liability	2,434
	Motor	470
	Personal accident / workers' comp.	1,784
	Subtotal	6,230
ERGO	Property-casualty	3,920
Munich Re Group	Asbestos and environmental	1,809
Total reserves disclosed		31,017

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

Management view, not fully comparable with IFRS.

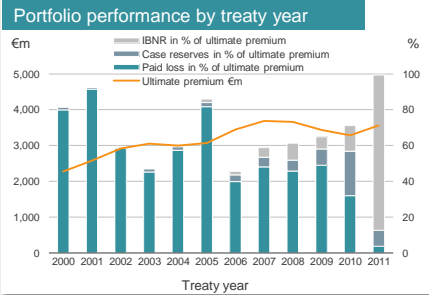
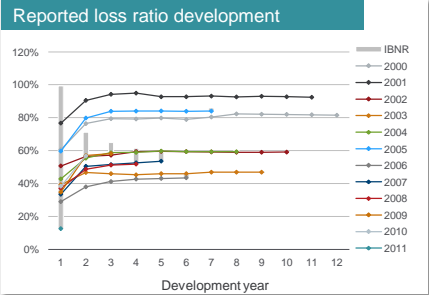
Analysts' Conference 2012 126

Backup: Reserves

Munich Re Munich
Property



Treaty year	Ultimate premium €m	1	2	3	Reported loss ratio in development year								12	Ultimate loss ratio	Paid loss	Case reserves	IBNR
2000	2,275	60.6%	76.4%	79.4%	79.2%	79.8%	78.9%	80.4%	82.3%	82.1%	82.0%	81.8%	81.5%	81.6%	79.9%	1.6%	0.1%
2001	2,573	76.7%	90.5%	94.2%	94.9%	92.7%	92.7%	93.1%	92.6%	93.0%	92.7%	92.4%		92.7%	91.5%	0.9%	0.3%
2002	2,916	50.7%	56.5%	57.2%	59.4%	59.5%	59.4%	59.2%	59.0%	59.0%	59.1%			59.5%	58.4%	0.7%	0.4%
2003	3,053	39.3%	46.7%	46.0%	45.3%	46.0%	46.0%	46.9%	46.9%	46.9%				47.6%	45.1%	1.9%	0.6%
2004	2,998	42.8%	55.4%	58.7%	58.9%	59.7%	59.4%	59.3%	59.3%					60.4%	57.4%	1.9%	1.1%
2005	3,072	59.7%	79.8%	83.9%	84.0%	84.1%	83.9%	84.0%						85.9%	81.6%	2.5%	1.8%
2006	3,449	29.0%	38.0%	41.2%	42.7%	43.1%	43.5%							45.5%	39.9%	3.6%	2.1%
2007	3,685	33.5%	50.5%	51.5%	52.6%	53.6%								58.8%	48.0%	5.5%	5.2%
2008	3,655	37.1%	48.7%	51.2%	51.8%									61.3%	45.7%	6.1%	9.5%
2009	3,435	34.8%	57.0%	58.2%										64.9%	49.0%	9.1%	6.7%
2010	3,288	38.4%	56.8%											71.2%	32.0%	24.8%	14.4%
2011	3,557	12.6%												99.3%	3.7%	8.9%	86.8%



Management view, not fully comparable with IFRS.

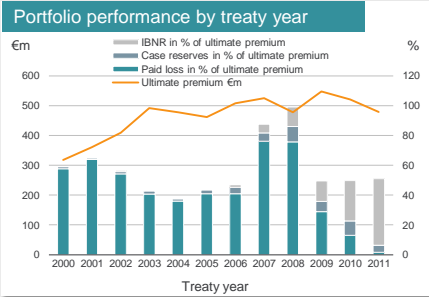
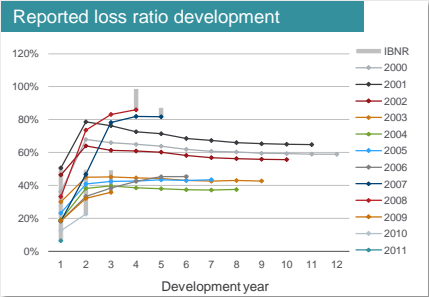
Analysts' Conference 2012 127

Backup: Reserves

Munich Re Munich
Credit



Treaty year	Ultimate premium €m	Reported loss ratio in development year												Ultimate loss ratio	Paid loss	Case reserves	IBNR
		1	2	3	4	5	6	7	8	9	10	11	12				
2000	318	36.3%	67.9%	66.0%	64.9%	63.8%	61.9%	60.7%	60.3%	59.5%	59.3%	59.0%	58.9%	59.0%	57.7%	1.2%	0.0%
2001	361	50.6%	78.6%	76.3%	72.6%	71.4%	68.5%	67.3%	66.0%	65.3%	65.0%	64.8%		64.8%	63.8%	1.0%	0.0%
2002	409	46.4%	64.0%	61.3%	60.9%	60.2%	58.2%	56.9%	56.3%	55.9%	55.7%			56.5%	54.2%	1.5%	0.8%
2003	492	30.0%	45.0%	45.2%	44.6%	44.2%	43.1%	42.6%	43.0%	42.7%				42.8%	40.8%	1.9%	0.0%
2004	478	19.2%	38.2%	39.8%	38.5%	38.0%	37.4%	37.2%	37.5%					37.9%	36.0%	1.5%	0.5%
2005	462	23.2%	40.9%	42.4%	42.7%	43.4%	43.0%	43.5%						44.3%	40.9%	2.6%	0.7%
2006	508	18.4%	33.3%	38.4%	42.5%	45.3%								46.9%	40.9%	4.4%	1.6%
2007	525	18.4%	46.7%	78.2%	81.9%	81.7%								87.5%	76.2%	5.5%	5.8%
2008	478	33.2%	73.6%	83.1%	85.9%									99.1%	75.7%	10.2%	13.1%
2009	548	18.6%	32.1%	35.8%										49.6%	28.8%	7.0%	13.8%
2010	521	12.6%	22.6%											48.7%	12.9%	9.8%	27.0%
2011	479	6.4%												51.1%	1.7%	4.7%	44.7%



Management view, not fully comparable with IFRS.

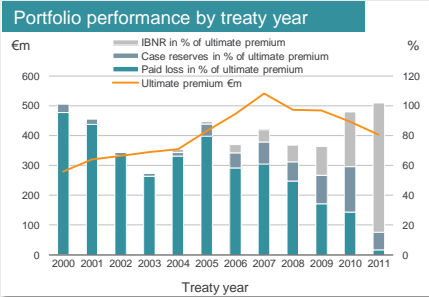
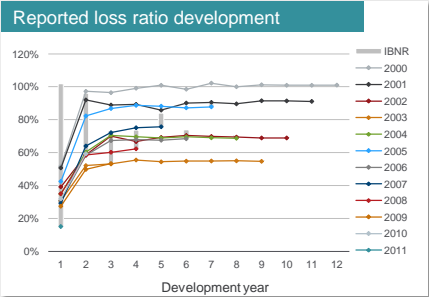
Analysts' Conference 2012 128

Backup: Reserves

Munich Re Munich
Marine



Treaty year	Ultimate premium €m	Reported loss ratio in development year												Ultimate loss ratio	Paid loss	Case reserves	IBNR
		1	2	3	4	5	6	7	8	9	10	11	12				
2000	279	51.7%	97.2%	96.4%	99.1%	100.9%	98.5%	102.2%	100.0%	101.2%	100.9%	100.9%	101.0%	100.9%	95.5%	5.5%	-0.1%
2001	320	50.7%	92.0%	88.9%	89.3%	85.8%	90.1%	90.5%	89.6%	91.5%	91.4%	91.1%		91.6%	87.4%	3.7%	0.5%
2002	332	39.2%	58.5%	70.0%	66.7%	69.2%	70.4%	69.8%	69.4%	68.9%	68.9%			69.1%	66.6%	2.3%	0.2%
2003	345	30.7%	52.1%	53.1%	55.5%	54.4%	54.8%	54.9%	55.0%	54.7%				55.2%	52.7%	2.0%	0.5%
2004	354	34.9%	60.3%	70.5%	69.6%	68.9%	69.6%	69.0%	68.7%					70.8%	66.2%	2.5%	2.1%
2005	415	42.5%	82.3%	86.8%	88.7%	88.2%	87.2%	87.8%						89.5%	79.6%	8.1%	1.7%
2006	472	30.8%	58.4%	67.3%	67.9%	67.5%	68.4%							74.0%	58.2%	10.2%	5.5%
2007	541	29.3%	64.0%	72.1%	75.1%	75.7%								83.9%	60.8%	14.8%	8.3%
2008	486	35.0%	58.5%	60.2%	62.3%									73.6%	49.6%	12.7%	11.3%
2009	484	27.4%	49.8%	53.3%										72.6%	34.3%	19.0%	19.3%
2010	447	31.9%	59.3%											95.9%	28.7%	30.5%	36.7%
2011	403	15.1%												101.9%	3.3%	11.8%	86.8%



Management view, not fully comparable with IFRS.

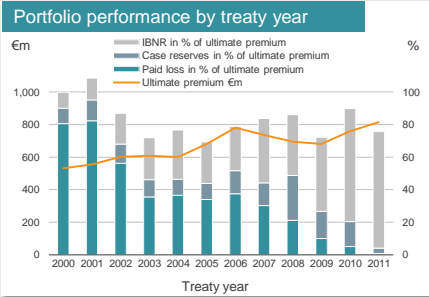
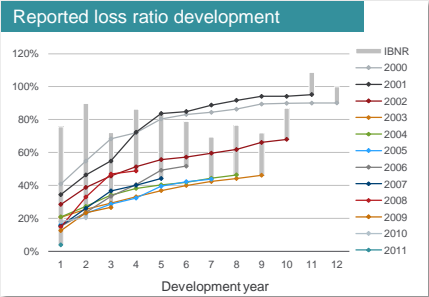
Analysts' Conference 2012 129

Backup: Reserves

Munich Re Munich
Liability – Proportional



Treaty year	Ultimate premium €m	Reported loss ratio in development year												Ultimate loss ratio	Paid loss	Case reserves	IBNR
		1	2	3	4	5	6	7	8	9	10	11	12				
2000	531	40.9%	54.8%	68.3%	71.9%	80.4%	83.1%	84.4%	86.3%	89.4%	89.9%	90.0%	90.1%	99.9%	80.7%	9.4%	9.8%
2001	556	34.4%	46.4%	54.8%	72.3%	83.7%	84.9%	88.8%	91.7%	94.1%	94.1%	95.2%		108.6%	82.3%	12.8%	13.5%
2002	603	28.5%	38.8%	45.7%	51.3%	55.7%	57.2%	59.6%	61.8%	66.1%	68.0%			86.9%	56.3%	11.8%	18.9%
2003	609	20.7%	25.5%	29.3%	33.1%	36.9%	40.0%	42.4%	44.2%	46.2%				72.0%	35.6%	10.6%	25.7%
2004	600	20.9%	27.2%	34.1%	38.2%	40.4%	41.9%	44.4%	46.4%					76.6%	36.5%	9.9%	30.2%
2005	682	16.1%	23.0%	28.7%	32.3%	39.5%	42.3%	43.8%						69.3%	33.9%	9.9%	25.5%
2006	781	15.3%	23.6%	33.4%	40.5%	49.2%	51.7%							78.9%	37.6%	14.1%	27.2%
2007	737	15.5%	26.1%	36.7%	40.1%	44.2%								83.9%	30.3%	13.8%	39.7%
2008	694	14.9%	33.0%	46.9%	48.8%									86.2%	21.1%	27.6%	37.4%
2009	681	12.6%	23.3%	26.6%										72.1%	9.9%	16.7%	45.5%
2010	759	18.1%	20.3%											89.7%	5.0%	15.3%	69.5%
2011	815	3.9%												75.5%	0.7%	3.3%	71.6%



Management view, not fully comparable with IFRS.

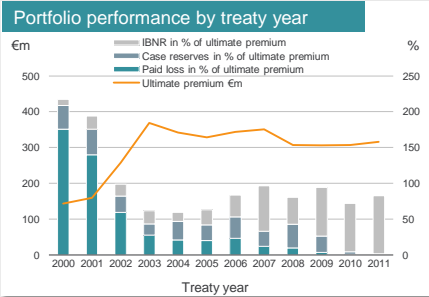
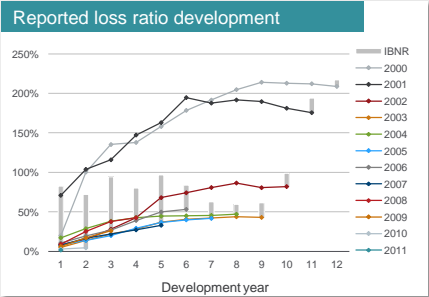
Analysts' Conference 2012 130

Backup: Reserves

Munich Re Munich
Liability – Non-proportional and facultative



Treaty year	Ultimate premium €m	Reported loss ratio in development year												Ultimate loss ratio	Paid loss	Case reserves	IBNR
		1	2	3	4	5	6	7	8	9	10	11	12				
2000	143	20.0%	100.3%	135.2%	137.8%	158.0%	178.4%	191.5%	204.7%	214.0%	212.8%	212.1%	208.7%	217.1%	175.7%	33.0%	8.5%
2001	159	70.9%	103.8%	115.9%	147.2%	162.9%	194.6%	187.6%	191.6%	189.5%	181.1%	175.5%		194.0%	139.7%	35.8%	18.5%
2002	258	8.8%	15.1%	28.1%	42.7%	68.0%	74.1%	80.8%	86.5%	80.6%	82.0%			98.6%	59.2%	22.8%	16.6%
2003	369	5.1%	13.8%	21.9%	28.2%	36.8%	40.8%	42.3%	43.8%	43.0%				61.5%	27.6%	15.4%	18.4%
2004	342	17.2%	28.7%	38.2%	42.7%	44.5%	45.0%	45.5%	47.0%					59.4%	21.0%	25.9%	12.4%
2005	328	8.1%	13.7%	20.0%	29.3%	36.7%	39.9%	41.7%						62.9%	20.1%	21.6%	21.1%
2006	344	10.5%	19.4%	27.0%	39.1%	49.8%	53.1%							83.6%	22.9%	30.1%	30.5%
2007	351	7.9%	16.6%	21.8%	27.2%	33.0%								96.6%	12.1%	20.9%	63.6%
2008	307	9.0%	25.2%	37.6%	42.5%									80.1%	9.7%	32.9%	37.5%
2009	306	6.2%	17.0%	26.0%										94.2%	3.3%	22.7%	68.2%
2010	307	2.8%	4.4%											72.1%	0.8%	3.6%	67.6%
2011	316	1.7%												82.6%	0.4%	1.3%	81.0%



Management view, not fully comparable with IFRS.

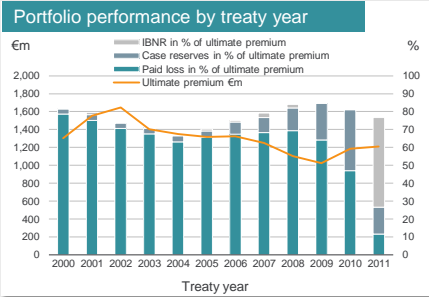
Analysts' Conference 2012 131

Backup: Reserves

Munich Re Munich
Motor – Proportional



Treaty year	Ultimate premium €m	Reported loss ratio in development year												Ultimate loss ratio	Paid loss	Case reserves	IBNR
		1	2	3	4	5	6	7	8	9	10	11	12				
2000	1,304	79.6%	87.8%	86.5%	84.8%	83.6%	83.0%	82.9%	82.5%	82.0%	81.4%	81.3%	81.4%	81.6%	78.6%	2.9%	0.1%
2001	1,554	71.3%	82.6%	81.0%	80.0%	79.4%	79.5%	79.3%	78.7%	78.1%	78.0%	78.2%		79.6%	75.1%	3.1%	1.4%
2002	1,646	65.5%	77.7%	76.3%	75.5%	74.8%	74.4%	73.5%	73.2%	73.2%	73.3%			72.3%	70.6%	2.8%	-1.1%
2003	1,404	61.2%	77.1%	74.7%	73.2%	72.5%	71.1%	70.7%	70.6%	70.7%				71.0%	67.6%	3.1%	0.3%
2004	1,348	62.3%	74.9%	71.4%	69.0%	67.5%	66.6%	66.3%	66.4%					66.7%	63.1%	3.3%	0.3%
2005	1,318	60.8%	78.5%	74.7%	72.2%	70.8%	70.2%	69.0%						70.2%	65.6%	3.5%	1.2%
2006	1,324	60.0%	81.0%	77.6%	75.1%	74.0%	74.2%							75.0%	67.4%	6.8%	0.8%
2007	1,249	61.2%	81.5%	78.9%	76.9%	76.6%								79.1%	68.3%	8.3%	2.5%
2008	1,104	61.5%	87.2%	83.6%	82.0%									84.0%	69.3%	12.7%	2.0%
2009	1,023	58.6%	84.9%	84.6%										82.9%	64.1%	20.5%	-1.7%
2010	1,186	51.8%	80.9%											79.3%	46.9%	34.0%	-1.7%
2011	1,209	26.6%												76.7%	11.6%	15.0%	50.1%



Management view, not fully comparable with IFRS.

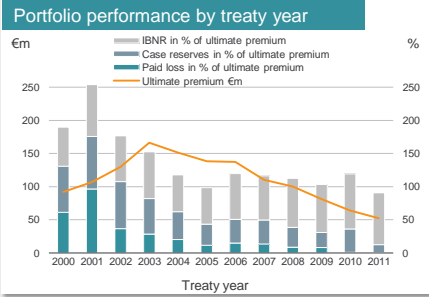
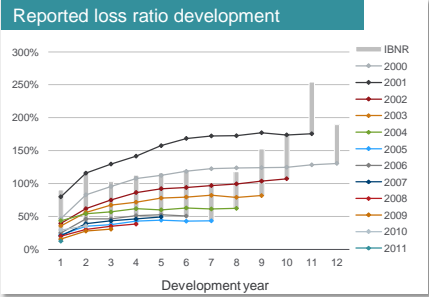
Analysts' Conference 2012 132

Backup: Reserves

Munich Re Munich
Motor – Non-proportional and facultative



Treaty year	Ultimate premium €m	Reported loss ratio in development year												Ultimate loss ratio	Paid loss	Case reserves	IBNR
		1	2	3	4	5	6	7	8	9	10	11	12				
2000	92	46.8%	82.9%	95.5%	107.8%	112.3%	118.5%	122.5%	123.8%	124.2%	124.8%	128.4%	130.6%	189.5%	61.1%	69.5%	58.9%
2001	107	79.9%	115.8%	129.6%	141.6%	157.5%	168.5%	172.3%	172.6%	177.2%	173.9%	175.6%		253.8%	96.6%	78.9%	78.3%
2002	130	39.4%	61.8%	74.9%	86.4%	92.2%	94.0%	97.0%	99.5%	103.7%	107.3%			176.5%	36.6%	70.7%	69.1%
2003	166	35.7%	56.2%	67.2%	71.7%	77.9%	79.5%	82.1%	79.1%	81.7%				152.6%	28.4%	53.3%	70.9%
2004	151	43.6%	54.2%	56.8%	61.9%	60.1%	62.9%	61.4%	62.3%					117.8%	20.2%	42.0%	55.5%
2005	138	21.9%	35.0%	37.7%	43.1%	44.4%	42.9%	43.4%						98.1%	11.4%	32.1%	54.6%
2006	137	25.1%	46.2%	46.5%	51.2%	52.5%	50.6%							119.6%	14.6%	36.0%	69.0%
2007	110	20.7%	39.1%	43.5%	46.1%	49.4%								116.2%	13.4%	36.0%	66.9%
2008	100	20.2%	30.3%	35.1%	38.4%									112.5%	8.5%	29.9%	74.1%
2009	81	15.5%	27.8%	30.7%										102.9%	7.8%	23.0%	72.2%
2010	64	29.5%	35.8%											119.2%	1.0%	34.8%	83.4%
2011	52	12.5%												90.4%	0.5%	12.0%	77.9%



Management view, not fully comparable with IFRS.

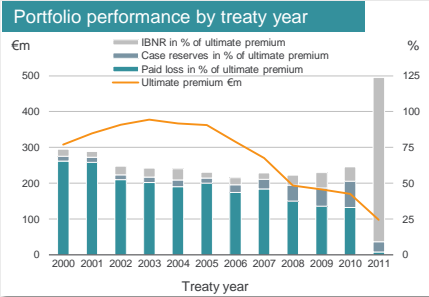
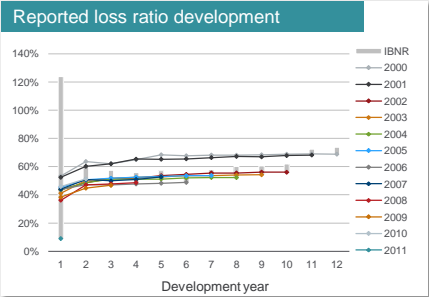
Analysts' Conference 2012 133

Backup: Reserves

Munich Re Munich
Personal accident and workers' compensation



Treaty year	Ultimate premium €m	Reported loss ratio in development year												Ultimate loss ratio	Paid loss	Case reserves	IBNR
		1	2	3	4	5	6	7	8	9	10	11	12				
2000	308	53.3%	63.6%	62.1%	65.0%	68.4%	67.7%	68.2%	68.1%	68.4%	68.8%	69.0%	68.8%	73.8%	65.4%	3.4%	4.9%
2001	339	52.4%	60.2%	62.0%	65.3%	65.2%	65.5%	66.4%	67.2%	66.9%	67.8%	68.2%		72.2%	64.5%	3.7%	4.0%
2002	363	43.7%	48.7%	51.6%	51.8%	53.6%	54.5%	55.5%	55.5%	56.1%	56.0%			61.8%	52.4%	3.5%	5.9%
2003	378	41.1%	50.2%	51.6%	52.5%	52.8%	53.6%	53.7%	54.0%	54.2%				60.5%	50.4%	3.8%	6.4%
2004	367	43.6%	48.5%	51.2%	51.0%	51.2%	52.0%	52.3%	52.2%					60.0%	47.5%	4.7%	7.8%
2005	362	45.4%	50.6%	51.7%	52.5%	52.9%	53.5%	53.7%						57.8%	49.9%	3.7%	4.1%
2006	316	43.9%	47.2%	47.0%	47.7%	48.2%	48.8%							53.8%	43.5%	5.3%	5.0%
2007	270	44.0%	50.9%	49.9%	50.9%	52.7%								57.1%	45.9%	6.8%	4.4%
2008	193	36.2%	47.1%	47.8%	48.7%									55.7%	37.5%	11.1%	7.0%
2009	183	38.3%	44.7%	46.7%										57.4%	33.9%	12.8%	10.6%
2010	170	45.9%	51.3%											61.5%	33.0%	18.3%	10.2%
2011	98	9.0%												123.8%	2.0%	7.0%	114.8%



Management view, not fully comparable with IFRS.

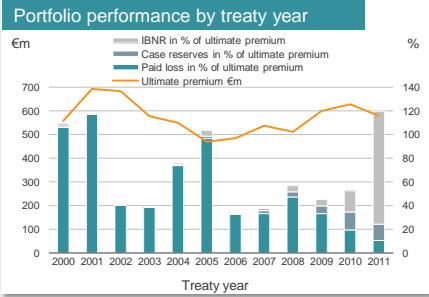
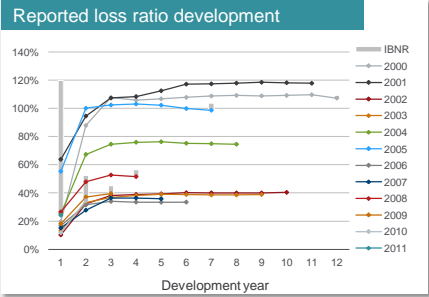
Analysts' Conference 2012 134

Backup: Reserves

Munich Re America
Property



Treaty year	Ultimate premium €m	Reported loss ratio in development year												Ultimate loss ratio	Paid loss	Case reserves	IBNR
		1	2	3	4	5	6	7	8	9	10	11	12				
2000	558	19.8%	87.8%	107.5%	105.7%	106.7%	107.7%	108.7%	109.1%	108.8%	109.1%	109.6%	107.2%	109.1%	106.1%	1.1%	1.9%
2001	693	63.8%	94.5%	107.3%	108.3%	112.4%	117.1%	117.3%	117.8%	118.4%	118.1%	117.7%		118.5%	117.2%	0.5%	0.8%
2002	684	10.3%	32.2%	38.2%	38.9%	39.4%	40.2%	40.1%	40.0%	40.0%	40.4%			40.4%	40.1%	0.3%	0.0%
2003	578	13.3%	33.1%	36.8%	38.2%	39.0%	38.9%	38.6%	38.6%	38.9%				38.5%	38.6%	0.3%	-0.3%
2004	549	25.2%	67.3%	74.5%	75.9%	76.3%	75.2%	74.9%	74.5%					75.9%	73.7%	0.8%	1.5%
2005	470	55.3%	100.0%	102.3%	103.0%	102.2%	99.8%	98.6%						103.7%	96.8%	1.8%	5.0%
2006	485	16.9%	31.5%	34.0%	33.5%	33.4%	33.5%							33.7%	32.6%	0.9%	0.2%
2007	538	15.2%	27.8%	36.4%	36.4%	35.8%								37.6%	33.1%	2.6%	1.9%
2008	511	26.6%	47.9%	52.7%	51.6%									56.6%	47.2%	4.5%	4.9%
2009	599	18.2%	37.1%	39.6%										45.0%	33.1%	6.5%	5.5%
2010	628	11.8%	34.5%											52.4%	19.5%	15.1%	17.8%
2011	579	24.2%												119.7%	10.4%	13.8%	95.6%



Management view, not fully comparable with IFRS.

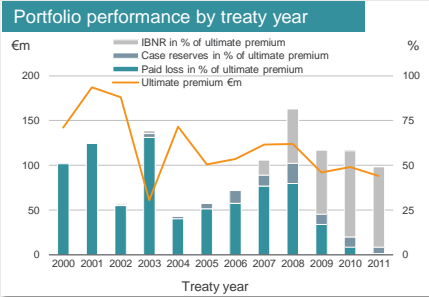
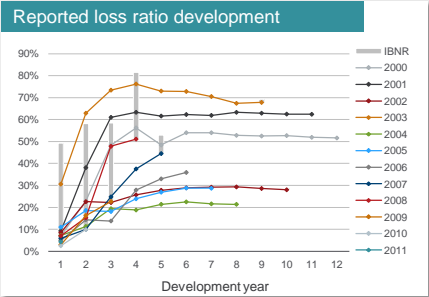
Analysts' Conference 2012 135

Backup: Reserves

Munich Re America
Credit



Treaty year	Ultimate premium €m	Reported loss ratio in development year												Ultimate loss ratio	Paid loss	Case reserves	IBNR
		1	2	3	4	5	6	7	8	9	10	11	12				
2000	142	7.0%	22.9%	48.3%	56.2%	48.4%	54.0%	54.0%	52.8%	52.5%	52.7%	51.9%	51.6%	52.0%	51.0%	0.6%	0.4%
2001	187	9.3%	38.1%	61.0%	63.3%	61.6%	62.3%	61.9%	63.3%	62.9%	62.5%	62.4%		62.6%	62.2%	0.2%	0.2%
2002	176	8.5%	22.6%	22.2%	25.7%	27.8%	28.9%	29.2%	29.3%	28.6%	28.0%			28.7%	27.4%	0.5%	0.7%
2003	61	30.6%	62.9%	73.4%	76.2%	73.0%	72.8%	70.5%	67.4%	67.8%				69.3%	65.6%	2.2%	1.5%
2004	143	7.2%	11.3%	19.4%	18.8%	21.4%	22.5%	21.6%	21.4%					21.3%	20.2%	1.2%	-0.1%
2005	101	11.0%	18.6%	18.1%	23.9%	26.9%	28.8%	28.7%						29.1%	25.7%	3.0%	0.4%
2006	107	4.9%	14.4%	13.8%	27.9%	33.0%	35.9%							36.4%	28.8%	7.1%	0.5%
2007	123	5.9%	10.0%	24.8%	37.5%	44.5%								52.9%	38.4%	6.0%	8.4%
2008	124	7.0%	15.3%	47.8%	51.1%									81.5%	39.8%	11.3%	30.4%
2009	92	3.0%	16.3%	22.7%										58.5%	16.9%	5.8%	35.8%
2010	98	2.5%	9.9%											58.1%	4.2%	5.7%	48.2%
2011	88	4.3%												49.2%	0.7%	3.6%	44.9%



Management view, not fully comparable with IFRS.

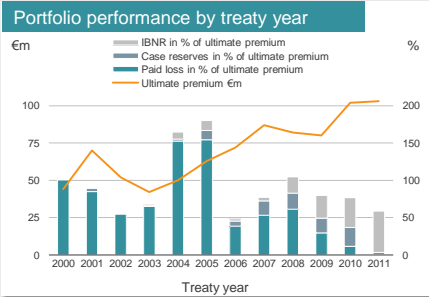
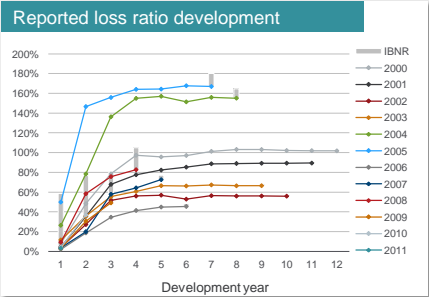
Analysts' Conference 2012 136

Backup: Reserves

Munich Re America
Marine



Treaty year	Ultimate premium €m	Reported loss ratio in development year												Ultimate loss ratio	Paid loss	Case reserves	IBNR
		1	2	3	4	5	6	7	8	9	10	11	12				
2000	44	8.2%	48.3%	78.4%	97.3%	95.6%	97.1%	101.3%	103.2%	103.1%	102.1%	102.0%	101.8%	102.3%	100.8%	0.9%	0.5%
2001	70	4.4%	35.5%	67.8%	77.6%	82.3%	85.3%	88.7%	89.0%	89.2%	89.3%	89.4%		88.6%	84.4%	4.5%	0.2%
2002	52	3.9%	27.2%	51.6%	56.0%	56.9%	52.9%	56.4%	56.0%	56.1%	55.9%			56.7%	54.8%	1.1%	0.9%
2003	42	11.6%	35.9%	55.4%	60.7%	66.5%	66.2%	67.3%	66.4%	66.5%				68.1%	65.3%	1.2%	1.6%
2004	50	26.4%	78.4%	136.3%	154.9%	157.0%	151.4%	155.9%	155.1%					164.5%	152.8%	2.3%	9.4%
2005	63	49.9%	146.6%	155.8%	164.0%	164.3%	167.7%	166.9%						180.2%	154.6%	12.3%	13.3%
2006	72	2.2%	18.7%	34.6%	41.4%	44.9%	45.5%							48.3%	38.4%	7.1%	2.8%
2007	87	3.7%	20.0%	57.8%	64.3%	72.6%								76.9%	53.2%	19.4%	4.3%
2008	82	9.3%	58.4%	75.7%	82.7%									104.8%	61.3%	21.3%	22.1%
2009	80	3.2%	30.6%	49.1%										79.8%	29.5%	19.6%	30.7%
2010	102	4.1%	36.9%											76.5%	11.4%	25.4%	39.7%
2011	103	3.2%												58.5%	0.1%	3.0%	55.4%



Management view, not fully comparable with IFRS.

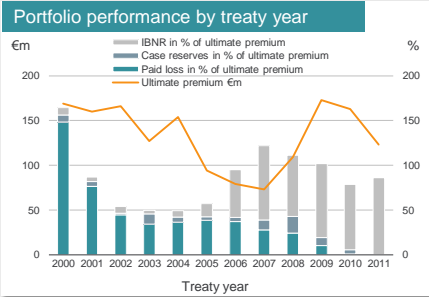
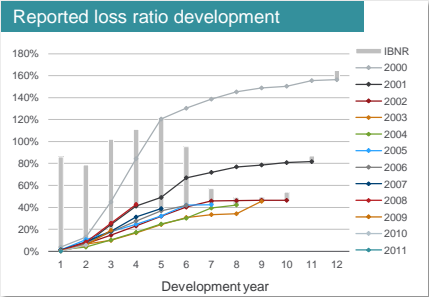
Analysts' Conference 2012 137

Backup: Reserves

Munich Re America
Liability – Proportional



Treaty year	Ultimate premium €m	Reported loss ratio in development year												Ultimate loss ratio	Paid loss	Case reserves	IBNR
		1	2	3	4	5	6	7	8	9	10	11	12				
2000	169	3.8%	13.0%	44.9%	84.4%	120.5%	130.3%	138.6%	145.2%	148.8%	150.4%	155.5%	156.3%	164.6%	148.5%	7.8%	8.3%
2001	160	0.7%	6.8%	24.2%	41.1%	49.0%	67.0%	71.9%	76.9%	78.6%	80.8%	81.7%		86.7%	76.4%	5.3%	5.0%
2002	166	0.6%	6.9%	14.6%	23.0%	31.9%	40.2%	45.8%	46.1%	46.5%	46.4%			53.9%	44.6%	1.8%	7.5%
2003	127	0.4%	6.5%	9.9%	16.8%	24.4%	30.8%	33.4%	34.2%	45.5%				49.6%	34.1%	11.4%	4.1%
2004	154	1.5%	3.8%	10.3%	17.2%	24.8%	30.1%	39.4%	42.2%					49.3%	36.2%	6.0%	7.1%
2005	94	1.4%	10.7%	17.8%	24.7%	32.1%	42.1%	42.5%						57.2%	38.5%	4.0%	14.7%
2006	79	0.7%	7.5%	17.7%	27.6%	36.8%	41.9%							95.3%	37.2%	4.6%	53.4%
2007	73	1.2%	8.5%	18.2%	31.2%	38.9%								121.9%	27.9%	11.0%	83.0%
2008	109	0.6%	8.3%	25.5%	42.7%									111.0%	24.3%	18.4%	66.3%
2009	173	0.3%	5.4%	19.1%										101.9%	10.3%	8.8%	82.8%
2010	163	0.2%	5.6%											78.8%	1.1%	4.5%	73.1%
2011	123	0.1%												86.0%	0.0%	0.1%	85.9%



Management view, not fully comparable with IFRS.

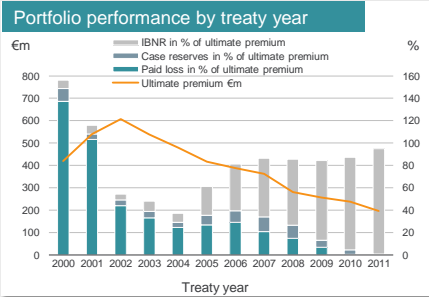
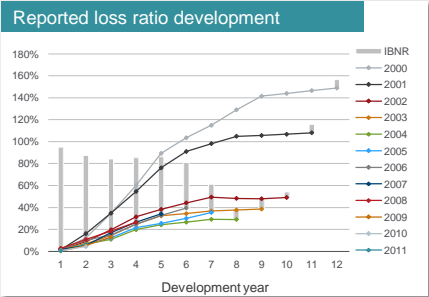
Analysts' Conference 2012 138

Backup: Reserves

Munich Re America
Liability – Non-proportional and facultative



Treaty year	Ultimate premium €m	Reported loss ratio in development year												Ultimate loss ratio	Paid loss	Case reserves	IBNR
		1	2	3	4	5	6	7	8	9	10	11	12				
2000	419	1.1%	12.2%	34.5%	60.2%	89.3%	103.5%	114.9%	129.0%	141.4%	143.9%	146.5%	148.8%	156.3%	137.3%	11.4%	7.6%
2001	539	1.5%	16.2%	34.8%	54.6%	76.1%	91.0%	98.2%	104.9%	105.6%	106.7%	108.1%		115.8%	103.3%	4.8%	7.7%
2002	607	1.9%	8.9%	19.7%	31.5%	38.3%	44.2%	49.5%	48.3%	48.0%	49.1%			54.3%	44.1%	5.0%	5.2%
2003	538	2.2%	7.2%	14.5%	25.0%	32.4%	34.4%	36.8%	37.7%	38.6%				47.8%	33.2%	5.5%	9.2%
2004	480	0.8%	6.9%	11.0%	19.8%	24.2%	26.6%	29.2%	29.1%					37.2%	24.5%	4.5%	8.2%
2005	416	0.7%	6.1%	12.2%	21.7%	25.5%	30.0%	35.5%						61.1%	26.8%	8.7%	25.7%
2006	388	2.0%	10.0%	15.1%	24.5%	32.8%	39.5%							81.0%	29.1%	10.4%	41.6%
2007	362	1.9%	5.3%	17.0%	26.7%	34.1%								86.4%	20.8%	13.2%	52.3%
2008	281	2.8%	10.8%	18.4%	26.5%									85.4%	14.9%	11.6%	58.9%
2009	256	0.5%	5.2%	13.0%										84.2%	6.7%	6.3%	71.2%
2010	237	0.8%	4.4%											87.3%	0.5%	3.9%	82.9%
2011	196	0.6%												94.9%	0.0%	0.6%	94.3%



Management view, not fully comparable with IFRS.

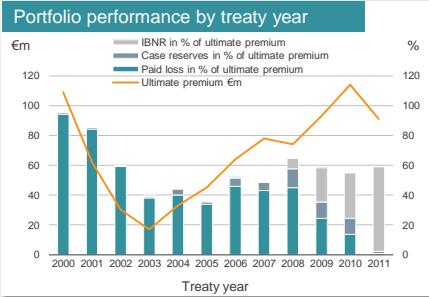
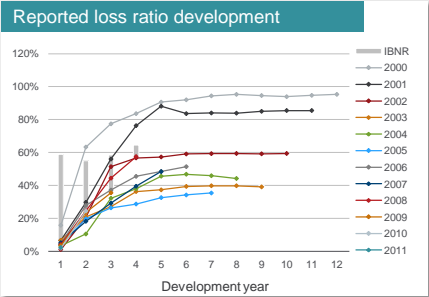
Analysts' Conference 2012 139

Backup: Reserves

Munich Re America
Motor – Proportional



Treaty year	Ultimate premium €m	Reported loss ratio in development year												Ultimate loss ratio	Paid loss	Case reserves	IBNR
		1	2	3	4	5	6	7	8	9	10	11	12				
2000	109	15.8%	63.3%	77.4%	83.6%	90.6%	92.0%	94.4%	95.3%	94.6%	93.9%	94.7%	95.3%	95.0%	94.1%	1.1%	-0.3%
2001	62	6.6%	29.7%	56.0%	76.3%	88.1%	83.6%	84.0%	83.9%	85.0%	85.5%	85.5%		85.8%	84.3%	1.2%	0.3%
2002	30	1.1%	20.7%	51.4%	56.7%	57.3%	59.1%	59.3%	59.4%	59.2%	59.4%			59.5%	59.1%	0.3%	0.1%
2003	17	6.6%	20.8%	27.0%	36.3%	37.3%	39.4%	39.8%	39.8%	39.1%				40.0%	38.2%	0.8%	1.0%
2004	33	3.4%	10.5%	32.2%	38.0%	45.6%	46.8%	45.9%	44.2%					44.4%	40.0%	4.1%	0.2%
2005	45	4.4%	19.7%	26.4%	28.7%	32.6%	34.2%	35.4%						34.6%	33.9%	1.4%	-0.7%
2006	64	4.5%	27.6%	37.2%	45.5%	48.5%	51.4%							52.3%	45.9%	5.5%	0.9%
2007	78	5.2%	18.2%	29.2%	39.5%	48.4%								48.8%	43.0%	5.4%	0.5%
2008	74	4.1%	24.6%	44.4%	57.5%									64.5%	44.9%	12.7%	7.0%
2009	93	3.4%	23.5%	35.5%										58.4%	24.4%	11.0%	22.9%
2010	114	1.9%	24.5%											55.0%	13.7%	10.7%	30.5%
2011	91	2.3%												58.9%	0.7%	1.6%	56.6%



Management view, not fully comparable with IFRS.

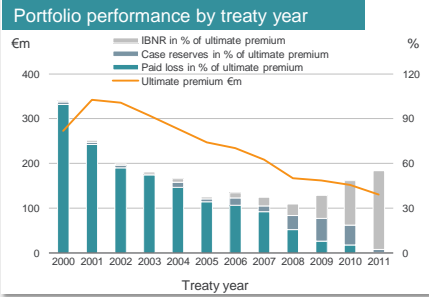
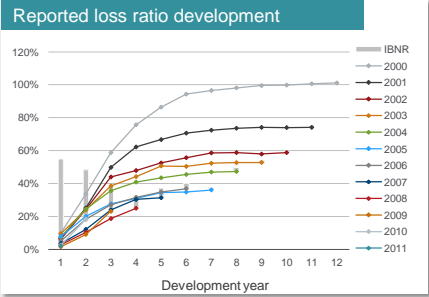
Analysts' Conference 2012 140

Backup: Reserves

Munich Re America
Motor – Non-proportional and facultative



Treaty year	Ultimate premium €m	Reported loss ratio in development year												Ultimate loss ratio	Paid loss	Case reserves	IBNR
		1	2	3	4	5	6	7	8	9	10	11	12				
2000	273	9.9%	33.7%	58.8%	75.7%	86.4%	94.3%	96.5%	98.1%	99.5%	99.8%	100.6%	101.1%	102.2%	99.5%	1.7%	1.0%
2001	342	6.8%	25.2%	49.8%	62.2%	66.7%	70.6%	72.4%	73.6%	74.1%	74.0%	74.1%		75.4%	72.7%	1.4%	1.3%
2002	336	6.3%	24.4%	44.0%	47.9%	52.5%	55.7%	58.6%	58.8%	57.9%	58.8%			59.7%	57.1%	1.6%	0.9%
2003	307	9.5%	24.0%	38.5%	44.2%	50.7%	50.4%	52.3%	52.7%	52.8%				54.2%	52.2%	0.6%	1.4%
2004	277	7.4%	24.5%	35.6%	40.9%	43.5%	45.5%	47.0%	47.3%					49.8%	43.9%	3.4%	2.5%
2005	247	7.9%	20.0%	27.7%	30.9%	34.5%	34.8%	36.1%						37.5%	34.2%	1.9%	1.4%
2006	234	5.2%	18.3%	27.1%	31.6%	34.8%	36.9%							40.3%	31.9%	5.0%	3.4%
2007	208	3.6%	12.2%	24.0%	30.3%	31.4%								37.2%	27.7%	3.8%	5.8%
2008	167	2.7%	10.4%	18.7%	25.0%									32.7%	15.5%	9.5%	7.7%
2009	162	1.6%	9.1%	23.1%										38.4%	7.8%	15.4%	15.3%
2010	152	2.6%	18.4%											48.3%	5.2%	13.3%	29.9%
2011	130	2.2%												54.9%	0.1%	2.1%	52.8%



Management view, not fully comparable with IFRS.

Analysts' Conference 2012 141

Backup: Reserves

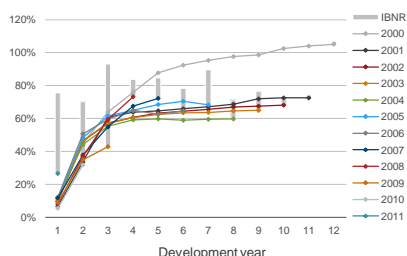
Munich Re America

Workers' compensation – Proportional

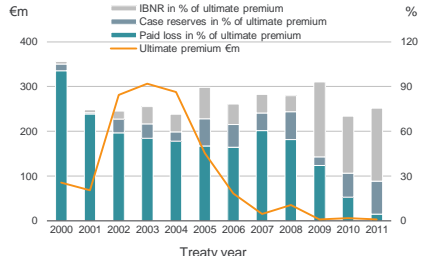


Treaty year	Ultimate premium €m	Reported loss ratio in development year												Ultimate loss ratio	Paid loss	Case reserves	IBNR
		1	2	3	4	5	6	7	8	9	10	11	12				
2000	85	11.2%	44.7%	63.9%	75.8%	87.7%	92.4%	95.3%	97.6%	98.6%	102.5%	104.0%	105.1%	106.8%	100.7%	4.4%	1.8%
2001	68	6.6%	33.6%	60.7%	63.8%	64.7%	65.9%	67.2%	68.6%	71.9%	72.5%			74.3%	71.7%	0.8%	1.8%
2002	281	9.8%	46.4%	57.0%	60.7%	63.3%	64.4%	65.5%	67.0%	67.5%	68.1%			73.5%	58.9%	9.2%	5.4%
2003	306	9.6%	46.4%	57.5%	60.6%	62.5%	63.5%	63.7%	64.6%	64.9%				76.7%	55.3%	9.6%	11.7%
2004	288	11.3%	44.1%	55.3%	59.2%	59.8%	58.9%	59.5%	59.7%					71.4%	53.3%	6.4%	11.7%
2005	151	11.7%	48.2%	61.5%	64.9%	68.5%	70.5%	68.3%						89.5%	50.2%	18.1%	21.2%
2006	61	12.3%	50.6%	59.5%	64.9%	62.6%	64.7%							78.4%	49.2%	15.4%	13.7%
2007	15	11.7%	37.8%	54.8%	67.5%	72.2%								84.7%	60.5%	11.7%	12.5%
2008	35	8.0%	37.0%	59.3%	73.2%									83.8%	54.5%	18.7%	10.6%
2009	3	9.0%	34.9%	42.9%										93.0%	37.0%	5.9%	50.1%
2010	6	5.5%	31.8%											70.2%	15.7%	16.1%	38.4%
2011	3	26.6%												75.5%	4.5%	22.1%	48.9%

Reported loss ratio development



Portfolio performance by treaty year



Management view, not fully comparable with IFRS.

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Backup: Reserves

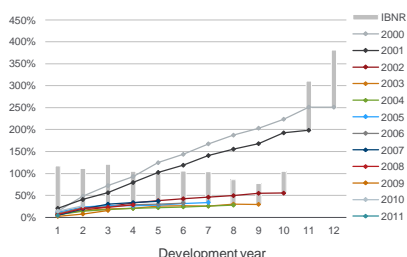
Munich Re America

Workers' compensation – Non-proportional and facultative

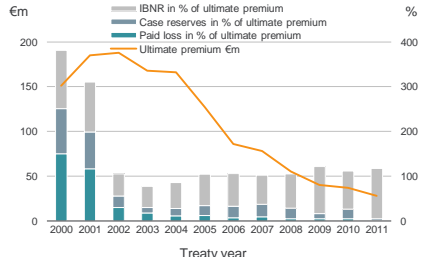


Treaty year	Ultimate premium €m	Reported loss ratio in development year												Ultimate loss ratio	Paid loss	Case reserves	IBNR
		1	2	3	4	5	6	7	8	9	10	11	12				
2000	151	13.8%	48.3%	72.4%	93.1%	124.6%	143.6%	167.5%	187.3%	203.2%	223.6%	251.2%	251.0%	381.5%	149.7%	101.2%	130.5%
2001	185	20.7%	40.7%	56.1%	79.4%	102.4%	118.8%	140.8%	155.5%	167.9%	192.5%	198.4%		310.2%	116.5%	81.9%	111.8%
2002	188	6.6%	15.3%	24.6%	32.8%	38.2%	42.4%	46.1%	49.5%	54.9%	55.3%			104.7%	30.0%	25.3%	49.4%
2003	168	9.9%	15.5%	19.4%	20.8%	25.4%	26.2%	26.0%	30.2%	29.7%				77.3%	17.5%	12.2%	47.6%
2004	166	6.0%	13.8%	17.9%	20.3%	22.1%	23.9%	25.5%	27.9%					85.6%	10.8%	17.1%	57.7%
2005	127	11.6%	23.3%	27.3%	26.2%	27.9%	31.9%	34.0%						104.1%	11.9%	22.1%	70.1%
2006	86	9.3%	21.9%	24.1%	28.3%	29.9%	32.6%							105.8%	7.1%	25.5%	73.2%
2007	78	4.3%	19.1%	30.1%	33.6%	36.8%								101.6%	8.8%	28.1%	64.8%
2008	55	6.7%	20.7%	22.9%	28.6%									105.2%	4.7%	23.9%	76.6%
2009	40	2.3%	7.7%	15.9%										121.0%	4.4%	11.6%	105.1%
2010	37	14.2%	26.3%											111.6%	5.0%	21.3%	85.3%
2011	28	4.4%												117.1%	0.2%	4.2%	112.7%

Reported loss ratio development



Portfolio performance by treaty year



Management view, not fully comparable with IFRS.

Analysts' Conference 2012 143

Backup: Reserves

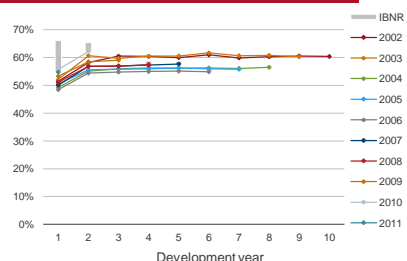
ERGO

Property-casualty

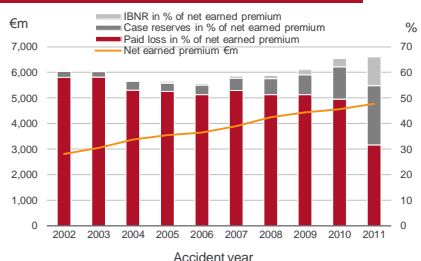
Munich RE

Acc. year	Net earned premium €m	Reported loss ratio in development year										Ultimate loss ratio	Paid loss	Case reserves	IBNR
		1	2	3	4	5	6	7	8	9	10				
2002	2,809	51.5%	58.2%	60.5%	60.4%	60.0%	61.0%	59.9%	60.3%	60.6%	60.4%	60.7%	58.1%	2.3%	0.3%
2003	3,046	52.1%	60.7%	59.7%	60.5%	60.6%	61.7%	60.7%	60.8%	60.3%		60.6%	58.2%	2.1%	0.3%
2004	3,370	49.3%	55.1%	56.0%	56.3%	56.2%	56.3%	56.1%	56.5%			56.9%	53.0%	3.5%	0.4%
2005	3,543	50.5%	55.6%	55.8%	55.9%	56.3%	55.9%	55.8%				56.3%	52.5%	3.3%	0.5%
2006	3,645	48.5%	54.4%	54.8%	55.0%	55.1%	54.9%					55.6%	51.3%	3.7%	0.7%
2007	3,892	50.1%	56.9%	57.0%	57.3%	57.7%						58.6%	52.9%	4.8%	0.9%
2008	4,246	51.1%	56.9%	56.9%	57.5%							58.8%	51.3%	6.2%	1.3%
2009	4,435	53.3%	58.5%	59.1%								61.1%	51.3%	7.8%	2.0%
2010	4,554	55.7%	62.2%									65.5%	49.5%	12.7%	3.3%
2011	4,771	54.8%										66.2%	31.6%	23.2%	11.3%

Reported loss ratio development



Portfolio performance by accident year



Management view, not fully comparable with IFRS.

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Backup: Reserves

Asbestos and environmental
Survival ratio 31 December 2011

Munich RE

Munich Re Group – Net definitive as at 31 December 2011

€m

	Asbestos	Environmental	Total
Paid	1,915	737	2,652
Case reserves	616	120	736
IBNR	860	213	1,073
Total reserves	1,476	333	1,809
3-year average annual paid losses	155	36	191
Survival ratio 3-year average	9.5	9.3	9.5

Non-€ currencies converted at rate of exchange year-end 2011.
Management view, not fully comparable with IFRS.

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Backup



Additional segmental information

Investments

Risk management

Reserves

MCEV

Shareholder information

Backup: Market Consistent Embedded Value 2011

Methods



Methods

- Since 2009, the valuation of the embedded value of Munich Re has been based on the 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 reference rate on the projected risk capital.

Backup: Market Consistent Embedded Value 2011

Sensitivities of MCEV

Munich RE 

€m	Reinsurance			Primary insurance		
	MCEV	Change in €m	Change in %	MCEV	Change in €m	Change in %
Base case	9,992			875		
Interest rates –100bp	10,223	230	2.3	–3,134	–4,009	–458.2
Interest rates +100bp	9,655	–337	–3.4	3,244	2,369	270.8
Equity/property values –10%	9,975	–17	–0.2	665	–210	–24.0
Equity/property-implied volatilities +25%	9,969	–23	–0.2	730	–145	–16.6
Swaption-implied volatilities +25%	9,983	–10	–0.1	404	–470	–53.8
Liquidity premium 10bp	10,032	39	0.4	1,549	674	77.1
Maintenance expenses –10%	10,096	103	1.0	981	106	12.1
Lapse rates –10%	10,724	732	7.3	760	–115	–13.1
Lapse rates +10%	9,422	–570	–5.7	986	112	12.7
Mortality/morbidity (life business) –5%	11,892	1,899	19.0	1,010	135	15.4
Mortality (annuity business) –5%	9,939	–53	–0.5	689	–186	–21.3
No mortality improvements (life business)	5,182	–4,810	–48.1	875	0	0.0

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Backup: Market Consistent Embedded Value 2011

Sensitivities of value of new business

Munich RE 

€m	Reinsurance			Primary insurance		
	VNB	Change in €m	Change in %	VNB	Change in €m	Change in %
Base case	643			37		
Interest rates –100bp	713	70	10.9	–194	–231	–620.8
Interest rates +100bp	584	–60	–9.3	156	119	319.9
Equity/property values –10%	643	0	0.0	33	–4	–11.1
Equity/property-implied volatilities +25%	643	0	0.0	25	–13	–33.9
Swaption-implied volatilities +25%	643	0	0.0	5	–32	–86.9
Liquidity premium 10bp	638	–5	–0.8	45	8	22.1
Maintenance expenses –10%	653	10	1.5	41	4	10.0
Lapse rates –10%	733	90	14.0	35	–2	–5.9
Lapse rates +10%	575	–68	–10.6	39	1	3.7
Mortality/morbidity (life business) –5%	769	126	19.6	46	9	23.3
Mortality (annuity business) –5%	667	24	3.8	30	–7	–18.8
No mortality improvements (life business)	314	–329	–51.2	37	0	0.0

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Backup: Market Consistent Embedded Value 2011

IFRS uplift

Munich RE 

Reinsurance	
31.12.2010	€m
■ Value not recognised in IFRS equity (IFRS uplift)	
IFRS equity	4,772
MCEV	8,284
	3,512

31.12.2011	€m
IFRS equity	6,224
MCEV	9,992
	3,769

Primary insurance	
31.12.2010	€m
■ Value not recognised in IFRS equity (IFRS uplift)	
IFRS equity	3,773
MCEV	4,108
	336

31.12.2011	€m
IFRS equity	3,554
MCEV	875
	-2,679

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Backup: Market Consistent Embedded Value 2011

MCEV result 2011

Munich RE 

Primary insurance – German life		€m
MCEV 31.12.2010	1,010	
Opening adjustments	0	
Adjusted MCEV 31.12.2010	1,010	
Value of new business	-76	
Expected return	185	
Experience variances	327	
Assumption changes	26	
Other operating variance	183	
Operating MCEV earnings 2011	646	
Economic variances	-3,266	
Other non-operating variance	0	
Total MCEV earnings 2011	-2,620	
Closing adjustments	-23	
MCEV 31.12.2011	-1,633	

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



Backup: Market Consistent Embedded Value 2011

MCEV result 2011

Munich RE 

Primary insurance – International life

€m

MCEV 31.12.2010	1,365	
Opening adjustments	–3	
Adjusted MCEV 31.12.2010	1,363	
Value of new business	63	
Expected return	31	
Experience variances	–46	
Assumption changes	–1	
Other operating variance	77	
Operating MCEV earnings 2011	125	
Economic variances	–583	
Other non-operating variance	–36	
Total MCEV earnings 2011	–495	
Closing adjustments	–107	
MCEV 31.12.2011	761	

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







Backup: Market Consistent Embedded Value 2011

MCEV result 2011

Munich RE 

Primary insurance – Health

€m

MCEV 31.12.2010	1,733	
Opening adjustments	0	
Adjusted MCEV 31.12.2010	1,733	
Value of new business	50	
Expected return	66	
Experience variances	75	
Assumption changes	310	
Other operating variance	45	
Operating MCEV earnings 2011	547	
Economic variances	–410	
Other non-operating variance	0	
Total MCEV earnings 2011	137	
Closing adjustments	–123	
MCEV 31.12.2011	1,747	

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Backup



Additional segmental information

Investments

Risk management

Reserves

MCEV

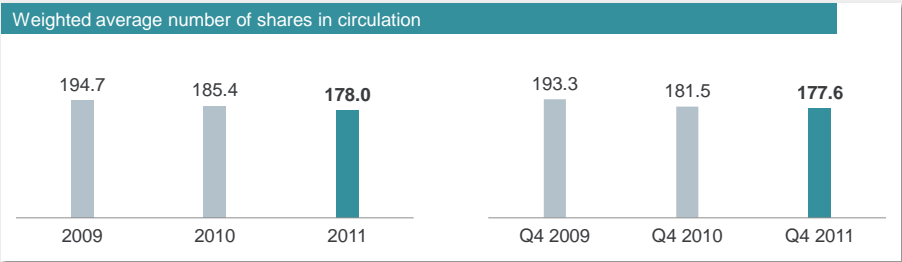
Shareholder information

Backup: Shareholder information

Development of shares in circulation



Shares millions	31.12.2010	Acquisition of own shares in 2011	Retirement of own shares in 2011	31.12.2011
Shares in circulation	180.4	-2.8	-	177.6
Own shares held	8.1	2.8	-9.2	1.7
Total	188.5	-	-9.2	179.3



FINANCIAL CALENDAR	
29 March 2012	Morgan Stanley "2012 European Financials Conference", London
26 April 2012	Annual General Meeting, Munich
27 April 2012	Dividend payment
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

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