DELIVERING GROWTH IN BOTTOM-LINE RESULTS

ANALYSTS' CONFERENCE 2013

London, 13 March 2013

Munich RE

Agenda

Munich RE

Delivering on our promise – Strong position for successful business development

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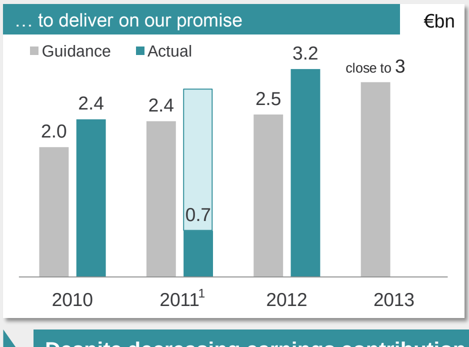
Focus on mastering industry challenges …

Managing the low-yield environment	Active capital management	Strengthening operational profitability

… to deliver on our promise €bn



Main drivers of future earnings growth

Reinsurance – Solid profitability

Non-life: Expansion of know-how-intensive business, active portfolio and cycle management and strong reserving position

Life: Producing steady results above market average – focused approach paying off

Primary insurance – Delivering on plan

Life: Proactive management of back book and launch of less interest-rate-prone products

International: Back to normal

Group: Streamlining sales organisation

Munich Health – Consolidation

Fixing problems in US primary – building on solid foundation to develop other business

Despite decreasing earnings contribution from investments, Munich Re paving the way for continuously improving net income

[1] Upper bar: Assuming normal nat cat claims based on 8.5% budget.

Profitability in core business becoming even more important in times of financial repression

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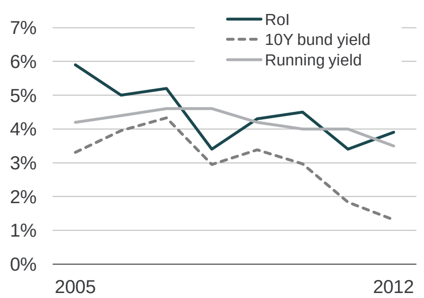
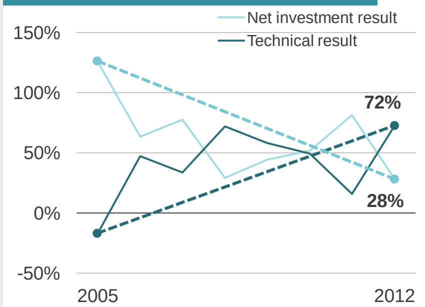
Consistently decreasing capital market yields, hence investment income … %



1 Investments
Proactively reducing interest rate sensitivity and mitigating attrition of running yield

… compensated for by increasing earnings contribution from core insurance business[1] %



2 Underwriting
Continuously increasing profitability via efficient allocation of risk capital and disciplined u/w

Successfully dealing with low-yield environment

[1] Contribution of net investment result (investment result minus income from technical interest) and technical result as a percentage of operating result.

1 Investments – Striking the balance between thorough diversification and earnings resilience

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Limited interest-rate sensitivity – Duration

	Assets	Liabilities	Net DV01[1] (€m)
Reinsurance	6.7	6.1	–18.3
Primary insurance	8.1	9.2	16.1
Munich Re (Group)	**7.6**	**8.3**	**–2.2**

Diversification mitigating yield attrition – Asset gearing[2] %

"Safe haven" bonds[3]	**191** (200)
Inflation-sensitive assets[4]	**99** (89)
Credit investments[5]	**97** (99)
Bank bonds	**22** (28)
PIIGS governm. bonds	**18** (25)

Disciplined ALM

Ongoing increase of asset duration reducing interest-rate sensitivity at Group level – Continuation of hedging programme in primary life

Portfolio diversification

Defensive investment portfolio safeguarding earnings stability by limiting downside risk of any kind of capital market scenario

Mitigating yield attrition

Cautious expansion of credit risk and real assets mitigating attrition of running yield while increasing inflation protection

Earnings stability by strictly limiting investment risks and keeping high level of diversification while actively managing the low-yield environment

[1] As at 31.12.2012. Sensitivity to parallel upward shift of yield curve by one basis point reflecting portfolio size. [2] Gross exposure divided by shareholders' equity. As at 31.12.2012 (31.12.2011). [3] German and US government bonds and supranationals. [4] Equities, inflation linked bonds and swaps, renewable energies, real estate and commodities. [5] Corporate bonds and structured products.

2 Underwriting – Continuously improved value creation building the foundation for earnings growth

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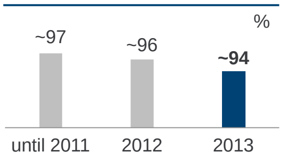
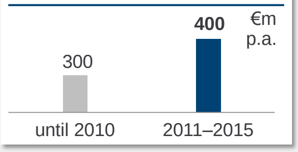
Reinsurance

Non-life – Target combined ratio at attractive level

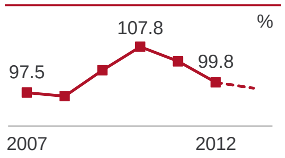


Life – Delivering on increased technical result ambition



Primary insurance

Non-life international – Combined ratio back to normal

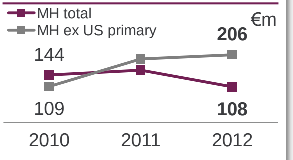


Life – Management of low yields from early stage

- Interest-rate hedging programme started in 2005
- Increase of asset duration
- Reasonable bonus policy
- Launch of new product family

Munich Health (MH)

Operating result – Apart from US primary business …



… good financial development in line with expectations

- Building on solid foundation to develop other business
- Still adhering to our expectation of mid-term segment result of ~€100m p.a.

Execution and delivery – Management measures securing sound profitability irrespective of interest-rate level

Sound capitalisation providing flexibility – Dividend continuity and seizing opportunities for profitable growth

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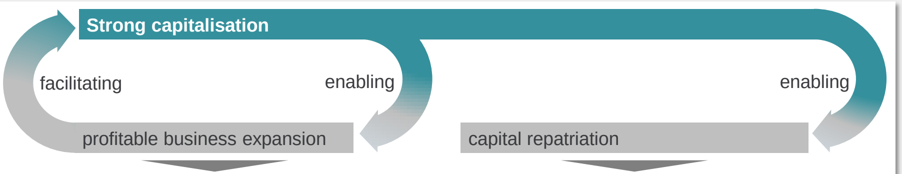
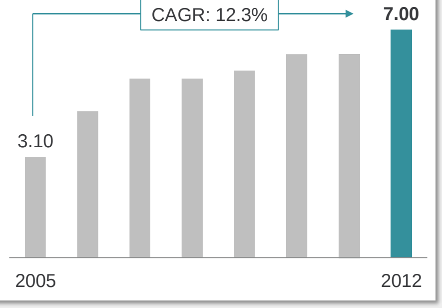


Several options – Examples

Organic growth	Solvency relief deals Participation in original growth in emerging markets
Strategic partnerships	Successful partnership in UK motor market Joint ventures in Asia
M&A	Expansion of Risk Solutions – Acquisition of Hartford Steam Boiler, Midland, Roanoke, …

Sustainable dividend growth



Strong balance sheet reflected in favourable external perception …

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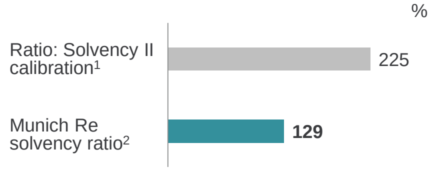
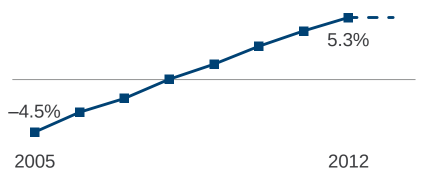


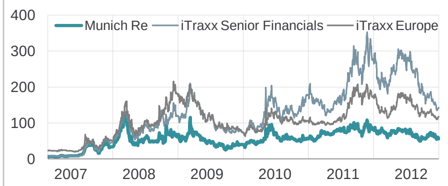
Excellent economic solvency ratio – resistant to severe stress scenarios

Agency	Rating	Outlook
A.M. Best	A+ (Superior)	stable
Fitch	AA– (Very strong)	stable
Moody's	Aa3 (Excellent)	stable
S&P	AA– (Very strong)	stable

Stable AA rating from all agencies since 2006 – reliable partner for our clients



Comfortable reserving position³ – supporting underwriting profitability



Ongoing low CDS spread – reflecting high market credibility

[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). [3] Run-off result in % of net earned premiums in property-casualty reinsurance.

… and good financial results contributing to attractive long-term shareholder return

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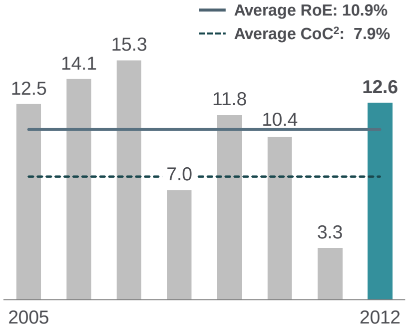
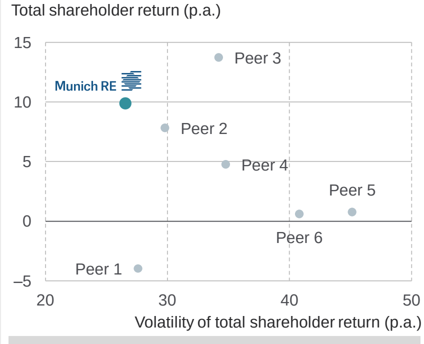
Return on equity in excess of cost of capital %



Value creation – RoE clearly exceeding cost of capital by ~300 basis points – …

Attractive risk/return profile¹ %



… for the benefit of shareholders – Investment in MR more than doubled over the last 8 years

Munich Re creating value with comparatively low correlation to capital markets

[1] Annualised total shareholder return defined as price performance plus dividend yield over the period from 1.1.2005 until 31.12.2012; 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, ZIG. [2] Calculation using CAPM with 10-year bunds, 5% market risk premium and one-year raw beta to DJ Stoxx600, daily basis.

Outlook 2013

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Munich Re (Group)

GROSS PREMIUMS WRITTEN	
2012	€52bn
Target 2013[1]	€50–52bn

Focus on profitable growth prevails – No specific top-line ambition

RETURN ON INVESTMENT	
2012	3.9%
Target 2013	~3.3%

Ongoing low interest rate environment gradually reducing running yield to ~3.5%

NET RESULT	
2012	€3.2bn
Target 2013	Close to €3bn

RoRaC target of 15% after tax over the cycle to stand

Reinsurance

COMBINED RATIO	
2012	91.0%
Target 2013	~94%
NET RESULT	
2012	€3.1bn
Target 2013	€2.3–2.5bn

Primary insurance

COMBINED RATIO	
2012	98.7%
Target 2013	~95%
NET RESULT	
2012	€247m
Target 2013	€400–500m

Munich Health

COMBINED RATIO	
2012	100.2%
Target 2013	~100%
NET RESULT	
2012	–€92m
Further loss cannot be excluded	

[1] By segment: Reinsurance €27–28bn, primary insurance slightly above €17bn, Munich Health slightly above €6.5bn.

Delivering growth in bottom-line results

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Good track record	Successfully dealing with challenging economic conditions – We remain a strong partner for clients and reliable for shareholders, delivering on our promises
Business strategy	Focus on insurance risks safeguarding sustainable value creation – Complementary business profiles limiting correlation to capital market development
Rigorous risk management	Based on a high level of diversification, actively managing the low-yield environment and strictly budgeting all our insurance risks
Strong capital position	Reliability – Continuing the long-term track record of attractive capital repatriation while keeping the flexibility to seize opportunities for profitable growth

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Financial highlights 2012

After strong 2012 performance increasing dividend to €7 per share

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Munich Re (Group) – Financial year 2012

Net result	Shareholders' equity	Investment result
€3,211m (€481m in Q4)	**€27.4bn** (+1.1% vs. 30.9.)	**RoI of 3.9%** (3.9% in Q4)
Pleasing result supported by significantly increased profitability in reinsurance and less capital market volatility	Further strengthened capitalisation according to all metrics providing high degree of financial flexibility	Solid return given low-yield environment – Restrained portfolio turnover preserves increased valuation reserves

Reinsurance	Primary insurance	Munich Health
Net result **€3,056m** (€727m in Q4)	**Net result** **€247m** (–€86m in Q4)	**Net result** **–€92m** (–€156m in Q4)
Combined ratio 91.0% Large losses slightly below expectation	**Combined ratio 98.7%** Improved international business – Germany affected by large losses	**Combined ratio 100.2%** Apart from Windsor Health Group, favourable develop-ment in almost all entities
Life – With good technical result of €420m, target fully met	Significantly higher operating result – net result burdened by restructuring charge in Q4	Windsor Health Group – €166m impairments of goodwill and intangibles in Q4

Munich Re (Group) – Key figures

Sound development of insurance business and investment income

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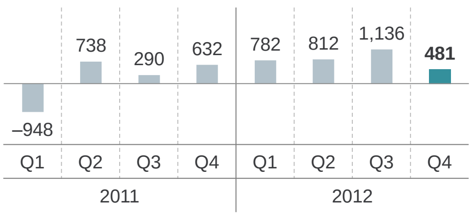
Net result

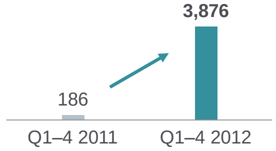
€m



	Q1–4 2012	Q1–4 2011
Total[1]	**3,211**	712
Reinsurance	3,056	503
Primary insurance	247	155
Munich Health	–92	36

Technical result

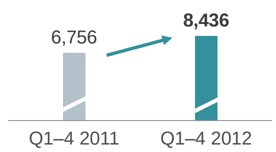
€m



Increased underwriting profitability in reinsurance

Investment result

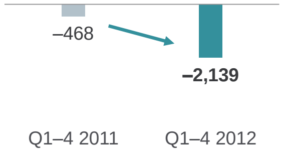
€m



Low yields but much less capital market disruption

Other[2]

€m



Impairments: –€190m, FX result: –€189m, tax rate: 21.2%

[1] Segments do not add up to total amount; difference relates to the segment "asset management".
[2] Other non-operating result, goodwill impairments, net finance costs, taxes.

Munich Health – Premium development

Significant premium growth

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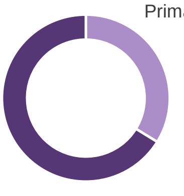
Gross premiums written

€m

Q1–4 2011	5,967	
Foreign-exchange effects	386	
Divestment/Investment	–	
Organic change	350	
Q1–4 2012	**6,703**	

Segmental breakdown[1]

€m



Gross premiums written

€m

Q1–4 2011	5,967	
Reinsurance	440	
Primary insurance	296	
Q1–4 2012	**6,703**	

Reinsurance
Organic growth and large-volume deals, positive FX effects

Primary insurance
Premium growth in USA and Spain

[1] Gross premiums written.

Munich Health – Key figures

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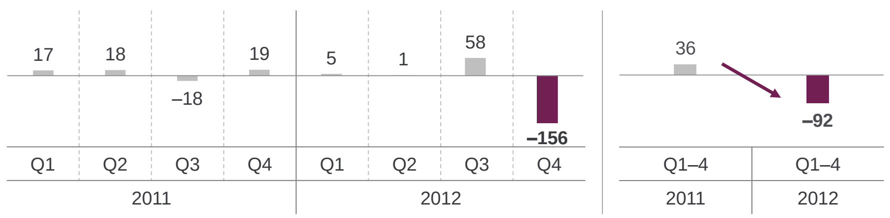
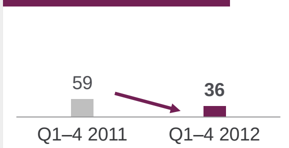
Net result

€m



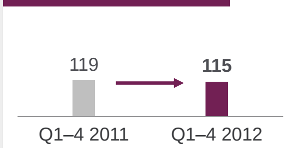
Technical result

€m



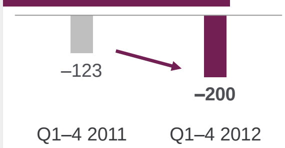
Investment result

€m



Other[1]

€m



Loss for the year attributable to the US Medicare business at Windsor Health Group (–€86m, net of tax) and to the resultant impairments of goodwill and other intangible assets (–€166m)

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

Munich Health – US primary business faced challenges in 2012

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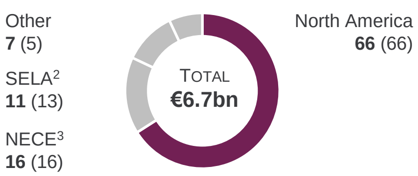
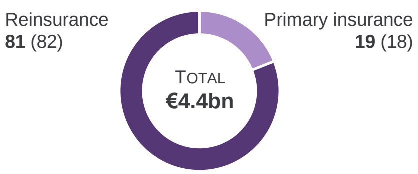
Munich Health – Regional split[1]

%



North America – Segmental split[1]

%



Challenge in US primary business

- Rapid regulatory changes following implementation of healthcare reform
- Despite good brand and increase in its membership, Windsor Health Group has so far not been able to turn growing Medicare Advantage market into profits
- Result: Loss at Windsor Health Group (–€86m) and goodwill/intangible impairments on segment level (–€166m) – in line with Munich Re's resolute accounting approach – burdening net income of Munich Health in 2012
- Munich Health has taken extensive measures at Windsor Health Group to rapidly achieve operational improvements

Focus in US primary business on loss reduction, with attractive opportunities in the reinsurance business

[1] Gross premiums written as at 31.12.2012 (31.12.2011).
[2] Southern Europe, Latin America.
[3] Northern/Eastern/Central Europe.

Munich Health – Outlook

Munich Health – Operating performance and outlook

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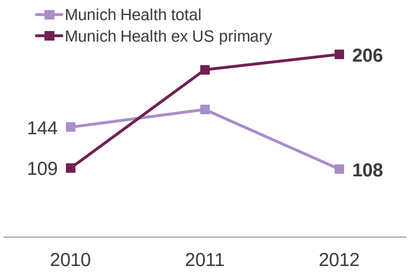
Financial performance – Operating result

€m



Good financial development apart from Windsor Health Group driven by reinsurance and European primary insurance units (e.g. Spain and Belgium) as well as promising development in Arab world and India

Outlook

- Operating performance of Munich Health (€108m in 2012) remains favourable and in line with expectations
- Given the difficult situation at Windsor Health Group, a further loss for Munich Health in 2013 cannot be ruled out
- Well-positioned to benefit from rapidly growing health market in a disciplined way

Mid-term net result for Munich Health of ~€100m achievable

Apart from US primary business, operating performance of Munich Health in line with expectations

Munich Re (Group) – Capitalisation

Sound capital position further strengthened

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Equity

€m

		Change Q4
Equity 31.12.2011	23,309	
Consolidated result	3,211	481
Changes		
Dividend	–1,110	–
Unrealised gains/losses	2,347	232
Exchange rates	–67	–327
Own shares	121	116
Other	–388	–203
Equity 31.12.2012	**27,423**	**299**

UNREALISED GAINS/LOSSES

Afs fixed-interest securities: +€1,680m

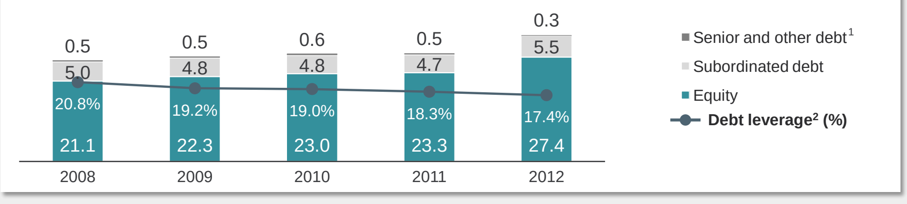
Afs non-fixed-interest securities: +€635m

EXCHANGE RATES

Negative FX contribution mainly driven by US dollar

Capitalisation

€bn



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 (strategic debt + equity).

Munich Re (Group) – Investment portfolio

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

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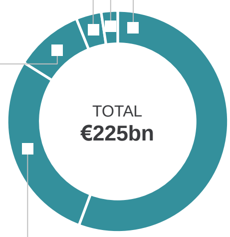
Investment portfolio[1] %



Portfolio management

Government bonds

- Overweight of government bonds with high credit ratings, slight reduction in eurozone peripherals
- Expansion of securities issued by EU institutions[4] and emerging countries

Inflation-sensitive investments

- Increase of inflation-linked exposure to 5.3% of total assets
- Cautious expansion of net equity exposure to 3.4%

Renewable energies and infrastructure

Expansion of investments, technologically diversified

1 Fair values as at 31.12.2012 (31.12.2011). 2 Net of hedges: 3.4% (2.0%). 3 Deposits retained on assumed reinsurance, unit-linked investments, deposits with banks, investment funds (excl. equities), derivatives and investments in renewable energies. 4 European Community, European Investment Bank, EFSF and other.

Munich Re (Group) – Investment result

Substantially fewer write-downs compensating for lower regular income and disposal gains

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Investment result €m

	Q1–4 2012	Return[1]	Q1–4 2011	Return[1]
Regular income[2]	7,755	3.6%	8,039	4.0%
Write-ups/write-downs	8	0.0%	–1,625	–0.8%
Disposal gains/losses	652	0.3%	1,244	0.6%
Other income/expenses[3]	21	0.0%	–902	–0.4%
Investment result	**8,436**	**3.9%**	**6,756**	**3.4%**

Q4 2012 €m

	Q4 2012	Return[1]
Regular income	1,947	3.5%
Write-ups/write-downs	105	0.2%
Disposal gains/losses	127	0.2%
Other income/expenses	–14	0.0%
Investment result	2,165	3.9%

Regular income

Overweight position in safe-haven bonds and lower interest rates gradually reducing regular income – Six-month-average reinvestment yield dropped to ~2.2 % (~3.0% in H2 11)

Write-ups/write-downs €m

Major effects	Q1–4 2012	Q4 2012
Equities	–191	–44
Swaptions	172	33
Derivatives (ex. swaptions)	175	124
Other	–148	–8

Disposal gains/losses €m

Major effects	Q1–4 2012	Q4 2012
Equities	524	52
Fixed-income	559	147
Derivatives	–495	–81
Other	64	9

1 Return on quarterly weighted investments (market values) in % p.a. 2 –0.4%-pts lower running yield 1/4 driven by lower reinvestment rate and 3/4 by appreciation of market values. 3 Including impact from unit-linked business: €603m (+0.3%-pts) in 2012 (–€263m (–0.1%-pts) in 2011).

Munich Re (Group) – Investment strategy

Falling interest rates leaving their mark on reinvestment yield – still achieving significant spread above safe haven

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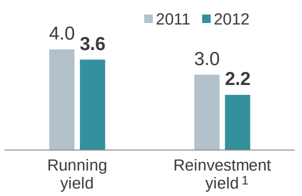
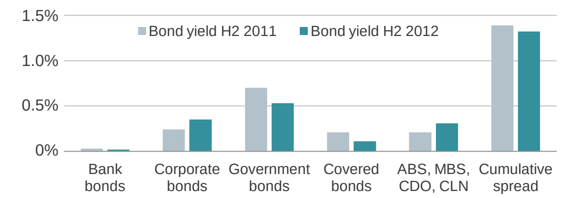
Running yield more resilient than reinvestment yield %



Reinvestment yield: Market-value-weighted excess yields over 7-year German bunds %



Drivers to mitigate attrition of running yield

Duration management	Illiquid asset classes	International diversification	Credit
Achieving higher yields by ongoing increase of asset duration	Earning illiquidity premium by investing in renewable energies and infrastructure	Investing in higher-yielding international bond markets	Finding attractive opportunities in corporate and structured credit

Further diversification of investment portfolio helps mitigate declining yields – spread above safe haven still above 130 basis points

[1] Average rate of second half of the year.

Munich Re (Group) – Investment strategy

Investment outlook – Mitigating attrition of regular income as a consequence of low interest rates

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ILLUSTRATIVE

				Investment yield
Expand	**Corporate and emerging market bonds** Improving yield **–** focus on high quality to contain default risk	**Renewable energies/ infrastructure** Attractive long-term cash flows[1]	**Equities and commodities** Cautious expansion depending on market opportunities	Higher
Stable exposure	**Inflation-sensitive investments** Inflation-linked bonds and swaps	**Real estate** Keeping volume and structure		
Reduce	**Safe haven government bonds** Striking the balance be-tween earnings resilience and lower income	**Bank bonds** Continuous reduction		Lower

Within given investment risk budget, actively managing the portfolio to improve investment return

[1] Ambition to invest €2.5bn in renewable energies and €1.5bn in infrastructure.

Reserves

Munich Re's reserving strategy comprises several building blocks

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Building blocks of reserving strategy

Elevated starting point

- Initial assessment of the most recent underwriting year is set above the actuarial midpoint

Best-in-class monitoring

- Group-wide consistent monitoring of actual versus expected loss emergence on a quarterly basis, with in-depth analysis of drivers

Asymmetry in response

- Immediate response to early signs of adverse development …
- … while signs of positive development are viewed with caution. Releases are booked to earnings after confirmed manifestation

Provisions for risk scenarios

- Holistic view of reserve position, over and above actuarial-segment-driven view
- Provisions are held to absorb adverse impact from those reserve scenarios that are difficult to analyse and measure in a segmented view

Our reserves remain best estimates – however, as they are set conservatively in the range, it is likely that we will experience favourable run-off results on a frequent basis

High reserve confidence level affords protection against major adverse developments

Reserves

Best-in-class monitoring – Actual versus expected comparison

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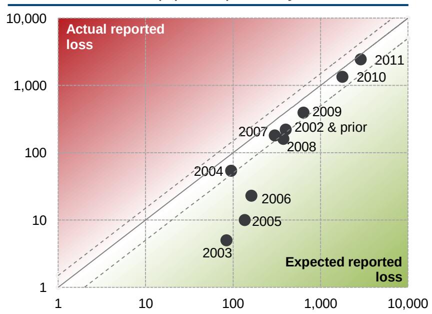
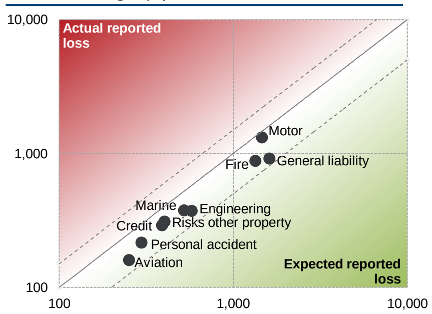
Comparison of incremental expected losses with actual reported losses by clients

€m

Reinsurance Group per exposure year[1]



Reinsurance goup per line[1]



Legend: **Green** Actuals below expectation; **Red** Actuals above expectation; **Solid line** Actuals equal expectation; **Dotted line** Actuals are 50% above / below expectations

Actual losses consistently below actuarial expectations – Very strong reserve position at the upper end of the range of reasonable best estimates

[1] Reinsurance group losses as at Q4 2012, 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).

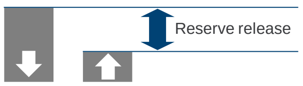
Reserves

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

Munich RE

Actual vs. expected	Changes in projection	Business rationale

Property

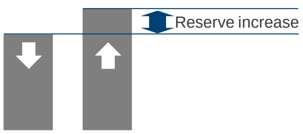


"Steady-state": Cautious response to favourable actual vs. expected
- Positive actual vs. expected indications seen in property
- Releases spread across lines, with some caution exercised on long-tail project business

Specialty[1]

Matured positive indications from prior years required more significant response this year
- Continuation of favourable actual vs. expected indication
- Particularly favourable emergence in marine and aviation

Casualty



"Asymmetry in response" causes reserve increase
- Positive indications seen in most segments
- Most lines had moderate releases, partly offset by some increases in legacy liabilities and planned unwinding of workers' compensation discount
- Immediate response to indications of increased future loss activity in UK motor

[1] Aviation, credit bond and marine.

Reserves – Property-casualty – Group

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

Munich RE

Ultimate losses in €m (adjusted to exchange rates as at 31.12.2012)	Accident year											
Date	≤2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Total
31.12.2002	39,989											
31.12.2003	40,747	12,354										
31.12.2004	41,507	12,064	11,521									
31.12.2005	42,724	11,285	11,619	12,444								
31.12.2006	43,012	11,141	11,642	12,593	10,790							
31.12.2007	43,735	10,804	11,419	12,680	10,689	11,925						
31.12.2008	44,168	10,644	11,073	12,285	10,595	12,149	12,986					
31.12.2009	44,211	10,580	10,814	12,275	10,442	12,091	13,233	12,890				
31.12.2010	44,578	10,555	10,515	11,839	10,139	11,983	13,203	12,842	13,418			
31.12.2011	44,540	10,555	10,507	11,669	10,045	11,937	12,936	12,463	13,640	17,549		
31.12.2012	44,512	10,549	10,425	11,473	9,890	11,585	12,831	12,371	13,507	17,750	14,191	
CY 2012 run-off € change	**28**	**6**	**82**	**196**	**155**	**352**	**105**	**92**	**133**	**–201**	**n/a**	**948**
CY 2012 run-off % change	**0.06**	**0.06**	**0.78**	**1.68**	**1.54**	**2.95**	**0.81**	**0.74**	**0.98**	**–1.15**	**n/a**	**0.61**

Elevated starting point
Accounting for ~⅔ of run-off result

Asymmetry in response
Lagged response to prior years' favourable indications contributes to 2012 run-off profit

Provisions for risk scenarios
Ability to absorb risk scenarios was further strengthened

Ultimate reduction[1]
Reinsurance **€877m**
Primary insurance **€71m**

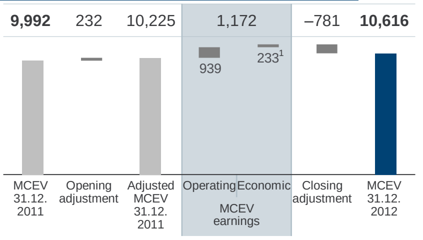
[1] Includes unwinding of discount in workers' compensation of –€56m.

Market Consistent Embedded Value 2012

Improved MCEV result – Strong growth in reinsurance and benefit from spread-tightening in primary insurance

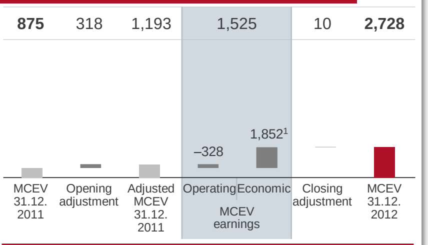
Munich RE

Reinsurance (€m)



- Sustainably high value of new business (€573m)
- Favourable mortality development
- Overall positive impact from economic environment
- Closing adjustment driven by negative FX and dividends

Primary insurance (€m)



- High opening adjustment due to inclusion of ERGO Direct Health
- Increase of economic variances largely driven by calmer capital markets – spread-tightening more than compensating for decline in interest rates
- MCEV according to Solvency II[2]: ~€4.7bn

Munich Re strictly adhering to market-consistent valuation of embedded value refraining from any smoothing measures

[1] Economic and other non-operating variances. [2] Inclusion of countercyclical premium and extrapolation according to current Solvency II discussions. For further details please refer to MCEV report 2012.

Summary

Dividend increase after strong financial result 2012

Munich RE

Financial results	Strong net income in 2012 driven by improved reinsurance underwriting results	NET INCOME **€3.2bn**
Investment portfolio	Continued diversification of investment portfolio and active duration management	ROI **3.9%**
Reserving	Prudent reserving protects solid balance sheet and facilitates strong underwriting results	COMBINED RATIO[1] **91.0%**
Capital position	Strong capital base further improved – Continuing reliable path of efficient capital management with timely shareholder participation in company success	DIVIDEND **+12%**

[1] Reinsurance property-casualty.

Agenda

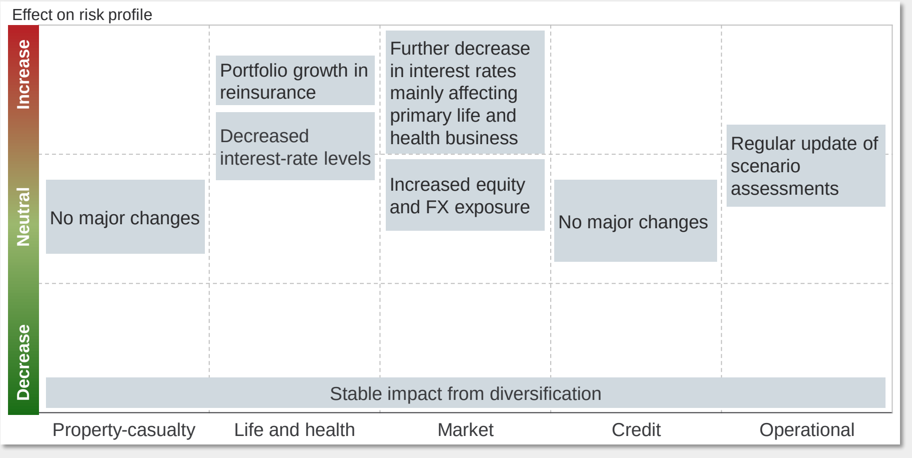
Munich RE

Delivering growth in bottom-line results	Nikolaus von Bomhard
Financial highlights 2012	Jörg Schneider
Risk management	Joachim Oechslin
Primary insurance	Torsten Oletzky
Reinsurance non-life	Torsten Jeworrek
Reinsurance life	Joachim Wenning
Backup	

Risk management – Overview on changes in risk profile

Major developments at Group level

Munich RE



Market risk increase main contributor to overall ERC increase

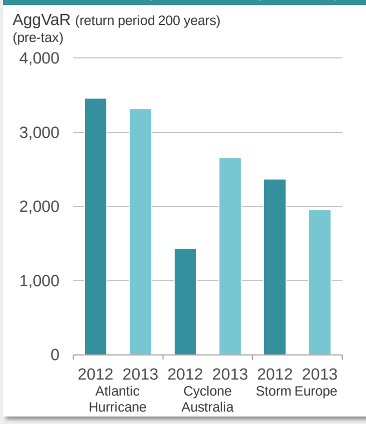
Risk management – Overview on changes of risk profile

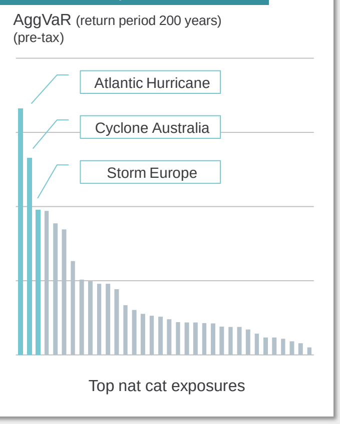
Property-casualty risks: Natural catastrophe exposure

Munich RE

Munich Re Group's nat cat exposures (net of retrocession)[1]

€m





Key issues

Cyclone Australia

Growth in exposure and model enhancement

Storm Europe

Reduced exposure in line with price changes in the market

Munich Re benefits from strong diversification between natural catastrophe risks

[1] Exposures relate to the full year, e.g. 2012 relates to the period from 1.1.2012 to 31.12.2012.

Risk management – Overview on changes of risk profile

Life and health risks

Munich RE

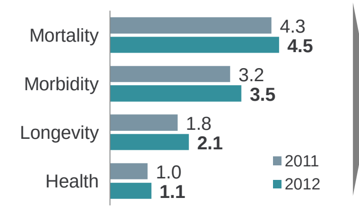
Predominant risk types in life and health

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

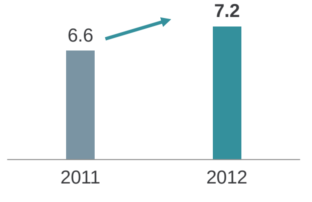
Life and health ERC development in 2012

€bn

ERC by risk types



ERC life and health



Main drivers

- Life reinsurance – Portfolio growth in in Canada and Asia
- Further decrease in interest rates in 2012

Munich Re seizing specific business opportunities – further increase in ERC due to another fall in interest rates

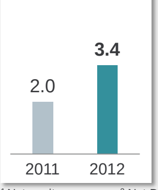
Risk management – Overview on changes of risk profile

Market risk

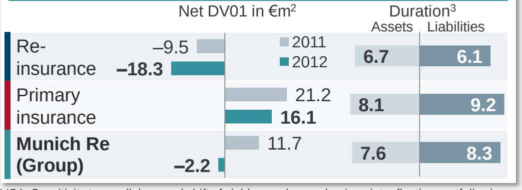
Munich RE

Risk category Year-end €bn	Group 2011	Group 2012	RI 2012	PI 2012	Div. 2012	Explanation
Equity	3.8	5.7	4.4	1.3	±0.0	Increase due to higher equity backing ratio
General interest rate	7.8	8.3	3.2	9.0	–3.9	Increase mainly driven by lower interest-rate environment, partly compensated for by slightly lower implied volatilities
Credit spread	4.1	6.1	2.1	5.2	–1.2	Increase due to more conservative spread modelling in primary insurance life and health
Real estate	2.2	2.1	1.3	0.8	±0.0	No material change
Currency	0.9	1.9	1.8	0.2	–0.1	Exposure in foreign currencies increased
Simple sum	**18.8**	**24.1**	**12.8**	**16.5**	**–5.2**	
Diversification	–7.4	–10.1	–6.7	–5.4	**–**	
Total ERC	**11.4**	**14.0**	**6.1**	**11.1**	**–3.2**	

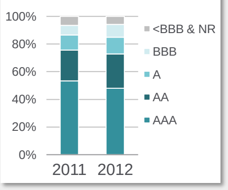
Equity[1] %



General interest rate



Credit spread[4] %



[1] Net equity exposure. [2] Net DVO1: Sensitivity to parallel upward shift of yield curve by one basis point reflecting portfolio size.
[3] As at 31.12.2012. 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 €71.4bn and that of the replicating portfolio €48.5bn.
[4] Rating classification of fixed-income portfolio.

Risk management – Risk disclosure

Group economic risk capital (ERC) Breakdown by risk category

Munich RE

Economic risk capital – Breakdown by risk category €bn

Risk category	Group 2011	Group 2012	RI 2012	PI 2012	MH 2012	Div. 2012
Prop.-casualty[1]	9.5	**9.7**	9.6	0.6	0.0	–0.5
Life and health	6.6	**7.2**	5.3	2.8	0.7	–1.6
Market	11.4	**14.0**	6.1	11.1	0.0	–3.2
Credit[2]	6.7	**6.7**	4.4	2.6	0.0	–0.3
Operational risk	1.2	**1.4**	1.0	0.6	0.1	–0.3
Simple sum	**35.4**	**39.0**	**26.4**	**17.7**	**0.8**	**–5.9**
Diversification	–11.0	–11.7	–9.3	–3.4	–	–
Total ERC	**24.4**	**27.3**	**17.1**	**14.3**	**0.8**	**–4.9**

Development of Group ERC[3] €bn

Market risk increase main contributor to overall ERC increase

[1] Credit (re)insurance included . [2] Default and migration risk. [3] After diversification.

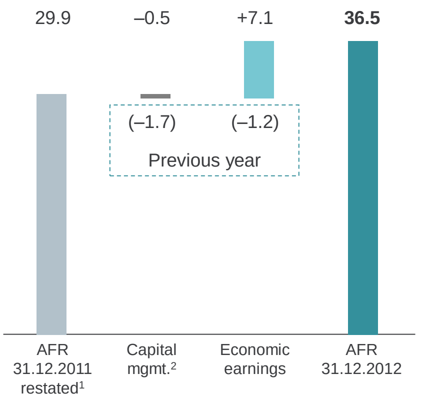
Risk management – Capital position

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

Munich RE

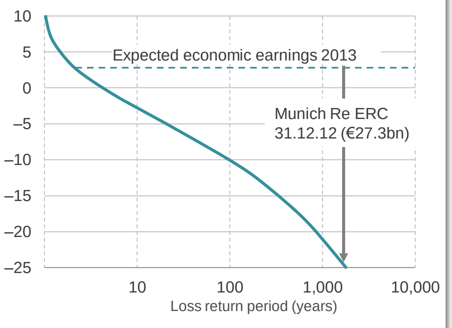
AFR development in 2012

€bn



Probability distribution of economic earnings

€bn



Economics earnings in 2012 correspond to a 10% quantile according to our risk model[3]

Significant profit in a challenging market environment

[1] Including funds financing new business recognised for first time at year-end 2012.
[2] Thereof dividends (–€1.1bn) and change in hybrid capital replacement (+€0.8bn subordinated liabilities).
[3] Probability of achieving at least the corresponding economic earnings.

Risk management – Capital position

Composition of economic earnings

Munich RE

Risk category €bn	ERC 1.1.	ERC 31.12.	ΔAFR 2012 Rough estimates	Explanation
Equity	3.8	5.7	**+0.8**	Gains on equity investments
Credit	6.7	6.7	**+0.1**	No material default
Interest rate	9.0	10.9	**+3.8**	Tightening of credit spreads and lower implied volatilities
Currency	0.9	1.9	**+0.1**	No material changes
Technical result and new business[1]			**+1.9**	
AFR roll-forward[2] and other			**+0.4**	
Economic earnings			**+7.1**	

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

Positive effects due to relief in capital markets especially in second half of 2012

Insurance risk

Good technical result in non-life reinsurance and new business in life reinsurance

Satisfactory technical results and relief in capital markets

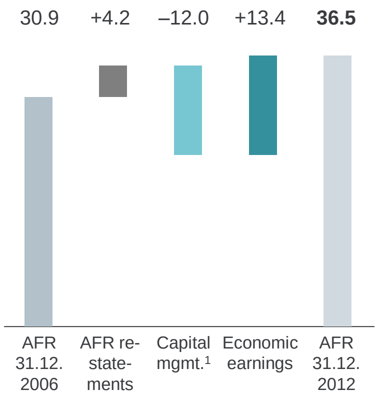
[1] Includes unwind of market value margin, P-C result, Life VANB, experience variances and assumption changes.
[2] Investment return on AFR.

Risk management – Munich Re's performance 2007 to 2012

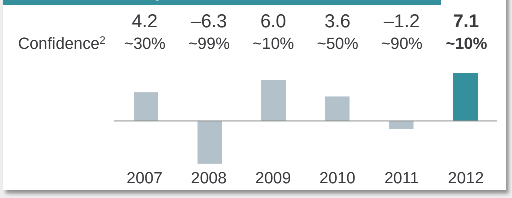
Strong increase in AFR despite capital repatriation and difficult economic environment

Munich RE

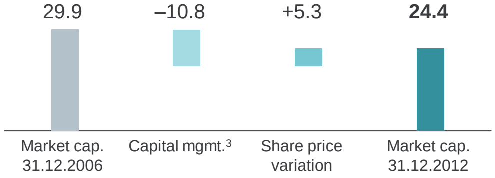
AFR development 2007–2012 €bn



Economic earnings €bn



Munich Re market capitalisation €bn



Strong performance despite highly adverse environment, but economic earnings not yet matched by share performance

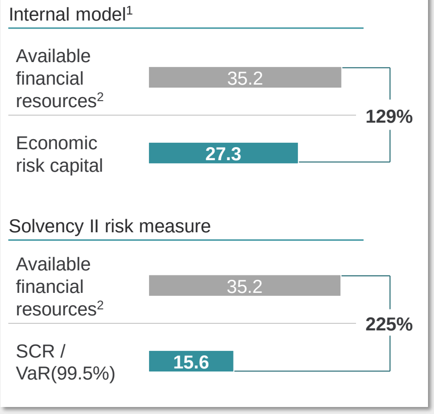
[1] Dividends, share buy-back, hybrid capital replacement and higher goodwill/intangibles.
[2] Probability of achieving at least the corresponding economic earnings. [3] Dividends, share buy-back.

Risk management – Capital position

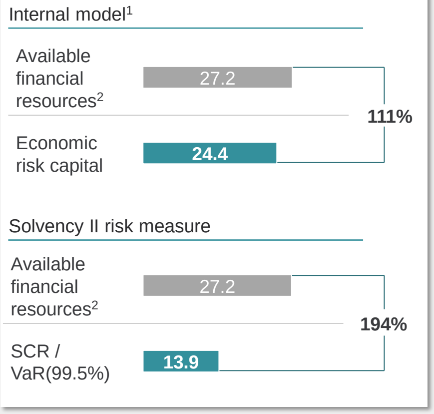
Summary of economic capital disclosure

Munich RE

Solvency ratio as at 31 December 2012 €bn



Solvency ratio as at 31 December 2011 €bn



Strong capitalisation: economic solvency ratio at 129% according to internal model[3] and 225% with 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 . [3] Without recognition of the impact of restatement in the AFR at 124%.

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

Strong capitalisation allowing for attractive capital repatriation

Munich RE

Munich Re actions[1]

>120%
Excellent capitalisation

- Capital repatriation
- Increased risk-taking
- Holding excess capital to meet external constraints

100%–120%
Comfortable capitalisation

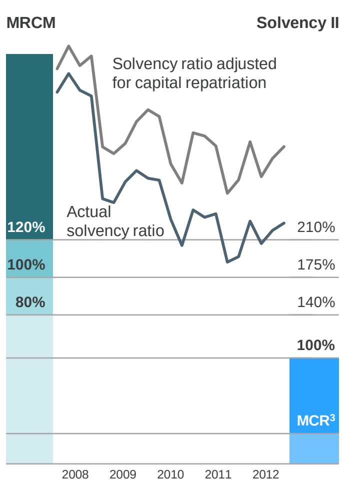
80%–100%
Adequate capitalisation

- Tolerate and monitor
- (Partial) suspension of capital repatriation

<80%
Below target capitalisation

- Risk transfer
- Scaling down of activities
- Raising of (hybrid) capital

Munich Re solvency ratio



Regulatory actions[2]

MCR–100%
Below target capitalisation

- Obligation to submit a comprehensive and realistic recovery plan
- Insurer to take necessary measures to achieve compliance with the SCR

<MCR
Insufficient capitalisation

- Obligation to submit a short-term realistic finance scheme
- Regulator may restrict or prohibit the free disposal of insurer's assets
- Ultimate supervisory intervention: Withdrawal of authorisation

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".

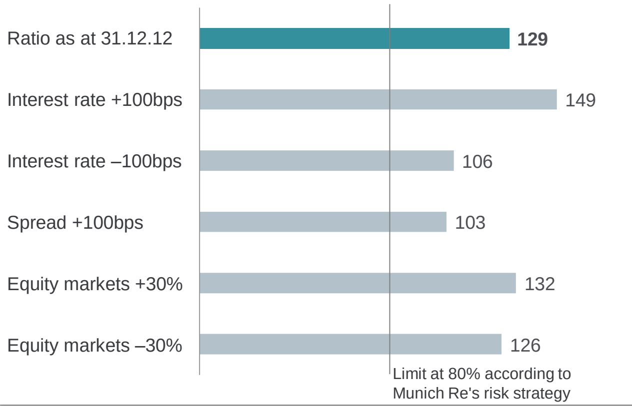
Risk management – Risk disclosure

Sensitivities of Munich Re Group's economic solvency ratio

Munich RE

Economic solvency ratio[1] – Sensitivity

%



Key observations

- Opposite interest-rate sensitivities in primary and reinsurance mitigate sensitivity at Group level
- Even a further deterioration of the interest-rate environment would result in Group solvency ratio above 100%
- Moderate equity exposure leads to low sensitivity

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 2012 of ~€1.3bn to be paid in April 2013.

Risk management – Future regulatory developments

Despite delay in Solvency II introduction, risk-based thinking is winning recognition

Munich RE

Current situation

- Further development of Solvency II process will depend on appropriate solutions for the valuation of insurance liabilities (long-term guarantee) in low-interest-rate environment
- Current LTGA[1] addresses a certain set of measures[2] – results expected for mid-July
- Rising concerns that the LTGA will not resolve the deadlocked negotiations – possibly new measures need to be considered

"Solvency 1.5"

- In order to keep up the momentum, EIOPA and some national supervisory authorities propose an "interim period" bringing forward certain elements of Solvency II
- Industry generally supportive of "Solvency 1.5" idea with regard to certain Pillar II elements (governance, ORSA, etc.) and in particular for an ongoing internal-model pre-approval process

Munich Re's positions

Munich Re supportive of a transitional approach to phase in Solvency II

- Against backdrop of stressed financial markets, it is essential to find a balance between a smooth transition and adhering to the letter and spirit of the Solvency II Directive in the long run.
- While solutions to resolve open valuation questions are being sought, "Solvency 1.5" could pave the way for the Solvency II regime

Munich Re well prepared for Solvency II

[1] Long-Term Guarantee Assessment conducted by EIOPA. [2] E.g. counter-cyclical premium, matching adjustment.

Risk management – Summary

Key takeaways

Munich RE

Risk profile	Continuity in terms of risk profile – Cycle management at work
Profitability	Significant economic earnings strengthen capital position despite challenging market environment
Solvency position	Strong economic solvency ratio to withstand stress scenarios
Business strategy	Liability-driven business approach to be maintained with disciplined increase of investment portfolio diversification

Agenda

Munich RE

Delivering growth in bottom-line results	Nikolaus von Bomhard
Financial highlights 2012	Jörg Schneider
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Reinsurance life	Joachim Wenning
Backup	

Primary insurance – Premium development

Decrease in premium income mainly from life insurance and disposals

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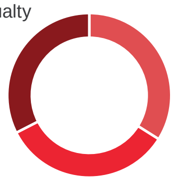
Gross premiums written €m

Q1–4 2011	17,447
Foreign-exchange effects	1
Divestment/Investment	–141
Organic change	–223
Q1–4 2012	**17,084**

Segmental breakdown[1] €m

Property-casualty
5,554 (32%)
(▲ –0.7%)



Life
5,798 (34%)
(▲ –5.6%)

Health
5,732 (34%)
(▲ 0.4%)

Gross premiums written €m

Q1–4 2011	17,447
Life	–344
Health	22
Property-casualty	–41
Q1–4 2012	**17,084**

- **Life:** Lower single premiums in Germany and Austria
- **Health:** Only small price increases in comprehensive business, growth in supplementary
- **P-C:** Growth in Germany, turnaround in international business at the expense of top line

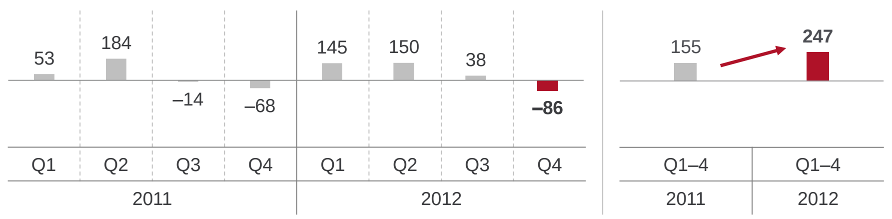
[1] Gross premiums written.

Primary insurance – Key figures

Results 2011 and 2012 with large one-off effects

Munich RE

Net result €m



Main drivers

1. Write-downs on Greek government bonds in 2011 (–€207m)
2. Sale of real estate in Singapore in 2011 (€156m)
3. Restructuring expenses for German sales organisations in 2012 (–€128m)
4. Adjustment of shareholder share to 10% from 15% for German life in 2012 (–€55m)
5. Balance from life DAC impairments and swaptions (€50m in 2011, €27m in 2012)

Primary insurance – Market Consistent Embedded Value 2012

MCEV result sees some recovery in 2012

Munich RE

MCEV – Primary insurance €m

MCEV 31.12.2011	**875**
1 Opening adjustments	318
Adjusted MCEV 31.12.2011	**1,193**
Value of new business	146
Expected return	159
2 Experience variances	–468
3 Assumption changes	–460
Other operating variance	294
Operating MCEV earnings 2012	**–328**
4 Economic variances	1,848
Other non-operating variance	5
Total MCEV earnings 2012	**1,525**
Closing adjustments	10
MCEV 31.12.2012	**2,728**

Main drivers

1. First time inclusion of ERGO Direct Health
2. Mainly German life from profit-sharing, expenses, lapses and tax
3. Largest effect in CRNHR[1] from increase in risk capital
4. Effect from lower spreads exceeds that of lower interest rates

[1] Cost of residual non-hedgeable risks.

Primary insurance – Key figures

Primary life with high result from international business

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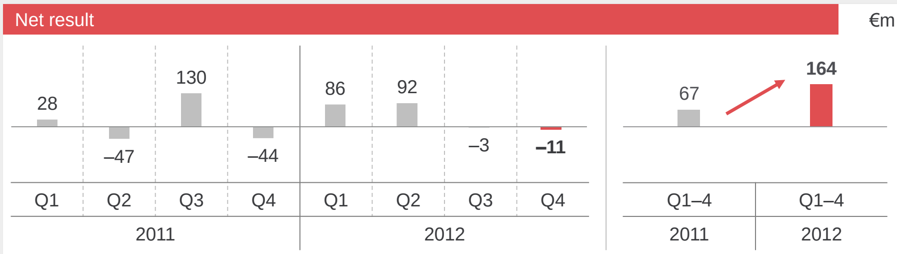
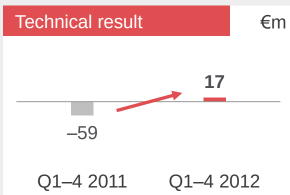
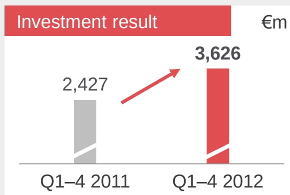
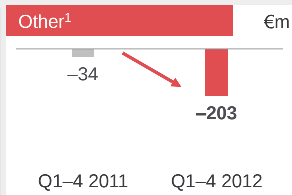




Increase due to improved investment result



Higher result from unit-linked business, lower write-downs



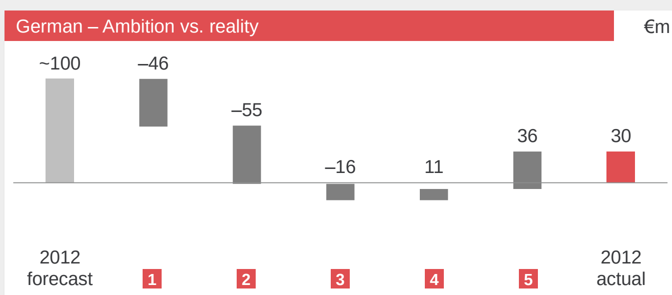
Restructuring expenses: €95m gross (€46m net)

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

Primary insurance – Life

Extraordinary effects weigh on net result in Germany

Munich RE



Main drivers

1. Net charge from sales force restructuring
2. Unlocking of deferred RfB due to adjustment of S/H share to 10% from 15%
3. DAC impairment (effect 2011: –€34m)
4. Write-up on swaptions (effect 2011: +€39m)
5. Miscellaneous other effects, mainly better investment result and lower costs

Primary insurance – Life – Germany

Low interest rates in a changed regulatory environment

Munich RE

Impact on ERGO

HGB

- Low interest rates feed through to bottom line over time only
- Introduction of ZZR in 2010 to reflect risks from low interest rates
- Set-up of ZZR in 2011 and 2012 reduced distributable earnings, thus being a driver of lower bonus declarations
- ERGO decreased bonus rates for 2013 significantly
- Financing of ZZR 2012 mainly from unrealised gains
- Expected ZZR in 2013: ~€390m

ZZR effect:
€318m (€97m) gross

IFRS

- Reduced running yield
- DAC impairments
- Positive effect from swaptions
- Change of policyholders' share under IFRS to reflect profit development under HGB
- Indirect impact of ZZR due to realisation of unrealised gains

Swaptions[1, 2]: **+€11m (+€39m),**
DAC[1]: **–€16m (–€34m)**

Economic

- Market-consistent view leads to early recognition of adverse capital market scenarios (interest-rate levels and spreads) – already taking into account potential gains/losses from posting/releasing the ZZR
- Large impact as early as 2004 – swaption programme of 2005 as a direct consequence
- Huge negative effect in 2011 from low interest rates and high spreads – some recovery in 2012 due to narrowing spreads

MCEV:
+€0.7bn (–€2.6bn)

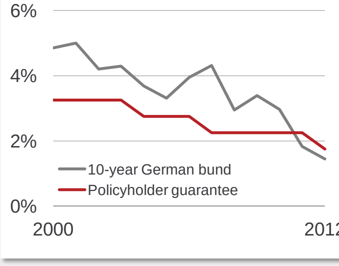
[1] Germany, net 2012 (2011).
[2] Life total: €43m (€84m).

Primary insurance – Life – Germany

Launch of less interest-rate-prone new products – Concept for Germany well advanced

Munich RE

Adverse interest rate environment …

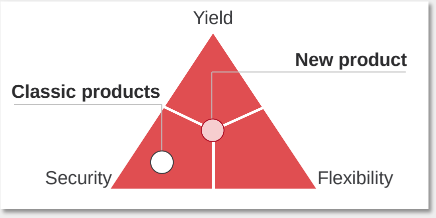


… requires action to meet stakeholder expectations

Shareholder	▪ Significant reduction of risk capital ▪ Hedgeable guarantees ▪ Profitability in line with RoRaC ambitions
Customer	▪ Guarantee component included ▪ Risk/return profiles for different risk appetite ▪ Highly flexible
Sales force	▪ Competitive product features ▪ Highly flexible

Solution: New product aligns different aspects

1. Guarantee of total premiums
2. High flexibility in all phases
3. Innovative hedging concept



Primary insurance – Life – Germany

New product attractive for customers and shareholders

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1 Guarantee of total premiums

- Guarantee for total premiums paid at beginning of annuity phase
- No yearly guarantee
- No guaranteed surrender values
- Customer can start without guarantee and include it later

2 High flexibility in all phases

Possible options

- Increase/decrease of savings rate
- Single payments in savings phase
- Withdrawals in savings or annuity phase

3 Innovative hedging concept

- Volatility-managed fund and reinsurance-based hedging
- Customers participate in performance of financial markets (interest rates and equities)
- No lock-in effect
- Value of reinsurance contract part of customers' surrender value

Profitability

- Only ~25% of risk capital compared to traditional products
- Higher margins – better profitability than traditional products
- Profitability levels less dependent on interest-rate levels than classic products

More attractive for customers – better profitability with much lower risk capital consumption

Primary insurance – Life – International

International life business with good profitability – Progress with joint ventures in China and India

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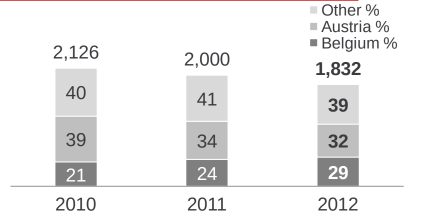
Total premiums

€m

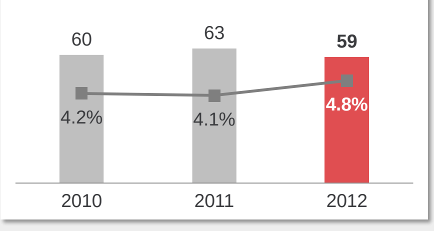


Highlights

- Some reserve realisations due to local GAAP aspects
- Belgium: Good new business; reserve increase for guarantee business
- Austria: Single-premium business reduced by changed tax legislation and low interest rates
- Co-operation with Volksbanken extended

New business value and margins[1]

€m



Joint ventures in Asia

India – Partner Avantha

- Launch of business operations mid-2014
- Ambition: premiums of ~€800m in year 10
- Stake 26% – increase to 49% envisaged

China – Partner SSAIH[2]

- Launch of business operations ~Q2/Q3 2013
- Ambition: premiums of ~€600m in year 10
- Stake 50%

[1] Value of New Business (VNB) / Present Value of New Business Premium (PVNBP).
[2] Shandong State-owned Assets Investment Holding Company.

Primary insurance – Health – Key figures

Primary health back to good profit

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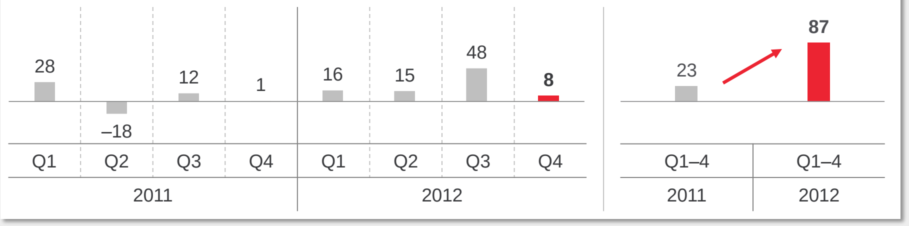
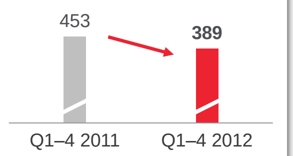
Net result €m

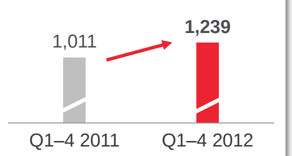


Technical result €m



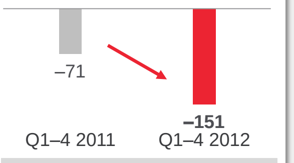
Only small premium increase, higher expenses for RfB

Investment result €m



Lower write-downs

Other[1] €m



Restructuring expenses: €51m gross (€6m net)

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

Primary insurance – Health

Health – Introduction of new unisex products

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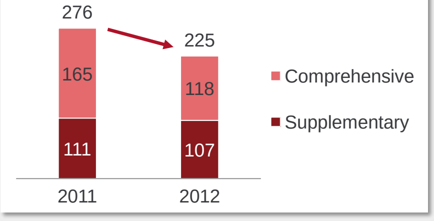
New business total[1] €m



Comprehensive
"Return to normality" after strong growth from abolition of 3-year-waiting period in 2011

Supplementary
- Shift of new business towards business calculated like property-casualty
- Introduction of state-subsidised long-term care product "Pflege-Bahr" in January 2013

Comprehensive insurance in 2013

- Newly calculated new business tariffs with significant price increases
- Calculation aspects
  - Unisex
  - Reduction of technical interest rate from 3.5% to 2.75%
  - Medical inflation (e.g. new price regulation for dentists)
  - New mortality tables
  - Change in lapse assumptions
  - Change in risk calibration
  - Improved benefits catalogue
- Price effect for man (woman) age 40[2]:
  - Total price effect: +37.6% (+22.3%)
  - Thereof Unisex +6.6% (–10.0%)

[1] Without travel insurance business, which is short-term business only.
[2] Tariff BM40.

Primary insurance – Property-casualty – Key figures

Primary property-casualty result hit by restructuring charges

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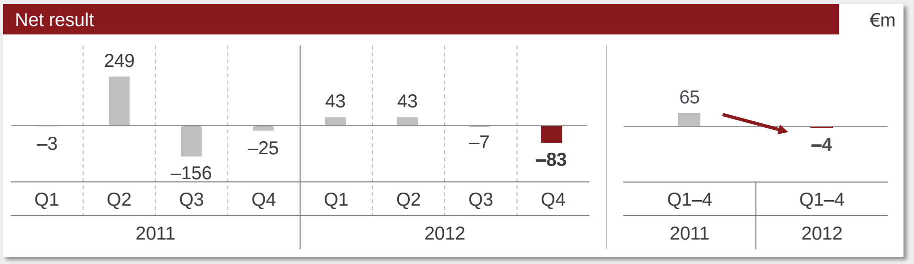
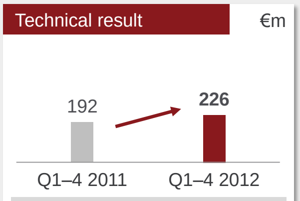
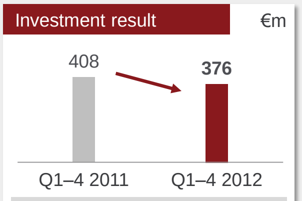
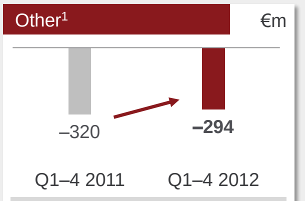




Better international business; random large claims in Germany



Positive one-off effect in 2011 (sale of real estate Singapore)



Restructuring expenses: €112m gross (€76m net)

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

Primary insurance – Property-casualty – Combined ratio

Significantly improved combined ratio in international business – random large claims in Germany

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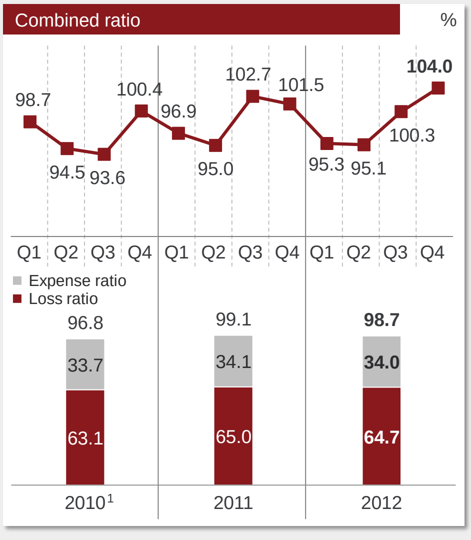
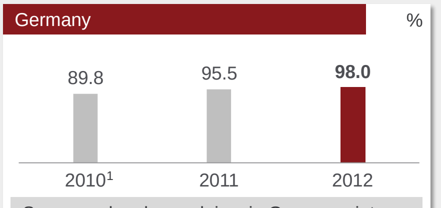
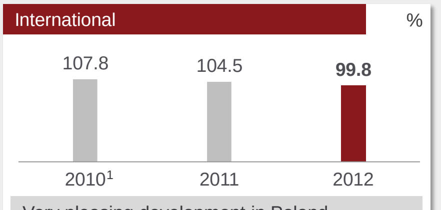




Some random large claims in Germany; intra-Group reins. effects not considered any longer



Very pleasing development in Poland – turnaround in Turkey making progress

[1] Figures up to 2010 are shown on a partly consolidated basis. Change from segmental to consolidated view eliminating intra-Group transactions.

Primary insurance – Property-casualty

Reduction of combined ratio targeted for 2013

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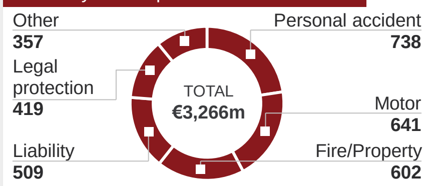
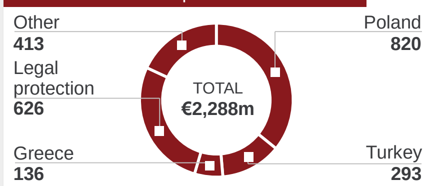
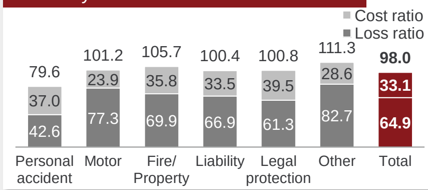
Germany: Gross premiums written €m



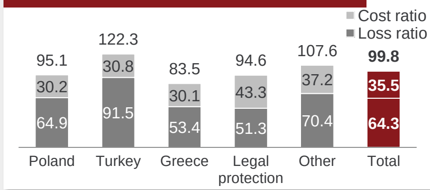
International: Gross premiums written €m



Germany: Combined ratio %



International: Combined ratio %



Target: Improve overall combined ratio to ~95% in 2013 – further progress in international business and normalisation of claims level in Germany

Primary insurance – Property-casualty – Germany

Germany – Improving motor profitability, new product philosophy in personal accident

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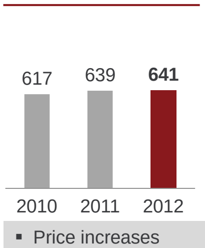
Motor

GWP €m

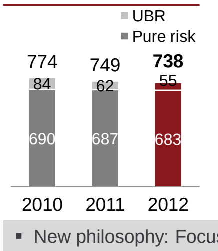


Combined ratio %

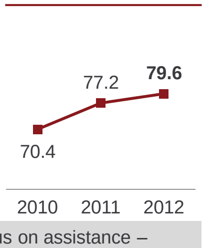
- Price increases
  - 10% for new business as at July 2012
  - 5% for existing business
- German GAAP 2012 combined ratio at 104.2% roughly in line with expected market ratio of 103.0%

Personal accident

GWP €m



Combined ratio %



- New philosophy: Focus on assistance – providing care and benefits for customers after accident even if there is no disability
- Increase number of touch points with customers
- Termination of products with premium refunds (UBR) – run-off of UBR business
- Relative profitability will increase

Primary insurance – Property-casualty – Germany

Germany – Commercial and industrial business hit by large claims

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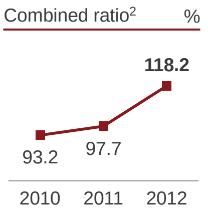
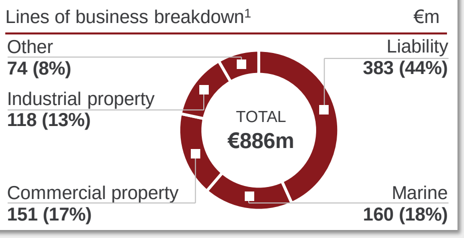
Commercial and industrial business





Large losses[3] (gross) – 2012 vs. average

	€m	%-points
2012	**243**	**27.6**
5-year average	129	17.1
10-year average	117	16.4

Comment

- 2012 a year with randomly high large losses
- Reinsurance with Munich Re not visible in primary insurance segment results due to full consolidation approach – combined ratio at ERGO level: 102.0%
- Focused on technical profits – not on growth

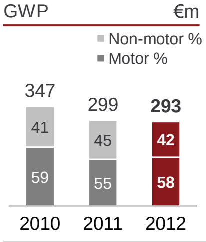
[1] German GAAP. [2] IFRS, gross. [3] Claims exceeding €1m.

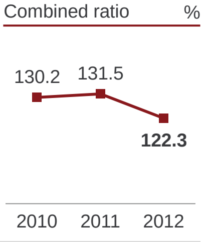
Primary insurance – Property-casualty – International

First steps in Turkey, excellent results in Poland

Munich RE

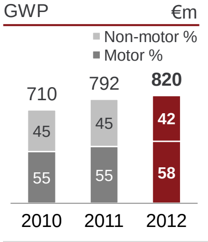
Turkey

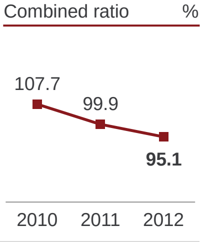




- Stabilisation of top line even after adjusting for FX effects
- Result improvement against market trend – lower combined ratio despite reserve increase
- Strong accident-year loss ratio improvement (from 92% to 72% in 3 years)
- New management team continues disciplined execution of turnaround programme

Poland





- Tariff adjustments in motor and property (10–15%)
- Combined ratio improvement due to
  - Good claims development – exceptionally good year in commercial/industrial business
  - Lower costs
  - Increasing premiums

Primary insurance – Property-casualty – International

India – HDFC ERGO continues to outperform the market

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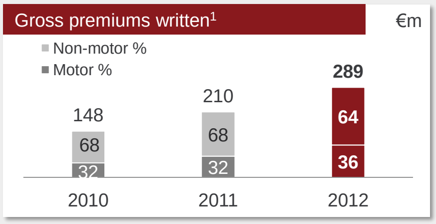
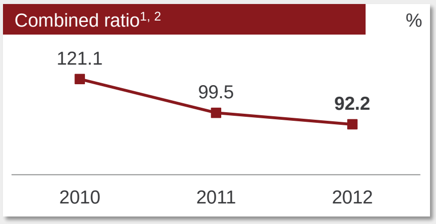
Gross premiums written[1]



Combined ratio[1, 2]



Highlights

- Outperforming market: Top-line growth of almost 40% in 2013[1]
- HDFC ERGO has built the largest bancassurance partnership in non-life insurance
- Successful steering – among the best net combined ratios in the market and expected net profit of close to €20m
- Retail portfolio rigorously shifted away from being a motor mono liner five years ago to most balanced portfolio in the market
- Ongoing task to move portfolio towards "high margin/high control" business to improve sustainable profitability
- HDFC ERGO accounted for at equity with 26% share

Solid foundation established for sustainable further growth and risk-commensurate returns going forward

1 Indian financial year (1.4. previous year to 31.3 reported year).
2 Excluding Indian Commercial Vehicle Third Party Motor Pool.

Primary insurance – Sales initiative in Germany

Sales quality and efficiency programme started

Munich RE

A new advice process …

- Brand promise "to insure is to understand" demands all-round yet individual advice process for all sales organisations
- New tool "ERGO compass" also brings advantages for documentation of advice

… and structural changes …

- Streamlining sales organisations of tied agents:
  - 5 existing organisations will be merged into 2
  - Uniform instruments for sales management and quality assurance
  - Reducing regional sales offices from 218 to 120 regional representative offices ...
  - ... while maintaining a broad regional presence: ERGO present in 66 (previously 83) towns and cities in future
- Foundation of a sales company
- Measures to be implemented in 2014

… will lead to improved efficiency and costs

- Cutback of 1,350 jobs
- Savings volume of ~€160m gross and ~€60m net from 2015

Primary insurance – Summary

Key takeaways

Munich RE

Life	New product in Germany from mid-2013 is the right answer to challenges from low-interest-rate environment
Health	In-force premium growth and shift to supplementary insurance
Property-casualty	Overall combined ratio in 2013 to be improved to below 95% – Continue turnaround in international business to sustainable combined ratio levels below 100%
Sales and distribution	Improve quality and efficiency with new organisational structure in Germany

Agenda

Munich RE

Delivering growth in bottom-line results	Nikolaus von Bomhard
Financial highlights 2012	Jörg Schneider
Risk management	Joachim Oechslin
Primary insurance	Torsten Oletzky
Reinsurance non-life	Torsten Jeworrek
Reinsurance life	Joachim Wenning
Backup	

Reinsurance – Premium development

Strong increase driven by organic growth

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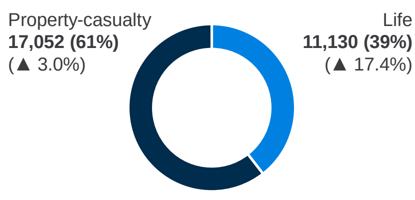
Gross premiums written (€m)

Q1–4 2011	26,038
Foreign-exchange effects	1,775
Divestment/Investment	–
Organic change	369
Q1–4 2012	**28,182**

Segmental breakdown[1] (€m)



Gross premiums written (€m)

Q1–4 2011	26,038
Life	1,649
Property-casualty	495
Q1–4 2012	**28,182**

Life
Organic growth (€905m) based on capital relief deals and expansion in Asia – positive FX effects (€744m), mainly US$ and Can$

Property-casualty
Positive FX effects (€1,031m) more than compensating for negative organic change due to expiry of solvency relief deals

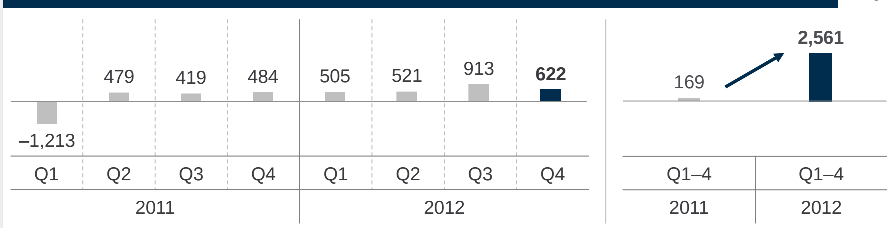
[1] Gross premiums written.

Reinsurance non-life – Key figures

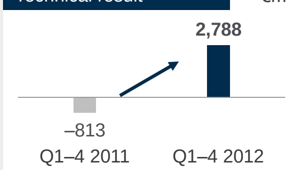
Reinsurance non-life

Munich RE

Net result (€m)

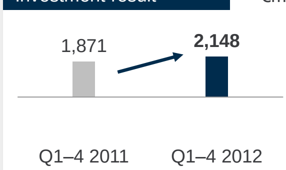


Technical result (€m)



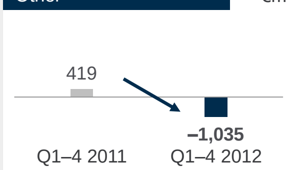
High previous-year nat cat claims

Investment result (€m)



Significantly lower write-downs in 2012

Other[1] (€m)



Tax expenditure of –€691m vs. tax revenue in previous year

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

Reinsurance non-life – Combined ratio

Combined ratio – Benign large losses and reserve releases

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Combined ratio

%

	Total	Basic losses	Nat cat losses	Man-made losses	Expense ratio
2010[1]	100.5	53.6	11.0	4.7	31.2
2011[2]	113.8	50.8	28.8	3.7	30.3
2012[3]	**91.0**	**50.2**	**7.7**	**3.1**	**30.0**
Q4 2012[4]	**83.2**	**32.5**	**17.1**	**0.9**	**32.7**

Normalised combined ratio 2012

%

Combined ratio 2012	**91.0**
Adjustments	
Reserve releases exceeding expectations[5]	
Nat cat below budget	
Man-made below budget	
Normalised combined ratio	**~94.0 – 95.0**

[1] Figures up to 2010 are shown on a partly consolidated basis. Including reserve releases of ~€400m (~3%).
[2] Including reserve releases of ~600m (~4%). [3] Including reserve release of ~€900m (~5.5%).
[4] Including reserve release of ~€600m (~15%). [5] Expectation defined as the most likely outcome in any given year.

Reinsurance non-life

Continuously improving underwriting profitability – Reserving strength and stringent portfolio management

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Drivers of improving underwriting profitability

Strong reserving position

Best-in-class reserving

- Consistently conservative strategy
- Significant investment in the right people and the right infrastructure
- State-of-the-art monitoring/feedback systems

High level of confidence in loss reserves

- Several years of asymmetric responses to positive indications behind us
- At the high end of the range in best estimates
- Reached a steady state where, in a financial year, the conservatism applied to new business stands a good chance of being offset by favourable emergence in older business

+ Stringent portfolio management

Focusing on promising business fields

- Beyond traditional reinsurance – Structuring capital relief transactions
- Expansion of know-how-driven business – Risk Solutions

Improving portfolio quality

- Disciplined underwriting – Strictly focusing on bottom-line
- Successfully coping with challenging conditions – Underwriting policies and yield management

Munich Re laying the ground at an early stage to sustain high level of profitability

Reinsurance non-life – Strong reserving position

We have now reached a steady state with best-in-class processes and prudent reserve levels

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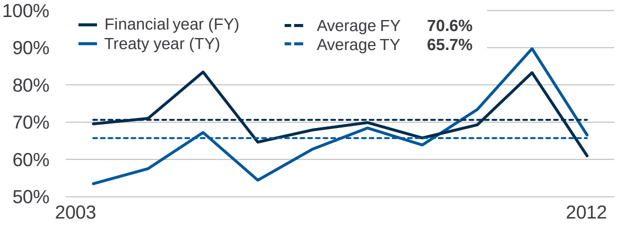
Reserving process reflected in treaty-year and financial-year loss ratio

Treaty-year versus financial-year loss ratio: 2003–2012[1]



Addressing soft market cycle of the late 1990s	Enhanced governance: Group-wide Central Reserving function	Massive investment in harmonised IT infrastructure	Accelerating feedback loops and thus risk identification	Best-in-class quarterly/ annual monitoring processes

Restoration → **Accumulating strength**

Key developments

- Higher financial-year loss ratio in early years stems mainly from reserve strengthening of 90s treaty years
- Reserve conservatism had been increased from 2007
- Stable and consistently positive indications in the last three financial years increases our overall level of confidence in the reserve positions
- Reserve ratio[2] increased by ~20%
- Casualty share[3] reduced from 44% to 35%

[1] Property-casualty reinsurance.
[2] Reserves to net earned premium 2012 vs. 2003. [3] In % of net earned premium 2012 vs. 2003.

Reinsurance non-life – Promising business fields – Capital relief transactions

Demand for capital relief translates into new business opportunities for Munich Re

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Proven demand for capital relief solutions

Motivation

Optimisation	▪ Capital optimisation ▪ Market growth funding ▪ Replacement of capital ▪ M&A financing/enabling ▪ Earnings volatility
Distress	▪ Economic crisis ▪ Hits on asset side ▪ Change of interest rates ▪ High (cat) losses ▪ Negative valuation levels

- Capital ratio can be steered by internal measures, capital market solutions or reinsurance
- Reinsurance provides highly flexible solution, e.g. no minimum size, low external visibility, no access to capital markets required and risk transfer included

Munich Re's core strengths

Financial strength to provide significant capacity

Unique access to clients and markets

Best-in-class underwriting and capital management expertise

- Dedicated teams of various experts develop solutions and execute transactions
- Capital relief deals generating new premiums beyond conventional cessions
- Considerable premium development with sustainable margin contribution expected

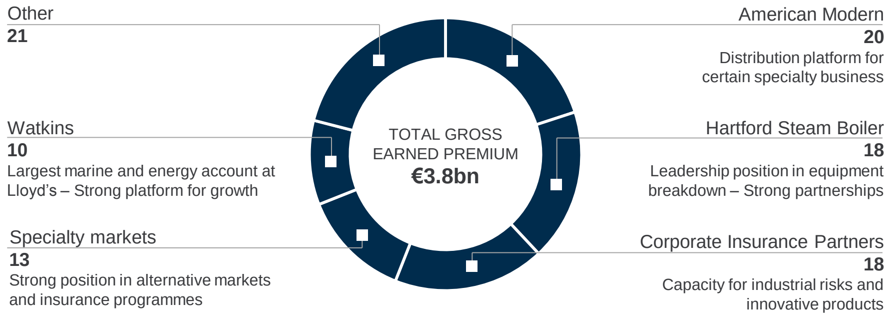
Risk Solutions – Well-positioned to profitably expand the business

Strategic rationale achieved

- Applying expertise to selected, highly profitable risk segments and exploiting trends via specialised distribution channels
- Seizing independent growth potentials based on a broader scope of business
- Adding profitable business to detach from reinsurance cycle

Strategy going forward (examples) – Share 2012

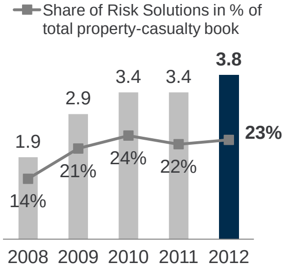
%



Risk Solutions – Strong bottom-line contribution

Gross earned premium[1]

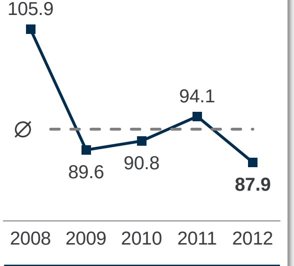
€bn



- 2012: Top-line growth (+12%) mainly driven by exchange-rate effects (+7%)
- Risk Solutions contributes 23% to total property-casualty book with an upward trend

Combined ratio[1]

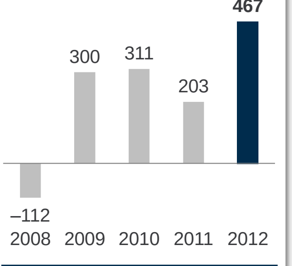
%



- Five-year average combined ratio of 92.4%
- 2008: Impacted by large losses
- Ambition: Combined ratio of ~92% for current portfolio

Underwriting result[1]

€m



- Sound underlying performance over five years
- 2012: excellent performance driven by low major-loss experience and reserve releases for prior years

[1] Management view, not comparable with IFRS reporting. Figures for acquired companies only included since consolidation: AMIG as from April 2008 and HSB as from April 2009. Exchange rate YTD as of each year.

Reinsurance non-life

Disciplined underwriting leads to improved economic profitability despite lower yields

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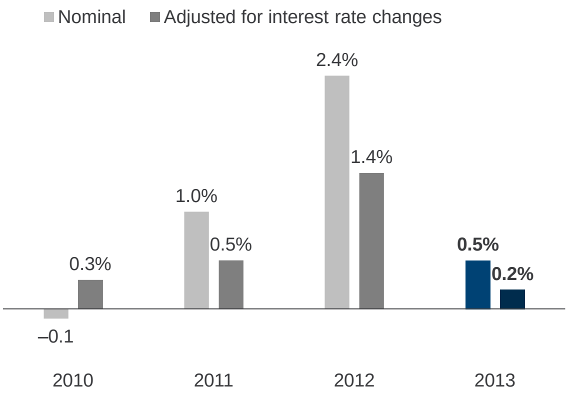
Year-to-date price change 2010–2013



Portfolio management:

Expected underlying combined ratio clearly improved due to

- focus on bottom-line rather than volume growth
- cancellation of business not meeting technical price level (marine sub-lines, motor XL)
- taking advantage of positive pricing trends, especially in nat cat (e.g. Australia, Japan, US)
- profitable growth in business that is not freely available in the market (agriculture, UK motor client)

Price increases achieved in recent renewals more than sufficient to offset lower interest rates from a pricing perspective

Reinsurance non-life – January renewals 2013

Ongoing strong competition due to ample reinsurance capacity, while demand tends to be unchanged

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Market environment

- Capital base of the (re)insurance sector further increasing – driven by low large-loss burden in 2012 (except Sandy) and inflated market value of bond portfolio (low interest rates)
- Reinsurance prices are rather flat overall – Sandy's impact helped to stabilise US prices
- Segments with recent loss experience show noticeable price increases
- Prices for long-tail business with slight upward bias due to low yields
- For primary rates, slight positive price trend continues (e.g. US)

Competitors — Supply

- Ongoing competitive environment, as abundant capacity is available in all lines of business
- Increased inflow of alternative capital (e.g. cat bonds, collateralised reinsurance, aggregated XLs), as institutional investors are searching for yield opportunities
- Competitors strongly focus on keeping their business in force

Clients — Demand

- Overall, reinsurance demand without material changes
- Stable development of original markets in difficult economic environment
- Clients are retaining largely the same or an even higher level of risk as capital increases

Reinsurance non-life – January renewals 2013

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

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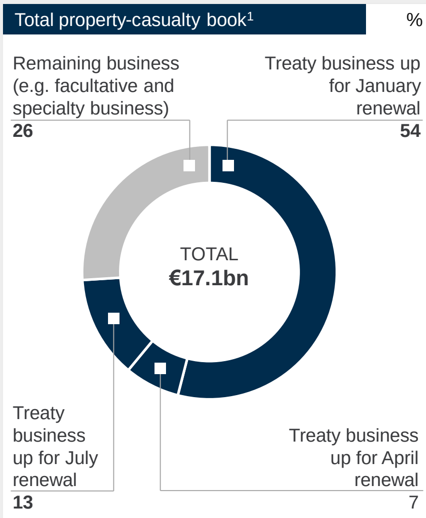

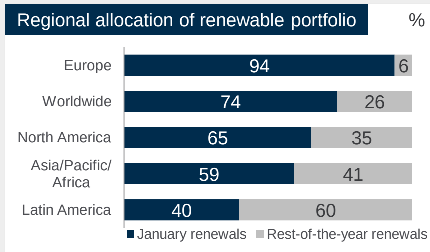

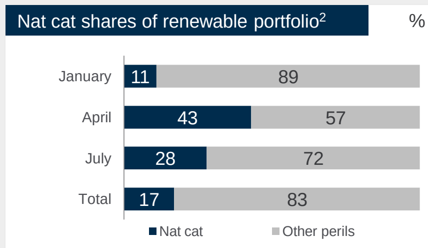

[1] Approximation – not fully comparable with IFRS figures.
[2] Refers to property only.

Reinsurance non-life – January renewals 2013

Top-line remains quite stable – Focus on underwriting discipline maintained

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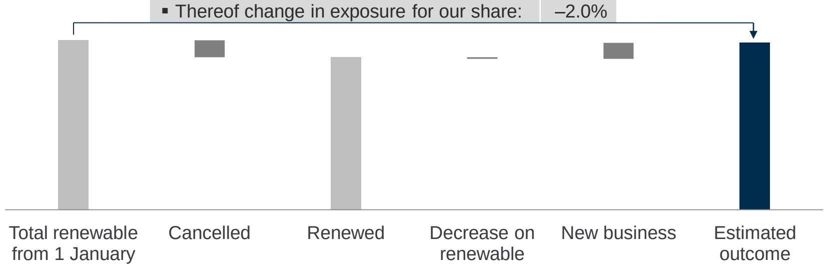
January renewals 2013

	Total renewable from 1 January	Cancelled	Renewed	Decrease on renewable	New business	Estimated outcome
%	100	–10.0	90.0	–1.0	9.5	**98.5**
€m	9,181	–916	8,265	–95	876	**9,046**

Change in premium:	**–1.5%**
▪ Thereof price movement[1]:	+0.5%
▪ Thereof change in exposure for our share:	–2.0%



Portfolio quality further improved in a still competitive market environment

[1] Price movement is risk-adjusted, i.e. includes claims inflation/loss trend and is adjusted for portfolio mix effects. Furthermore, price movement is calculated on a wing-to-wing basis (including cancelled and new business).

Reinsurance non-life – January renewals 2013

January renewals: On average, prices flat to slightly up

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Munich Re portfolio – Premium change in major business lines

	Total	Property		Casualty		Specialty lines		
Business line		Prop.	XL	Prop.	XL	Marine	Credit	Aviation
Premium split[1]	€9.2bn	31%	11%	34%	5%	10%	6%	3%
Price change	~0.5%	0.3%	1.4%	0.6%	1.6%	0.9%	–1.2%	0.2%
Volume change	–1.5%	–4.3%	1.0%	–0.8%	–1.0%	3.0%	–0.5%	–6.7%

Price

- Overall, a positive price change (+0.5%) was achieved
- Most significant price increases were realised in loss-affected marine and property portfolios
- Casualty lines: Flat to slightly up
- Proportional business: Remains stable to slightly up benefiting from positive primary pricing trend
- Credit: still profitable despite price decreases

Volume

- Top-line decrease of 1.5% as a result of a still bottom-line-orientated underwriting approach
- Proportional book: Slightly reduced in Asia/Pacific and Europe
- Marine: Elevated top line due to growth of Risk Solutions business
- Aviation: Decreases as a result of a reduction in the airline segment

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

Reinsurance non-life – Renewal outlook

Current pricing trend is expected to continue in upcoming renewals

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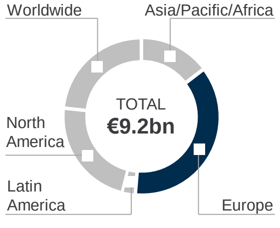
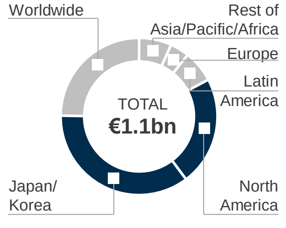
January



Renewal focus on **Europe**

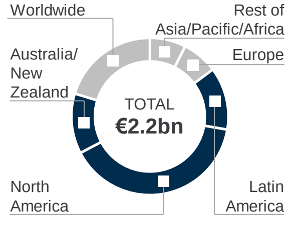
- Overall flat to slightly positive pricing trend
- Positive price change of ~0.5% achieved

April



Renewal focus on **Japan/Korea**

July



Renewal focus on **USA, Latin America and Australia**

- **Higher nat cat portion** in April (~40%) and July (~30%) renewals than in January renewals (~11%)
- Rate outlook stable in the absence of a market-changing event
- Persisting low interest rates will increase pressure on casualty

Disciplined underwriting approach is key to maintaining portfolio quality in a very competitive market environment

Reinsurance non-life – Outlook

Positive outlook for developing business in different market environments

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Reinsurance markets	Outlook 2015	Munich Re GWP[1]	Munich Re Outlook 2015	
North America	USA: Largest single market – Stabilisation of negative trend (→)	1.3	→	▪ Comparably smaller market share provides growth potential ▪ Selective approach in low-margin segments
Europe	Difficult market environment but stable outlook (→)	3.4	↗	▪ Core market for capital relief transactions ▪ Market competition still keen for traditional reinsurance
APAC	Continuous high growth rates driven by emerging markets (↗)	2.4	↗	▪ Growth in line with market[2] but with strict adherence to profitability targets ▪ Differentiated approach in mature markets (Japan, Australia)
Latin America & Africa	High growth dynamic with increasing prosperity (↗)	1.3	↗	▪ Munich Re's presence and market experience provide excellent basis to participate in developments
Global Clients & Special Lines	Stable outlook for large insurers – Attractive specialty business (→)	4.2	↗	▪ Continued successful business with Global Clients ▪ High growth expectations in Special Lines (agriculture etc.)

Differentiated approach allows Munich Re to capitalise on opportunities in line with market expectations

[1] Gross written premiums 2012. Traditional reinsurance only. Allocation based on management view.
[2] Not considering specific quota-share business.

Reinsurance non-life – Summary

Key takeaways

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Financial results

Positive FX effects offsetting negative organic change due to expiry of capital relief transactions – Strong underlying combined ratio and benign large losses

Reserving

A disciplined strategy, coupled with best-in-class underwriting/ feedback systems, yields a strong balance sheet and a high level of confidence in our reserve positions

Portfolio

Stringent portfolio management by focusing on promising business fields and disciplined underwriting with strict bottom-line orientation

Outlook

Pleasing result in January renewals despite unrelentingly competitive market environment. Coming renewals expected to maintain good level of profitability. Target combined ratio of ~94%

Agenda

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Delivering growth in bottom-line results	Nikolaus von Bomhard
Financial highlights 2012	Jörg Schneider
Risk management	Joachim Oechslin
Primary insurance	Torsten Oletzky
Reinsurance non-life	Torsten Jeworrek
Reinsurance life	Joachim Wenning
Backup	

Reinsurance life

Reinsurance life on a sustained growth path

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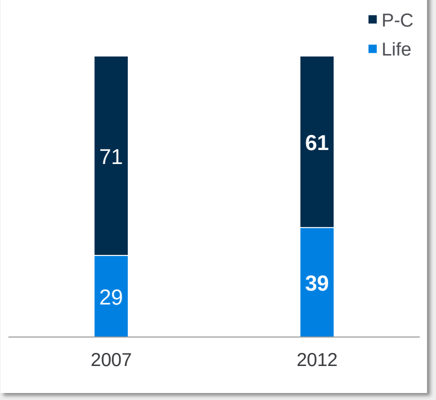
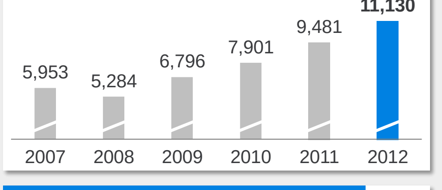
Share of life business within reinsurance segment

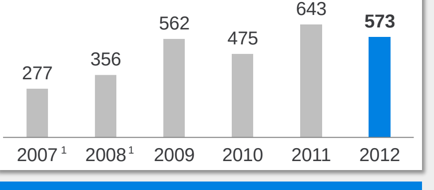
% of GWP



Gross written premium (GWP) €m



MCEV value of new business (VNB) €m



Strong portfolio growth – again extraordinarily high VNB

[1] EEV figures.

Reinsurance life – Key figures

Reinsurance life

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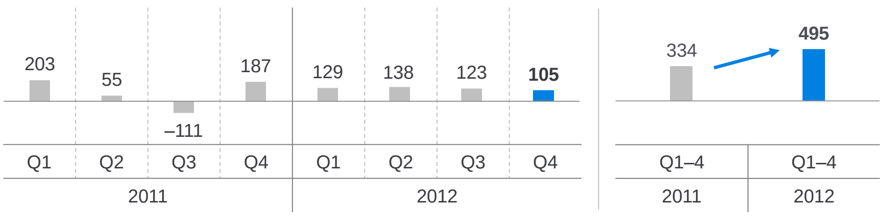
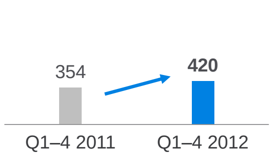
Net result €m

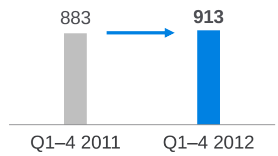


Technical result €m



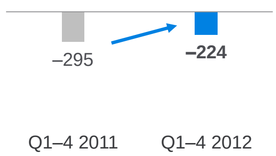
Target fully met – Pleasing results in Asia and Canada

Investment result €m



Decrease in regular income offset by lower write-downs

Other[1] €m



Lower tax burden – tax ratio at 16.5%

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

Reinsurance life

Strong market shares in all regions add up to global leading position

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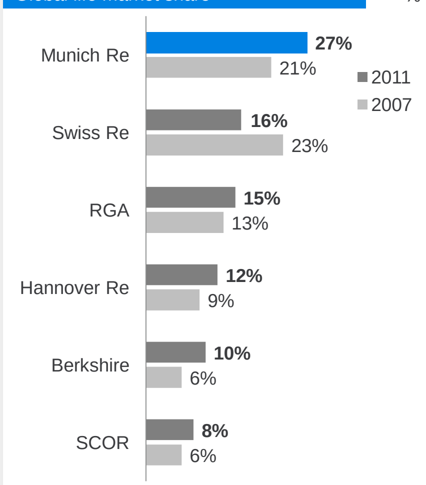
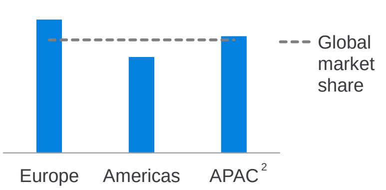
Global life market share[1] %



Munich Re's regional footprint[1] %



- Historically strong position of Munich Re in European markets
- North America underweight due to selective approach in competitive US market
- Very strong position in Canada in terms of in-force and new business
- Market leader with differentiated approach in growing Asian markets
- Among BRIC markets, particular focus on China, Brazil and India

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

Reinsurance life

North America dominant contributor of new business value – Growing APAC region catching up

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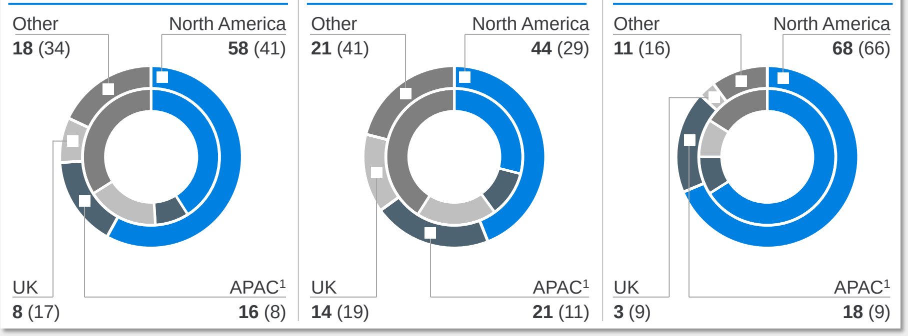
Portfolio split by region – Gross written premiums vs. technical result vs. VNB

% of total



Dynamic development of APAC region – doubling its weight within the last four years in terms of top and bottom line

Majority of value creation in North American markets – mainly driven by solvency relief transactions

Annual IFRS results dominated by large in-force business in North America, UK and Continental Europe

[1] Asia, Australia, New Zealand.

Reinsurance life – Strategic positioning

Munich Re's global key strategic focus in life

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Customised solution space

- Transfer of know-how/ Traditional solutions
- Financing and capital relief transactions
- Holistic asset-liability solutions

Four key strategic initiatives

1. **Financially motivated reinsurance** – Continued flow of transactions
2. **Market development strategy Asia** – Increasing share in global life business
3. **Financial solutions/asset protection** – Set-up almost accomplished – resource-shift to origination and production
4. **Longevity** – Adjustments in strategic focus

Reinsurance life – Strategic positioning

1 Strong footprint in FinMoRe[1]

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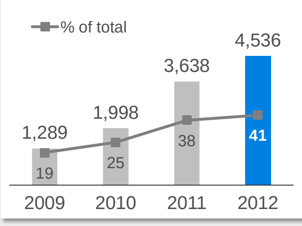
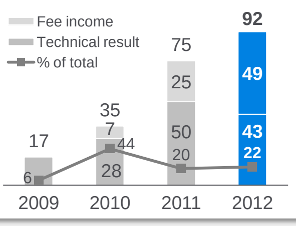
Financially Motivated Reinsurance

€m

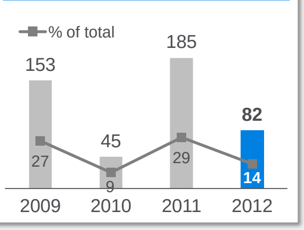
Gross written premiums



Technical result and fee income[2]



VNB



Portfolio development

- Demand for FinMoRe remained high during 2012
- Top-line development partially due to growth from existing portfolio
- Very stable result contributions

Expectations going forward

- Strong deal pipeline, especially in Europe and Asia
- Large North American deals partly up for renewal
- Number and size of new transactions difficult to project

[1] Financially motivated reinsurance (solvency relief, financing).
[2] Result from FinMoRe business partly shown as non-technical result (deposit accounting – "fee income").

Reinsurance life – Strategic positioning

2 Asia – An example of portfolio growth fostered by transfer of global expertise to local markets

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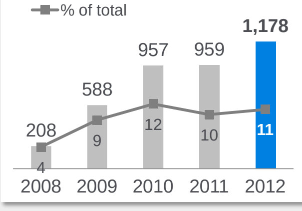
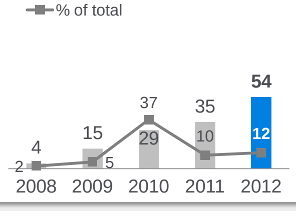
Life reinsurance Asia – Business development

€m

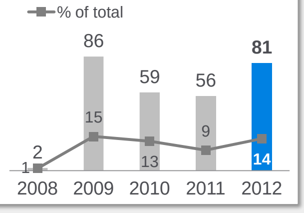
Gross written premiums



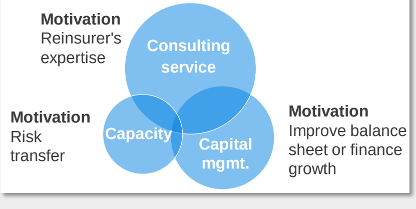
Technical result



VNB



Munich Re's approach



Largest business contributors and most important initiatives

- **China:** Unique new business platform – Improving sales and increasing efficiency by building an integrated e-platform
- **Japan:** Need for FinMoRe – Munich Re well positioned in this segment
- Dynamic growth in **South East Asian** markets

Reinsurance life – Strategic positioning

3 Financial solutions/asset protection – Efficient solutions in changing market environments

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VA cover

interest rates
volatility

ALM cover

Tightening
Reshaping of capital regimes
Easing

VIF financing

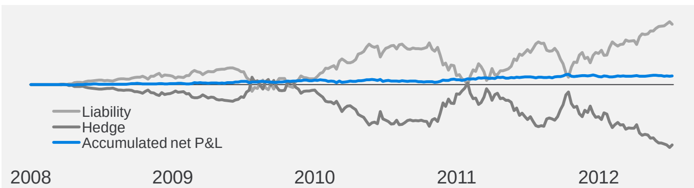
Risk transfer
Risk financing

Shift of demand to either risk-transfer or risk-financing solutions depending on development in financial markets and degree of regulatory reshaping

Fully functional hedging platform

Legal and regulatory expertise/ structuring solutions

Munich Re well prepared



During financial crisis, the in-force business has been managed successfully – Realised mark-to-market P&L since 2008 is smooth and slightly positive

Reinsurance life – Strategic positioning

4 Longevity business to complement portfolio

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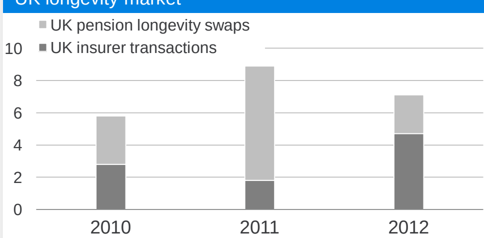
UK longevity market

£bn



Focus on UK market due to best pre conditions

- Data availability
- Pension funds willing to de-risk
- High level of understanding of products and risks

Munich Re market share

- 2011 and 2012: ~10%

Strategic position

- After in-depth research phase, three deals have meanwhile been concluded using the most common swap structure
- Uncertainty concerning future trend requires prudent approach in pricing and valuation
- Stand-alone profitability at lower end, which does restrict fast growth
- Longevity considered to be primarily a risk management tool to balance the portfolio and to stabilise earnings

Outlook

- Evolutionary development of our longevity portfolio
- Market difficult to predict, but no dramatic changes expected over next few years
- Appetite to do more in view of current low exposure – if conditions are satisfactory

Reinsurance life

Reliable positive results from mortality risk – Increasing result contributions from FinMoRe deals

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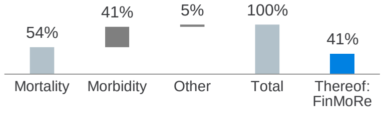
Premiums and value generation by product

€m

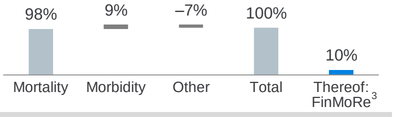
Gross written premiums

	Mortality	Morbidity	Other	Total	Thereof: FinMoRe
2012	**6,030**	**4,555**	**545**	**11,130**	**4,536**
2011	5,271	3,499	711	9,481	3,638
2010	4,776	2,587	537	7,901	1,998



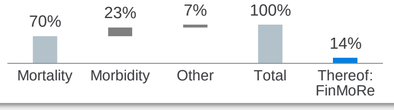
Technical result[1]

	Mortality	Morbidity	Other	Total	Thereof: FinMoRe[3]
2012	**410**	**40**	**–30**	**420[2]**	**43**
2011	406	–31	–21	354	50
2010	329	–276	27	79	28



VNB

	Mortality	Morbidity	Other	Total	Thereof: FinMoRe
2012	**404**	**129**	**40**	**573**	**82**
2011	549	71	23	643	185
2010	316	125	34	475	45



- Overall mortality experience according to expectation – weaker experience in the US compensated for by more favourable results in other markets
- Morbidity lines largely back on track – but further improvements initiated
- Reliable and growing profit stream from solvency relief and financing business

Majority of value creation attributable to bread-and-butter mortality business and increasingly to Financially Motivated Reinsurance

1 Product-specific cost allocation.
2 €58m additional result contribution shown as part of non-technical result (deposit accounting – "fee income").
3 Technical result excluding result contribution from "fee income".

Reinsurance life

Effective and comprehensive risk management framework to manage portfolio

Munich RE

Key risk categories

Quantitative measurement						Qualitative assessment				
Biometrics			Lapse	Market[1]	Credit/ Default	Repu-tational	Legal	Oper-ational	Regu-latory	Product Design
Mortality	**Morbidity**	Longevity								

Exemplary measures

Pricing	**Product**	**Terms and conditions**	**Underwriting and claims**	**Monitoring**
▪ Realistic and relevant best-estimate assumptions ▪ Set profit margin to reflect the risks involved	▪ Avoid moral hazard/anti-selection ▪ Clear definition of risks covered ▪ Risk mitigation measures	▪ Ensure alignment of interest ▪ Clear, reliable and enforceable treaty wording ▪ Risk mitigation measures	▪ Review/approve client's under-writing and claims management practices ▪ Direct involve-ment in process (if feasible) (e.g. rehabilitation /termination)	▪ Insist on timely and comprehensive client reporting ▪ Monitor changes in relevant risks and environment ▪ Act swiftly on monitoring results

1 Comprises equity, interest rate and F/X risk.

Reinsurance life

Low exposure to interest-rate risk[1]

Munich RE

No spreads assumed in pricing

Interest rates assumed in pricing are risk-free (swap rates) with no need to rely on earning interest spreads

ALM principles applied

Stringent ALM process ensures that interest rates assumed in pricing are earned during the lifetime of life reinsurance policies – market-consistent pricing coupled with ALM principles

Suitable structures to limit interest risk

Treaty structures[2] chosen to emphasise biometric risk and minimise interest-rate risk; in case of deposits, avoid exposure to interest-rate risk by agreeing on guaranteed credited interest

Life Re MCEV interest-rate sensitivities €m

	€m	%
MCEV 31.12.2012	10,616	100%
Interest rates +100bps	–503	–4.7%
Interest rates –100bps	+388	+3.7%

Both increasing and decreasing interest-rate movements have only limited impact on Munich Re's Life Re MCEV

Dominating insurance risk – leading to low interest-rate sensitivity

1 Risk of earnings less than risk-free interest used in pricing.
2 For more detail on treaty categories, please see backup.

Reinsurance life – Market Consistent Embedded Value 2012

MCEV result 2012

Munich RE

MCEV life reinsurance 2012 €m

	€m
MCEV 31.12.2011	**9,992**
1 Opening adjustments	232
Adjusted MCEV 31.12.2011	**10,225**
2 Value of new business	573
Expected return	336
Experience variances	23
3 Assumption changes	146
3 Other operating variance	–139
Operating MCEV earnings 2012	**939**
4 Economic variances	233
Other non-operating variance	0
Total MCEV earnings 2012	**1,172**
1 Closing adjustments	–781
MCEV 31.12.2012	**10,616**

Main drivers

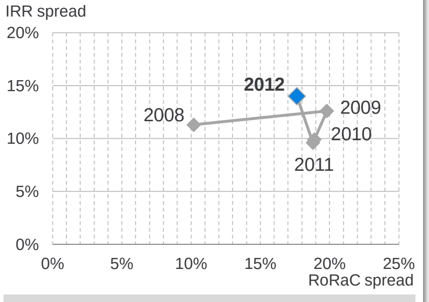
1. Neutral FX impact – material dividends
2. Sustainably high value of new business €573m (€643m)
3. Positive assumption changes (primarily mortality) – offset by increased prudence in modelling
4. Overall positive impact of economic environment

Reinsurance life

New business profitability satisfying corporate requirements under all relevant metrics

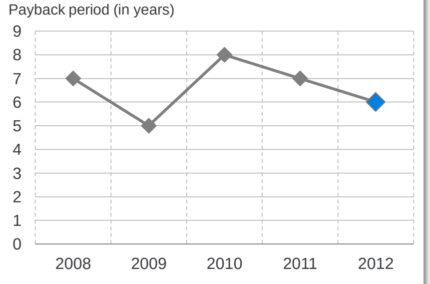
Munich RE

RoRaC-/IRR-spread[1] in new business



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

Payback period[2] in new business



Lower initial capital consumption leads to shorter payback period for 2012 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.

Reinsurance life

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

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€m

	Cash generation (Change in ANW)[1]		–	Change in required capital		=	Free capital generation (Change in free surplus)	
	2011	2012		2011	2012		2011	2012
In-force	1,247	688		134	–234		1,112	922
New business	–53	–68		768	338		–821	–407
Total	1,194	619		903	104		291	516

Less than 50% of free capital generated from in-force tied up through again very high new business production at attractive terms

[1] Adjusted net worth.
Further details on slide "Adjusted net worth (ANW) development" see backup.

Reinsurance life

Actual vs. expected business development 2012

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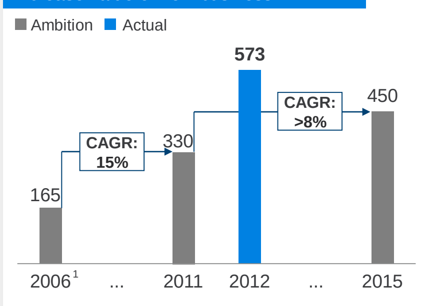
	VNB	IFRS profit
Canada		
▪ Market share maintained in traditional business ▪ Again supported by solvency relief business ▪ Better than expected biometric experience across the board		
USA		
▪ Market share maintained at improved margins ▪ Weaker-than-expected mortality experience		
Other		
▪ Close to expectation		
UK		
▪ Continued competitive environment ▪ Cautious approach with respect to longevity business ▪ Healthy IFRS profits		
Continental Europe		
▪ Stable business development ▪ Overall satisfactory result		
Asia		
▪ Ongoing positive impact from solvency relief opportunities ▪ Favourable risk result		
Australia		
▪ Good organic growth in the market ▪ Reserve strengthening for disability business proved sufficient		
Total		
▪ **Strong VNB from traditional and solvency relief business** ▪ **IFRS overall close to expectation**		

Reinsurance life – Outlook

Future value generation – High ambition levels continue to apply

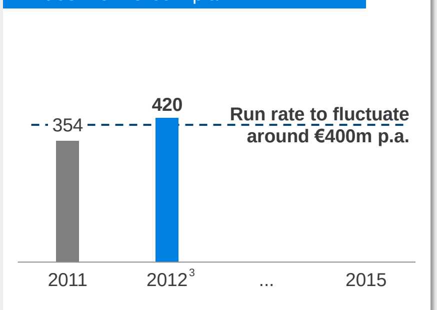
Munich RE

VNB: Ambition to sustainably increase value of new business €m



Medium-term target again clearly surpassed – driven by healthy margins in new mortality business and continued success with FinMoRe

IFRS technical result: Ambition[2] of ~€400m p.a. €m



- Increased ambition from €300m (until 2010) to €400m in 2011–2015
- Target fully met in 2012

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

[1] Restated from EEV to MCEV.
[2] Based on best-estimate assumptions and not taking into account major interest or currency movements.
[3] €58m additional result contribution shown as part of non-technical result (deposit accounting – "fee income").

Agenda

Munich RE

Delivering steady growth of bottom line results	Nikolaus von Bomhard
Financial highlights 2012	Jörg Schneider
Risk management	Joachim Oechslin
Primary insurance	Torsten Oletzky
Reinsurance non-life	Torsten Jeworrek
Reinsurance life	Joachim Wenning

Backup

Backup: Munich Re (Group)

Premium development

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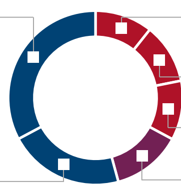
Gross premiums written €m

Q1–4 2011	49,452
Foreign-exchange effects	2,162
Divestment/Investment	–141
Organic change	496
Q1–4 2012	**51,969**

Segmental breakdown €m



Backup: Reinsurance non-life – Combined ratio

Development of combined ratio

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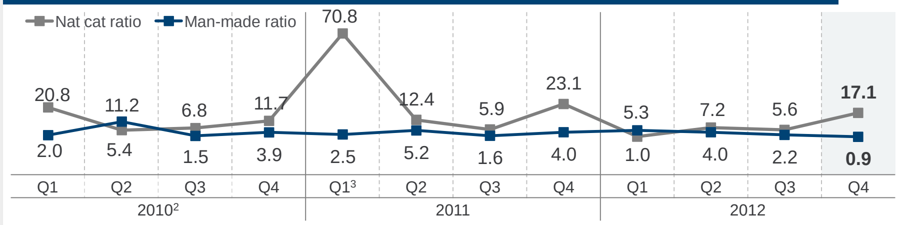
Combined ratio vs. basic losses

%

Nat cat vs. man-made

%



1 Including overhead costs.
2 Figures up to 2010 are shown on a partly consolidated basis.
3 After insurance risk transfer to the capital markets.

Backup: Reinsurance non-life – Combined ratio

Large losses – Nat cat and man-made below budget

Munich RE

Large losses 2012

	Total	Natural catastrophes	Man-made
€m	**1,799**	**1,284**	**515**
%	10.8%	7.7%	3.1%
Budget	~12.0%	~8.5%	~3.5%

Natural catastrophe losses 2012[1]	€m
Windstorm Sandy	800
US drought	160
Earthquakes Italy	150
Tornadoes USA	105
Hurricane Isaac	70
Other (incl. run-offs)	9
Total	**1,284**

Man made losses 2012[1]	€m
Accident cruise liner	80
Fire Germany	70
Several other claims below €40m each (incl. run-offs)	365
Total	**515**

1 Rounded numbers.

Backup: Reinsurance non-life – January renewals 2013

Portfolio composition remains largely unchanged

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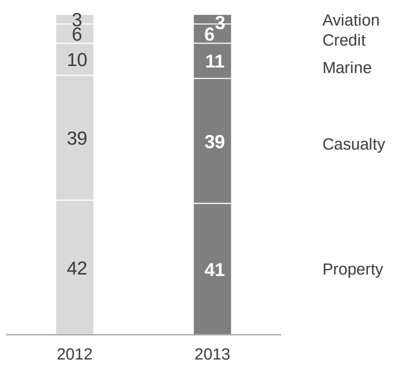
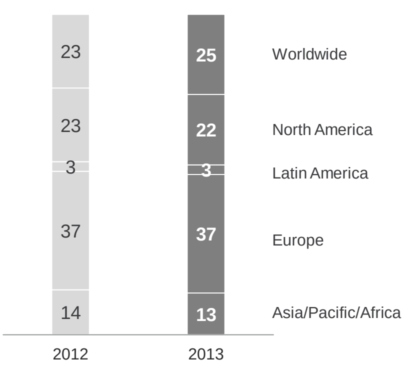
Split by line of business %



Split by region %



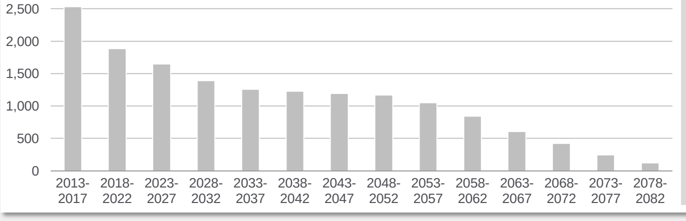
Growth in (worldwide) marine business and reduction of proportional business in Asia/Pacific leads to a slight reduction in property in favour of the marine portfolio

Backup: Additional segmental information – Reinsurance life

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

Munich RE

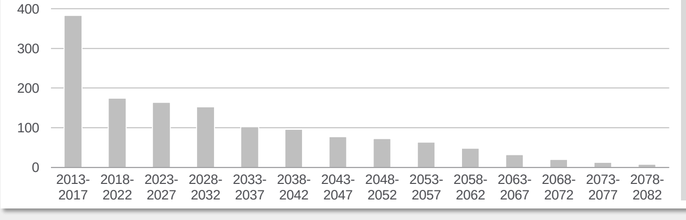
Free capital generation from in-force portfolio as at 31 December 2012 €m



- In 5 years: 16%
- In 10 years: 28%
- In 15 years: 39%
- In 20 years: 47%

… of total

Free capital generation from new business written in 2012 €m



- In 5 years: 27%
- In 10 years: 39%
- In 15 years: 51%
- In 20 years: 62%

… of total

Backup: Reinsurance life

Interest-rate risk[1] can be managed by selection of appropriate transaction structures

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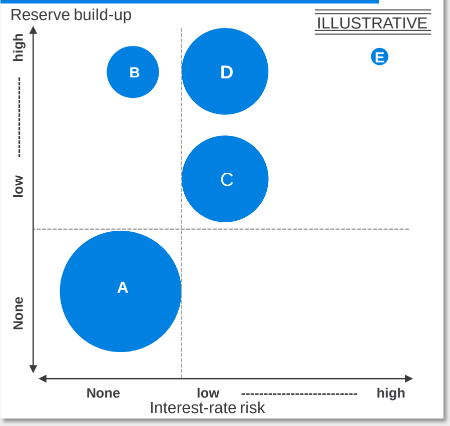
Munich Re life re portfolio[2]



	Treaty category	Characteristics
A	Modified coinsurance (Mod co)	▪ Reserves and assets owned by cedant
B	Funds withheld coinsurance (with guaranteed interest)	▪ Assets owned and managed by cedant ▪ Cedant credits guaranteed interest to reinsurer
C	Yearly renewable term (YRT, risk premium basis)	▪ Small to moderate reserve build-up ▪ Assets owned and managed by reinsurer (ALM)
D	Full coinsurance	▪ Material reserve build-up ▪ Assets owned and managed by reinsurer (ALM)
E	Funds withheld coinsurance (without guaranteed interest)	▪ Assets owned and managed by cedant ▪ Cedant credits earned interest to reinsurer

Vast majority of Munich Re portfolio based on transaction structures bearing minimal interest/market risk

1 Risk of earning less than risk-free interest used in pricing.
2 Size of bubbles indicative of Munich Re business volume in the category.

Backup: Primary insurance – Life – New business

Primary life – New business (statutory premiums)

Munich RE

Total (€m)

	Total	Regular premiums	Single premiums	APE[1]
Q1–Q4 2011	2,741	534	2,207	754
Q1–Q4 2012	**2,227**	**527**	**1,700**	**697**
▲	**–18.8%**	–1.3%	–23.0%	–7.6%

Comments

- Private old-age provision business muted by overall economic uncertainty
- Germany: Lower single-premiums mainly due to drop in short-term investment product "MaxiZins"
- Decline in Austria, increase in Belgium

Germany (€m)

	Total	Regular premiums	Single premiums	APE[1]
Q1–Q4 2011	1,806	352	1,454	497
Q1–Q4 2012	**1,433**	**340**	**1,093**	**449**
▲	**–20.7%**	–3.4%	–24.9%	–9.7

International (€m)

	Total	Regular premiums	Single premiums	APE[1]
Q1–Q4 2011	935	182	753	257
Q1–Q4 2012	**794**	**187**	**607**	**248**
▲	**–15.1%**	2.7%	–19.4%	–3.5%

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

Backup: Primary insurance – Life

Comprehensive management of back book

Munich RE

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 figures[1] (German business)

	Free RfB	Terminal bonus fund	Unrealised gains	Average coupon	Reinvestment rate	Average guarantee
2012	**€0.9bn**	**€2.0bn**	**€8.1bn**	**~3.8%**	**~3.1%**	**~3.2%**
2011	€1.0bn	€2.3bn	€3.2bn	~4.1%	~3.3%	~3.3%

ERGO well protected against "lower for longer" scenario

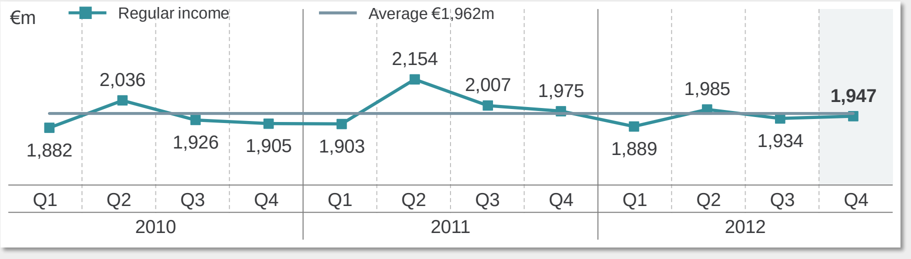
[1] German GAAP figures for ERGO Leben, Victoria Leben and ERGO Direkt Leben.

Backup: Investments

Breakdown of regular income

Munich RE

Investment result – Regular income (€m)	Q4 2012	Q1–4 2012	Q1–4 2011	Change
Afs fixed-interest	**996**	**4,073**	4,305	–232
Afs non-fixed-interest	**73**	**352**	342	10
Derivatives	**63**	**232**	335	–103
Loans	**562**	**2,242**	2,174	68
Real estate	**83**	**334**	340	–6
Deposits retained on assumed reinsurance and other investments	**170**	**522**	543	–21
Total regular income	**1,947**	**7,755**	8,039	–284

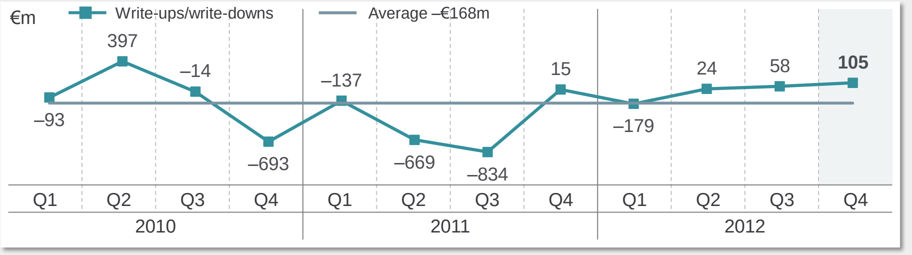


Backup: Investments

Breakdown of write-ups/write-downs

Munich RE

Investment result – Write-ups/write-downs (€m)	**Q4 2012**	**Q1–4 2012**	Q1–4 2011	Change
Afs fixed-interest	**8**	**8**	–1,135	1,143
Afs non-fixed-interest	**–44**	**–191**	–541	350
Derivatives	**157**	**347**	278	69
Loans	**–4**	**–7**	–62	55
Real estate	**–17**	**–84**	–138	54
Deposits retained on assumed reinsurance and other investments	**5**	**–65**	–27	–38
Total net write-ups/write-downs	**105**	**8**	–1,625	1,633



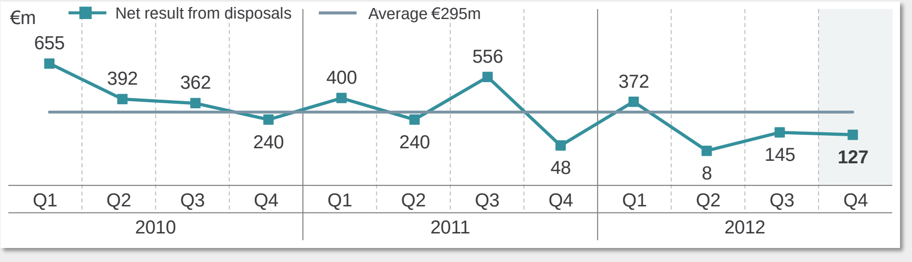
Backup: Investments

Breakdown of net result from disposals

Munich RE

/IR/PA

Investment result – Net result from disposal of investments (€m)	**Q4 2012**	**Q1–4 2012**	Q1–4 2011	Change
Afs fixed-interest	**145**	**494**	761	–267
Afs non-fixed-interest	**52**	**524**	537	–13
Derivatives	**–81**	**–495**	–497	2
Loans	**2**	**65**	95	–30
Real estate	**7**	**59**	90	–31
Deposits retained on assumed reinsurance and other investments	**2**	**5**	258	–253
Total net result from disposals	**127**	**652**	1,244	–592



Backup: Investments

Return on investment by asset class and segment

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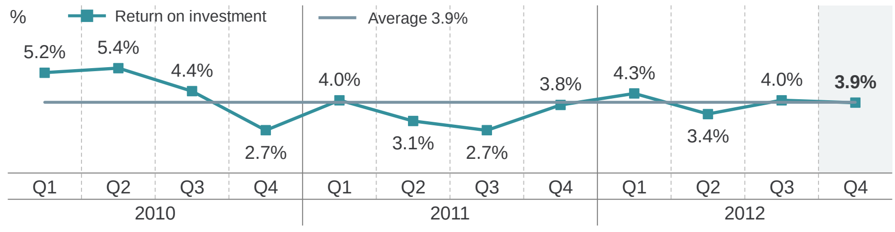
%[1]	Regular income	Write-ups/downs	Disposal result	Other inc./exp.	RoI	⌀ Market value[3]
Afs fixed-interest	3.4	–	0.4	–	**3.8**	120,436
Afs non-fixed-interest	4.1	–2.2	6.1	–	**8.0**	8,538
Derivatives	12.6	18.9	–27.0	–3.6	**0.9**	1,840
Loans	3.7	–	0.1	–	**3.8**	60,308
Real estate	6.3	–1.6	1.1	–	**5.8**	5,287
Other	2.6	–0.3	–	0.4[2]	**2.7**	20,132
Total	**3.6**	**–**	**0.3**	**–**	**3.9**	**216,541**
Reinsurance	3.4	–0.1	0.8	–0.4	**3.7**	83,086
Primary insurance	3.7	0.1	–	0.3	**4.1**	127,967
Munich Health	2.9	–0.3	0.3	–0.2	**2.7**	4,286



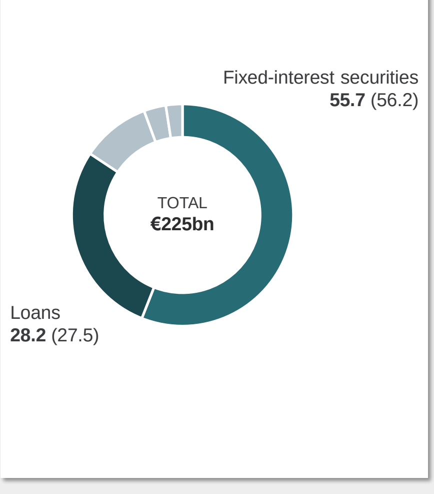
[1] Annualised. [2] Including management expenses and impact from unit-linked business.
[3] In €m. Segments do not add up to total amount; difference results to the segment "asset management".

Backup: Investments

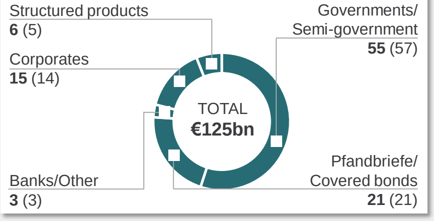
Investment portfolio
Fixed-interest securities

Munich RE

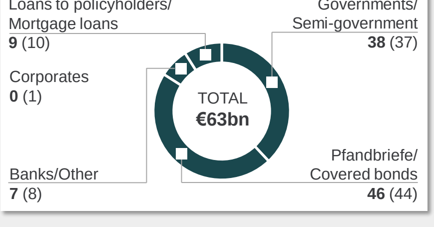
Investment portfolio %



Fixed-interest securities[1] %



Loans %



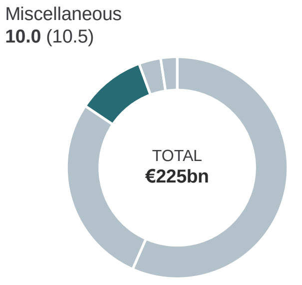
[1] Approximation – not fully comparable with IFRS figures. Fair values as at 31.12.2012 (31.12.2011).

Backup: Investments

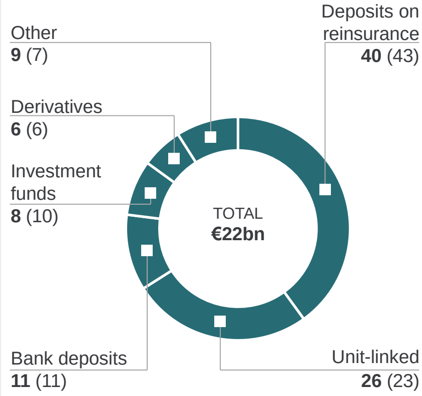
Investment portfolio Miscellaneous

Munich RE

Investment portfolio %



Miscellaneous %



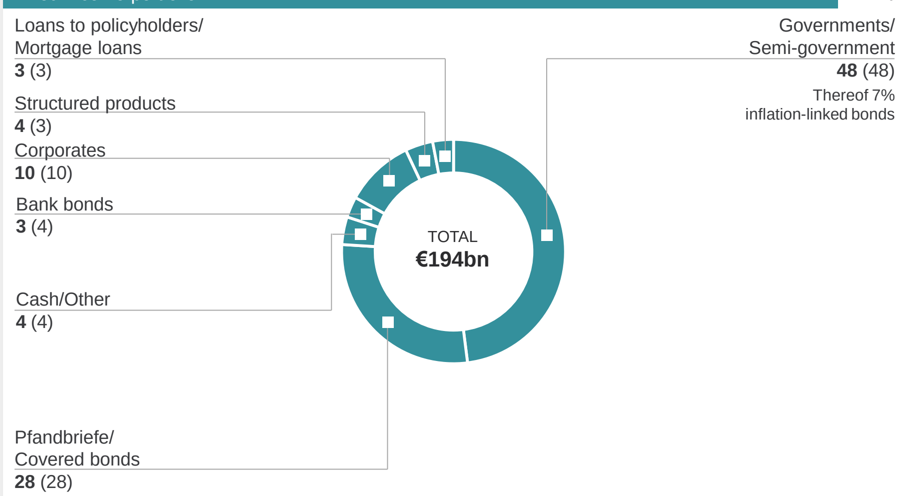
Fair values as at 31.12.2012 (31.12.2011).

Backup: Investments

Fixed-income portfolio Total

Munich RE

Fixed-income portfolio %



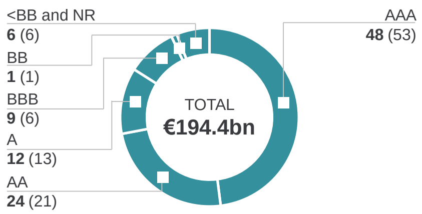
Approximation – not fully comparable with IFRS figures. Fair values as at 31.12.2012 (31.12.2011).

Backup: Investments

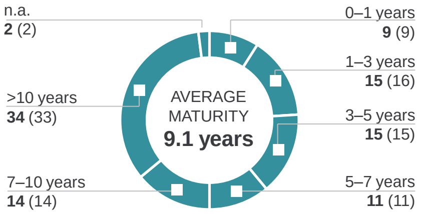
Fixed-income portfolio Total

Munich RE

Rating structure %



Maturity structure %



Regional breakdown %

	Without	With	Total	
	policyholder participation		**31.12. 2012**	31.12. 2011
Germany	6.2	27.2	**33.4**	35.4
US	14.1	1.1	**15.2**	16.0
France	2.3	5.3	**7.6**	7.7
UK	4.1	2.8	**6.9**	6.2
Netherlands	1.8	2.8	**4.6**	4.7
Canada	3.9	0.1	**4.0**	4.3
Supra-nationals	1.0	1.8	**2.8**	1.3
Austria	0.4	2.1	**2.5**	2.3
Spain	0.5	1.9	**2.4**	3.6
Ireland	0.6	1.6	**2.2**	2.2
Italy	0.5	1.6	**2.1**	2.0
Other	8.5	7.8	**16.3**	14.3
Total	**43.9**	**56.1**	**100.0**	100.0

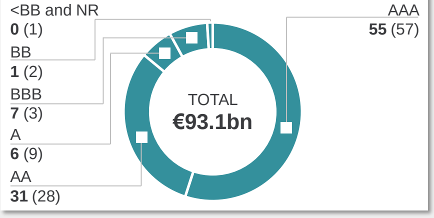
Approximation – not fully comparable with IFRS figures. Fair values as at 31.12.2012 (31.12.2011).

Backup: Investments

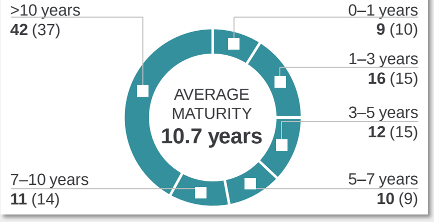
Fixed-income portfolio Government/Semi-government

Munich RE

Rating structure %



Maturity structure %



Regional breakdown %

	Without	With	Total	
	policyholder participation		**31.12. 2012**	31.12. 2011
Germany	8.1	25.9	**34.0**	35.0
US	15.8	0.6	**16.4**	16.9
Canada	6.4	0.2	**6.6**	7.3
Supra-nationals	2.0	3.8	**5.8**	2.6
UK	5.0	0.2	**5.2**	5.9
Austria	0.6	3.0	**3.6**	3.2
France	1.7	1.7	**3.4**	4.9
Australia	3.2	0.0	**3.2**	2.8
Italy	0.4	2.4	**2.8**	2.5
Spain	0.4	0.9	**1.3**	1.9
Ireland	0.1	1.1	**1.2**	1.6
Other	10.4	6.1	**16.5**	15.4
Total	**54.1**	**45.9**	**100.0**	100.0

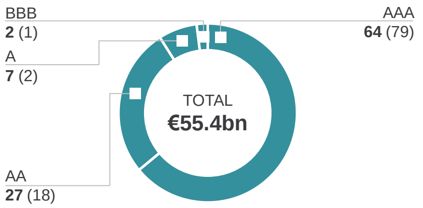
Approximation – not fully comparable with IFRS figures. Fair values as at 31.12.2012 (31.12.2011).

Backup: Investments

Fixed-income portfolio Pfandbriefe/Covered bonds

Munich RE

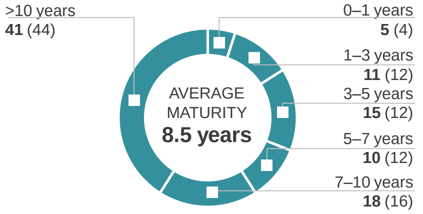
Rating structure %



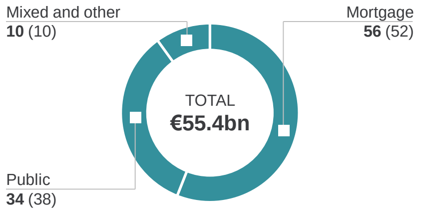
Regional breakdown %

	31.12.2012	31.12.2011
Germany	**38**	41
France	**17**	16
UK	**10**	7
Netherlands	**7**	7
Sweden	**6**	7
Norway	**5**	5
Spain	**5**	8
Ireland	**3**	3
Italy	**0**	1
Other	**9**	5

Maturity structure %



Covered pools %



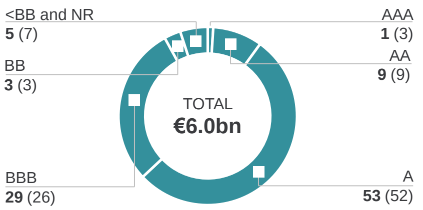
Approximation – not fully comparable with IFRS figures. Fair values as at 31.12.2012 (31.12.2011).

Backup: Investments

Fixed-income portfolio Bank bonds

Munich RE

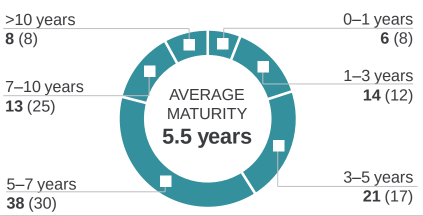
Rating structure %



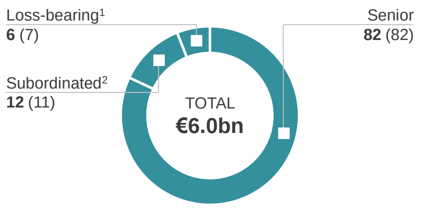
Regional breakdown %

	31.12.2012	31.12.2011
Germany	**39**	41
US	**28**	28
UK	**10**	9
Ireland	**4**	3
Canada	**4**	3
Australia	**3**	3
Austria	**3**	3
Jersey	**2**	2
France	**2**	2
Other	**5**	6

Maturity structure %



Investment category of bank bonds %



[1] Classified as Tier 1 and upper Tier 2 capital for solvency purposes. [2] Classified as lower Tier 2 and Tier 3 capital for solvency purposes. Approximation – not fully comparable with IFRS figures. Fair values as at 31.12.2012 (31.12.2011).

Backup: Investments

Fixed-income portfolio
Bank bonds

Munich RE

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

Country	Senior bonds	Subordinated bonds	Loss-bearing bonds	Total
Germany	1,729	351	277	**2,357**
US	1,449	189	30	**1,668**
UK	573	42	7	**622**
Ireland	235	0	0	**235**
Canada	128	61	30	**219**
Australia	202	0	1	**203**
Austria	128	31	28	**187**
Jersey	121	10	2	**133**
France	89	11	0	**100**
Italy	36	3	0	**39**
Spain	9	0	0	**9**
Other	177	9	18	**204**
Total	**4,876**	**707**	**393**	**5,976**

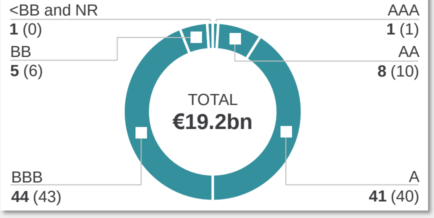
Approximation – not fully comparable with IFRS figures. Fair values as at 31.12.2012.

Backup: Investments

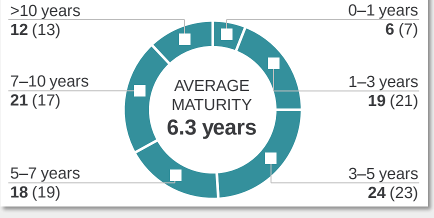
Fixed-income portfolio
Corporate bonds

Munich RE

Rating structure %



Maturity structure %



Sector breakdown %

	31.12. 2012	31.12. 2011
Utilities	**19**	19
Industrial goods and services	**13**	13
Oil and gas	**13**	13
Telecommunications	**10**	10
Healthcare	**7**	7
Food and beverages	**6**	6
Media	**6**	6
Technology	**5**	3
Retail	**4**	5
Financial services	**4**	3
Automobiles	**3**	4
Personal and household goods	**3**	3
Basic resources	**3**	3
Other	**4**	5

Approximation – not fully comparable with IFRS figures. Fair values as at 31.12.2012 (31.12.2011).

Backup: Investments

Fixed-income portfolio Structured products

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

€m

		Rating						Region			
		AAA	AA	A	BBB	<BBB	NR	USA + RoW	Europe	Total	Market-to-par
ABS	Consumer-related ABS[1]	422	190	296	75	2	0	351	634	**985**	101%
	Corporate-related ABS[2]	34	30	294	92	13	0	1	462	**463**	98%
	Subprime HEL	3	3	2	5	0	0	13	0	**13**	99%
CDO/ CLN	Subprime-related	0	0	0	0	0	0	0	0	**0**	0%
	Non-subprime-related	78	128	85	30	0	29	41	309	**350**	92%
MBS	Agency	2,202	98	0	0	0	0	2,300	0	**2,300**	108%
	Non-agency prime	681	134	254	37	1	0	110	997	**1,107**	99%
	Non-agency other (not subprime)	64	75	58	0	0	0	25	172	**197**	99%
	Commercial MBS	1,133	258	519	141	14	3	1,056	1,012	**2,068**	101%
	Total 31.12.2012	**4,617**	**916**	**1,508**	**380**	**30**	**32**	**3,897**	**3,586**	**7,483**	101%
	In %	**62%**	**12%**	**20%**	**5%**	**0%**	**1%**	**52%**	**48%**	**100%**	
	Total 31.12.2011	4,008	1,053	831	184	100	36	3,527	2,685	6,212	98%

1 Consumer loans, auto, credit cards, student loans.
2 Asset-backed CPs, business and corporate loans, commercial equipment.
Approximation – not fully comparable with IFRS figures. Fair values as at 31.12.2012.

Backup: Investments

Sensitivities to interest rates, spreads and equity markets

Sensitivity to risk-free interest rates – Basis points	–50	–25	+50	+100
Change in gross market value (€bn)	+7.6	+3.7	–7.1	–13.5
Change in on-balance-sheet reserves, net (€bn)[1]	+1.9	+0.9	–1.8	–3.5
Change in off-balance-sheet reserves, net (€bn)[1]	+0.4	+0.2	–0.4	–0.7
P&L impact (€bn)[1]	+0.1	+0.1	–0.1	–0.2

Sensitivity to spreads[2] (change in basis points)	+50	+100
Change in gross market value (€bn)	–4.8	–9.3
Change in on-balance-sheet reserves, net (€bn)[1]	–0.9	–1.7
Change in off-balance-sheet reserves, net (€bn)[1]	–0.3	–0.5
P&L impact (€bn)[1]	–0.1	–0.2

Sensitivity to equity markets[3]	–30%	–10%	+10%	+30%
EURO STOXX 50 (2,636 as at 31.12.2012)	**1,845**	**2,372**	**2,900**	**3,427**
Change in gross market value (€bn)	–3.0	–1.0	+1.0	+3.0
Change in on-balance-sheet reserves, net (€bn)[1]	–0.7	–0.4	+0.6	+1.8
Change in off-balance-sheet reserves, net (€bn)[1]	–0.5	–0.2	+0.2	+0.5
P&L impact (€bn)[1]	–1.3	–0.3	+0.1	+0.3

1 Rough calculation with limited reliability assuming unchanged portfolio as at 31.12.2012. After rough estimation of policyholder participation and deferred tax; linearity of relations cannot be assumed. Approximation – 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 including commodities: impairment as soon as market value is below acquisition cost. Approximation – not fully comparable with IFRS figures. Fair values as at 31.12.2012.

Backup: Investments

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

Munich RE

€m	31.12. 2009	31.12. 2010	31.12. 2011	30.9. 2012	**31.12. 2012**
Market value of investments	185,097	196,398	207,108	222,431	**224,537**
Total reserves	**7,905**	**7,374**	**11,236**	20,100	**22,488**
On-balance-sheet reserves					
Fixed-interest securities	3,342	2,201	4,892	9,240	**9,980**
Non-fixed-interest securities	1,408	1,634	693	1,218	**1,503**
Other on-balance-sheet reserves[1]	233	249	250	288	**291**
Subtotal	**4,983**	**4,084**	**5,835**	10,746	**11,774**
Off-balance-sheet reserves					
Real estate[2]	1,447	1,425	1,435	1,433	**1,519**
Loans and investments (held to maturity)	1,289	1,554	3,633	7,536	**8,831**
Associates and tangible assets	186	311	333	385	**364**
Subtotal	**2,922**	**3,290**	**5,401**	**9,354**	**10,714**
Reserve ratio (%)	4.3%	3.8%	5.4%	9.0%	**10.0%**

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

Backup: Investments

On-balance-sheet reserves

Munich RE

On-balance-sheet reserves		€m Change Q4
Investments afs	11,483	1,025
Valuation at equity	79	–1
Unconsolidated affiliated enterprises	175	6
Cash flow hedging	37	–2
Total on-balance-sheet reserves (gross)	**11,774**	1,028
Provision for deferred premium refunds	–3,739	–785
Deferred tax	–2,007	–12
Minority interests	–20	–2
Consolidation and currency effects	–66	–3
Shareholders' stake	**5,942**	226

Backup: Investments

Off-balance-sheet reserves

Munich RE

Off-balance-sheet reserves	€m	Change Q4
Real estate[1]	1,519	86
Loans and investments (held to maturity)	8,831	1,295
Associates and tangible assets	364	–21
Total off-balance-sheet reserves (gross)	**10,714**	1,360
Provision for deferred premium refunds	–7,874	–1,385
Deferred tax	–854	9
Minority interests	–1	–
Shareholders' stake	**1,985**	–16

[1] Excluding reserves for owner-occupied property.

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

Set-up of Munich Re's risk strategy

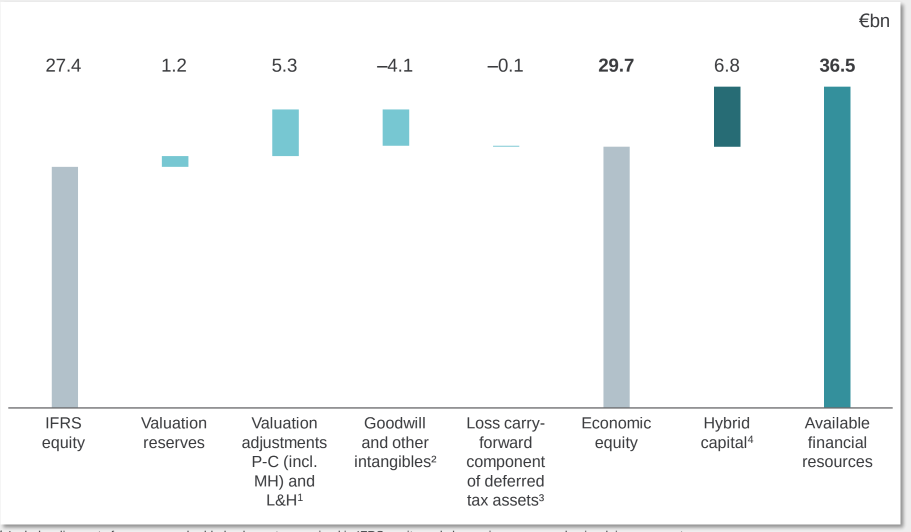
Munich RE

Category	Risk criteria	Measure	Criteria's objective	ERM objective addressed
Whole portfolio criteria	**Financial strength**	▪ ERC ▪ Rating ▪ Solvency	Safeguarding sufficient excess capital and limiting frequency of negative economic results of Munich Re's **entire risk portfolio**	Maintaining Munich Re's financial strength, thereby ensuring that all liabilities to our clients can be met
	Avoiding financial distress	Probability of breaching financial strength criterion		
Supple-mentary criteria	▪ **Acc. risk management** ▪ Individual nat cat perils ▪ Financial sector limit ▪ Terrorism ▪ Pandemic ▪ Longevity ▪ **ALM limits** ▪ **Liquidity**	VaR limits ▪ In % of AFR or ▪ Limit for maximum exposure Stress testing	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	▪ Counterparty-credit risk ▪ Single risks ▪ Alternative investments ▪ Non-investment-grade investments ▪ …	Individual risk limits	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 31.12.2012

Reconciliation of AFR with IFRS equity

Munich RE

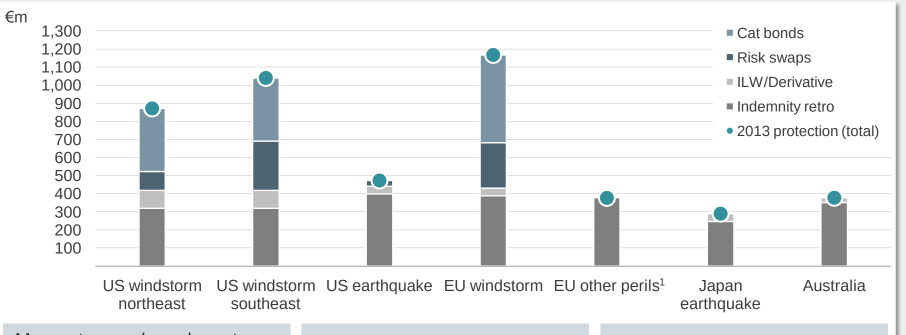


[1] Includes discount of reserves, embedded value not recognised in IFRS equity and change in p-c reserve basis: claims payments now projected using actuarial methods. [2] Deduction net of tax effects. [3] Deduction only of the amount not covered by excess of deferred tax liabilities on solo-entity level. [4] Including funds financing new business.

Backup: Group – Risk transfer

Munich Re's maximum in-force nat cat protection

Munich RE



More retro purchased as at January 2013, in particular for North Atlantic Hurricane and Australia

Focus on capacity, economic efficiency and improvement of diversification

Risk swaps improve diversification within nat cat portfolio

Munich Re's financial strength allows opportunistic purchase of protection

As at January 2013. Protection before reinstatement premiums.
[1] Earthquake Italy and Turkey.

Backup: Risk management – Capital position 31.12.2012

Summary of economic capital disclosure

Munich RE

Position as at 31 December 2012

Capital with Solvency II calibration | Additional 75% buffer

€bn	31.12.2012	31.12.2011
Available financial resources (AFR)	**36.5**	28.3
Economic risk capital[1]	**27.3**	24.4
Economic capital buffer	**9.2**	3.9
Capital buffer under Solvency II calibration	**20.9**	14.4
Economic capital buffer after share buy-back and dividends[2]	**7.9**	2.8
Capital buffer after share buy-back and dividends[2] under Solvency II calibration	**19.6**	13.3

Economic risk capital[1]: 15.6 (Capital with Solvency II calibration), 11.7 (Additional 75% buffer)

Strong capitalisation: economic solvency ratio at 129% according to internal model[3] and 225% with 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 ~€1.3bn for 2012 to be paid in April 2013. [3] Without recognition of the impact of restatement in the AFR at 124%.

Backup: Market Consistent Embedded Value 2012

Sensitivities of MCEV

Munich RE

€m	Reinsurance			Primary insurance		
	MCEV	Change in €m	Change in %	MCEV	Change in €m	Change in %
Base case	**10,616**			**2,728**		
Interest rates –100bp	**11,004**	388	3.7	**–1,041**	–3,769	–138.2
Interest rates +100bp	**10,113**	–503	–4.7	**5,027**	2,298	84.3
Equity/property values –10%	**10,607**	–9	–0.1	**2,552**	–176	–6.5
Equity/property-implied volatilities +25%	**10,604**	–12	–0.1	**2,638**	–91	–3.3
Swaption-implied volatilities +25%	**10,615**	–2	–0.0	**2,542**	–186	–6.8
Illiquidity premium 10bp	**10,611**	–6	–0.1	**3,317**	589	21.6
Maintenance expenses –10%	**10,729**	113	1.1	**2,798**	70	2.6
Lapse rates –10%	**11,003**	387	3.6	**2,577**	–151	–5.5
Lapse rates +10%	**10,297**	–319	–3.0	**2,868**	140	5.1
Mortality/morbidity (life business) –5%	**12,484**	1,867	17.6	**2,835**	107	3.9
Mortality (annuity business) –5%	**10,546**	–70	–0.7	**2,548**	–180	–6.6
No mortality improvements (life business)	**5,929**	–4,688	–44.2	**2,728**	0	0.0
Solvency II yield curve	**10,627**	11	0.1	**4,707**	1,979	72.5

Backup: Market Consistent Embedded Value 2012

Sensitivities of value of new business

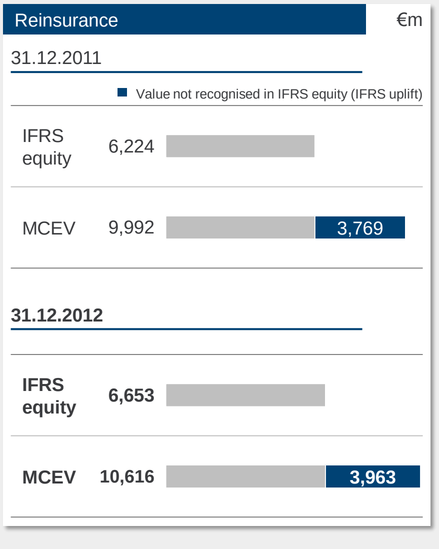
Munich RE

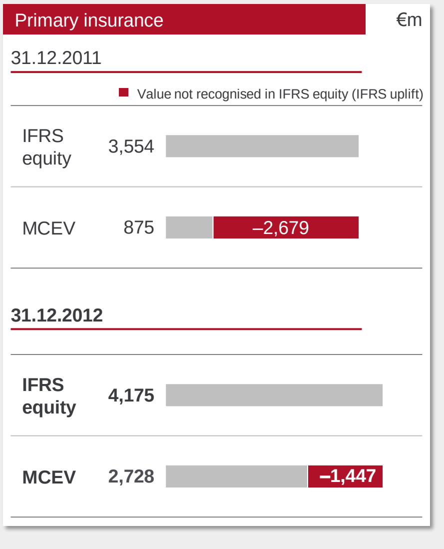
€m	Reinsurance			Primary insurance		
	VNB	Change in €m	Change in %	VNB	Change in €m	Change in %
Base case	**573**			**146**		
Interest rates –100bp	**612**	39	6.8	**–63**	–209	–143.3
Interest rates +100bp	**527**	–46	–8.0	**258**	112	76.3
Equity/property values –10%	**573**	0	0.0	**145**	–1	–0.8
Equity/property-implied volatilities +25%	**573**	0	0.0	**150**	4	2.5
Swaption-implied volatilities +25%	**573**	–0	–0.0	**136**	–10	–6.8
Illiquidity premium 10bp	**569**	–4	–0.7	**151**	5	3.4
Maintenance expenses –10%	**585**	12	2.2	**148**	2	1.1
Lapse rates –10%	**634**	61	10.7	**139**	–8	–5.2
Lapse rates +10%	**523**	–50	–8.7	**136**	–10	–7.2
Mortality/morbidity (life business) –5%	**697**	124	21.7	**154**	8	5.3
Mortality (annuity business) –5%	**556**	–17	–3.0	**139**	–7	–4.6
No mortality improvements (life business)	**239**	–334	–58.3	**146**	0	0.0
Solvency II yield curve	**573**	1	0.1	**234**	88	59.9

Backup: Market Consistent Embedded Value 2012

IFRS uplift

Munich RE





Backup: Market Consistent Embedded Value 2012

MCEV result 2012

Munich RE

Primary insurance – German life

€m

MCEV 31.12.2011	**–1,633**
Opening adjustments	0
Adjusted MCEV 31.12.2011	**–1,633**
Value of new business	–18
Expected return	33
Experience variances	–403
Assumption changes	–170
Other operating variance	–253
Operating MCEV earnings 2012	**–811**
Economic variances	1,475
Other non-operating variance	0
Total MCEV earnings 2012	**664**
Closing adjustments	0
MCEV 31.12.2012	**–970**

Backup: Market Consistent Embedded Value 2012

MCEV result 2012

Munich RE

Primary insurance – International life

€m

MCEV 31.12.2011	**761**
Opening adjustments	7
Adjusted MCEV 31.12.2011	**768**
Value of new business	59
Expected return	48
Experience variances	–19
Assumption changes	16
Other operating variance	23
Operating MCEV earnings 2012	**127**
Economic variances	320
Other non-operating variance	5
Total MCEV earnings 2012	**451**
Closing adjustments	10
MCEV 31.12.2012	**1,229**

Backup: Market Consistent Embedded Value 2012

MCEV result 2012

Munich RE

Primary insurance – Health	€m
MCEV 31.12.2011	**1,747**
Opening adjustments	311
Adjusted MCEV 31.12.2011	**2,059**
Value of new business	104
Expected return	79
Experience variances	–46
Assumption changes	–306
Other operating variance	525
Operating MCEV earnings 2012	**356**
Economic variances	54
Other non-operating variance	0
Total MCEV earnings 2012	**410**
Closing adjustments	0
MCEV 31.12.2012	**2,468**

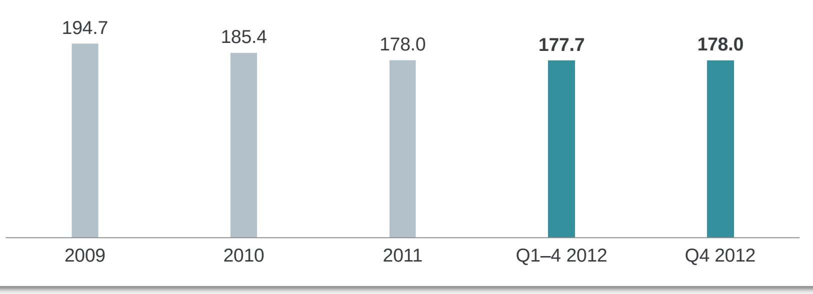
Backup: Shareholder information

Development of shares in circulation

Munich RE

Shares millions	31.12.2011	Acquisition of own shares in Q1–4 2012	Retirement of own shares in Q1–4 2012	**31.12.2012**
Shares in circulation	177.6	0.9	–	**178.5**
Own shares held	1.7	–0.9	–	**0.8**
Total	**179.3**	**–**	**–**	**179.3**

Weighted average number of shares in circulation (millions)



Backup: Shareholder information

Financial calendar

Munich RE

Financial calendar

19 March 2013	Morgan Stanley “European Financial Conference”, London
25 April 2013	Annual General Meeting, Munich
26 April 2013	Dividend payment – Ex-dividend date
7 May 2013	Interim report as at 31 March 2013
7 August 2013	Interim report as at 30 June 2013
8 – 10 September 2013	Les Rendez-Vous de Septembre, Monte Carlo
7 November 2013	Interim report as at 30 September 2013

Backup: Shareholder information

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Figures up to 2010 are shown on a partly consolidated basis.
"Partly consolidated" means before elimination of intra-Group transactions across segments.