



Rising dividend after good results

Preliminary financial statements as at 31 December 2015

4 February 2016

Jörg Schneider

2015 net result of €3.1bn exceeds annual guidance – Increased dividend of €8.25 per share¹

Munich Re (Group) – FY 2015 (Q4 2015)

NET RESULT
€3.1bn (€0.7bn)

- Overall sound operating performance
- One-offs in both directions

OPERATING RESULT
€4.8bn (€1.4bn)

- Benign major claims and substantial reserve releases in property-casualty reinsurance
- Loss at ERGO in Q4

INVESTMENT RESULT
RoI: of **3.2%** (2.9%)

- Solid return given low interest rates
- High disposal gains, derivative losses and write-downs

SHAREHOLDERS' EQUITY
€31.0bn (+3.1% vs. 30.9.)

- Strong capital position according to all metrics
- Dividend per share up by 6.5% to €8.25
- Economic solvency ratio further improved

HGB RESULT (GERMAN GAAP)
Full year slightly above €2.5bn

Distributable earnings increased despite write-down on book value of ERGO (slightly above €1bn), capital repatriation (€2.3bn) and further replenishment of the equalisation reserve

JANUARY RENEWALS

- Strictly focusing on bottom-line
- Premium change: +0.7%
 - Price change: ~ –1.0%

¹ Subject to approval of Supervisory Board and AGM.

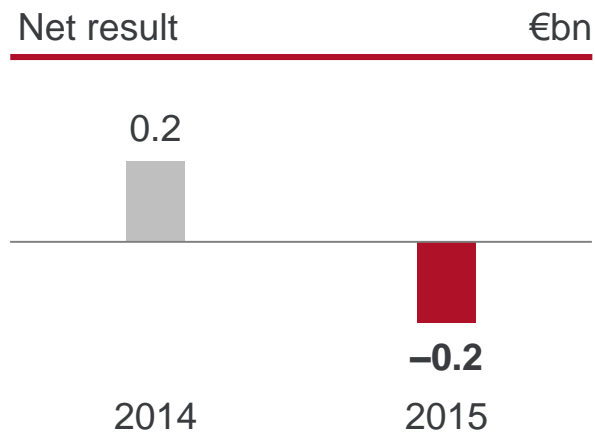
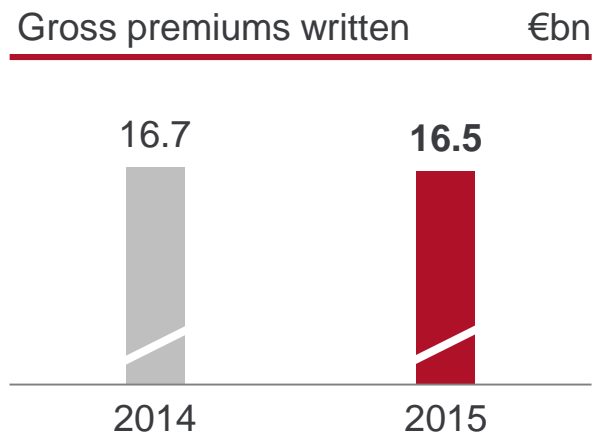
Investment result

Investment result	€bn		
	FY 2015	FY 2014	Q4 2015
Regular income	7.4	7.2	1.8
Write-ups/write-downs	-0.8	-0.2	-0.1
Disposal gains/losses	2.7	2.6	0.4
Derivatives ¹	-1.2	-1.1	-0.2
Other income/expenses	-0.5	-0.5	-0.2
Investment result	7.5	8.0	1.7

Highlights

- Regular income supported by strong US\$
- 3-month reinvestment yield slightly down to ~1.8% in Q4
- Disposal gains on government bonds, covered bonds and equities ...
- ... offset losses on hedging derivatives and impairments
- Derivatives used in our economic management and for hedging purposes (e.g. inflation swaps, commodities, interest-rate derivatives) lead to economic stability, but IFRS volatility

¹ Result from derivatives without regular income and other income/expenses.



Major result drivers

Life/Health Germany

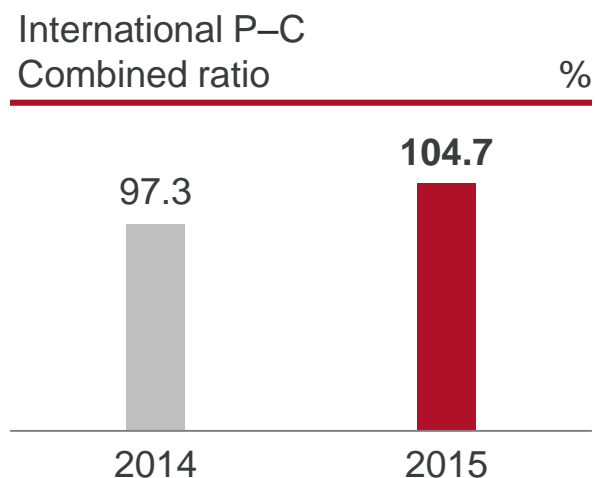
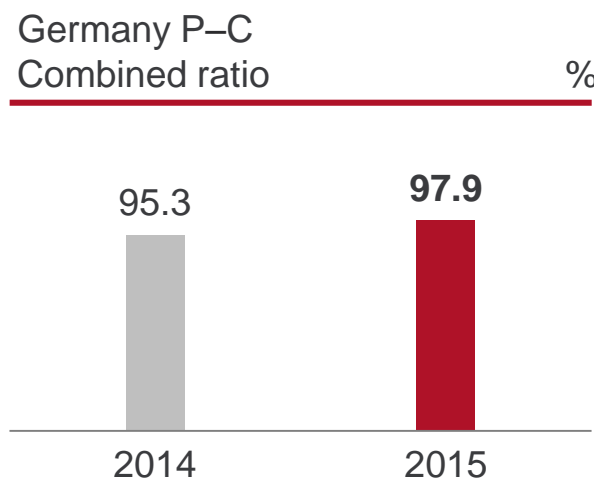
- Goodwill impairment: –€429m

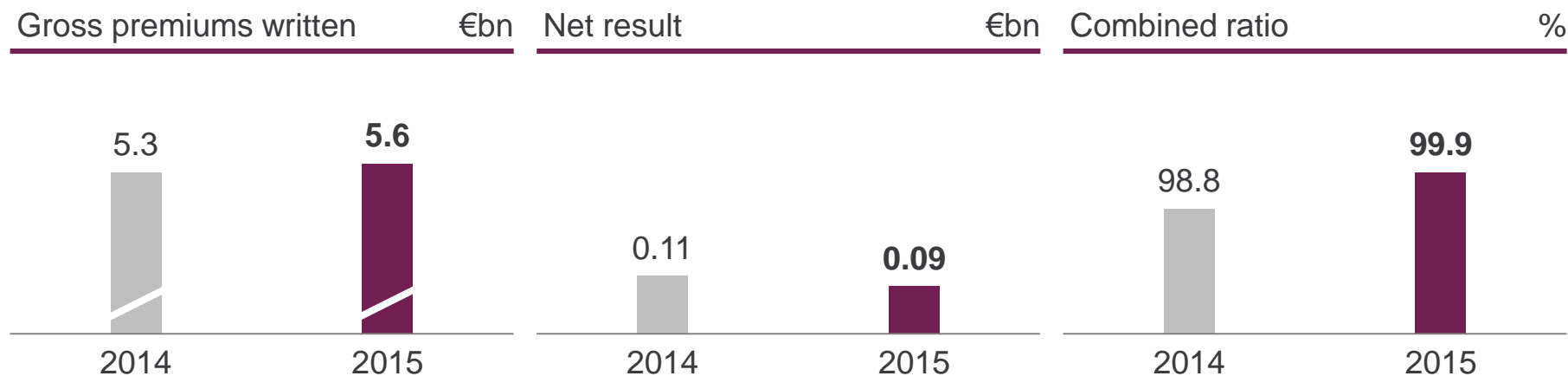
Property-casualty Germany

- Above-average major losses
- Reserve strengthening to further increase comfort level

International

- Goodwill impairment: –€23m
- Loss from sale of ERGO Italy: ~–€0.1bn
- Turkey: Reserve increase
- Poland: Competitive market
- Legal protection UK: Accounting adjustments and reserve increase

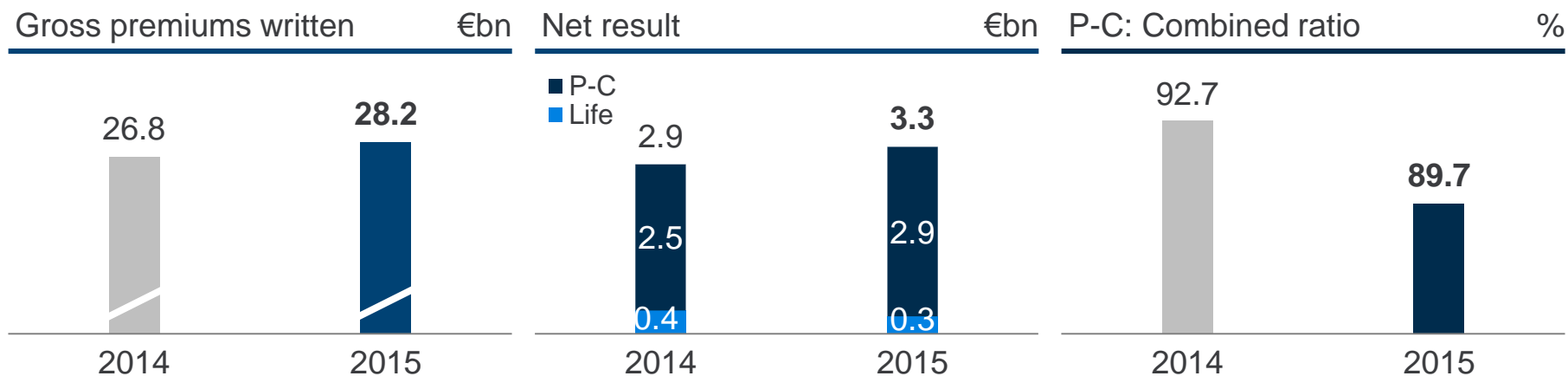




Major result drivers

- Premium increase largely driven by appreciation of Canadian dollar
- Reinsurance combined ratio: 101.1% (+1.1%)
Chiefly due to adverse claims experience in the US, partially offset by lower commissions
- Primary insurance combined ratio 93.2% (–2.3%)

Reinsurance – Key financials



Life: Technical result ~€0.34bn

- Slightly below annual guidance of €400m
- Underlying performance across all regions in line with expectations, ...
- ... almost compensates for single large mortality claims in H2 2015

Property-casualty: Major losses

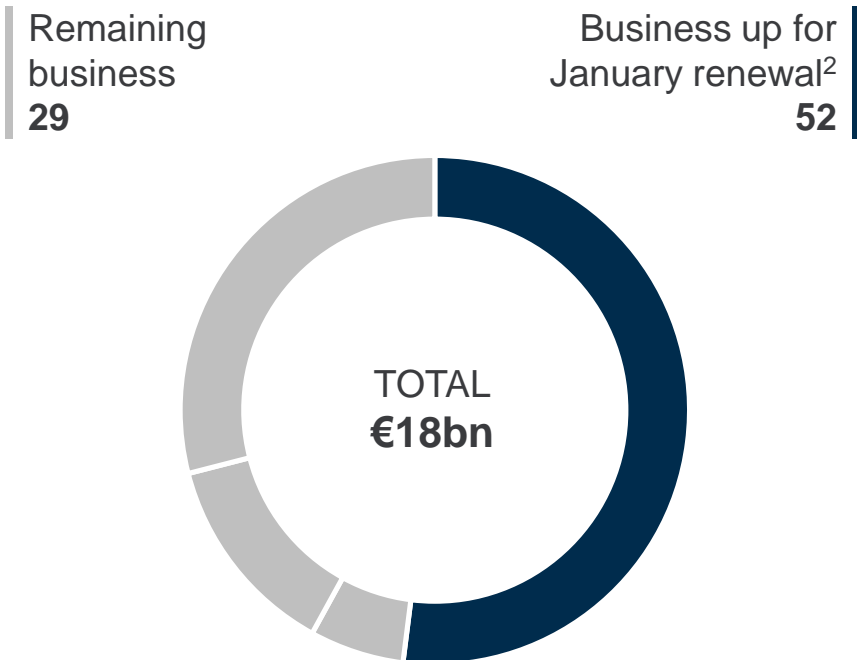
	Total	Nat cat	Man-made
FY 2015	6.2	0.9	5.3
Q4 2015	4.7	0.0	4.7

Reserve releases ¹	€bn	%-points
FY 2015	~1.4	~8.2
Q4 2015	~0.9	~20.9

¹ Basic losses. Reserve releases adjusted for commission effects: ~7.2% (Q4 2015:~16.5%).

Business up for renewal makes up more than half of total P-C book – Regional focus on Europe

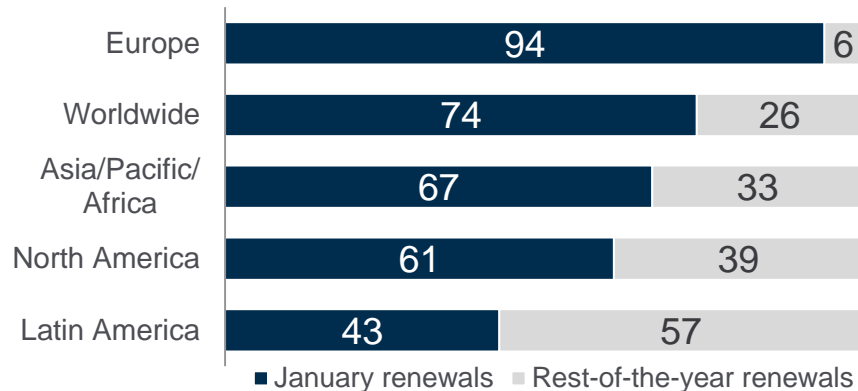
Total property-casualty book¹ %



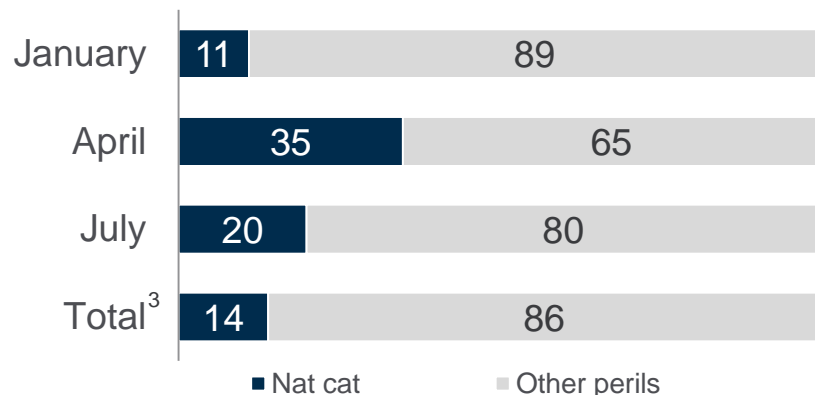
Business up for July renewal **13**

Business up for April renewal **6**

Regional allocation of renewable portfolio %



Nat cat shares of renewable portfolio %

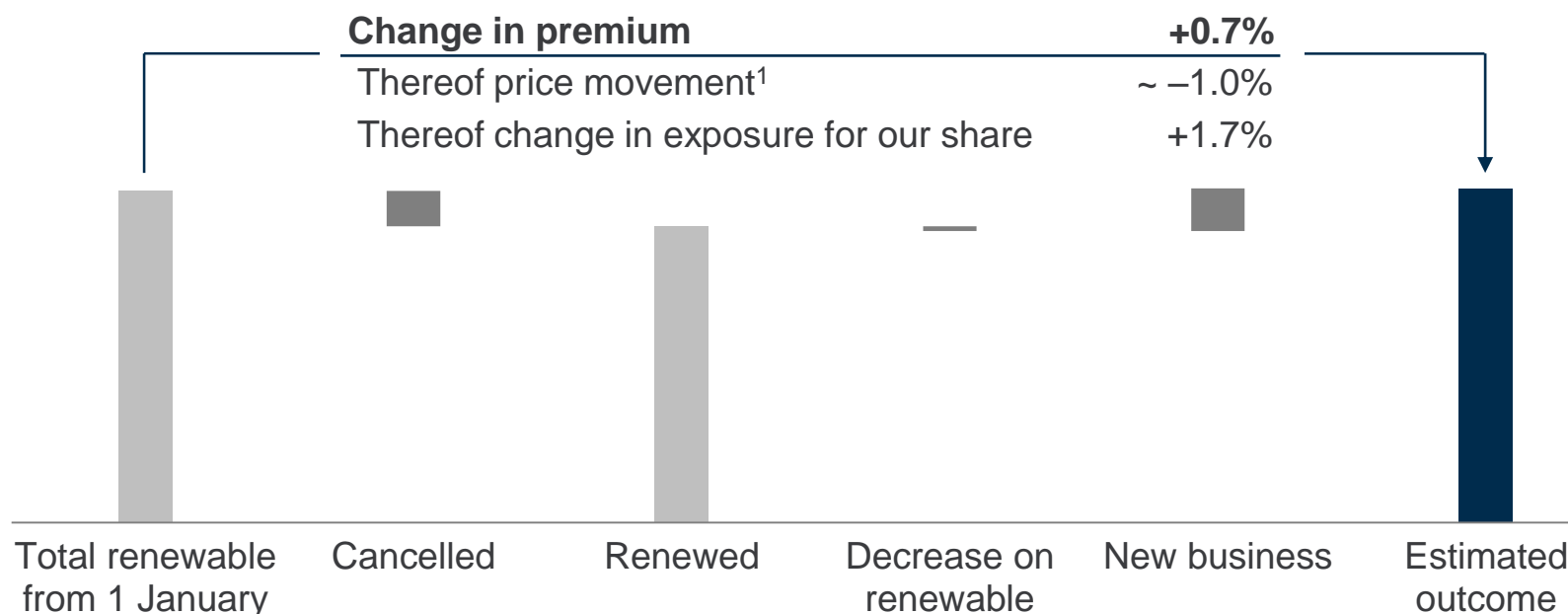


¹ Approximation – not fully comparable with IFRS figures.
² Including Risk Solutions business (16% of January renewal).
³ Total P-C book, including remaining business.

Attractive business opportunities overcompensate for premium decline due to consistent cycle management

January renewals 2016

%	100	-10.8	89.2	-1.3	12.8	100.7
€m	9,138	-982	8,156	-123	1,171	9,204



Ongoing strict bottom-line focus to maintain portfolio quality in a very competitive market environment

Actual vs. analysts' consensus

Operating result – Actual vs. analysts' consensus¹ €bn

	Actual Q4	Consensus	Delta
Reinsurance	1.5	0.9	0.6
ERGO	-0.1	0.2	-0.3
Munich Health	0.0	0.0	-
Operating result	1.4	1.1	0.3
FX	0.1	-	-
Other	-0.6	-	-
Taxes	-0.2	-	-
Net result	0.7	0.7	-

Major result drivers in Q4 2015

Reinsurance

P-C: Combined ratio of 78.6% (cons.: 91.5%) – low major loss ratio: ~4.7%, reserve releases adjusted for commission effects: ~16.5%

ERGO

P-C Germany: Combined ratio of 103.9% (cons.: 94.9%)

International: Combined ratio of 115.3% (cons.: 101.2%)

Other

Goodwill impairment of ERGO Life/Health: -€429m

¹ Simple average of estimates the Munich Re Investor Relations team has gathered from analysts covering Munich Re, not taking into account any external data providers.

2016

16 March	Balance sheet press conference for 2015 financial statements – 9:00 a.m. CET Analysts' conference in Munich with videocast – 1:30 p.m. CET
27 April	Annual General Meeting 2016, ICM – International Congress Centre Munich
10 May	Interim report as at 31 March 2016
9 August	Interim report as at 30 June 2016
9 November	Interim report as at 30 September 2016

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