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Munich RE

Agenda

Munich RE

Munich Re (Group) – Overview

Strong earnings and sound capitalisation allow for increase in dividend

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Munich Re (Group)

Leveraging our capital strength

Substantial growth through acquisitions and large solvency relief deals[1]

Strong consolidated result in challenging markets

Net result of €2.56bn (€1.58bn) allows dividend for 2009 of €5.75 per share (€5.50)

Sound capitalisation further strengthened

Shareholders' equity increased to €22.3bn; capital buffer according to internal model €9.3bn[2]

1 In total ~20 large quota share deals with an additional €2.3bn gross premiums written. Until 2013, these deals are expected to generate gross premiums written of €2.5bn p.a. (on average).

2 After announced dividend for 2009 of €1.1bn to be paid in April 2010 and €0.6bn outstanding from 2009/10 share buy-back programme.

Munich Re (Group) – Overview

Munich Re generates solid returns for the shareholder – Combined with a low-risk profile

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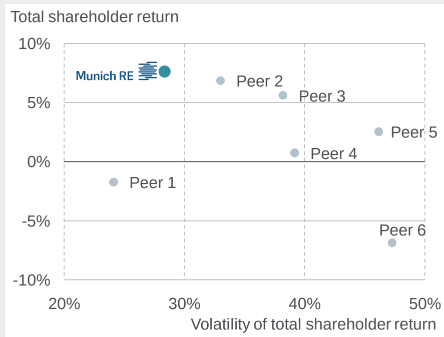
Investment profile

- High dividend yields and share buy-backs – cash yield of around 10%[1]
- Strictly value-based, risk-adjusted management approach
- Managing insurance risks as main source of value creation
- Stringent bottom-line focus

Total shareholder return vs. risk[2]



Strict execution of our strategy leads to an attractive risk-return profile

[1] Assuming shareholders participate equally in €1bn share buy-back; based on 2009 closing share price as per 31.12.2009 (€108.67).
[2] Annualised total shareholder return defined as price performance plus dividend yields over a 5-year period (2005–2009).
Peers: Allianz, Axa, Generali, Hannover Re, Swiss Re, Zurich Financial Services.

Munich Re (Group) – Risk management

Risk management well positioned to cope with regulatory changes

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Munich Re further improves its risk management position

- Further strengthened economic capital position
- Risk model refined in light of crisis
- Internal risk model in the Solvency II approval process

Solvency II will have significant impact on the insurance industry

- Insurance industry will be required to **significantly improve its enterprise risk management** – a challenge mainly for small and medium-sized insurance companies
- In particular, **refinements in ALM necessary** – especially relevant for primary life insurance
- Specialised insurers will face **higher capital requirements**
- **Global, well-diversified reinsurers with good credit ratings** will benefit from top- and bottom-line growth opportunities

Insurance industry has to master the Solvency II revolution – Munich Re risk management already anticipates expected changes

Munich Re (Group) – Asset management

Well-diversified investment portfolio with low-risk profile – Notwithstanding exploiting tactical opportunities

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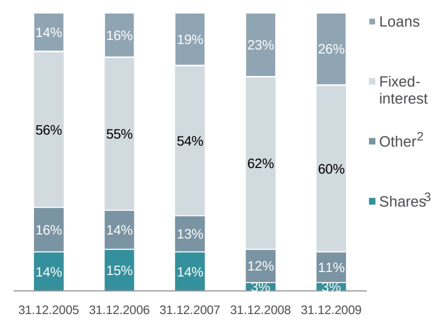
Allocation of investment portfolio[1] (2005–2009)



Asset management concept

Liability-driven investment process limiting ALM mismatch

Portfolio geared toward fixed-income investments (~86% of total) – potential re-risking with limited risk appetite

MEAG with proven track record to exploit tactical market opportunities generating additional returns

Strategic decision to maintain a low to moderate risk profile for the investment portfolio

[1] Based on fair values.
[2] Other includes real estate, deposits retained on assumed reinsurance, investments for unit-linked life insurance, deposits with banks, investment funds (bond, property).
[3] Shares, equity funds and participating interests (before taking equity derivatives into account).

Munich Re (Group) – Capital management

Uncorrelated business model generates predictable returns – Well above (low) cost of capital

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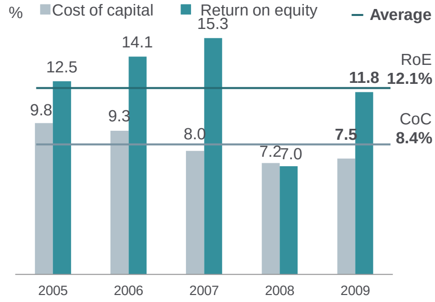
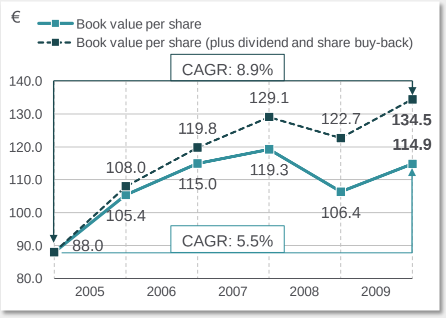
Return on equity vs. cost of capital[1] 2005–2009



Book value per share 2005–2009



RoE continuously exceeds cost of capital

- Strong average RoE despite our solid capitalisation
- High predictability based on liability-driven business model

Value-based capital management

- €5.1bn dividend payments from 2005 to 2009
- Around €3bn investment in selected M&A and greenfield activities
- €4.4bn share buy-backs from 2005 to 2009, up to €0.6bn until AGM 2010

[1] Source: Bloomberg.

Munich Re (Group) – Portfolio management

Disciplined execution of our growth strategy combining M&A and greenfield activities

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M&A and greenfield concept

- Bolt-on acquisitions – gradual and targeted completion of full value chain coverage
- Selection based on strict value-based principles – centralised evaluation with high management attention
- HSB as best-case example with out-performing results
- Efficient post-merger integration: completed on time for US acquisitions

M&A and greenfield activities to complement our integrated Group strategy (2005–2009)[1]

Munich RE
- HSB (USA)
- Midland (USA)
- Bell & Clements (UK)
- MSP Underwriting (UK)
- Roanoke (USA)

MUNICH HEALTH
- Sterling (USA)
- Apollo Munich Health (India)
- Daman (Abu Dhabi)

ERGO
- BACAV (Austria)
- ISVIÇRE (Turkey)
- Daum Direct (South Korea)
- HDFC (India)

We are well prepared to continue our strategy with selected value-enhancing growth opportunities based on clear-cut strategic and financial criteria

[1] Selected examples.

Munich Re (Group) – Integrated Group strategy

Following our Group strategy of covering the entire insurance value chain, we steer a well-balanced portfolio

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– risk-based economic steering –

Focus on profitability …	… as well as growth
Reliable cash generation	**Exploiting mid- and long-term opportunities**
A Reinsurance business – capital strength and diversification	B Refined positioning in reinsurance
D ERGO P-C business	C International healthcare
Sustainable performance improvement	E ERGO international
D New ERGO branding strategy; re-positioning of life business in Germany	

Balanced portfolio contributes to low earnings volatility and diversification of risk capital

Agenda

Munich RE

Overview

The Group

Primary insurance

Reinsurance

Summary and outlook

The Group – Overview

Sound capital base maintained even after shareholder-friendly capital repatriation

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Sound capitalisation according to all capital measures:

- Regulatory solvency capital ratio of 268%
- Low/mid single-digit €bn capital buffer according to rating agencies
- €9.3bn[1] economic capital buffer according to internal model

Substantial increase in book value per share
€114.9 equivalent to a CAGR of 5.5% since 1 January 2005

Financial solidity reflected externally by:

- Low cost of capital
- Low CDS spread of 50bps[2]
- Confirmation of AA rating by all agencies

[1] After announced dividend for 2009 of €1.1bn to be paid in April 2010 and €0.6bn outstanding from 2009/10 share buy-back programme.
[2] As at 28 February 2010.

The Group – Overview

Strong operating performance

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GROUP – Gross premiums written

€m	
Q1–4 2008	37,829
Q1–4 2009	**41,423**

Substantial growth in reinsurance (large deals) and acquisitions

REINSURANCE – Combined ratio property-casualty

%	
Q1–4 2008	99.4
Q1–4 2009	**95.3**

Low NatCat activity supports good underwriting result

PRIMARY INSURANCE – Combined ratio property-casualty

%	
Q1–4 2008	90.9
Q1–4 2009	**93.1**

Clearly within target of 95%; exceptionally good in Q4 (90.0%)

GROUP – Investment result

€m	
Q1–4 2008	5,916
Q1–4 2009	**7,883**

Strong increase driven by recovering capital markets

GROUP – Operating result

€m	
Q1–4 2008	3,834
Q1–4 2009	**4,721**

Higher investment result and solid technical performance

GROUP – Consolidated result

€m	
Q1–4 2008	1,579
Q1–4 2009	**2,564**

Significant improvement in challenging markets

The Group – Market environment

Index and Munich Re share price development

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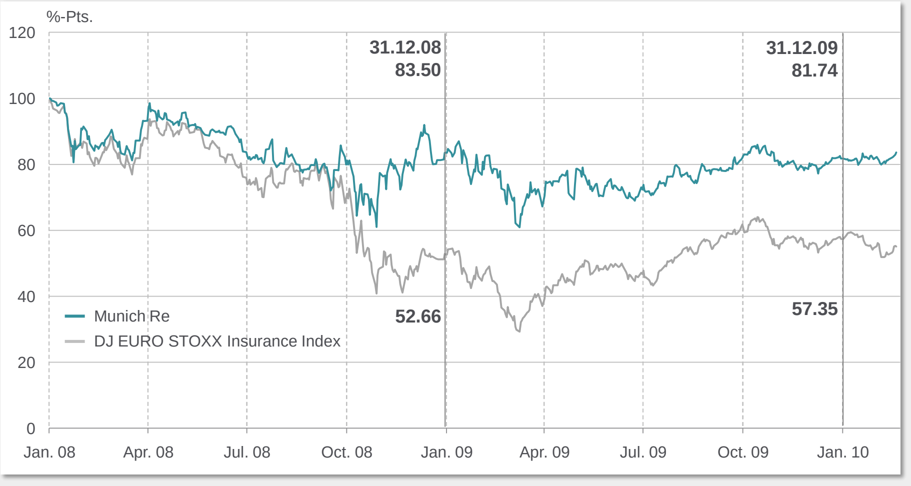
DJ EURO STOXX Insurance Index vs. Munich Re share price



The Group – Premium development

Substantial increase from organic growth and recent acquisitions

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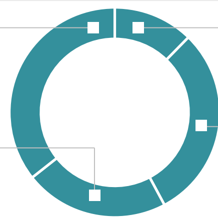
€m	
Gross premiums written Q1–4 2008	37,829
Foreign-exchange effects	–155
Divestment/ Investment	1,180
Organic change	2,569
Gross premiums written Q1–4 2009	**41,423**

- Slightly negative exchange-rate developments
- Increase due to acquisitions (HSB, Midland, Sterling Life, BACAV, Daum)
- Substantial organic growth mainly from large quota share deals in reinsurance L/H

Breakdown by segment
(consolidated)



Reinsurance
Property-casualty
14,764 (36%)
(▲ 2.4%)

Reinsurance
Life: 6,433 (15%)
(▲ 32.6%)
Health: 2,758 (7%)
(▲ 72.1%)

Primary insurance
Property-casualty
5,109 (12%)
(▲ 0.6%)

Primary insurance
Life: 6,314 (15%)
(▲ 4.4%)
Total premiums: 7,894 (▲ 9.9%)
Health: 6,045 (15%)
(▲ 3.5%)

The Group – Operating and consolidated result

Reinsurance business main driver of Group earnings, primary insurance with increasing contribution to net result

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€m — Q1–4 2008, Q1–4 2009, ERGO dividend[1]

	Operating result Q1–4 2008	Operating result Q1–4 2009	Consolidated result Q1–4 2008	Consolidated result Q1–4 2009
Reinsurance life and health	930	**1,175**	705	**728**
Reinsurance property-casualty	2,892	**2,989**	1,695	**1,827**
Reinsurance subtotal	3,822	**4,164**	2,400	**2,555**
Primary insurance life	350	**221**	–12	**30**
Primary insurance health	153	**222**	16	**82**
Primary insurance property-casualty	488	**483**	152	**263**
Primary insurance subtotal	991	**926**	156	**375**
Munich Re	3,834	**4,721**	1,579	**2,564**

[1] Q1–4 2008 incl. ERGO dividend of €947m (before tax), thereof RI life and health: €180m, RI property-casualty: €767m.

The Group – Investments

Low risk profile maintained

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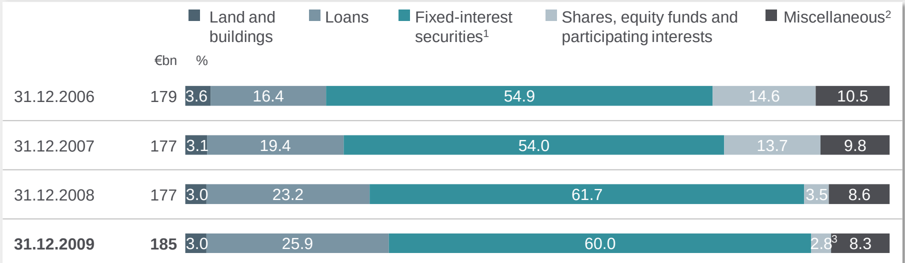
Investment structure by asset classes (market values)



Opportunities in fixed-income securities taken selectively

[1] Categories "available for sale", "held to maturity" and "at fair value".
[2] Deposits retained on assumed reinsurance, investments for unit-linked life, deposits with banks, investment funds (bond, property).
[3] After taking equity derivatives into account: 2.8%.

The Group – Investments – Fixed-income portfolio

Well-balanced fixed-income portfolio focused on highly rated credit risk – Limited exposure to PIIGS countries

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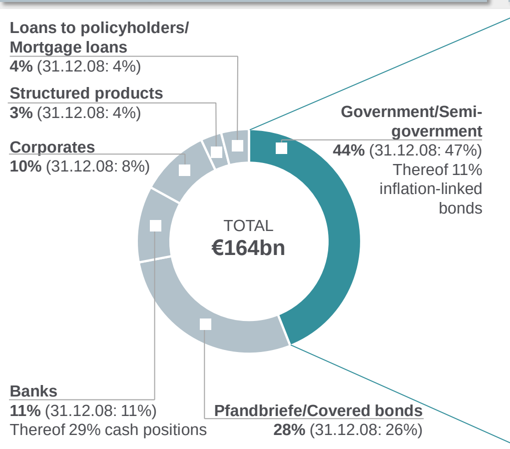
Fixed-income portfolio[1]



Governments per country

In % of total government exposure (31.12.2009)	
Germany	34%
US	15%
Italy	6%
Canada	6%
UK	6%
France	6%
Austria	3%
Greece	3%
Spain	3%
Ireland	3%
...	
Portugal	1%
Other	14%
Total	**100%**

[1] Incl. loans, parts of other securities, other investments and cash positions. Fair values. Economic view – not fully comparable with IFRS figures. As at 31 December 2009.

The Group – Investment result

Significantly improved investment result driven by recovering markets

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- Regular income: Reinvestments with lower yields and less dividends following de-risking
- Significantly improved result from write-ups/write-downs more than compensating for lower balance of gains/losses on the disposal of investments
- Given a low-interest environment as well as the assumed absence of larger disposal gains, return on investment expected to be below 4% in 2010

Overall higher RoI[1] of 4.3% (Q4 2009: 4.5%)

	€m Q1–4 2009	Return[1]	€m Q1–4 2008	Return[1]
Regular income	**7,629**	**4.2%**	7,859	4.6%
Write-ups/write-downs of investments	**–1,122**	**–0.6%**	–2,847	–1.7%
Gains/losses on the disposal of investments	**1,612**	**0.9%**	2,208	1.3%
Other income/expenses	**–236**	**–0.2%**	–1,304	–0.8%
Investment result	**7,883**	**4.3%[2]**	**5,916**	**3.4%[2]**

[1] Return on quarterly weighted investments (market values) in % p.a.
[2] Incl. change in on- and off-balance-sheet reserves 5.7% in Q1–4 2009 and 2.5% in Q1–4 2008.

The Group – Capitalisation

Pleasing increase of shareholders' equity in 2009

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€m	Q1–4	Change Q4
Equity 31.12.2008	21,107	–
Consolidated result	2,564	780
Changes		
Dividend	–1,073	–
Unrealised gains/losses	515	–628
Exchange rates	–51	206
Share buy-backs	–399	–342
Other	–385	–396
Equity 31.12.2009	**22,278**	–380

Unrealised gains/losses
Decrease in Q4 due to rising risk-free rates

Share buy-backs
Since 1 January 2010 until 28 February 2010 €298m repurchased

Other
€330m relate to the acquisition of ERGO shares

Agenda

Munich RE

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Summary and outlook

Primary insurance – Overview

Primary insurance shows positive trend in 2009

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Gross premiums written

€m	
Q1–4 2008	16,998
Q1–4 2009	**17,516**

International expansion compensates adverse FX impact

Technical result

€m	
Q1–4 2008	1,332
Q1–4 2009	**854**

Decrease as consequence of the financial crisis

Combined ratio property-casualty

%	
Q1–4 2008	90.9
Q1–4 2009	**93.1**

Clearly within target of 95%; exceptionally good in Q4 (90.0%)

Investment result[1]

€m	
Q1–4 2008	3,039
Q1–4 2009	**4,639**

Improved result for own account and in unit-linked business

Operating result

€m	
Q1–4 2008	991
Q1–4 2009	**926**

Consolidated result

€m	
Q1–4 2008	156
Q1–4 2009	**375**

Result still affected by difficult overall environment; increase in profit also due to lower goodwill impairments and taxes

[1] Investment result incl. unrealised gains/losses from investments in unit-linked life insurance; excl. unit-linked business: €441m in Q1–4 2009 (€–562m in Q1–4 2008).

Primary insurance – Premium development

Positive contribution from international expansion partly mitigated by FX effects

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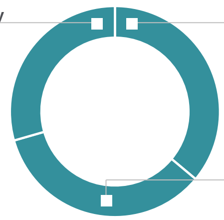
€m	
Gross premiums written Q1–4 2008	16,998
Foreign-exchange effects	–239
Divestment/ Investment	341
Organic change	416
Gross premiums written Q1–4 2009	**17,516**

- Organic growth in health: New business as well as premium increases in Germany and abroad
- Negative FX effects especially in Poland and Turkey dampen otherwise good development of international business
- Uneven development in Germany: Life ▲ –1.9%[1], Health ▲ 1.7%, Property-casualty ▲ 1.9%

Breakdown by segment (segmental, not consolidated)



Total premiums life:

- IFRS premiums €6,314m (▲ 4.3%)
- Savings component of unit-linked and capitalisation products €1,580m (▲ 39.6%)
- **Total premiums €7,894m (▲ 9.9%)**

[1] Total premiums German life Q1–4: €5,854m, –0.1%.

Primary insurance – Life – New business

ERGO new business life

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Total

€m	Total	Regular premiums	Single premiums	APE[1]
Q1–4 2008	1,794	608	1,186	727
Q1–4 2009	**2,503**	505	1,998	**705**
Δ	**39.6%**	–16.9%	68.5%	–3.0%

Comments

Germany

- Lower regular premiums mainly due to previous year's Riester stage (adjusted –12.3%); high single premiums via banks, brokers and direct channels
- Total new business growth of 10.7% (adjusted for Riester effect 16.9%)

International

- Strong organic growth of new business at BACAV: +41.1% (APE €71.0m)[2]
- Belgian new business up 52.7% (APE €50.3m)

Germany

€m	Total	Regular premiums	Single premiums	APE[1]
Q1–4 2008	1,445	464	981	563
Q1–4 2009	**1,600**	340	1,260	**466**
Δ	**10.7%**	–26.7%	28.4%	–17.1%

International

€m	Total	Regular premiums	Single premiums	APE[1]
Q1–4 2008	349	144	205	164
Q1–4 2009	**903**	**165**	738	**239**
Δ	**159.1%**	14.9%	260.4%	45.5 %

[1] Annual premium equivalent (APE = 10% single premiums + regular premiums).
[2] BACAV Q1–4 2008: APE €50.3m (regular premium €27.7m and single premium €226.6m).

Primary insurance – Combined ratio property-casualty

Highly pleasing development – Combined ratio under 95% target once again

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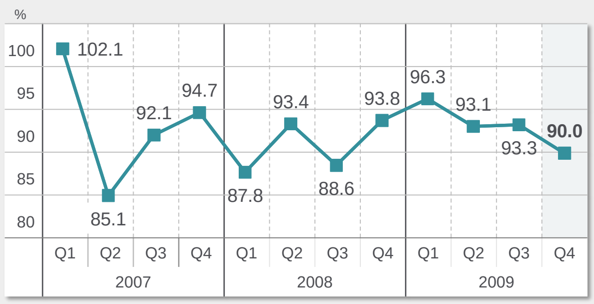
%		Loss ratio	Expense ratio
2007	93.4	58.6	34.8
2008	90.9	58.4	32.5
2009	**93.1**	60.2	32.9



- German business with excellent combined ratio of 87.9% balances higher claims abroad
- Slightly higher expense ratio due to higher commission payments – administrative expenses down
- Previous year's figure distorted by one-off effect of recalculation of claims reserves

Primary insurance – International business

Continue to grow and open up new international markets

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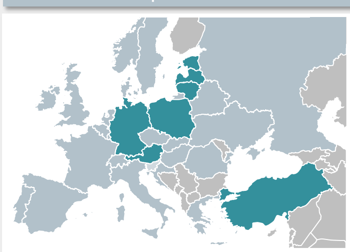
ERGO in Europe



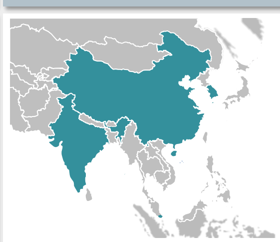
Expansion and additional partners in bank assurance

UniCredit
Bank DnB NORD
PIRAEUS BANK

- **Austria:** Number 3 in life; market share 13.2%
- Integration of back offices
- BACAV with good organic growth in 2009: Premiums +24.9% New business APE +41.1%

- **Poland :** Number 2 in non-life; market share 10.7%
- ERGO Hestia grew 20.1% in 2009 – but adverse FX effects
- MTU brand for cooperation with Polish post

ERGO in Asia



- Excellent development of HDFC ERGO
- GWP growth of 182.6% in 2009
- Now number 5 among private non-life insurers
- Partnership with HDFC bank

HDFC

All data in local GAAP and local currency.

Primary insurance – New brand strategy

ERGO brand to be introduced in German market

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Four main reasons for switch towards ERGO brand in Germany

- Changing customer behaviour – give customers switching between sales channels access to ERGO under one common brand
- KQV brand tarnished by Arcandor insolvency
- Life insurance improvements – competitiveness as well as profitability
- Brand awareness – achieve economies of scale in marketing spending

ERGO 2010

Direct	Life	P-C[1]	International	Health	Travel
ERGO Direkt Versicherungen	ERGO	ERGO DAS (legal expenses)	ERGO DAS (legal expenses)	DKV	ERV

Goal: To attract additional customers and foster growth

[1] Including legal expenses (D.A.S.).

Primary insurance – New brand strategy

Next steps under consideration for 2010 for the implementation process in Germany

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Life	Renaming of Hamburg-Mannheimer	Hamburg Mannheimer	ERGO
	Switch new business from Victoria to ERGO	Victoria	ERGO
Health	Merger of Victoria into DKV	Victoria	DKV
P-C	Merger of Victoria, D.A.S. and Hamburg-Mannheimer into ERGO	Victoria DAS Hamburg Mannheimer	ERGO
Legal	Merger of Hamburg-Mannheimer into D.A.S.	Hamburg Mannheimer	DAS

Primary insurance – New brand strategy

Challenges for next months

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Germany

- Define value proposition of the ERGO brand
- Develop marketing campaign for ERGO
- Changeover to new ERGO brand for more than 11,000 full-time tied agents and sales people
- Implementation of planned changes for the second half of the year

International business

Change double-branding in Poland and Turkey to pure ERGO brand

Initiate rebranding of Victoria companies in Portugal and Greece

Fine-tune branding strategy for cooperation partner companies

Primary insurance – Conclusion

ERGO well positioned

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Progress in existing initiatives and strategic move on brand

Sustainable contribution from financial turnaround expected in 2010

RoE ambition of 12–15% for 2012 confirmed

Agenda

Munich RE

Reinsurance – Overview

Strong organic growth predominately in life and health – Good underwriting performance in non-life

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Reinsurance

Strong top-line development through exploitation of market opportunities

Increase attributable to organic growth (€2.0bn incl. large solvency relief deals in life and health reinsurance) and first-time consolidation of recent acquisitions (€0.8bn)

Increase of segmental net result to €2.56bn[1]

Good technical result in non-life as well as in life and health; improved investment result[2] (based on significant disposal gains) contributing to increased net result

Non-life

Good underwriting performance in 2009

95.3% combined ratio given low NatCat losses more than compensating for recession-induced claims; strict portfolio and cycle management prevails

Life

Very satisfactory embedded value results

MCEV for reinsurance increased from €4.7bn[3] to €6.8bn in 2009 driven by an excellent value of new business (€562m) and favourable capital markets

[1] Segmental figures, before elimination of intra-Group transactions across segments. [2] Excluding ERGO dividend in 2008.
[3] After –€1,459m impact from restatement as at December 2008 due to refinement in methodology.

Reinsurance – Overview

Good underwriting contributing to increased net result

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Gross premiums written

€m	
Q1–4 2008	21,869
Q1–4 2009	**24,823**

Strong organic growth in L&H and positive effect from acquisitions

Technical result

€m	
Q1–4 2008	1,557
Q1–4 2009	**1,945**

Increase due to good development in P-C and L&H

Combined ratio property-casualty

%	
Q1–4 2008	99.4
Q1–4 2009	**95.3**

Low NatCat activity supports good underwriting result

Investment result

€m		
Q1–4 2008	3,181	947
Q1–4 2009	**3,879**	

Lower write-downs on equities, high level of disposal gains

Operating result

€m		
Q1–4 2008	2,875	947
Q1–4 2009	**4,164**	

Consolidated result

€m		
Q1–4 2008	1,453	947[1]
Q1–4 2009	**2,555**	

Improved investment and technical result – Adjusted for special dividend in 2008, good growth of profitability

ERGO dividend

[1] Without taking into consideration tax effects on dividend in 2008.

Reinsurance – Premium development

Growth mainly driven by organic development

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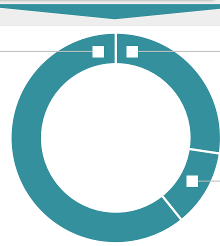
€m	
Gross premiums written Q1–4 2008	21,869
Foreign-exchange effects	96
Divestment/ Investment	839
Organic change	2,019
Gross premiums written Q1–4 2009	**24,823**

- Notable contribution from acquisitions: Midland (€202m), HSB (€453m)
- But mainly organic growth with around 20 quota share deals in life and health contributing €2.3bn

Breakdown by segment
(segmental, not consolidated)



Reinsurance – Combined ratio property-casualty

Good sustained underwriting result in a difficult environment

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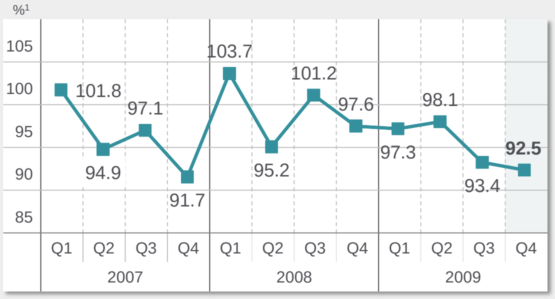
%	Combined ratio	Loss ratio	Thereof NatCat	Thereof man-made	Expense ratio
Q4 2008	97.6	65.0	2.0	5.9	32.6
Q4 2009	**92.5**	59.5	–2.1	9.2	33.0
2007	96.4	67.9	4.7	3.5	28.5
2008	99.4	69.6	6.2	5.0	29.8
2009	**95.3**	**65.7**	**1.4**	**6.8**	**29.6**



- Major losses in 2009 (€1,157m) well below 5-year average (€1,568m)[2]
- NatCat losses in 2009 (€196m/1.4%) significantly below 5-year average (€890m/6.5%); 1.4% is net after ~1.0% run-off gains on prior years
- Man-made losses in 2009 (€961m/6.8%) clearly exceed 5-year average (€678m/4.5%); in total €510m/3.6% recession-related losses in 2009

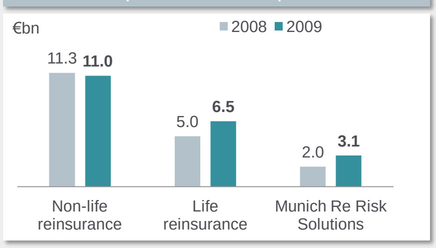
[1] Incl. credit and overhead costs.
[2] Incl. major losses life.

Reinsurance – Business model

Diversified business model allows for consistent cycle management and optimisation of risk capital allocation

Munich RE

Net earned premium development[1]



Description of business model

- Within each business segment, Munich Re steers according to strict profitability targets in each phase of the cycle
- Seizing diversification benefits and asynchronous market cycles
- Allocation of risk capital according to relative risk-reward characteristics

Competitive advantages of Munich Re

Non-life reinsurance
- Strong capacity for efficient provision of standard solutions
- Know-how and appetite for complex risks
- Leveraging risk expertise from non-life reinsurance via Munich Re Risk Solutions (MRRS)
- Realisation of synergies between MRRS units and traditional reinsurance activities

Advanced steering
- More granular data set based on size and scope of liability portfolio

Life reinsurance
- Biometric excellence and international presence
- In-depth consulting services beyond traditional reinsurance (know-how transfer)

Sharpened positioning
- Munich Re well prepared for challenges and opportunities

[1] Management view, not comparable with IFRS reporting. Life reinsurance does excl. health business: ~€2.8bn in 2009 (~€1.8bn). Munich Re Risk Solutions (MRRS) includes specialised B2B primary insurance solutions out of reinsurance. Figures for acquired companies only included since consolidation: Midland as from April 2008, Roanoke as from May 2008 and HSB as from April 2009.

Non-life reinsurance

Portfolio development demonstrates strict portfolio management and stable underwriting results

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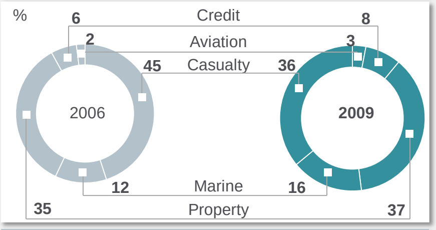
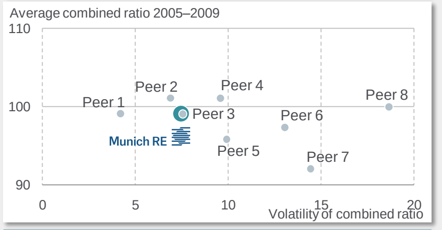
Non-life reinsurance

Portfolio development: Treaty business[1]



Combined ratio and volatility (2005–2009)[2]



Comment

- Reallocation of capacities to short-tail lines taking advantage of better risk-reward characteristics thereby continuously improving the portfolio quality
- Casualty business reduced significantly given the lower attractiveness of prices and terms
- Share of non-proportional business increased from 23% (2006) to 27% (2009) by taking opportunities in pricing

Comment

- Munich Re's average combined ratio impacted by peak catastrophe year 2005 (KRW); however in 3 out of 5 years the combined ratio was below the over-the-cycle target of 97%
- Comparatively low volatility of combined ratio due to superior portfolio diversification resulting in high predictability of earnings

[1] Management view, not comparable with IFRS reporting. Treaty business amounts to 86% of Munich Re's non-life portfolio; remainder 14% facultative business. [2] Source: Company reports. Peer group include Everest Re, Hannover Re, Odyssey Re, Partner Re, Scor, Swiss Re, Transatlantic Re and XL Capital. Munich Re's combined ratio incl. all components of losses and expenses. Volatility measured by standard deviation.

Non-life reinsurance

Competitive advantage through know-how – For example, engineering

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Non-life reinsurance – Underwriting complex short-tail risks

Engineering – Business development[1]

Engineering – Success factors

Engineering business is characterised by expertise-based high entry barriers

Effective combination of risk transfer solutions with engineering services (e.g. risk inspection, loss prevention) for corporate clients

Portfolio management

Share of engineering business in non-life portfolio	
2005	2009
8.9%	10.4%

Clear competitive advantage and limited competition resulting in superior margins

[1] Fiscal year view including MRRS.

Non-life reinsurance

Segment characterised by strong organic and M&A-driven growth

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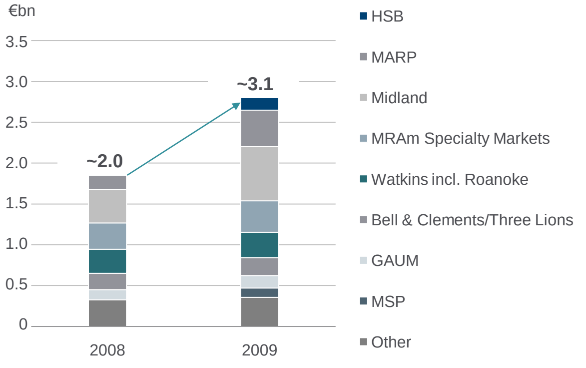
Munich Re Risk Solutions – Business development – Split by earned premiums[1]



- MARP grew strongly (premiums up 27%) by seizing market opportunities especially in engineering business
- Midland was particularly successful in mortgage fire with premium growth >20%
- Good profitability: Combined ratio ~90%

Earnings contribution expected to continuously increase going forward

[1] Management view, not comparable with IFRS reporting. Figures for acquired companies only included since consolidation: Midland as from April 2008, Roanoke as from May 2008 and HSB as from April 2009. MRAm Specialty Markets: Munich Re America Specialty Markets.

Overview

Key takeaways

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Reinsurance segment

Best-in-class underwriting capabilities and profound risk know-how supporting customized client solutions and allowing for differentiation in the competitive landscape

Munich Re Risk Solutions leverages Munich Re's risk expertise and enables detachment from the cycle in the traditional reinsurance business facilitating higher earnings stability

Munich Re's diversified reinsurance business allows for flexible allocation of risk capital to the most attractive segments while active portfolio and cycle management prevails

Agenda

Munich RE

Summary and outlook

Munich Re to continue to place high emphasis on sustainable earnings

Munich RE

Exploiting the strong 2009 position ...

Stringent execution of our long-term strategy in a challenging environment – we kept our promise

Strong earnings and attractive cash returns fully meeting financial targets

Long-term business development initiatives in all lines of business well underway

… for successful development in 2010

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

- Net income expectation above €2.0bn [1]
- Combined ratio reinsurance P-C of 97% over the cycle [2]
- Combined ratio primary insurance P-C below 95%
- RoI expected to be below 4%

Capital repatriation

- Attractive dividend of €1.1bn as a key part of our capital management strategy
- Further share buy-back as an option

1 This target remains achievable despite the claims burdens from the earthquake in Chile and Winter Storm Xynthia, although the further development of major losses in relation to the expected annual average will naturally be a significant factor. For 2011 we anticipate an increase in results.

2 Combined ratio of 97% over the cycle in 2010 with view to the earthquake in Chile and Winter Storm Xynthia over Europe only achievable if random large losses remain below expectation over the course of the year.

Disclaimer

Munich RE

This presentation contains forward-looking statements that are based on current assumptions and forecasts of the management of Munich Re. Known and unknown risks, uncertainties and other factors could lead to material differences between the forward-looking statements given here and the actual development, in particular the results, financial situation and performance of our Company. The Company assumes no liability to update these forward-looking statements or to conform them to future events or developments.

Note regarding the presentation of the previous year's figures

- For the new reporting format in connection with the first-time application of IFRS 8 "Operating Segments" as at 1 January 2009, several prior-year figures have been adjusted in the income statement.
- For the sake of better comprehensibility and readability, we have refrained from adding the footnote "Previous year's figures adjusted owing to first-time application of IFRS 8" to every slide.
- For details and background information on IFRS 8, please read the presentation "How does Munich Re apply the accounting standard IFRS 8 'Operating Segments'?" on Munich Re's website (http://www.munichre.com/en/ir/contact_and_service/faq/default.aspx).
- On 30 September 2008, through its subsidiary ERGO Austria International AG, Munich Re increased its stake in Bank Austria Creditanstalt Versicherung AG (BACAV) and included it in the consolidated group. The figures disclosed at the time of first consolidation were of a provisional nature. Therefore, several previous year figures have been adjusted in order to complete the initial accounting for a business combination (IFRS 3.62).
- Previous year figures also adjusted according to IAS 8.