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Fit for a game change

Baden-Baden, 23 October 2017
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1. Munich Re strategy
Continually stretching our business model
2. Traditional reinsurance
Risk transfer and capital relief as buying motivation for traditional reinsurance
3. Expanding the boundaries of insurability
Driving the expansion of insurability
4. Data driven solutions
Holistic risk management approach
5. Key findings

NATURAL DISASTERS

Global threats call for new insurance coverage to mitigate risk potentials

Business interruption

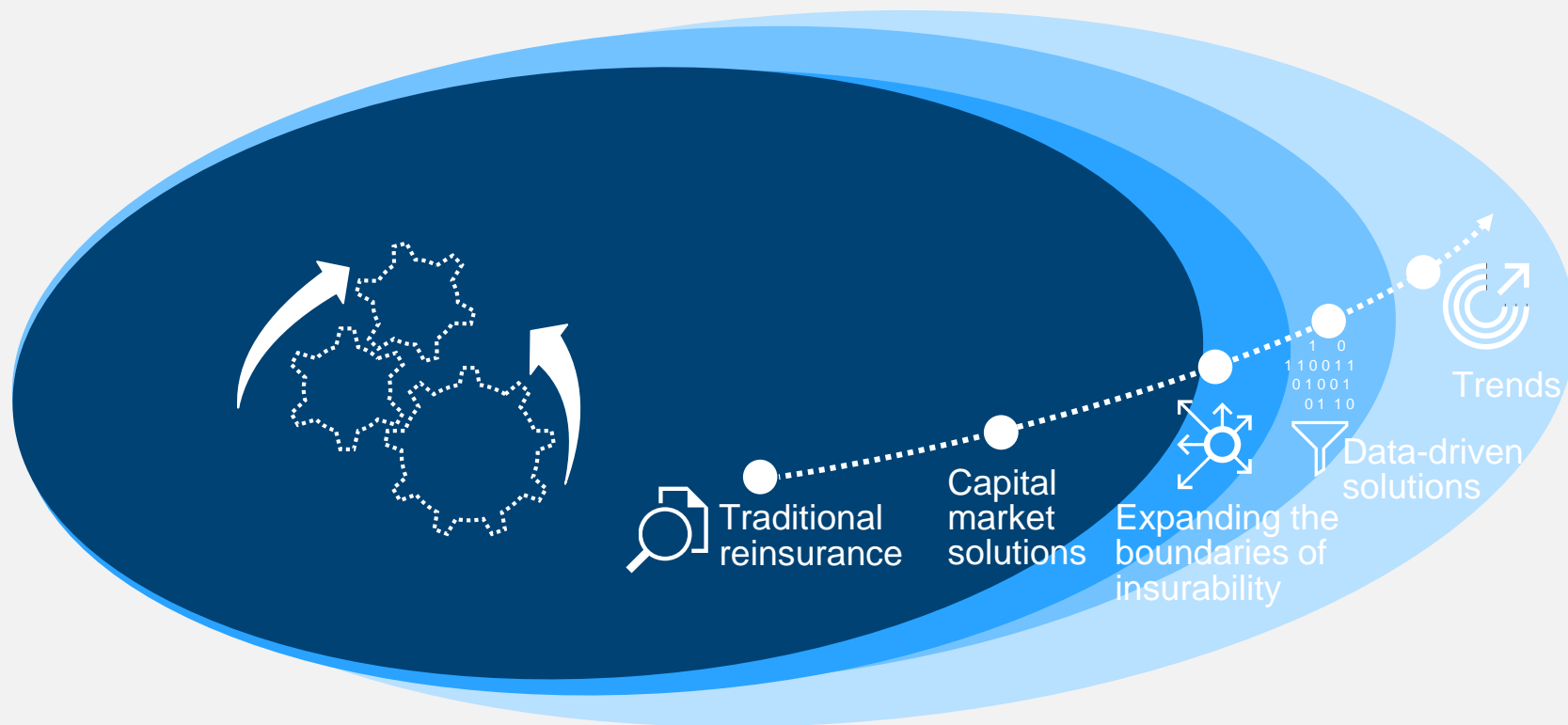
Technological Change

Regulatory changes

CYBER-CRIME

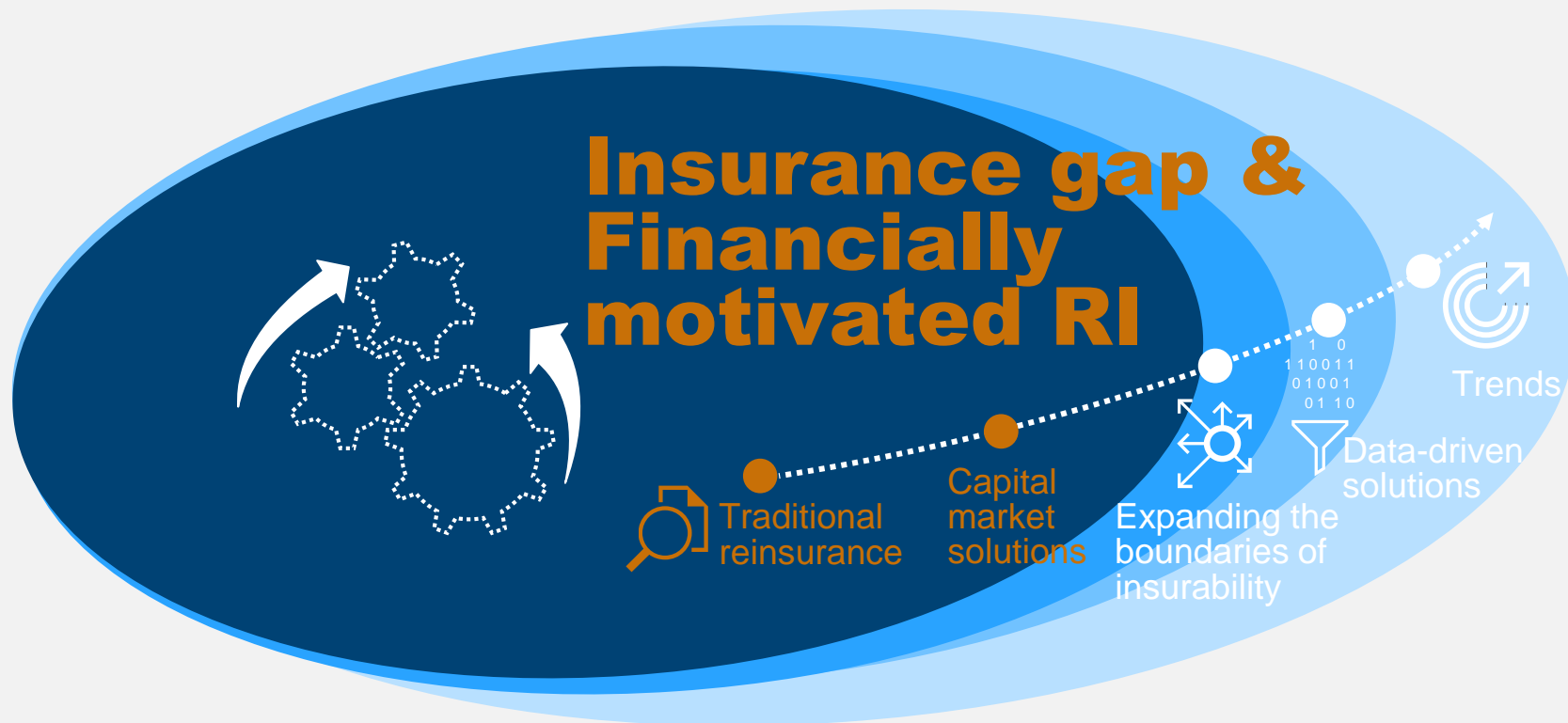
Fit for a game change

Continually stretching our business model



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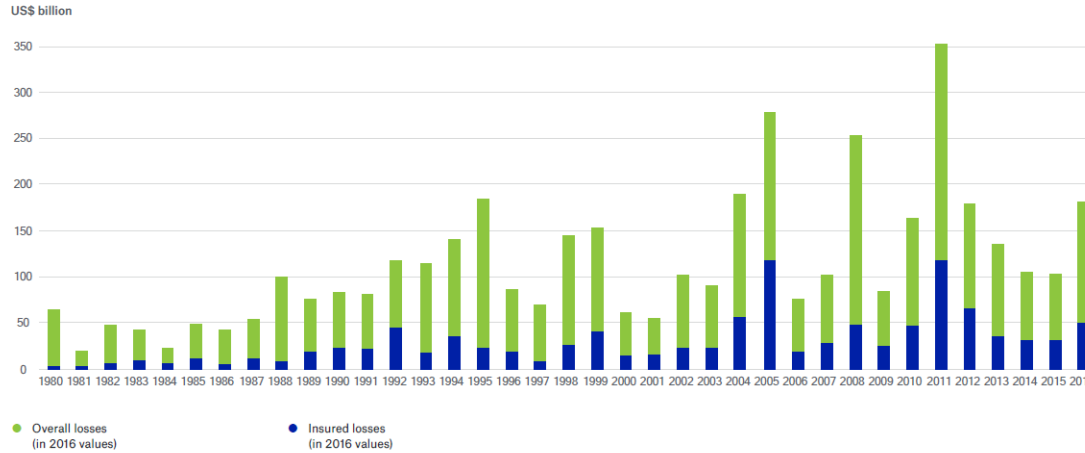
Risk transfer and capital relief as buying motivation for traditional reinsurance



Losses caused by this year's storms might exceed recent-year peaks

Overall and insured losses in US\$

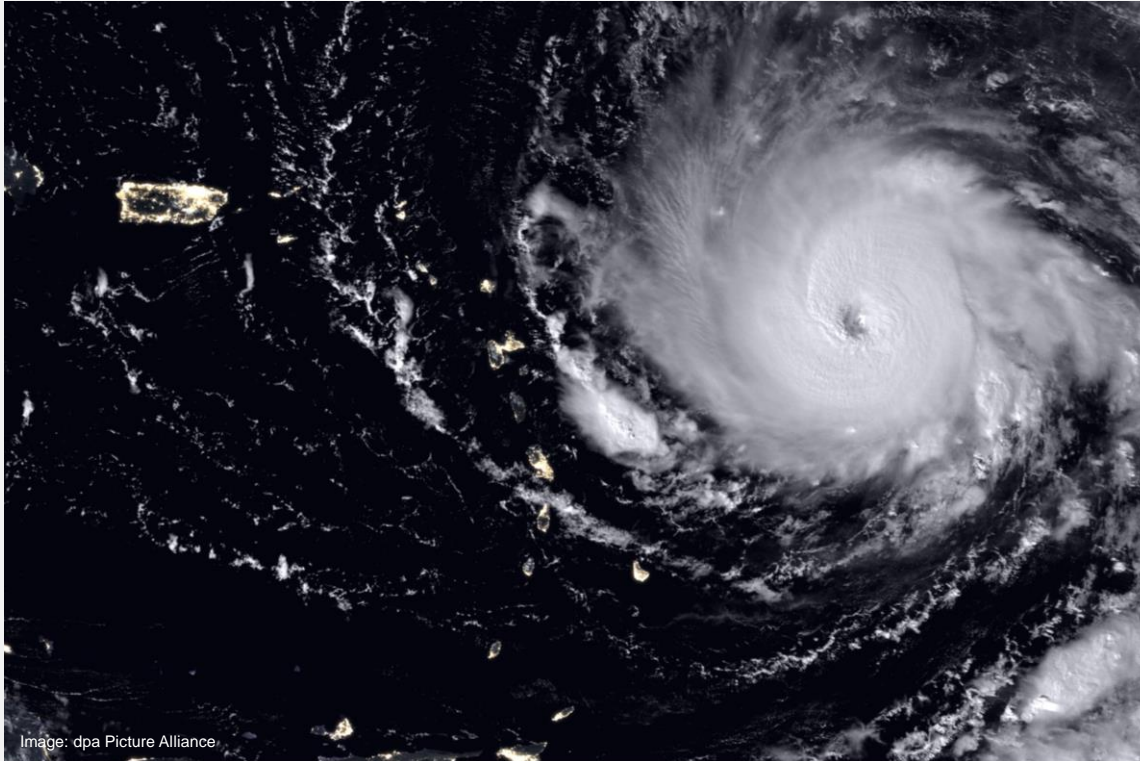
Relevant natural loss events
worldwide 1980 – 2016



Inflation adjusted via country-specific consumer price index and consideration of exchange rate fluctuations between local currency and US\$.

- The 2017 hurricane season has been very active so far; strong storms in particular have been above average
- The series of very strong major hurricanes is unusual, but not totally out of the ordinary compared with previous years
- On the basis of various estimates, we have to expect that the total insured market loss from recent events may exceed US\$ 100bn
- This means that 2017 might see one of highest loss experience in history so far

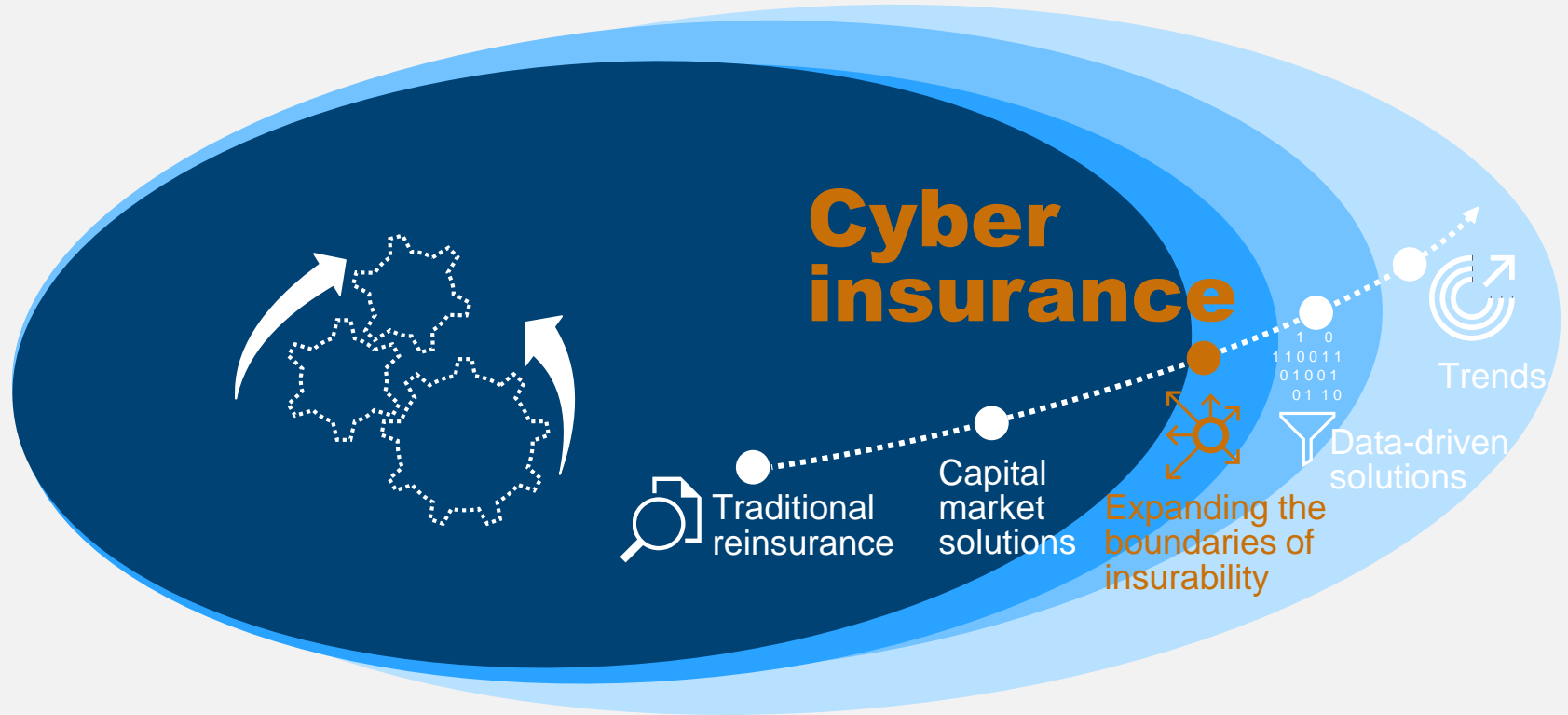
Nat cat events will influence discussions regarding price levels in cat business



- Wind and flood damage is usually covered, but often sub-limited
- Potential business interruption losses
- Hurricanes like Harvey, Irma, Maria etc. illustrate the enormous volatility existing in this business, which can only be profitable if prices are sustainably adequate
- At Munich Re, extreme events like Irma are fully taken into account in our risk strategy; due to our strong capital base we are in a position to maintain our risk appetite provided that prices are technically sound
- Recent nat cat events will also constitute a stress-test for the ART market

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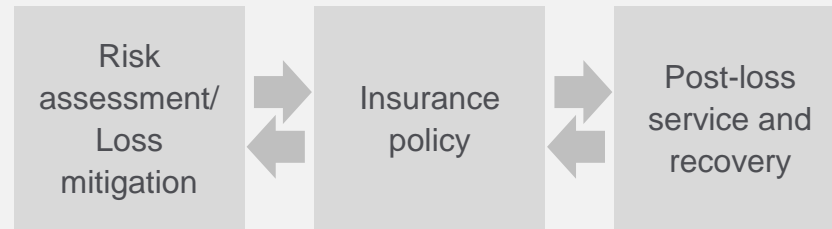
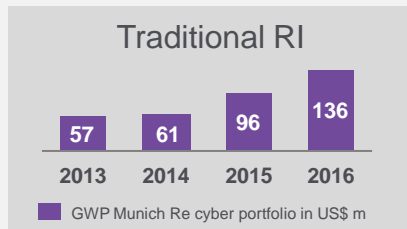
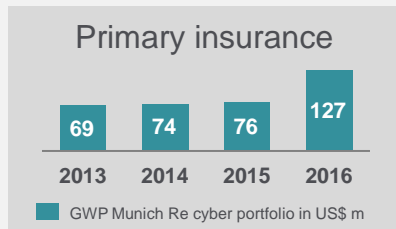
Beyond the traditional core, we will drive the expansion of insurability



Munich Re's cyber business strategy

Risk-taking and comprehensive service model

Our value added in cyber insurance – Where we offer support



Traditional risk-taking approach



Service and fee-based approach

Risk assessment

Risk mitigation

Risk transfer







Recovery

Resilience



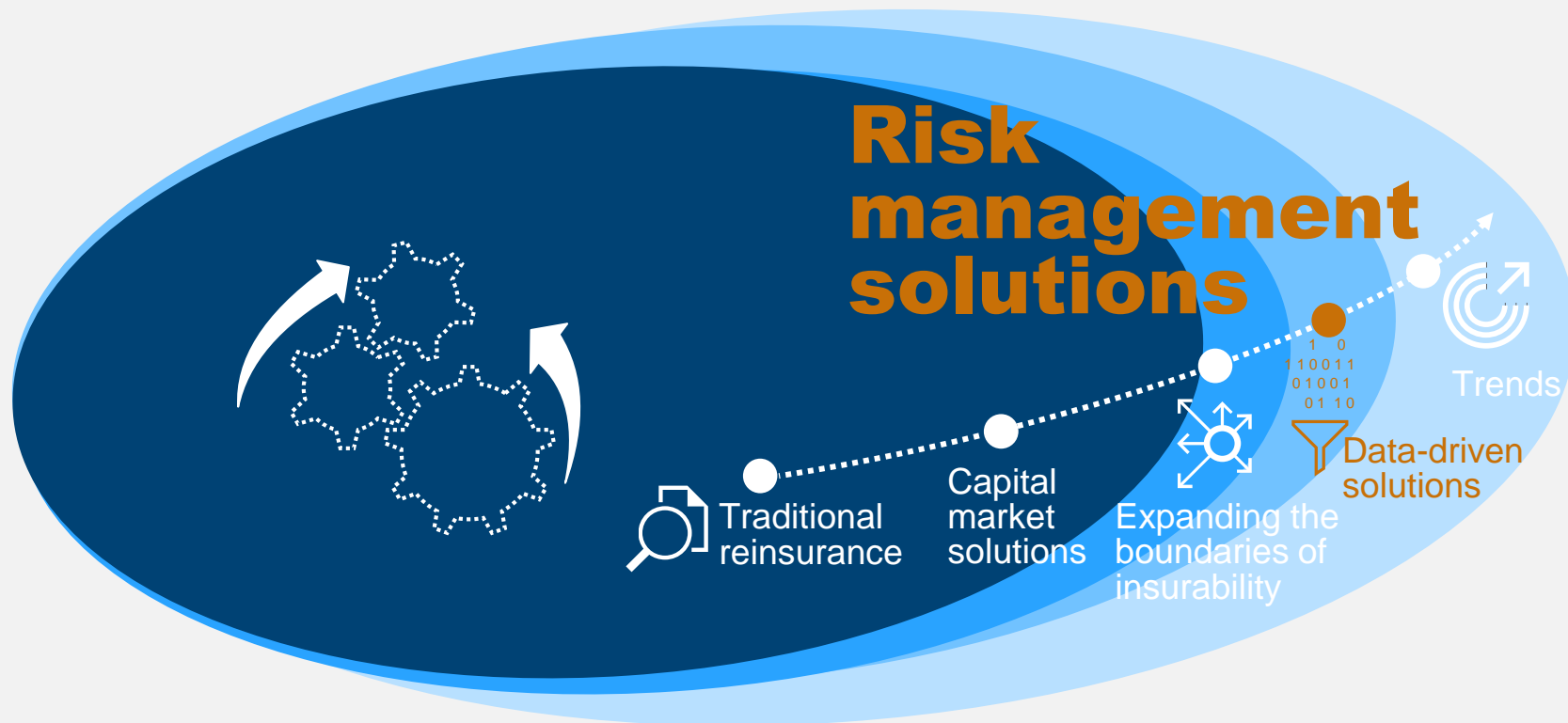
Cyber ecosystem partnerships and access to tech world (software/hardware) are the foundation for augmenting our understanding of the risk


Munich Re cyber offering: A modular, flexible cyber service toolbox

Client	Insurer	Reinsurer
Munich Re Cyber Service Toolbox	Munich Re Cyber Service Toolbox	<ul style="list-style-type: none">▪ Reinsurance Capacity▪ Continued Investment in Cyber Risk Control
 Awareness	 Insurance Product	
 Incident response	 Accumulation Control	
 Services	 Client Access	

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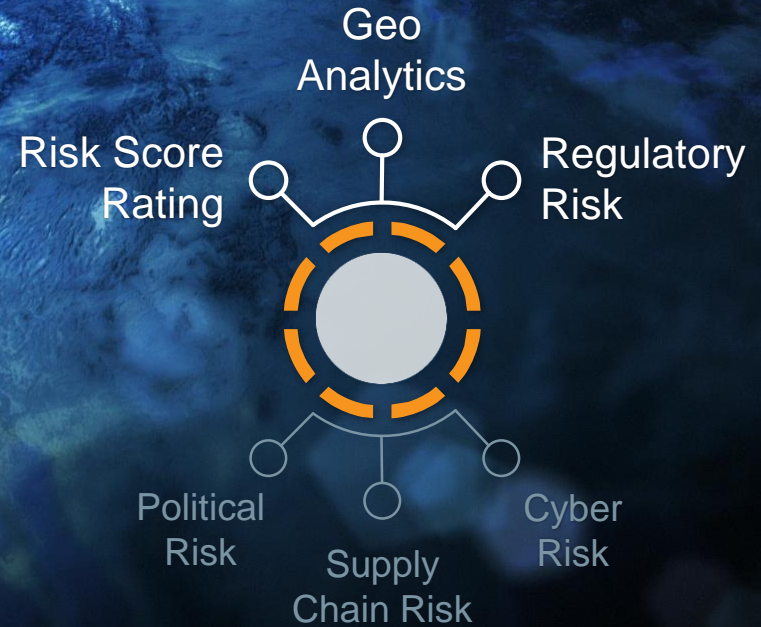
Comprehensive view of all risks combined with state-of-the-art technologies





Munich Re provides the necessary comprehensive insights
into its clients' business

- Get the whole picture, in greater detail, and make better, more informed decisions
- Act quickly with laser precision



Take benefits from agile and tailor-made risk management solutions

Traditional reinsurance



- Significant **gap between economic and insured losses resulting from natural disasters**, especially in emerging markets, but also in highly developed countries
- Munich Re offers its clients **sustainable capacities if prices are risk adequate**

Expanding the boundaries of insurability



- In addition to traditional cyber risk-taking, **Munich Re offers its customers the entire range of services**, from risk assessment and risk reduction to the restoration of data and systems after a cyber event and the improvement of resilience of internet-based systems
- Cooperation with partners whose expertise complements our own

Data-driven solutions



- In order to **develop comprehensive risk management solutions**, we offer our clients a holistic view of the risk situation based on our profound risk expertise and the use of state-of-the-art technologies
- Munich Re is developing tools for its customers that follow this approach

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 make them conform to future events or developments.