“COMPETING IN THE NEW NORMAL”
BANK OF AMERICA MERRILL LYNCH BANKING & INSURANCE CEO CONFERENCE

London, 1 October 2009

Nikolaus von Bomhard
Munich Re committed to creating sustainable value

Overview – Relative total shareholder return

Average relative total shareholder return¹


<table>
<thead>
<tr>
<th>Year</th>
<th>Munich Re</th>
<th>Peers primary insurance</th>
<th>Peers reinsurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>14.8</td>
<td>15.9</td>
<td>9.2</td>
</tr>
<tr>
<td>2007</td>
<td>29.3</td>
<td>20.4</td>
<td>13.3</td>
</tr>
<tr>
<td>2006</td>
<td>17.8</td>
<td>6.8</td>
<td>4.3</td>
</tr>
<tr>
<td>2005</td>
<td>2.5</td>
<td>5.5</td>
<td>2.0</td>
</tr>
<tr>
<td>2004</td>
<td>6.3</td>
<td>6.3</td>
<td>-1.7</td>
</tr>
</tbody>
</table>

Peers: Allianz, Axa, Generali, Hannover Re, Swiss Re, Zurich

Munich Re offers a unique investment proposition based on a business model largely uncorrelated with global GDP and the development of the equity markets

Overview – Highlights Q1–2 2009

Stringent execution of strategy generates opportunities

Munich Re

- Net profit of €1,123m in Q1–2 2009
  - Earnings resilience in core (re)insurance business and improved investment result

Reinsurance

- Financial strength and portfolio diversification paying off
  - Flexible allocation of capital and profitable growth from taking opportunities in selected markets

Primary insurance

- Stable shareholders’ equity at €21.3bn
  - Strong capital position despite dividend payment and increased interest rates

- Stringent capital allocation
  - Clear commitment to liability-driven business model while consciously maintaining low investment risk profile

- Returning to profit in Q2 2009
  - Consistent implementation of efficiency programme strengthening earnings generation and improving future business prospects

Munich Re continued to demonstrate earnings strength
Overview – Financial performance Q1-2 2009

Satisfactory consolidated result

<table>
<thead>
<tr>
<th>GROUP</th>
<th>Gross premiums written</th>
<th>€m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1–2 2008</td>
<td>18,853</td>
<td></td>
</tr>
<tr>
<td>Q1–2 2009</td>
<td>20,693</td>
<td></td>
</tr>
</tbody>
</table>

Good organic growth, acquisitions and positive FX effects

<table>
<thead>
<tr>
<th>GROUP</th>
<th>Investment result</th>
<th>€m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1–2 2008</td>
<td>3,261</td>
<td></td>
</tr>
<tr>
<td>Q1–2 2009</td>
<td>3,552</td>
<td></td>
</tr>
</tbody>
</table>

Reduced write-downs, but lower regular income and realised gains

Overview – Integrated business model

Providing best solution for each risk

1. Munich Re Group
   RISK MANAGEMENT
   Strong integrated risk management with proven track record in financial crisis

2. INVESTMENTS
   Well-diversified portfolio based on strictly limited risk appetite

3. CAPITAL MANAGEMENT
   Sound capitalisation provides strategic flexibility

Successful business model [illustrative]

Financial strength and sustainable long-term strategy focusing on underwriting risks: continuing a solid path in the “new normal”
Munich Re Group – Risk management

Clear-cut comprehensive risk management framework

Main criteria

- Capital strength
  - Economic risk capital: 175% * VaR 99.5%
  - Rating: Target AA rating
  - Regulatory: Solvency according to regulatory requirements

- Financial distress
  - Limiting the probability of having to raise capital resources to not more than 10% by considering the variability of economic earnings and the existence of the excess capital buffer

Additional criteria

- Accumulation risk
  - Group-wide binding limits for nat cat, terrorism, pandemic, counterparty credit risk, individual risk accumulations

- Liquidity
  - Adequate liquid resources to meet known/expected requirements
  - an insurance claims shock
  - margin/collateral calls (derivatives)
  - Liquidity implications of a run on the bank also monitored

Criteria for investments and ALM risks

e.g.
- Market/credit risks (value at risk): Limits set for each operating entity
- Investment limits for alternative investments, non-investment grade investments, etc.

Our portfolio is well structured to meet all defined criteria

Well-diversified investment portfolio

Investment portfolio1 (market values)

- Miscellaneous2: 8.3% (8.6%)
- Shares, equity funds and participating interests: 2.8% (3.6%)
- Fixed-interest securities: 61.4% (61.8%)
- Land and buildings: 2.3% (2.8%)
- Loans: 24.7% (23.2%)

TOTAL €179bn

Strategic Risk Management Framework

- Liability-driven investment process reflects sensitivity of liabilities to capital markets
- Allocation of economic risk capital budget
- Clearly defined limits and triggers

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

1 As at 30.6.2009 (31.12.2008)
2 Deposits retained on assumed reinsurance, investments for unit-linked life, deposits with banks, investment funds (bond, property)
Strong capitalisation provides strategic flexibility

Sound capitalisation according to all capital measures
- Regulatory group solvency capital ratio of 266%
- Low/mid single-digit €bn capital buffer according to rating agencies
- €7.0bn\(^1\) economic capital buffer according to internal model
- Stable shareholders’ equity at €21.3bn, sufficient revenue reserves under local GAAP

Strategic flexibility to efficiently combine options of capital allocation
- Investment in organic growth and strategic initiatives
- Attractive cash returns: Continued high dividend yields, resumption of share buy-back as of October 2009\(^2\)
- Disciplined M&A approach strictly in line with our strategic and financial criteria

Attractive business and growth opportunities based on value-oriented capital allocation

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\(^1\) As at 31 December 2008, but after dividend payment of €1.1bn in April 2009 and €0.05bn outstanding from 2008/2009 share buy-back programme.

\(^2\) Total purchase price of up to €1bn until AGM on 28 April 2010.

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Primary insurance segment – Overview

ERGO positioned throughout all segments; cost-reduction initiative well under way

<table>
<thead>
<tr>
<th>Segment</th>
<th>Observations</th>
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</table>
| Life          | • Financial crisis puts pressure on growth and margins  
• Implementation of strategic initiatives under way |
| Health        | • A market leader in Germany; low capital intensity  
• Possible political interventions critical for future developments |
| Property-casualty | • Strong profitability despite highly competitive market environment  
• Combined ratio consistently well below 95% due to focus on attractive business lines |
| Direct        | • Leading direct insurer in Germany  
• Ongoing growth in life, health and P-C |
| IO            | • Strong top-line growth in local currency\(^1\); adverse FX movements for non-euro-denominated growth  
• International expansion focused on CEE and Asia |
| Cost reduction | • Simplification, harmonisation and continuous improvement of processes as well as reduction of expense ratios  
• Project well under way for delivering €180m cost savings by 2010 |

\(^1\) Organic growth Poland; acquisitions of BACAV, ERV.
Primary insurance segment – ERGO Life

Strategic initiatives: customised approaches towards inforce and new business

Challenges for business in force

- New competitors; advancements in alternative guarantee types (banks, investment/hedge funds)
- Low interest-rate environment
- Reduced customer acceptance of/preference for long-term investments (“flexibility first”)
- Increased transparency and influence of rankings/ratings (products and companies)

ERGO Life’s answer ...

- Moving from pure risk carrier to risk manager: concentration on flexible product platform (unit-linked products)
- Convincing advisory skills and “sale of concepts” instead of products
- Increased transparency and improved positioning in product ratings and rankings
- One system fits it all: reduced complexity and further streamlining of processes and systems
- Expansion in occupational pensions business; focus on medium-sized companies

Hedge against extreme interest-rate development scenarios

Challenges for new business ...

- Efficient reinsurance of standard risks
- Customised solutions for risk and balance-sheet management
- Consulting on Solvency II / ALM, enterprise risk management
- Risk transfer to capital markets

New global brand

The three cornerstones of Munich Re’s refined positioning

1. A high level of security and individual solutions
   - Efficient reinsurance of standard risks
   - Customised solutions for risk and balance-sheet management
   - Consulting on Solvency II / ALM, enterprise risk management
   - Risk transfer to capital markets

2. (Re)insurance of complex and new risks
   - Expanding the limits of insurability by developing new coverage concepts
   - First-class modelling
   - Investing substantially in actuarial and underwriting skills

3. Tapping into new client groups
   - Highly specialised primary insurance niche business; cooperation with MGAs
   - Public-private partnerships
   - Insurance pools

Clear positioning as a comprehensive service reinsurer

1. See following slides for examples
### Reinsurance segment – Solvency II

**Reinsurance business to benefit from regulatory changes**

<table>
<thead>
<tr>
<th>New opportunity for profitable growth</th>
<th>Repositioning as service reinsurer</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Paradigm change of solvency requirements under Solvency II (e.g., no longer “50 per cent” limit as in Solvency I)</td>
<td></td>
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<tr>
<td>- Reinsurance as a significant lever for solvency relief</td>
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<tr>
<td>- Improved return on retained risk-adjusted capital for primary insurers</td>
<td></td>
</tr>
<tr>
<td>- Growing demand for in-depth know-how and expertise in risk management</td>
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</tr>
<tr>
<td>- Munich Re Solvency Consulting provides workshops, tools and consulting services</td>
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<tr>
<td>- PODRA(^1): Open-source modelling software to determine risk-based capital requirement under Solvency II Pillar 1</td>
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</tr>
<tr>
<td>- Enterprise risk management: Assisting clients in establishing ERM structures and systems</td>
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**Reinsurance gains momentum under Solvency II**

1. PODRA = Pillar One Dynamic Reinsurance Analysis.

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### Reinsurance segment – Reinsurance life

**Significant contribution to profitable growth**

<table>
<thead>
<tr>
<th>Four key focus areas</th>
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<tbody>
<tr>
<td><strong>Continuously improve core business</strong></td>
</tr>
<tr>
<td>Capturing growth potential by applying specific regional initiatives</td>
</tr>
<tr>
<td><strong>Grow non-traditional business</strong></td>
</tr>
<tr>
<td>Providing holistic asset-liability solutions for efficient asset protection</td>
</tr>
<tr>
<td><strong>Expand business model</strong></td>
</tr>
<tr>
<td>Making ourselves indispensable for clients by systematically advancing service offerings</td>
</tr>
</tbody>
</table>

**Capital relief transactions**

- Capitalising on opportunities arising from increasing need for reinsurance (strengthen capital base and provide growth financing)

| Number of closed deals: 10 |
| Expected total GPW of new business >€2bn p.a. |
| VANB of new business in the low three-digit million euro range |

**Solutions beyond traditional reinsurance ensure superior client access and acquisition of additional profitable business enabling strong top and bottom-line growth**
HSB to strongly contribute to cash-flow and capital generation

- HSB significantly outperforming the industry
- Very solid 2nd quarter operating result with a consolidated combined ratio of 80% including engineering margin (Q1-2 2009 81%) and a net profit of €24.2m (Q1-2 €33.7m)
- Successful de-risking of HSB’s investment portfolio in order to meet Munich Re Group risk standards and HSB’s business characteristics
- HSB well positioned as future dividend contributor to Munich Re

Financial highlights in Q2 2009

Integration status

- Joint business development to leverage cross-selling synergies
- Legal and regulatory requirements implemented
- Functional and technical integration activities well underway
- Investment management of HSB’s asset portfolio transferred to MEAG
- Good progress in decoupling back-office services from AIG to Munich Re Group as shared-services

HSB combined ratio and P-C industry: Outstanding financial track record

International Health segment – Business model

Different business models meeting regional demand with regional organisation

Munich Health covering the full value chain

- Classic capacity reinsurance
- TPA
- Risk-bearing with service providers
- Classic primary insurance
- Integrated financial protection
- Fully integrated player

- Financial protection
- Risk
- Sales
- Administration
- Services
- Provision of care

Requirements fulfilled to support all parts of the value chain

International know-how

Munich Health integrates a long tradition of experience in health business addressing different parts of the value chain

- Expert know-how in bearing of risks in primary and reinsurance
- Expertise in health services and provision of care

International organisation with regional hubs enables Munich Health to meet regional and local demands of customers

- Princeton: North America
- Munich: Europe and Latin America
- Singapore: Asia
- Abu Dhabi: Middle East and Africa

1 Third-party administrator.
Expecting continued positive business development

Despite the financial crisis, continued but slower growth of health expenditures expected; more cooperations with public providers possible.

Private health provisions by consumers mostly stable; health seen as valuable asset.

Classic primary insurance business:
Predominantly group business negatively affected by growth decline.

Classic reinsurance business:
Positive effects triggered by increased need for capital and liquidity of primary insurers.

International health business provides good growth prospects.

Outlook 2009
Seizing opportunities for profitable growth and value-oriented capital management.

Reinsurance
GROSS PREMIUMS WRITTEN
€24–25bn

COMBINED RATIO
Approx. 97%

Primary insurance
GROSS PREMIUMS WRITTEN
€17–17.5bn

COMBINED RATIO
<95%

Munich Re
GROSS PREMIUMS WRITTEN
€40–42bn

RETURN ON INVESTMENTS
Running yield expected to be slightly above 4%

RORAC
15% after tax over the cycle to stand

Resumption of share buy-back, however, strong capitalisation enables to take advantage of opportunities for profitable growth.