STRINGENT EXECUTION DELIVERING SUSTAINABLE EARNINGS

Deutsche Bank "German & Austrian Corporate Conference"

Frankfurt, 21 May 2010

Joachim Oechslin

Munich RE

Munich Re (Group) – Q1 result

Strong earnings and sound capitalisation allow continuation of share buy-back

Munich RE

Munich Re (Group)

Pleasing Q1 result – Net income increased to €485m
Investment result mitigating high NatCat losses
Annualised RoRaC of 10.7%

Shareholders' equity further strengthened to €23.2bn
Continuation of share buy-back of up to €1bn until the AGM 2011

Strong investment result
Annualised RoI of 5.2%
High disposal gains not repeatable in the remainder of 2010

Reinsurance

Result burdened by high NatCat losses
NatCat losses (combined ratio: 109.2%) partially compensated by improved result in life reinsurance

Primary insurance

Performance fosters turnaround
All three business segments demonstrate improvements leading to a good segmented result of €165m (consolidated ERGO result €78m)

Munich Health

First-time disclosure of new business field
Focus on consolidation to strengthen sustainable earnings generation

Munich Re (Group) – Highlights

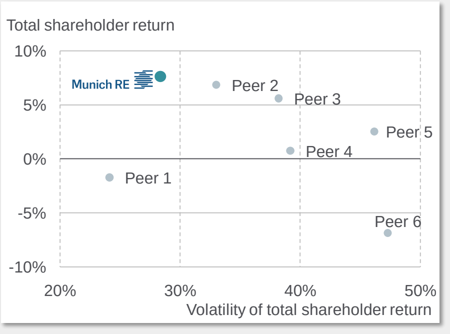
Munich Re generates solid returns for the shareholder – Combined with a low-risk profile

Munich RE

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]



Munich Re managing for value in an uncertain environment – stringent execution of our strategy delivering sustainable earnings

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); 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, Zurich Financial Services.

Munich Re (Group) – Highlights

Liability-driven integrated business model facilitating diversification and predictable results

Munich RE

Disciplined financial management as a strong basis …

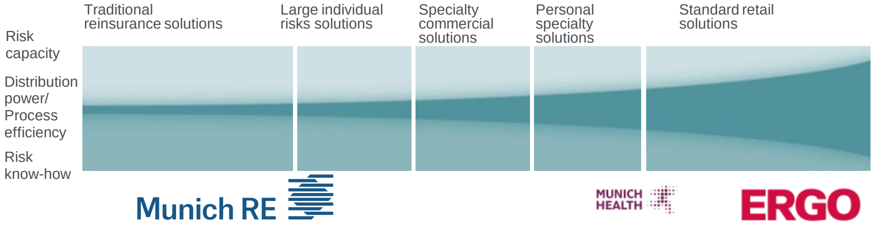
1 RISK MANAGEMENT
Proven integrated risk management – well-prepared for Solvency II

2 ASSET MANAGEMENT
Well-diversified investment portfolio – disciplined asset-liability management

3 CAPITAL MANAGEMENT
Sound capitalisation – attractive return on equity compared to cost of capital

… for a value-oriented and integrated group strategy

4



Munich Re offers a value proposition based on a business model largely uncorrelated with the equity markets

1 Risk management

Risk management well positioned to cope with regulatory changes

Munich RE

Munich Re further improves its risk management position

Further strengthened economic capital position driven by increase of available financial resources

Risk model refined in light of crisis, leading to an increase in economic risk capital

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

1 Risk management

Major changes to risk profile during 2009

Munich RE

Effect on risk profile

Effect	Property-casualty	Life and health	Market	Credit
Increase	Slight increase in Atlantic Hurricane exposures due to capacity shortages in July renewal		Careful re-risking in equities (equity backing ratio up to 2.8% from 1.7%)[1]	Careful re-risking through corporate bonds and sovereign debt in both re- and primary insurance
Neutral		Solvency relief transactions add material premium volumes but little risk	Offsetting interest rate position at group level maintained	
Decrease	Sharp decline in Storm-Europe exposures due to softening prices and more retrocession	Higher interest rates reduce the impact of trend risks (e.g. mortality)	Further de-risking of interest rate risks at life primary carriers, long duration position in RI extended Further addressed inflation risk in reinsurance segment	Reduced concentration in financial sector bonds

Continuity in terms of overall group risk profile

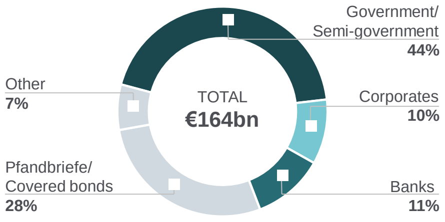
[1] Approximate composition of increase: Market appreciation (+0.6%), reduction of hedges (+0.3%), active exposure increase (+0.5%), other factors (–0.3%)

2 Asset management

Investment strategy – Fixed-income securities

Munich RE

Fixed-income portfolio[1]



Duration – Careful lengthening

- Reinsurance: Longer duration to earn yield pick-up in a continuously steep interest rate environment
- Life primary insurance: Continuation of pro-active asset-liability management, in line with new ERGO strategy

Government bonds – Good diversification

Country	31.12.09
Germany	34%
US	15%
Italy	**6%**
Canada	6%
UK	6%
France	6%
Austria	3%
Greece	**3%**
Spain	**3%**
Ireland	**3%**

Comment

- Keep a well-diversified investment portfolio
- Maintain overweight in German bunds
- Continue to hold digestible positions in weaker sovereign bonds

Corporate bonds – Slight reduction

Reduction of exposure through sale and purchase of credit default swaps in Q1

Bank bonds – Still cautious view

Further reduction of financial institutions exposure

Keeping an eye on potential market disruptions …

[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.

2 Asset management

Investment strategy – Other asset classes

Munich RE

Asset class	Gradual re-risking anticipated in 2010	Overall

Equities	▪ Cautious increase with downside protection (out-of-the money puts)
	▪ Already partly realised
		▪ Maintain focus on underwriting risk, with investment risk being an important but not dominant element in the risk profile of Munich Re
		▪ Careful increase of risky assets partly to
		  ▪ provide for upside in case of rising yields and inflation
		  ▪ earn long-term risk premium

Alternative assets	▪ Increase in commodities ▪ Further enhance position in renewable energies through private and public equity and debt instruments	
Real estate	▪ Slight increase with focus on residential and prime commercial real estate in core Europe	

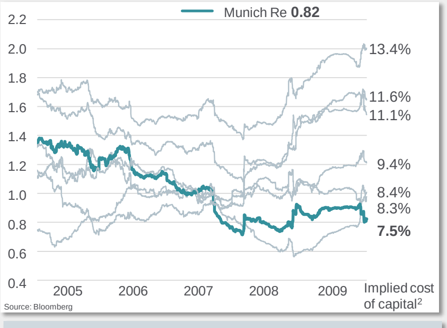
… while carefully re-risking in diversified asset classes

3 Capital management

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

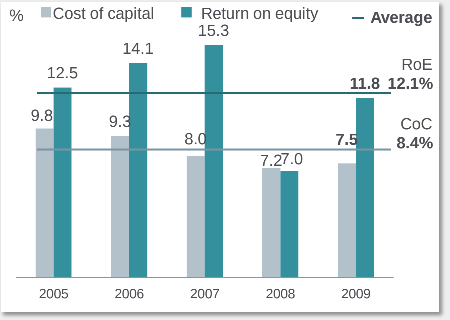
Munich RE

Beta values vs. Peers[1] 2005–2009 (as at 31.12.2009)



Source: Bloomberg

Return on equity vs. cost of capital[2] 2005–2009



Low cost of capital

- Investment portfolio marginally geared to equity markets
- Insurance risks largely independent of capital markets

→ Low correlation of share price to market index

RoE continuously exceeds cost of capital

- Strong average RoE despite our solid capitalisation
- Reliable value creation of Munich Re
- High predictability based on liability-driven business model

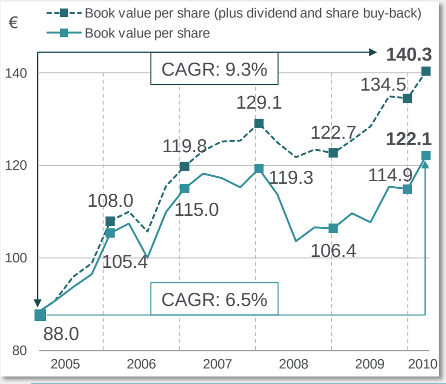
1 Peers: Allianz, AXA, Generali, Hannover Re, Swiss Re, Zurich Financial Services; Raw beta to DJ Stoxx 600, total return, daily basis, 1-year. 2 Calculation using CAPM with 10-year German government bonds, 5% market risk premium and 1-year raw beta to DJ Stoxx600, daily basis. Source: Bloomberg.

3 Capital management

Strong book value growth based on shareholder-friendly capital repatriation

Munich RE

Book value per share[1] 2005 – Q1 2010



Shareholder friendly capital management

€5.0bn dividend payments from 2005 to 2010 ytd

€5.0bn share buy-back from 2006 to 2010ytd

High dividend yields and share buy-backs resulting in a cash yield of around 10%[3]

Strong capitalisation provides strategic flexibility going forward

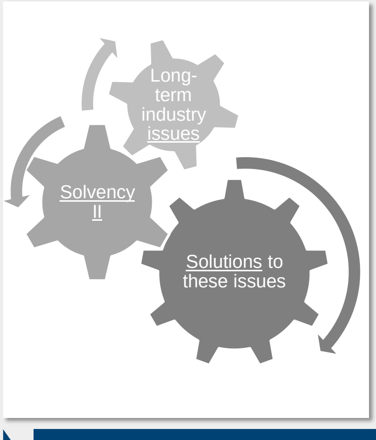
[1] Shareholders' equity excl. minority interests divided by shares in circulation.
[2] Assuming shareholders participated equally in €1bn share buy-back; based on 2009 losing share price as per 31.12.2009 (€108.67).

4 Reinsurance

Implications of Solvency II for the insurance industry

Munich RE

Solvency II acts as a catalyst…



…to resolve some old industry issues

Example: Primary life insurance
- Issue: Long-term guarantees and options often not properly priced and hedged
- Solvency II: Requires capital for mismatch; demonstrates where return is insufficient for risk taken
- Solution: Improving ALM, product design

Example: Reinsurance
- Issue: Reinsurance programmes not always optimal in terms of risk transfer
- Solvency II: Reinsurance matters for capital requirements
- Solution: Impact of reinsurance structures can be measured and optimised

Example: Investments
- Issue: Insufficient profitability of underwriting compensated by taking high investment risks
- Solvency II: Risk capacity places limit on this strategy
- Solution: Focusing on profitable underwriting

Solvency II brings more discipline to the industry

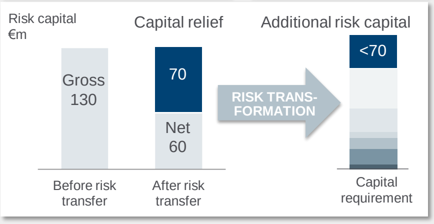
4 Reinsurance

Solvency II to fully crystallise the value of the reinsurance business model

Munich RE

Risk transfer – Illustrative

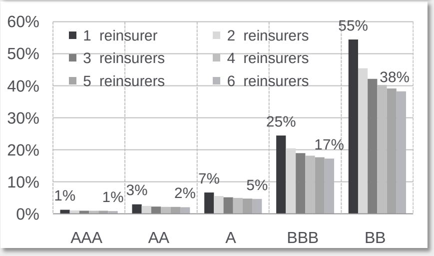
Primary insurer's portfolio | **Reinsurer's portfolio**



Diversification of reinsurers is higher due to
- Number of individual risks
- Geographical spread (global business model)
- Product and line of business mix

Well-diversified reinsurers will benefit from Solvency II

Deduction on capital relief for the counterparty default risk[1]



- Explicit consideration of reinsurance credit risk through a deduction from capital relief
- Example: Capital relief from a reinsurance treaty with only one AA-rated reinsurer greater than with a panel of six A-rated reinsurers

Financial strength to provide a clearer competitive edge

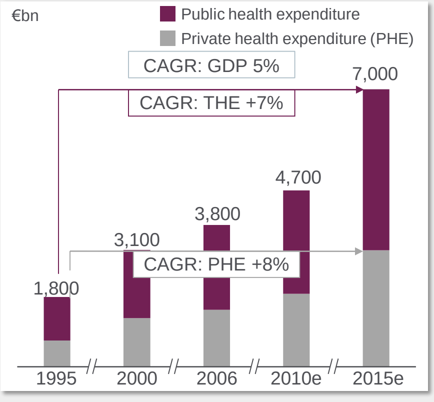
[1] Graph based on Consultation Paper No. 51: SCR standard formula – further advice on the counterparty default risk module A.9.

MUNICH HEALTH 4 Munich Health

International health markets will continue to grow above GDP and shift to private sector

Munich RE

Total health expenditure[1] (THE) grows above GDP – PHE grows even stronger



Increase in total health expenditure mainly driven by four significant growth drivers

- Demographic trends: Population growth and longevity
- Advances in medicine and technology
- Lifestyle changes: Increased focus on health, but also unhealthy lifestyles
- Improved economic conditions in many developing countries

Fundamental demographic and socio-economic developments will continue to drive global health markets growth substantially above GDP

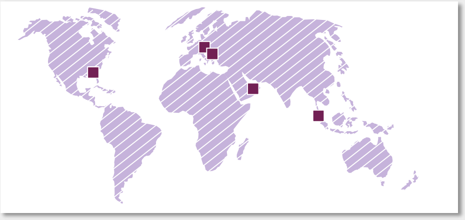
[1] Total health expenditure = sum of public and private health expenditure.
Source: WHO, Global Insight, Munich Health research

MUNICH HEALTH 4 Munich Health

Munich Health – Specialised health risk management with global set-up

Munich RE

Munich Health – Overview



- **Premium volume:** €4.0bn in 2009 (€2.7bn in 2008)
- **Staff:** More than 5,000 health experts at 26 international locations
- **Clients:** Over six million primary insurance and 400 reinsurance clients
- **Munich Health Board:** Experienced management team
- **Organisational structure:** Five regional hubs with accountable local management teams

Key success factors

- Consistent steering of global health activities under one roof
  - **Specialisation** as a driver for utilisation of synergies …
  - … increasing **expertise** through sharing best practices …
  - … enabling **business model flexibility** …
  - … drive **innovation** along health risk value chain

Integrated Munich Health platform is basis for success

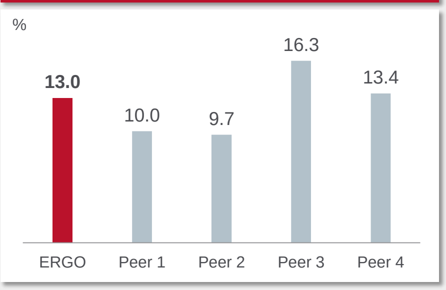
Munich Health perfectly complements Munich Re's integrated business model with growth potential

ERGO 4 Primary Insurance

Implementing new ERGO brand strategy and increasing competitiveness in life

Munich RE

RoE: Compared with selected peers, solid performance of ERGO 2005–2009[1]



- P-C business contributes strongly to the overall performance
  - Value-generating business mix
  - Combined ratio below market average
- Life business in Germany a challenge for many

New ERGO branding strategy: One brand per line of business

- Building a powerful new brand – further strengthening our sales power
- Make the new brand a source of increasing motivation for sales partners, tied agents and employees

Life: Focus points for increasing competitive strength

- Concentrate new business in one stronger risk carrier to foster competitiveness ...
- ...on the basis of
  - products attractive to policyholders and shareholders alike
  - sound financials (incl. policyholder surplus)
- Further optimisation of back book ALM – significant reduction of shareholders' risk

[1] Comparison of ERGO RoE with selected peers (average 2005-2009). Peers: Allianz, Axa, Zurich Financial Services, Generali. Source: Bloomberg, reported figures for ERGO.

ERGO 4 Primary Insurance

ERGO brand to be introduced in German market

Munich RE

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.).

Munich Re (Group) – Outlook

Munich Re to continue to place high emphasis on sustainable earnings

Munich RE

Munich Re (Group)

RoRAC
Target of achieving 15% after tax over-the-cycle to stand

CAPITAL REPATRIATION
Continuation of share buy-back programme of up to €1bn until AGM 2011

GROSS PREMIUMS WRITTEN
€43–45bn[1]

NET INCOME
Striving for > €2.0bn
Getting increasingly ambitious

RETURN ON INVESTMENT
Expectation: < 4%
High RoI in Q1 not sustainable in the remainder of the year

Reinsurance

COMBINED RATIO P-C
Target: 97% over-the-cycle
In 2010 presumably not achievable

Primary insurance

COMBINED RATIO P-C
Target: < 95%

Munich Health

GROSS PREMIUMS WRITTEN
~€4.5bn

[1] Thereof €22–23bn in reinsurance, €17–18bn in primary insurance and approx. €4.5bn in Munich Health (all on basis of segmental figures).

Backup: Shareholder information

Financial calendar

Munich RE

FINANCIAL CALENDAR

10–11 June 2010	Goldman Sachs "Financial Services Conference", Madrid
4 August 2010	Interim report as at 30 June 2010; half-year press conference
29 September 2010	Bank of America Merrill Lynch "Banking & Insurance CEO Conference", London
9 November 2010	Interim report as at 30 September 2010
10 March 2011	Balance sheet press conference for 2010 financial statements
11 March 2011	Analysts' conference, London
20 April 2011	Annual General Meeting, Munich

Backup: Shareholder information

For information, please contact

Munich RE

INVESTOR RELATIONS TEAM

Christian Becker-Hussong Head of Investor & Rating Agency Relations Tel.: +49 (89) 3891-3910 E-mail: cbecker-hussong@munichre.com	Thorsten Dzuba Tel.: +49 (89) 3891-8030 E-mail: tdzuba@munichre.com	Christine Franziszi Tel.: +49 (89) 3891-3875 E-mail: cfranziszi@munichre.com
Ralf Kleinschroth Tel.: +49 (89) 3891-4559 E-mail: rkleinschroth@munichre.com	Andreas Silberhorn Tel.: +49 (89) 3891-3366 E-mail: asilberhorn@munichre.com	Martin Unterstrasser Tel.: +49 (89) 3891-5215 E-mail: munterstrasser@munichre.com
Dr. Alexander Becker Tel.: +49 (211) 4937-1510 E-mail: alexander.becker@ergo.de	Mareike Berkling Tel.: +49 (211) 4937-5077 E-mail: mareike.berkling@ergo.de	Andreas Hoffmann Tel.: +49 (211) 4937-1573 E-mail: andreas.hoffmann@ergo.de

Münchener Rückversicherungs-Gesellschaft | Investor & Rating Agency Relations | Königinstrasse 107 | 80802 München, Germany
Fax: +49 (89) 3891-9888 | E-mail: IR@munichre.com | Internet: www.munichre.com

Disclaimer

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.