EXECUTION AND DELIVERY
Cheuvreux German Corporate Conference 2011

Frankfurt, 19 January 2011

Hermann Pohlchristoph
Munich Re – Integrated business model
A leading global (re)insurer

Munich Re – Premium breakdown by segment (consolidated)

<table>
<thead>
<tr>
<th>Segment</th>
<th>€m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reinsurance</td>
<td></td>
</tr>
<tr>
<td>Property-casualy</td>
<td>11,445 (34%) (▲ 0.5%)</td>
</tr>
<tr>
<td>Life</td>
<td>5,818 (17%) (▲ 25.7%)</td>
</tr>
<tr>
<td>Munich Health</td>
<td>3,703 (11%) (▲ 34.3%)</td>
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<tr>
<td>Primary insurance</td>
<td></td>
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<tr>
<td>Property-casualy</td>
<td>4,265 (12%) (▲ 7.6%)</td>
</tr>
<tr>
<td>Life</td>
<td>4,683 (14%) (▲ 6.1%)</td>
</tr>
<tr>
<td>Munich Health</td>
<td>4,146 (12%) (▲ 6.1%)</td>
</tr>
<tr>
<td>TOTAL</td>
<td>€34.1bn</td>
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Reinsurance
- Leading expertise worldwide for 130 years
- Full range of products: from traditional reinsurance to alternative risk financing
- Diversification – a key success factor

Primary insurance
- Germany-based with growing importance in selected European and Asian markets
- Multi-channel sales strategy and unified brand to foster leading market position

Munich Health
- A leading specialised risk carrier in selected international health markets
- Flexible combination of business models and products as unique selling proposition

Munich Re (Group) – Financial highlights
Sound financial development in the first nine months of 2010

Munich Re (Group)
Net result of €1,955m in Q1–3 2010 (€761m in Q3 standalone)
Ongoing strong investment result and low claims in Q3
Annualised RoRaC of 14.5%

Shareholders’ equity further strengthened to €24.1bn
Share buy-back programme on track: €650m\(^1\) completed since AGM in April 2010

High investment result
Annualised RoI of 5.0% in Q1–3 2010 based on high disposal gains and write-ups as portfolio and duration management continues to prove beneficial

Reinsurance
Good Q3 mitigating significant claims in Q1–2 2010
Benign claims development in P-C in Q3 (combined ratio in Q3 standalone: 93.8%)

Primary insurance
Good operating performance
€301m consolidated ERGO result in Q1–3 2010

Munich Health
Resilient operating result
Consolidation process well on track
Position in the US Medicare market strengthened by the acquisition of Windsor

\(^1\) As at 31 December 2010

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Munich Re generates solid returns for its shareholders

**Investment profile**

A. Strictly value-based, risk-adjusted management approach
B. Efficient capital management a cornerstone of strategy
C. Managing insurance risks as main source of value creation
D. Disciplined growth with stringent bottom-line focus

**Total shareholder return vs. risk**

- Peer 1
- Peer 2
- Peer 3
- Peer 4
- Peer 5
- Peer 6

**Munich Re managing for value – Stringent execution of strategy delivering sustainable earnings**

Annualised total shareholder return defined as price performance plus dividend yields over a 6-year period (01.01.2005–31.12.2010) based on Datavest 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.

**Components of Munich Re’s ERM**

- Risk strategy: Clear limits define the framework for operational actions
- System consisting of triggers, limits and measures in conjunction with responsible management actions
- Comprehensive overview with special focus on main issues
- Based on right balance between flexibility and stability

**Objectives of Munich Re’s ERM**

- Protect and generate sustainable shareholder value
- Ensure the highest degree of confidence in meeting policyholders’ and cedants’ claims
- Protect Munich Re’s reputation

**Embedding of Munich Re’s ERM**

- Risk steering
- Pricing / Underwriting
- Liability-driven investment strategy
- Performance measurement
- Management compensation

**Risk management is a key part of our corporate management**

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Active asset management on the basis of a well-diversified investment portfolio

### Investment portfolio

- **Miscellaneous**
  - 9.1% (8.3%)
- **Shares, equity funds and participating interests**
  - 3.9% (2.8%)
- **Fixed-interest securities**
  - 57.7% (60.0%)
- **Land and buildings**
  - 2.8% (3.0%)
- **Loans**
  - 26.5% (25.9%)

**TOTAL**: €200bn

### Active portfolio management

- Ongoing tactical reallocation of fixed-income portfolio thereby realising disposal gains
- Fixed-income portfolio well balanced, digestible positions in weaker sovereign bonds
- Duration lengthening proved beneficial as yields sharply declined

### Portfolio duration

- **Assets**
  - Reinsurance: 6.0
  - Primary insurance: 7.1
  - Munich Re Group: 6.6
- **Liabilities**
  - Reinsurance: 6.1
  - Primary insurance: 7.6
  - Munich Re Group: 8.0
- **Net DV01**: –10.9

### Interest management

Increasing utilisation of derivative instruments (esp. interest rate futures and receiver swaptions) to efficiently manage interest sensitivity of the portfolio

### Capital management – Value creation

Strong track record of returns well above (low) cost of capital

### Return on equity vs. cost of capital

- **2005**: Cost of capital: 12.5, RoE: 11.9%
- **2006**: Cost of capital: 9.3, RoE: 14.1%
- **2007**: Cost of capital: 8.0, RoE: 15.3%
- **2008**: Cost of capital: 7.2, RoE: 7.0%
- **2009**: Cost of capital: 7.5, RoE: 5.9%
- **2010**: Cost of capital: 5.9, RoE: 10.4%

### Return on equity and volatility

- **Munich Re**: RoE: 11.9%
- **Peer 1**: RoE: 12.5%
- **Peer 2**: RoE: 15.3%
- **Peer 3**: RoE: 7.0%
- **Peer 4**: RoE: 6.9%
- **Peer 5**: RoE: 6.9%
- **Peer 6**: RoE: 6.9%

### Reliable value creation with high predictability of financial results

- Low cost of capital resulting from low correlation of share price to market index
- Solid returns with low volatility
Capital management – Sound capital base

Significant book value growth based on shareholder-friendly capital repatriation

Book value per share\(^1\)

\[\begin{array}{c|c|c|c|c|c|c}
\hline
\text{Book value per share (plus dividend / share buy-back)} & 108.0 & 115.0 & 119.3 & 122.3 & 134.8 & 151.6 \\
\text{Book value per share} & 105.4 & 111.9 & 116.4 & 120.4 & 131.8 & 147.1 \\
\end{array}\]

\(^{1}\) 2005 – Q1-3 2010. Shareholders’ equity excl. minority interests divided by shares in circulation.

Sound capital base

\textbf{Sound capitalisation} according to all capital measures:

- Regulatory, rating and internal model

- \textbf{Financial solidity} leading to low cost of capital:
  - Low CDS spread (58bps\(^2\)) and beta (0.69)\(^2\)

- \textbf{Secure financial strength}\(^3\)
  - 18.3% debt leverage\(^4\)
  - 15.0x interest coverage\(^5\)

More than €10bn paid in dividend and share buy-backs since 2005

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Insurance risks as main source of value creation – Reinsurance

Positioning as a premium reinsurer

\textbf{Innovative insurance solutions (examples)} – Covering the whole risk value chain …

\textbf{PRODUCTS}

- Expanding the limits of insurability by developing new coverage concepts
- Holistic asset-liability solutions in life reinsurance
- Public-private partnerships in agro business

\textbf{CLIENTS}

- Demand-driven repositioning following changed client behaviour
- Governmental clients
- Munich Re Risk Solutions (specialty business)

\textbf{MARKETS}

- Know-how transfer (in-depth consulting services beyond traditional reinsurance, e.g. life reinsurance Asia)
- Customised solutions for risk and balance-sheet management

… while effectively addressing industry challenges

- \textbf{VOLATILE ECONOMIC DEVELOPMENT}
- \textbf{DEMOGRAPHIC CHANGE}
- \textbf{CLIMATE CHANGE}
- \textbf{LOW-INTEREST ENVIRONMENT}
- \textbf{CHANGING REGULATORY FRAMEWORK}

Strictly focusing on generating value on the liability side of the balance sheet
Insurance risks as main source of value creation – Primary insurance

ERGO with good financial performance

Well-balanced business mix

<table>
<thead>
<tr>
<th>Premium breakdown by segment in €m (segmental, not consolidated)</th>
<th>Property-casualty</th>
<th>4,297 (33%)</th>
<th>(△ 36%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life</td>
<td>4,683 (36%)</td>
<td>(△ 6.1%)</td>
<td></td>
</tr>
<tr>
<td>Total Q1-3 2010</td>
<td>13,132</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health Germany</td>
<td>4,152 (31%)</td>
<td>(△ 6.1%)</td>
<td></td>
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</tbody>
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RoE: Solid performance compared to peers

<table>
<thead>
<tr>
<th></th>
<th>%</th>
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<tbody>
<tr>
<td>ERGO</td>
<td>12.4</td>
</tr>
<tr>
<td>Peer 1</td>
<td>10.5</td>
</tr>
<tr>
<td>Peer 2</td>
<td>9.4</td>
</tr>
<tr>
<td>Peer 3</td>
<td>15.9</td>
</tr>
<tr>
<td>Peer 4</td>
<td>13.1</td>
</tr>
</tbody>
</table>

- P-C business contributes strongly to the overall performance
- Value-generating business mix
- Combined ratio below market average
- A market leader in German health business, low capital intensity
- Life business in Germany a challenge for many

ERGO delivered a solid RoE on average over the last years

1 Comparison of ERGO RoE with selected peers (average 2005-H1 2010). Peers: Allianz, Axa, Zurich Financial Services, Generali. Source: Bloomberg, reported figures for ERGO.

Insurance risks as main source of value creation – Munich Health

Munich Health covering the entire value chain in selected international health markets

Total health expenditure1 (THE) grows above GDP – Growth in PHE even stronger

<table>
<thead>
<tr>
<th>€bn</th>
<th>Public health expenditure</th>
<th>Private health expenditure (PHE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>1,800</td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>3,100</td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>3,800</td>
<td></td>
</tr>
<tr>
<td>2010e</td>
<td>4,700</td>
<td></td>
</tr>
<tr>
<td>2015e</td>
<td>7,000</td>
<td></td>
</tr>
</tbody>
</table>

CAGR: THE +7%

Global healthcare expertise across diverse healthcare systems and operating models

<table>
<thead>
<tr>
<th>Risk-taking</th>
<th>Risk management</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAGR: GDP 5%</td>
<td>Mit business models</td>
</tr>
<tr>
<td>CAGR: THE +7%</td>
<td>Reinsurance – Traditional</td>
</tr>
</tbody>
</table>
| 1 Total health expenditure = sum of public and private health expenditure. Source: WHO, Global Insight, Munich Health research.
Growth opportunities – Solvency II

Solvency II provides growth potential by fully crystallising the value of the reinsurance business model

- 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

Financial strength to provide a clearer competitive edge

1. Graph based on QIS5 technical specifications.

Growth opportunities – P-C reinsurance

Continued growth of Munich Re Risk Solutions – profitable business with limited cycle exposure

- 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

Munich Re Risk Solutions

- Specialty business
  - Relatively low exposure to the cycle of traditional P-C reinsurance
  - Attractive niche not directly competing with mass market primary insurance players
  - Driven by risk know-how rather than distribution

- Engineered business (HSB), specialty commercial covers (Midland), marine (Watkins, Roanoke), aviation (GAUM)

Advantages
- Enlarging business scope, improving access to niche markets and enabling access to additional client segments
- Complementing traditional strengths of Munich Re in know-how-driven insurance business

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

1. Management view, not comparable with IFRS reporting. Life reinsurance excludes health business. ~€2.8bn in 2009

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Growth opportunities – Life reinsurance

Life reinsurance – Profitable core segment with leading market position and low correlation to P-C earnings

- Market leaders to continue increasing their market shares as growing demand for know-how and capital-intensive solutions is expected to benefit the leading players
- Traditional life reinsurance business to provide earnings stability going forward

Life reinsurance – Global market share¹

<table>
<thead>
<tr>
<th>%</th>
<th>Munich Re</th>
<th>Swiss Re</th>
<th>RGA</th>
<th>Hannover Re</th>
<th>SCOR</th>
<th>GenRe</th>
<th>Transamerica</th>
<th>Partner Re</th>
<th>XL Re</th>
<th>Other</th>
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</thead>
<tbody>
<tr>
<td>Munich Re</td>
<td>27</td>
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<td>Swiss Re</td>
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<tr>
<td>RGA</td>
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<td>Hannover Re</td>
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<tr>
<td>SCOR</td>
<td>6</td>
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<tr>
<td>GenRe</td>
<td>5</td>
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<td>Transamerica</td>
<td>1</td>
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<td>Partner Re</td>
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<td>XL Re</td>
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<tr>
<td>Other</td>
<td>7</td>
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</tbody>
</table>

¹ Source: Munich Re Economic Research. Estimates based on life and health net earned premiums 2009 as reported in company reports.

Growth opportunities – Primary Insurance

Brands unified under ERGO umbrella and new brand positioning to attract further customer groups

- Very popular advertising campaign
- Pleasing increase in brand awareness
- "To insure is to understand" - Deliver on the promise of the new brand by transforming it into real experience for customers
- Develop points of action to improve comprehensibility and dialogue with customers
- Inspire customers and employees alike

Portfolio of "Beacon Projects" implemented to deliver on brand pledges, e.g. regarding
- Clarity for customers
- Feedback culture
- Easy-to-understand products
- Claims handling
Growth opportunities – Primary Insurance

Continue sustainable growth and take opportunities to tap new markets in international business

ERGO in Europe

- Market position among top 5 in either life or non-life
- Market presence

Regions
- Presence in over 30 countries with focus on Europe and selected Asian markets
- Market-specific entry strategies

Products
- Major part of international activities in retail business
- Emphasis on P-C business
- Expertise in niche markets

Distribution
- Focus on agents and bancassurance as sales channels
- Capability to add sales channels, e.g., direct sales
- Building strong partnerships (HDFC, Unicredit)

Steering
- Technical and actuarial know-how as core competence
- Disciplined economic steering

ERGO in Asia

- Market position among top 5 in either life or non-life
- Market presence

International business to continuously grow going forward – new business contributes nearly 50% to total ERGO new business

1 Only private companies.

By acquiring Windsor, Munich Health is pursuing a transition towards Managed Care in the US Medicare market

Strategy
- Sterling
  - 3-pillar strategy

Windsor
- Well-established MA HMO brand and strong position in selected MA markets
- Complementing medical and network management capabilities
- Expandable MA admin platform

Target picture
- "Narrow and deep" strategy
- Sales-driven organisation
- Operational synergies
- Cost management
- Managed Care platform

Rationales
- Exploit opportunities of the US Health Care Reform environment
- Transition of core business towards Managed Care
- Benefit from regulatory changes, e.g., selected regions, quality care bonus
- Benefit from market consolidation
- Commit to a lasting investment in Sterling
- Preserve and further build on existing membership base
- Further leverage operational improvements achieved
- Drive a sustainable business model in the MA space
- Enhance efficient and scalable operational platform
- Expand and enlarge revenue sources

Sustainable growth and value creation in US Medicare market

16
Munich Re to continue to place high emphasis on sustainable earnings in a low-yield environment

Outlook

Outlook 2010 as at Q3 2010

First indication 2011

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

GROSS PREMIUMS WRITTEN
€44–46bn

RETURN ON INVESTMENT
~4.5% (prev. slightly >4%)

NET INCOME
~€2.4bn (prev. >€2.0bn)

COMBINED RATIO – REINSURANCE P-C
97% over-the-cycle – in 2010 slightly below 100% expected

COMBINED RATIO – PRIMARY INSURANCE P-C
~95%

RORaC
15% a real challenge given sustainably very low interest rates, while economically balanced business and investment portfolio stabilises profitability and reduces cost of capital

RETURN ON INVESTMENT
Assuming insignificant non-recurring gains/losses and a continuation of the low interest-rate environment, RoI expected to drop below 4%

PROFIT
Expectation for net result to stand – Net result 2011 now presumably slightly below the increased outlook for 2010 while higher technical result expected

1 Full execution remains subject to developments in the capital markets and the general economic environment. Until 31 December Munich Re repurchased own shares amounting to €650m.

2 Thereof €23–24bn in reinsurance, €17–18bn in primary insurance and approx. €5bn in Munich Health (all on basis of segmental figures).

3 Assuming stable capital markets and FX developments as well as normal claims activity in Q4.

4 Assuming normal claims activity and generally stable prices in reinsurance.

5 Assuming normal claims activity and generally stable prices in reinsurance.

FINANCIAL CALENDAR

3 February 2011 Reporting on the renewal of reinsurance treaties; key figures 2010

10 March 2011 Balance sheet press conference for 2010 financial statements


20 April 2011 Annual General Meeting, Munich

21 April 2011 Dividend payment

9 May 2011 Interim report as at 31 March 2011

4 August 2011 Interim report as at 30 June 2011

Half-year press conference

8 November 2011 Interim report as at 30 September 2011
INVESTOR RELATIONS TEAM

Christian Becker-Hussong  
Head of Investor & Rating Agency Relations  
Tel.: +49 (89) 3891-3775  
E-mail: cbecker-hussong@munichre.com

Ralf Kleinschroth  
Tel.: +49 (89) 3891-4559  
E-mail: rkleinschroth@munichre.com

Thorsten Dzuba  
Tel.: +49 (89) 3891-8030  
E-mail: tdzuba@munichre.com

Christine Franziszi  
Tel.: +49 (89) 3891-3775  
E-mail: cfranziszi@munichre.com

Britta Hamberger  
Tel.: +49 (89) 3891-3504  
E-mail: bhamberger@munichre.com

Andreas Silberhorn  
Tel.: +49 (89) 3891-3366  
E-mail: asilberhorn@munichre.com

Dr. Alexander Becker  
Tel.: +49 (211) 4937-1510  
E-mail: alexander.becker@ergo.de

Mareike Berking  
Tel.: +49 (211) 4937-5077  
E-mail: mareike.berking@ergo.de

Andreas Hoffmann  
Tel.: +49 (211) 4937-1573  
E-mail: andreas.hoffmann@ergo.de

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/fr/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.