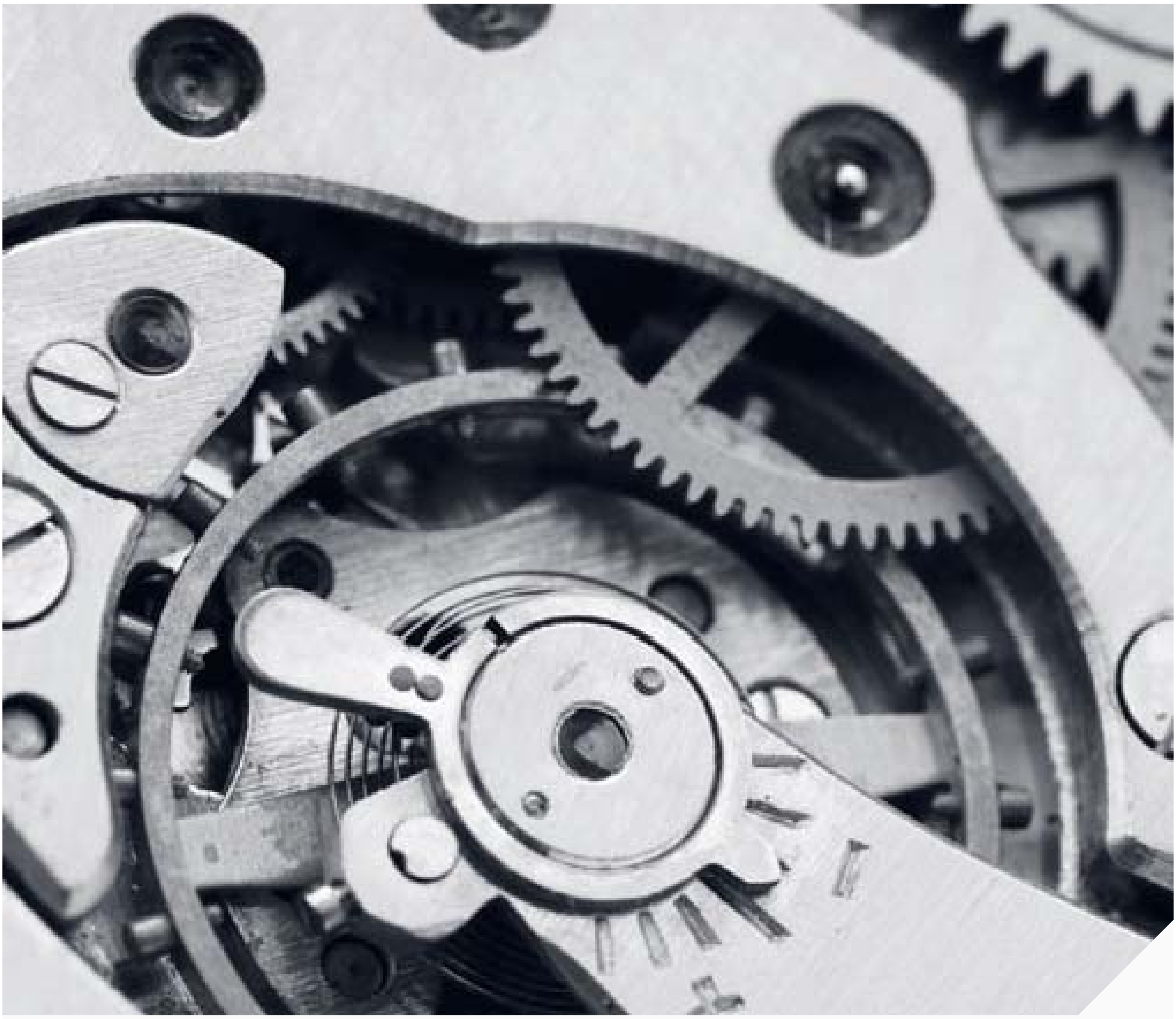


WELL-POSITIONED IN A HARDENING MARKET

Goldman Sachs
Fifteenth Annual European Financials Conference

Paris, 8 June 2011

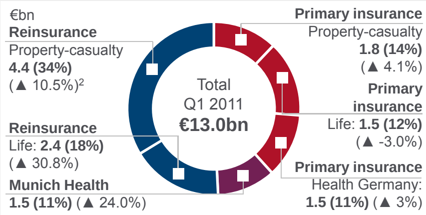
Munich RE

Munich Re (Group) – Highlights

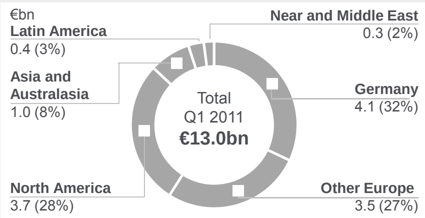
Munich Re: A leading global (re)insurer

Munich RE

Premium breakdown by segment Q1 2011[1]



Premium breakdown by geography Q1 2011



Key business segments

Reinsurance

- Leading expertise worldwide for 130 years
- Full range of products: traditional reinsurance, specialty commercial/personal solutions, alternative risk transfer
- Diversification – A key success factor

Primary insurance

- Germany-based offers p-c, life and German health insurance. Further presence in attractive growth markets in Eastern Europe and Asia
- Setback of new ERGO brand strategy in Germany as a consequence of recent negative press

Munich Health

- A leading specialised risk carrier in selected international health markets
- Flexible combination of business models and products across entire healthcare sector value chain

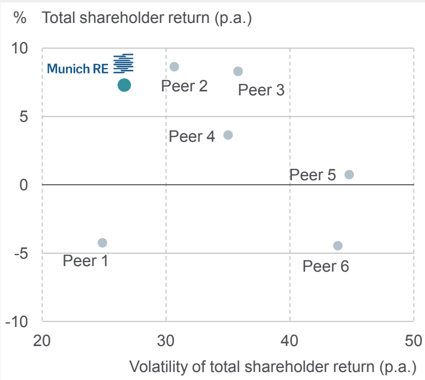
[1] Consolidated figures.
[2] Q1 2011 compared to Q1 2010.

Munich Re (Group) – Highlights

Munich Re managing for value – Stringent execution of strategy

Munich RE

Attractive risk-reward[1] …



… result of our steering philosophy

- Managing insurance risks as main source of value creation
- Deeply-embedded risk management
- Well-diversified investment portfolio
- Efficient capital deployment
- Balanced business portfolio covering the whole risk value chain

Low cost of capital as a consequence of liability-driven business model

[1] Annualised total shareholder return defined as price performance plus dividend yields over a six-year period (1.1.2005–31.3.2011); 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

Severe nat cats leaving their mark on Q1 figures

Munich RE

Munich Re (Group)

Net loss of €948m in Q1

High burden from nat cat events of ~€2.7bn[1] in total – Positive annual result expected

Shareholders' equity reduced to €20.5bn

Net loss, adverse FX development and increased interest-rates

Solid investment result

Annualised RoI of 3.6%[1]

Reinsurance

Significant claims in property-casualty

Combined ratio of 159.4%[1]

Positive impact on reinsurance prices to be expected

Primary insurance

Positive earnings contribution

ERGO result of €15m burdened by impairment of Korean business – Maintaining 2011 target range

Munich Health

Well on track

Consolidation making good progress – Long term potential

[1] Adjusted for impact from the transfer of insurance risks to the capital markets.

Primary insurance – Property-casualty

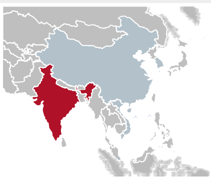
Different situation for international …

Munich RE

ERGO in Eastern Europe

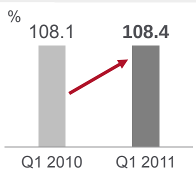
- Market position among top 5 in either life or non-life
- Market presence

ERGO in Asia

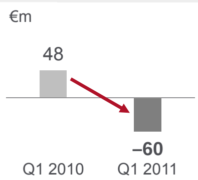


- Market position among top 5 in either life or non-life[1]
- Market presence

Combined ratio



Consolidated result



- Significant improvements in Poland, but still some way to go
- Ongoing difficult situation in Turkey and Korea – especially in motor; measures for improvement taken
- Impairment of Korean business (€34m)

Growth of international business with strong focus on improving profitability

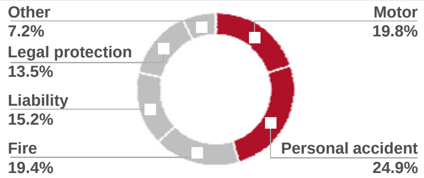
[1] Only private companies.

Primary insurance – Property-casualty

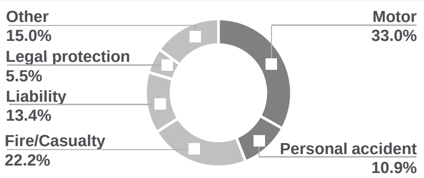
… and German property-casualty business

Munich RE

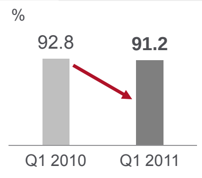
ERGO 2010 – Gross premiums written



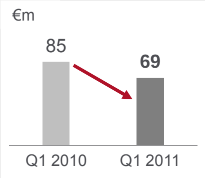
German market 2009 – GPW



Combined ratio



Consolidated result



- In Germany ERGO continues to benefit from high share of personal accident business while remaining underweight in motor
- Improved combined ratio due to less weather-related claims
- Decline in consolidated result due to lower investment result

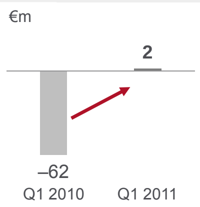
Attractive business mix generating strong and stable earnings

Primary insurance – Life

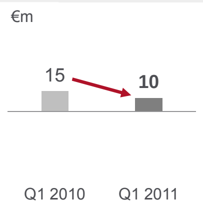
Back to more normal times

Munich RE

Technical result



Consolidated result



- Overall stable premiums, lower costs
- Significantly lower investment result due to lower disposal gains and unit-linked business contribution
- The hedging programme has a negative impact of €17m on the consolidated result for Q1 2011

Improving economics

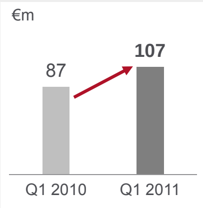
- Primary life business in Germany a challenge for many
- Back book of ERGO Life prudently managed; investment portfolio hedged against low interest rates
- The time of extremely low interest rates seems to be over; higher rates would improve the economics of the business
- Reduction of technical interest rate to 1.75% as of 1 January 2012 giving life insurers more room to manoeuvre
- Introduction of Solvency II should have positive impact on market discipline and product innovation

Primary insurance – German Health business

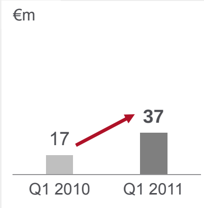
Mid-term growth potential for supplementary covers

Munich RE

Technical result

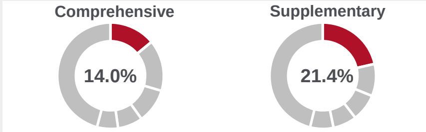


Consolidated result



- In Q1 2011 continued premium growth and increased investment result …
- … based on a state-of-the-art product portfolio …
- … and a unique position in the German health sector

High market shares[1]



Comprehensive health insurance

- Short term: Positive development, e.g. abolition of three-year waiting period
- Mid term: Still difficult political climate providing challenges and opportunities

Supplementary health insurance

Prepared to capture mid-term growth prospects in supplementary health insurance, by:

- Offering innovative products
- Using additional distribution channels, e.g. internet sales

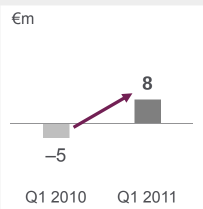
[1] Based on gross premiums written in 2009, direct business.

Munich Health

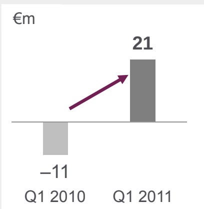
Well on track – Munich Health segment with long-term potential

Munich RE

Technical result

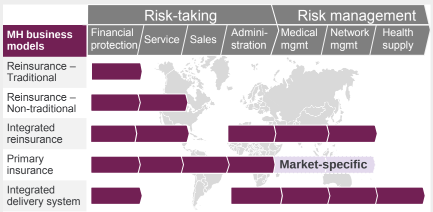


Consolidated result



- Premium increase in reinsurance (67%) by ~38% due to large-volume deals, stable GWP in primary insurance (33%)
- North America with highest GWP growth and share in Munich Health portfolio
- Improved operating result due to business consolidation, higher investment result

Health risk service provider – Examples



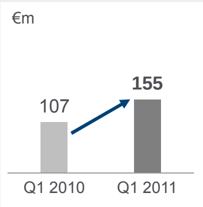
- Selection of business model according to market circumstances: Primary and reinsurance with supporting risk management services
- Reinsurance with strong footprint in proportional business and large-volume contracts, primary insurance strengthening business selectively building up greenfields
- Market evolution in global healthcare provides opportunities for the different business models

Reinsurance – Life

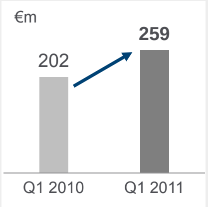
Stable business profile compensates for higher p-c volatility

Munich RE

Technical result

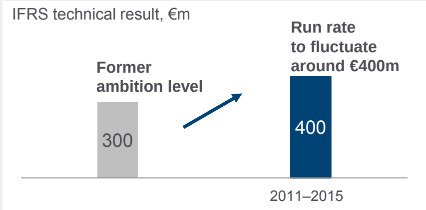


Consolidated result



- Continued strong GWP growth based on large-volume deals defending Munich Re's position as global market leader[1]
- Based on positive claims experience in US and UK technical result making good progress to increased ambition level
- Higher investment result driven by disposal gains and ERGO dividends

Increased ambition level



Strategic focus on biometric risk

Business lines

Mortality	Living benefits	Large-volume deals	Asset protection	Longevity

Fully productive	Experimental stage

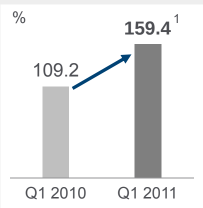
[1] 27% global life and health market share. Estimates based on net earned premiums 2010 as posted in company reports.

Reinsurance – Property-casualty

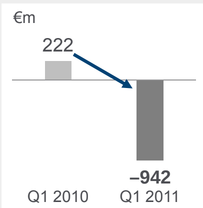
Strong franchise and underwriting sophistication – Competitive advantage to benefit from market cycle

Munich RE

Combined ratio



Consolidated result

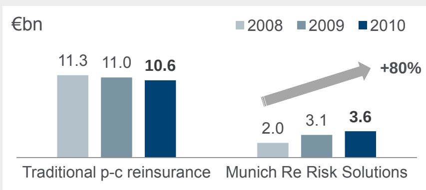


- Premium increase from organic growth
- Negative technical result from exceptionally high nat cat losses (~€2.5bn pre-tax above average) setting the stage for rate increases
- Basic claims remaining at good, profitable level
- Higher investment result (disposal gains, ERGO dividend, impact from insurance risk transfer to capital markets)

Bottom-line orientation prevails

- Strong capacity for providing efficient standard solutions
- Know-how and appetite for complex risks based on underwriting sophistication
- High portfolio diversification combined with stringent cycle management
- Long-term client relationships and access to selected business opportunities
- Good growth potential via MRRS

Leveraging risk expertise via MRRS[2]



[1] Adjusted for impact from the transfer of insurance risks to the capital markets.
[2] Net earned premium. Management view, not comparable with IFRS reporting. Munich Re Risk Solutions 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.

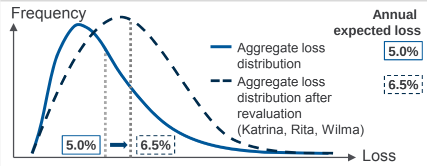
Reinsurance – Property-casualty

"Frequency of severity" is coincidental, not systemic – No fundamental change of underwriting strategy

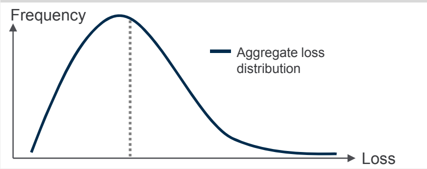
Munich RE

Major losses in Q1 2011 not expected to change aggregate loss distribution

Illustrative: Loss distribution after revaluation



Illustrative: Loss distribution unchanged after Q1



Events in Q1 2011

- Nat cat losses (incl. earthquakes in New Zealand and Japan, flood and cyclone in Australia) amount to €2.7bn[1]; loss assumptions remain subject to uncertainty
- Claims experience from nat cat events over the last ten years (incl. Q1 2011) is in line with pricing assumptions

Events in Q2 2011

- Claims from series of tornados in USA
- Mississippi flood

Nat cat remains one of Munich Re's most profitable business lines

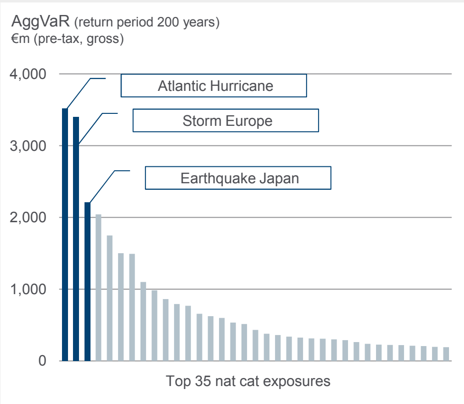
[1] Adjusted for impact from the transfer of insurance risks to the capital markets.

Reinsurance – Property-casualty

Strongly diversified natural catastrophe exposure

Munich RE

Munich Re Group's nat cat exposures[1]



Highlights

- High level of diversification due to:
  - Global geographical diversification of nat cat business
  - Strong diversification between perils (storm, earthquake, flood)
  - Peak risk and accumulation management
- Well-balanced portfolio sustains itself in aggregate, no focus on payback of individual scenarios
- Pricing with higher target margins for large scenarios further supports diversification via small scenarios consuming lower absolute and relative risk capital

Munich Re continues to commit substantial capacity to nat cat business

[1] Exposures relate to the full year, e.g. 2011 relates to the period from 1.1.2011 to 31.12.2011.

Reinsurance – Property-casualty

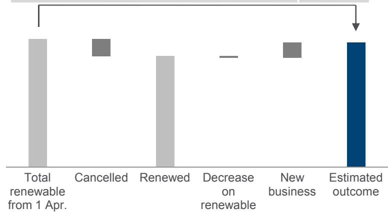
Consistent cycle management with clear bottom-line focus maintained

Munich RE

Impact of Japan earthquake in April renewals not yet visible to the full extent …

%	100	–13.5	86.5	–1.1	11.6	**97.0**
€m	1,099	–148	951	–12	128	**1,066**

Change in premium:	**–3.0%**
▪ Thereof price change:	+1.2%
▪ Thereof change in exposure our share:	–4.2%



… however, first sign of market hardening becoming visible

Average price increase

	2 January	EQ Japan 11 March	1 April	1 July
	Price projections for negotiations before EQ Japan	Price increases for business negotiation after EQ Japan (exposure adjusted)	Shifted business	
Earthquake XL	–4%	25–50%	Further increases	
Wind XL and combined XL	–5%	20–25%		
Earthquake prop.[1]	1%	up to –4%	–	
Liability	–3%	5–20%	–	
Marine	–3%	5–30%	–	

Loss-affected business responded well, further improvement expected

[1] Change in commission points.

Reinsurance – Property-casualty

Most recent events should have a hardening effect on the market for globally oriented lines of business

Munich RE

Outlook for July renewal

Up for July renewal	Price expectation
US nat cat	Double-digit rate increases – Softening trend expected to convert into a hardening market
Australia/New Zealand	Significant double-digit rate increases – Trend should continue
Japan	Further improved terms and price increases of postponed earthquake XL renewals
Global large commercial business	Up to double-digit rate increases – Capacity-driven

In market situations influenced by capacity reductions, Munich Re is well placed due to its capital position

Munich Re (Group) – Efficient capital management

Capital base providing strategic flexibility

Munich RE

Available financial resources/Economic basis

€bn ■ Solvency II capital based on VaR 99.5%[1] ■ Hybrid capital

		31.12.2010	31.3.2011	Major drivers
Available financial resources (AFR)	29.6	29.6	↘	Nat cat losses
Economic risk capital	11.8 / 8.9	20.7	→	Reduced market risk but also lower diversification effect
Economic capital buffer	4.1 / 4.8	8.9	↘	… resulting in a moderate decrease (considering hybrid capital buy-back)
Economic capital buffer after share buy-back and dividends[2]	2.6 / 4.8	7.4		

Sound capitalisation, no dependency on retro market

[1] Solvency II capital based on VaR 99.5%, Munich Re internal risk model based on 175% of Solvency II capital.
[2] After dividend for 2010 of €1.1bn paid in April 2011 and €0.4bn from 2010/11 share buy-back programme.

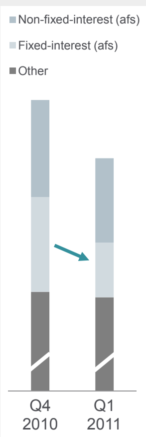
Munich Re (Group) – Efficient capital management

Economic and balance sheet effects of rising interest rates

Munich RE

Rising interest rates in Q1 2011 – ILLUSTRATIVE –

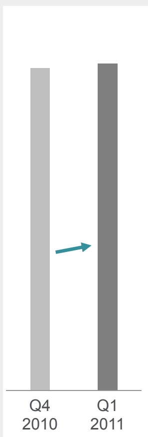
IFRS equity



- **Investments** reduction of unrealised capital gains (but also opposite trends in RfB[2] and deferred taxes)
- **Technical provisions** almost unaffected from rising interest rates

Decrease of IFRS equity

Available financial resources (AFR)[1]



- **Duration matching** "Internal hedge" at Group level
- **Lower technical provisions** Discounting effects in p-c
- **Increase of economic capital buffer for primary life/health** Embedded value uplift

Slight increase of AFR[1]

[1] Without considering impact from nat cat losses and hybrid capital.
[2] RfB: Reserve for premium refunds (Rückstellungen für Beitragsrückerstattungen)

Munich Re (Group) – Efficient capital management

German GAAP accounting protecting dividend distribution capacity

Munich RE

Capital repatriation of more than €10bn since 2007 (dividends and share buy-backs)
We delivered on our promise from the Changing Gear programme

Dividend of €6.25 per share for 2010
An increase of almost 9%

Dividend is our strong commitment also in turbulent times
Claims equalisation reserve (German GAAP) is stabilising distributable earnings

Share buy-back – currently on hold – remains a flexible tool to manage capital
Depending on the cycle, safeguarding discipline in underwriting

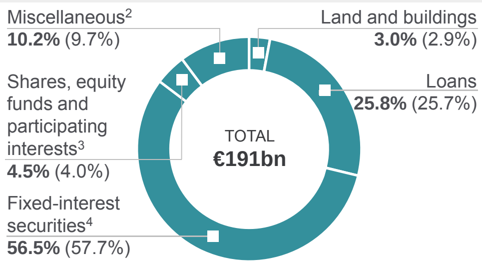
High cash payout remains a cornerstone of Munich Re's active capital management

Munich Re (Group) – Disciplined asset-liability management

Active asset management and broad diversification – Well positioned for different capital market scenarios

Munich RE

Investment portfolio[1]



Portfolio management in Q1 2011

- Reduction of equity backing ratio to 2.8% after hedge
- Ongoing tactical reallocation of portfolio, thereby realising disposal gains
- Slight shift from government bonds into corporates and equities
- Further improving geographic diversification

Portfolio duration[5]

	Assets	Liabilities	Net DV01 (€m)
Reinsurance	5.5	4.8	–10.8
Primary insurance	6.5	7.8	14.2
Munich Re (Group)	**6.1**	**6.9**	**3.5**

Interest management

- Slight duration decrease in reinsurance while keeping the duration mismatch tight
- Hedging programme in primary life

[1] Fair values as at 31.3.2011 (31.12.2010). [2] Deposits retained on assumed reinsurance, investments for unit-linked life, deposits with banks, investment funds (bond, property), held for trading derivatives with non-fixed-interest underlying and tangible assets in renewable energies. [3] Net of hedges: 2.8% (4.4%). [4] Categories "available for sale", "held to maturity" and "at fair value". [5] As at 31.3.2011. Net DV01: Sensitivity to parallel upward shift of yield curve by one basis point reflecting portfolio size.

Munich Re (Group) – Outlook

Outlook 2011

Munich RE

Munich Re (Group)		
Gross premiums written €47–49bn (prev. €46–48bn)	**Return on investment** Slightly below 4%	**Profit** Positive annual result expected RORAC target of 15% after tax over the cycle to stand

Reinsurance	Primary insurance	Munich Health
Combined ratio P-C 97% over the cycle – Not achievable in 2011	**Combined ratio P-C** < 95%	Positive earnings contribution while concluding consolidation phase
Gross premiums written €25–26bn	**Gross premiums written** €17–18bn	**Gross premiums written** ~€6bn

Key takeaways

Munich RE

Primary life business – Well prepared for all possible interest-rate scenarios
Reducing risk capital consumption while increasing interest rates prove beneficial

Exceptional nat cat events accelerate p-c business cycle
Higher reinsurance pricing expected as underwriting discipline prevails

Financial strength enables participation in market hardening
Opportunities for profitable organic growth

Sustainable dividend paying capacity
Strong commitment to our shareholders

Despite major Q1 losses positive annual result expected
Risk management and diversification paying off

Appendix

Financial calendar

Munich RE

FINANCIAL CALENDAR

20 July 2011	Munich Re Capital Markets Day 2011, New York
4 August 2011	Interim report as at 30 June 2011 Half-year press conference
8 November 2011	Interim report as at 30 September 2011
13 March 2012	Balance sheet press conference for 2011 financial statements
14 March 2012	Analysts' conference with videocast
26 April 2012	Annual General Meeting, Munich

Appendix

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Munich RE

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Appendix

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.