Delivering strong capital returns
Balance sheet press conference 2015

Munich, 11 March 2015
Munich Re remains an under-promise/over-deliver investment case

Delivering on promised net result (€bn)

<table>
<thead>
<tr>
<th>Actual</th>
<th>Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>2.0</td>
</tr>
<tr>
<td>2011†</td>
<td>2.4</td>
</tr>
<tr>
<td>2012</td>
<td>2.4</td>
</tr>
<tr>
<td>2013</td>
<td>3.2</td>
</tr>
<tr>
<td>2014</td>
<td>3.2</td>
</tr>
</tbody>
</table>

Earnings outlook 2015

- Strong balance sheet
- Direct and indirect impact of low interest rates

Strong balance sheet mitigates earnings pressure from low interest rates and declining reinsurance margins

† Assuming normal/nat cat claims based on 8.5% budget, net result would have exceeded guidance.
Delivering strong capital returns
Munich Re well positioned to successfully master industry challenges

Ongoing decline in interest rates is …

10-year German Bund yield in %

... also leading to imbalance of supply and demand

Traditional reinsurance capacity
Alternative reinsurance capacity
Retentions
Reinsurance demand

... weighing on the investment result

Running yield vs. reinvestment yield

... and putting pressure on underwriting margins¹

1 Year-to-date price change of renewals. 2015 only includes January renewals.

Prudent investment strategy and underwriting discipline are the order of the day

Sound capitalisation is driving high shareholder payout …

Attractive shareholder participation¹

<table>
<thead>
<tr>
<th>Year</th>
<th>Cash yield</th>
<th>Dividend per share</th>
<th>Total payout (dividend and buy-back) divided by average market capitalisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>11.2%</td>
<td>4.50</td>
<td>7.75</td>
</tr>
<tr>
<td>2011</td>
<td>7.8%</td>
<td>4.50</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>5.4%</td>
<td>4.50</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>6.0%</td>
<td>4.50</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>9.6%</td>
<td>4.50</td>
<td></td>
</tr>
</tbody>
</table>

Cash yield²

2010 2011 2012 2013 2014

Dividend

Share buy-back

2010 2011 2012 2013 2014

Temporarily lower earnings are not jeopardising our capital return story

¹ Year-to-date price change of renewals. 2015 only includes January renewals. ² Total payout (dividend and buy-back) divided by average market capitalisation.
Delivering strong capital returns

... and stabilising earnings in a softening reinsurance market

Constantly positive net run-off results in property-casualty reinsurance1 ...

Sound technical results (including technical interest) mitigate declining contribution from investment income

Profitability in property-casualty reinsurance supported by strong reserving position

1 In % of net earned premiums, adjusted for commission effects.
2 Contribution of technical result as a percentage of operating result.

Delivering strong capital returns

Reinsurance – Leveraging on leading market position

Property-casualty – GWP1 & €bn

<table>
<thead>
<tr>
<th>Risk Solutions</th>
<th>€bn 2008</th>
<th>€bn 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditional p-c reinsurance</td>
<td>14.7</td>
<td>12.5</td>
</tr>
</tbody>
</table>

| Life – Technical result & €m
<table>
<thead>
<tr>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>79</td>
<td>354</td>
<td>420</td>
<td>359</td>
<td>280</td>
</tr>
</tbody>
</table>

- Continued growth in attractive specialty business (Risk Solutions) ...
- … mitigates competitive pressure and decline of traditional book – rigorous cycle management
- Expansion of tailor-made solutions and innovative concepts for new and emerging risks

<table>
<thead>
<tr>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>49%</td>
<td>16%</td>
<td>72%</td>
<td>83%</td>
<td>81%</td>
</tr>
</tbody>
</table>

- Thorough review of critical portfolios results in earnings volatility ...
- … while majority of the business performs in line with expectations or better
- Confirmed technical result target of ~€400m p.a.

Actively shaping our business model – Seizing opportunities for profitable growth, taking advantage of underinsured markets/risks and demographic challenges

1 Gross premiums written.
Delivering strong capital returns

**ERGO – Management measures bearing fruit**

<table>
<thead>
<tr>
<th>International – Combined ratio %</th>
<th>P-C Germany – Combined ratio %</th>
<th>Life Germany %</th>
<th>Target portfolio (incl. new life product) %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010 107.8</td>
<td>2010 89.8</td>
<td>2010 30</td>
<td></td>
</tr>
<tr>
<td>2011 104.5</td>
<td>2011 95.5</td>
<td>2012 41</td>
<td></td>
</tr>
<tr>
<td>2012 99.8</td>
<td>2012 98.0</td>
<td>2013 54</td>
<td></td>
</tr>
<tr>
<td>2013 98.7</td>
<td>2013 96.7</td>
<td>2014 84</td>
<td></td>
</tr>
<tr>
<td>2014 97.3</td>
<td>2014 95.3</td>
<td>2016e 84</td>
<td></td>
</tr>
</tbody>
</table>

- Back to normal – Turnaround successfully completed
- Combined ratio better than initial target of ~98%
- Sound profitability – Based on favourable business mix
- Combined ratio target: ~93%

**Low interest rates reign – ERGO on the move, addressing the challenges**

- Continuous improvement of risk/return profile
- Expansion of new life product
- Interest-rate hedging
- Duration management
- Restrictive bonus policy

Delivering strong capital returns

**Munich Health – Focus on stabilising business**

**EXCELLENCE**
- Strengthen core capabilities
  - Continuously improve processes in underwriting, client management and product development
  - Continuously improving risk/return profile
  - Set up expertise and best practice
  - Enhance new focus areas, e.g. data analytics

**EXECUTION**
- Improve effectiveness
  - Stronger business-unit-level focus
  - Turnaround of underperforming business
  - Seize opportunities of digitalisation
  - Further recalibrate local strategies to market conditions and client needs
  - Explore digitalisation developments and their application to health

**EXPANSION**
- Seize growth opportunities
  - Expansion in Middle East
  - Implement new ventures
  - Tap emerging markets
  - Further recalibrate local strategies to market conditions and client needs
  - Explore digitalisation developments and their application to health

Private health insurance growing worldwide above GDP – Munich Health paving the way for sustainable growth

- Continuous approach
- Current focus
- Stronger focus in future
Munich Re (Group) – Financial highlights 2014

Good annual profit of €3.2bn –
Dividend increasing to €7.75 per share

<table>
<thead>
<tr>
<th>Munich Re (Group) – Q1–4 2014 (Q4 2014)</th>
<th>Reinsurance</th>
<th>LIFE</th>
<th>P.C</th>
<th>ERGO1</th>
<th>Munich Health</th>
</tr>
</thead>
<tbody>
<tr>
<td>NET RESULT</td>
<td>€3,171m (€729m)</td>
<td></td>
<td></td>
<td>SHAREHOLDERS' EQUITY</td>
<td>€30.3bn (3.6% vs. 30.9%)</td>
</tr>
<tr>
<td>INVESTMENT RESULT</td>
<td></td>
<td></td>
<td></td>
<td>RoI of 3.6% (3.4%)</td>
<td></td>
</tr>
<tr>
<td>Pleasing result with several countervailing items – tax refund, benign major losses, goodwill impairment, Australian disability</td>
<td></td>
<td></td>
<td></td>
<td>Strong capital position – increased dividend and continuation of share buy-back of €1bn until AGM 2016</td>
<td></td>
</tr>
<tr>
<td>Reinsurance</td>
<td></td>
<td></td>
<td></td>
<td>Investment return given low interest rates – Economic ALM results in losses on derivatives while usual portfolio turnover leads to disposal gains</td>
<td></td>
</tr>
<tr>
<td>NET RESULT</td>
<td>€2,893m (€962m)</td>
<td></td>
<td></td>
<td>Technical result of €280m below annual guidance – sound underlying performance</td>
<td></td>
</tr>
<tr>
<td>P.C</td>
<td></td>
<td></td>
<td></td>
<td>Combined ratio 95.3% (97.1%)</td>
<td></td>
</tr>
<tr>
<td>LIFE</td>
<td></td>
<td></td>
<td></td>
<td>Combined ratio 99.4% (99.1%)</td>
<td></td>
</tr>
<tr>
<td>Combined ratio 92.7% (91.2%)</td>
<td></td>
<td></td>
<td></td>
<td>Combined ratio 95.3% (97.1%)</td>
<td></td>
</tr>
<tr>
<td>Major-loss ratio 7.2% (6.1%)</td>
<td></td>
<td></td>
<td></td>
<td>Combined ratio 99.4% (99.1%)</td>
<td></td>
</tr>
</tbody>
</table>

1 Unless otherwise indicated, all ERGO figures shown in this presentation refer to the business field ERGO according to the segment reporting of Munich Re (Group).
Well-balanced investment management in low-interest-rate environment

- Long duration has been stabilising investment returns in recent years
- At current interest-rate levels, expected annual attrition of running yield ~20bps in 2015

Well-balanced portfolio provides resilience against adverse capital market scenarios

- Solid reinvestment yields without taking high risks
- In addition to long duration, ongoing geographic diversification and cautious expansion of credit exposure mitigating attrition of running yield

Composition of reinvestment yield 2014

<table>
<thead>
<tr>
<th>Year</th>
<th>Running yield</th>
<th>Reinvestment yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>4.0</td>
<td>2.2</td>
</tr>
<tr>
<td>2012</td>
<td>3.6</td>
<td>2.3</td>
</tr>
<tr>
<td>2013</td>
<td>3.5</td>
<td>2.4</td>
</tr>
<tr>
<td>2014</td>
<td>3.2</td>
<td>2.2</td>
</tr>
</tbody>
</table>

Running and reinvestment yield


Sound net profit

- Subdued growth opportunities
  - Currently limited opportunities to profitably grow the business in traditional reinsurance ...
  - ... tend to lead to lower capital requirements for FX-adjusted underwriting risks
  - M&A prices often too high

Less required capital

- No intention to have substantially higher investment risks
  - Risk profile of investments remains moderate
  - Spreads of many asset classes no longer adequately reflect underlying risks

- Sensible to hold some capital buffer to absorb downside risks of macroeconomic uncertainties
- No further expansion of already comfortable capitalisation planned

Dividend increase of 6.9% for 2014 and further share buy-back
## Agenda

<table>
<thead>
<tr>
<th>Delivering strong capital returns</th>
<th>Nikolaus von Bomhard</th>
</tr>
</thead>
<tbody>
<tr>
<td>Munich Re (Group)</td>
<td>Jörg Schneider</td>
</tr>
</tbody>
</table>

### ERGO

<table>
<thead>
<tr>
<th>Reinsurance</th>
<th>Torsten Oletzky</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outlook</td>
<td>Nikolaus von Bomhard</td>
</tr>
</tbody>
</table>

### Business field ERGO – Key financials

<table>
<thead>
<tr>
<th>Gross premiums written</th>
<th>€bn</th>
<th>Net result</th>
<th>€m</th>
<th>Major result drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2013</td>
<td>2014</td>
<td>2013</td>
<td>2014</td>
</tr>
<tr>
<td>16.7</td>
<td>3.5</td>
<td>3.2</td>
<td>408</td>
<td>169</td>
</tr>
<tr>
<td>16.7</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**P-C: Combined ratio %**

<table>
<thead>
<tr>
<th>Basic</th>
<th>Life/Health: MCEV²</th>
<th>Return on investment %</th>
</tr>
</thead>
<tbody>
<tr>
<td>96.7</td>
<td>98.7</td>
<td>3.6</td>
</tr>
<tr>
<td>96.7</td>
<td>98.7</td>
<td>3.9</td>
</tr>
</tbody>
</table>

**Life/Health Germany:** Several net positive one-offs (e.g. tax refund, swaptions in life)

**P-C Germany:** Sound underwriting performance

**International:** Improved underwriting result, goodwill impairment of €440m in 2014

**Improvements in German and international business**

- Sharp decline of interest rates and higher interest-rate volatilities
- Swaptions offsets declining regular income

¹ Original result of ERGO Group.
² German and international business.
Low interest rates leave their mark on German life business

- **Life**
  - Total premiums: €4.363m (–3.8%)
  - Lower regular premium business
  - Comprehensive management of back-book to fulfil guarantees

- **Health**
  - Growth in supplementary insurance
  - Lower premium income in comprehensive insurance
  - Moderate price increases as at 1 April 2014: Ø 0.8% (2015: 1.9%)

- **Direct**
  - Total premiums: €1,117m (–3.4%)
  - Significantly lower single-premium capitalisation business in direct life (–€55m)
  - Dental insurance remains driver of growth in direct health

Profitability further improved

- Profitable portfolio pays off
- 2014 with low nat cat burden – storm Ela with relatively low impact
- Portfolio restructuring visible after high impact from flood and hailstorms 2013
- Profitability protected by solid reserve position
Business field ERGO – International

Good profitability due to strong technical improvements in recent years

<table>
<thead>
<tr>
<th>Gross premiums written/Total premiums</th>
<th>€m</th>
<th>Combined ratio</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross premiums written</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>3,917</td>
<td>104.5</td>
<td>97.3</td>
</tr>
<tr>
<td>2012</td>
<td>3,728</td>
<td>99.8</td>
<td>98.7</td>
</tr>
<tr>
<td>2013</td>
<td>3,508</td>
<td>98.7</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>3,809</td>
<td>97.3</td>
<td></td>
</tr>
<tr>
<td>Total premiums</td>
<td>4,213</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net result</th>
<th>€m</th>
<th>Highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>-50</td>
<td>- Strong improvement of combined ratio – reserve releases in Greece and the Netherlands in 2014</td>
</tr>
<tr>
<td>2010</td>
<td>-139</td>
<td>- Decrease of premium levels until 2013 due to strong focus on profitability – in 2014 resumed growth, mainly in life</td>
</tr>
<tr>
<td>2011</td>
<td>150</td>
<td>- Goodwill impairment due to new segmentation – pleasing adjusted net result of €164m in 2014</td>
</tr>
<tr>
<td>2012</td>
<td>94</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>-276</td>
<td></td>
</tr>
<tr>
<td>2014 (adj.)</td>
<td>164</td>
<td></td>
</tr>
</tbody>
</table>

Business field ERGO – Development and innovation

Continuously develops new solutions for customers’ needs

Products
- Life: Extension of new life product concept to corporate pensions – similar product concept to be introduced in international markets
- Health: Further development of portfolio in corporate and long-term care insurance
- Property-casualty: Exploration of niche business in Germany
- Micro-insurance product weather insurance (HDFC ERGO, India)

Sales
- Set-up of Direct Sales Competence Center to improve ERGO Germany’s attractiveness for hybrid customers
- Improve cross-selling on existing tied-agent customer base via targeted mailings
- Increase online sales
- Online CRM and sales support tool (ERGO Hestia, Poland)

Customer services
- Further develop COO-organisation – enhance efficiency and process quality
- Develop additional online and mobile service
- “Office in the bag” – mobile office including on-the-spot policy issuance in rural India (HDFC ERGO)
Business field ERGO – Development and innovation

ERGO proceeds the digital route

Website
- ERGO website rankings among German insurance websites\(^1\)
  - ERGO: #1
  - ERGO Direkt: #3
  - DKV: #5
- 12 products available online
- €35m in new business online in 2014
- Multiple features like
  - Tariff check (DKV)
  - Claims management evaluation (ERGO Direkt)
  - LawOnTheWeb (DAS UK)

Mobile
- Digital signature (ERGO Direkt) – pilot for fully digital sales process without media discontinuity
- ERGO customer app: mobile insurance file
- Claims app (DKV)
- Driver’s assessment app (ERGO Baltics)
- Loss adjuster management app (ERGO Hestia, Poland)

Innovation
- ERGO Digital Lab in Berlin since 2013
- Cooperation with Axel Springer Plug and Play accelerator
- Cooperation with online business models (i.e. Amazon, audibene, …)

\(^1\) Source: AMC study “Die Assekuranz im Internet” (German insurers on the internet), November 2014.

Key takeaways

**ERGO**
Operating business on track, result distorted by goodwill impairment, mid-term net earnings target remains ~€600m

**Life/Health Germany**
Shift to target portfolio well on track, challenges from low-yield environment

**Property-casualty Germany**
Profitable book, combined ratio: 95.3%; Target: ~93%

**International**
Measures to restore profitability successful, combined ratio: 97.3%; Target: ~97%, additional growth mainly in international life
Agenda

Delivering strong capital returns
Nikolaus von Bomhard

Munich Re (Group)
Jörg Schneider

ERGO
Torsten Oletzky

Reinsurance
Torsten Jeworrek

Outlook
Nikolaus von Bomhard

Reinsurance

Reinsurance – Key financials

Gross premiums written: €bn

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underlying</td>
<td>27.8</td>
<td>26.8</td>
</tr>
<tr>
<td>P-C: Combined ratio</td>
<td>10.8</td>
<td>10.0</td>
</tr>
<tr>
<td>Life: Technical result</td>
<td>2.8</td>
<td>2.9</td>
</tr>
<tr>
<td>Return on investment</td>
<td>3.1</td>
<td>3.1</td>
</tr>
</tbody>
</table>

Net result: €bn

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underlying</td>
<td>2.8</td>
<td>2.4</td>
</tr>
<tr>
<td>P-C: Combined ratio</td>
<td>0.4</td>
<td>0.4</td>
</tr>
<tr>
<td>Life: Technical result</td>
<td>0.4</td>
<td>0.4</td>
</tr>
<tr>
<td>Return on investment</td>
<td>0.4</td>
<td>0.4</td>
</tr>
</tbody>
</table>

Major result drivers

Life: Technical result below annual target of ~€400m – tax refund

P-C: Slight deterioration in combined ratio (large loss ratio: 7.2%, reserve releases: 5.3%) – low tax burden

Underlying combined ratio ~98% in 2014

Losses in Australian disability and US recapture settlement

Disposal gains compensating for losses on derivatives
Reinsurance Life – Portfolio and strategic focus

Well-diversified global portfolio

Geographical weight on North America – High concentration on mortality risk

Size of bubbles indicative of present value of future claims.

Reinsurance Property-casualty – Renewal outlook

Upcoming renewals to take place in a continuously challenging market environment

Total p-c book1 %

Treaty business

<table>
<thead>
<tr>
<th></th>
<th>Treaty business</th>
<th>January5</th>
<th>Rest of Asia/Pacific/Africa</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>TOTAL</td>
<td>17bn</td>
<td>9.4bn</td>
</tr>
<tr>
<td>June</td>
<td>TOTAL</td>
<td>2.1bn</td>
<td>0.8bn</td>
</tr>
<tr>
<td></td>
<td>NA5</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>LA4</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Europe</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Japan</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Australia/ New Zealand</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>NA3</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>NA4</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Focus: Europe
Nat cat share: 11%
- Slightly negative price change of ~1.3%
- Stringent management of terms and conditions

Focus: Japan
Nat cat share: 41%
- Capacity and competition expected to remain high
- Due to the higher nat cat shares, overall pricing trend will largely depend on nat cat prices

Clear focus on profitability to maintain portfolio quality

1 Approximation – not fully comparable with IFRS figures.
2 Includes Risk Solutions business (11% of January business or 6% of total p-c book).
3 NA = North America.
4 LA = Latin America.
5 NA = North America; LA = Latin America.

Balance sheet press conference 2015
Munich Re set-up supports sustainable earnings level

- Cycle management mitigates price pressure
- Shift from nat cat XL and other property to casualty
- Continued expansion of US specialty primary business where rates are still increasing
- Deliberate reduction at more cycle-exposed units (e.g. Watkins)

Superior diversification provides flexibility in managing the portfolio

Risk Solutions – Sound results provide additional stability to total p-c book

- Successful expansion through acquisition of Australian MGA Calliden
- Strong bottom-line driven by low major losses and reserve releases – highest result contribution from US Special entities

Increasingly valuable business segment with strong premium growth and bottom-line contribution
Strategic development of innovative business – Growing and profitable share in Munich Re’s portfolio

Creating solutions for new and emerging risks

Rising demand for innovative business solutions

<table>
<thead>
<tr>
<th>Technology</th>
<th>Environment</th>
<th>Society</th>
<th>Politics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cyber risks</td>
<td>Climate change</td>
<td>Contentious diseases</td>
<td>Regulatory changes</td>
</tr>
<tr>
<td>Energy risks</td>
<td>Weather events</td>
<td>Rising cost of medical treatment</td>
<td>Global governance failure</td>
</tr>
<tr>
<td>Supply chain risks</td>
<td>Water crisis</td>
<td>Reputational risks</td>
<td>Political and social instability/conflicts</td>
</tr>
<tr>
<td>Non-damage business interruption</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Munich Re well positioned

Dedicated specialised business units

- Special Enterprise Risk
- Financial & Enterprise Risk
- HSB Strategic products
- Munich Re Weather & Commodity Risk Holding

Innovation initiatives across all business units

Continuous product innovation – Examples

- Solutions for broad range of cyber risks
- Space – launch + life cover for satellites
- Reputational risk cover
- Project cost insurance for construction risks

Tapping new profit pools by expanding existing market boundaries with innovative products and services

Cyber (re-)insurance – Prudent and profitable growth through innovation and profound risk control

Cyber portfolio – Premium split 2014

<table>
<thead>
<tr>
<th>Reinsurance</th>
<th>Primary insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>First mover and market leader</td>
<td>Specialised single-risk taker for a broad range of cyber risks</td>
</tr>
</tbody>
</table>
| More than 10 years of expertise in reinsuring cyber portfolios and large risks | • Hartford Steam Boiler
| Sophisticated accumulation models (e.g. virus, cloud, critical infrastructure) | Established player in US market for cyber liability and privacy covers for SMEs and individuals |
| Close cooperation with cedents (e.g. product development in undeveloped cyber markets) | • Corporate Insurance Partner
| | Industry-specific as well as tailor-made solutions for large clients; broad scope of cover and larger-than-average limits |

Continuous product innovation – Recent launches

<table>
<thead>
<tr>
<th>HSB CyberOne™</th>
<th>Cyber gap cover (energy)</th>
<th>15-component Digit@ll-toolbox¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reinsurance 45%</td>
<td>Primary insurance 55%</td>
<td>TOTAL US$ 135m</td>
</tr>
</tbody>
</table>

Creating cyber solutions to serve the growing demand of our clients – Munich Re with leading-edge expertise and strong market presence

¹ Underwriting framework for the coverage of 15 different cyber-related risks (e.g. privacy breach, cyber extortion, technology errors & omissions).
Key takeaways

**Financial results**
Strong operating profitability – combined ratio once again beats target and investment income proves resilient – combined ratio target 2015: ~98%

**Life**
Development in established markets flat at best, while some growth expected from emerging markets – pressure on margins requires rigorous underwriting discipline

**Risk Solutions**
Successful expansion of Risk Solutions at excellent profitability

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### Agenda

- **Delivering strong capital returns**
  - Nikolaus von Bomhard

- **Munich Re (Group)**
  - Jörg Schneider

- **ERGO**
  - Torsten Oletzky

- **Reinsurance**
  - Torsten Jeworrek

- **Outlook**
  - Nikolaus von Bomhard
**Looking ahead – World of opportunities**

### Short-term priorities

#### Managing downside

<table>
<thead>
<tr>
<th>ERGO traditional German Life</th>
</tr>
</thead>
</table>

#### Preserving profitability

- ERGO
- P-C Germany
- ERGO
- Health Germany
- Reinsurance
- Life
- Traditional
- P-C reinsurance
- Munich
- Health

#### Business expansion

- ERGO International
- Risk Solutions

### Mid-term outlook

- Temporary earnings pressure outweighed by mid- and long-term growth perspectives – Innovative power key to success

### Delivering strong capital returns

**Innovative covers on the boundaries of insurability open up future earnings potential**

#### Specialty markets

- **ERGO**
  - Introduction of a new generation of life insurance products with return opportunities and guaranteed premium return

- **Specialty markets**
  - Launching of a weather-derivatives unit, acquisition of a US specialist provider in 2013

- **Specialty markets**
  - Introduction of a performance cover for LED lighting modules

- **Specialty markets**
  - Increased cost-of-working covers for building projects
  - Launch-to-life cover for satellites

- **Specialty markets**
  - Cover solution for non-damage business interruptions in pharmaceutical industry

- **Specialty markets**
  - Expansion of the new life insurance product generation to include company pensions

#### Specialty markets

- New flood insurance for previously uninsurable buildings (under the Zürs 4 zoning system for flooding, backwater and heavy rain)

### New risks of an economy in transformation and growth markets with low insurance penetration offer opportunities for know-how-driven solutions

#### Specialty markets

- Energy-efficiency performance covers for buildings (HSB)
- Cyber solutions for companies

#### Specialty markets

- Expansion of the new life insurance product generation to include company pensions
### Outlook 2015

**Munich Re (Group)**

<table>
<thead>
<tr>
<th>GROSS PREMIUMS WRITTEN</th>
<th>RETURN ON INVESTMENT</th>
<th>NET RESULT</th>
</tr>
</thead>
<tbody>
<tr>
<td>€47–49bn</td>
<td>at least 3%</td>
<td>€2.5–3bn</td>
</tr>
</tbody>
</table>

Focus on bottom-line growth prevails

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>REINSURANCE</td>
<td>ERGO</td>
</tr>
<tr>
<td>COMBINED RATIO</td>
<td>COMBINED RATIO</td>
</tr>
<tr>
<td>~98%</td>
<td>Germany: ~93%</td>
</tr>
<tr>
<td></td>
<td>International: ~97%</td>
</tr>
<tr>
<td>NET RESULT</td>
<td>NET RESULT</td>
</tr>
<tr>
<td>at least €2bn</td>
<td>~€500m</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Munich Health</td>
</tr>
<tr>
<td>COMBINED RATIO</td>
<td></td>
</tr>
<tr>
<td>~99%</td>
<td></td>
</tr>
<tr>
<td>NET RESULT</td>
<td></td>
</tr>
<tr>
<td></td>
<td>~€50–100m</td>
</tr>
</tbody>
</table>

1 By segment: Reinsurance €26–27bn, ERGO €16–16.5bn, Munich Health slightly above €5bn.

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### 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.

Figures up to 2010 are shown on a partly consolidated basis.

*Partly consolidated* means before elimination of intra-Group transactions across segments.