



CONNECTIONS

Successful despite the crisis: the enduring financial strength of Munich Re



For 130 years, Munich Re has demonstrated a rigorous approach to risk management.

“We are all proud of this result in the Group, which surpassed the market’s expectations. It is founded on our broadly based business model with its diversification effects, the consistently economic and risk-based management of our business, and our fundamentally prudent approach.

“With our competence in the management of risks, our innovation capacity and our proximity to clients, we have a competitive edge that will continue to make Munich Re successful as a group in the future.”

Nicholas von Bomhard
CEO, Munich Re
April 2010



Financial Fundamentals

Capital:

Shareholder equity was €22.28 billion as of 12/31/2009, up from €21.1 billion at 12/31/2008.

Liquid Assets:

€131.2 billion as of 12/31/2009

Profitability:

2009 profits totalled €2.56 billion, an increase from €1.5 billion in 2008. The dividend was increased to €5.75.

Rating Agency Assessments

Rating agencies confirm both Munich Re’s and Munich American Reassurance Company’s strong financial positions. Munich American Reassurance Company shares its parent company’s ratings from AM Best and S&P.

AM Best affirmed Munich Re’s Superior rating on October 11, 2010, referring to Munich Re’s, “impressive level of intellectual capital,” and noting, “AM Best considers Munich Re’s risk management program to be strong. Along with a formal risk management structure, the company dedicates a significant level of personnel to monitor risk in all operating segments throughout the world.”

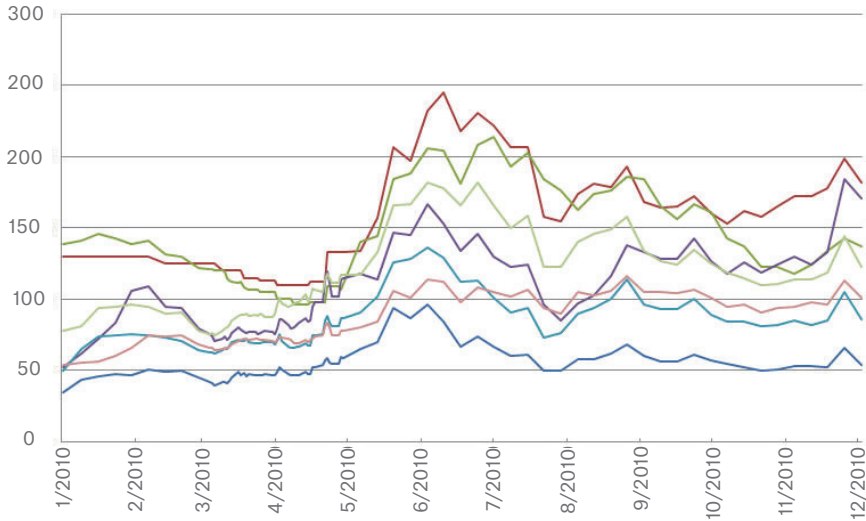
AM Best: A+ (Superior) - Stable
(Affirmed 10/11/2010)

Moody’s: Aa3 (Excellent) - Stable
(Confirmed 12/9/2010)

S&P: AA- (Very Strong) - Stable
(Confirmed 11/22/2008)



Munich Re CDS Spreads in Basis Points



Munich Re ———
Peers: Swiss Re, AEGON, RGA, Hannover Re

Credit Default Swap "CDS" Spreads:

CDS spreads reflect the market perception of counterparty credit risk: the higher the spread, the riskier a company is perceived to be.

Not only have Munich Re's 5-year CDS spreads consistently been lower than those of its peers since mid-2007, but they have been the lowest of any financial services company throughout the financial crisis.

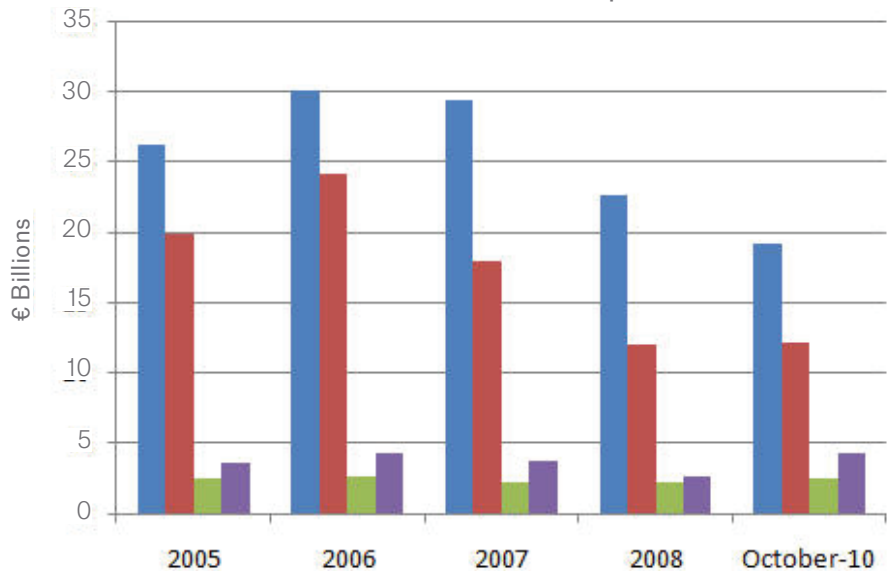
Historical spreads are shown here from the beginning of 2010.

Market Capitalization

Munich Re's market capitalization was €21.5 billion as of 12/31/2009.

While the group was affected by the decline in the stock markets, Munich Re shares continue to demonstrate an attractive investment profile in the environment of the international economic crisis. Their long term performance is also convincing: over the last three-year and five-year periods, Munich Re shares (including dividend payments) performed better than both the DAX and the EURO STOXX Insurance indices.

Historical Market Capitalization



Munich Re ———
Compared with professional reinsurance peers Swiss Re, RGA and Hannover Re.