QUARTERLY FINANCIAL STATEMENTS AS AT 30 JUNE 2010

Media conference

4 August 2010

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Munich RE

Agenda

Munich RE

Overview

Strong result considering the high amount of losses
Profit target remains ambitious, but within reach

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Munich Re (Group)

Strong net result of €1,194m in Q1–2 2010

Investment result mitigating high amount of losses

Strategy proves effective in difficult environment

2010 profit target remains ambitious, but within reach

Extremely large losses illustrate role of risk transfer

Stabiliser for companies and economies – Driver for new developments

Reinsurance

Result burdened by significant losses

Combined ratio: 106.4%[1]

Renewals in P-C preserve good profitability

Primary insurance

Good operating performance

"New ERGO" brand positioning off to a good start – Pleasing response

Munich Health

Q2 2010 shows improved financial development

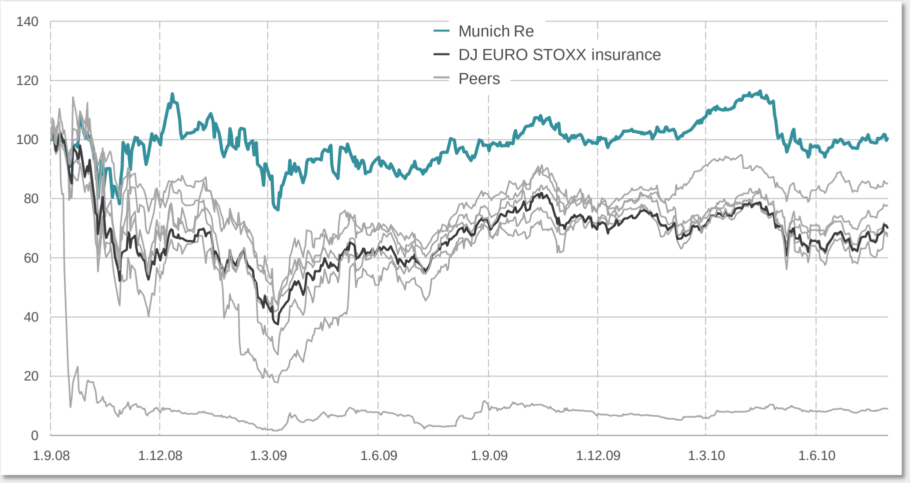
Consolidation of activities in order to strengthen sustainable earnings generation well underway

[1] Property-casualty.

Overview

Long-term shareholders benefit from risk-conscious strategy

Stock price development 1 September 2008 – 31 July 2010 (Index, 1 September 2008 =100)



Peers: AIG, Allianz, AXA, Generali, Swiss Re, ZFS.
Source: Datastream (as at 31.7.2010)

Agenda

Overview

The Group

Primary insurance

Reinsurance

Munich Health

Summary and outlook

The Group – Overview

Strong financial development based on high investment result and recovering primary insurance business

Munich RE

GROUP Gross premiums written	GROUP Operating result	GROUP Consolidated result
€m	€m	€m
Q1–2 2009: 20,693	Q1–2 2009: 2,109	Q1–2 2009: 1,134
Q1–2 2010: 22,613	**Q1–2 2010: 2,218**	**Q1–2 2010: 1,194**
Substantial organic growth in life reinsurance and Munich Health	Investment result offsets impact of major claims on technical result	At 13.2%, RORAC close to sustained result target

REINSURANCE Consolidated result	PRIMARY INSURANCE Consolidated result	MUNICH HEALTH Consolidated result
€m	€m	€m
Q1–2 2009: 1,309	Q1–2 2009: 1	Q1–2 2009: –8
Q1–2 2010: 1,057	**Q1–2 2010: 293**	**Q1–2 2010: 16**
Life strongly improved, P-C reflects high claims activity	Positive earnings trend continues	Increased operating result strained by negative FX impact

The Group – Market environment

Index and interest-rate development

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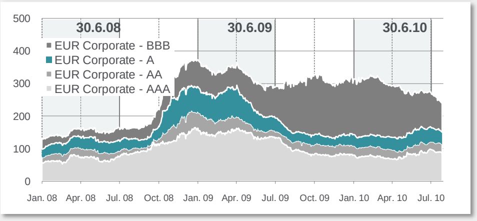
DJ EURO STOXX 50 – Price index

Spreads (country-spreads in BP)

Risk-free interest rate

Spreads (corporate spreads vs. government bonds in BP)



The Group – Premium development

Strong FX contribution in addition to organic growth in life reinsurance and Munich Health

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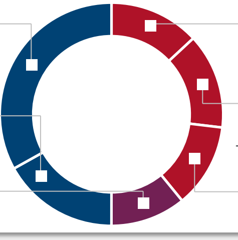
€m	
Gross premiums written Q1–2 2009	20,693
Foreign-exchange effects	725
Divestment/ Investment	149
Organic change	1,046
Gross premiums written Q1–2 2010	**22,613**

- Overall positive FX development of almost all major currencies
- HSB acquisition: First-time consolidation as from Q2 2009
- Large-volume deals predominately included as from Q2 2009

Breakdown by segment
(consolidated)



Reinsurance
Property-casualty
7,480 (33%)
(▲ –2.1%)

Reinsurance
Life: **3,825 (17%)**
(▲ 30.9%)

Munich Health
2,468 (11%)
(▲ 43.3%)

Primary insurance
Property-casualty
2,961 (13%)
(▲ 7.0%)

Primary insurance
Life: **3,123 (14%)**
(▲ 3.0%)
Total premiums: 4,152 (▲ 9.0%)

Primary insurance
Health Germany: **2,756 (12%)**
(▲ 5.7%)

The Group – Operating and consolidated result

Strongly increased contribution of primary insurance to Group earnings

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€m	Operating result Q1–2 2009	Operating result Q1–2 2010	Consolidated result Q1–2 2009	Consolidated result Q1–2 2010
Reinsurance Life	339	**509**	234	**309**
Reinsurance Property-casualty	1,617	**1,188**	1,075	**748**
Reinsurance Subtotal	1,956	**1,697**	1,309	**1,057**
Primary insurance Life	10	**196**	–57	**131**
Primary insurance Health	92	**80**	8	**49**
Primary insurance Property-casualty	174	**351**	50	**113**
Primary insurance Subtotal	276	**627**	1	**293**
Munich Health	56	**60**	–8	**16**
Munich Re (Group)	2,109	**2,218**	1,134	**1,194**

The Group – Investments

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

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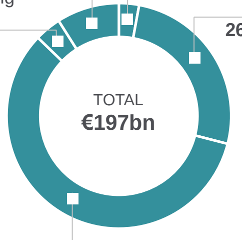
Investment portfolio[1]



Active portfolio management

Fixed income

- Reallocation of credit exposure (mainly Pfandbriefe, corporate and weaker government bonds) thereby realising disposal gains
- Duration lengthening proves beneficial as yields sharply declined
- FX impact also contributes to a significant increase in market value

Equities

- Gradual expansion of gross equity exposure
- Simultaneously strengthening hedging position: Net equity exposure decreased to 2.5% (31.3.2010: 3.1%)

1 Fair values as at 30.6.2010 (31.12.2009).
2 Deposits retained on assumed reinsurance, investments for unit-linked life insurance, deposits with banks, investment funds (bond, property).
3 Categories "available for sale", "held to maturity" and "at fair value".

Munich Re (Group) – Investments – Fixed-income portfolio

Emphasis on highly rated risks – Slightly reduced exposure to weaker sovereigns

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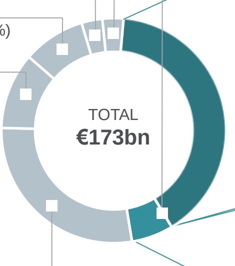
Fixed-income portfolio[1]



Governments per country[2]

In % of total government exposure	Without P/H[4] participation	With P/H[4] participation	Total
Germany	8	25	**33**
US	16	0	**16**
Canada	7	0	**7**
UK	5	1	**6**
France	5	1	**6**
Austria	1	2	**3**
Other	10	5	**15**
Total[3]	**52%**	**34%**	**86%**
"PIIGS"	Without P/H[4] participation	With P/H[4] participation	Total
Italy	4	2	**6**
Greece	1	1	**2**
Spain	1	1	**2**
Ireland	1	2	**3**
Portugal	0	1	**1**
Total[3]	**7%**	**7%**	**14%**

1 Incl. loans, parts of other securities, other investments and cash positions. Fair values.
2 Thereof 10% inflation-linked bonds. 3 Differences between totals possible due to rounding.
4 P/H = policyholder. Economic view – not fully comparable with IFRS figures. As at 30 June 2010.

The Group – Investment result

Strongly improved investment result driven by high disposal gains and write-ups

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- Regular income: Gradual decrease as a consequence of lower reinvestment rates – increase in absolute terms due to higher asset base
- Write-ups/write-downs: Write-ups on swaptions and interest rate futures as a result of declined interest levels, in addition to lower write-downs on equities
- Gains on disposal: High contribution from Pfandbriefe, corporate and government bonds benefiting from significantly decreased yields and spreads

	€m Q1–2 2010	Return[1] Q1–2 2010	€m Q1–2 2009	Return[1] Q1–2 2009
Regular income	**3,918**	**4.1%**	3,776	4.2%
Write-ups/write-downs of investments	**304**	**0.3%**	–667	–0.7%
Gains/losses on the disposal of investments	**1,047**	**1.1%**	639	0.7%
Other income/expenses	**–191**	**–0.2%**	–193	–0.2%
Investment result	**5,078**	**5.3%[2]**	**3,555**	**4.0%[2]**

High RoI[1] of 5.3% not sustainable in the remainder of the year

[1] Return on quarterly weighted investments (market values) in % p.a.
[2] Total return on investment Q1–2 2010 (incl. change in on- and off-balance-sheet reserves): 8.7% (3.5%).

The Group – Capitalisation

Substantial increase in shareholders' equity despite capital repatriation in Q1–2 2010

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€m	Q1–2	Change Q2
Equity 31.12.2009	22,278	–
Consolidated result	1,194	709
Changes		
Dividend	–1,072	–1,072
Unrealised gains/losses	561	202
Exchange rates	1,512	989
Share buy-backs	–733	–290
Other	9	21
Equity 30.6.2010	**23,749**	**559**

Unrealised gains/losses
Increase due to falling risk-free rates and spreads offsetting decrease from equities

Share buy-backs
In July 2010, shares for further €93m were repurchased

Exchange rates
Favourable FX development mainly attributable to strong US$

MUNICH HEALTH – Financials

Strong top-line growth fuelled by large deals

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Gross premiums written

€m	
Q1–2 2009	1,821
Q1–2 2010	**2,555**

Major reinsurance treaties result in significant growth

Technical result

€m	
Q1–2 2009	31
Q1–2 2010	**17**

At 100.4%, combined ratio impacted by start-up costs

Investment result

€m	
Q1–2 2009	63
Q1–2 2010	**89**

Rising, but reduced return on investments apparent

Operating result

€m	
Q1–2 2009	56
Q1–2 2010	**60**

Slightly improved despite FX effects

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Primary insurance – Overview

Primary insurance in Q2 with very good operating result – goodwill impairments well affordable

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Gross premiums written

€m	
Q1–2 2009	8,419
Q1–2 2010	**8,866**

Growth in all segments

Combined ratio property-casualty

%	
Q1–2 2009	94,7
Q1–2 2010	**96,6**

Difficult environment and weather-related claims internationally – ratio in Germany at 91.0%

Investment result[1]

€m	
Q1–2 2009	1,829
Q1–2 2010	**3,060**

Significantly lower write-downs and disposal losses

Consolidated result

€m	
Q1–2 2009	1
Q1–2 2010	**293**

Goodwill impairment with negative effect of €109m on consolidated result

[1] Investment result incl. unrealised gains/losses from investments in unit-linked life insurance; thereof unit-linked business: €91m in Q1–2 2010 (€129m in Q1–2 2009).

Primary insurance – Premium development

Growth in all segments

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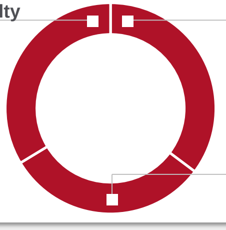
€m	
Gross premiums written Q1–2 2009	8,419
Foreign-exchange effects	81
Divestment/ Investment	0
Organic change	366
Gross premiums written Q1–2 2010	**8,866**

- Life business grows in Germany and abroad
- German health previous-year figures adjusted for international business; good growth also due to rate increases
- German property-casualty business grows at above market rate, especially in commercial/industrial

Breakdown by segment
(segmental, not consolidated)



Property-casualty
2,983 (34%)
(▲ 7.5%)

Life
3,123 (35%)
(▲ 3.0%)

Health Germany
2,760 (31%)
(▲ 5.6%)

Total premiums life:
- IFRS premiums €3,123m (▲ 3.0%)
- Savings component of unit-linked and capitalisation products €1,029m (▲ 32.3%)
- **Total premiums €4,152m (▲ 9.0%)**[1]

[1] Total premiums German life Q1–2 2010: €3,096m, 7.9%.

Primary insurance – Life – New business

ERGO new business life insurance (statutory premiums)

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Total

€m	Total	Regular premiums	Single premiums	APE[1]
Q1–2 2009	1,218	241	977	339
Q1–2 2010	**1,606**	**223**	**1,383**	**361**
Δ	**31.9%**	–7.5%	41.6%	6.5%

Comments

Germany
- Trend away from regular premiums and towards single premiums goes on
- Annuities with double-digit growth
- Total new business (regular premiums plus single premiums) grows by 35.4%

International
- Strong growth in Poland especially via UniCredit cooperation
- Good growth in Belgium (APE +17.3%)

Germany

€m	Total	Regular premiums	Single premiums	APE[1]
Q1–2 2009	807	159	648	224
Q1–2 2010	**1,093**	**151**	**942**	**245**
Δ	**35.4%**	–5.0%	45.4%	9.4%

International

€m	Total	Regular premiums	Single premiums	APE[1]
Q1–2 2009	411	82	329	115
Q1–2 2010	**513**	**72**	**441**	**116**
Δ	**24.8%**	–12.2%	34.0%	0.9%

[1] Annual premium equivalent (APE = regular premiums + 10% single premiums).

Primary insurance – Combined ratio property-casualty

Weather-related claims put pressure on combined ratio

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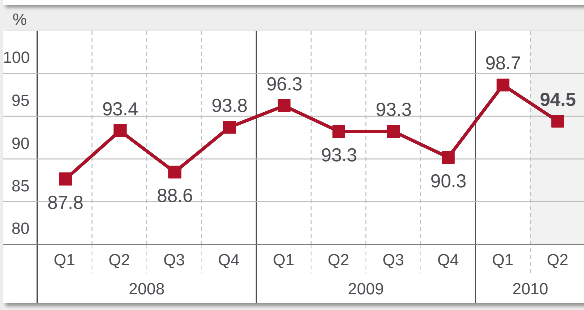
%	Combined ratio	Loss ratio	Expense ratio
2008	90.9	58.4	32.5
2009	93.2	60.3	32.9
Q1–2 2008	90.7	58.0	32.7
Q1–2 2009	94.7	61.9	32.8
Q1–2 2010	**96.6**	**63.4**	**33.2**



- German business with good ratio of 91.0% (90.4%); expense ratio down on previous year
- International business with higher ratio of 105.4% (102.4%)
  - Strong winter and flood losses in Poland
  - Difficult earnings situation in Turkish motor business

Primary insurance – New brand strategy

Renaming and mergers – Second phase completed

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	15 February 2010	18 June – 1 July 2010	1 October 2010
Renaming	KarstadtQuelle Insurers → ERGO Direkt	Hamburg-Mannheimer Life Victoria P-C → ERGO	
Merger		Hamburg-Mannheimer P-C D.A.S. P-C → ERGO	Victoria Health → DKV Hamburg-Mannheimer Legal protection → DAS
Portfolio transfer			Corporate pensions[1] Victoria Life → ERGO

[1] Portfolio transfer end of September presumably backdated to 1 January 2010.

Primary insurance – New brand strategy

Brand positioning derived in stringent process

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Identification

- 10 focus groups all over Germany
- Representative survey with 6,000 insureds
- 50 interviews with senior management from all divisions
- 800 employees interviewed in change workshops

Marketing mix implementation

Logo rebrush

ERGO

Corporate design

Exterior branding

Customer communication

Delivery

- Deliver on the brand promise by transforming it into real experience for customers
- Develop points of action to improve comprehensibility and dialogue with customers
- Aim is to inspire customers and employees alike

Primary insurance – New brand strategy

Comprehensive communication on the rebranding

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Customer information

- Information for 7.5 million customers on the changes regarding the risk carriers
- Information of an additional 8 million customers via flyers etc.
- Changeover of 2,130 documents, printing 16.2 million brochures

Internet

- More than 17,000 web pages adjusted
- 3,200 mobile web portals of agents, 120 portals and special interest websites migrated or created
- Monthly online newsletter to 100,000 recipients
- Over 100 computer types, forms and service functions adjusted

Exterior branding

Rebranding within 4 weeks:

- Complete equipment for over 10,000 agents
- 1,740 outlets
- 120 large logos and advertisements

Primary insurance – New brand strategy

360° campaign ensures high level of attention for the new brand

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Launch campaign started on 18 July

Primary insurance – New brand strategy

Campaign with the claim “To insure is to understand”

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Reinsurance – Overview

Improved result in life reinsurance partly compensates for high losses in property-casualty

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Gross premiums written

€m	
Q1–2 2009	10,909
Q1–2 2010	**11,567**

Favourable FX contribution and positive effect from HSB acquisition

Technical result

€m	
Q1–2 2009	598
Q1–2 2010	**448**

Exceptionally high claims activity partially compensated for by higher result of life reins.

Investment result

€m	
Q1–2 2009	1,962
Q1–2 2010	**2,157**

Higher regular income, increased disposal gains and lower write-downs

Operating result

€m	
Q1–2 2009	1,956
Q1–2 2010	**1,697**

Strong investment result leads to acceptable operating result

Reinsurance – Premium development

Favourable FX contribution as main driver of premium growth

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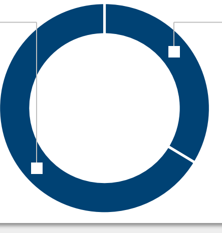
€m	
Gross premiums written Q1–2 2009	10,909
Foreign-exchange effects	491
Divestment/ Investment	149
Organic change	18
Gross premiums written Q1–2 2010	**11,567**

- Clearly positive FX effects
- Premium income growth through acquisition of HSB
- Organic growth mainly from quota share deals in life

Breakdown by segment
(segmental, not consolidated)

Property-casualty
7,676 (66.4%)
(▲ –1.8%)



Life
3,891 (33.6%)
(▲ 26.0%)

Reinsurance – Combined ratio property-casualty

Combined ratio reflects exceptionally high major losses in Q1–2 2010

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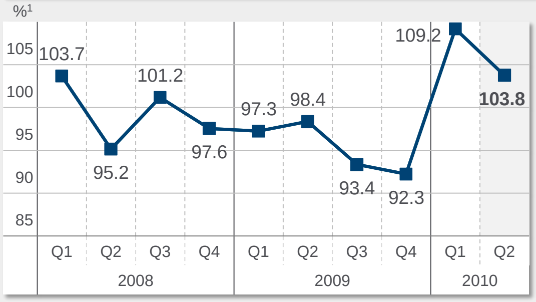
%		Loss ratio (Thereof nat cat/Thereof man-made)	Expense ratio
2008	99.4	69.6 (6.2/5.0)	29.8
2009	95.3	65.7 (1.4/6.9)	29.6
Q1–2 2008	99.5	71.3 (6.6/5.5)	28.2
Q1–2 2009	97.9	71.0 (3.5/6.5)	26.9
Q1–2 2010	**106.4**	**76.2 (12.8/6.8)**	**30.2**



- Major losses in Q1–2 2010 (€1,359m) well above 5-year average (€762m)
- Nat cat losses in Q1–2 2010 (€889m) clearly exceed 5-year average (€430m)
- Man-made losses of €470m in Q1–2 2010 also clearly above 5-year average (€332m)
- Expense ratio: Inclusion of HSB with a structurally higher expense ratio and increased commissions

[1] Incl. credit and overhead costs.

Reinsurance – Natural catastrophes

Accumulation of natural catastrophes in first half-year

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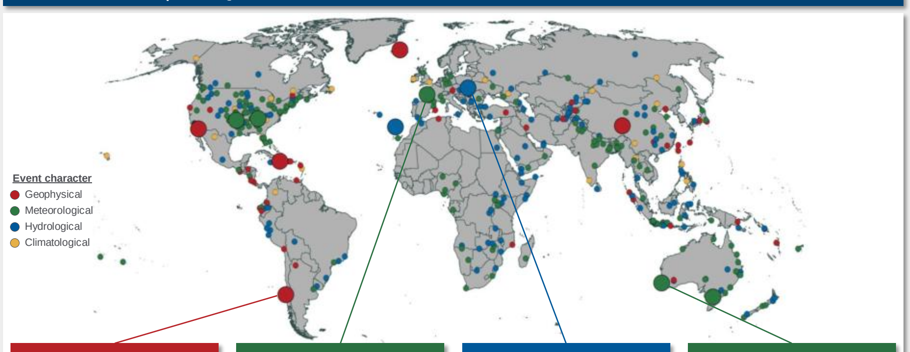
Natural catastrophes Q1–2 2010[1]



Chile, earthquake
RATE CHANGE
increasing

Europe, winter storm
RATE CHANGE
stable

CEE, floods
RATE CHANGE
stable

Australia, hail storms
RATE CHANGE
increasing

Material price increases in loss-affected markets – currently no impact on global reinsurance prices expected

[1] Source: Munich Re Geo Risks Research, NatCatSERVICE (as at July 2010).

Reinsurance – Deepwater Horizon

More stringent standards to be expected – Insurance is important and contributes to better economic assessment

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Deepwater Horizon explosion

- Total burden: Low triple-digit million euro amount
  Thereof property loss: €60m
- Liability amount still unclear

- Marked price increases for offshore energy risks foreseeable
- Review of accumulation effects with complex risks

- Tightened standards, higher liabilities for deep sea drilling to be expected
- Insurance contributes to better economic assessment of the risks

Munich Re prepared to assume risks with high safety standards and clear liability responsibilities

Reinsurance – July renewals

Maintaining of profitability while expanding volumes

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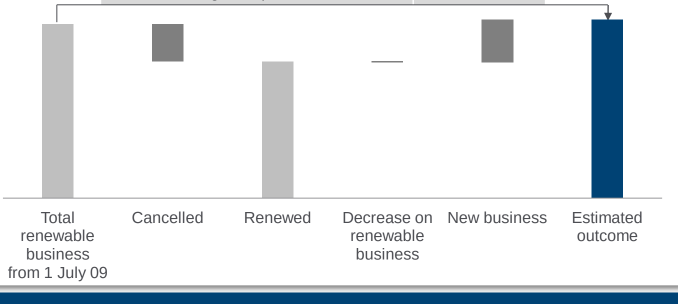
	Total renewable business from 1 July 09	Cancelled	Renewed	Decrease on renewable business	New business	Estimated outcome
%	100	–21.4	78.6	–0.7	24.8	**102.8**
€m	1,654	–353	1,300	–11	410	**1,700**

Change in premium:	**+2.8%**
▪ Thereof price change:	–0.1%
▪ Thereof change in exposure our share:	+2.9%



Market environment
- Significant renewal for markets in North America, Australia and Latin America
- Overall trends largely unchanged

Munich Re portfolio
- Approx. 16% of total P-C treaty book up for renewal in July
- Portfolio profitability remains at technically attractive level
- Slight expansion of casualty (esp. motor business in attractive markets); share of property largely unchanged
- Resilient price trend supported by geographical diversification

Consistent cycle management as clear bottom-line focus prevails

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Summary and outlook

Summary

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Extremely large losses illustrate the increasing complexity of risks
Munich Re's know-how-driven business model proves effective

New technologies entail risk and progress
Insurance contributes to managing and minimising risks

ERGO's realignment is the key to future success
The focus is on the client – Very positive response from clients and staff

Summary and outlook

Outlook 2010 – Munich Re to continue to place high emphasis on sustainable earnings

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Munich Re (Group)

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

CAPITAL REPATRIATION
Continuation of share buy-back programme of up to €1bn until AGM 2011[3]

GROSS PREMIUMS WRITTEN
€44–46bn[1]
(prev. €43–45bn)

NET INCOME
Achievement of net income >€2.0bn remains ambitious[2], but within reach

RETURN ON INVESTMENT
Slightly above 4%
(prev. < 4%)
High RoI in Q1–2 2010 not sustainable in the remainder of the year

Reinsurance

COMBINED RATIO P-C
Target: 97% over-the-cycle
In 2010 hardly achievable

Primary insurance

COMBINED RATIO P-C
Target: < 95%

Munich Health

GROSS PREMIUMS WRITTEN
~€5bn

1 Thereof €23–24bn in reinsurance, €17–18bn in primary insurance and approx. €5bn in Munich Health (all on basis of segmental figures).
2 Net income target subject to normal claims development and strong investment results in the remainder of the year 2010.
3 Until end of July, Munich Re had repurchased own shares amounting to €207m.

Disclaimer

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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/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.