Munich Re Group

Quarterly financial statements
as at 30.9.2008

Media telephone conference

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7 November 2008

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Overview

Financial reporting Q1–3 2008
Munich Re Group in total
Reinsurance segment
Primary insurance segment

Market environment in reinsurance

ERGO – Agenda 2012

Summary and outlook

Introduction

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Munich Re Group
Significant profit in first nine months despite financial crisis

€1.4bn earnings in first nine months, €12m in third quarter
Satisfactory against the background of the financial crisis

Solid financial strength, stable shareholders' equity in Q3
Excellence in risk management pays off

Earnings per share target of at least €18 by 2010 confirmed
Unchanged high dividend of €5.50 for 2008 and continuation of share buy-back as promised

Reinsurance gains significance in financial crisis
Clients benefit from financial stability

Munich Re well positioned to benefit from hardening reinsurance cycle and to accomplish strategic ambitions in primary insurance

Overview

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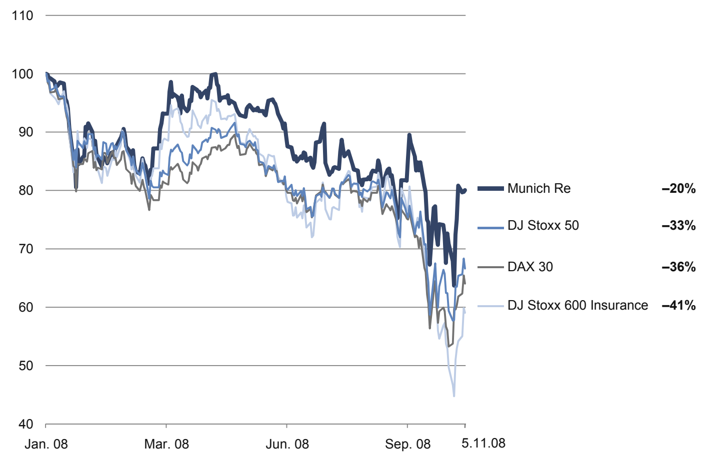
Munich Re and the stock markets
Munich Re shares – Reliability pays off



Source: Datastream

- Performance beats all the major indices despite marked reduction since the beginning of the year
- Share price endorses Group's strategy and strength

Markets reward Munich Re's strength and expertise

Munich Re Group – Quarterly financial statements as at 30.9.2008 – 7 November 2008

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Overview

Satisfactory result impacted by difficult capital markets

GROUP
Gross premiums written

€m	
Q1–3 2007	28,076
Q1–3 2008	**28,127**

Acquisitions and organic growth offset FX decline in reinsurance

REINSURANCE
Combined ratio property-casualty

%	
Q1–3 2007	98.0
Q1–3 2008	**100.2**

High claims from hurricanes, ratio in Q3 101.3%

PRIMARY INSURANCE
Combined ratio property-casualty[1]

%	
Q1–3 2007	92.9
Q1–3 2008	**90.2**

Strong 88.7% combined ratio in Q3

GROUP
Investment result

€m	
Q1–3 2007	7,636
Q1–3 2008	**3,937**

Significant impairments of equities and lower realised gains

GROUP
Operating result

€m	
Q1–3 2007	3,980
Q1–3 2008	**2,434**

Impacted by high losses and financial market turmoil

GROUP
Consolidated result

€m	
Q1–3 2007	3,348
Q1–3 2008	**1,418**

Reduction due to investment result; €12m net profit in Q3

[1] Incl. legal expenses.

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Parameters on the global markets

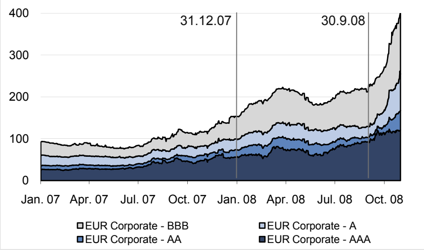
Drastic market upheavals as a consequence of the financial crisis

DJ EuroStoxx 50

- Portfolio values and investment results impacted by heavy price losses on equities
- Volatility in interest rates as fears veer between inflation and recession
- Extension of spreads for corporate bonds puts pressure on prices of risk-carrying fixed-interest securities but presents opportunities for cautious investment

Risk-free interest rate (yield on 10-yr. gov. bonds)

Spreads (corporate spreads vs. government bonds in BP)



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Equity

Solid capitalisation despite adverse financial market developments

€m	Q1–3	Change Q3 2008
Equity 31.12.2007	25,458	
Consolidated result	1,418	12
Changes		
Dividend	–1,124	–6
Unrealised gains/losses[1]	–3,034	–263
Exchange-rates	201	721
Share buy-backs	–1,373	–415
Other	–82	–57
Equity 30.9.2008	**21,464**	**–8**

Stable development in Q3 despite share buy-backs

[1] On other securities.

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Capitalisation

Substantial headroom despite market turbulence

Available capital more than sufficient to cover risks

Capitalisation far in excess of regulatory and rating requirements
Solvency ratio of ~270%

Solid capital base
provides scope for action

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Investments

Continued reduction of equities

Investment structure by asset classes (market values)

	€bn	Land and buildings (%)	Loans (%)	Fixed-interest securities (%)	Shares, equity funds and participating interests (%)	Miscellaneous[1] (%)
31.12.2004[2]	181	5.9	11.7	57.0	13.9	11.5
31.12.2005[3,4]	180	4.0	14.3	56.0	14.0	11.7
31.12.2006	179	3.6	16.4	54.9	14.6	10.5
31.12.2007	176	2.8	19.4	54.2	13.8	9.8
31.3.2008	171	2.8	21.4	54.1	11.6	10.1
30.6.2008	166	2.9	22.1	55.2	11.4	8.4
30.9.2008	**171**	2.9	22.4	56.2	9.3[5]	9.2

In Q3 increase due to strengthening US$ and first time consolidation of BACAV

[1] Deposits retained on assumed reinsurance, investments for unit-linked life, deposits with banks, investment funds (bond, property).
[2] After reclassification of owner-occupied properties of Munich Reinsurance Company to other assets.
[3] After reclassification of owner-occupied properties of Munich Re Group to other assets.
[4] Decrease of €13.2bn in assets (market values) due to sale of Karlsruher in Q4 2005.
[5] **After taking equity derivatives into account: 4.6%.**

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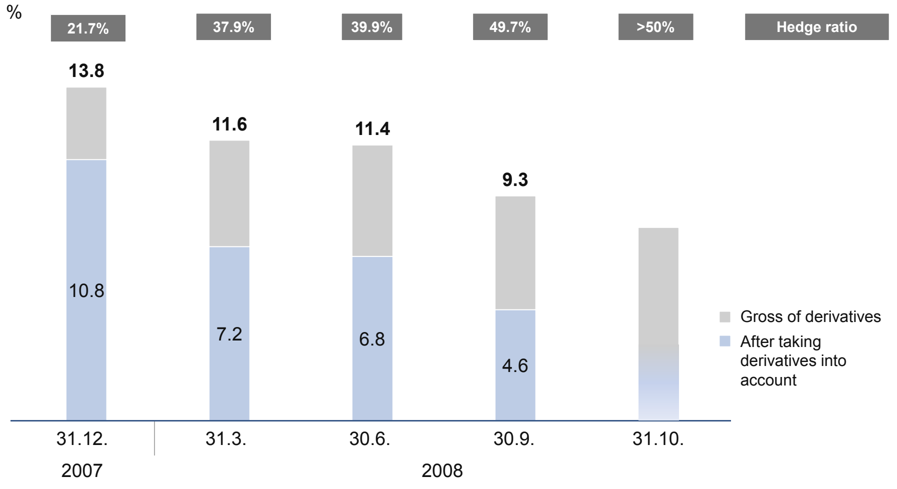
Derisking of equities

Market impact limited by substantial hedging

Equity-backing ratio[1] – including derivatives



[1] Proportion of investments in equities, equity funds and shareholdings to total investments.

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Return on investments

Satisfactory running yield, significant write-downs

- High non-cash related impairments on stocks of €4.0bn due to negative market developments, thereof: €1.8bn in Q3
- Impairments partly compensated by write-ups on derivatives of €2.0bn, thereof: €0.8bn in Q3
- Comparably low impairments on fixed-interest investments[1] of €220m
- Net result on disposals in Q1–3 2008 reduced by €1.4bn because of market caution, Q1–3 2007 in contrast was characterised by high (extraordinary) gains (mainly stocks and real estate)

Therefore distinctly lower RoI of 3.1% (5.7%)

Q1–3 2008	€m	return[2]
Regular income	6,012	4.7%
Other income/expenses	–900	–0.7%
Gains/losses on the disposal of investments	1,141	0.9%
Write-downs/write-ups of investments	–2,316	–1.8%
Investment result	**3,937**	**3.1%**

[1] Afs fixed interest securities, loans and receivables
[2] Return on quarterly weighted investments (market values) in % p.a.

Financial reporting Q1–3 2008 – Munich Re Group in total

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Fixed-income exposure

Well balanced; cautious expansion into highly-rated credit risk

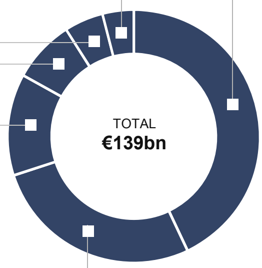
Fixed-interest portfolio[1]

Loans to policyholders
4% (31.12.07: 4%)

Structured products
5% (31.12.07: 4%)

Corporates
8% (31.12.07: 7%)

Banks
13% (31.12.07: 13%)
thereof 30%
cash positions



Government/ Semi-government
43% (31.12.07: 47%)
thereof 13%
inflation-linked bonds

Pfandbriefe
27% (31.12.07: 25%)

[1] Incl. loans, parts of other securities and cash positions. Economic view – not fully comparable with IFRS figures. Recently acquired companies proportionally allocated.

Financial reporting Q1–3 2008 – Munich Re Group in total

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Operating and consolidated result

Mark of resistance in view of current financial market

€m — Q1–3 2007 / Q1–3 2008 / ERGO dividend[1]

€m	Operating result Q1–3 2007	Operating result Q1–3 2008	Consolidated result Q1–3 2007	Consolidated result Q1–3 2008
Reinsurance life and health	848	**785**	716	**615**
Reinsurance property-casualty	2,367	**1,915**	2,063	**1,368**
Reinsurance sub-total	3,215	**2,700**	2,779	**1,983**
Primary insurance life and health	429	**217**	277	**89**
Primary insurance property-casualty	494	**457**	475	**281**
Primary insurance sub-total	923	**674**	752	**370**
Munich Re Group[2]	3,980	**2,434**	3,348	**1,418**

[1] Q1–3 2007 incl. dividend from ERGO of €114m (before taxes), thereof RI life and health: €23m, RI property-casualty: €91m.
Q1–3 2008 incl. dividend from ERGO of €947m (before taxes), thereof RI life and health: €180m, RI property-casualty: €767m.
[2] Operating result Q1–3 2008 including asset management (€57m, Q1–3 2007 €77m) and consolidation (–€997m, Q1–3 2007 –€235m).
Consolidated result Q1–3 2008 including asset management (€41m, Q1–3 2007 €49m) and consolidation (€–976m, Q1–3 2007 –€232m).

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Highlights

Satisfactory underwriting, but significant NatCat impact in Q3

Gross premiums written

€m	
Q1–3 2007	16,469
Q1–3 2008	**16,147**

Almost stable, adjusted for currency effects +6%

Investment result[1]

€m	
Q1–3 2007	3,511
Q1–3 2008	**2,979**

Significantly lower, but satisfying against background of financial crisis

Combined ratio – Property-casualty

%	
Q1–3 2007	98.0
Q1–3 2008	**100.2**

Higher NatCat losses – also impacted by man-made losses

Operating result[1]

€m	
Q1–3 2007	3,215
Q1–3 2008	**2,700**

Satisfying in view of difficult market environment, Q3 result €132m

1 Q1–3 2007 incl. dividend from ERGO of €114m.
Q1–3 2008 incl. dividend from ERGO of €947m.

Financial reporting Q1–3 2008 – Reinsurance segment

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Premium development

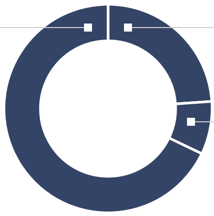
Organic growth and acquisitions partly compensate adverse FX

€m

Gross premiums written Q1–3 2007	16,469
Foreign-exchange effects	–1,319
Divestment/ Investment	735
Organic change	262
Gross premiums written Q1–3 2008	**16,147**

- Decline due to FX developments, (mainly US$ and GBP)
- Acquisition Midland (€344m) and Sterling Life (€338m)[1]
- New business in property-casualty
- Planned reduction of large accounts in life business

Breakdown by segment
(segmental, not consolidated)



[1] First-time consolidation in Q2 2008. Q3 stand-alone Midland €178m and Sterling €177m.

Financial reporting Q1–3 2008 – Reinsurance segment

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Combined ratio – Property-casualty

Higher combined ratio in Q3

%

	Total	Loss ratio	Thereof NatCat[1]	Thereof man-made	Expense ratio
2007	96.4	67.9	5.0	4.9	28.5
Q1–3 2007	98.0	69.8	6.9	1.2	28.2
Q1–3 2008	**100.2**	**71.4**	**7.8**	**4.7**	**28.8**

- €760m NatCat claims above 5-year average (€733m)
- Additional €458m in man-made losses (5-year average: €351m)
- High loss burden in Q3, thereof Hurricanes Ike and Gustav ~€400m

[1] Previous year adjusted owing to change in method (due to a change of limits for outlier/large losses (€10m and US$ 15m) from Q1 2008 on.

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Highlights

Good underwriting result in difficult financial markets

Gross premiums written

€m

Q1–3 2007	12,820
Q1–3 2008	**13,042**

Continued organic growth esp. in foreign property-casualty and health business

Investment result

€m

Q1–3 2007	4,512
Q1–3 2008	**2,109**

Significant decrease; 2007 benefited from exceptionally high gains on asset disposals

Combined ratio – Property-casualty[1]

%

Q1–3 2007	92.9
Q1–3 2008	**90.2**

Strong combined ratio owing to favourable loss development and ongoing reduction of expenses

Operating result

€m

Q1–3 2007	923
Q1–3 2008	**674**

Good underwriting result partially balances lower investment result

[1] Incl. legal expenses.

Financial reporting Q1–3 2008 – Primary insurance segment

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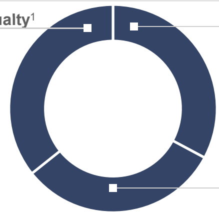
Premium development
Organic growth in property-casualty and health

€m

Gross premiums written Q1–3 2007	12,820
Foreign-exchange effects	–38
Divestment/ Investment	74
Organic change	186
Gross premiums written Q1–3 2008	**13,042**

- Organic growth in Eastern European and Turkish business (esp. motor)
- Organic growth in health; new business abroad, increase in premiums at DKV
- Acquisition DAUM Direct (€74m)

Breakdown by segment
(segmental, not consolidated)



Life statutory premiums
- IFRS premiums €4,282m (▲ –2.3%)
- Investment-oriented products €732m (▲ 10.7%)
- **Total €5,014m (▲ –0.6%)**

[1] Incl. legal expenses.

Financial reporting Q1–3 2008 – Primary insurance segment

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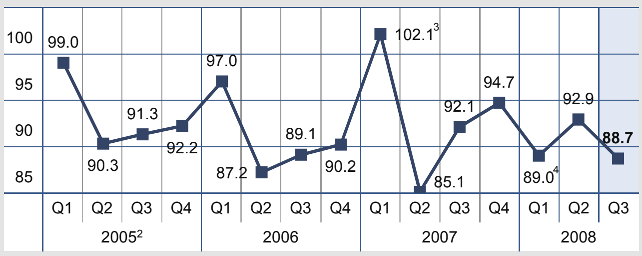
Combined ratio – Property-casualty
Favourable development in Q3

%		Loss ratio[1]	Expense ratio[1]
2007	93.4	58.6	34.8
Q1–3 2007	92.9	58.9	34.0
Q1–3 2008	**90.2**	**57.1**	**33.1**

%



- Overall favourable development shows operative strength
- Declining loss ratio because of lower NatCat claims in 2008
- Lower expense ratio mainly due to reduced administrative expenses

[1] Incl. legal expenses. [2] Adjusted due to first-time application of IAS 19 (rev. 2004).
[3] Kyrill: 5.8%. [4] Emma: 2.1%

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Overview

Financial reporting Q1–3 2008
- Munich Re Group in total
- Reinsurance segment
- Primary insurance segment

Market environment in reinsurance

ERGO – Agenda 2012

Summary and outlook

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Financial crisis erodes insurers' capital base
Reinsurance gains in importance

Financial crisis reduces insurers' capital base

Limited possibilities for refinancing in capital markets
Reinsurance can provide capital relief

Reinsurance is gaining significance
Financially strong providers will benefit

Market environment in reinsurance

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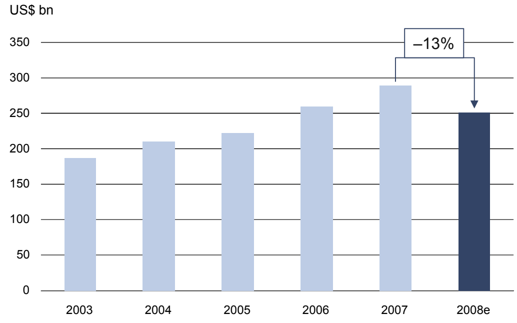
Decline in insurers' capitalisation

Demand for reinsurance will increase

EQUITY CAPITAL AT YEAR-END

After several years of growth, the capital base of the global reinsurance industry is expected to decrease in 2008[1]



- Examples of forecasts for change in equity capital in P-C insurance, USA, until year-end:
  Towers Perrin: up to –US$ 80bn
  Dowling & Partners: up to –US$ 100bn
- Effects:
  Demand for reinsurance will increase while capacity shrinks
  Greater risk awareness will ensure flight to quality
  Financial strength and solidity will make differential pricing possible

Strength counts

Munich Re's solid capitalisation and risk expertise
open up substantial business opportunities

[1] Source: The data are based on publications by the world's 35 largest reinsurers and include primary insurance business for some companies.
2008 estimate on the basis of external forecasts for around 20 companies (status: Oct. 2008); development influenced by exchange-rate effects.

Market environment in reinsurance

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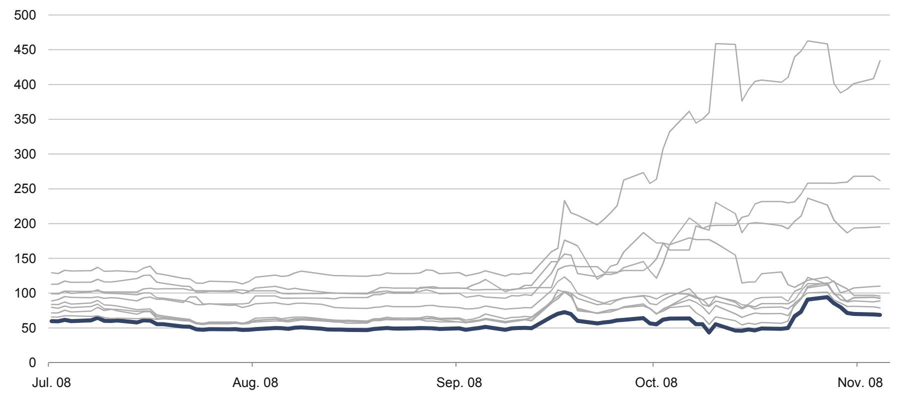
Market for credit default risks

Derivative market reflects Munich Re's exceptional position

Munich Re CDS spreads in basis points, 1 July 2008 to 5 Nov. 2008[1]



Source: Bloomberg

Hedge market for credit risks underlines Munich Re's strength
Clients obtain added value with particular security

[1] 5-year CDS.
Peers: Allianz, AXA, Berkshire, Generali, Hannover Re, ING, SCOR, Swiss Re, Zurich Insurance.

Market environment in reinsurance

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Cycle has turned
Munich Re will benefit substantially as the market leader

Surveys confirm trend towards hard markets
Munich Re can offer significantly more capacity, given adequate prices

Financial crisis makes sustainable security more important than ever

Differential pricing in the interest of Munich Re and clients

Dependability and expertise create added value – also for clients
Position of strong risk carriers like Munich Re is enhanced

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ERGO – Agenda 2012

Progress with a whole raft of measures

Update on strategic programme up to 2012

Enhance distribution	▪ Unified broker sales force ready to start as from 1 January 2009 ▪ Roll-out of common electronic platform for sales staff has started
Realign ERGO in market for private provision	▪ Focus on transparency and consumer orientation ▪ Victoria "Riester" policy with top marks for transparency in Finanztest magazine
Internationalise ERGO	▪ Acquisition of remaining stake in ERGO ISVIÇRE ▪ Strong premium growth – especially in Poland (+37.5%) and the Baltic states (+16.6%)
Refine ERGO's operations model	▪ Advances made in programme for process and structural optimisation ▪ Cost savings of €180m

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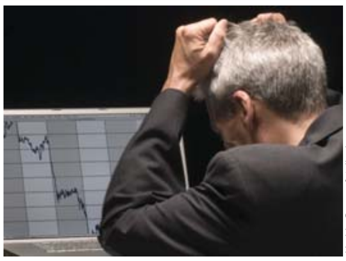
Financial market crisis

In the long term, opportunities outweigh negative implications

Potential impacts on the insurance industry

Short term	▪ Direct impacts on investment result ▪ Uncertainty among clients – Reluctance to make major investment decisions

Long term	▪ Increased demand for guarantee products
	  ▪ Traditional life and annuity insurance
	  ▪ Innovative guarantee forms (e.g. variable annuities)
	▪ Less competition from fund and certificate industry
	▪ Continuing tendency to save



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Share-price losses since the start of the year

Index	31.12.2007	31.10.2008	Δ
DAX	8,067.32	4,987.97	–38.2%
EuroStoxx 50	4,399.72	2,591.76	–41.1%
Dow Jones	13,264.82	9,325.01	–29.7%
Nasdaq 100	2,084.93	1,334.78	–36.0%
Nikkei 225	15,307.78	8,576.98	–44.0%

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Health insurance
Health reform does not solve any of the problems

ERGO
DKV VICTORIA Karstadt Quelle Versicherungen

Waiting period for switching

Levelling within statutory health insurance: Uniform premium rate of 15.5%

Basic tariff

Development and expansion of qualitatively superior own healthcare structures: Enterprise Healthcare®

Cooperation with AOK

Competitive offensive for supplementary insurance

Competitive offensive comprehensive cover: BestMed (DKV) and Victoria Med, five target-group-specific plans

Promoting client information and loyalty: New healthcare programmes, refinement of benefits policy, service improvement and client magazine

ERGO – Agenda 2012

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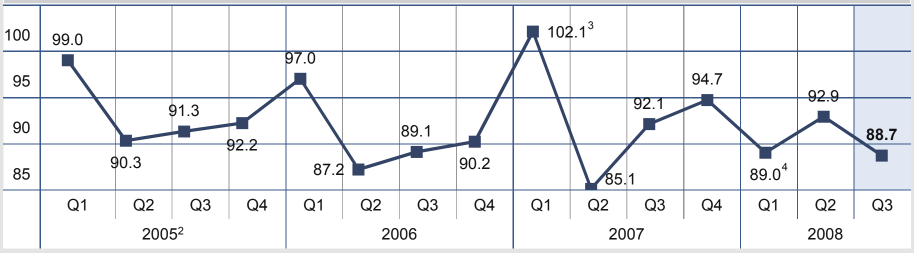
Property-casualty
Excellent results – Opportunities in commercial/industrial segment

Combined ratio for property-casualty[1]



Motor

MARKET	▪ Prices beginning to stabilise ▪ Earnings position still difficult
ERGO	▪ Small price increases ▪ Lapses are below previous year's level ▪ New business growing ▪ Successful cooperation with BMW

Commercial/Industrial

MARKET	▪ Stabilisation trends apparent ▪ Trend towards longer policy periods, higher covers, more layers
ERGO	▪ Good growth in premium income again; pleasing new business ▪ Decentralised set-up, high degree of underwriting expertise, certified claims management

[1] Incl. legal expenses. [2] Adjusted due to first-time application of IAS 19 (rev. 2004). [3] Kyrill: 5.8%. [4] Emma: 2.1%.

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Summary

Profit in spite of crisis underlines future earnings potential

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Satisfactory nine-month result
even with the major burdens of the exceptional year 2008

Result for 2008 probably below €2bn
Sights still set on target of at least €18 per share for 2010

Capital management to be continued – 2008 share buy-back almost concluded
Dividend for 2008: €5.50 per share

Capital strength is unshaken, despite losses
Munich Re will emerge stronger from the crisis

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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.