QUARTERLY FINANCIAL STATEMENTS AS AT 30 JUNE 2011

Telephone conference with analysts and investors

4 August 2011

Munich RE

Agenda

Munich RE

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Primary insurance	**12**
Munich Health	**20**
Reinsurance	**23**
Outlook	**34**
Backup	**36**

Financial highlights Q1–2 2011

After outlier first quarter, Munich Re back to "normal" in Q2

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Munich Re (Group)

Net gain of €738m in Q2

Q2 mitigating weak first quarter result – Net loss of €210m in Q1–2

Still aiming for positive annual result

Shareholders' equity in Q2 stable at €20.3bn

Almost unchanged capital position vs. Q1 despite dividend payment of €1.1bn in Q2

Solid investment result

Annualised RoI of 3.6%[1] burdened by impairment of Greek government bonds

Reinsurance

Significant nat cat claims

Major losses in property-casualty (combined ratio in Q2: 99.6%)

July renewals showing positive price trend

Primary insurance

Increasing earnings contribution

Consolidated ERGO result of €178m – Gain on real estate sale in Q2 offsetting impairment of Greek bonds

Munich Health

Improving result

Consolidation process making good progress

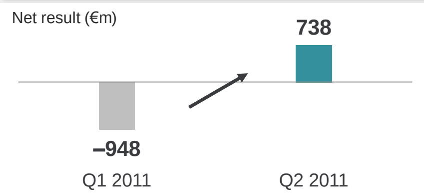
[1] Adjusted for impact on insurance risk transfer to the capital markets: RoI 3.3%.

Financial highlights Q1 vs. Q2 2011

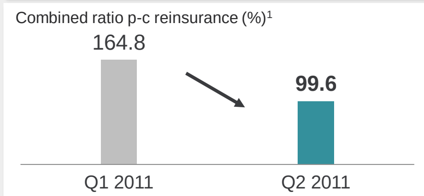
Good second quarter – Significantly improved reinsurance result and higher earnings of ERGO

Munich RE

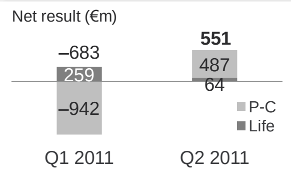
Improved net result …



… following normalising nat cat claims

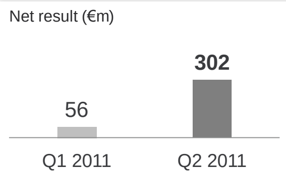


Reinsurance



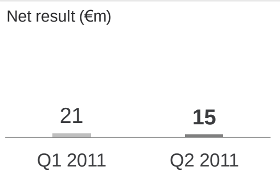
Life mitigating volatility of property-casualty business

Primary insurance



Countervailing one-off effects in Q2

Munich Health



Still small but stable contribution

[1] Before insurance risk transfer to the capital markets.

Overview – Financial highlights

Strong premium growth, high nat cat claims

Munich RE

GROUP – Gross premiums written

€m	
Q1–2 2010	22,613
Q1–2 2011	**24,949**

Substantial organic growth also a result of large-volume deals

GROUP – Operating result

€m	
Q1–2 2010	2,218
Q1–2 2011	**–437**

Decline of technical and investment result

GROUP – Net result

€m	
Q1–2 2010	1,194
Q1–2 2011	**–210**

Good Q2 result largely compensates for severe losses in Q1

REINSURANCE – Net result

€m	
Q1–2 2010	1,057
Q1–2 2011	**–132**

Life reinsurance mitigates high claims burden in p-c

PRIMARY INSURANCE – Net result

€m	
Q1–2 2010	293
Q1–2 2011	**358**

Germany performing well – international business still a challenge

MUNICH HEALTH – Net result

€m	
Q1–2 2010	16
Q1–2 2011	**36**

Strong premium growth and resilient operating result

Agenda

Munich RE

Overview

Financial reporting Q1–2 2011

- **Munich Re (Group)**
- Primary insurance
- Munich Health
- Reinsurance

Outlook

Backup

Munich Re (Group) – Capitalisation

Reduction in shareholders' equity – Capital position remains solid

Munich RE

€m	Q1–2	Change Q2
Equity 31.12.2010	23,028	
Consolidated result	–210	738
Changes		
Dividend	–1,110	–1,110
Unrealised gains/losses	–338	399
Exchange rates	–792	–235
Share buy-backs	–323	–37
Other	53	47
Equity 30.6.2011	**20,308**	–198

UNREALISED GAINS/LOSSES

- –€35m from afs fixed-interest securities (rising short-term interest rates)
- –€294m from afs non-fixed-interest securities

EXCHANGE RATES

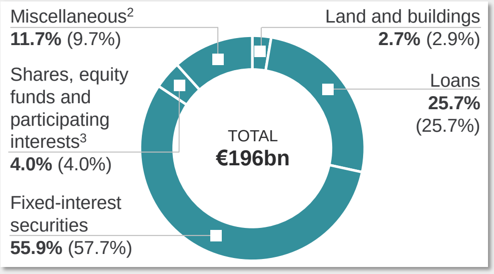
Adverse FX development (mainly US$)

Munich Re (Group) – Investments – Total portfolio

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

Munich RE

Investment portfolio[1]



Portfolio duration[4]

	Assets	Liabilities	Net DV01 (€m)
Reinsurance	5.6	5.6	–7.2
Primary insurance	6.6	7.9	13.7
Munich Re (Group)	**6.2**	**7.2**	**6.5**

Portfolio management

- Ongoing tactical reallocation of portfolio thereby realising disposal gains
  - Slight changes within government bond portfolio
  - Cautious shift into corporate bonds
  - Reduction of net equity exposure: 3.5% after hedges
- Reduction of real estate: Sale in Singapore
- Increase of deposits retained on assumed life and health reinsurance
- Further expansion of renewable energies
- Duration mismatch remaining tight

[1] Fair values as at 30.6.2011 (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: 3.5% (4.4%).
[4] As at 30.6.2011. Net DV01: Sensitivity to parallel upward shift of yield curve by one basis point reflecting portfolio size.

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

Emphasis on highly rated securities

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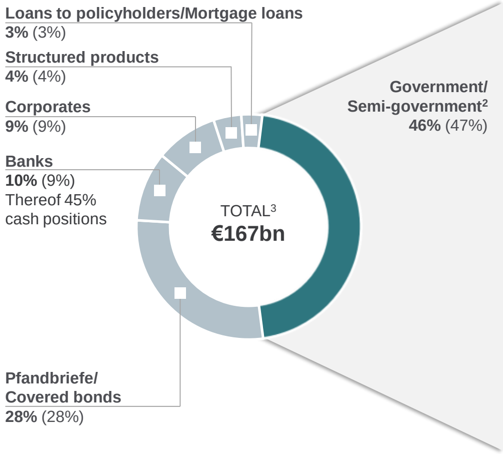
Fixed-income portfolio[1]



Government bonds per country[2]

%	Without P/H[4] participation	With P/H[4] participation	Total
Germany	8	24	**32**
USA	14	–	**14**
Canada	7	–	**7**
Italy	5	2	**7**
UK	5	–	**5**
France	4	2	**6**
Spain	1	2	**3**
Austria	1	2	**3**
Ireland	1	1	**2**
Greece	–	1	**1**
Portugal	–	1	**1**
Other	12	7	**19**
Total[5]	**58%**	**42%**	**100%**

[1] Incl. loans, parts of other securities, other investments and cash positions. Fair values as at 30.6.2011 (31.12.2010).
[2] Thereof 11% inflation-linked bonds. [3] Additional inflation-linked exposure in swaps 2% and bank and corporate exposure in credit default swaps 2% of fixed-income portfolio. [4] P/H = policyholder. Economic view – not fully comparable with IFRS figures. [5] Differences between totals possible due to rounding.

Munich Re (Group) – Investment result

Investment result burdened by write-down on Greek government bonds

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Investment result

	€m	Q1–2 2011	Return[1]	€m	Q1–2 2010	Return[1]
Regular income	**4,057**		**4.2%**	3,918		4.1%
Write-ups/write-downs of investments	**–806**		**–0.8%**	304		0.3%
Gains/losses on the disposal of investments	**640**		**0.6%**	1,047		1.1%
Other income/expenses	**–423**		**–0.4%**[2]	–191		–0.2%
Investment result	**3,468**		**3.6%**	**5,078**		**5.3%**

Regular income

Higher dividend income

Increase of deposits retained on assumed reinsurance as a consequence of large-volume deals

Reinvestment yield slightly increased

Write-ups/write-downs

Write-down on Greek bonds and on swaptions

Write-up from insurance risk transfer to the capital markets

Gains on disposal

Disposal gain from sale of real estate in Singapore and reduction of equities

Disposal losses on equity and interest rate derivatives

Higher disposal gains on fixed-interest instruments in the previous year

1 Return on quarterly weighted investments (market values) in % p.a.
2 Negative impact from unit-linked business included.

Munich Re (Group) – Premium development

Strong organic growth

Munich RE

€m	
Gross premiums written Q1–2 2010	22,613
Foreign-exchange effects	–176
Divestment/ Investment	155
Organic change	2,357
Gross premiums written Q1–2 2011	**24,949**

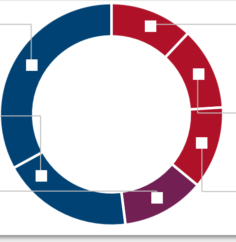
- Overall negative FX development (mainly from US$)
- Windsor acquisition: First-time consolidation as from Q1 2011
- Large-volume deals in reinsurance segment and Munich Health

Breakdown by segment
(consolidated)

Reinsurance
Property-casualty
8,281 (33%)
(▲ 10.7%)

Reinsurance
Life: **4,788 (19%)**
(▲ 25.2%)

Munich Health
2,959 (12%)
(▲ 19.9%)



Primary insurance
Property-casualty
3,055 (12%)
(▲ 3.2%)

Primary insurance
Life: **2,984 (12%)**
(▲ –4.5%)

Primary insurance
Health Germany: **2,882 (12%)**
(▲ 4.6%)

Agenda

Munich RE

Overview

Financial reporting Q1–2 2011

- Munich Re (Group)
- **Primary insurance**
- Munich Health
- Reinsurance

Outlook

Backup

Primary insurance – Premium development

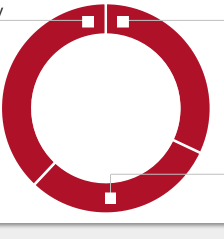
Overall stable premium income

Munich RE

€m	
Gross premiums written Q1–2 2010	8,866
Foreign-exchange effects	–4
Divestment/ Investment	–
Organic change	86
Gross premiums written Q1–2 2011	**8,948**

- **Life**: Lower single-premiums in German and international business
- **Health**: Growth in comprehensive, supple-mentary and travel business
- **Property-casualty**: Organic growth in German and international business

Breakdown by segment
(segmental, not consolidated)



Total premiums life:

- IFRS premiums €2,985m (▲ –4.4%)
- Savings component of unit-linked and capitalisation products €905m (▲ –12.1%)
- **Total premiums €3,890m (▲ –6.3%)**[1]

[1] Total premiums German life Q1–2 2011: €2,917m, ▲ –5.8%.

Primary insurance – Life – New business

Life: New business (statutory premiums)

Munich RE

Total

€m	Total	Regular premiums	Single premiums	APE[1]
Q1–2 2010	1,606	224	1,382	362
Q1–2 2011	**1,393**	**248**	**1,145**	**363**
Δ	**–13.3%**	10.7%	–17.1%	0.3%

Comments

Germany

- Growth of regular premiums
- Single-premium business down – for whole market
- Good growth in corporate pension business

International

- Strong growth in Belgium (APE 28.3%) and Poland (APE 49.2%)
- Austria (APE –26.0%): lower single premiums, mainly in unit-linked business

Germany

€m	Total	Regular premiums	Single premiums	APE[1]
Q1–2 2010	1,093	151	942	245
Q1–2 2011	**922**	**162**	**761**	**238**
Δ	**–15.6%**	7.3%	–19.2%	–2.9%

International

€m	Total	Regular premiums	Single premiums	APE[1]
Q1–2 2010	513	73	440	117
Q1–2 2011	**471**	**86**	**384**	**125**
Δ	**–8.2%**	17.8%	–12.7%	6.8%

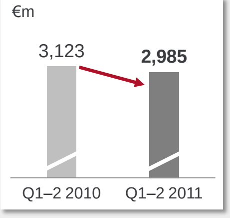
[1] Annual premium equivalent (APE = regular premiums +10% single premiums).

Primary insurance – Key figures

Primary life

Munich RE

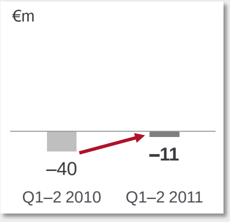
Gross premiums written



Germany: Lower single premiums

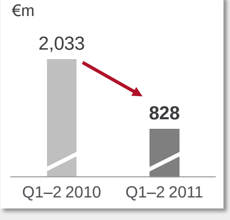
Slowing decrease in regular premiums

Technical result



Lower costs, especially DAC write-downs in the previous year

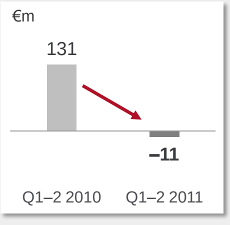
Investment result



Write-downs on Greek bonds and interest rate hedging

High result in Q1–2 2010: disposal gains, unit-linked business and write-ups on swaptions

Consolidated result



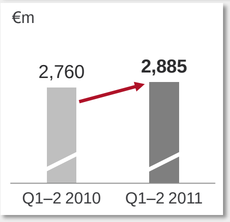
Improved technical result only partially offsetting shareholders' participation in reduced investment result

Primary insurance – Key figures

Primary health

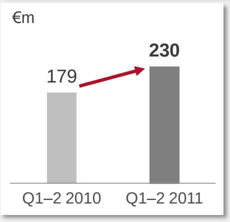
Munich RE

Gross premiums written



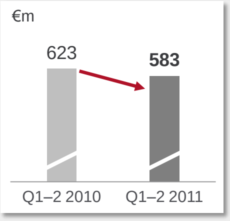
Premium growth in comprehensive (4.1%), supplementary (4.0%) and travel insurance (15.0%)

Technical result



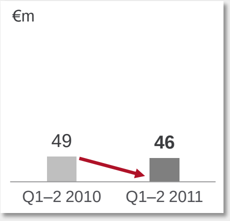
Decreased expenses for business acquisition and administration

Investment result



Write-downs on Greek bonds mitigated by higher regular income and disposal gains

Consolidated result



Improved technical result compensates for lower investment result

Increase in taxes on income

Primary insurance – Key figures

Primary property-casualty

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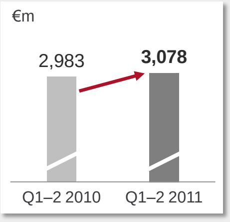
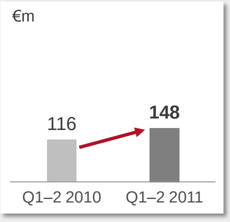
Gross premiums written



Growth in Germany (1.9%) mainly driven by commercial/ industrial business

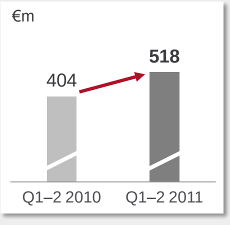
International business (+5.2%) mainly driven by motor business in Poland and Italy

Technical result



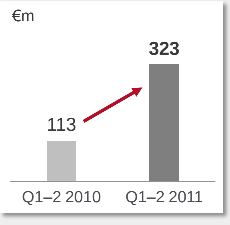
Combined ratio of international business remains at high level while German business improves further

Investment result



Disposal gains from real estate sale in Singapore in Q2 2011

Consolidated result



Higher operating result and lower impairments of goodwill

Primary insurance – Property-casualty

Still different situation in German and international business

Munich RE

Germany

€m	Q1–2 2011	Q1–2 2010
Gross premiums written	**1,857**	1,822
Technical result	**182**	152
Consolidated result	**320**	129
Combined ratio (%)	**89.7**	91.0

- German business with stable growth
- Improved combined ratio due to lower weather-related claims (e.g. Xynthia in Q1 2010)
- Disposal gains from real estate sale in Singapore

International

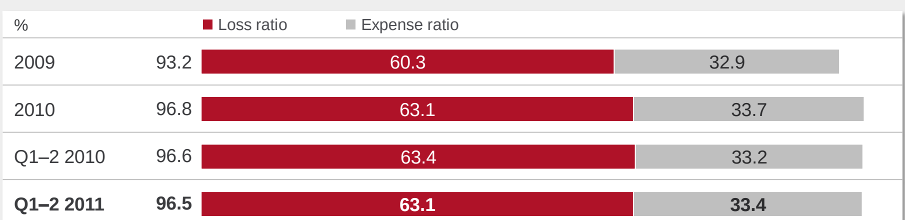
€m	Q1–2 2011	Q1–2 2010
Gross premiums written	**1,221**	1,161
Technical result	**–34**	–36
Consolidated result	**3**	–16
Combined ratio (%)	**106.4**	105.4

- Significant improvements in Poland start to take effect …
- … while situation in Turkey and Korea remains difficult – especially in motor; measures for improvement initiated

Primary insurance – Property-casualty – Combined ratio

Stable combined ratio – With diverging underlying trend

Munich RE



- Lower effect from weather-related losses (in 2010: Winter Storm Xynthia and severe winter as well as flood in Poland)
- However, higher claims and costs especially in the international motor business (Turkey, Korea)

Agenda

Munich RE

Overview

Financial reporting Q1–2 2011

Munich Re (Group)

Primary insurance

Munich Health

Reinsurance

Outlook

Backup

Munich Health – Premium development

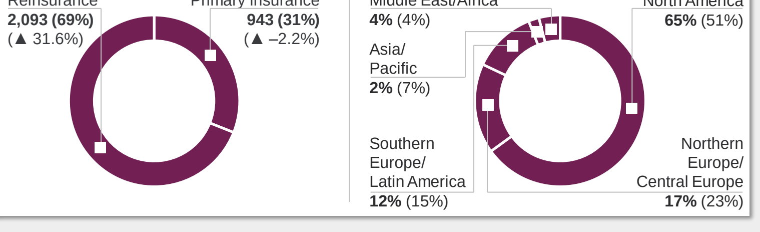
Large-volume deals and Windsor acquisition driving significant premium increase

Munich RE

€m	
Gross premiums written Q1–2 2010	2,555
Foreign-exchange effects	–11
Divestment/ Investment	155
Organic change	337
Gross premiums written Q1–2 2011	**3,036**

- Negative currency effects, especially Can$ and US$
- Windsor acquisition: First-time consolidation as from Q1 2011
- Organic growth owing to large-volume deals in North America

Breakdown by segment
(segmental, not consolidated)

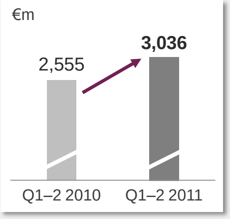


Munich Health – Key figures

Munich Health

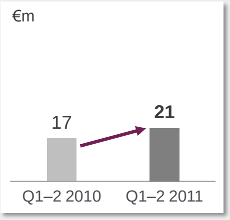
Munich RE

Gross premiums written



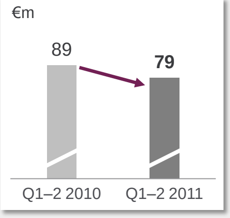
Large-volume deals and acquisition of Windsor Health Group

Technical result



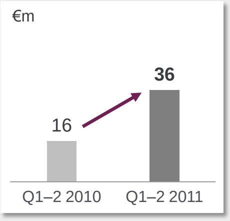
Positive effects from business portfolio consolidation and large-volume deals

Investment result



Several counter-vailing effects leading to a small reduction

Consolidated result



Increased operating result and positive contribution from foreign exchange

Agenda

Munich RE

Overview

Financial reporting Q1–2 2011

Munich Re (Group)

Primary insurance

Munich Health

Reinsurance

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Reinsurance – Premium development

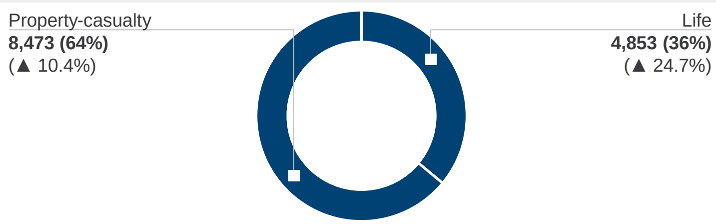
Strong increase driven by organic growth

Munich RE

€m	
Gross premiums written Q1–2 2010	11,567
Foreign-exchange effects	–161
Divestment/ Investment	–
Organic change	1,920
Gross premiums written Q1–2 2011	**13,326**

- Negative FX effect (mainly US$)
- **Property-casualty**: Organic growth mainly in motor, fire and solvency-related deals
- **Life**: Organic growth owing to large-volume deals

Breakdown by segment
(segmental, not consolidated)

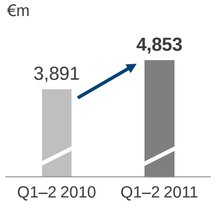


Reinsurance – Key figures

Life reinsurance

Munich RE

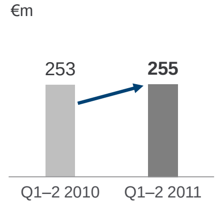
Gross premiums written



Strong growth owing to large-volume deals

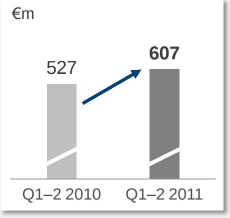
Only small positive FX contribution (mainly Au$ and Can$)

Technical result



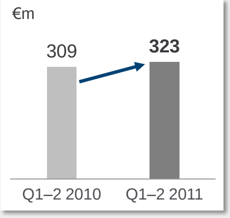
Higher claims experience compensated by large-volume deals with positive bottom-line impact

Investment result



Increase in regular income from higher deposits retained on assumed business following large-volume deals

Consolidated result



Stable operating result, positive contribution from foreign exchange, increase in tax expenses

Reinsurance – Key figures

Reinsurance property-casualty

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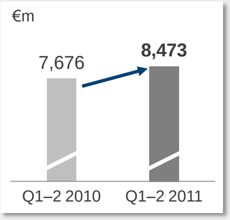
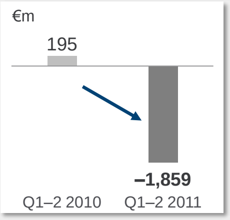
Gross premiums written



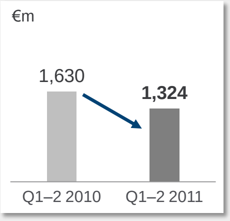
- Premium increase from organic growth (especially in motor, fire and solvency-related deals)
- Negative FX contribution from US$

Technical result



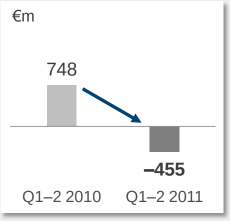
- Negative result from exceptionally high nat cat losses
- Basic claims remain at a good, profitable level

Investment result



- Lower disposal gains partly compensated for by the impact of insurance risk transfer to the capital markets

Consolidated result

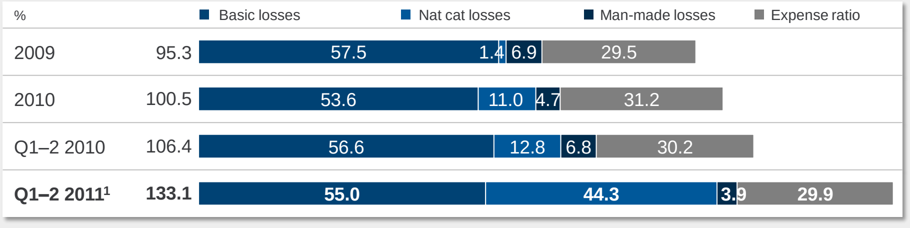


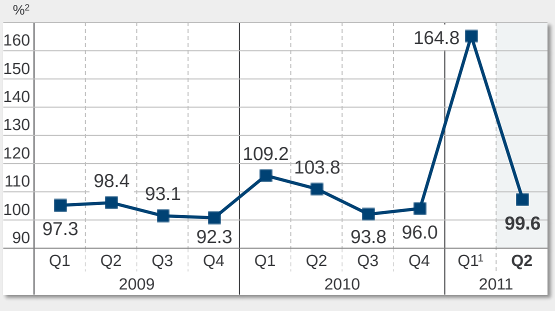
- High nat cat losses and lower investment result, only partly mitigated by currency gains and tax relief

Reinsurance – Property-casualty – Combined ratio

Combined ratio reflects high nat cat losses in Q1–2 2011

Munich RE





- Major losses in Q1–2 2011 (€3,656m) well above 5-year average (€1,421m)
- Nat cat losses in Q1–2 2011 (€3,358m) significantly exceed 5-year average (€1,092m)
- Moderate man-made losses of €298m in Q1–2 2011; slightly below 5-year average (€329m)
- No major impact from reserve changes

[1] Before insurance risk transfer to the capital markets.
[2] Including overhead costs.

Reinsurance – Natural catastrophes January–June 2011

Accumulation of extreme natural catastrophes at the start of the year

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Natural catastrophes January–June 2011 – Number of events: ~360

Severe weather, tornados
USA, 22–28 April

Severe weather, tornados
USA, 20–25 May

Wildland fires
USA, May–June

Landslides, flash floods
Brazil, 12/16 January

Floods, flash floods, Australia
Dec. 2010–Jan. 2011

Earthquakes, tsunami
Japan, 11 March

Cyclone Yasi
Australia, 2 February

Earthquakes
New Zealand, 13 June

Earthquakes
New Zealand, 22 February

- **Natural catastrophes**
- **Major loss events**
- **Geophysical events** (Earthquakes, tsunamis, volcanic eruptions)
- **Meteorological events** (Windstorms)
- **Hydrological events** (Floods, mass movements)
- **Climatological events** (Temperature extremes, droughts, wildland fires)

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Reinsurance – Major nat cat losses

Changes in recent major nat cat claims estimates

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Changes for recent nat cat losses in Q2 2011

Incident	Change in Q2	New loss estimate[1]
Earthquake Japan	–	€1,500m
Earthquake Christchurch New Zealand	+€260m	€1,000m
Weather-related events Australia	–€110m	€520m

Current status

Earthquake Japan (Q1 2011)
Large portion of residential losses already settled – still uncertain situation in the industrial portfolio

Earthquake New Zealand (Q1 2011)
Increased loss estimate based on updated client estimates – still high uncertainty with many losses in the so-called red zone, which is not accessible for loss adjusters

Weather-related events Australia (Q4 2010 and Q1 2011)
Reduced loss estimates following progress in claims handling our clients' – remaining uncertainty very low

Loss estimates becoming more reliable as our clients' claims handling progresses

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

Reinsurance – Major nat cat losses

Nat cat losses in Q2 – High tornado activity in the USA and another earthquake in New Zealand

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Nat cat losses in Q2 2011

Incident	Loss[1]
Severe storms/ tornados USA	€210m
Earthquake Christchurch New Zealand	€60m
Other	€20m
Total	**€290m**

Key issues

Severe storms/tornados USA (April/May)

- Weather-related natural catastrophes can largely be explained by the La Niña phenomenon
- Overall loss amount in line with our model expectations

Earthquake New Zealand (June)

- Caused incremental damage and loss, but no significant deterioration as regards undamaged buildings from the February event
- Sequence of earthquakes delaying the reconstruction and recovery process
- Shocks in New Zealand not linked to Japanese earthquake

[1] Rounded numbers.

Reinsurance – July renewal

Strict portfolio and cycle management – Shift towards nat cat property and XL

Munich RE

Market environment

- Original rates rather stable
- Sufficient reinsurance capacity available, but not at any price, especially for nat cat
- Significant increase in nat cat prices – Extent differs by region and severity of nat cat losses experienced
- Overall, competitive market environment in property non-nat-cat, casualty and marine

Munich Re portfolio

- €1.6bn was up for renewal
- Main markets: Australia/New Zealand, Latin America, USA and global clients business
- Total volume split: ~25% property nat cat, ~30% property non-nat-cat, 30% casualty
- Only minor renewal for marine, credit and aviation

VOLUME

- Significant premium increase of 10% mainly driven by property nat cat
- Nat cat portion increases to ~30%
- Volume of casualty, marine and aviation almost stable

PRICE

- Substantial increase in portfolio quality
- Price increase driven by XL business, in particular nat cat, whereas proportional business remains flat
- Provision of nat cat capacity subject to adequate prices

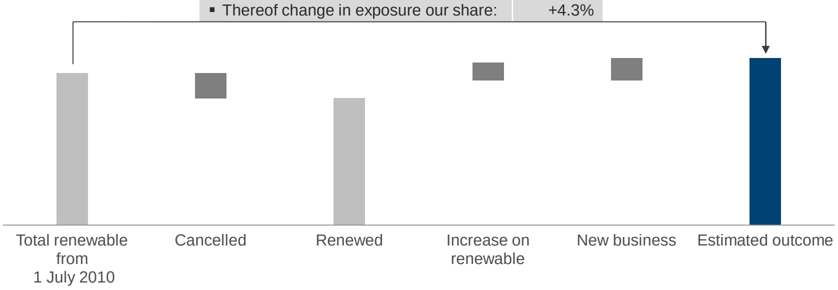
Reinsurance – July renewal

Price and exposure increase mainly the result of nat cat business expansion

Munich RE

	Total renewable from 1 July 2010	Cancelled	Renewed	Increase on renewable	New business	Estimated outcome
%	100	–16.3	83.7	11.7	14.6	**110.0**
€m	1,628	–265	1,363	190	238	**1,791**

Change in premium:	**+10.0%**
▪ Thereof price change:	+5.7%
▪ Thereof change in exposure our share:	+4.3%



Overall, clearly improved nat cat profitability and increase in portfolio quality

Reinsurance – July renewal

Strict bottom-line approach: Expected significant nat cat price increase achieved, unprofitable business reduced

Munich RE

Property nat cat

USA	▪ ~10% price increase, mainly driven by new RMS version and partly by tornado activity ▪ Higher price increases rather for East Coast than for nationwide exposure ▪ Capacity still plentiful, but not at any price
Latin America/ Caribbean	▪ Price increases ~10% ▪ New innovative cover with Mexican government
Australia/ New Zealand	▪ Significant price increases from 40% to 50% ▪ Significant share increases for Munich Re boost premium volume, especially in Australia
Japan	▪ Price increase for earthquake covers of more than 50%, in combination with wind and flood ~40%

Property non-nat-cat

Overall, prices bottom out in all regions

USA
Flat to marginally increasing

Latin America
Slight reduction of commissions (up to –2%) achieved

Australia/New Zealand
Commission decrease/increase depended on loss experience/event limits

Casualty

- Still competitive market environment
- Active portfolio management necessary to preserve profitability (e.g. reduction of US exposure)
- Munich Re remains market leader for complex liability solutions
- First signs of improvement apparent

Agenda

Munich RE

Overview

Financial reporting Q1–2 2011
- Munich Re (Group)
- Primary insurance
- Munich Health
- Reinsurance

Outlook

Backup

Outlook

Munich Re's integrated business model – Diversification enhancing earnings resilience

Munich RE

Munich Re (Group)

Gross premiums written	Return on investment	Profit
€48–50bn (prev. €47–49bn)	Slightly below 4%	Still aiming for positive annual result 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 ~€26bn (prev. €25–26bn)	**Gross premiums written** €17–18bn	**Gross premiums written** ~€6bn

Agenda – Backup

Additional highlights Q1–2 2011	36
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Backup: Additional information

Capital repatriation since 2005

€m	2005	2006	2007	2008	2009	2010	**2011**	**Total**
Share buy-backs		250	2,303	1,387	406	1,300	350	**5,996**
Dividend	707	988	1,124	1,073	1,072	1,110		**6,074**
Total amounts	**707**	**1,238**	**3,427**	**2,460**	**1,478**	**2,410**	**350**	**12,070**

Backup: Additional highlights Q1–2 2011

Segmental results

Munich RE

€m — Q1–2 2010 / **Q1–2 2011**

	Operating result Q1–2 2010	Operating result Q1–2 2011	Consolidated result Q1–2 2010	Consolidated result Q1–2 2011
Reinsurance Life	509	**508**	309	**323**
Reinsurance Property-casualty	1,188	**–1,187**	748	**–455**
Reinsurance Subtotal	1,697	**–679**	1,057	**–132**
Primary insurance Life	196	**36**	131	**–11**
Primary insurance Health	80	**91**	49	**46**
Primary insurance Property-casualty	351	**512**	113	**323**
Primary insurance Subtotal	627	**639**	293	**358**
Munich Health	60	**65**	16	**36**
Munich Re[1]	2,218	**–437**	1,194	**–210**

[1] Operating result Q1–2 2011 including asset management (€37m, Q1–2 2010 €49m) and consolidation (–€499m, Q1–2 2010 –€215m). Consolidated result Q1–2 2011 including asset management (€14m, Q1–2 2010 €31m) and consolidation (–€486m, Q1–2 2010 –€203m).

Agenda – Backup

Munich RE

Additional highlights Q1–2 2011

Investments

Shareholder information

Backup: Investments and investment result – Investment result – Regular income

Breakdown of regular income

Munich RE

Investment result – Regular income (€m)	Q1–2 2011	Q1–2 2010	Change
Afs fixed-interest	**2,167**	2,187	–20
Afs non-fixed-interest	**214**	176	38
Derivatives	**139**	115	24
Loans	**1,072**	1,048	24
Real estate	**183**	165	18
Deposits retained on assumed reinsurance and other investments	**219**	182	37
Other	**63**	45	18
Total regular income	**4,057**	3,918	139

Main effects in Q1–2 2011

- Regular income higher due to larger dividend payments and increase in deposits retained on assumed reinsurance
- Reinvestment rate slightly improved

Backup: Investments and investment result – Investment result – Write-ups/write-downs

Breakdown of write-ups/write-downs

Munich RE

Investment result – Write-ups/write-downs (€m)	Q1–2 2011	Q1–2 2010	Change
Afs fixed-interest	**–640**	10	–650
Afs non-fixed-interest	**–99**	–76	–23
Derivatives	**26**	397	–371
Loans	**–25**	15	–40
Real estate	**–60**	–59	–1
Other	**–8**	17	–25
Total net write-ups/write-downs	**–806**	304	–1,110

Main effects in Q1–2 2011

- Afs fixed-interest: Write-down on Greek government bonds
- Afs non-fixed-interest: Some write-downs on equities due to lower level of stock markets
- Derivatives: Negative impact of rising interest rates on swaptions
- Write-ups on derivatives as a result of insurance risk transfer to the capital markets

Backup: Investments and investment result – Investment result – Net result from disposal of investments

Breakdown of net result from disposals

Munich RE

Investment result – Net result from disposal of investments (€m)	Q1–2 2011	Q1–2 2010	Change
Afs fixed-interest	**316**	744	–428
Afs non-fixed-interest	**479**	310	169
Derivatives	**–504**	–136	–368
Loans	**47**	32	15
Real estate	**51**	51	–
Other	**251**	46	205
Total net realised gains	**640**	1,047	–407

Main effects in Q1–2 2011

- Afs fixed-interest: Investment gains on corporate and government bonds at relatively low interest rate level only partially compensate for high previous-year gains on corporate bonds
- Afs non-fixed-interest: Higher disposal gains from equities
- Losses realised on interest rate and equity derivatives
- Positive result from disposal of real estate participation contributes to "other" investments gains

Backup: Investments and investment result – Investment result

Return on investment by asset class and segment

Munich RE

%[1]	Regular income	Write-ups/ write-downs	Gains/ losses on disposal	Other income/ expenses	Total RoI	Average market value in €m
Afs fixed-interest	4.0	–1.2	0.6	0.0	**3.4**	109,469
Afs non-fixed-interest	4.3	–2.0	9.6	0.0	**11.9**	9,994
Derivatives	28.2	5.3	–102.3	–0.2	**–69.0**	986
Loans	4.3	–0.1	0.2	0.0	**4.4**	50,097
Real estate	6.7	–2.2	1.8	0.0	**6.3**	5,550
Other[2]	3.0	–0.1	2.7	–4.5	**1.1**	18,585
Total[3]	**4.2**	**–0.8**	**0.6**	**–0.4**	**3.6**	**194,681**
Reinsurance	4.0	0.1	0.7	–0.4	**4.4**	73,547
Primary insurance	4.4	–1.4	0.6	–0.5	**3.1**	116,459
Munich Health	3.5	–0.4	0.3	–0.3	**3.1**	3,704

Main effects in Q1–2 2011

- RoI at Group level 3.3% if adjusted for impact of insurance risk transfer to the capital markets
- Reinsurance: Disposal gains on equities and losses on derivatives, partly mitigated by gains from insurance risk transfer to the capital markets
- Primary insurance: Compared with reinsurance, higher running yield (longer investment duration); write-down on Greek bonds and swaptions; disposal gain from sale of real estate participation
- Total return decreases to 2.0% (Q1–2 2010: 8.7%); negative impact due to decreased valuation reserves (Δ –€1,512m) mainly from fixed-interest securities and loans as a result of increasing short-term yields and losses on market values in peripheral European government bonds

1 Annualised. 2 Including management expenses. 3 Reinsurance, primary insurance and Munich Health do not add up to total amount; difference relates to the segment "asset management".

Backup: Investments and investment result – Total investment portfolio

Investment structure

Munich RE

Investment structure by asset class (market values)

	€bn	Land and buildings %	Loans %	Fixed-interest securities[1] %	Shares, equity funds and participating interests %	Miscellaneous[2] %
31.12.2007	177	3.1	19.4	54.0	13.7	9.8
31.12.2008	177	3.0	23.2	61.7	3.5	8.6
31.12.2009	185	3.0	25.9	60.0	2.8	8.3
31.12.2010	196	2.9	25.7	57.7	4.0	9.7
31.3.2011	191	3.0	25.8	56.5	4.5	10.2
30.6.2011	**196**	**2.7**	**25.7**	**55.9**	**4.0**[3]	**11.7**
30.6.2011 (€bn)	**196**	**5.3**	**50.4**	**109.7**	**7.9**	**23.0**

[1] Categories "available for sale", "held to maturity" and "at fair value".
[2] Deposits retained on assumed reinsurance, investments for unit-linked life, deposits with banks, investment funds (bond, property) and derivatives held for trading with non-fixed interest underlying.
[3] After taking equity derivatives into account: 3.5%.

Backup: Investments and investment result – Fixed-income portfolio

Credit portfolio

Munich RE

Rating classification of fixed-income portfolio[1]

%	AAA	AA	A	BBB	BB	B and worse	NR	Total
Government/ Semi-government	52	35	7	4	1	1	0	**100**
Pfandbriefe/ Covered bonds	82	17	0	1	–	–	0	**100**
Banks	3	14	40	4	2	2	35[2]	**100**
Corporates	1	11	39	43	5	0	1	**100**
Structured products	68	14	15	2	0	0	1	**100**
Loans to policyholders/ Mortgage loans	–	–	–	–	–	–	100	**100**
Total	**51**	**23**	**11**	**6**	**1**	**1**	**7**	**100**

[1] Economic view – not fully comparable with IFRS figures.
[2] Including cash positions and shares in funds which are not rated. As at 30 June 2011.

Backup: Investments and investment result – Fixed-income portfolio

Approx. 63% invested in eurozone, digestible exposure to “EUR umbrella” sovereigns

Munich RE

Geographic classification of fixed-income portfolio[1]

%	Germany	France	Spain	Italy	UK	"EUR Umbrella[2]"	Other Europe	USA	Canada	Rest of World
Government/ Semi-government	32	6	3	7	5	4	15	14	7	7
Pfandbriefe/ Covered bonds	42	15	9	1	7	3	23	0	0	0
Banks	44	2	1	1	6	2	12	22	1	9
Corporates	3	8	2	2	7	2	18	46	5	7
Structured products	3	1	3	8	9	10	10	54	1	1
Loans to policyholders/ Mortgage loans	99	–	0	–	–	0	0	0	0	1
Total	35	8	4	4	6	3	16	15	4	5

[1] Economic view – not fully comparable with IFRS figures.
[2] Portugal, Ireland and Greece. As at 30 June 2011.

Backup: Investments and investment result – Fixed-income portfolio

Maturity structure

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Maturity structure of fixed-income portfolio[1]

%	Remaining time to maturity							
	0–1 year	1–3 years	3–5 years	5–7 years	7–10 years	>10 years	n.a.	**Total**
Government/ Semi-government	10	15	17	12	16	30	0	**100**
Pfandbriefe/ Covered bonds	2	11	12	14	20	41	–	**100**
Banks	15	7	7	16	12	5	38	**100**
Corporates	6	23	21	20	17	13	0	**100**
Structured products	23	42	20	9	5	1	0	**100**
Loans to policyholders/ Mortgage loans	6	18	21	14	24	15	2	**100**
Total	**8**	**15**	**15**	**14**	**16**	**28**	**4**	**100**

[1] Economic view – not fully comparable with IFRS figures.
As at 30 June 2011.

Backup: Investments and investment result – Fixed-income portfolio

Bank exposure

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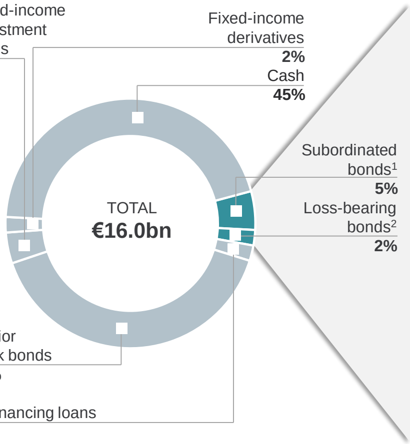
BANKS Split by investment category



BANKS Subordinated and loss-bearing exposure by country

Country	Market values €m (as at 30.6.2010) Total	Sub-ordinated bonds	Loss-bearing bonds
Germany	585	349	236
USA	273	242	31
Italy	83	71	12
UK	75	46	29
Austria	54	33	21
Other	127	71	56
Total market values	**1,197**	**812**	**385**

[1] Classified as lower Tier 2 and Tier 3 capital for solvency purposes.
[2] Classified as Tier 1 and upper Tier 2 capital for solvency purposes.
Economic view – not fully comparable with IFRS figures. As at 30 June 2011.

Backup: Investments and investment result – Fixed-income portfolio

Corporate bonds

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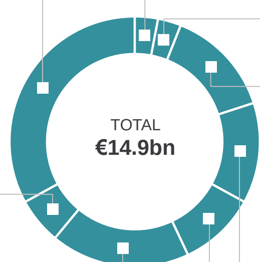
Corporate bonds: Sectoral split[1]



[1] Economic view – not fully comparable with IFRS figures. As at 30 June 2011.

Backup: Investments and investment result – Fixed-income portfolio

Structured products

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Structured products portfolio (at market values): Split by rating and region

€m		AAA	AA	A	BBB	<BBB	NR	USA + RoW	Europe	Total	Market-to-par value
ABS	Consumer-related ABS[1]	492	114	208	14	2	0	390	440	830	**99%**
	Corporate-related ABS[2]	234	194	85	38	4	–	1	554	555	**96%**
	Subprime HEL	7	3	20	7	2	–	39	–	39	**98%**
CDO/ CLN	Subprime-related	–	–	–	–	1	0	–	1	1	**1%**
	Non-subprime-related	69	23	49	2	0	38	10	171	181	**82%**
MBS	Agency	2,190	87	–	–	–	–	2,277	–	2,277	**100%**
	Non-agency prime	515	91	164	58	0	–	52	776	828	**98%**
	Non-agency other (not subprime)	169	94	30	0	3	–	86	210	296	**94%**
	Commercial MBS	644	291	366	13	6	–	647	673	1,320	**99%**
	Total 30.6.2011	4,320	897	922	132	18	38	3,502	2,825	6,327	**97%**
	In %	68%	14%	15%	2%	0%	1%	**55%**	**45%**	**100%**	
	Total 31.12.2010	4,759	684	445	94	13	78	3,690	2,383	6,073	96%

1 Consumer loans, auto, credit cards, student loans.
2 Asset-backed CPs, business and corporate loans, commercial equipment.
As at 30 June 2011.

Backup: Investments and investment result

Sensitivities to interest rates, spreads and equity markets

Munich RE

Sensitivity to risk-free interest rates – Basis points	–100	–50	+100	+200
Change in gross market value (€bn)	+10.8	+5.2	–9.3	–17.0
Change in on-balance-sheet reserves, net (€bn)[1]	+2.8	+1.4	–2.5	–4.7
Change in off-balance-sheet reserves, net (€bn)[1]	+0.6	+0.3	–0.5	–0.9
P&L impact (€bn)[1]	–0.1	–0.0	+0.1	+0.2

Sensitivity to spreads[2] (change in basis points)	+100	+200
Change in gross market value (€bn)	–6.9	–12.7
Change in on-balance-sheet reserves, net (€bn)[1]	–1.4	–2.6
Change in off-balance-sheet reserves, net (€bn)[1]	–0.4	–0.7
P&L impact (€bn)[1]	–0.0	–0.1

Sensitivity to equity markets[3]	–30%	–10%	+10%	+30%
EURO STOXX 50 (2,849 as at 30.6.2011)	**1,994**	**2,564**	**3,134**	**3,704**
Change in gross market value (€bn)	–2.4	–0.8	+0.8	+2.4
Change in on-balance-sheet reserves, net (€bn)[1]	–0.6	–0.3	+0.6	+1.7
Change in off-balance-sheet reserves, net (€bn)[1]	–0.3	–0.1	+0.1	+0.3
P&L impact (€bn)[1]	–1.1	–0.3	+0.0	+0.0

1 Rough calculation with limited reliability assuming unchanged portfolio as at 30 June 2011. After rough estimation of policyholder participation and deferred tax; linearity of relations cannot be assumed. Economic view – not fully comparable with IFRS figures.
2 Sensitivities to changes of spreads are calculated for every category of fixed-interest securities, except government securities with AAA ratings.
3 Worst-case scenario assumed: impairment as soon as market value is below acquisition cost.

Backup: Investments and investment result – Investment result – On- and off-balance-sheet reserves

Unrealised gains/losses on securities (afs) and off-balance-sheet reserves

Munich RE

On-balance-sheet reserves on afs securities

€m	
Gross unrealised gains and losses	3,024
Provision for deferred premium refunds	–195
Deferred taxes	–570
Minority interests	–7
Effects from consolidation and currency	59
Shareholders' stake 30.6.2011	**2,311**

Off-balance-sheet reserves[1]

€m	
Off-balance-sheet reserves 30.6.2011	**2,594**
Provision for deferred premium refunds	–1,360
Deferred taxes	–340
Minority interests	–
Shareholders' stake 30.6.2011	**894**

[1] Excluding reserves on owner-occupied properties.

Backup: Investments and investment result – Investment result – On- and off-balance-sheet reserves

On- and off-balance-sheet reserves by asset class

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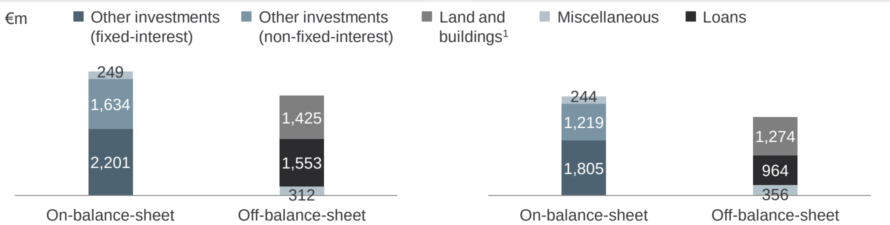
31.12.2010 | 30.6.2011



Total €7,374m | **Total €5,862m**

	31.12.2010
Unrealised gains and losses – gross	**7,374[2]**
./. Provision for deferred premium refunds	2,399
./. Deferred taxes	1,040
./. Effects from consolidation and currency	–
./. Minority interests	11
Unrealised gains and losses – net	**3,924**

	30.6.2011
Unrealised gains and losses – gross	**5,862[3]**
./. Provision for deferred premium refunds	1,585
./. Deferred taxes	913
./. Effects from consolidation and currency	–57
./. Minority interests	7
Unrealised gains and losses – net	**3,414**

[1] Excluding reserves for owner-occupied properties.
[2] Including unrealised gains/losses from valuation at equity, unconsolidated affiliated enterprises and cash flow hedging of €249m and off-balance-sheet valuation reserves of €311m for affiliated companies.
[3] Including unrealised gains/losses from valuation at equity, unconsolidated affiliated enterprises and cash flow hedging of €244m and off-balance-sheet valuation reserves of €352m for affiliated companies.

Agenda – Backup

Munich RE

Additional highlights Q1–2 2011

Investments

Shareholder information

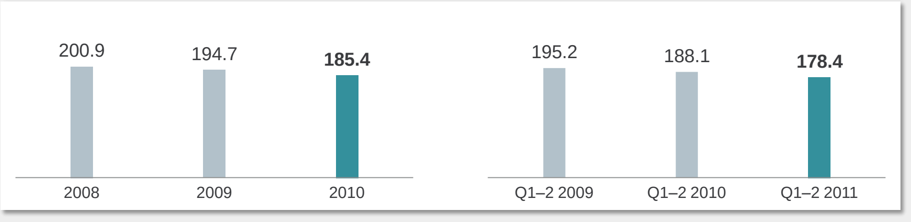
Backup: Shareholder information

Development of shares in circulation

Munich RE

Shares million	31.12.2010	Acquisition of own shares in Q1–2 2011	Retirement of own shares in Q1–2 2011	30.6.2011
Shares in circulation	180.4	2.8	–	177.6
Own shares held	8.1	2.8	9.2	1.7
Total	**188.5**	**–**	**9.2**	**179.3**

Weighted average number of shares in circulation



Appendix

Financial calendar

Munich RE

Financial calendar

11–13 September 2011	Les Rendez-Vous de Septembre, Monte Carlo
5 October 2011	Bank of America Merrill Lynch "Annual Banking & Insurance CEO Conference", London
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, London
26 April 2012	Annual General Meeting, Munich

Appendix

For information, please contact

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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.