

Munich Re Group

Annual Press Conference 2009

Preliminary figures

Continuing a solid path

Nikolaus von Bomhard
Jörg Schneider
Torsten Oletzky
Torsten Jeworrek

3 March 2009



Münchener Rück
Munich Re Group



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Continuing a solid path

2008 financial year and outlook

A challenging environment – our solid path is proving its worth

2008 result €1.5bn – satisfactory against the background of the crisis
Forward-looking risk management is paying off

Shareholders' funds €21.3bn as at the end of 2008 – unchanged in Q4
Capital levels permit payment of an unchanged dividend of €5.50 per share

Opportunities for **profitable growth** exploited, including acquisitions
Stability built on discipline in our operative business

2010 EPS target realistically not achievable in view of highly volatile market environment and recession
RORAC target of 15% over cycle maintained

Munich Re's strategy has paid off in the crisis
Capital strength enables us to take selective advantage of business opportunities

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Continuing a solid path

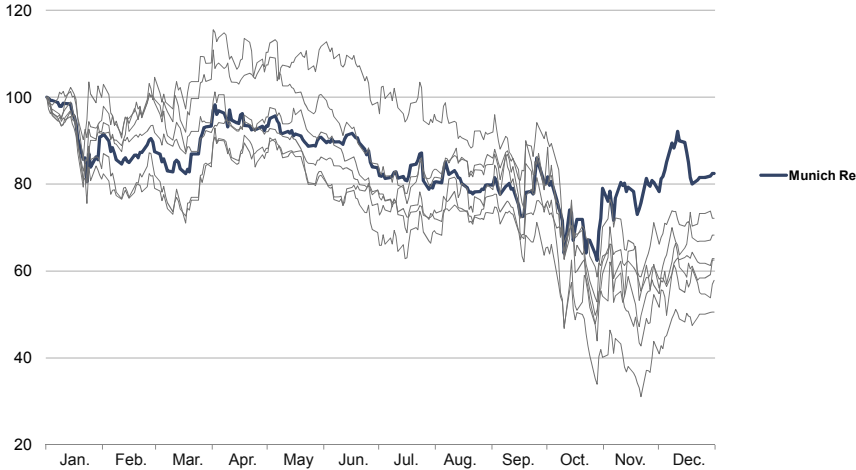


Munich Re's share price

Risk management and discipline – standing the test in the crisis

Indexed development of the share price compared to peers¹, adjusted for dividends

(1.1.2008 – 31.12.2008)



Source: Datastream
¹ Index: 1.1.2008 = 100; Peers: Allianz, AXA, Generali, Hanover Re, Swiss Re, Zurich Financial Services.

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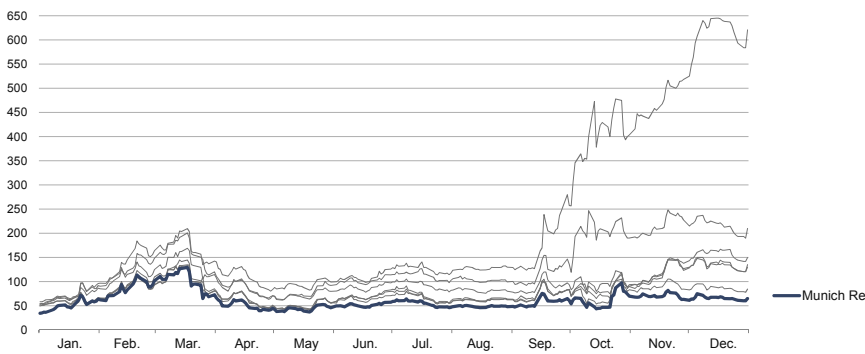
Continuing a solid path



Market for credit risks

Customers benefit from a high level of security and reliability

CDS spreads¹
 1.1.2008–31.12.2008²



Source: Datastream

The evolution of CDS spreads illustrates Munich Re's strength

Financial strength evidenced
 by low CDS spread

Forward-looking risk management
 highly valued

¹ Peers: Allianz, AXA, Generali, Hanover Re, Swiss Re, Zurich Financial Services.
² 5-year credit default swaps (spreads in basis points p.a.).

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Continuing a solid path



Business segments and M&A

Prudent strategy for profitable growth maintained

Reinsurance benefits from optimised portfolio and profitable niche business
Pioneering role reinforced by positive customer feedback

Difficult environment for **primary insurance**
However: professional underwriting, expansion of international business on track

International Health has grown to become the Group's third business segment
From a virtual structure to a new organisation

Prudent strategy for profitable growth
with the right balance between organic development, new ventures and acquisitions

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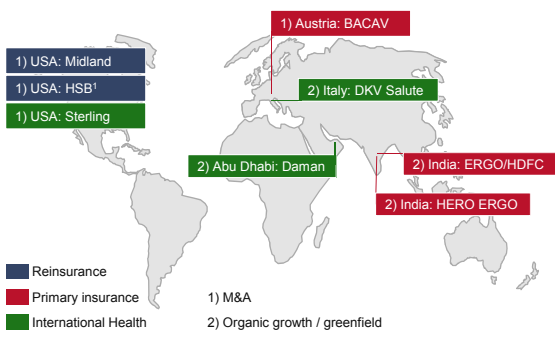
Continuing a solid path



Growth – Landscape

Organic growth and M&A opportunities form important pillars in 2007/08

Selected transactions in 2007/2008



- Leverage Munich Re's financial strength and know-how in greenfield operations
- Balanced investments in key markets
- Overall ~€2.7bn investments in external growth opportunities during 2007/08²

Continued screening of attractive opportunities for further external growth

- Clear determination of M&A strategy
- Rigorous price discipline and diligent process on financial and strategic fit of targets
- Clear focus on value generation rather than volume growth
- Improving integration track record and expertise

¹ Hartford Steam Boiler Group.
² Incl. acquisition of Hartford Steam Boiler Group for US\$742m (definite price to be determined at closing).

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Continuing a solid path



Outlook – Stability in the crisis

Our strategy has proved itself and puts us in a position to take opportunities

A satisfactory result against the background of the crisis
Solid financial strength maintained

Business segments are adapting to the difficult market environment
Strategic initiatives unchanged

Aim to achieve profitable growth in all three business segments
 Disciplined implementation of Changing Gear initiatives

Market environment opens up options
 Reinsurance cycle entering hard market phase

Agenda



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Continuing a solid path Nikolaus von Bomhard

Financial reporting 2008 Jörg Schneider

Munich Re Group total

Reinsurance segment

Primary insurance segment

Outlook

Primary insurance Torsten Oletzky

Reinsurance Torsten Jeworrek

Summary Nikolaus von Bomhard

Backup

Overview

Solid capital base maintained – despite crisis and share buy-back

Equity of €21.3bn at year-end
Stable in fourth quarter despite market upheavals

Overall return (total performance) of 2.5% on investments
Satisfactory in view of the crisis and outstanding compared with competitors

Capitalisation remains solid
Solvency ratio of 264% fully sufficient

Underwriting business with satisfactory performance
High losses in reinsurance; primary insurance with good ratios

Parameters on the global markets

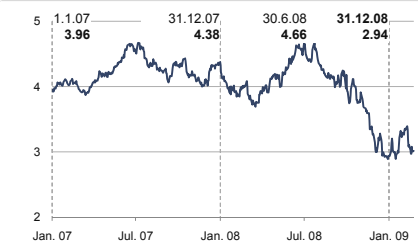
Focus on risk management

DJ EuroStoxx 50

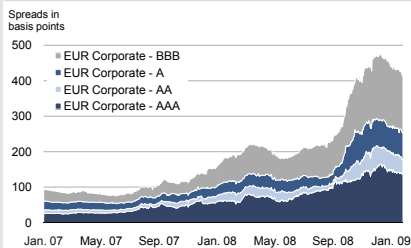


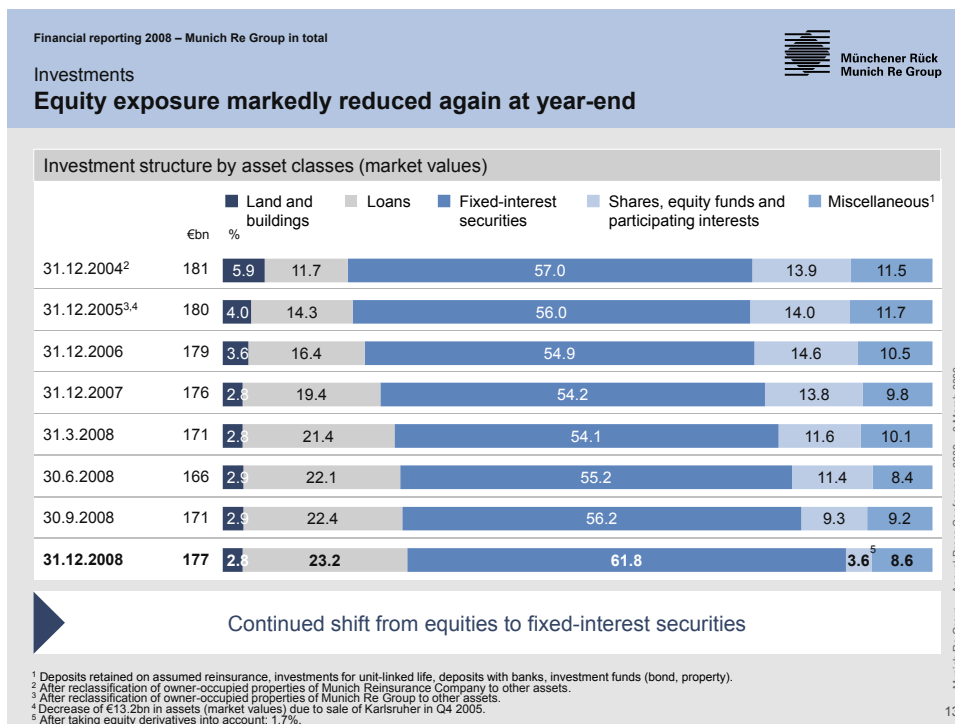
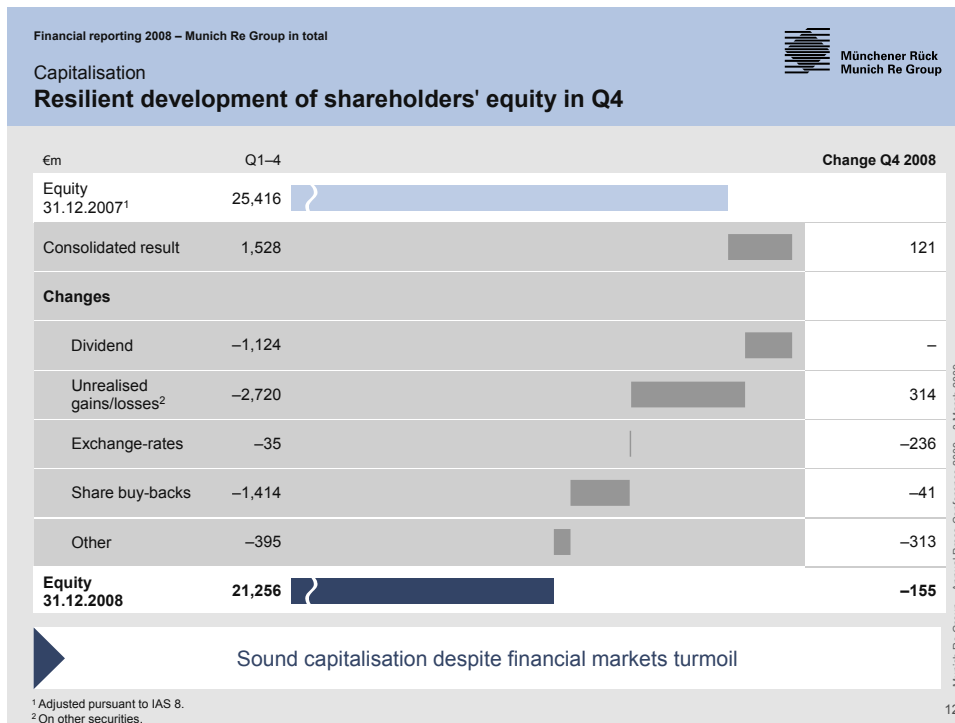
- Portfolio values and investment results impacted by heavy price losses on equities
- Low risk-free interest rates will put pressure on future investment earnings
- Advantage taken of higher spreads on corporate bonds for prudent investment

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



Spreads (corporate spreads vs. government bonds in BP)

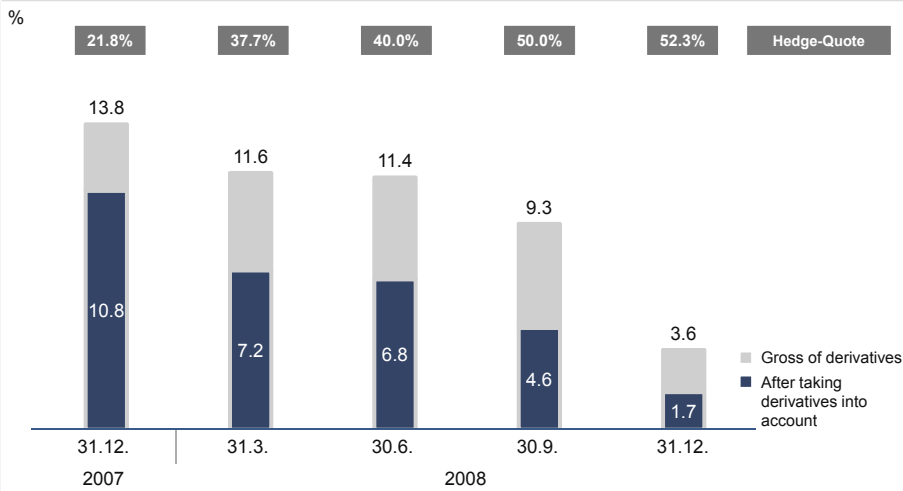




Equity exposure

Systematic reduction, with further increase in hedging

Equity-backing ratio¹ – including derivatives



¹ Proportion of investments in equities, equity funds and shareholdings to total investments – at market values.

Return on investments

Satisfactory running yield, significant write-downs

- High write-downs of €7.2bn without effect on liquidity (thereof €4.9bn on equity portfolios)
- Write-downs partially offset by write-ups of €4.3bn (thereof €4.2bn from derivatives)
- Relatively low write-downs of €478m on fixed-interest securities¹
- Net gains on disposals 0.7bn lower in 2008 – previous year benefited from high extraordinary gains on targeted disposals at high prices (equities/real estate)
- Approximately 50% of the disposals result (€1bn) was achieved in Q4 (mainly from forward sales of equities)
- Overall effect of gains and losses on disposals plus write-ups and write-downs: –€0.7bn

Therefore distinctly lower Rol of 3.4% (5.2%)

Q1–4 2008	€m	return ²
Regular income	7,838	4.6%
Other income/expenses	–1,295	–0.8%
Gains/losses on the disposal of investments	2,145	1.2%
Write-downs/write-ups of investments	–2,842	–1.6%
Investment result	5,846	3.4%³

¹ Fixed-interest available for sale securities.

² Return on quarterly weighted investments (market values) in % p.a.

³ Incl. change in on- and off-balance-sheet reserves 2.5%.

GROUP Gross premiums written			REINSURANCE Combined ratio property-casualty			PRIMARY INSURANCE Combined ratio property-casualty ¹		
€m			%			%		
2007 ²	37,256		2007	96.4		2007	93.4	
2008	37,829		2008	99.5		2008	91.2	
Acquisitions and organic growth offset FX decline in reinsurance			High volume of major losses			Good combined ratio; improved loss ratio and lower expenses		

GROUP Investment result			GROUP Operating result			GROUP Consolidated result		
€m			€m			€m		
2007 ²	9,253		2007 ²	5,057		2007 ²	3,923	
2008	5,846		2008	3,262		2008	1,528	
Higher write-downs, lower regular income and realised gains			Impacted by declining investment result and higher major losses			Overall satisfactory result 2008; €121m net profit in Q4		

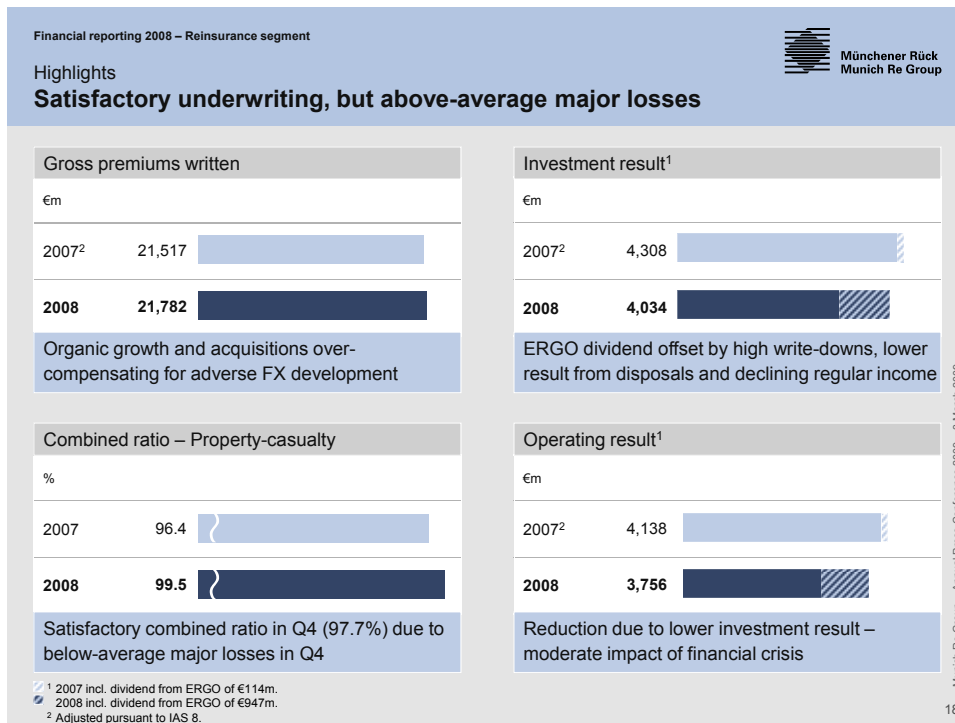
¹ Incl. legal expenses insurance.
² Adjusted pursuant to IAS 8.

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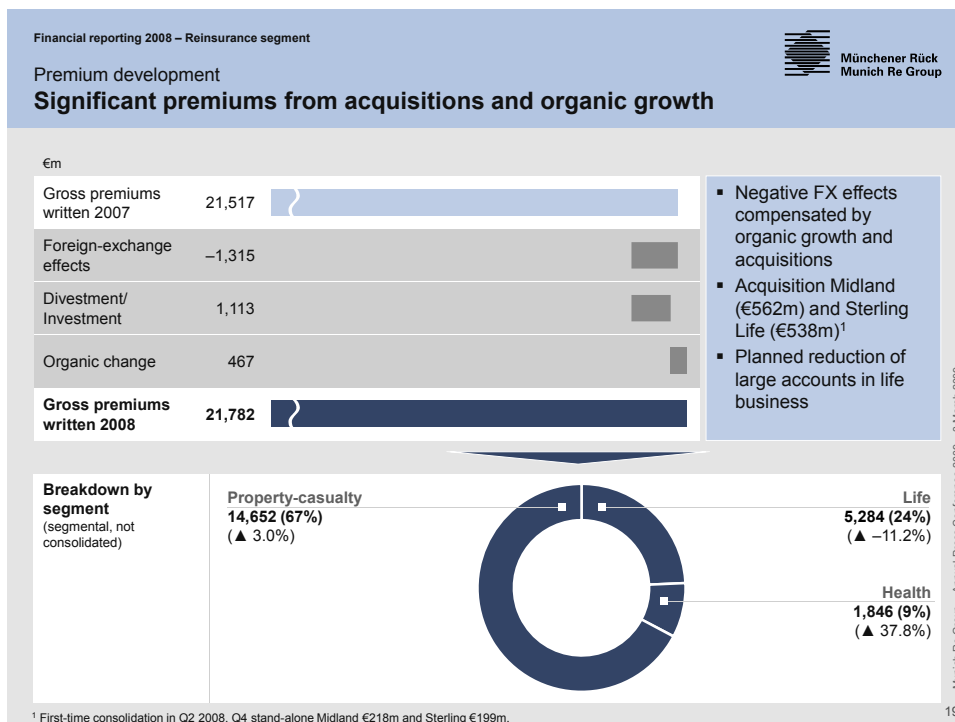
Operating result			Consolidated result		
Reinsurance life and health	1,075	ERGO dividend ¹	714	573	
Reinsurance property-casualty	3,063		2,586	1,755	
Reinsurance sub-total	4,138		3,300	2,328	
Primary insurance life and health	579		358	7	
Primary insurance property-casualty	674		626	156	
Primary insurance sub-total	1,253		984	163	
Munich Re Group²	5,057		3,923	1,528	

¹ 2007 incl. dividend from ERGO of €114m (before taxes), thereof RI life and health: €23m, RI property-casualty: €91m.
2008 incl. dividend from ERGO of €947m (before taxes), thereof RI life and health: €180m, RI property-casualty: €767m.
² Operating result 2008 including asset management (€68m, 2007 €89m) and consolidation (-€1.039m, 2007 -€423m).
Consolidated result 2008 including asset management (€36m, 2007 €60m) and consolidation (-€99m, 2007 -€421m).

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Financial reporting 2008 – Reinsurance segment



Combined ratio – Property-casualty High man-made losses

%	Loss ratio	Thereof NatCat ¹	Thereof man-made	Expense ratio
2006	92.6	64.7	1.0	27.9
2007	96.4	67.9	4.7	28.5
2008	99.5	69.6	6.2	29.9



- €832m NatCat losses within the budget of 6.5%
- Main loss burden by Hurricane Ike €485m
- €675m man-made losses above 5-year average (€503m)
- Reserve strengthening at Munich Re America for 2001 and prior years

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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Financial reporting 2008 – Primary insurance segment



Highlights

Good underwriting result in property-casualty, difficult markets

Gross premiums written	
€m	
2007	17,286
2008	17,411

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

Investment result	
€m	
2007	5,565
2008	3,043

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

Combined ratio – Property-casualty ¹	
%	
2007	93.4
2008	91.2

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

Operating result	
€m	
2007	1,253
2008	477

Good underwriting result partially balances lower investment result

¹ Incl. legal expenses insurance.

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Premium development

Organic growth in property-casualty and health

€m

Gross premiums written 2007 17,286

Foreign-exchange effects -90

Divestment/Investment 194

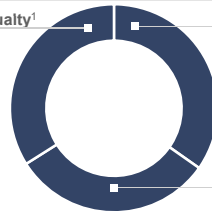
Organic change 21

Gross premiums written 2008 17,411

- Good organic development of p-c business in Eastern Europe and Turkey
- Organic growth in health; new business and premium adjustments
- Acquisition Daum Direct (€106m) and BACAV (€86m)
- Decline in life due to financial market impact and amended German Insurance Contract Act

Breakdown by segment
(segmental, not consolidated)

Property-casualty¹
5,916 (34%)
(▲ 4.9%)



Life
6,047 (35%)
(▲ -4.5%)

Health
5,448 (31%)
(▲ 2.5%)

Life statutory premiums

- IFRS premiums €6,047m (▲ -4.5%)
- Investment-oriented products €1,132m (▲ 15.0%)
- **Total** €7,179 (▲ -1.8%)

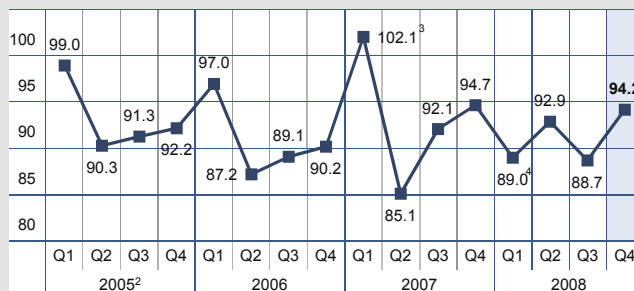
¹ Incl. legal expenses insurance.

Combined ratio – Property-casualty

Improved combined ratio compared to 2007

%	Loss ratio ¹	Expense ratio ¹
2006	90.8	55.8
2007	93.4	58.6
2008	91.2	58.2


%



- Overall favourable development in 2008 with normal fluctuations on quarterly basis
- Declining loss ratio because of lower NatCat claims in 2008
- Expense ratio improved mainly due to implemented cost initiatives

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

Outlook
Outlook 2009 reflecting high uncertainties



Reinsurance	
<p>GROSS PREMIUMS WRITTEN</p> <p>€21–22bn provided stable currency exchange rates and limited impact by economic slowdown on premiums of primary insurers</p>	<p>COMBINED RATIO</p> <p>approx. 97% (thereof NatCat 6.5%-points)</p>
Primary insurance	
<p>GROSS PREMIUMS WRITTEN</p> <p>€17.5–18.5bn</p>	<p>COMBINED RATIO</p> <p><95%</p>
Investments	
<p>Current expectation:</p> <p>Low risk-free interest rate and continued minimal equity exposure</p>	<p>Return on investment expected to (significantly) fall short of pre-crisis 4.5% guidance</p>

Focus on preservation of sound capital base
 more important than short-term maximisation of profitability

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Primary insurance

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Overview
Staying on course in challenging times

	General situation	Current developments
1 Life insurance Germany	<ul style="list-style-type: none"> Top-3 player Declining market share Important to finance sales channels 	<ul style="list-style-type: none"> Significant pressure on top line from economic and capital market conditions VBM-driven hedging programmes
2 Health insurance Germany	<ul style="list-style-type: none"> Market leader Continuous political challenge 	<ul style="list-style-type: none"> New product generation introduced Control over superior healthcare structures Customer loyalty programmes started
3 Non-life insurance Germany	<ul style="list-style-type: none"> Top-10 player Superior profitability Growth above market average 	<ul style="list-style-type: none"> Excellent results in a highly competitive market Focus on bottom-line in motor Growth in commercial/industrial
4 Cross-segment topics Germany	<ul style="list-style-type: none"> Presence in all distribution channels Strong direct business Remaining cost issues 	<ul style="list-style-type: none"> Some progress on distribution as well as on cost side Acquisition of remaining stakes in KarstadtQuelle Insurance
5 International business	<ul style="list-style-type: none"> Strong position in selected European markets Asian activities started Significant growth potential 	<ul style="list-style-type: none"> Encouraging organic growth Challenges from financial and economic crisis

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Primary insurance

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Non-life insurance Germany
Highly profitable and growing above market

Premiums slightly up ...	
€m	
2007	3,154
2008	3,192
Δ	+1.2%

... and combined ratio (net) down	
%	■ Claims ratio ■ Expense ratio
2007	91.4 58.2 33.2
2008	90.7 58.9 31.7
Δ	-0.7%-p

Pleasing development in nearly all lines

- Motor still difficult
 - ERGO prepared to lose premiums to maintain profitability
 - Lapses 5.7% below previous year's level; new business up +1.7%
 - Cooperation with BMW accelerates
- Personal accident insurance very stable
 - Tied agents with 85.8% of new business backbone of success
 - Strategic initiative to enrich products with services
- Legal expenses with improved combined ratio
 - Combined ratio at 92.2% (96.4%)
 - Evolution from pure insurer to legal services provider
- Commercial/industrial business
 - Pleasing growth (+5.2%)
 - Combined ratio 2008 at 92.0%

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Primary insurance



Life insurance Germany

New business development 2008 not satisfactory

German new business development

€m	Regular premium	Single premium	Total	APE ¹
2007	467	1,148	1,615	582
2008	464	981	1,445	562
Δ	-0.7%	-14.5%	-10.5%	-3.4%

Explanation of new business development

- Insurance contract law made sales process more complex – mainly felt in bank and multi-level channels
- Financial market crisis impacted new business, especially
 - Bank channel
 - Corporate pensions (-27%, in line with market)
- “Riester step” with positive effect

Initiative 1	Initiative 2	Initiative 3	Initiative 4	Initiative 5
Simplify and harmonise processes and systems	Enhance target group orientation in product policy	Improve transparency and customer orientation	Growth focus on investment-type products	Increase corporate pension business

¹ Annual Premium Equivalent = Regular premium + 10% of single premium.

Primary insurance



Cross-segment topics Germany

Strengthen ERGO's sales organisations

2008: Measures taken

- Revised German insurance contract law implemented
- Next generation IT system for sales staff roll-out has started (project EASY)
- Broker sales forces integrated – basis for future growth set
- Tied agents channels – number of agents stabilised

2009: Measures to be taken

- Set up bancassurance competence centre
- Enhance direct sales activities
- Stabilise multi-level network
- Increase productivity of tied-agent sales force

Business environment

- German Insurance Contract Act made sales process more complicated (mainly a life insurance issue)
- New business not much affected by financial market crisis yet – with the exception of the bancassurance channels and single premium life insurance business

Expected business environment

- Financial market crisis leads to economic downturn
- Bancassurance in Germany and Eastern Europe to be impacted
- Trusted tied agent advisors should fare better

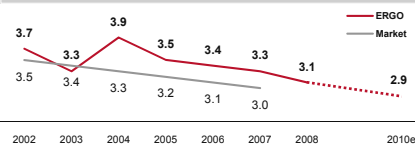
Primary insurance



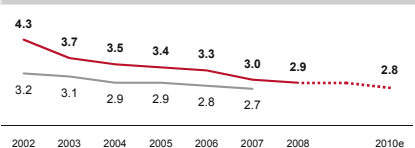
Cross-segment topics Germany

Realisation of ambitious cost-savings targets on its way

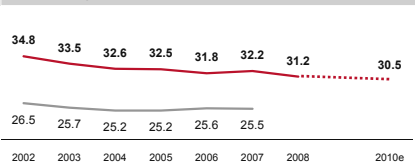
Administrative expense ratio – Life¹



Administrative expense ratio – Health¹

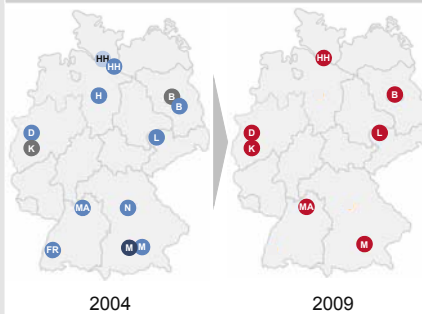


Operating expense ratio – Non-life¹



¹ Germany, gross figures German GAAP (HGB).

Consolidation of decentralised offices²



	Düsseldorf, Hamburg, Berlin, Hanover, Leipzig, Mannheim, Munich, Nuremberg	Düsseldorf, Hamburg
Life		
Health	Cologne, Düsseldorf, Berlin	Cologne, Düsseldorf, Berlin
Non-life	Düsseldorf, Hamburg, Munich, Berlin, Freiburg, Hanover, Leipzig, Mannheim, Nuremberg	Düsseldorf, Hamburg, Munich, Berlin, Leipzig, Mannheim

² Excl. KarstadtQuelle Versicherungen.

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Primary insurance



International business

Austrian activities a cornerstone for expansion in CEE region

Acquisition of Bank Austria Creditanstalt Insurance

- ERGO buys an additional 60.5% and owns now 90% of BACAV
- Deal and valuation agreed in principle in 2007. Price paid in 2008: €416.1m
- Impairment test done in 2008 – in consequence write-down of €175m due to current outlook for bancassurance business model

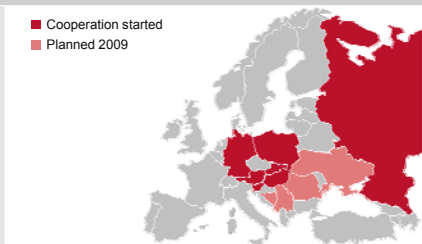
Bancassurance centre of competence in Austria

- Activities in life and non-life
- ERGO 2008 with GWP of €755m no. 3 in life insurance and with GWP of €853m no. 5 in overall market
- Set-up of single back office
 - ERGO Insurance Service for Austrian activities
 - Vienna as centre for strong bank cooperation with UniCredit and Volksbanken in Austria and CEE

Strategic cooperation and activities with UniCredit

- Exclusive cooperation in Hungary, Slovakia, Slovenia, Poland and Russia started
- Further countries planned for 2009
- Bundling of core activities as IT, investments, legal, accounting, controlling in ERGO Insurance Service GmbH in Vienna

▶ Additional extension of cooperations with Volksbanken in CEE



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Primary insurance

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Summary
Takeaways

2008 saw some setbacks ...

Life new business in Germany not satisfactory 2008 APE -3.4% vs. 2007	Results hit by financial markets crisis Net profit €92m (€782m)
--	--

... but also significant progress ...

Sales initiatives started Broker channel integrated	Progress on internationalisation Total premiums +12.5%
Capital structure improved Payout of €1bn dividend	Cost reductions on their way €180m/1,800 FTE until 2010

... and strong commitment to more progress in 2009

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Agenda

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Reinsurance  Münchener Rück
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Overview

Strict profit-orientated management – Exploiting opportunities in the crisis

Reinsurance segment

- 1 Our financial strength, clear strategic focus and organisational efficiency bolster our leading position in the reinsurance market
- 2 We thoroughly assess the impact of recession scenarios on our portfolio to identify systematic risks of change
- 3 Even greater focus on advanced underwriting and risk management to profitably steer our portfolio and reduce downside risks
- 4 We continue to capture profitable opportunities – evolving from crisis and in profitable niches

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Recession scenarios

Portfolio permanently stressed with most severe recession scenario

Diverse scenarios assumed for portfolio analysis

STRESS TEST SCENARIO Severe global economic crisis for several years	
Significantly decreasing economic prosperity	Danger of global disintegration
Deflationary trend followed by potentially strong inflation	Growing concerns on illiquidity of states
Severe unemployment	Very large number of bankruptcies
Low oil price due to lower investments and consumption	Long-lasting, massive loss of confidence

▶ Proactive measure to ensure successful underwriting and portfolio steering

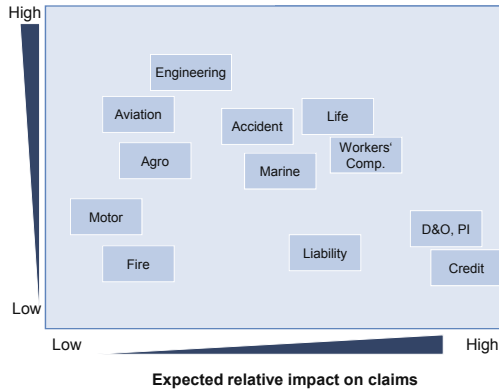
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Sensitivity of premium volume and claims varies by line of business

Impact of severe recession scenario on reinsurance portfolio

Illustrative

Expected relative impact on premium volume

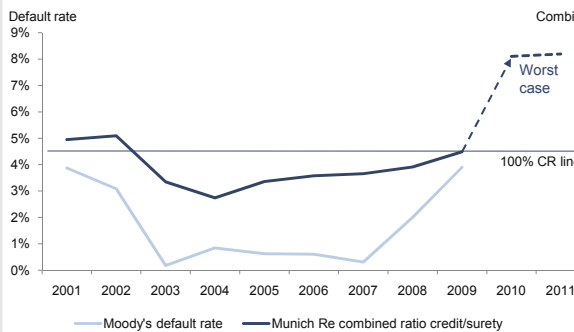


- Workers' Comp.:** Higher number of midsize losses succeeding lay offs and decline in premiums
- Liability:** Lower investments, fewer quality controls and low cost components in production lead to higher claims
- D&O and PI:** Increase in loss frequency at early stage of recession, hardening of market with time lag
- Motor:** Slightly positive effect on loss ratios, but possibly decrease in demand
- Fire:** Decline in claims due to higher discipline, demand dependent on economy
- Engineering:** Declining premiums as consequence of reduced activities in building sector, claims ambiguous
- Accident:** Reduction in premiums, moderate increase of loss ratio due to moral hazard
- Marine:** Declining premiums due to lower shipping volume possibly moral hazard claims
- Credit:** Significant increase of losses due to higher default rates; higher rates
- Aviation:** Demand will decrease due to less passengers
- Agro:** With stable rates, insured values depending on commodity prices
- Life:** Reduced volume, higher lapse rates, lower investment results, more suicides and disability claims

➤ Closer monitoring required for lines with high vulnerability from crisis

Extensive measures taken to limit downsides

Worst case potentially induces an abrupt rise in combined ratio



- In worst case scenario, overall default rate expected to exceed 8%
- Combined ratio to rise up to 180% in worst case
- Development can be highly influenced by taking early measures

Munich Re measures

Implementation of higher technical prices in insurance and reinsurance

Setting of risk-adequate limits together with cedants

Active cancellation enabled by short-term nature

No expansion of market shares

Reduction of exposure in selected markets, e.g. Brazil, Spain

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Capturing opportunities
Increase in requests for surplus relief and regulatory capital deals

Drivers of demand

Investment losses and decreased capital base

Higher risk exposure and risk capital needs

➔

Demand for surplus relief increased, in addition capital market currently with limited capacity

Reinsurance solutions provide advantages

Capacity with high security

Immediate risk capital relief

Specific requirements can be addressed in tailor-made transactions

Risk appetite for transactions reflected in underwriting policy

Focus on transactions with transfer of insurance risks

Limit transactions with significant credit risk

Caution with outflow of liquidity

Avoidance of risks highly correlated to recession

➔ **Focused and differentiated capture of opportunities in life and non-life reinsurance**

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Munich Re Group

Market position Munich Re
Benefiting from sound capital base and positive customer feedback

Decreased capital base in global reinsurance in 2008

Shareholder equity at year-end¹

US\$ bn

Year	Equity (US\$ bn)
2003	~180
2004	~210
2005	~220
2006	~260
2007	~290
2008e	~230 (-21%)

**Bi-annual Flaspöhrer Survey Europe (2008):
Leading position in important rating factors**


	Factor	Ranking Munich Re
Non-life	"Strong client orientation"	#1 (1)
	"Leading expertise and market knowledge"	#1 (1)
	"Underwriting capabilities"	#1 (1)
Life	"High financial value"	#1 (4)
	"Superior financial security"	#2 (4)
	"Timely service"	#2 (6)

() 2006 ranks in brackets

➔ **In a market with increased demand for surplus relief, we deliver on critical requirements of our customers**

¹ Data 2003–07 based on financial reports of 35 global reinsurance companies (incl. some primary insurance business); 2008 estimate based on external assessments of biggest 15 companies as at February 2009; development influenced by exchange rate effects.

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Reinsurance 

Outlook
Clear signs of a continued favourable reinsurance market

Outlook

- Further hardening of market expected**
as reinsurance remains a reliable capital source for insurers
- Retraction from unprofitable business
continued to **improve portfolio quality**
- Selective leveraging of core competencies**
in profitable adjacencies to reinsurance core
- Achievement of additional **>€250m profit target from growth initiatives for 2010**,
but current environment has to be monitored closely
- Munich Re has the capabilities**
to capture specific opportunities from capital market crisis

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Agenda 

Annual Press Conference 2009

Continuing a solid path	Nikolaus von Bomhard
Financial reporting 2008	Jörg Schneider
Primary insurance	Torsten Oletzky
Reinsurance	Torsten Jeworrek
Summary	Nikolaus von Bomhard
Backup	

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Summary



Outlook

Maintain financial strength, develop business – using realistic assumptions

Hardening market provides opportunities for profitable expansion of business
Recession will dampen demand generally, claims trend uncertain

Prudent management of investments has softened the impact of the crisis
Investment result under pressure for the foreseeable future, but risks not to be increased

Considerably changed environment since May 2007; 2010 EPS target no longer realistic
Targeted return on risk-adjusted capital of 15% over the cycle maintained



Focus on safeguarding sound capital base
and increasing profitability in a sustainable way

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Agenda



Balance sheet press conference 2009

Continuing a solid path	Nikolaus von Bomhard
Financial reporting 2008	Jörg Schneider
Primary insurance	Torsten Oletzky
Reinsurance	Torsten Jeworrek
Summary	Nikolaus von Bomhard

Backup

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Backup: Financial reporting 2008



Consolidated financial statements

Balance sheet as at 31 December 2008 – Assets (1/2)

Assets	31.12.2008			Prev. Year ¹	Change	
	€m	€m	€m		€m	€m
A. Intangible assets						
I. Goodwill		3,570		3,135	435	13.9
II. Other intangible assets		1,786		1,126	660	58.6
		5,356		4,261	1,095	25.7
B. Investments						
I. Land and buildings, including buildings on third party-land		3,732		3,753	-21	-0.6
II. Investments in affiliated companies and associates		1,198		1,168	30	2.6
III. Loans		40,426		35,502	4,924	13.9
IV. Other securities						
1. Held to maturity		143		200	-57	-28.5
2. Available for sale		114,844		119,034	-4,190	-3.5
3. Held for trading		3,122		1,299	1,823	140.3
		118,109		120,533	-2,424	-2.0
V. Deposits retained on assumed reinsurance		6,646		8,206	-1,560	-19.0
VI. Other investments		1,992		4,833	-2,841	-58.8
		172,103		173,995	-1,892	-1.1

¹ Adjusted pursuant to IAS 8.

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Backup: Financial reporting 2008



Consolidated financial statements

Balance sheet as at 31 December 2008 – Assets (2/2)

Assets	31.12.2008			Prev. year ¹	Change	
	€m	€m	€m		€m	€m
C. Investments for the benefit of life insurance policyholders who bear the investment risk			2,874	2,178	696	32.0
D. Ceded share of technical provisions			5,251	5,623	-372	-6.6
E. Receivables						
I. Current tax receivables		919		751	168	22.4
II. Other receivables		8,409		8,636	-227	-2.6
		9,328		9,387	-59	-0.6
F. Cash at bank, cheques and cash in hand		2,354		2,505	-151	-6.0
G. Deferred acquisition costs						
Gross		8,500		8,388	112	1.3
Ceded		108		86	22	25.6
Net		8,392		8,302	90	1.1
H. Deferred tax assets		5,708		4,658	1,050	22.5
I. Other assets		4,051		3,383	668	19.7
Total assets			215,417	214,292	1,125	0.5

¹ Adjusted pursuant to IAS 8.

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Backup: Financial reporting 2008



Consolidated financial statements

Balance sheet as at 31 December 2008 – Equity and liabilities (1/2)

Equity and liabilities	31.12.2008		Prev. year ¹	Change	
	€m	€m		€m	€m
A. Equity					
I. Issued capital and capital reserve	7,388		7,388	–	–
II. Retained earnings	10,888		9,753	1,135	11.6
III. Other reserves	1,187		3,934	–2,747	–69.8
IV. Consolidated result attributable to Munich Re equity holders	1,503		3,840	–2,337	–60.9
V. Minority interests	290		501	–211	–42.1
		21,256	25,416	–4,160	–16.4
B. Subordinated liabilities		4,979	4,877	102	2.1
C. Gross technical provisions					
I. Unearned premiums	6,421		5,719	702	12.3
II. Provision for future policy benefits	98,738		94,933	3,805	4.0
III. Provision for outstanding claims	45,031		44,560	471	1.1
IV. Other technical provisions	9,292		10,536	–1,244	–11.8
		159,482	155,748	3,734	2.4

¹ Adjusted pursuant to IAS 8.

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Backup: Financial reporting 2008



Consolidated financial statements

Balance sheet as at 31 December 2008 – Equity and liabilities (2/2)

Equity and liabilities	31.12.2008		Prev. year ¹	Change	
	€m	€m		€m	€m
D. Gross technical provisions for life insurance policies where the investment risk is borne by the policyholders		2,940	2,308	632	27.4
E. Other accrued liabilities		2,982	2,793	189	6.8
F. Liabilities					
I. Bonds and notes issued	302		341	–39	–11.4
II. Deposits retained on ceded business	2,086		2,231	–145	–6.5
III. Current tax liabilities	2,791		2,634	157	6.0
IV. Other liabilities	9,771		10,831	–1,060	–9.8
		14,950	16,037	–1,087	–6.8
G. Deferred tax liabilities		8,828	7,113	1,715	24.1
Total equity and liabilities		215,417	214,292	1,125	0.5

¹ Adjusted pursuant to IAS 8.

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Backup: Financial reporting 2008



Consolidated financial statements
Income statement

	2008			2007 ¹		Change	
	€m	€m	€m	€m	€m	%	%
Gross premiums written	37,829			37,256	573	1.5	
1. Earned premiums							
Gross	37,277			37,181	96	0.3	
Ceded	1,553			1,511	42	2.8	
Net		35,724		35,670	54	0.2	
2. Investment result		5,846		9,253	-3,407	-36.8	
Thereof: Income from associates		21		264	-243	-92.0	
3. Other income		4,557		2,376	2,181	91.8	
Total income (1-3)			46,127	47,299	-1,172	-2.5	
4. Expenses for claims and benefits							
Gross	29,896			31,314	-1,418	-4.5	
Ceded	1,177			845	332	39.3	
Net		28,719		30,469	-1,750	-5.7	
5. Operating expenses							
Gross	9,330			9,271	59	0.6	
Ceded	287			393	-106	-27.0	
Net		9,043		8,878	165	1.9	
6. Other expenses		4,936		2,884	2,052	71.2	
Total expenses (4-6)			42,698	42,231	467	1.1	
7. Result before impairment losses of goodwill			3,429	5,068	-1,639	-32.3	
8. Impairment losses of goodwill			167	11	156	>1,000.0	
9. Operating result			3,262	5,057	-1,795	-35.5	
10. Finance costs			361	333	28	8.4	
11. Taxes on income			1,373	801	572	71.4	
12. Consolidated result			1,528	3,923	-2,395	-61.1	
Thereof:							
Attributable to Munich Re equity holders			1,503	3,840	-2,337	-60.9	
Attributable to minority interests			25	83	-58	-69.9	
			€	€	€	%	
Earnings per share			7.48	17.83	-10.35	-58.0	

¹ Adjusted pursuant to IAS 8.

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Backup: Financial reporting 2008



Segment reporting
Income statement

€m	Reinsurance				Primary insurance				Asset management		Consolidation		Total	
	Life and health		Prop.-casualty		Life and health		Prop.-casualty		2008	2007	2008	2007	2008	2007 ¹
	2008	2007 ¹	2008	2007 ¹	2008	2007	2008	2007						
Gross premiums written	7,130	7,293	14,652	14,224	11,495	11,647	5,916	5,639	-	-	-1,364	-1,547	37,829	37,256
From insurance transactions with other segments	677	704	657	824	3	1	27	18	-	-	-1,364	-1,547	-	-
From insurance transactions with external third parties	6,453	6,589	13,995	13,400	11,492	11,646	5,889	5,621	-	-	-	-	37,829	37,256
1. Earned premiums														
Gross	7,038	7,286	14,327	14,281	11,489	11,641	5,777	5,484	-	-	-1,354	-1,511	37,277	37,181
Ceded	263	267	879	774	829	877	936	1,104	-	-	-1,354	-1,511	1,553	1,511
Net	6,775	7,019	13,448	13,507	10,660	10,764	4,841	4,380	-	-	-	-	35,724	35,670
2. Investment result	1,252	1,513	2,782	2,795	2,722	4,832	321	733	44	119	-1,275	-739	5,846	9,253
Thereof: Income from associates	1	3	15	15	-22	243	2	-15	25	18	-	-	21	264
3. Other income	768	383	1,581	703	2,119	1,325	768	642	289	317	-968	-994	4,557	2,376
Total income (1-3)	8,795	8,915	17,811	17,005	15,501	16,921	5,930	5,755	333	436	-2,243	-1,733	46,127	47,299
4. Expenses for claims and benefits														
Gross	5,458	5,608	10,063	9,618	11,836	13,969	3,553	3,263	-	-	-1,014	-1,144	29,896	31,314
Ceded	154	180	657	431	558	566	657	624	-	-	-849	-956	1,177	845
Net	5,304	5,428	9,406	9,187	11,278	13,403	2,896	2,639	-	-	-165	-188	28,719	30,469
5. Operating expenses														
Gross	1,895	2,019	4,212	4,108	1,752	1,774	1,808	1,828	-	-	-337	-458	9,330	9,271
Ceded	74	61	193	255	165	237	211	308	-	-	-356	-468	287	393
Net	1,821	1,958	4,019	3,853	1,587	1,537	1,597	1,520	-	-	19	10	9,043	8,878
6. Other expenses	736	451	1,564	902	2,321	1,402	1,108	921	265	340	-1,058	-1,132	4,936	2,884
Total expenses (4-6)	7,861	7,837	14,989	13,942	15,186	16,342	5,601	5,080	265	340	-1,204	-1,310	42,698	42,231
7. Result before impairment losses of goodwill	934	1,078	2,822	3,063	315	579	329	675	68	96	-1,039	-423	3,429	5,068
8. Impairment losses of goodwill	-	3	-	-	167	-	-	1	-	7	-	-	167	11
9. Operating result	934	1,075	2,822	3,063	148	579	329	674	68	89	-1,039	-423	3,262	5,057
10. Finance costs	112	115	222	192	1	-	64	23	2	3	-40	-	361	333
11. Taxes on income	249	246	845	285	140	221	109	25	30	26	-	-2	1,373	801
12. Consolidated result	573	714	1,755	2,586	7	358	156	626	36	60	-999	-421	1,528	3,923
Attributable to MR equity holders	573	714	1,755	2,586	-4	319	145	579	36	59	-1,002	-417	1,503	3,840
Attributable to minority interests	-	-	-	-	11	39	11	47	-	1	3	-4	25	83

¹ Adjusted pursuant to IAS 8.

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Quarterly figures Munich Re Group

€m	Q1 2007 ¹	Q2 2007 ¹	Q3 2007 ¹	Q4 2007 ¹	Q1 2008 ¹	Q2 2008 ¹	Q3 2008 ¹	Q4 2008
Gross premiums written	10,020	8,908	9,143	9,185	9,842	9,011	9,270	9,706
Investment result	3,161	2,485	1,982	1,625	1,675	1,586	662	1,923
Total income	12,367	11,953	11,299	11,680	11,267	10,896	10,549	13,415
Total expenses	11,054	10,418	10,176	10,583	10,127	9,863	10,304	12,404
Operating result	1,313	1,535	1,123	1,086	1,140	1,033	245	844
Finance costs	70	79	89	95	86	95	91	89
Taxes on income	269	298	-176	410	277	310	152	634
Consolidated result	974	1,158	1,210	581	777	628	2	121
Equity (balance-sheet date)	26,313	25,302	24,823	25,416	23,707	21,429	21,411	21,256

¹ Adjusted pursuant to IAS 8.

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.