

2017

Key figures

Munich Reinsurance Company (under German accountancy rules)

€m	2017	2016	2015
Gross premiums written	22,612	23,527	24,234
Investments	76,679	79,295	76,848
Net technical provisions	60,036	59,265	56,764
Shareholders' equity	11,841	11,992	10,878
Profit/loss for the year	2,199	3,411	2,578
Dividend	1,290	1,338	1,329
Dividend per share in €	8.60	8.60	8.25
Share price at 31 December in € ¹	180.75	179.65	184.55
Market capitalisation at 31 December	28,021	28,933	30,791

¹ Source: Datastream

Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München (hereinafter: Munich Reinsurance Company) has its registered office in Munich (Commercial register number: HRB 42039, Registrar of Companies: Local Court [Amtsgericht] in Munich).

Our presentation currency is the euro (€). Unless otherwise specified, amounts are rounded to million euros. Due to rounding, there may be minor deviations in summations and in the calculation of percentages, with figures in brackets referring to the previous year.



All the facts and figures for the 2017 financial year can be found in our Group Annual Report. More at www.munichre.com/annualreport2017

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This document is a translation of the original German version and is intended to be used for informational purposes only. While every effort has been made to ensure the accuracy and completeness of the translation, please note that the German original is binding.



Bernd Pischetsrieder
Chairman of the
Supervisory Board

Ladies and Gentlemen,

In the 2017 financial year, the Supervisory Board fulfilled all the tasks and duties incumbent upon it by law and under the Articles of Association and the rules of procedure. We monitored the Board of Management in its conduct of the business, and gave advice on all matters of importance for the Group. No inspection measures in accordance with Section 111(2) sentence 1 of the German Stock Corporation Act (AktG) were required at any time.

With the exception of Peter Gruss and Renata Jungo Brüngger, all members of the Supervisory Board and of the committees took part in over half of the respective meetings. Peter Gruss chose to step down from the Supervisory Board in order to pursue a new role in Japan. Renata Jungo Brüngger only joined the Supervisory Board in 2017. As Supervisory Board meetings are arranged far in advance, Renata Jungo Brüngger was only able to participate in 50% of the meetings in her first year of membership.

Collaboration between Supervisory Board and Board of Management

The Board of Management involved the Supervisory Board in all important business transactions and decisions of fundamental significance for the Group. In our meetings, we discussed all reports from the Board of Management at length. Cooperation with the Board of Management was characterised in every regard by targeted and responsible action aimed at promoting the successful development of Munich Re. The Board of Management satisfied its reporting obligations towards the Supervisory Board in all respects, both verbally and in writing.

Outside of Supervisory Board meetings, the Board of Management informed us promptly about important events in the Group, in particular the impact of hurricanes Harvey, Irma and Maria, and the decision of the Board of Management of ERGO Group AG to end discussions concerning the sale of its traditional life insurance portfolio. The shareholder representatives and the employee representatives met regularly with the Chairman of the Board of Management for separate discussions in preparation for the meetings.

Between meetings, I met regularly with the Chairman of the Board of Management Nikolaus von Bomhard (until 26 April 2017) and Joachim Wenning (from 27 April 2017). We discussed individual questions of strategic orientation and risk management, as well as Munich Re's current business situation. Also between meetings, the Chairman of the Audit Committee, Henning Kagermann, remained in close contact with Jörg Schneider, the member of the Board of Management responsible for Group reporting.

Focal points of the meetings of the full Supervisory Board

There were six meetings of the Supervisory Board in the year under review. We regularly held in-depth discussions with the Board of Management about business performance and current topics, with a special focus on strategic considerations of the Board of Management with respect to the individual fields of business. The Board of Management reported regularly on Munich Re's investments, addressing the development of the global economy and financial markets in detail, as well as their impact on the Group's assets and earnings. The Board also supplied us with frequent updates on the implementation of the ERGO Strategy Programme. Following the rejection of the remuneration system at the 2017 Annual General Meeting, we addressed in detail the reasons for this decision in a number of meetings, and worked on a new remuneration system for the members of the Board of Management. Moreover, we took advantage of the opportunity to confer on matters involving the Board of Management even in the Board's absence. We also dealt with the following topics in the individual meetings in 2017:

The meeting on 14 March focused among other things on the Company and Group financial statements for 2016, the combined management report, and the motions for resolution by the 2017 Annual General Meeting. Furthermore, we conferred and took decisions regarding the extension of two appointments to the Board of Management

and a change to the Board of Management, and established the personal objectives for the Board members' variable remuneration for 2017. We also made decisions concerning the Guideline on fringe benefits. In addition, we received updates on the Group-wide compliance management system. Representatives of the German Federal Financial Supervisory Authority (BaFin) routinely attended this meeting as guests.

The meeting on 25 April dealt with matters involving the Board of Management, specifically the evaluation of the individual Board members' annual performance for 2016 and their multi-year performance for 2014–2016. We also dealt with a self-assessment of the members of the Supervisory Board concerning their knowledge of specific fields that are important for the supervision of Munich Re. We found that the Supervisory Board as a whole possesses the appropriate diversity of qualifications, knowledge and experience to ensure that Munich Re is supervised in a professional manner, taking account of the company-specific characteristics.

On 26 April, directly prior to the Annual General Meeting, we heard the Board of Management's report on the present status of business performance in 2017. We also used the meeting to make last-minute preparations for the Annual General Meeting.

On 18 July, we were informed about the cyber insurance market and Munich Re's strategy in this area. In addition, we adopted a Communications Policy setting out basic rules for the Supervisory Board's communication with investors. Beyond this, we were briefed on the 2016 remuneration report in accordance with the German Remuneration Regulation for Insurance Companies (VersVergV) and adopted an amendment to the Guideline on fringe benefits.

On 19 October, we discussed corporate governance issues including the results of the annual efficiency review, the adoption of amendments to the Munich Re Fit and Proper Policy, and the resolution regarding the annual Declaration of Conformity with the German Corporate Governance Code. And, in the light of new non-financial reporting requirements, we decided to amend the allocation of responsibilities on the Supervisory Board. The Board of Management also reported on digitalisation and innovation initiatives at Munich Re.

After a comprehensive discussion, on 14 December we decided on the redesign of the structure of the remuneration system for the Board of Management, which takes effect as from 2018. We also made decisions on changes to the standard contract for Board of Management members and to the rules of procedure for the Supervisory Board. We discussed the Group's risk strategy against the backdrop of the yearly report on Munich Re's risk situation provided by the Group Chief Risk Officer. The Board reported on Group planning for 2018 to 2020. The Board also presented us with the Group human resources report for 2016/2017 and detailed the focal points of human resources work and workforce planning within the Group. Furthermore, there was a report on changes in the Life and Health Division.

Work of the committees

There are six Supervisory Board committees. These are assigned certain matters for resolution and also prepare the topics which are to be addressed and decided upon by the full Supervisory Board. At each Supervisory Board meeting, detailed information about the work of the committees was provided to the full Supervisory Board by the respective chairs of the committees.

Details of the tasks of the committees and their composition can be obtained on page 29 f. and from our website at www.munichre.com/supervisory-board.

The Personnel Committee held eight meetings in the period under review. It essentially prepared the resolutions on matters involving the Board of Management already mentioned in the report on the work of the full Supervisory Board. One of the main tasks here was to design a new remuneration system for the members of the Board of Management. It also dealt with seats held by members of the Board of Management on supervisory, advisory and similar boards, and with Group-wide succession planning, especially with respect to Board-level appointments.

The Supervisory Board set up a separate Remuneration Committee with effect from 1 January 2018, of which the Chairman of the Supervisory Board and one representative each of the shareholders and employees are members. Following the 2019 Supervisory Board election, the Committee is to be set up in such a way that the two shareholder representatives may not be members of the Supervisory Board for more than ten years. This enables us to comply with a key demand of our investors. As a result of the establishment of the Remuneration Committee, responsibility for all remuneration-related matters concerning members of the Board of Management has been transferred from the Personnel Committee to the Remuneration Committee. This has no effect on the remaining tasks of the Personnel Committee, such as the appointment and dismissal of Board members or the conclusion of contracts.

At its four meetings in 2017, the Standing Committee dealt with the preparation of the respective Supervisory Board meetings and topics of corporate governance. In addition, the Standing Committee carried out a review of the efficiency of the Supervisory Board's work in 2017, and determined that, overall, the reporting by the Board of Management and the work of the Supervisory Board was efficient and appropriate. Regular reports by the Chairman of the Board of Management covered changes to the shareholder structure and the status of the share buy-back programmes. The Committee also received the annual report on expenses for donations and sponsoring. It was also assigned specific tasks concerning the scrutiny of the non-financial reporting produced for the first time this year in accordance with the German act implementing the CSR Directive on the disclosure of non-financial and diversity information. In keeping with an applicable decision taken by the full Supervisory Board, the Standing Committee commissioned audit company Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft with the auditor's review of the separate non-financial (Group) statement.

The Audit Committee met six times in 2017, and two of these meetings were attended by the external auditor. The Committee discussed the Company and Group financial statements, the combined management report, the auditor's report and the Board of Management's proposal for the appropriation of the net retained profits for the 2016 financial year. The Audit Committee also considered the quarterly statements for 2017, and conducted a detailed review of the 2017 Half-Year Financial Report in conjunction with the auditor. The Committee heard regular reports on the key Solvency II figures and discussed the quarterly reporting to the Supervisory Authority in these meetings. Another key task of the Committee consisted of monitoring the Group's risk situation and risk management on an ongoing basis, and discussing its risk strategy: the Group Chief Risk Officer regularly provided detailed verbal input at several meetings of the Committee in addition to the quarterly written reports submitted. The Head of the Actuarial Function also provided a report in a meeting. Further issues discussed regularly were the internal control system and compliance topics. The Group Chief Auditor informed the members of the Committee in full about the outcome of the audits for 2016 and the audit planning for 2017. The Committee received regular updates on the current status of individual compliance issues and the progress of audits. In the absence of the Board of Management, the members of the Committee took advantage of the opportunity to confer amongst themselves or with the Group Chief Auditor, the Group Chief Compliance Officer, the Group Chief Risk Officer and the external auditor. Furthermore, the Audit Committee reviewed and monitored the auditor's independence. It regularly called for reports on the auditor's new activities beyond the auditing of the annual financial statements and on the utilisation of the statutory limit for awarding such contracts. The auditor presented the Audit Committee with explanations of the key audit matters for the 2017 financial year. Following a resolution by the full Supervisory Board, the Chair of the Committee commissioned KPMG with the audit for the 2017 financial year, and also commissioned the auditor's review of the Half-Year Financial Report 2017.

The Nomination Committee met once in 2017, and discussed suitable candidates for election to the Supervisory Board. In proposing its nomination, the Committee took account of the objectives set by the Supervisory Board for the composition of the Board and the set of criteria, among other things.

There was no need to convene the Conference Committee in the 2017 financial year.

Dialogue with investors

In my role as Chairman of the Supervisory Board, I held discussions with investors in 2017 and 2018. Following the rejection of the remuneration system for the members of the Board of Management at the Annual General Meeting in April 2017, these discussions often focused heavily on the remuneration system. The outcomes of these discussions were for the most part taken into consideration in the decision-making process and when drawing up the revised remuneration system proposal for the members of the Board of Management.

Corporate governance and Declaration of Conformity

The Supervisory Board pays close attention to good corporate governance. Together with the Board of Management, we therefore published the mandatory annual Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Act (AktG) in November 2017. We again complied with all recommendations of the German Corporate Governance Code, and will continue to do so in future. We confirmed the assessment that all 20 members of the Supervisory Board are to be regarded as independent and that they do not have any relevant conflicts of interests.

Details of this can be found in the Corporate Governance Report and in Combined Statement on Corporate Governance available from www.munichre.com/cg-en.

Munich Re offered the members of the Supervisory Board specific training at an internal information event in 2017. Almost all members took the opportunity to learn more about selected topics related to investment, accounting and reinsurance.

Changes on the Board of Management

Nikolaus von Bomhard stepped down from the Board of Management and went into retirement at the end of the 2017 Annual General Meeting. Joachim Wenning took over as Chairman of the Board of Management on 27 April 2017. As a consequence of the change in management, the units belonging to the Group functions in the divisions for which Joachim Wenning and Jörg Schneider are responsible were reorganised in order to bring the functions related to the Group's business development closer to the Chairman of the Board of Management and, at the same time, achieve a greater concentration of the governance functions in the division for which the Chief Financial Officer is responsible.

Member of the Board of Management Ludger Arnoldussen stepped down from the Board of Management as of 26 April 2017. Hermann Pohlchristoph was appointed his successor, and took responsibility for the Germany, Asia Pacific and Africa Division and the Central Procurement and Services central divisions.

Member of the Board of Management Pina Albo stepped down from the Board of Management as of 31 December 2017. Until further notice, Peter Röder has responsibility for the Europe and Latin America Division in addition to the Global Clients and North America Division.

Changes on the Supervisory Board

Renata Jungo Brüngger, who had been appointed successor to Wolfgang Mayrhuber by an order of the Amtsgericht (Local Court) of Munich dated 3 January 2017, was elected to the Supervisory Board by the 2017 Annual General Meeting for the remainder of Wolfgang Mayrhuber's term of office. With effect from 1 January 2017, Henning Kagermann was appointed Wolfgang Mayrhuber's successor on the Personnel Committee, and Gerd Häusler as his successor on the Standing Committee.

Peter Gruss stepped down from the Supervisory Board with effect from 30 June 2017. Maximilian Zimmerer was appointed his successor by an order of the Amtsgericht (Local Court) of Munich dated 4 July 2017. The Supervisory Board will propose to the 2018 Annual General Meeting that Maximilian Zimmerer be elected to the Supervisory Board for the remainder of Peter Gruss's term of office.

Company and Group financial statements for 2017, Solvency II reporting and non-financial information

Auditor KPMG Bayerische Treuhandgesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, München duly audited the Company and Group financial statements and the combined management report as at 31 December 2017, and issued them with an unqualified auditor's opinion.

The respective reports and the Board of Management's proposal for appropriation of the net retained profits were submitted directly to the members of the Supervisory Board. At its meeting on 5 February 2018, the Audit Committee had the opportunity to confer in detail about the preliminary year-end figures as at 31 December 2017. On 13 March 2018, it prepared the Supervisory Board's resolution on the adoption of the Company financial statements and the approval of the Group financial statements. To this end, the Audit Committee examined in advance the Company and Group financial statements, the combined management report and the Board of Management's proposal for appropriation of the net retained profits. It discussed these at length with the external auditor present at the meeting, and gave detailed consideration to the auditor's reports. The Audit Committee paid particular attention to the key audit matters described in the auditor's opinion, including audit activity. The Chair of the Audit Committee briefed the full Supervisory Board about the outcome of its consultations at the balance sheet meeting. In its March meeting, the Audit Committee discussed the preliminary key figures under Solvency II reporting – and the solvency ratio under Solvency II in particular – and reported on this in the plenary session.

The full Supervisory Board also reviewed the Company and Group financial statements and the combined management report, and the proposal of the Board of Management for appropriation of the net retained profits. The auditor's reports were available to all members of the Supervisory Board and were discussed in detail at the balance sheet meeting of the Supervisory Board on 14 March 2018 in the presence of the external auditor. The auditor reported on the scope, the main points, and the key results of the audit, going into particular detail on the key audit matters – please refer to auditor's report on page 47 ff. for information – and the audit activity conducted. There were no reports of material weaknesses in the internal control system or the risk management system.

On the basis of this comprehensive examination, the Supervisory Board raised no objections concerning the outcome of the external audit. It approved the Company and Group financial statements on 14 March 2018. The financial statements were thus adopted. Having carefully weighed all relevant aspects, the Supervisory Board followed the proposal of the Board of Management for appropriation of the net retained profits.

The Standing Committee dealt with the separate non-financial (Group) statement on 5 February 2018. On 14 March 2018, the full Supervisory Board examined this statement, taking due consideration of the external audit, and approved the statement.

Words of thanks to the Board of Management and employees

The Supervisory Board wishes to thank all members of the Board of Management and staff worldwide for their work and dedication in an eventful and challenging financial year.

Munich, 14 March 2018

For the Supervisory Board



Bernd Pischetsrieder
Chairman

Combined management report

The management report of Munich Reinsurance Company and the Group management report have been combined in accordance with the provisions of Section 315(5) in conjunction with Section 298(2) of the German Commercial Code (HGB), and published in the Group Annual Report 2017.

The annual financial statements and the combined management report for Munich Reinsurance Company and the Group for the financial year 2017 will be submitted to the German Federal Gazette for publication.

Combined non-financial statement

For the 2017 financial year, Munich Reinsurance Company meets the requirements of the Corporate Social Responsibility (CSR) Directive of the European Union set out in Sections 289b(3) and 315b(3) of the German Commercial Code (HGB) by publishing a separate non-financial (Group) statement alongside the combined management report for Munich Reinsurance Company and the Group on the Corporate Governance section of Munich Re's website at www.munichre.com/cg-en.

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Balance sheet as at 31 December 2017

Assets

	Notes	€m	€m	€m	Prev. year €m
A. Intangible assets	(1)			188	12
B. Investments	(2, 3)				
I. Land, land rights and buildings, including buildings on third-party land			1,052		1,022
II. Investments in affiliated companies and participating interests					
1. Shares in affiliated companies		31,238			32,499
2. Loans to affiliated companies		83			86
3. Participating interests		296			228
4. Loans to participating interests		28			24
			31,645		32,836
III. Other investments					
1. Shares, investments in unit trusts and funds, and other non-fixed-interest securities		7,058			6,434
2. Bearer bonds and other fixed-interest securities		22,715			25,084
3. Loans secured on property		0			0
4. Other loans		372			369
5. Deposits with banks		697			817
6. Miscellaneous investments		471			510
			31,314		33,215
IV. Deposits retained on assumed reinsurance			12,669		12,222
				76,679	79,295
C. Receivables					
I. Accounts receivable on reinsurance business			4,679		3,509
Thereof from					
- affiliated companies: €1,152m (920m)					
- participating interests: €56m (7m)					
II. Other receivables			2,372		2,428
Thereof from					
- affiliated companies: €196m (102m)					
- participating interests: €5m (75m)					
				7,051	5,937
D. Other assets					
I. Tangible assets and inventories			38		43
II. Cash at banks, cheques and cash in hand			562		516
				601	559
E. Deferred items					
I. Accrued interest and rent			211		285
II. Miscellaneous deferred items	(4)		59		47
				270	332
F. Excess of plan assets over pension liabilities	(5)			456	534
Total assets	(11)			85,246	86,670

Equity and liabilities

	Notes	€m	€m	€m	Prev. year €m
A. Equity	(6)				
I. Issued capital					
1. Subscribed capital		588			588
2. Less: Accounting value of own shares held		-14			-15
			573		573
II. Capital reserve			6,845		6,845
III. Revenue reserves			3,089		2,821
IV. Net retained profits			1,333		1,754
				11,841	11,992
B. Subordinated liabilities	(7)			2,745	4,128
C. Technical provisions	(8)				
I. Unearned premiums					
1. Gross amount		3,532			3,923
2. Less for retroceded business		450			544
			3,082		3,379
II. Provision for future policy benefits					
1. Gross amount		12,234			10,981
2. Less for retroceded business		496			746
			11,738		10,235
III. Provision for outstanding claims					
1. Gross amount		39,211			36,913
2. Less for retroceded business		2,835			2,434
			36,376		34,479
IV. Provision for premium refunds					
1. Gross amount		4			5
2. Less for retroceded business		0			0
			4		5
V. Claims equalisation provision and similar provisions			8,263		10,645
VI. Other technical provisions					
1. Gross amount		493			468
2. Less for retroceded business		-79			-55
			573		523
				60,036	59,265
D. Other provisions	(9)				
I. Provisions for employees' pensions and similar commitments			36		29
II. Provisions for tax			1,643		1,396
III. Miscellaneous provisions			620		482
				2,299	1,908
E. Deposits retained on retroceded business				1,686	2,057
F. Other liabilities					
I. Accounts payable on reinsurance business			4,595		5,483
Thereof to					
- affiliated companies: €1,402m (1,512m)					
- participating interests: €1m (5m)					
II. Amounts due to banks			0		0
III. Miscellaneous liabilities	(10)		2,025		1,809
Thereof towards					
- affiliated companies: €271m (348m)					
Thereof from other taxes: €53m (240m)					
Thereof for social security: €1m (1m)					
				6,620	7,292
G. Deferred items				19	28
Total equity and liabilities	(11)			85,246	86,670

Income statement for the financial year 2017

Items

	Notes	€m	€m	€m	Prev. year €m
I. Technical account					
1. Earned premiums for own account					
a) Gross premiums written		22,612			23,527
b) Retroceded premiums		-2,213			-2,403
			20,399		21,125
c) Change in gross unearned premiums		182			-133
d) Change in retroceded share of unearned premiums		-55			-15
			126		-148
				20,525	20,976
2. Interest on technical provisions for own account	(13)			469	418
3. Other underwriting income for own account				39	5
4. Claims incurred for own account					
a) Claims paid					
aa) Gross amount		-13,710			-16,054
ab) Retroceded amount		1,213			1,342
			-12,497		-14,712
b) Change in provision for outstanding claims					
ba) Gross amount		-4,759			-127
bb) Retroceded amount		545			43
			-4,214		-83
				-16,711	-14,795
5. Change in other technical provisions for own account					
a) Net provision for future policy benefits			-583		-139
b) Other net technical provisions			31		-8
				-552	-147
6. Expenses for premium refunds for own account					
				-1	-3
7. Operating expenses for own account					
	(14, 18, 21)				
a) Gross operating expenses			-6,256		-6,472
b) Less commission received on retroceded business			520		621
				-5,736	-5,851
8. Other underwriting expenses for own account					
				-23	-8
9. Subtotal					
				-1,990	596
10. Change in claims equalisation provision and similar provisions					
	(12)			2,382	-391
11. Underwriting result for own account					
	(12)			392	205

Items

	Notes	€m	€m	€m	€m	Prev. year €m
II. Non-technical account						
1. Investment income	(15)					
a) Dividends from participating interests			1,560			1,878
Thereof from affiliated companies: €1,540m (1,860m)						
b) Income from other investments						
Thereof from affiliated companies: €676m (259m)						
ba) Rents from land and buildings, including buildings on third-party land		140				136
bb) Income from other investments		1,451				1,119
			1,591			1,256
c) Income from write-ups			296			490
d) Realised gains on the disposal of investments			731			2,155
e) Income from profit-transfer agreements			155			50
				4,333		5,829
2. Investment expenses	(14, 16, 18, 21)					
a) Expenses for the management of investments, interest paid and other expenses for investments			-278			-316
b) Write-downs of investments			-366			-396
c) Realised losses on the disposal of investments			-561			-1,133
d) Expenses from loss transfers			-52			-77
				-1,257		-1,922
				3,076		3,907
3. Interest income on technical provisions				-493		-452
					2,583	3,455
4. Other income	(19, 20)				204	996
5. Other expenses	(19, 21)				-546	-585
6. Operating result before tax					2,634	4,071
7. Taxes on income				-426		-657
8. Other taxes				-8		-2
					-434	-659
9. Profit for the year					2,199	3,411
10. Profit brought forward from previous year					52	48
11. Appropriations to revenue reserves					-918	-1,706
12. Accounting value of own shares deducted from subscribed capital					21	21
13. Reversal of accounting value of own shares deducted from subscribed capital					-22	-20
14. Allocation to reserve for own shares					-21	-21
15. Release of reserve for own shares					22	20
19. Release of revenue reserve for acquisition of own shares					1,017	969
20. Expenses for acquisition of own shares					-1,017	-969
21. Net retained profits					1,333	1,754

Notes to the financial statements

Recognition and measurement

Accounting basis

The financial statements, and the sections of the management report that have been combined with the Group management report and relate to Munich Reinsurance Company, have been prepared in accordance with the German Commercial Code (HGB), the German Stock Corporation Act (AktG), the German Insurance Accounting Regulation (RechVersV) and the German Insurance Supervision Act (VAG), and observing conservative accounting principles.

Intangible assets

Intangible assets are measured at acquisition cost less admissible amortisation and, where applicable, write-downs for impairment.

Investments

Our developed land is measured at acquisition or construction cost less admissible linear depreciation and, where applicable, write-downs for impairment.

The carrying amount of shareholdings in affiliated companies and other participating interests is generally the acquisition cost, written down to a lower fair value where applicable.

Loans to affiliated companies and to participating interests, registered bonds, mortgage loans, promissory notes and loans, and other receivables are measured at amortised cost.

Shares, investments in unit trusts and funds, and other non-fixed-interest securities, bearer bonds and other fixed-interest securities and other investments are valued at acquisition cost or at the market price at the balance sheet date, whichever is the lower. Investments with participating interests have been classified under Section 341b of the German Commercial Code (HGB) but have been measured according to the strict lower of cost or market principle, despite the alternative measurement option provided for.

Lower measurements from previous years are maintained for all our investments if the impairment in value is probably permanent. Where the market price at the balance sheet date was sustainably higher than the previous years' values, we have reversed the write-down back up to the acquisition cost or the amortised cost.

Receivables

Deposits retained on assumed reinsurance business, accounts receivable on reinsurance business and other receivables are recognised at the nominal values less any necessary adjustments of value.

Other assets

Inventories are recognised at acquisition cost. Office furniture and equipment is measured at acquisition cost less admissible depreciations. The purchase price of low-value items is written off on a straight-line basis over a period of five years.

Deferred taxes

For the calculation of deferred taxes across all tax spheres, temporary differences and carry-forwards are assessed overall. We did not avail ourselves of the option provided for in Section 274(1) sentence 2 of the German Commercial Code (HGB). An excess of deferred tax assets beyond the netting amount is not recognised.

Significant for the Company are the temporary differences existing in Germany, where the deductible temporary differences exceed the taxable temporary differences by €7,747m. The deductible temporary differences result mainly from write-downs of investments that were not recognisable in the tax accounts owing to the stricter regulations, and from technical provisions that tend to have a lower value in the tax accounts than in the financial statements. In addition, there are deductible temporary differences resulting from intangible assets due to the extensive recognition of internally developed IT programs in the tax accounts. By contrast, the taxable temporary differences existing in the German tax sphere are of subordinate importance.

The rounded deferred tax rate applicable for the German tax sphere is 33.0%. It is made up of the corporate tax rate (including solidarity surcharge) of 15.8% and the trade tax rate of 17.2%. The tax rate applicable for the Canadian branch amounts to 26.5%, for the UK branch to 19.0%, for the Australian branch to 30.0%, and for the Italian branch to 30.8%.

Munich Reinsurance Company has total tax loss carry-forwards of €2,332m, of which €1,136m is attributable to the German tax sphere. The remaining loss carry-forwards stem from the Company's foreign business units. Loss carry-forwards of €1,279m will probably be utilised within the next five years.

Excess of plan assets over pension liabilities

Under certain conditions, assets are netted with related liabilities for pension commitments (exception to the prohibition of offsetting under Section 246(2) sentence 2 of the German Commercial Code). Under this rule, assets that are not accessible to creditors and serve solely to settle liabilities arising from pension commitments or comparable long-term commitments must be netted with those liabilities. In accordance with Section 253(1) sentence 4 of the German Commercial Code, the assets in question must be measured at fair value. If the fair value of the assets exceeds the settlement amount of the liabilities, the excess amount must be recognised separately in the balance sheet as “excess of plan assets over pension liabilities” in accordance with Section 246(2) sentence 3 of the German Commercial Code.

Technical provisions

The technical provisions have been calculated in accordance with the requirements of German commercial law. In all cases, we have taken into account the necessity of ensuring that our obligations from reinsurance business can always be met.

Unearned premiums are accrued premiums already written for future risk periods. They are calculated in accordance with German accounting principles, partly on the basis of information received from our ceding companies and partly using nominal percentages. Where unearned premiums are calculated using such percentages, these are based on many years of experience and the latest knowledge available. Costs for reinsurance commissions are deducted at a rate of 92.5% from the unearned premium components calculated.

The provision for future policy benefits in long-term underwriting business is posted for the actuarially calculated value of obligations arising from policyholders’ guaranteed entitlements.

The actuarial assumptions used for their calculation include, in particular, assumptions relating to mortality, disability, morbidity, interest-rate development, lapses and costs. These are estimated on a realistic basis at the time the insurance contracts are concluded, and they include adequate provision for adverse deviation to make allowance for the risks of change, error and random fluctuations. The actuarial assumptions are adjusted if, and only if, the original provisions for adverse deviation are no longer considered sufficient.

Provisions for outstanding claims are generally established in accordance with the amounts reported to us by our cedants. These provisions are posted for payment obligations arising from reinsurance contracts where the size of the claim or the timing of the payment is still uncertain. Part of the provision is for known claims for which individually calculated provisions are set up. Another part is for expenses for claims which are not yet known (e.g. because they have not been reported or have not yet manifested themselves). A third class of provisions covers claims which are basically known but whose extent has turned out to be greater than originally foreseen. All these provisions include expenses for internal and external loss adjustment. The provision for outstanding claims is based on estimates: the actual payments may be higher or lower. The amounts posted are the realistically estimated future amounts to be paid; they are calculated on the basis of past experience and assumptions about future developments (e.g. social, economic or technological parameters) and using appropriate actuarial methods. Future payment obligations are not discounted but recognised at the future settlement value.

The item “claims equalisation provision and similar provisions” contains the amounts required and permissible under German accounting principles to mitigate fluctuations in claims experience in future years, plus the provisions for major risks.

The “other technical provisions” mainly comprise provisions for profit commission and the provision for anticipated losses. Provisions for anticipated losses are posted if, in a reinsurance portfolio, the future premiums plus the proportionate investment result will probably not be sufficient to cover the expected claims and costs. In the financial year 2017, provisions for anticipated underwriting losses were posted in third-party liability, motor, marine, aviation, engineering and credit.

Technical provisions apportionable to the business retroceded by us have been calculated in accordance with the terms of the retrocession agreements.

Other provisions

Under certain conditions, assets must be netted with related liabilities from pension commitments (see “excess of plan assets over pension liabilities”). If these conditions are met, a pension provision only has to be recognised in the amount by which the settlement amount exceeds the fair value of the assets.

Pursuant to Section 253 of the German Commercial Code (HGB) as amended on 17 March 2016, the discount rate used by the Company for calculating pension commitments is now based on a ten-year average. In this context, in accordance with the German Regulation on the Discounting of Provisions (RückAbzinsV), we used an actuarial interest

rate of 3.68% as at 31 December 2017, availing ourselves of the option under Section 253(2) sentence 2 of the German Commercial Code, which is based on an assumed duration of 15 years. In contrast, semi-retirement commitments and anniversary payments were calculated as at 31 December 2017 using a discount rate of 2.80% based on a seven-year average. Moreover, increases of between 1.00% and 3.50% were assumed for the future development of existing entitlements, and of between 1.00% and 2.00% for the future development of current pensions.

Based on studies of the Company's portfolio of pensioners, the mortalities of the currently used Heubeck 2005 G tables were also modified. The present value of the commitments is calculated using the projected unit credit method.

All other provisions are recognised in accordance with the required settlement amount, based on reasonable and prudent commercial judgement. For discounting, we use the discount rates issued by the Bundesbank pursuant to Section 253(2) of the German Commercial Code, in line with the duration of the provisions and based on a seven-year average.

Liabilities

Subordinated liabilities, deposits retained on retroceded business, accounts payable on reinsurance business, amounts owed to banks and other liabilities are stated at their settlement amounts.

Foreign currency translation and hedging relationships for currency risks

All business transactions are generally recognised in the original currencies and reported using the applicable day's exchange rate in euros. The foreign currency amounts are retranslated for the balance sheet at year-end exchange rates.

Foreign currency liabilities are grouped together with the assets matching them per currency in hedging relationships, in accordance with Section 254 of the German Commercial Code (HGB) (portfolio hedges), the items allocated to the hedging relationships being primarily non-current assets, provisions and non-current liabilities. Translation is generally performed independently of the restrictions of the historical-cost and realisation principle.

If there is an excess of assets over liabilities in a particular currency, this is examined to see whether or not it is long-term. Long-term excesses of assets over liabilities are grouped together with currency forward transactions in separate hedging relationships, pursuant to Section 254 of the German Commercial Code, and are also generally translated independently of the restrictions of the historical-cost and realisation principle. In the year under review, there was a long-term excess of assets over liabilities only in respect of the Canadian dollar.

The effective part of the hedging relationships was accounted for using the "gross method".

Short-term excesses of assets over liabilities and (short-term and long-term) excesses of liabilities over assets are generally translated immediately with impact on profit or loss. The remaining assets and liabilities outside the above-mentioned hedging relationships per currency have a residual term of less than one year and are therefore recognised in accordance with Section 256a of the German Commercial Code (HGB). The same applies to provisions, whose residual term is, however, immaterial for non-compliance with the historical-cost or realisation principle.

Gains and losses resulting from currency translation are recognised in the income statement under other income or other expenses.

Other hedging relationships

In addition to the hedging relationships for currency risks described above, we have also availed ourselves of the option under Section 254 of the German Commercial Code (HGB) to use hedge accounting to recognise the economic hedge for two reinsurance contracts assumed and two offsetting retrocession contracts at a nominal value of the equivalent of €175m (see page 18) As described in the risk report – which is part of the management report that has been combined with the Group management report – numerous other risks are hedged using economic hedges as part of our risk management. However, we do not apply hedge accounting for these items. Details of the hedging relationships are provided on page 24 f.

Notes to the balance sheet – Assets

1, 2 Intangible assets and investments

	Carrying amount Prev. year	Currency translation	Additions	Disposals	Write- ups	Write- downs	Carrying amount 31.12.2017
	€m	€m	€m	€m	€m	€m	€m
(1) Intangible assets	12	0	204	0	0	-27	188
(2) Investments							
(a) Land, land rights and buildings, including buildings on third-party land	1,022	0	53	0	6	-28	1,052
(b) Investments in affiliated companies and participating interests							
Shares in affiliated companies	32,499	-583	1,903	-2,370	0	-212	31,238
Loans to affiliated companies	86	-1	52	-55	0	0	83
Participating interests	228	-2	76	-8	2	0	296
Loans to participating interests	24	-1	5	0	0	0	28
Subtotal (b)	32,836	-587	2,037	-2,433	2	-212	31,645
(c) Other investments							
Shares, investments in unit trusts and funds, and other non-fixed-interest securities	6,434	-241	1,321	-673	222	-5	7,058
Bearer bonds and other fixed-interest securities	25,084	-1,297	14,584	-15,559	26	-122	22,715
Loans secured on property	0	0	0	0	0	0	0
Other loans	369	-8	15	-4	0	0	372
Deposits with banks	817	-59	0	-61	0	0	697
Miscellaneous investments	510	-44	4,435	-4,469	40	-1	471
Subtotal (c)	33,215	-1,649	20,355	-20,767	288	-128	31,314
Total investments (2)	67,073	-2,236	22,444	-23,200	296	-368	64,010
Total (1) + (2)	67,085	-2,236	22,648	-23,200	296	-395	64,198

The statement of changes in assets and investments is shown at year-end exchange rates (31 December 2017).

Intangible assets consist mainly of purchased insurance portfolios and software. Of the €204m in additions to intangible assets, €201m is attributable to the acquisition against payment of life reinsurance portfolios, which were amortised by €20m on a straight-line basis in the year under review.

The carrying amount of owner-occupied property totalled €253m.

Of our total investments (excluding deposits retained on assumed reinsurance) with a carrying amount of €64,010m, an amount of €2,190m was deposited with ceding companies or foreign governments, or was in the custody of trustees nominated by us.

The item “miscellaneous investments” included a portfolio of physical gold with a carrying amount of €357m.

Derivatives	Balance sheet item	Carrying amount	Fair value	Notional principal amount
		€m	€m	€m
Interest-rate risks				
Interest-rate swaps	Miscellaneous provisions	-40	-31	844
Inflation swaps	Miscellaneous provisions	-6	-1	616
Bund futures	Miscellaneous provisions	-9	16	5,772
Forward loans	-	-	-7	124
Currency risks				
Long currency options	Shares, investments in unit trusts and funds, and other non-fixed-interest securities	2	4	701
Short currency options	Other liabilities	-3	-5	217
	Miscellaneous provisions	-2		
Currency forwards	Miscellaneous provisions	-142	-91	14,481
Currency forwards (for Can\$ hedging)	Other liabilities	-11	-11	2,057
Other transactions				
Insurance derivatives I (cat bonds)	Deferred asset items	2	4	571
	Deferred liability items	0		
	Miscellaneous provisions	0		
Insurance derivatives II (short options)	Other liabilities	-32	-26	194
Insurance derivatives III (long options)	Other investments	32	26	175
Insurance derivatives IV (total return swaps, insurance-linked)	Miscellaneous provisions	0	0	65
Weather derivatives (total return swaps, weather)	Miscellaneous provisions	-1	5	79
Single credit default swaps	Miscellaneous provisions	0	1	164
	Deferred asset items	1		
	Deferred liability items	-1		
Basket credit default swaps	Miscellaneous provisions	-	19	650
	Deferred asset items	15		
Commodity swaps	Miscellaneous provisions	-30	17	1,380

Derivative financial instruments (derivatives) are financial contracts relating to a specific underlying asset.

Derivatives are generally recognised at the acquisition cost or their fair value at the balance sheet date, whichever is the lower. A pending liability is taken into account through the posting of a provision for anticipated losses. Upfront payments are recognised as assets and amortised over the term.

The carrying amounts of the insurance derivatives (swap contracts, options, and derivatives embedded in cat bonds) are derived from the fair value of the related underlying assets.

Recognised measurement methods were used to determine the fair values of derivatives not traded on the stock exchange. Details may be obtained from the following table.

Derivatives	Pricing method	Parameters	Pricing model
Interest-rate risks			
Interest-rate swaps	Theoretical price	Credit support annex/swap curve	Present-value method
Inflation swaps	Theoretical price	Zero-coupon inflation swap rates Overnight index swap curve	Present-value method
Forward loans	Theoretical price	Listing of underlying Swap curve	Present-value method
Currency risks			
Currency options	Theoretical price	Volatility skew Currency spot rates Money-market interest-rate curve	Garman-Kohlhagen (European)
Currency forwards	Theoretical price	Currency spot rates Money-market interest-rate curve Currency spreads	Present-value method
Other transactions			
Insurance derivatives	Theoretical price	Fair values of the cat bonds Historical event data Interest-rate curve	Present-value method
Credit default swaps	Theoretical price	Credit spreads Recovery rates Interest-rate curve	Present-value method ISDA CDS Standard Model
Commodity swaps	Theoretical price	Listing of underlying index	Index ratio calculation
Commodity options	Theoretical price	Listing of underlying Effective volatilities Money-market interest rate	Black-Scholes (European), Cox, Ross and Rubinstein (American)
Weather derivatives	Theoretical price	Event estimates Historical data	Monte Carlo

The fair value of investments (excluding deposits retained on assumed reinsurance) amounted to €73,341m. The carrying amount was €64,010m. This resulted in valuation reserves of €9,331m at the end of the financial year 2017.

The valuation reserves contain hidden losses totalling less than €1m from land and buildings, investments in affiliated companies and participating interests. We have refrained from making a write-down, as there is probably no permanent impairment.

The valuation reserves also contain hidden losses not induced by credit risks of under €1m for other loans. Again, we have refrained from making a write-down, as there is probably no permanent impairment.

The valuation reserves also contain hidden losses of €5m from other investments. These were neutralised by hedge accounting (see page 24 f.).

The fair values of developed land are determined once a year, generally using the capitalised earnings value; undeveloped land is measured on the basis of the current standard land value.

In the case of shares in affiliated companies, participating interests, equities, investments in unit trusts and funds, and other non-fixed-interest securities, the market prices at the balance sheet date are used if the investments concerned are listed on the stock market. If no market prices are available, we calculate the value using the discounted earnings method or use net asset values.

The fair values of fixed-interest securities listed on the stock market are determined on the basis of the market prices at the balance sheet date. In the case of fixed-interest securities not listed on the stock market, we determine the values using recognised valuation techniques in accordance with the present-value principle on the basis of interest-rate curves.

Investments - Valuation reserves

€m	Carrying amounts	Fair values	Valuation reserves
	31.12.2017	31.12.2017	31.12.2017
Land, land rights and buildings, including buildings on third-party land	1,052	3,474	2,422
Investments in affiliated companies and participating interests			
Shares in affiliated companies	31,238	36,564	5,326
Loans to affiliated companies	83	88	5
Participating interests	296	708	412
Loans to participating interests	28	30	2
	31,645	37,390	5,745
Other investments			
Shares, investments in unit trusts and funds, and other non-fixed-interest securities	7,058	7,243	185
Bearer bonds and other fixed-interest securities	22,715	23,686	971
Loans secured on property	0	0	0
Other loans	372	378	5
Deposits with banks	697	697	0
Miscellaneous investments	471	473	2
	31,314	32,477	1,163
Total investments	64,010	73,341	9,331

At 31 December 2017, the Company held shares of more than 10% in several German and foreign investment funds, with a focus on equity funds.

Disclosures in accordance with Section 285 no. 26 of the German Commercial Code (HGB)

€m	Carrying amount	Fair value	Valuation reserves	Distribution received in the financial year
	31.12.2017	31.12.2017	31.12.2017	
Equity funds	6,460	6,482	22	450
Bond funds	117	161	44	0
Total	6,577	6,643	66	450

3 Information on shareholdings

A list of all our shareholdings can be found on page 33 ff.

4 Deferred items

These include €6m for a difference (as defined in Section 250(3) of the German Commercial code - HGB) in respect of the settlement amount of a liability.

5 Excess of plan assets over pension liabilities

A total settlement amount of €1,090m for liabilities from pension commitments is more than covered by plan assets with a total fair value of €1,508m. Netting at individual plan level results in both an excess of €454m of plan assets over pension liabilities, which has to be capitalised, and a pension provision of €36m. The acquisition costs of the assets to be netted amount to just under €1,260m. The expenditure associated with these assets totalled

€20m in the financial year. The interest expenditure for the pension provisions and comparable long-term commitments came to a total of €95m.

Netted income and expenses from pension commitments and plan assets to be netted

€m	2017
Expenses for discounting liabilities for pension commitments	-40
Expenses from change in the discount rate for liabilities for pension commitments	-55
Expenses from plan assets to be netted with liabilities for pension commitments	-20
Net expenses from pension commitments	-115
Expenses for discounting liabilities for semi-retirement commitments	-2
Expenses from change in the discount rate for liabilities for semi-retirement commitments	-1
Expenses for plan assets to be netted with liabilities for semi-retirement commitments	0
Net expenses for semi-retirement commitments	-3

Notes to the balance sheet – Equity and liabilities

6 Equity

The total share capital of €587,725,396.48 at 31 December 2017 was divided into 155,027,908 no-par-value registered shares, each fully paid up and giving one vote.

Composition of the capital authorised for capital increases:

€m	31.12.2017
Authorised capital 2015 (until 22 April 2020)	10
Authorised capital 2017 (until 25 April 2022)	280
Total	290

Composition of contingent capital:

€m	31.12.2017
Contingent capital 2015 (until 22 April 2020)	117
Total	117

An amount of €14m was shown deducted from the subscribed capital for the accounting value of treasury shares at 31 December 2017. The portion of the acquisition costs for these shares in excess of this accounting value, i.e. €670m, was deducted from the revenue reserves.

From the profit for the year 2017, an amount of €918m was allocated to the revenue reserves by the Board of Management. Revenue reserves contain a reserve of €14m to take account of treasury shares. Net retained profits for the year under review include a profit of €52m carried forward from the previous year. An amount of €376m resulting from the recognition of assets at fair value (€248m), the balance from the change in the averages used in calculating liabilities arising from pension commitments pursuant to an amendment to Section 253 of the German Commercial Code (HGB) dated 17 March 2016 (€114m), and from the reserve for treasury shares is subject to a restriction on distribution.

On 31 December 2017, a total of 3,768,477 shares with a calculated nominal value of around €14m were held by Munich Reinsurance Company. This represents around 2.4% of the current share capital.

In the year under review, Munich Reinsurance Company repurchased 5,643,062 own shares. This includes the 2016/2017 share buy-back programme completed on 11 April 2017, and the 2017/2018 programme approved by the Board of Management of Munich Reinsurance Company on 15 March 2017, which provides for the acquisition of shares up to a value of €1,000m until the 2018 AGM. Munich Reinsurance Company's Board of Management thus availed itself of the authorisation granted by the

Annual General Meeting on 26 April 2017 in accordance with Section 71(1) no. 8 of the German Stock Corporation Act (AktG). From 1 June 2017 to 31 December 2017, a total of 3,768,477 shares were acquired at an average price of €181.39 as part of this new programme.

From 9 June 2016 until 11 April 2017, a total of 6,025,989 Munich Reinsurance Company shares were acquired under the 2016/2017 share buy-back programme. Of these, 1,874,585 shares (1.2% of the share capital at the time) were acquired at an average price of €177.85 in the 2017 calendar year. All shares from this buy-back programme were retired on 26 April 2017 in a simplified process, without reducing the share capital, by adjusting the proportion of the Company's share capital represented by each of the remaining no-par-value shares.

MEAG MUNICH ERGO AssetManagement GmbH sold 200 Munich Re shares at an average price of €178.74 in the financial year 2017 in connection with the hedging of obligations from its long-term incentive plan. The sale of this minor holding generated proceeds of €0.04m. As at 31 December 2017, there were no more shares in MEAG's portfolio.

The acquisition costs of all Munich Re shares in the possession of Group companies at the end of the financial year totalled €683,557,316.33.

In the year under review, a total of €1,333m was distributed to Munich Reinsurance Company's equity holders for the financial year 2016 in the form of a dividend of €8.60 per dividend-bearing share.

The Company has received the following notifications pursuant to Section 21 of the German Securities Trading Act (WpHG) regarding voting-right percentages (as at 31 December 2017):

In April 2017, BlackRock Inc., Wilmington, DE, USA, informed us in a voluntary Group statement pursuant to Sections 21 and 24 of the German Securities Trading Act (WpHG) that on 12 April 2017 their share in the voting rights of our Company amounted to 6.84% (11,015,417 voting rights). Pursuant to Section 22 of the German Securities Trading Act (WpHG), these shares were attributed to BlackRock Inc. Based on the information provided by BlackRock Inc. none of its subsidiaries directly held 3% or more of the voting rights in our Company.

7 Subordinated liabilities

The subordinated bond issued in 2003 with a nominal value of £300m will mature in 2028 and is callable by us for the first time on 21 June 2018. The subordinated bond issued in 2011 with a nominal value of €1,000m will mature in 2041 and is callable by us for the first time on 26 May 2021. The subordinated bonds issued in 2012 with nominal values of €900m and £450m will mature in 2042 and are callable by us for the first time on 26 May 2022.

The remaining term of the subordinated liabilities with a total amount of €2,745m is more than five years. ↗

Subordinated liabilities

€m	31.12.2017
Subordinated bonds 2003/2028, £300m 7.625% p.a. until 2018, thereafter floating	338
Subordinated bonds 2011/2041, €1,000m 6.00% p.a. until 2021, thereafter floating	1,000
Subordinated bonds 2012/2042, €900m 6.25% p.a. until 2022, thereafter floating	900
Subordinated bonds 2012/2042, £450m 6.625% p.a. until 2022, thereafter floating	507
Total	2,745

The subordinated bonds of Munich Reinsurance Company have been given the following ratings by the leading rating agencies:

Bond ratings

	A.M. Best	Fitch	Moody's	S&P
31.12.2017				
Subordinated bonds 2003/2028, £300m 7.625% p.a. until 2018, thereafter floating	aa-	A+	A2 (hyb)	A
Subordinated bonds 2011/2041, €1,000m 6.00% p.a., until 2021, thereafter floating	a+	A	-	A
Subordinated bonds 2012/2042, €900m 6.25% p.a. until 2022, thereafter floating	a+	A	-	A
Subordinated bonds 2012/2042, £450m 6.625% p.a. until 2022, thereafter floating	a+	A	-	A

8 Technical provisions by class of business

31.12.2017 €m	Unearned premiums	Provision for future policy benefits	Claims provisions	Claims equalisation provision and similar provisions	Other technical provisions	Total	Reserves as % of net premiums
Life	480	11,736	1,656	14	172	14,057	207
Health	138	2	494	6	85	726	25
Accident	18	0	1,897	764	-6	2,673	1124
Liability	229	0	12,650	1,393	31	14,303	884
Motor	789	0	7,131	1,110	105	9,135	355
Marine	46	0	733	204	11	994	399
Aviation	152	0	1,064	102	6	1,323	275
Fire	515	0	6,163	2,924	39	9,642	337
Engineering	351	0	2,231	148	25	2,754	550
Other classes	365	0	2,356	1,598	108	4,428	205
Non-life combined	2,603	2	34,720	8,249	405	45,979	338
Total	3,082	11,738	36,376	8,263	577	60,036	294

The claims provisions as at 31 December 2017, a key component of the Company's technical provisions, have been influenced both by payments made in the year under review and by expenses from increasing or income from reducing the provision respectively.

Claims expenses for the year under review less the payments already made in the same year increased the provisions. The provisions for previous years were reduced by the payments made in the year under review for these years. As the provisions are determined using best estimates based on claims information and past claims experience, as well as estimates of future claims development, it is inevitable that the relevant estimate will regularly change as knowledge of claims cases grows in the year under review.

The claims equalisation provision and similar provisions developed as follows:

€m	31.12.2017	Prev. year
Claims equalisation provision	7,725	10,126
Provision for major risks	538	519
Thereof:		
For nuclear facilities	99	99
For pharmaceutical product liability risks	79	78
For terrorism risks	361	342
Total	8,263	10,645

The "other technical provisions" include provisions for anticipated underwriting losses totalling €68m.

9 Other provisions

As at 31 December 2017, prior to netting, the provision for employees' pensions and similar commitments totalled €1,090m, compared with assets of €1,508m, also prior to netting. In addition, there was a pension provision of €36m after netting as at 31 December 2017. This led to an excess of €454m of plan assets over pension liabilities and similar commitments as at 31 December 2017 (page 20).

For semi-retirement commitments, a settlement amount of €87m compares with assets of €26m to be netted. Netting at individual plan level results in both a provision of €63m and an excess of €2m of plan assets over pension liabilities, which has to be capitalised. The acquisition costs of the assets to be netted amount to €27m.

We have agreed to pay pensions to nearly all our staff and their surviving dependants. These commitments are to be met by the Company itself, by the Munich Re staff pension fund and by Allianz Pensions Management e. V.

For other personnel expenses not yet payable on the balance sheet date, provisions of €246m have been posted.

There are provisions of €230m for anticipated losses from derivatives.

10 Miscellaneous liabilities

Liabilities secured by charges on property total less than €1m. These have a remaining term of more than five years.



11 Hedging relationships

As at 31 December 2017, hedge accounting was used for the following economic hedges:

Type of hedging relationship	Hedged items Types and volumes	Hedging instruments Types and volumes	Type of risks	Amount of risks hedged
a) Portfolio hedges	Foreign currency liabilities	Foreign currency assets	Exchange-rate risks	Currency result from hedged foreign currency liabilities Recognition of effective change in the fair value of hedged items and hedging instruments in the balance sheet and income statement, owing to use of "gross method" for hedging relationships
	<p>The following hedging relationships – the largest in terms of volume – were recognised at the balance sheet date:</p> <ul style="list-style-type: none"> - US dollar: 22,208m (€18,495m) - Pound sterling: 5,409m (€6,094m) - Chinese renminbi: 30,308m (€3,875m) - Australian dollar: 5,041m (€3,284m) - Canadian dollar: 4,742m (€3,152m) - Japanese yen: 153,266m (€1,133m) - Israeli new shekel: 4,136m (€992m) - Hong Kong dollar: 8,240m (€878m) 			
b) Portfolio hedge	Variable portfolio of securities (Canadian dollar) in the deposits MXA016F100 and MRA016F101	Hedging by means of currency forward transactions (sale of Canadian dollars in exchange for euros) Hedging always annually with regular adjustments in line with changes in carrying amounts in the deposit	Exchange-rate risk	Currency result from hedged securities deposits MXA016F100 and MRA016F101 Recognition of effective change in the fair value of hedged items and hedging instruments in the balance sheet and income statement, owing to use of "gross method" for hedging relationship
	Carrying amount (basis for hedging) as at 31 December 2017: Can\$ 3,068m (€2,039m)	Open currency forward contracts as at 31 Dec. 2017: Sell Can\$ 3,095m in exchange for €2,003m		
c) Micro hedges	Two inwards reinsurance agreements (industry loss short swaps) Term until 15 December 2019 Recorded as OPT63200116 and OPT63200117	Two outwards retrocession agreements (industry loss long swaps) Term until 15 December 2019 Recorded as OPT63200113 and OPT63200114	Market price risk and credit risk	Net hedge presentation method Nominal volume US\$ 220m (€175m)
	Premium: US\$ 38m (€32m) Received on 5 August 2017	Premium: US\$ 38m (€32m) Paid on 5 August 2017		

→ Details of effectiveness

Reason	Scope	Period	Method for measuring effectiveness
a) Currency match	Probable compensation of countervailing changes in the fair value	According to duration of liabilities	Critical term match method, prospective
b) Identity of underlying Currency match Volume of hedge is regularly adjusted to the status of the deposit	Probable compensation of countervailing changes in the fair value Effectiveness 99.88% Ineffectiveness results mainly from changes in the contents of the deposit and minor delay until hedge volume is adjusted in the currency forward transactions	Commenced on 1 October 2011 Unlimited term	Critical term match method, prospective Dollar offset method, retrospective
c) Identity of underlying Currency match	Full compensation of countervailing changes in the fair value Effectiveness 100.00%	Commenced on 5 August 2017 Term until December 2019	Critical term match method, prospective and retrospective

Notes to the income statement

12 Reinsurance underwriting result by class of business

€m	Gross premiums written		Underwriting result before claims equalisation provision and similar provisions		Change in claims equalisation provision and similar provisions		Combined ratio %	
	2017	Prev. year	2017	Prev. year	2017	Prev. year	2017	Prev. year
Life	7,719	7,930	-111	164	0	0	-	-
Health	3,079	2,939	14	-10	0	0	99.5	100.4
Accident	236	198	105	120	-166	-82	55.8	31.5
Liability	1,668	1,887	-634	-256	254	-213	138.3	114.6
Motor	2,970	3,082	-153	-2	-77	-66	105.9	100.0
Marine	277	392	73	-40	92	35	73.1	111.5
Aviation	486	443	132	111	720	37	73.3	75.3
Fire	3,278	3,551	-1,248	497	1,401	95	142.8	83.7
Engineering	567	752	-125	28	127	18	122.0	95.9
Other classes	2,332	2,355	-42	-16	31	-214	102.7	100.7
Non-life combined	14,893	15,597	-1,879	432	2,382	-391	113.7	96.9
Total	22,612	23,527	-1,990	596	2,382	-391	-	-

In the 2017 financial year, the prerequisites for establishing a claims equalisation provision no longer existed in the aviation class of business. For this reason, the full amount of the provision was reversed in the year under review.

13 Interest on technical provisions

We have calculated the interest on technical provisions in accordance with Section 38 of the German Insurance Accounting Regulations (RechVersV) and - where prescribed there - have transferred it from the non-technical to the technical account.

14 Personnel expenses

The management expenses include the following personnel expenses:

€m	2017	Prev. year
Wages and salaries	-503	-472
Social insurance contributions and voluntary assistance	-80	-77
Expenses for employees' pensions	-21	-40
Total	-604	-590

15 Investment income

The write-ups result from the reversal of write-downs because the reasons for these write-downs for impairment no longer apply.

16 Investment expenses

Of the write-downs, €224m is for impairments as per Section 253(3), sentence 5 of the German Commercial Code (HGB).

17 Tax accounting influences

There are no tax accounting influences.

18 Mid-Term Incentive Plan

Since 1 January 2009, Munich Reinsurance Company has set up medium-term incentive plans, each with a term of three years. Eligible for participation in these cash-settled share-based remuneration plans are senior management in Munich. The participants receive performance share units (PSUs). In the fourth year after plan commencement, participants are entitled to a bonus payment dependent on the achievement of value-based performance targets and the increase in the total shareholder return (TSR). ↗

The value-based performance targets are set in the form of an average target to be achieved over the following three years of the plan and are allocated according to responsibilities.

The basis for the full and partial allocation of the PSUs is the first plan year.

The final number of PSUs is calculated by multiplying the number of PSUs at plan commencement by the percentage achievement of the performance target at plan termination. The number of PSUs may fluctuate between 0 and 1.5 times the initially allocated number. Payment is capped if the TSR doubles. The maximum amount payable is limited to 300%.

The Mid-Term Incentive Plan at the reporting date is valued indirectly at the fair value of the liabilities. The fair value takes account of the value-based performance target and the total shareholder return (TSR) during the performance period. To this end, the TSR index value observable in the market is updated with the current dividend yield of Munich Re shares at the termination date and discounted with appropriate market interest rates.

Munich Reinsurance Company's Mid-Term Incentive Plans 2014-2017

	Incentive Plan 2014	Incentive Plan 2015	Incentive Plan 2016	Incentive Plan 2017
Plan commencement	1.1.2014	1.1.2015	1.1.2016	1.1.2017
Plan end	31.12.2016	31.12.2017	31.12.2018	31.12.2019
Fair value 2017 for one right	0,0 €	456,20 €	472,30 €	487,55 €
Number of rights on 1 January 2014	0	0	0	0
Number of rights on 31 December 2014	42,233	0	0	0
Number of rights on 1 January 2015	42,233	0	0	0
Additions	0	38,217	0	0
Forfeited	584	0	0	0
Number of rights on 31 December 2015	41,649	38,217	0	0
Number of rights on 1 January 2016	41,649	38,217	0	0
Additions	0	0	32,525	0
Forfeited	182	213	0	0
Number of rights on 31 December 2016	41,467	38,004	32,525	0
Number of rights on 1 January 2017	41,467	38,004	32,525	0
Additions	0	0	120	30,814
Exercised	40,952	0	0	0
Forfeited	515	1,322	1,136	0
Number of rights on 31 December 2017	0	36,682	31,509	30,814

In the financial year 2017, expenses of €1m were recognised for the Mid-Term Incentive Plans. As at 31 December 2017, the provision amounted to €22m.

19 Income and expenses from currency translation

Income of €0 from currency translation has been recognised in other income, and expenses of €1m in other expenses.

20 Income and expenses from the discounting of provisions

“Other expenses” includes €6m from reversing the discounting of the tax reserves.

21 Remuneration report

The members of Munich Reinsurance Company’s Board of Management received remuneration totalling €18.6m. The total remuneration of Munich Reinsurance Company’s Supervisory Board amounted to €2.6m; not included in ↗

this figure is €0.2m for membership of supervisory boards at other Group companies, so that the overall amount came to €2.8m.

Payments to retired members of the Board of Management or their surviving dependants totalled €8.6m.

No personnel expenses for pension commitments were incurred for pension commitments to retired members of the Board of Management. After deduction of plan assets held by a separate entity (under a contractual trust agreement), there were no pension provisions or provisions for comparable benefits for retired members of the Board of Management or their surviving dependants. The amount of the liability is €146.3m.

There are no pension commitments for former members of the Supervisory Board or their surviving dependants.

The members of the Supervisory Board and Board of Management did not receive any cash advances or loans in the year under review.

22 Governing bodies of Munich Re

Responsibilities and seats held by the Board of Management

Board of Management	Responsibilities	Seats ¹
Dr. oec. publ. Joachim Wenning Labour Relations Director (until 26 April 2017) Chairman of the Board of Management (since 27 April 2017) Chairman of the Group Committee (since 27 April 2017)	Life (until 31 January 2017) Human Resources (until 26 April 2017) Since 27 April 2017: Group Holdings Group Strategy and M&A Group Communications Group Audit Economics, Sustainability & Public Affairs ³ Group Human Resources Group Executive Affairs	ERGO Group AG, Düsseldorf ² (Chair)
Dr. jur. Nikolaus von Bomhard (until 26 April 2017) Chairman of the Board of Management Chairman of the Group Committee	Group Development ³ Group Holdings Group Communications Group Compliance Group Audit Group Human Resources	-
Giuseppina Albo (until 31 December 2017)	Europe and Latin America	IFG Companies, USA
Dr. rer. pol. Ludger Arnoldussen (until 26 April 2017)	Germany, Asia Pacific and Africa Central Procurement Services	-
Dr. rer. pol. Thomas Blunck	Special and Financial Risks (until 31 January 2017) Life and Health (since 1 February 2017) Capital Partners Digital Partners Reinsurance Investments	Munich Re Digital Partners Ltd., United Kingdom ² (Chair)

Board of Management	Responsibilities	Seats ¹
Dr. jur. Doris Höpke Labour Relations Director (since 27 April 2017)	Health (until 31 January 2017) Special and Financial Risks (since 1 February 2017) Human Resources (since 27 April 2017)	Apollo Munich Health Insurance Company Ltd., India Global Aerospace Underwriting Managers Ltd. (GAUM), United Kingdom New Reinsurance Company Ltd., Switzerland ² (Chair)
Dr. rer. nat. Torsten Jeworrek Chairman of the Reinsurance Committee	Reinsurance Development Corporate Underwriting Claims Accounting, Controlling and Central Reserving for Reinsurance Information Technology Geo Risks Research/Corporate Climate Centre (until 31 July 2017)	ERGO Digital Ventures AG, Düsseldorf ² ERGO International AG, Düsseldorf ²
Hermann Pohlchristoph (since 27 April 2017)	Germany, Asia Pacific and Africa Central Procurement Services	ERGO International AG, Düsseldorf ²
Dr. rer. pol. Markus Rieß	Primary Insurance/ERGO Third Party Asset Management	DKV Deutsche Krankenversicherung AG, Cologne ² (Chair) ERGO Beratung und Vertrieb AG, Düsseldorf ² ERGO Deutschland AG, Düsseldorf ² (Chair) ERGO Digital Ventures AG, Düsseldorf ² (Chair) ERGO International AG, Düsseldorf ² (Chair) MEAG MUNICH ERGO Kapitalanlage-gesellschaft mbH, Munich ² (Chair)
Dr. rer. pol. Peter Röder	Global Clients and North America Europe and Latin America (since 1 January 2018)	EXTREMUS Versicherungs-AG, Cologne Munich Re America Corporation, USA ² (Chair) Munich Reinsurance America Inc., USA ² (Chair)
Dr. jur. Jörg Schneider Chief Financial Officer	Financial and Regulatory Reporting Group Controlling Corporate Finance M&A (until 26 April 2017) Integrated Risk Management Group Legal Group Taxation Investor and Rating Agency Relations Group Compliance (since 27 April 2017)	MEAG MUNICH ERGO Kapitalanlage-gesellschaft mbH, Munich ²

¹ As at 31 December 2017; seats held on supervisory boards of German companies and memberships of comparable bodies of German and foreign business enterprises.

² Own Group company within the meaning of Section 18 of the German Stock Corporation Act (AktG).

³ Including responsibility for environmental, social and governance (ESG) issues.

Supervisory Board and seats held by members of the Supervisory Board

Supervisory Board ¹	Membership of committees	Seats ²
<p>Dr. Ing. E.h. Dipl. Ing. Bernd Pischetsrieder Chairman Former Chairman of the Board of Management of Volkswagen AG Member since 17 April 2002, last re-elected 30 April 2014</p>	<p>Standing Committee Personnel Committee Audit Committee Nomination Committee Conference Committee Remuneration Committee (since 1 January 2018)</p>	<p>Daimler AG, Stuttgart⁴ Tetra Laval Group, Switzerland</p>
<p>Marco Nörenberg Deputy Chairman Employee of ERGO Group AG Member since 22 April 2009, last re-elected 30 April 2014</p>	<p>Standing Committee Conference Committee</p>	<p>ERGO Group AG, Düsseldorf³</p>
<p>Prof. Dr. oec. Dr. iur. Dr. rer. pol. h.c. Ann-Kristin Achleitner Scientific Co-Director of the Center for Entrepreneurial and Financial Studies (CEFS) at the Technical University of Munich Member since 3 January 2013, last re-elected 30 April 2014</p>	<p>Audit Committee Nomination Committee Remuneration Committee (since 1 January 2018)</p>	<p>Deutsche Börse AG, Frankfurt⁴ Linde AG, Munich⁴ Engie S.A. (formerly GDF SUEZ S.A.), France⁴</p>
<p>Clement B. Booth Member of the Board of Directors of Hyperion Insurance Group, United Kingdom Member since 27 April 2016</p>		<p>Hyperion Insurance Group Ltd., United Kingdom⁴</p>
<p>Frank Fassin Regional Section Head Financial Services, ver.di North Rhine-Westphalia Member since 22 April 2009, last re-elected 30 April 2014</p>		<p>ERGO Group AG, Düsseldorf³ Provinzial NordWest Holding AG, Münster</p>
<p>Dr. jur. Benita Ferrero-Waldner Partner in the law firm of Cremades & Calvo Sotelo, Spain Member since 12 February 2010, last re-elected 30 April 2014</p>		<p>Gas Natural Fenosa, Spain⁴</p>
<p>Christian Fuhrmann Head of Divisional Unit, Munich Reinsurance Company Member since 22 April 2009, last re-elected 30 April 2014</p>	<p>Audit Committee</p>	
<p>Prof. Dr. rer. nat. Dr. h.c. Ursula Gather Rector of TU Dortmund University Member since 30 April 2014</p>		
<p>Prof. Dr. rer. nat. Peter Gruss President and CEO of OIST Graduate University, Japan Member from 22 April 2009 until 30 June 2017</p>		
<p>Gerd Häusler Chairman of the Supervisory Board of BayernLB (until 12 April 2018) Member since 30 April 2014</p>	<p>Standing Committee</p>	<p>Auto1 N.V., Netherlands BayernLB Holding AG, Munich (Chair)</p>

Supervisory Board ¹	Membership of committees	Seats ²
Dr. iur. Anne Horstmann Employee of ERGO Group AG Member since 30 April 2014	Audit Committee	ERGO Group AG, Düsseldorf ³
Ina Hosenfelder Employee of ERGO Group AG Member since 30 April 2014		
Renata Jungo Brüngger Member of the Board of Management of Daimler AG Member since 3 January 2017		
Prof. Dr. rer. nat. Dr. Ing. E. h. Henning Kagermann President of acatech – German Academy of Science and Engineering Member since 22 July 1999, last re-elected 30 April 2014	Standing Committee Personnel Committee Audit Committee Nomination Committee Conference Committee	Deutsche Bank AG, Frankfurt ⁴ Deutsche Post AG, Bonn ⁴ KUKA AG, Augsburg ⁴
Beate Mensch Trades Union Secretary, ver.di, Hessen Member since 30 April 2014		Commerzbank AG, Frankfurt ⁴
Ulrich Plottke Employee of ERGO Group AG Member since 30 April 2014		ERGO Group AG, Düsseldorf ³
Andrés Ruiz Feger Employee of Munich Re, Sucursal en España, Spain Member since 22 April 2009, last re-elected 30 April 2014	Standing Committee	
Gabriele Sinz-Toporzyssek Employee of ERGO Beratung und Vertrieb AG Member since 30 April 2014		ERGO Beratung und Vertrieb AG, Düsseldorf ³
Dr. phil. Ron Sommer Chairman of the Supervisory Board of MTS OJSC, Russia Member since 5 November 1998, last re-elected 30 April 2014		PrJSC MTS (Chair), Ukraine Sistema PJSFC, Russia ⁴ Tata Consultancy Services Ltd., India ⁴
Angelika Wirtz Employee of Munich Reinsurance Company Member since 30 April 2014	Personnel Committee Conference Committee Remuneration Committee (since 1 January 2018)	
Dr. iur. Maximilian Zimmerer Member of the Supervisory Board of Munich Reinsurance Company Member since 4 July 2017		Investmentaktiengesellschaft für langfristige Investoren TGV (Chair), Bonn Möller & Förster GmbH & Co. KG, Hamburg (Chair of Advisory Council)

1 As at 31 December 2017.

2 Seats held on supervisory boards of German companies and memberships of comparable bodies of German and foreign business enterprises.

3 Own Group company within the meaning of Section 18 of the German Stock Corporation Act (AktG).

4 Listed on the stock exchange.

23 Number of staff

The number of staff employed by the Company in Munich and at its offices abroad in the financial year 2017 averaged 4,137, of whom an average of 3,722 were employed in Germany and 415 in other countries.

24 Auditor's fees

The auditor's fees mainly relate to the audits of the consolidated financial statements and the annual financial statements of Munich Reinsurance Company, and to various audits of our subsidiaries' annual financial statements, including statutory extensions of the audit assignment (in particular the audit of the solvency balance sheet). In addition, reviews of interim financial statements and project-related IT audits, and contractual reviews of the effectiveness of a service company's controls, were carried out.

Other assurance and appraisal services concern statutory or contractual audit services, voluntary audit services – in particular, audits of compliance management systems pursuant to accounting standard 980 of the Institute of Public Auditors in Germany (IDW), and mandatory assurance and appraisal services for submission to the competent authorities.

Other services essentially relate to quality assurance support and consulting services in connection with accounting issues, the introduction of regulatory requirements or of new accounting standards based on solutions and concepts produced by us. The auditor also provided administrative support and data storage services on a small scale.

Further information on the auditor's fees can be found in Munich Re's Group Annual Report 2017.

25 Contingent liabilities and other financial commitments

The Company has assumed a guarantee for certain reinsurance liabilities of Munich American Reassurance Company (MARC Life).

Munich Reinsurance Company has also assumed liability in case of default for payments arising with respect to certain insurance commitments of two non-German subsidiaries.

For three non-German subsidiaries and one branch, a guarantee for office rents has been assumed for a total amount equivalent to approximately €6m per annum.

In isolated cases, we have given time-limited guarantees concerning the correctness of individual items warranted in the sales contract when buying or selling investments. An obligation to pay compensation for disadvantages is included in some of these guarantees.

For one of its subsidiaries, the Company has assumed a guarantee to fulfil all financial obligations resulting from the sale of equities and interests, and for another subsidiary, a guarantee of €10m for financial commitments.

As a member of the German Pharma Reinsurance Community and the German Nuclear Reactor Insurance Association, we are committed – to the extent of our proportional share – to assuming the payment obligations of another pool member if the latter is not able to meet these obligations.

Munich Reinsurance Company has guaranteed adequate capitalisation of a subsidiary, in case of a demand to repay public funding totalling much less than €1m; for other subsidiaries, Munich Re has provided payment guarantees to secure repayment claims of just over €11m.

For one subsidiary's contingent contractual liabilities to compensate losses at other Group companies, the Company has assumed joint and several liability from three contracts (up to a maximum amount of €300m per claim in the first one, €100m per claim in the second one, and just under €77m in the third one).

In addition, the Company has assumed a payment obligation equivalent to around €23m for a participating interest.

In none of the cases mentioned is there an increased risk of the guarantees being utilised.

Beyond this, there are no off-balance-sheet transactions which are material for the assessment of the Company's financial position.

Other financial commitments amounted to €1,856m (€1,412m of these to affiliated companies). They result mainly from commitments to inject capital into various investment funds and subsidiaries, agency and leasing agreements, loans and initiated investment projects.

Information on open forward transactions can be found on page 18 of this Annual Report.

26 Declaration of Conformity with the German Corporate Governance Code in accordance with Section 161 of the German Stock Corporation Act (AktG)

In November 2017, the Board of Management and Supervisory Board of Munich Reinsurance Company published an updated Declaration of Conformity with the German Corporate Governance Code in accordance with Section 161 of the Stock Corporation Act (AktG) and made this Declaration permanently available to shareholders on its website at www.munichre.com/cg-en.

27 Events after the balance sheet date

In connection with the US federal tax reform, a number of intra-Group reinsurance agreements between Munich American Reassurance Company and Munich Reinsurance Company were ended on 1 January 2018. As a consequence, measures had to be taken to strengthen this subsidiary's capital base.

Under the share buy-back programme decided on by Munich Reinsurance Company's Board of Management in March 2017, we repurchased a further 1,3 million Munich Re shares with a volume of €236m from the balance sheet date to the end of February 2018.

28 Proposal for appropriation of profit

The net retained profits available to the Annual General Meeting for allocation amount to €1,333,240,008.80. The Board of Management will propose that these net retained profits be used for payment of a dividend of €8.60 per dividend-bearing share, with the remaining amount being carried forward to new account.

List of shareholdings as at 31 December 2017 in accordance with Section 285 Nos. 11, 11a and 11b of the German Commercial Code (HGB)

The following disclosures relate to our aggregated directly and indirectly held shareholdings (pursuant to Section 16 (2) and (4) of the German Stock Corporation Act – AktG) in participating interests (as defined in Section 271(1) of the German Commercial Code).

The figures for equity and the result for the year are taken from the most recent local GAAP annual financial statements, mainly those at 31 December 2016. If such financial statements are not available, the IFRS figures produced for consolidation purposes have been used.

Company and registered seat	% share of capital	Equity €k	Result for the year €k
Shareholdings exceeding 5% of the voting rights of large companies			
Admiral Group plc, Cardiff	10.2186	115,924	171,275
AGROTIKI Insurance S.A., Athens	100.0000	108,362	15,412
American Alternative Insurance Corporation, Wilmington, Delaware	100.0000	165,241	24,657
American Family Home Insurance Company, Jacksonville, Florida	100.0000	155,413	6,107
American Modern Home Insurance Company, Amelia, Ohio	100.0000	338,853	13,963
American Modern Insurance Company of Florida Inc., Jacksonville, Florida	100.0000	8,631	230
American Modern Lloyds Insurance Company, Dallas, Texas	100.0000	3,397	201
American Modern Property & Casualty Insurance Company, Cincinnati, Ohio	100.0000	14,045	147
American Modern Select Insurance Company, Amelia, Ohio	100.0000	47,870	4,568
American Modern Surplus Lines Insurance Company, Amelia, Ohio	100.0000	25,042	378
American Southern Home Insurance Company, Jacksonville, Florida	100.0000	39,540	2,730
American Western Home Insurance Company, Oklahoma City, Oklahoma	100.0000	61,132	2,910
Apollo Munich Health Insurance Co. Ltd., Hyderabad	48.7000	80,388	16,770
Avantha ERGO Life Insurance Company, Mumbai	25.9998	3,319	-3,804
Beaufort Dedicated No 2 Ltd., London	100.0000	8,814	1,587
Calliden Insurance Pty Ltd, Sydney	100.0000	11,993	-856
carexpert Kfz-Sachverständigen GmbH, Walluf	25.0000	4,605	273
Closed Joint Stock Company «ERGO» Insurance Company, Minsk	92.3114	3,196	42
D.A.S. Defensa del Automovilista y de Siniestros - Internacional S.A. de Seguros y Reaseguros, Barcelona	100.0000	7,187	956
D.A.S. Difesa Automobilistica Sinistri S.p.A. di Assicurazione, Verona	49.9920	37,904	6,820
D.A.S. HELLAS Allgemeine Rechtsschutz-Versicherungs-AG, Athens	100.0000	4,906	525
D.A.S. Jogvédelmi Biztosító Részvénytársaság, Budapest	100.0000	5,595	547
D.A.S. Luxemburg Allgemeine Rechtsschutz-Versicherung S.A., Strassen	100.0000	3,910	180
D.A.S. Rechtsschutz Aktiengesellschaft, Vienna	100.0000	67,123	4,134
D.A.S. Société anonyme belge d'assurances de Protection Juridique, Brussels	100.0000	30,578	2,019
D.A.S. Towarzystwo Ubezpieczeń Ochrony Prawnej S.A., Warsaw	100.0000	3,594	-152
DAMAN - National Health Insurance Company, Abu Dhabi ³	20.0000	-	-
Daman Health Insurance - Qatar LLC, Doha	100.0000	12,282	-1,445
DAS Legal Expenses Insurance Co., Ltd., Seoul	100.0000	1,792	-26
DAS Legal Expenses Insurance Company Limited, Bristol	100.0000	50,764	-15,735
DAS Legal Protection Insurance Company Ltd., Toronto, Ontario	100.0000	9,921	-3,078
DAS Nederlandse Rechtsbijstand Verzekeringmaatschappij N.V., Amsterdam	100.0000	120,775	13,003
DAS Rechtsschutz-Versicherungs-AG, Lucerne	100.0000	14,335	-103
DAS Services Limited, Bristol	100.0000	-22,295	2,231
DKV BELGIUM S.A., Brussels	100.0000	172,345	36,490
DKV Deutsche Krankenversicherung Aktiengesellschaft, Cologne ¹	100.0000	469,534	0
DKV Seguros y Reaseguros S.A. Española, Zaragoza	100.0000	197,566	30,490
ERGO Asigurări de Viață S.A., Bucharest	100.0000	5,121	-317
ERGO Asigurări S.A., Bucharest	100.0000	5,590	-502

Company and registered seat	% share of capital	Equity €k	Result for the year €k
ERGO Beratung und Vertrieb AG, Düsseldorf ¹	100.0000	17,000	0
ERGO China Life Insurance Co., Ltd., Jinan, Shandong Province	50.0000	17,073	-27,006
ERGO DIREKT Krankenversicherung AG, Fürth ¹	100.0000	79,515	0
ERGO DIREKT Lebensversicherung AG, Fürth ¹	100.0000	82,789	0
ERGO DIREKT Versicherung AG, Fürth ¹	100.0000	31,138	0
ERGO Életbiztosító Zrt, Budapest	100.0000	4,508	-776
ERGO General Insurance Company S.A., Athens	100.0000	97,701	17,548
ERGO Generales Seguros y Reaseguros S.A., Madrid	100.0000	29,799	4,197
ERGO Group AG, Düsseldorf	100.0000	2,883,641	636,369
ERGO Insurance Company, Moscow	100.0000	28,464	3,462
ERGO Insurance N.V., Brussels	100.0000	360,812	-121,837
ERGO Insurance Pte. Ltd., Singapore	100.0000	24,427	-4,146
ERGO Insurance SE, Tallinn	100.0000	44,318	607
ERGO Lebensversicherung Aktiengesellschaft, Hamburg ¹	100.0000	738,362	0
ERGO Life Insurance Company S.A., Thessaloniki	100.0000	6,230	-262
ERGO Life Insurance SE, Vilnius	100.0000	65,445	2,043
ERGO Life S.A., Grevenmacher	100.0000	30,781	5,388
ERGO osiguranje d.d., Zagreb	100.0000	5,100	-2,645
ERGO Pensionsfonds Aktiengesellschaft, Düsseldorf	100.0000	4,533	0
ERGO Pensionskasse AG, Düsseldorf ¹	100.0000	89,738	0
ERGO Poistovňa a.s., Bratislava	100.0000	9,973	-837
ERGO pojišťovna, a.s., Prague	100.0000	17,391	469
ERGO Sigorta A.Ş., Istanbul	100.0000	46,714	-34,657
ERGO Versicherung Aktiengesellschaft, Düsseldorf ¹	100.0000	537,991	0
ERGO Versicherung Aktiengesellschaft, Vienna	100.0000	454,674	62,123
ERGO Vida Seguros y Reaseguros S.A., Zaragoza	100.0000	36,833	-1,051
ERGO Vorsorge Lebensversicherung AG, Düsseldorf ¹	100.0000	27,746	0
ERGO životno osiguranje d.d., Zagreb	100.0000	4,394	-378
ERV Evropská pojišťovna, a.s., Prague	90.0000	10,983	3,631
Europaeiske Rejseforsikring A/S, Copenhagen	100.0000	36,534	5,756
Europai Utazasi Biztosító Rt, Budapest	26.0000	6,362	0
EUROPÄISCHE Reiseversicherung Aktiengesellschaft, Munich ¹	100.0000	62,806	0
Europäische Reiseversicherungs-Aktiengesellschaft, Vienna	25.0100	27,803	5,593
Extremus Versicherungs-Aktiengesellschaft, Cologne	16.0000	64,740	300
Global Aerospace Underwriting Managers Ltd., London	40.0000	47,140	5,539
Global Insurance Company, Ho Chi Minh City	43.7500	17,831	9
Globality S.A., Luxembourg	100.0000	26,850	-4,895
Great Lakes Insurance SE, Munich	100.0000	398,543	9,321
HDFC ERGO General Insurance Company Ltd., Mumbai	48.2922	137,228	20,587
HSB Engineering Insurance Limited, London	100.0000	129,701	15,709
HSB Specialty Insurance Company, Hartford, Connecticut	100.0000	41,330	96
Insurance Company "ERGO Life" Ltd., Moscow	100.0000	10,747	1,645
ITERGO Informationstechnologie GmbH, Düsseldorf ¹	100.0000	23,123	0
JSC "ERV Travel Insurance", Moscow	100.0000	4,357	907
Marchwood Power Limited, Southampton	50.0000	133,616	32,740
Marina Salud S.A., Alicante	65.0000	10,597	563
MEAG MUNICH ERGO AssetManagement GmbH, Munich	100.0000	156,266	67,176
MEAG MUNICH ERGO Kapitalanlagegesellschaft mbH, Munich ¹	100.0000	19,665	0
MEDICLIN Aktiengesellschaft, Offenburg	35.0042	295,651	87,932
Midland-Guardian Co., Amelia, Ohio	100.0000	83,061	26,362
Munich American Holding Corporation, Wilmington, Delaware	100.0000	8,394,611	460,634
Munich American Life Reinsurance Company, Atlanta, Georgia	100.0000	24,299	1,925
Munich American Reassurance Company, Atlanta, Georgia	100.0000	558,162	-87,726
Munich Holdings Ltd., Toronto, Ontario	100.0000	268,088	36,465
Munich Holdings of Australasia Pty Ltd, Sydney	100.0000	1,315,014	88,202
Munich Life Management Corporation Ltd., Toronto, Ontario	100.0000	-4,302	1,675
Munich Re America Corporation, Wilmington, Delaware	100.0000	3,299,876	571,657
Munich Re Capital Limited, London	100.0000	48,631	31,927

Company and registered seat	% share of capital	Equity €k	Result for the year €k
Munich Re do Brasil Resseguradora SA, São Paulo	100.0000	93,404	15,442
Munich Re Life Insurance Company of Vermont, Burlington, Vermont	100.0000	416	176,007
Munich Re of Malta Holding Limited, Ta' Xbiex	100.0000	1,049,641	221,431
Munich Re of Malta p.l.c., Ta' Xbiex	100.0000	1,206,702	150,815
Munich Re UK Services Limited, London	100.0000	64,583	9,596
Munich Re US Life Corporation, Minneapolis, Minnesota	100.0000	6,950	-
Munich Reinsurance America Inc., Wilmington, Delaware	100.0000	4,013,603	266,442
Munich Reinsurance Company of Africa Ltd, Johannesburg	100.0000	195,823	58,015
Munich Reinsurance Company of Australasia Ltd, Sydney	100.0000	739,842	103,686
Munich Reinsurance Company of Canada, Toronto, Ontario	100.0000	189,461	36,418
New Reinsurance Company Ltd., Zurich	100.0000	700,508	101,925
nexible Versicherung AG, Nuremberg	100.0000	12,528	3,664
Princeton Eagle West Insurance Company Ltd., Hamilton, Bermuda	100.0000	897	-76
Private Aktiengesellschaft "Europäische Reiseversicherung", Kiev	99.9999	789	268
Protector Lebensversicherungs-AG, Berlin	10.7597	105,412	12,512
Saudi Enaya Cooperative Insurance Company, Jeddah	15.0000	38,138	-6,096
SNIC Insurance B.S.C. (c), Manama	22.5000	35,048	2,500
Sopockie Towarzystwo Ubezpieczeń Ergo Hestia Spółka Akcyjna, Sopot	100.0000	337,418	19,041
Sopockie Towarzystwo Ubezpieczeń na Życie Ergo Hestia Spółka Akcyjna, Sopot	100.0000	53,818	3,020
Storebrand Helseforsikring AS, Oslo	50.0000	242,471	72,980
Suramericana S.A., Medellin	18.8672	1,125,741	120,162
Temple Insurance Company, Toronto, Ontario	100.0000	122,901	3,973
Thaisri Insurance Public Co., Ltd., Bangkok	40.2576	30,246	3,419
The Boiler Inspection and Insurance Company of Canada, Toronto, Ontario	100.0000	59,212	11,187
The Hartford Steam Boiler Inspection and Insurance Company of Connecticut, Hartford, Connecticut	100.0000	10,759	738
The Hartford Steam Boiler Inspection and Insurance Company, Hartford, Connecticut	100.0000	635,956	36,916
The Princeton Excess and Surplus Lines Insurance Company, Wilmington, Delaware	100.0000	54,566	6,513
Unión Médica la Fuencisla S.A., Compañía de Seguros, Saragossa	100.0000	8,443	702
VICTORIA Lebensversicherung Aktiengesellschaft, Düsseldorf ¹	100.0000	598,763	0
Wataniya Insurance Company, Jeddah	10.0000	43,216	9,146
Other shareholdings			
"PORT ELISABETH" GmbH & Co. KG, Bramstedt	31.9660	10,217	806
"PORT LOUIS" GmbH & Co. KG, Bramstedt	26.0495	-4,696	-1,092
"REISEGARANT" Gesellschaft für die Vermittlung von Insolvenzversicherungen mbH, Hamburg	24.0000	173	13
13th & F Associates Limited Partnership, Washington, D.C.	98.0000	174,731	15,828
1440 New York Ave. Associates LP, Dover, New York	100.0000	211,942	-
1818 Acquisition LLC, Dover, Delaware	20.6400	898	-
40, Rue Courcelles SAS, Paris	100.0000	63,282	3,706
Adelfa Servicios a Instalaciones Fotovoltaicas S.L., Santa Cruz de Tenerife	100.0000	19,938	461
ADVIA N.V., Schoten	80.0000	177	19
AEVG 2004 GmbH, Frankfurt am Main	0.0000	-297	0
Agricultural Management Services S.r.l., Verona	33.3333	127	8
Aleama 150015 S.L., Valencia	100.0000	-184	-21
ALICE GmbH, Düsseldorf	100.0000	97,029	2,944
ALLYSCA Assistance GmbH, Munich ¹	100.0000	2,984	0
American Modern Home Service Company, Amelia, Ohio	100.0000	2,075	28
American Modern Insurance Group Inc., Amelia, Ohio	100.0000	98,814	27,330
Amicus Legal Ltd., Bristol	100.0000	1,641	63
ANOVA GmbH, Rostock	100.0000	215	17
Arridabra 130013 S.L., Valencia	100.0000	-186	-22
ARTES Assekuranzservice GmbH, Düsseldorf	100.0000	231	103
ArztPartner almeda AG, Munich	100.0000	32,061	1,006
Asia Property Fund II GmbH & Co. KG, Munich	5.8889	104,708	528
Assistance Partner GmbH & Co. KG, Munich	21.6600	1,208	203
ATU Landbau GmbH & Co. KG, Heiligengrabe	94.9000	33,498	1,187
Augury Inc., Wilmington, Delaware	12.7500	-4,428	-
Autobahn Tank & Rast Gruppe GmbH & Co. KG, Bonn	9.9980	478,206	-314

Company and registered seat	% share of capital	Equity €k	Result for the year €k
avanturo GmbH, Düsseldorf	100.0000	143,886	1,003
B&D Business Solutions B.V., Utrecht	100.0000	249	457
Badozoc 1001 S.L., Valencia	100.0000	-123	-7
Bagmoor Holdings Limited, London	100.0000	10,440	-120
Bagmoor Wind Limited, London	100.0000	1,781	168
Bank Austria Creditanstalt Versicherungsdienst GmbH, Vienna	100.0000	557	384
Baqueda 7007 S.L., Valencia	100.0000	-185	-21
Beaufort Dedicated No 1 Ltd., London	100.0000	76	0
Beaufort Dedicated No 3 Ltd., London	100.0000	17	0
Beaufort Dedicated No 4 Ltd., London	100.0000	5	0
Beaufort Dedicated No 5 Ltd., London	100.0000	303	0
Beaufort Dedicated No 6 Ltd., London	100.0000	0	0
Beaufort Underwriting Agency Limited, London	100.0000	25,438	4,181
Beaufort Underwriting Services Limited, London	100.0000	0	0
Bell & Clements (Bermuda) Ltd., Hamilton, Bermuda	100.0000	2,204	5
Bell & Clements (London) Ltd., London	100.0000	456	-214
Bell & Clements (USA) Inc., Reston, Virginia	100.0000	67	0
Bell & Clements Inc., Reston, Virginia	100.0000	595	71
Bell & Clements Ltd., London	100.0000	3,416	1,047
Bobasbe 6006 S.L., Valencia	100.0000	-187	-22
Bos Incasso B.V., Groningen	89.7640	19,101	2,090
Botedazo 8008 S.L., Valencia	100.0000	-158	-21
Bought by Many Limited "BBM", London ³	8.7900	-	-
Callopio 5005 S.L., Valencia	100.0000	-186	-22
Camcichu 9009 S.L., Valencia	100.0000	-158	-21
Cannock Chase B.V., Leidschendam	100.0000	-3,185	-1,143
Cannock Chase Holding B.V., Amsterdam	98.3300	19,684	-9,921
Cannock Chase Incasso II B.V., The Hague	100.0000	-20	-16
Cannock Chase Purchase B.V., The Hague	100.0000	518	-74
Cannock Connect Center B.V., Brouwershaven	100.0000	-274	15
CAPITAL PLAZA Holding GmbH, Düsseldorf	100.0000	72	-8
Caracuel Solar Catorce S.L., Valencia	100.0000	-127	-23
Caracuel Solar Cinco S.L., Valencia	100.0000	-119	-21
Caracuel Solar Cuatro S.L., Valencia	100.0000	-118	-21
Caracuel Solar Dieciocho S.L., Valencia	100.0000	-103	-19
Caracuel Solar Dieciseis S.L., Valencia	100.0000	-118	-22
Caracuel Solar Diecisiete S.L., Valencia	100.0000	-103	-18
Caracuel Solar Diez S.L., Valencia	100.0000	-117	-21
Caracuel Solar Doce S.L., Valencia	100.0000	-118	-22
Caracuel Solar Dos S.L., Valencia	100.0000	-120	-21
Caracuel Solar Nueve S.L., Valencia	100.0000	-120	-22
Caracuel Solar Ocho S.L., Valencia	100.0000	-116	-21
Caracuel Solar Once S.L., Valencia	100.0000	-118	-21
Caracuel Solar Quince S.L., Valencia	100.0000	-117	-22
Caracuel Solar Seis S.L., Valencia	100.0000	-119	-21
Caracuel Solar Siete S.L., Valencia	100.0000	-118	-22
Caracuel Solar Trece S.L., Valencia	100.0000	-117	-22
Caracuel Solar Tres S.L., Valencia	100.0000	-118	-21
Caracuel Solar Uno S.L., Valencia	100.0000	-77	-25
CBRE U.S. Core Partners Parallel Limited Partnership, Wilmington, Delaware	99.9000	26,081	2,265
Centrum Pomocy Osobom Poszkodowanym Sp. z o.o., Gdańsk	100.0000	312	98
Ceres Demetra GmbH, Munich	100.0000	39,174	0
Comino Beteiligungen GmbH, Grünwald	100.0000	624,483	29,010
Compagnie Européenne d'Assurances (Société en liquidation), Paris	99.9982	2,980	-1,145
Consortio Internacional de Aseguradores de Crédito S.A., Madrid	15.0353	25,237	2,610
Consortia Versicherungs-Beteiligungsgesellschaft mbH, Nuremberg	33.7027	53,205	8,487
Copper Leaf Research, Bingham Farms, Michigan ²	100.0000	0	0
Corion Pty Ltd, Sydney	100.0000	1,690	-12,550
Cornwall Power (Polmaugan) Limited, London	100.0000	7,795	229

Company and registered seat	% share of capital	Equity €k	Result for the year €k
Cotatrillo 100010 S.L., Valencia	100.0000	-157	-22
Countryside Renewables (Forest Heath) Limited, London	100.0000	5,175	199
D.A.S. Prawo i Finanse Sp. z o.o., Warsaw	100.0000	16	-1
D.A.S. Rechtsschutz Leistungs-GmbH, Munich ¹	100.0000	333	0
D.A.S., Tomasz Niedziński Kancelaria Prawna Spółka komandytowa, Warsaw	95.0000	41	-40
DAS Assistance Limited, Bristol	100.0000	-318	-2
DAS Financial Services B.V., Amsterdam	51.0000	-431	-13
DAS Holding N.V., Amsterdam	51.0000	244,041	4,231
DAS Incasso Arnhem B.V., Elst	100.0000	-443	-460
DAS Incasso Eindhoven B.V., 's-Hertogenbosch	100.0000	-814	9
DAS Incasso Rotterdam B.V., Rotterdam	100.0000	5,685	1,053
DAS Law Limited, Bristol	100.0000	-5,862	-1,899
DAS Legal Finance B.V., Amsterdam	100.0000	85,307	-7,386
DAS Legal Services B.V., Amsterdam	100.0000	-1,464	-758
DAS Lex Assistance S.L., L'Hospitalet de Llobregat	100.0000	54	-40
DAS MEDICAL ASSIST Limited, Bristol	100.0000	541	62
DAS UK Holdings Limited, Bristol	100.0000	55,044	-2,871
DB Platinum IV SICAV (Subfonds Institutional Fixed Income, Inhaber-Anteile I4D), Luxembourg	100.0000	102,000	-
DB Platinum IV SICAV (Subfonds Institutional Fixed Income, Inhaber-Anteile I5D), Luxembourg	100.0000	102,000	-
DB Platinum IV SICAV (Subfonds Institutional Fixed Income, Inhaber-Anteile I6D o.N.), Luxembourg	100.0000	200,000	-
DB Platinum IV SICAV (Subfonds Institutional Fixed Income, Inhaber-Anteile I7D o.N.), Luxembourg	100.0000	150,000	-
DB Platinum IV SICAV (Subfonds Institutional Fixed Income, Inhaber-Anteile I8D o.N.), Luxembourg	100.0000	100,000	-
DEAX Õigusbüro OÜ, Tallinn	100.0000	50	-
Digital Porte Inc., Toronto, Ontario	100.0000	4,320	-5,649
DKV Beteiligungs- und Vermögensverwaltungs GmbH & Co. KG, Cologne	100.0000	0	-506
DKV Erste Beteiligungsgesellschaft mbH, Cologne	100.0000	117	4
DKV Pflegedienste & Residenzen GmbH, Cologne	100.0000	6,090	218
DKV Servicios S.A., Saragossa	100.0000	1,712	581
DKV-Residenz am Tibusplatz gGmbH, Münster	100.0000	1,130	242
DKV-Residenz in der Contrescarpe GmbH, Bremen	100.0000	-1,189	138
DRA Debt Recovery Agency B.V., The Hague	100.0000	6,598	1,159
E&S Claims Management Inc., Reston, Virginia	100.0000	18	17
Economic Data Resources B.V., The Hague	100.0000	2,977	9
EGM Wind SAS, Paris	40.0000	8,952	-4,371
EIG Co., Wilmington, Delaware	100.0000	112,810	-9,640
Energie Kapital GmbH & Co. Solarfonds 2 KG, Düsseldorf	34.4234	18	342
ERGO (China) Consulting Ltd., Beijing	100.0000	3,971	956
ERGO Alpha GmbH, Düsseldorf	100.0000	27	0
ERGO Anlageberatung und Vertrieb GmbH i. Gr., Düsseldorf	100.0000	25	-
ERGO Asia Management Pte. Ltd., Singapore	100.0000	496	0
ERGO Austria International AG, Vienna	100.0000	172,477	-159,133
ERGO Deutschland AG, Düsseldorf ¹	100.0000	685	0
ERGO Digital IT GmbH, Berlin ¹	100.0000	25	0
ERGO Digital Ventures AG, Düsseldorf ¹	100.0000	52	0
ERGO Elfte Beteiligungsgesellschaft mbH, Düsseldorf	100.0000	1,312	-6
ERGO GmbH, Steinhausen	100.0000	4,971	29
ERGO Gourmet GmbH, Düsseldorf	100.0000	325	102
ERGO Grubu Holding A.Ş., Istanbul	100.0000	129,562	972
ERGO Grundstücksverwaltung GbR, Düsseldorf	100.0000	193,579	5,581
ERGO Infrastructure Investment Gesundheit GmbH, Düsseldorf	100.0000	10,995	-4
ERGO Infrastructure Investment Komposit GmbH, Düsseldorf	100.0000	4,685	-4
ERGO Infrastructure Investment Leben GmbH, Düsseldorf	100.0000	23	-2
ERGO Infrastructure Investment Pensionskasse GmbH, Düsseldorf	100.0000	23	-2
ERGO Infrastructure Investment Victoria Leben GmbH, Düsseldorf	100.0000	23	-2
ERGO International Aktiengesellschaft, Düsseldorf ¹	100.0000	1,949,060	0
ERGO International Services GmbH, Düsseldorf ¹	100.0000	25	0
ERGO Invest SIA, Riga	100.0000	5,943	187
ERGO LatAm S.A.S., Bogotá	100.0000	4	-

Company and registered seat	% share of capital	Equity €k	Result for the year €k
ERGO Leben Asien Verwaltungs GmbH, Munich	100.0000	30	1
ERGO Mobility Solutions GmbH, Düsseldorf ¹	100.0000	25	-
ERGO Neunte Beteiligungsgesellschaft mbH, Düsseldorf ¹	100.0000	414,315	0
ERGO Partners N.V., Brussels	100.0000	-7,400	-10,541
ERGO Private Capital Dritte GmbH & Co. KG, Düsseldorf	100.0000	75,569	5,016
ERGO Private Capital Gesundheit GmbH & Co. KG, Düsseldorf	100.0000	305,769	34,699
ERGO Private Capital GmbH, Düsseldorf	100.0000	30	5
ERGO Private Capital Komposit GmbH & Co. KG, Düsseldorf	100.0000	128,680	14,185
ERGO Private Capital Leben GmbH & Co. KG, Düsseldorf	100.0000	85,938	7,564
ERGO Private Capital Vierte GmbH & Co. KG, Düsseldorf	100.0000	22,983	1,973
ERGO Private Capital Zweite GmbH & Co. KG, Düsseldorf	100.0000	22,286	1,226
ERGO Pro S.r.l., Verona	100.0000	-17	-84
ERGO Pro Sp. z o.o., Warsaw	100.0000	999	198
ERGO Pro, spol. s r.o., Prague	100.0000	254	-106
ERGO Versicherungs- und Finanzierungs-Vermittlung GmbH, Hamburg	100.0000	1,074	892
ERGO Zehnte Beteiligungsgesellschaft mbH, Düsseldorf	100.0000	406	-12
ERGO Zwölfte Beteiligungsgesellschaft mbH, Munich	100.0000	68	-1
ERV Sigorta Aracılık Hizmetleri Ltd. Şti., Istanbul	99.9980	116	-12
Etics, s.r.o., Prague	100.0000	77	1
Etoblete 160016 S.L., Valencia	100.0000	-185	-21
Euro-Center (Cyprus) Ltd., Larnaca	100.0000	400	8
Euro-Center (Thailand) Co., Ltd., Bangkok	100.0000	888	68
Euro-Center Cape Town (Pty) Ltd, Cape Town	100.0000	95	8
Euro-Center Holding North Asia (HK) Pte. Ltd., Hong Kong	100.0000	453	-4
Euro-Center Holding SE, Prague	83.3332	5,062	142
Euro-Center Ltda., São Paulo	100.0000	37	7
Euro-Center North Asia Consulting Services (Beijing) Co., Ltd., Beijing	100.0000	288	30
Euro-Center Prague, s.r.o., Prague	100.0000	680	256
EUROCENTER S.A., Palma de Mallorca	100.0000	543	102
Euro-Center USA Inc., New York City, New York	100.0000	921	43
Euro-Center Yerel Yardim Hizmetleri Ltd. Şti., Istanbul	100.0000	252	-133
European Assistance Holding GmbH, Munich	100.0000	17	-1
Evaluación Médica TUW S.L., Barcelona	100.0000	1,042	-1
Everything Legal Ltd., Bristol	100.0000	-111	-250
Exolvo GmbH, Hamburg	100.0000	73	46
FAIRANCE GmbH, Düsseldorf ¹	100.0000	62,880	0
Fernkälte Geschäftsstadt Nord Gesellschaft bürgerlichen Rechts, Hamburg	37.1275	2,037	0
FIA Timber Partners II LP, Wilmington, Delaware	39.0800	143,230	3,388
Finsure Investments (Private) Limited, Harare	24.5000	7,606	797
Flexitel Telefonservice GmbH, Berlin	100.0000	3,665	540
Forst Ebnath AG, Ebnath	100.0000	10,631	551
FOTOUNO S.r.l., Brixen	100.0000	56,687	2,669
FOTOWATIO ITALIA GALATINA S.r.l., Brixen	100.0000	30,158	982
Gamaponti 140014 S.L., Valencia	100.0000	-185	-22
GBG Vogelsanger Straße GmbH, Cologne	94.7826	-510	52
Gebäude Service Gesellschaft Überseering 35 mbH, Hamburg	100.0000	170	145
GIG City Nord GmbH, Hamburg	20.0000	74	12
Global Standards LLC, Dover, Delaware	100.0000	54,710	15,082
goDentis - Gesellschaft für Innovation in der Zahnheilkunde mbH, Cologne	100.0000	739	122
GRANCAN Sun-Line S.L., Valencia	100.0000	16	-17
Great Lakes Re Management Company (Belgium) S.A., Brussels ²	100.0000	0	0
Green Acre LLC, Wilmington, Delaware	31.9361	41,667	4,896
Group Health Group Holdings Inc., Surrey, British Columbia	40.0000	8,270	3,773
Group Risk Services Limited, London	100.0000	1,168	-2,312
Group Risk Technologies Ltd., London	100.0000	1	-
Groves, John & Westrup Limited, London	100.0000	20	0
Guanzu 2002 S.L., Valencia	100.0000	-185	-22
Hamburger Hof Management GmbH, Hamburg ²	100.0000	29	0

Company and registered seat	% share of capital	Equity €k	Result for the year €k
Hamburg-Mannheimer ForsikringService A/S, Copenhagen	100.0000	16	-74
Hancock Timberland XII LP, Wilmington, Delaware	15.1500	214,136	11,540
Hansekuranz Kontor GmbH, Münster	51.0000	2	-23
Hartford Research LLC, Lewes, Delaware ²	41.7500	0	0
Hartford Steam Boiler (M) SDN BHD, Kuala Lumpur	100.0000	-32	-122
Hartford Steam Boiler (Singapore) Pte. Ltd., Singapore	100.0000	-1	-112
Hartford Steam Boiler Colombia Ltda, Bogotá	100.0000	343	23
Hartford Steam Boiler International GmbH, Rheine	100.0000	-206	-477
Hartford Steam Boiler UK Limited, Salford	100.0000	34	7
Helium Systems Inc., Dover, Delaware ³	5.4000	-	-
Hestia Loss Control Sp. z o.o., Sopot	100.0000	124	34
Hines India Fund LP, Houston, Texas	11.8333	63,178	2,248
HMV GFKL Beteiligungs GmbH, Düsseldorf	100.0000	41	-4
Horbach GmbH Versicherungsvermittlung und Finanzdienstleistungen, Düsseldorf	70.1000	289	217
HSB Associates Inc., New York, New York	100.0000	946	-3
HSB Brasil Serviços de Engenharia e Inspeção Ltda, São Paulo	100.0000	177	-43
HSB Engineering Finance Corporation, Dover, Delaware	100.0000	-14,470	-2
HSB Engineering Insurance Services Limited, London	100.0000	5,755	2,190
HSB Group Inc., Dover, Delaware	100.0000	587,684	78,393
HSB International (India) Private Limited, Gujarat	100.0000	375	-3
HSB Japan K.K., Minato-KU, Tokyo	100.0000	1,019	-139
HSB Secure Services Inc., Hartford, Connecticut ²	100.0000	0	0
HSB Solomon Associates Canada Ltd., Saint John, New Brunswick	100.0000	1,218	58
HSB Solomon Associates LLC, Dover, Delaware	100.0000	12,074	1,586
HSB Technical Consulting & Service (Shanghai) Co., Ltd., Shanghai	100.0000	1,353	554
HSB Ventures Inc., Dover, Delaware ²	100.0000	0	0
IDEENKAPITAL Anlagebetreuungs GmbH, Düsseldorf ¹	100.0000	37	0
Ideenkapital Client Service GmbH, Düsseldorf ¹	100.0000	26	0
Ideenkapital erste Investoren Service GmbH, Düsseldorf	100.0000	25	4
IDEENKAPITAL Financial Engineering GmbH, Düsseldorf	100.0000	693	93
IDEENKAPITAL Financial Service GmbH i. L., Düsseldorf	100.0000	373	-1
Ideenkapital Fonds Treuhand GmbH, Düsseldorf	100.0000	49	7
IDEENKAPITAL GmbH, Düsseldorf	100.0000	20,237	14,976
IDEENKAPITAL Media Finance GmbH, Düsseldorf	50.1000	434	33
Ideenkapital Media Treuhand GmbH, Düsseldorf	100.0000	460	98
IDEENKAPITAL Metropolen Europa GmbH & Co. KG, Düsseldorf	72.3477	42,688	1,483
IDEENKAPITAL Metropolen Europa Verwaltungsgesellschaft mbH, Düsseldorf	100.0000	40	6
IDEENKAPITAL PRORENDITA EINS Treuhandgesellschaft mbH, Düsseldorf	100.0000	-1	20
IDEENKAPITAL Schiffsfonds Treuhand GmbH, Düsseldorf	100.0000	52	60
Ideenkapital Treuhand US Real Estate eins GmbH, Düsseldorf	100.0000	43	5
IK Australia Property Eins GmbH & Co. KG, Hamburg	10.6438	14,005	859
IK Einkauf Objekt Eins GmbH & Co. KG, Düsseldorf	100.0000	7,352	421
IK Einkauf Objektmanagement GmbH, Düsseldorf	100.0000	19	2
IK Einkauf Objektverwaltungsgesellschaft mbH, Düsseldorf	100.0000	35	3
IK Einkaufsmärkte Deutschland GmbH & Co. KG, Düsseldorf	52.0387	7,719	164
IK Einkaufsmärkte Deutschland Verwaltungsgesellschaft mbH, Düsseldorf	100.0000	34	3
IK FE Fonds Management GmbH, Düsseldorf	100.0000	-96	-94
IK Komp GmbH, Düsseldorf	100.0000	969	1
IK MEGA 4 Service GmbH, Düsseldorf	100.0000	28	2
IK Objekt Bensheim GmbH, Düsseldorf	100.0000	35	3
IK Objekt Bensheim Immobilienfonds GmbH & Co. KG, Düsseldorf	16.2445	14,263	1,633
IK Objekt Frankfurt Theodor-Heuss-Allee GmbH, Düsseldorf	100.0000	10	-2
IK Objektgesellschaft Frankfurt Theodor-Heuss-Allee GmbH & Co. KG, Düsseldorf	47.4000	644	117
IK Pflegezentrum Uelzen Verwaltungs-GmbH, Düsseldorf	100.0000	31	2
IK Premium Fonds GmbH & Co. KG, Düsseldorf	100.0000	0	-1,627
IK Premium Fonds zwei GmbH & Co. KG, Düsseldorf	100.0000	14,969	14,953
IK Property Eins Verwaltungsgesellschaft mbH, Hamburg	100.0000	31	3
IK Property Treuhand GmbH, Düsseldorf	100.0000	27	2

Company and registered seat	% share of capital	Equity €k	Result for the year €k
IK US PORTFOLIO INVEST Drei GmbH & Co. KG, Düsseldorf	0.0024	16,709	-328
IK US Portfolio Invest DREI Verwaltungs-GmbH, Düsseldorf	100.0000	238	-188
IK US Portfolio Invest GmbH & Co. KG, Düsseldorf	0.0026	19,941	-3,361
IK US Portfolio Invest Verwaltungs-GmbH, Düsseldorf	100.0000	7	-209
IK US Portfolio Invest ZWEI GmbH & Co. KG, Düsseldorf	0.0016	22,740	-6,427
IK US Portfolio Invest ZWEI Verwaltungs-GmbH, Düsseldorf	100.0000	294	-286
IKFE Properties I AG, Zurich	63.5708	14,674	485
Jogszerviz Kft, Budapest	100.0000	17	7
Junos Verwaltungs GmbH, Munich ²	100.0000	25	0
JUSTIS GmbH, Etoy	100.0000	17	-
K & P Objekt Hamburg Hamburger Straße GmbH, Düsseldorf	100.0000	32	2
K & P Objekt Hamburg Hamburger Straße Immobilienfonds GmbH & Co. KG, Düsseldorf	36.6889	162	398
K & P Objekt München Hufelandstraße GmbH i. L., Düsseldorf	100.0000	32	2
K & P Objekt München Hufelandstraße Immobilienfonds GmbH & Co. KG, Düsseldorf	0.0489	6,312	44,116
K & P Pflegezentrum Uelzen IMMAC Renditefonds GmbH & Co. KG, Düsseldorf	84.8445	2,557	486
KA Köln.Assekuranz Agentur GmbH, Cologne ¹	100.0000	25	0
Kapdom-Invest GmbH, Moscow	100.0000	3,216	-1
KarstadtQuelle Finanz Service GmbH i. L., Düsseldorf	50.0000	1,613	-4
King Price Financial Services (Pty) Ltd, Pretoria	15.0000	76,374	-8,520
KQV Solarpark Franken 1 GmbH & Co. KG, Düsseldorf	100.0000	250	151
KS SPV 23 Limited, London	100.0000	20,206	506
Kuik & Partners Credit Management BVBA, Brussels	98.9000	20	-1
Landelijke Associatie van Gerechtsdeurwaarders B.V., Groningen	89.7640	45,634	2,801
Larus Vermögensverwaltungsgesellschaft mbH, Munich ²	100.0000	310	0
LCM Logistic Center Management GmbH, Hamburg	50.0000	119	94
Legal Net GmbH, Munich	100.0000	452	109
Leggler B.V., Amsterdam	100.0000	379	31
LEGIAL AG, Munich	100.0000	7,084	1,583
Lietuva Demetra GmbH, Munich ¹	100.0000	28,618	0
Lloyds Modern Corporation, Dallas, Texas	100.0000	0	0
Longial GmbH, Düsseldorf	100.0000	1,430	666
Lynt Farm Solar Limited, London	100.0000	33,815	650
M 31 Beteiligungsgesellschaft mbH & Co. Energie KG, Düsseldorf	18.6246	1,081,264	71,357
m:editerran Power S.a.s. di welivit Solar Italia S.r.l., Bolzano	100.0000	6,583	221
m:solarPOWER GmbH & Co. KG, Düsseldorf	0.0000	434	115
MAGAZ FOTOVOLTAICA S.L.U., Alcobendas	100.0000	20,509	710
Mandaat B.V., Druen	100.0000	1,171	-2,066
Marbury Agency Inc., Amelia, Ohio ²	100.0000	0	0
Marina Sp. z o.o., Sopot	100.0000	27,686	-125
MAYFAIR Financing GmbH, Munich	100.0000	137	-1
MAYFAIR Holding GmbH & Co. Singapur KG i. L., Düsseldorf	71.4285	472	-8
MAYFAIR Holding GmbH i. L., Düsseldorf	100.0000	35	1
MCAF Management GmbH i. L., Düsseldorf	50.0000	40	1
MCAF Verwaltungs-GmbH & Co. KG i. L., Düsseldorf	50.0000	267	4
MEAG Cash Management GmbH, Munich	100.0000	59	-1
MEAG Hong Kong Limited, Hong Kong	100.0000	8,019	315
MEAG Luxembourg S.à r.l., Luxembourg	100.0000	901	-186
MEAG New York Corporation, Wilmington, Delaware	100.0000	14,228	1,617
MEAG Pacific Star Holdings Ltd., Hong Kong	50.0000	1,191	-95
MEAG Real Estate Erste Beteiligungsgesellschaft mbH i. L., Munich	100.0000	35	1
Mediastream Consulting GmbH, Grünwald	100.0000	36	2
Mediastream Dritte Film GmbH i. L., Grünwald	100.0000	120	10
Mediastream Film GmbH, Grünwald	100.0000	20	-2
Mediastream Zweite Film GmbH, Grünwald	100.0000	117	12
MedNet Bahrain W.L.L., Manama	100.0000	1,659	33
MedNet Egypt LLC, Cairo	100.0000	674	-1,533
MedNet Europa GmbH, Munich	100.0000	3	-1
MedNet Global Healthcare Solutions LLC, Dubai	100.0000	1,134	163
MedNet Greece S.A., Athens	78.1419	1,436	9

Company and registered seat	% share of capital	Equity €k	Result for the year €k
MedNet Holding GmbH, Munich	100.0000	15,146	-2,021
MedNet International Ltd., Nicosia	100.0000	5,289	625
Mednet Jordan Co. W.L.L., Amman	100.0000	1,496	29
MedNet Saudi Arabia LLC, Riyadh	100.0000	1,085	1
MedNet UAE FZ LLC, Dubai	100.0000	3,692	401
MedWell Gesundheits-AG, Cologne	100.0000	90,369	1,005
MEGA 4 GbR, Berlin	34.2912	78,456	-309
MEGA 4 Management GmbH i. L., Düsseldorf	100.0000	19	4
MEGA 4 Treuhand GmbH, Düsseldorf	100.0000	25	-
Merkur Grundstücks- und Beteiligungs-Gesellschaft mit beschränkter Haftung, Düsseldorf ¹	100.0000	2,997	0
Meshify Inc., Dover, Delaware	100.0000	1,504	-1,766
MFI Munich Finance and Investment Holding Ltd., Ta' Xbiex	100.0000	638,138	13,936
MFI Munich Finance and Investment Ltd., Ta' Xbiex	100.0000	631,015	9,554
miCura Pflegedienste Berlin GmbH, Berlin	100.0000	-496	-59
miCura Pflegedienste Bremen GmbH, Bremen ¹	100.0000	99	0
miCura Pflegedienste Düsseldorf GmbH, Düsseldorf ¹	100.0000	174	0
miCura Pflegedienste GmbH, Cologne	100.0000	-503	-35
miCura Pflegedienste Hamburg GmbH, Hamburg	100.0000	-138	17
miCura Pflegedienste Krefeld GmbH, Krefeld ¹	100.0000	191	0
miCura Pflegedienste München/Dachau GmbH, Dachau	51.0000	437	119
miCura Pflegedienste München GmbH i. L., Munich	100.0000	-257	-7
miCura Pflegedienste München Ost GmbH, Munich	65.0000	283	57
miCura Pflegedienste Münster GmbH, Münster ¹	100.0000	144	0
miCura Pflegedienste Nürnberg GmbH, Nuremberg	51.0000	474	128
Midwest Enterprises Inc., Miami, Florida	100.0000	9,886	-829
MR Beteiligungen 1. GmbH, Munich ¹	100.0000	195,936	0
MR Beteiligungen 15. GmbH, Munich ^{1, 2}	100.0000	25	0
MR Beteiligungen 16. GmbH, Munich ¹	100.0000	722,940	0
MR Beteiligungen 17. GmbH, Munich ²	100.0000	189	0
MR Beteiligungen 18. GmbH & Co. Immobilien KG, Grünwald	100.0000	61,477	2,533
MR Beteiligungen 18. GmbH, Grünwald	100.0000	31	1
MR Beteiligungen 19. GmbH, Munich	100.0000	40,334	-1,827
MR Beteiligungen 2. EUR AG & Co. KG, Grünwald	100.0000	1,699,803	127,275
MR Beteiligungen 2. GmbH, Munich ^{1, 2}	100.0000	25	-
MR Beteiligungen 3. EUR AG & Co. KG, Grünwald	100.0000	705,378	5,756
MR Beteiligungen 3. GmbH, Munich ^{1, 2}	100.0000	25	-
MR Beteiligungen AG, Grünwald	100.0000	923	50
MR Beteiligungen EUR AG & Co. KG, Grünwald	100.0000	3,014,832	289,150
MR Beteiligungen GBP AG & Co. KG, Grünwald	100.0000	906,007	133,649
MR Beteiligungen USD AG & Co. KG, Grünwald	100.0000	3,451,539	248,062
MR Debt Finance GmbH, Munich	100.0000	33	-1
MR Digital Innovation Partners Insurance Agency LLC, Columbus, Ohio ²	0.0000	0	0
MR Electra LP, Dover, Delaware	100.0000	114,843	336
MR ERGO Beteiligungen GmbH, Grünwald	100.0000	205,222	-1,724
MR Financial Group GmbH, Munich	100.0000	147	-1
MR Forest GmbH, Munich ^{1, 2}	100.0000	75	0
MR Infrastructure Inc., Dover, Delaware	100.0000	1,745	0
MR Infrastructure Investment GmbH, Munich ¹	100.0000	508,790	0
MR Investment Inc., Dover, Delaware	100.0000	209,310	26
MR Jordan LP, Dover, Delaware ⁵	100.0000	-	-
MR RENT UK Investment Limited, London	100.0000	53,295	-1,074
MR RENT-Investment GmbH, Munich ¹	100.0000	551,243	0
MR RENT-Management GmbH, Munich	100.0000	59	4
MR Solar Beneixama GmbH i. L., Nuremberg ²	100.0000	1	0
MR Solar GmbH & Co. KG, Nuremberg	100.0000	32,591	1,948
MR SOLAR SAS DER WELVIT SOLAR ITALIA S.r.l., Bolzano	100.0000	12,365	490
MRHCUK Dormant No. 1 Limited, London	100.0000	1	0
MSP Underwriting Ltd., London	100.0000	21,274	-1

Company and registered seat	% share of capital	Equity €k	Result for the year €k
Münchener Consultora Internacional SRL, Santiago de Chile	100.0000	961	60
Münchener de Argentina Servicios Técnicos S.R.L., Buenos Aires	100.0000	55	15
Münchener de México S.A., Mexico	100.0000	967	438
Münchener de Venezuela C.A. Intermediaria de Reaseguros, Caracas	100.0000	3	2
Münchener Finanzgruppe AG Beteiligungen, Munich ²	100.0000	50	0
Münchener Vermögensverwaltung GmbH, Munich ²	100.0000	25	0
Münchener, ESCRITÓRIO DE REPRESENTAÇÃO DO BRASIL Ltda, São Paulo	100.0000	68	75
Munich Atlanta Financial Corporation, Atlanta, Georgia	100.0000	17,575	143
Munich Canada Systems Corporation, Toronto, Ontario	100.0000	1	0
Munich Columbia Square Corp., Wilmington, Delaware	100.0000	50	1
Munich Health Alpha GmbH, Munich ¹	100.0000	129,231	0
Munich Health Daman Holding Ltd., Abu Dhabi	51.0000	69,489	15,217
Munich Health Holding AG, Munich ¹	100.0000	610,155	0
Munich Health North America Inc., Wilmington, Delaware	100.0000	850	6,194
Munich Management Pte. Ltd., Singapore	100.0000	2,596	2,068
Munich Re America Brokers Inc., Wilmington, Delaware	100.0000	1,088	0
Munich Re America Management Ltd., London	100.0000	8,115	179
Munich Re America Services Inc., Wilmington, Delaware	100.0000	32,775	1,424
Munich Re Automation Solutions GmbH, Munich	100.0000	71	9
Munich Re Automation Solutions Inc., Wilmington, Delaware	100.0000	99	95
Munich Re Automation Solutions K.K., Tokyo	100.0000	94	43
Munich Re Automation Solutions Limited, Dublin	100.0000	16,062	6,616
Munich Re Automation Solutions Pte. Ltd., Singapore	100.0000	90	42
Munich Re Automation Solutions Pty Ltd, Sydney	100.0000	155	54
Munich Re Capital Markets GmbH, Munich	100.0000	1,700	77
Munich Re Digital Partners Limited, London	100.0000	113	-10
Munich Re Digital Partners US Holding Corporation, Dover, Delaware	100.0000	849	-902
Munich Re India Services Private Limited, Mumbai	100.0000	1,524	192
Munich Re Innovation Systems Inc., Toronto, Ontario	100.0000	1	-
Munich Re New Ventures Inc., Toronto, Ontario	100.0000	34,596	84
Munich Re PCC Limited, Ta' Xbiex	100.0000	5,500	-
Munich Re Reserve Risk Financing Inc., Dover, Delaware	100.0000	88,330	-4,049
Munich Re Specialty Group Ltd., London	100.0000	41,923	18,152
Munich Re Stop Loss Inc., Wilmington, Delaware	100.0000	6,039	2,872
Munich Re Syndicate Hong Kong Ltd., Hong Kong	100.0000	134	0
Munich Re Syndicate Labuan Limited, Labuan	100.0000	142	0
Munich Re Syndicate Limited, London	100.0000	1,837	331
Munich Re Syndicate Middle East Ltd., Dubai	100.0000	300	85
Munich Re Syndicate Singapore Ltd., Singapore	100.0000	187	0
Munich Re Trading LLC, Wilmington, Delaware	100.0000	33,668	-41,640
Munich Re Underwriting Agents (DIFC) Ltd., Dubai	100.0000	5,158	992
Munich Re Weather & Commodity Risk Holding Inc., Wilmington, Delaware	100.0000	193,285	-57
Munich-American Risk Partners GmbH, Munich	100.0000	60	-1
Munich-Canada Management Corp. Ltd., Toronto, Ontario	100.0000	3	0
MunichFinancialGroup AG Holding, Munich ²	100.0000	50	0
MunichFinancialGroup GmbH, Munich	100.0000	1,979	777
MunichFinancialServices AG Holding, Munich ²	100.0000	51	0
Munichre New Zealand Service Ltd., Auckland	100.0000	681,497	52,423
Munichre Service Limited, Hong Kong	100.0000	-2,085	-2,250
N.M.U. (Holdings) Limited, Leeds	100.0000	18	0
Naretoblera 170017 S.L., Valencia	100.0000	-184	-21
Neos Ventures Limited, London	9.4700	4,812	379
Nerruze 120012 S.L., Valencia	100.0000	-185	-21
nexible GmbH, Düsseldorf ¹	100.0000	25	-
Next Insurance Inc., Wilmington, Delaware	6.8716	32,291	-
Nightingale Legal Services Ltd., Bristol	100.0000	-99	-3
NMU Group Limited, London	100.0000	2,253	0
Northern Marine Underwriters Limited, Leeds	100.0000	162	0

Company and registered seat	% share of capital	Equity €k	Result for the year €k
Orrazipo 110011 S.L., Valencia	100.0000	-190	-25
P.A.N. Verwaltungs GmbH, Grünwald ²	100.0000	59	0
Pan Estates LLC, Wilmington, Delaware	100.0000	32,912	291
Pegasos Holding GmbH, Munich	100.0000	25	-
PERILS AG, Zurich	10.0000	7,847	966
Picus Silva Inc., Wilmington, Delaware ⁵	100.0000	-	-
PLATINIA Verwaltungs-GmbH, Munich	100.0000	33	1
POOL Sp. z o.o., Warsaw ²	33.7500	1	0
Princeton Eagle West (Holding) Inc., Wilmington, Delaware	100.0000	868	-34
PROENDITA DREI GmbH & Co. KG, Hamburg	0.0260	5,609	-1,108
PROENDITA DREI Verwaltungsgesellschaft mbH, Hamburg	100.0000	41	5
PROENDITA EINS GmbH & Co. KG, Hamburg	0.0590	7,218	-1,183
PROENDITA EINS Verwaltungsgesellschaft mbH, Hamburg	100.0000	36	2
PROENDITA FÜNF GmbH & Co. KG, Hamburg	0.0384	15,283	-458
PROENDITA FÜNF Verwaltungsgesellschaft mbH, Hamburg	100.0000	39	5
PROENDITA VIER GmbH & Co. KG, Hamburg	0.0029	9,922	-1,920
PROENDITA VIER Verwaltungsgesellschaft mbH, Hamburg	100.0000	38	1
PROENDITA ZWEI GmbH & Co. KG, Hamburg	0.0100	6,044	-1,097
PROENDITA ZWEI Verwaltungsgesellschaft mbH, Hamburg	100.0000	41	4
Reaseguradora de las Américas S.A., Havana ²	100.0000	38	0
Relay Inc., Wilmington, Delaware	14.7800	30,800	-14,868
Renaissance Hotel Realbesitz GmbH, Vienna	60.0000	2,442	592
Rendite Partner Gesellschaft für Vermögensverwaltung mbH i. L., Frankfurt am Main ²	33.3333	0	0
Residential Builders Underwriting Agency Pty Ltd, Sydney	20.0000	639	666
RMS Forest Growth International L.P., Grand Cayman, Cayman Islands	43.4700	85,933	-3,028
Roanoke Group Inc., Schaumburg, Illinois	100.0000	11,281	-8
Roanoke Insurance Group Inc., Schaumburg, Illinois	100.0000	6,068	837
Roanoke International Brokers Limited, London	100.0000	7,270	1,527
Roanoke Trade Insurance Inc., Schaumburg, Illinois ²	100.0000	1	0
RP Vilbeler Fondsgesellschaft mbH i. L., Frankfurt am Main ²	40.0000	2,314	0
Rural Affinity Insurance Agency Pty Ltd, Sydney	50.0000	207	46
SAINT LEON ENERGIE S.A.R.L., Sarreguemines	100.0000	100	64
Sana Kliniken AG, Munich	22.4128	413,693	38,288
Schloss Hohenkammer GmbH, Hohenkammer ¹	100.0000	4,288	0
Schrömbgens & Stephan GmbH Versicherungsmakler, Düsseldorf	100.0000	1,910	438
Scout Moor Group Limited, London	100.0000	10,784	794
Scout Moor Holdings (No. 1) Limited, London	100.0000	1,915	2,119
Scout Moor Holdings (No. 2) Limited, London	100.0000	479	4,207
Scout Moor Wind Farm (No. 2) Limited, London	100.0000	23	-7
Scout Moor Wind Farm Limited, London	100.0000	31,417	3,794
SEBA Beteiligungsgesellschaft mbH, Nuremberg	48.9966	116,576	-7,478
SEIF II Texas Wind Holdings 1 LLC, Dover, Delaware	49.0000	72	-
Sekundi CVBA, Brussels	33.3333	35	5
Silvanus Vermögensverwaltungsges. mbH, Munich ¹	100.0000	408,125	0
SIP Social Impact Partners GmbH, Munich	50.0000	23	-1
Slice Labs Inc., Ottawa, Ontario	9.4100	5,340	-
Smart Thinking Consulting (Beijing) Co., Ltd., Beijing	100.0000	128	-
Solarpark 1000 Jahre Fürth GmbH & Co. KG, Düsseldorf	100.0000	644	90
Solarpark Fusion 3 GmbH, Düsseldorf	100.0000	9,539	446
Solomon Associates Limited, Farnborough	100.0000	828	28
Sopockie Towarzystwo Doradcze Sp. z o.o., Sopot	100.0000	25	1
Specialty Insurance Services Corp., Amelia, Ohio	100.0000	855	-235
STEAG Fernwärme GmbH, Essen	49.0000	20,500	-
Stichting Aandelen Beheer D.A.S. Holding, Amsterdam	100.0000	255	0
SunEnergy & Partners S.r.l., Brixen	100.0000	64,297	2,676
Super Home Inc., Wilmington, Delaware ³	16.8200	-	-
Sustainable Finance Risk Consulting GmbH, Munich	100.0000	22	-3
Sydney Euro-Center Pty Ltd, Sydney	100.0000	239	18

Company and registered seat	% share of capital	Equity €k	Result for the year €k
Synkronos Italia S.r.l., Milan	80.3500	1,316	-392
T&R GP Management GmbH, Bonn	10.0020	25	-2
T&R MLP GmbH, Bonn	10.0020	25	-3
T&R Real Estate GmbH, Bonn	10.0020	140,841	-26
TAS Assekuranz Service GmbH, Frankfurt am Main	100.0000	34	-2
TAS Touristik Assekuranzmakler und Service GmbH, Frankfurt am Main ¹	100.0000	256	0
Taunus Holding B.V., Rotterdam	23.1913	24	4
Teko - Technisches Kontor für Versicherungen Gesellschaft mit beschränkter Haftung, Düsseldorf	30.0000	51	25
The Atlas Insurance Agency Inc., Amelia, Ohio	100.0000	436	-45
The Midland Company, Cincinnati, Ohio	100.0000	58,885	30,203
The Polytechnic Club Inc., Hartford, Connecticut ²	100.0000	0	0
Three Lions Underwriting Ltd., London	100.0000	1,597	-243
Tillobesta 180018 S.L., Valencia	100.0000	-184	-22
Tir Mostyn and Foel Goch Limited, London	100.0000	-6,205	-2,190
Triple IP B.V., Culemborg	100.0000	85	58
Trov Inc., Dover, Delaware	4.7200	36,548	-
T-Solar Global Operating Assets S.L., Madrid	37.0000	176,106	-27,337
UAB Agrofondas, Vilnius	100.0000	265	62
UAB Agrolaukai, Vilnius	100.0000	480	97
UAB Agrovalda, Vilnius	100.0000	1,678	96
UAB Agrovesta, Vilnius	100.0000	677	59
UAB G.Q.F., Vilnius	100.0000	298	39
UAB Sietuve, Vilnius	100.0000	2,530	189
UAB Ukelis, Vilnius	100.0000	668	52
UAB Vasaros Brizas, Vilnius	100.0000	574	31
UAB VL Investment Vilnius 5, Vilnius	100.0000	1,743	10
UAB VL Investment Vilnius 6, Vilnius	100.0000	1,110	10
UAB VL Investment Vilnius 7, Vilnius	100.0000	1,107	10
UAB VL Investment Vilnius 8, Vilnius	100.0000	1,241	10
UAB VL Investment Vilnius 9, Vilnius	100.0000	1,487	11
UAB VL Investment Vilnius 1, Vilnius	100.0000	1,245	10
UAB VL Investment Vilnius 10, Vilnius	100.0000	1,019	9
UAB VL Investment Vilnius 2, Vilnius	100.0000	1,049	9
UAB VL Investment Vilnius 3, Vilnius	100.0000	1,266	10
UAB VL Investment Vilnius 4, Vilnius	100.0000	1,347	8
UAB VL Investment Vilnius, Vilnius	100.0000	12,224	-38
UK Wind Holdings Ltd., London	100.0000	17	-4
Umspannwerk Hellberge GmbH & Co. KG, Treuenbrietzen	6.9000	-2,043	-135
US PROPERTIES VA GmbH & Co. KG, Düsseldorf	46.0939	18,737	12,051
US PROPERTIES VA Verwaltungs-GmbH, Düsseldorf	100.0000	52	-152
Van Arkel Gerechtsdeurwaarders B.V., Leiden	100.0000	20,260	-2,086
Vectis Claims Services Ltd., Tel Aviv	75.0000	110	105
vers.diagnose GmbH, Hannover	49.0000	35	-41
Verwaltungsgesellschaft "PORT ELISABETH" mbH, Bramstedt	50.0000	25	4
Verwaltungsgesellschaft "PORT KELANG" mbH, Bramstedt	50.0000	22	2
Verwaltungsgesellschaft "PORT LOUIS" mbH, Bramstedt	50.0000	36	2
Verwaltungsgesellschaft "PORT MAUBERT" mbH, Bramstedt	50.0000	19	1
Verwaltungsgesellschaft "PORT MELBOURNE" mbH, Bramstedt	50.0000	20	2
Verwaltungsgesellschaft "PORT MENIER" mbH, Bramstedt	50.0000	35	1
Verwaltungsgesellschaft "PORT MOODY" mbH, Bramstedt	50.0000	17	2
Verwaltungsgesellschaft "PORT MORESBY" mbH, Bramstedt	50.0000	20	2
Verwaltungsgesellschaft "PORT MOUTON" mbH, Bramstedt	50.0000	44	-1
Verwaltungsgesellschaft "PORT NELSON" mbH, Bramstedt	50.0000	21	2
Verwaltungsgesellschaft "PORT RUSSEL" mbH, Bramstedt	50.0000	41	3
Verwaltungsgesellschaft "PORT SAID" mbH, Bramstedt	50.0000	17	1
Verwaltungsgesellschaft "PORT STANLEY" mbH, Bramstedt	50.0000	20	2
Verwaltungsgesellschaft "PORT STEWART" mbH, Bramstedt	50.0000	32	1
Verwaltungsgesellschaft "PORT UNION" mbH, Bramstedt	50.0000	21	2

Company and registered seat	% share of capital	Equity €k	Result for the year €k
VFG Vorsorge-Finanzierungsconsulting GmbH, Vienna	100.0000	434	-150
VHDK Beteiligungsgesellschaft mbH, Düsseldorf	100.0000	1,159	1,134
VICTORIA Asien Immobilienbeteiligungs GmbH & Co. KG, Munich	100.0000	10,749	1,005
VICTORIA Immobilien Management GmbH, Munich	100.0000	186	-1
VICTORIA Immobilien-Fonds GmbH, Düsseldorf	100.0000	97	-6
VICTORIA Italy Property GmbH, Düsseldorf	100.0000	65	-8
VICTORIA US Property Investment GmbH, Düsseldorf	100.0000	100	-8
VICTORIA US Property Zwei GmbH i. L., Munich ²	100.0000	101	0
VICTORIA Vierte Beteiligungsgesellschaft mbH, Düsseldorf	100.0000	191,795	5,644
Victoria Vierter Bauabschnitt GmbH & Co. KG, Düsseldorf	100.0000	61,614	3,714
Victoria Vierter Bauabschnitt Management GmbH, Düsseldorf	100.0000	28	1
Vier Gas Investments S.à r.l., Luxembourg	43.7516	376,535	49,649
VisEq GmbH, Grünwald	34.0000	135	-52
Viwis GmbH, Munich ¹	100.0000	1,013	0
Volksbanken-Versicherungsdienst GmbH, Vienna	25.2319	4,035	375
Vorsorge Service GmbH, Düsseldorf	100.0000	74	-43
VV Immobilien GmbH & Co. United States KG i. L., Munich	28.9515	10	114
VV Immobilien GmbH & Co. US City KG i. L., Munich	23.0999	9	-93
VV Immobilien Verwaltungs GmbH, Munich	30.0000	383	-11
VV Immobilien Verwaltungs und Beteiligungs GmbH, Munich	30.0000	1,903	175
VV-Consulting Gesellschaft für Risikoanalyse, Vorsorgeberatung und Versicherungsvermittlung GmbH, Vienna	100.0000	550	91
VV-Consulting Többesügnöki Kft, Budapest	100.0000	69	1
We Predict Limited, Swansea	17.5900	1,618	-3,438
welivit GmbH, Düsseldorf	100.0000	1,354	282
welivit New Energy GmbH, Düsseldorf	100.0000	222	120
welivit Solar España GmbH, Düsseldorf	100.0000	99	40
Welivit Solar Italia S.r.l., Bolzano	100.0000	302	71
welivit Solarfonds GmbH & Co. KG, Düsseldorf	100.0000	25,936	935
welivit Solarfonds S.a.s. di welivit Solar Italia S.r.l., Bolzano	100.0000	19,067	598
welivit TOP SOLAR GmbH & Co. KG, Düsseldorf	0.0000	75	41
WFB Stockholm Management AB, Stockholm	50.0000	48,076	3,185
Wind Farm Iglasjön AB, Hässleholm	100.0000	29,723	-
Wind Farms Götaland Svealand AB, Hässleholm	100.0000	30,881	-3,835
Wind Farms Västra Götaland AB, Hässleholm	100.0000	13,595	-1
Windpark Langengrassau Infrastruktur GbR, Bremen ²	83.3300	0	0
Windpark MR-B GmbH & Co. KG, Bremen	100.0000	9,061	-1,365
Windpark MR-D GmbH & Co. KG, Bremen	100.0000	4,567	-660
Windpark MR-N GmbH & Co. KG, Bremen	100.0000	904	-30
Windpark MR-S GmbH & Co. KG, Bremen	100.0000	1,062	-75
Windpark MR-T GmbH & Co. KG, Bremen	100.0000	818	43
Windpark Osterhausen-Mittelhausen Infrastruktur GbR, Bremen	58.9400	269	-22
WISMA ATRIA Holding GmbH & Co. Singapur KG i. L., Düsseldorf	65.0000	245	-7
WISMA ATRIA Holding GmbH i. L., Düsseldorf	50.0000	37	1
WNE Solarfonds Süddeutschland 2 GmbH & Co. KG, Düsseldorf	100.0000	245	822
Wohnungsgesellschaft Brela mbH, Hamburg ¹	100.0000	102	0
WP Kladrum/Dargelütz GbR, Bremen	55.6500	1	5
wse Solarpark Spanien 1 GmbH & Co. KG, Düsseldorf	75.1243	5,836	102
X-Pact B.V., The Hague	62.5000	386	368
Zacubu 110011 S.L., Valencia	100.0000	-95	-19
Zacuba 6006 S.L., Valencia	100.0000	-96	-20
Zacubacon 150015 S.L., Valencia	100.0000	-93	-20
Zafacesbe 120012 S.L., Valencia	100.0000	-91	-20
Zapacubi 8008 S.L., Valencia	100.0000	-100	-19
Zarzacolumbu 100010 S.L., Valencia	100.0000	-92	-19
Zetaza 4004 S.L., Valencia	100.0000	-151	-21
Zicobucar 140014 S.L., Valencia	100.0000	-96	-20
Zucaelo 130013 S.L., Valencia	100.0000	-92	-20

Company and registered seat	% share of capital	Equity €k	Result for the year €k
Zucampobi 3003 S.L., Valencia	100.0000	-96	-20
Zucarrobiso 2002 S.L., Valencia	100.0000	-94	-20
Zucobaco 7007 S.L., Valencia	100.0000	-95	-20
Zulazor 3003 S.L., Valencia	100.0000	-146	-22
Zumbicobi 5005 S.L., Valencia	100.0000	-96	-19
Zumcasba 1001 S.L., Valencia	100.0000	-24	-24
Zuncabu 4004 S.L., Valencia	100.0000	-97	-20
Zuncolubo 9009 S.L., Valencia	100.0000	-94	-20

1 This company has a profit and loss transfer agreement.

2 No active business operations.

3 This company, over which Munich Reinsurance Company does not exercise control, is not required to prepare or disclose financial statements. Accordingly, we make use of the option to make this company exempt in accordance with Section 286(3) sentence 2 of the German Commercial Code, and forgo the disclosures on equity and the result for the year.

4 Munich Reinsurance Company is a fully liable party in this company.

5 Newly created/acquired or relocated in the 2017 financial year.

Drawn up and released for publication, 6 March 2018.

The Board of Management

Independent auditor's report

To Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München, Munich

Report on the Audit of the Annual Financial Statements and of the Combined Management Report

Opinions

We have audited the annual financial statements of Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München, Munich, which comprise the balance sheet as at 31 December 2017, and the income statement for the financial year from 1 January to 31 December 2017 and notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the combined management report of Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München, Munich, for the financial year from 1 January to 31 December 2017.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to insurance companies and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2017 and of its financial performance for the financial year from 1 January to 31 December 2017 in compliance with German Legally Required Accounting Principles, and
- the accompanying combined management report as a whole provides an appropriate view of the Company's position. In all material respects, this combined management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to Section 322(3) sentence 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the combined management report.

Basis for the Opinions

We conducted our audit of the annual financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation No. 537/2014 (referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for

the Audit of the Annual Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10(2)(f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5(1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the annual financial statements and on the combined management report.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from 1 January to 31 December 2017. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Valuation of the provision for outstanding claims in property-casualty business

For information on the accounting and valuation policies used, please see the notes to the annual financial statements on page 15. Further information about the line items in the financial statements can be found on page 23. Information about risks can be found in the combined management report on pages 70–71.

The financial statement risk

The provision for outstanding claims in property-casualty business mounted to €34,226m at the reporting date, of which €12,650m refers to third-party liability. Large losses from natural catastrophes had an impact of €2,651m on the year, in particular from Hurricanes Harvey, Irma and Maria.

The determination of the provision for outstanding claims results from the cedants' statements and from the application of actuarial processes in line with statistical methods, which require a sufficiently lengthy data history and stability of the observed data. The expected value takes account of assumptions about premium, ultimate loss ratios, run-off periods, factors and speed of settlement that are based on past experience. Management bases the final amount of the provision for outstanding claims on the results of actuarial procedures and after making allowance for calculating associated uncertainties. The provision for outstanding claims under German accounting rules is valued in accordance with the principle of prudence. Major losses are viewed separately when measuring provisions.

Estimation of the provision for outstanding claims is subject to uncertainty and depends on the exercise of judgement. Uncertainties in estimation arise in particular from the occurrence, amount and speed of settlement of

large claims, long-term claims development (especially in third-party liability) and in relation to the estimation of special loss scenarios, such as provisions for asbestos and environmental claims. With large losses in particular – such as for the hurricane events – it can take a long time before all claims notifications are received from cedants. Where no adequate claims notifications are available, provisions for these large losses are estimated on the basis of internal analyses of market loss and the company's own losses on the basis of cover it has provided.

Our audit approach

In auditing the provision for outstanding claims, we engaged actuaries as part of the audit team. In particular, we carried out the following key audit procedures:

- We assessed the process for setting aside provisions, identified key controls, and tested their design and effectiveness. The controls include the completeness and accuracy of the data used, and the qualitative and quantitative aspects of valuation.
- We inquired for explanations on the derivation of key assumptions used – including loss ratios and assumptions about run-off patterns – and assessed those assumptions.
- Substantive audit procedures on major losses were mainly made on the basis of selected specific items, whereby we drew conclusions about the appropriateness of key assumptions used on the basis of available external information.
- With respect to losses from the hurricanes Harvey, Irma and Maria, we audited the assumptions of losses on the basis of inquiries and inspection of documents and – where possible – compared these with available external information. We also inspected selected claims notifications in the affected units and assessed whether these matched up to the Company's estimates.
- We carried out our own reserve calculations for certain segments based on our assessment of risk considerations. We set a point estimate on the basis of best estimates and defined an appropriate range based on statistical probabilities, and compared these with the Company's calculations.
- We assessed the level of reserves at the reporting date with that in previous years. We assessed the appropriateness of the amendments to actuarial estimates made by management on the basis of prudent commercial sense, by inspecting the underlying calculations or qualitative reasoning and subjecting them to critical analysis. We also spoke to the Company's actuaries.
- We assessed the actual development of the provision for outstanding claims set for the previous year on the basis of run-off results in order to draw conclusions about the reliability of the estimates.

- We assessed the appropriateness of provisions for asbestos and environmental claims on the basis of statistics and key figures.

Our observations

The valuation process for the provision for outstanding claims in property-casualty business is appropriate. The valuation assumptions (including those for major losses) are reasonable and prudent. In the segments that we audited, the provisions are set above the point estimate we calculated independently.

Valuation of provision for future policy benefits and the provision for outstanding claims in life and health

For information on the accounting and valuation policies used, please see the notes to the annual financial statements on page 15. Further information about the line items in the financial statements can be found on page 23. Information about risks can be found in the combined management report on pages 71-72.

The financial statement risk

Provisions in life and health mainly comprise the provision for future policy benefits of €11,738m and the provision for outstanding claims of €2,150m.

Valuation of the provision for future policy benefits is based on the principle of prudence, and is derived from the present values of future benefits and future premiums. The selection of actuarial assumptions used is made in accordance with accounting and supervisory regulations. Munich Reinsurance Company uses the values reported by cedants or carries out its own valuation if sufficient data is available. In cases where Munich Reinsurance Company thinks the technical provisions in accordance with German accounting rules (HGB) are insufficiently conservative, reserve strengthening is made on the basis of its own assumptions. There is uncertainty in particular with respect to estimating valuation parameters, especially with respect to realistic biometric actuarial assumptions for mortality, mortality trends, or disability, and socio-economic factors such as assumed behaviour of policyholders (e.g. lapse).

In life reinsurance, the provision for outstanding claims is mainly accounted for on the basis of information from the cedant. Own valuations are carried out if there is insufficient data or lack of cedant statements. In health business, the provision for outstanding claims is calculated on the basis of claims experience and expert estimates.

Estimation of the provision for outstanding claims is subject to uncertainty and depends on the exercise of judgement. There is uncertainty about estimates in health business with respect to the number and volume of unreported claims.

Our audit approach

In auditing the provisions in life and health business, we engaged actuaries as part of the audit team. In particular, we carried out the following key audit procedures:

- We assessed the process for setting aside provisions, identified key controls, and tested their design and effectiveness. We focused in particular on the process to check provisions and their appropriateness, and where the assumptions for any required reserve strengthening are decided.
- In particular for the foreign business, we assessed the appropriateness of key assumptions by assessing the actuarial methods used to derive those assumptions. We also examined whether there are adequate reserves from a German accounting (HGB) perspective.
- We compared forecast and actual results of individual operating entities with market developments, thus deriving assessments about the reliability of the estimates.
- We assessed development of the provision for future policy benefits and provision for outstanding claims compared to the previous year, and made an assessment taking into account current business developments and our expectations from market observations.
- If an own measurement was made for the provision for outstanding claims, we checked on the appropriateness by inspecting the underlying calculations or qualitative reasoning and subjecting them to critical analysis.

Our observations

The valuation method used for the provision for future policy benefits and the provision for outstanding claims in life and health is appropriate. Valuation assumptions are adequate and prudent.

Valuation of shares in affiliated companies

With regard to accounting methods, please see page 14 of the disclosures in the notes to the financial statements; information on further breakdown of line items can be found on page 17, and information about the presentation of present value and valuation reserves on page 20. See pages 33–46 of the notes for information about the list of shareholdings. Information about risks can be found in the combined management report on pages 72–74.

The financial statement risk

Investments in affiliated companies amounted to €31,238m at reporting date and make up a significant part of the investments.

The shares in affiliated companies are valued at their cost of acquisition or a lower fair value. This fair value is normally determined on the basis of the discounted earnings method or the discounted cash flow method. If the fair value is enduringly above the value of the previous year, the investment can be written up to a maximum of the acquisition cost.

A range of judgemental parameters are determined for the valuation. Important factors influencing the valuation are the determination of cash flow projections, discount rates and growth rates. Both business performance and a sustainable return on investment need to be determined. The discount rate requires particular estimation in determining the risk spread and the beta factor, and the same applies to growth rate. Because of this era of permanently low interest rates, the valuation of life insurance companies is fraught with risk, in particular.

Our audit approach

In auditing the investments in affiliated companies, we engaged valuation specialists as part of the audit team. In particular, we carried out the following key audit procedures:

- We assessed the adequacy of the internal controls set up for the valuations process and are convinced of their effectiveness after carrying out functional tests. Our focus was on quality assurance controls.
- Within the scope of a risk-based sample, we critically assessed the assumptions used for cash flow projections in the light of our understanding of the business and branches and the economic developments.
- In order to assess the quality of internal forecast processes, we compared with sampled projections with internal business plans, and compared previous planning forecasts with the realised results.
- In order to ensure that the valuation models used were correct, we recalculated the Company's calculations on the basis of risk-based samples.
- We compared the interest rates used for discounting with own assumptions, and checked observable market parameters against independent sources. We used our own valuation specialists for this purpose.
- In order to take account of existing forecast uncertainty, we also analysed the fair value (sensitivity analyses) of possible changes to the discount factor, long-term growth rates and the combined ratio by calculating alternative scenarios and comparing them with the Company's valuation results.
- We assessed whether the subsequent measurement based on the valuation results was correct.

Our observations

The process underlying the impairment test for shares in affiliated companies is appropriate and is in line with valuation principles. The Company's assumptions and parameters are appropriate. The present values determined on the basis of the valuation procedures lie overall within a range we consider to be appropriate. The subsequent measurement is correct.

Other Information

Management is responsible for the other information. The other information comprises the remaining parts of the annual report, with the exception of the audited annual financial statements and combined management report and our auditor's report.

Our opinions on the annual financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the combined management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Supervisory Board for the Annual Financial Statements and the Combined Management Report

Management is responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to insurance companies, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, management is responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, management is responsible for the preparation of the combined management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The Supervisory Board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the combined management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the annual financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this combined management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- Evaluate the consistency of the combined management report with the annual financial statements, its conformity with [German] law, and the view of the Company's position it provides.

- Perform audit procedures on the prospective information presented by management in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other Legal and Regulatory Requirements

Further Information pursuant to Article 10 of the EU Audit Regulation

We were selected as Group auditor by the Supervisory Board on 14 March 2017. We were engaged by the Chairman of the Audit Committee of the Supervisory Board on 10 November 2017. We have been the Group auditor of the Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München, Munich, without interruption for more than 25 years.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the Audit Committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Dr. Frank Ellenbürger.

Munich, 7 March 2018

KPMG Bayerische Treuhandgesellschaft

Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Dr. Ellenbürger

Wirtschaftsprüfer
[German Public Auditor]

Voß

Wirtschaftsprüferin
[German Public Auditor]

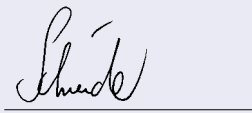
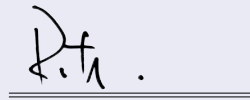
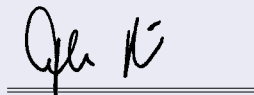
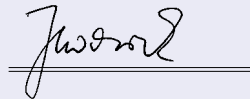
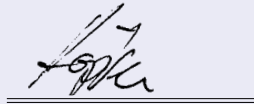
Responsibility statement

“To the best of our knowledge, and in accordance with the applicable reporting principles, the annual financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and the combined management report for the Company and the Group includes a fair review of the development and performance of the business and the position of the Company, together with a description of the material opportunities and risks associated with the expected development of the Company.”

Munich, 14 March 2018



Bleumich



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Responsible for content

Financial and Regulatory Reporting
Group Communications

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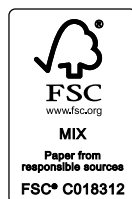
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Greenhouse gas emissions from paper production for this annual report are offset through Munich Re's carbon-neutral strategy.

Important dates 2018

15 March 2018
Balance sheet press conference
for 2017 consolidated financial statements

25 April 2018
Annual General Meeting

8 May 2018
Quarterly Statement as at 31 March 2018

8 August 2018
Half-Year Financial Report as at 30 June 2018

7 November 2018
Quarterly Statement as at 30 September 2018

Important dates 2019

20 March 2019
Balance sheet press conference
for 2018 consolidated financial statements

30 April 2019
Annual General Meeting

8 May 2019
Quarterly Statement as at 31 March 2019

7 August 2019
Half-Year Financial Report as at 30 June 2019

7 November 2019
Quarterly Statement as at 30 September 2019